



**LYRICAL VALUE FUNDS (LUX)**

*(Société d'Investissement à Capital Variable)*

**Annual Report**

31 December 2022

Including Audited Financial Statements

*No subscriptions can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the Key Investor Information Document ("KIID") and the current prospectus accompanied by the annual report or the most recent semi-annual report, if published thereafter.*

*Register of Commerce Luxembourg No. B 249865.*

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## **LYRICAL VALUE FUNDS (LUX) BOARD OF DIRECTORS**

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### **Chairman**

*Sheenagh Gordon Hart*  
Independent director  
19, Rue de Bitbourg  
L-1273 Luxembourg  
Grand Duchy of Luxembourg

### **Directors**

*Jan Stig Rasmussen*  
Independent director  
11, rue de Wecker  
L-6795, Grevenmacher  
Grand Duchy of Luxembourg

### *David Merklin*

Managing Director at Lyrical Partners L.P.  
250 West 55th Street, 37th Floor  
New York, NY 10019  
United States of America

### **Registered Office**

80, route d'Esch  
L-1470 Luxembourg  
Grand Duchy of Luxembourg

## **LYRICAL VALUE FUNDS (LUX) MANAGEMENT AND ADMINISTRATION**

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### **Management Company**

Waystone Management Company (Lux) S.A.  
19 rue de Bitbourg  
L-1273 Luxembourg  
Grand Duchy of Luxembourg

### **Investment Manager and Global Distributor**

Lyrical Asset Management L.P.  
250 West 55th Street, 37th Floor  
New York, NY 10019  
United States of America

### **Depository, Registrar and Transfer, Corporate, Domiciliary and Administrative Agent**

Brown Brothers Harriman (Luxembourg) S.C.A.  
80, route d'Esch  
L-1470 Luxembourg  
Grand Duchy of Luxembourg

### **Auditor**

PricewaterhouseCoopers  
2 Rue Gerhard Mercator  
L-2182 Luxembourg  
Grand Duchy of Luxembourg

### **Legal Adviser**

Elvinger Hoss Prussen, *société anonyme*  
2, Place Winston Churchill  
L-1340 Luxembourg  
Grand Duchy of Luxembourg

## LYRICAL VALUE FUNDS (LUX) DIRECTORS' REPORT (Unaudited)

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Dear Shareholder,

The Board of Directors (the "Board") is pleased to present the Annual Report for Lyrical Value Funds (Lux) SICAV (the 'SICAV') for the year ended 31 December 2022, of which our Board Report forms part.

The Board reviewed and discussed the SICAV's 2022 accounts with the Management Company Waystone Management Company (Lux) S.A. and found them consistent with the accounting documents and information provided to us. As a result, the Board believes the annual report and accounts are fair, balanced, and understandable and provide the information necessary for shareholders to assess the SICAV's financial position, performance, business model, and business strategy.

Furthermore, the Board has received and reviewed the Management Company's formal quarterly reports on its activities and responsibilities, including the activities of those to whom it has delegated certain functions, mainly the depositary, Brown Brothers Harriman (Luxembourg) S.C.A. The Board believes these reports adequately document compliance with the internal controls the Board, and the Management Company, have established to ensure that the SICAV meets the obligations to shareholders based on the prospectus, articles of incorporation and all relevant regulations.

At the end of 2022, the SICAV's range of Sub-Funds were as follows

- Global Impact Value Equity Strategy Sub-Fund
- Global Value Equity Strategy Sub-Fund
- U.S. Value Equity Strategy Sub-Fund
- U.S. Value Equity Strategy II Sub-Fund

### Events during the financial year

During the financial year, the total net assets of the Fund decreased from USD 1,068.2 million to USD 650.2 million. Redemptions overtook subscriptions overall, with a net outflow for the SICAV of USD 237 million, out of which the U.S. Value Equity Strategy Sub-Fund accounted for USD 326 million. Please refer to the Investment Manager report on the investment activity over the financial year.

The Board reviews the investment performance every quarter with the Investment Manager. The one-year returns of the various Sub-Funds amount to:

Name	Annual Return
Global Impact Value Equity Strategy Sub-Fund USD	-16.8%
Global Value Equity Strategy Sub-Fund USD	-15.0%
U.S. Value Equity Strategy Sub-Fund USD	-17.1%
U.S. Value Equity Strategy II Sub-Fund USD	-15.9%

The Ukraine war started at the beginning of the financial year. The SICAV had no direct exposure to Ukraine, Belarus, and Russia. Hence, the Board did not see any meaningful impact on the portfolio but rather through higher energy prices and a weaker European economy.

Please refer to the Investment Manager report for more detailed performance and portfolio activity.

The Board agreed to annual income distributions for the distributing share class of the U.S. Value Equity Strategy II – CS Dis. In the financial year, the distribution amounted to USD 0.8. Such distributions may vary yearly.

### Changes to the prospectus

During 2022 the prospectus of the SICAV was amended to accommodate investor needs and the Sustainable Finance Disclosure Regulation ("SFDR"). At year-end, the SICAV had one Article 9 Sub-Fund according to SFDR, i.e., the Global Impact Value Equity Strategy ("GIVES") Sub-Fund. In contrast, the rest of the Sub-Funds follows Article 6 of the Regulation.



## LYRICAL VALUE FUNDS (LUX) DIRECTORS' REPORT (Unaudited) (Continued)

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You will find more information about the investment approach and ESG-related (Environmental, Social and Governance) matters on the Investment Manager's website, [www.lyricalam.com](http://www.lyricalam.com).

### SFDR Reporting

This annual report also includes SFDR reporting, which further increases transparency. These reports follow the guidelines and templates issued by the authorities for the relevant Sub-Funds. In addition, it contains applicable information on Principal Adverse Impacts (PAI) indicators. PAI consists of a list of sustainability factors that must be considered for investment decisions. Those indicators relate to environmental and social topics. These disclosures are only required for the Global Impact Value Equity Strategy Sub-Fund.

### Governance: The responsibility of the Board

The Board is responsible for the overall management and control of the SICAV in accordance with its articles of association. The Board is also responsible for implementing each Sub-Fund's investment objective and policies and for overseeing the administration and operation of each Sub-Fund. The Board has the broadest powers to act in any circumstances on behalf of the SICAV, subject to the powers reserved by law to the Shareholders of the SICAV. The Board has delegated certain authorities to the Management Company in accordance with the SICAV's articles of association, the Prospectus and applicable law. The Management Company is responsible, subject to the overall supervision of the Board, for the provision of investment management services, administrative services and marketing services to the SICAV.

The Board is also responsible for preparing the annual report and financial statements in accordance with applicable laws and regulations.

Given the SICAV's business scope and nature, the Board does not consider it necessary to have any standing committees. Therefore, the entire Board addresses all board-related matters, including audit and remuneration. The Board seeks to achieve the highest standards of corporate governance and potential conflicts of interest are declared at each meeting of the Board. In case of any conflict, the declaring Directors will refrain from any relevant discussion and related decision. No conflicts were declared during the course of 2022. During 2022 the Board held five meetings. Moreover, the Board signed 4 Circular Resolutions. Circular Resolutions are a mechanism that allows the Board to pass a resolution without a physical meeting. They are commonly used for non-contentious and routine resolutions that must be passed between board meetings.

### Board Compensation

Compensation of the Board, only paid to non-Executive Directors, includes remuneration, and expense reimbursement. Compensation for 2022 can be found in the notes of the annual report.

### The Annual General Meeting will be held on 12 May 2023

The Annual General Meeting will address the following matters related to the completed 2022 financial year. Since the Board propose no particular business and are unaware of any proposals from shareholders, we believe the meeting will include the following routine matters only:

- the adoption of financial statements and approval of the allocation of the results;
- the re-election of directors of the Board;
- the approval of the directors' remuneration;
- the election of the auditor; and
- the discharge of directors' duties.

Based on our review of the information provided, we recommend that shareholders vote to support all board proposals on the above matters, including the election of E&Y as the SICAV's auditor for 2023, replacing PWC.

## **LYRICAL VALUE FUNDS (LUX) DIRECTORS' REPORT (Unaudited) (Continued)**

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### **In Closing**

The Board wishes to thank our Shareholders for your continued support. Also, the Board wants to thank everyone involved in the management of Lyrical Value Funds (Lux) SICAV for their dedicated work during the past financial year. The Board looks forward to providing shareholders with the highest possible satisfaction.

Yours sincerely,

Sheenagh Gordon-Hart, Chairperson  
On behalf of the Board  
24 April 2023



## **Audit report**

To the Shareholders of  
**LYRICAL VALUE FUNDS (LUX)**

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### **Our opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of LYRICAL VALUE FUNDS (LUX) (the “Fund”) and of each of its sub-funds as at 31 December 2022, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund’s financial statements comprise:

- the statement of net assets as at 31 December 2022;
- the statement of operations and changes in net assets for the year then ended;
- the schedule of investments as at 31 December 2022; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### **Basis for opinion**

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

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

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

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### **Other information**

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

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

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T : +352 494848 1, F : +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*





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

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

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

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

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#### **Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements**

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

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

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



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

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

PricewaterhouseCoopers, Société coopérative

Luxembourg, 24 April 2023

Represented by

Electronically signed by:  
Laurent Buttice

A handwritten signature in black ink, appearing to read 'Laurent Buttice', is written over a faint, light-colored signature line.

Laurent Buttice

**LYRICAL VALUE FUNDS (LUX)**  
**STATEMENT OF NET ASSETS**  
**As at 31 December 2022**

	U.S. Value Equity Strategy Sub-Fund USD	Global Value Equity Strategy Sub-Fund USD	Global Impact Value Equity Strategy Sub-Fund USD	U.S. Value Equity Strategy - II Sub-Fund USD	Total USD
<b>Assets</b>					
Investments in securities at market value . . .	536,798,301	1,024,437	4,125,378	103,365,531	645,313,647
Cash and cash equivalent . . . . .	5,766,312	25,015	42,791	1,660,543	7,494,661
Dividends receivable . . . . .	220,023	751	4,761	47,681	273,216
Receivable on subscriptions . . . . .	327	—	—	—	327
Receivable for investment advisor fees . . . . .	—	32,320	20,350	—	52,670
Capitalised expenses . . . . .	—	14,337	14,158	56,035	84,530
<b>Total assets</b> . . . . .	<b>542,784,963</b>	<b>1,096,860</b>	<b>4,207,438</b>	<b>105,129,790</b>	<b>653,219,051</b>
<b>Liabilities</b>					
Payable on redemptions . . . . .	893,349	—	—	—	893,349
Accrued expenses and other liabilities . . . . .	1,358,560	68,650	64,880	612,993	2,105,083
<b>Total liabilities</b> . . . . .	<b>2,251,909</b>	<b>68,650</b>	<b>64,880</b>	<b>612,993</b>	<b>2,998,432</b>
<b>Total net assets</b> . . . . .	<b>540,533,054</b>	<b>1,028,210</b>	<b>4,142,558</b>	<b>104,516,797</b>	<b>650,220,619</b>

See notes to the financial statements.



**LYRICAL VALUE FUNDS (LUX)**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**For the year ended 31 December 2022**

	U.S. Value Equity Strategy Sub- Fund USD	Global Value Equity Strategy Sub-Fund USD	Global Impact Value Equity Strategy Sub-Fund USD	U.S. Value Equity Strategy - II Sub-Fund USD	Total USD
<b>Net assets at the beginning of the year</b> . . . . .	<b>1,037,973,524</b>	<b>1,572,706</b>	<b>1,528,743</b>	<b>27,144,487</b>	<b>1,068,219,460</b>
Dividend income (net of withholding tax) . . . . .	7,591,865	19,128	57,925	700,408	8,369,326
Interest on bank accounts . . . . .	61,886	319	1,197	—	63,402
<b>Total income</b> . . . . .	<b>7,653,751</b>	<b>19,447</b>	<b>59,122</b>	<b>700,408</b>	<b>8,432,728</b>
Investment management fees . . . . .	4,791,082	9,741	26,021	487,833	5,314,677
Management company fees . . . . .	982,719	188,108	188,108	157,649	1,516,584
Professional fees . . . . .	147,264	27	24	629	147,944
"Taxe d'abonnement" . . . . .	102,551	125	318	7,519	110,513
Director fees . . . . .	50,261	—	47	2,599	52,907
Administrator and Depository fees . . . . .	22,014	25,334	17,951	14,927	80,226
Performance fees . . . . .	3,868	—	—	—	3,868
Other charges and taxes . . . . .	161,282	13,940	8,310	3,751	187,283
<b>Total expenses</b> . . . . .	<b>6,261,041</b>	<b>237,275</b>	<b>240,779</b>	<b>674,907</b>	<b>7,414,002</b>
Less fees reduced and/or expenses reimbursed by Adviser. . . . .	(84)	(224,742)	(208,315)	(50,837)	(483,978)
<b>Net expenses</b> . . . . .	<b>6,260,957</b>	<b>12,533</b>	<b>32,464</b>	<b>624,070</b>	<b>6,930,024</b>
<b>Net investment income/(expenses)</b> . . . . .	<b>1,392,794</b>	<b>6,914</b>	<b>26,658</b>	<b>76,338</b>	<b>1,502,704</b>
Net realised gain/(loss) on - Investments in securities . . . . .	(95,726,990)	(73,862)	(108,831)	(2,775,088)	(98,684,771)
- Foreign currency . . . . .	6,015	(1,874)	(851)	—	3,290
Change in unrealised appreciation/(depreciation) on - Investments in securities . . . . .	(79,378,143)	(207,770)	(183,113)	(5,169,906)	(84,938,932)
- Foreign currency . . . . .	—	26	48	—	74
<b>Net change in net assets for the year as a result of operations</b> . . . . .	<b>(173,706,324)</b>	<b>(276,566)</b>	<b>(266,089)</b>	<b>(7,868,656)</b>	<b>(182,117,635)</b>
Subscriptions for the year . . . . .	259,532,034	—	3,319,904	90,175,171	353,027,109
Redemptions for the year . . . . .	(583,266,180)	(267,930)	(440,000)	(4,354,381)	(588,328,491)
Distributions . . . . .	—	—	—	(579,824)	(579,824)
<b>Net proceeds from share transactions</b> . . . . .	<b>(323,734,146)</b>	<b>(267,930)</b>	<b>2,879,904</b>	<b>85,240,966</b>	<b>(235,881,206)</b>
<b>Net assets at the end of the year</b> . . . . .	<b>540,533,054</b>	<b>1,028,210</b>	<b>4,142,558</b>	<b>104,516,797</b>	<b>650,220,619</b>

See notes to the financial statements.

## LYRICAL VALUE FUNDS (LUX) STATISTICAL INFORMATION

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### U.S. Value Equity Strategy Sub-Fund

	31 December 2022 USD	31 December 2021 USD
<b>Total net asset value</b>	540,533,054	1,037,973,524
<b>Net asset value per share</b>		
Class B USD	188.75	229.02
Class I GBP <sup>1</sup>	116.01	—
Class I USD	290.70	350.83
Class S USD	177.09	212.66
Class W EUR	1,433.13	1,735.08
Class W USD	145.49	175.65

### Global Value Equity Strategy Sub-Fund

	31 December 2022 USD	31 December 2021 USD
<b>Total net asset value</b>	1,028,210	1,572,706
<b>Net asset value per share</b>		
Class I USD	102.82	120.98

### Global Impact Value Equity Strategy Sub-Fund

	31 December 2022 USD	31 December 2021 USD
<b>Total net asset value</b>	4,142,558	1,528,743
<b>Net asset value per share</b>		
Class I USD	97.91	117.60

### U.S. Value Equity Strategy - II Sub-Fund

	31 December 2022 USD	31 December 2021 USD
<b>Total net asset value</b>	104,516,797	27,144,487
<b>Net asset value per share</b>		
Class CS acc USD <sup>2</sup>	101.98	—
Class CS dis USD	91.84	110.22

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<sup>1</sup>Class commenced on 21 November 2022.

<sup>2</sup>Class commenced on 7 November 2022.



**LYRICAL VALUE FUNDS (LUX)**  
**STATEMENT OF CHANGES IN THE NUMBER OF SHARES**  
**For the year ended 31 December 2022**

	Shares outstanding at the beginning of the year	Shares subscribed	Shares redeemed	Shares outstanding at the end of the year
<b>U.S. Value Equity Strategy Sub-Fund</b>				
Class B USD .....	319,100	10,542	(136,277)	193,365
Class I GBP <sup>1</sup> .....	—	440	—	440
Class I USD .....	1,315,660	422,322	(409,538)	1,328,444
Class S USD .....	2,222,216	579,806	(2,271,652)	530,370
Class W EUR .....	146	1,412	—	1,558
Class W USD .....	173,664	31,999	(56,815)	148,848
<b>Global Value Equity Strategy Sub-Fund</b>				
Class I USD .....	13,000	—	(3,000)	10,000
<b>Global Impact Value Equity Strategy Sub-Fund</b>				
Class I USD .....	13,000	33,345	(4,035)	42,310
<b>U.S. Value Equity Strategy - II Sub-Fund</b>				
Class CS acc USD <sup>2</sup> .....	—	372,136	—	372,136
Class CS dis USD .....	246,270	524,633	(46,123)	724,780

<sup>1</sup>Class commenced on 21 November 2022.

<sup>2</sup>Class commenced on 7 November 2022.

**LYRICAL VALUE FUNDS (LUX)  
U.S. VALUE EQUITY STRATEGY SUB-FUND  
SCHEDULE OF INVESTMENTS  
31 December 2022**

Description	Currency	Shares	Market value (USD)	% of total net assets
<b>Investments in securities</b>				
<b>Transferable securities admitted to an official stock exchange listing</b>				
<b>Common Stocks - 99.31%</b>				
Adient PLC . . . . .	USD	157,185	5,452,748	1.01
AerCap Holdings N.V. . . . .	USD	389,039	22,688,754	4.20
Affiliated Managers Group, Inc. . . . .	USD	125,619	19,901,818	3.68
Air Lease Corp. . . . .	USD	455,713	17,508,493	3.24
Ameriprise Financial, Inc. . . . .	USD	92,765	28,884,238	5.34
Arrow Electronics, Inc. . . . .	USD	190,495	19,920,062	3.69
Assurant, Inc. . . . .	USD	122,965	15,378,003	2.84
Berry Global Group, Inc. . . . .	USD	305,906	18,485,900	3.42
Bread Financial Holdings, Inc. . . . .	USD	165,371	6,227,872	1.15
Broadcom, Inc. . . . .	USD	38,587	21,575,149	3.99
Celanese Corp. . . . .	USD	118,884	12,154,700	2.25
Centene Corp. . . . .	USD	245,003	20,092,696	3.72
Cigna Corp. . . . .	USD	81,764	27,091,684	5.01
CommScope Holding Co., Inc. . . . .	USD	929,331	6,830,583	1.26
Concentrix Corp. . . . .	USD	103,110	13,730,128	2.54
eBay, Inc. . . . .	USD	309,894	12,851,304	2.38
Flex, Ltd. . . . .	USD	1,105,214	23,717,892	4.39
Gen Digital, Inc. . . . .	USD	750,177	16,076,293	2.97
Global Payments, Inc. . . . .	USD	141,536	14,057,356	2.60
Hanesbrands, Inc. . . . .	USD	1,169,253	7,436,449	1.38
HCA Healthcare, Inc. . . . .	USD	99,855	23,961,206	4.43
Lear Corp. . . . .	USD	100,638	12,481,125	2.31
Liberty Global PLC . . . . .	USD	587,413	11,413,435	2.11
Lincoln National Corp. . . . .	USD	313,846	9,641,349	1.78
Lithia Motors, Inc. . . . .	USD	57,703	11,814,112	2.19
NRG Energy, Inc. . . . .	USD	385,532	12,267,628	2.27
Suncor Energy, Inc. . . . .	USD	628,183	19,932,247	3.69
SYNNEX Corp. . . . .	USD	135,765	12,858,303	2.38
Uber Technologies, Inc. . . . .	USD	464,939	11,497,941	2.13
United Rentals, Inc. . . . .	USD	82,840	29,442,993	5.45
Univar Solutions, Inc. . . . .	USD	928,464	29,525,155	5.46
Western Digital Corp. . . . .	USD	265,384	8,372,865	1.55
Whirlpool Corp. . . . .	USD	95,630	13,527,820	2.50
<b>Total investments in securities . . . . .</b>			<b>536,798,301</b>	<b>99.31</b>
Other net assets/(liabilities) . . . . .			3,734,753	0.69
<b>Total . . . . .</b>			<b>540,533,054</b>	<b>100.00</b>

**LYRICAL VALUE FUNDS (LUX)**  
**U.S. VALUE EQUITY STRATEGY SUB-FUND**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**31 December 2022**

**Geographical classification**

(by domicile of the issuer)  
(in percentage of net assets)

United States of America .....	89.31%
Ireland .....	4.20%
Canada .....	3.69%
United Kingdom .....	2.11%
<b>Total</b> .....	<b>99.31%</b>

**Industrial classification**

(in percentage of net assets)

Information Technology .....	27.28%
Financials .....	22.23%
Consumer Discretionary .....	17.44%
Health Care .....	13.16%
Materials .....	5.67%
Industrials .....	5.46%
Energy .....	3.69%
Utilities .....	2.27%
Communication Services .....	2.11%
<b>Total</b> .....	<b>99.31%</b>

**LYRICAL VALUE FUNDS (LUX)**  
**GLOBAL VALUE EQUITY STRATEGY SUB-FUND**  
**SCHEDULE OF INVESTMENTS**  
**31 December 2022**

Description	Currency	Shares	Market value (USD)	% of total net assets
<b>Investments in securities</b>				
<b>Transferable securities admitted to an official stock exchange listing</b>				
<b>Common Stocks - 99.63%</b>				
Adient PLC	USD	206	7,146	0.69
AerCap Holdings N.V.	USD	271	15,805	1.54
Affiliated Managers Group, Inc.	USD	86	13,625	1.33
Air Lease Corp.	USD	239	9,182	0.89
Air Water, Inc.	JPY	482	5,638	0.55
Ameriprise Financial, Inc.	USD	112	34,872	3.38
Ardagh Metal Packaging S.A.	USD	1,372	6,599	0.64
Arrow Electronics, Inc.	USD	156	16,313	1.59
Ashtead Group PLC	GBP	463	26,420	2.57
Assurant, Inc.	USD	126	15,758	1.53
Auto1 Group SE	EUR	554	4,626	0.45
Babcock International Group PLC	GBP	1,140	3,889	0.38
Berry Global Group, Inc.	USD	282	17,041	1.66
Bollore SE	EUR	5,377	30,045	2.92
Bread Financial Holdings, Inc.	USD	104	3,917	0.38
Broadcom, Inc.	USD	57	31,870	3.10
Celanese Corp.	USD	163	16,665	1.62
Centene Corp.	USD	403	33,050	3.21
Cigna Corp.	USD	122	40,422	3.92
CK Hutchison Holdings, Ltd.	HKD	3,851	23,115	2.25
CNH Industrial N.V.	EUR	1,673	26,800	2.61
CommScope Holding Co., Inc.	USD	445	3,271	0.32
Concentrix Corp.	USD	79	10,520	1.02
eBay, Inc.	USD	156	6,469	0.63
Element Fleet Management Corp.	CAD	882	12,018	1.17
Elis S.A.	EUR	484	7,160	0.70
Entain PLC	GBP	1,112	17,766	1.73
Euronext N.V.	EUR	263	19,471	1.89
EXOR N.V.	EUR	332	24,273	2.36
Fairfax Financial Holdings, Ltd.	CAD	58	34,358	3.33
Flex, Ltd.	USD	1,052	22,576	2.20
Gen Digital, Inc.	USD	1,113	23,852	2.32
Global Payments, Inc.	USD	204	20,261	1.97
Grupo Catalana Occidente S.A.	EUR	256	8,098	0.79
Hanesbrands, Inc.	USD	771	4,904	0.48
HCA Healthcare, Inc.	USD	131	31,435	3.06
Hitachi Ltd.	JPY	507	25,848	2.51
Intrum AB	SEK	252	3,048	0.30
ITOCHU Corp.	JPY	918	29,001	2.82
Kinden Corp.	JPY	401	4,394	0.43
Konecranes OYJ	EUR	164	5,049	0.49
Kyudenko Corp.	JPY	169	4,204	0.41
Lear Corp.	USD	129	15,999	1.56
Liberty Global PLC	USD	1,024	19,896	1.94
Linamar Corp.	CAD	140	6,338	0.62
Lincoln National Corp.	USD	400	12,288	1.20
Lithia Motors, Inc.	USD	59	12,080	1.17
Nintendo Co., Ltd. (Class - ADR)	USD	2,010	20,944	2.04
NRG Energy, Inc.	USD	510	16,228	1.58
Rexel S.A.	EUR	679	13,403	1.30
Samsung Electronics Co., Ltd.	USD	18	19,890	1.93
SK Kaken Co., Ltd.	JPY	2	639	0.06
Software AG	EUR	157	4,070	0.40
Sony Group Corp.	JPY	256	19,575	1.90
SPIE S.A.	EUR	330	8,605	0.84
Suncor Energy, Inc.	USD	909	28,843	2.81
Suzuki Motor Corp.	JPY	571	18,582	1.81



**LYRICAL VALUE FUNDS (LUX)**  
**GLOBAL VALUE EQUITY STRATEGY SUB-FUND**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**31 December 2022**

Description	Currency	Shares	Market value (USD)	% of total net assets
<b>Common Stocks - 99.63% (continued)</b>				
SYNNEX Corp. ....	USD	134	12,691	1.23
Uber Technologies, Inc. ....	USD	617	15,258	1.48
United Rentals, Inc. ....	USD	92	32,699	3.18
Univar Solutions, Inc. ....	USD	352	11,194	1.09
Western Digital Corp. ....	USD	446	14,071	1.37
Whirlpool Corp. ....	USD	144	20,370	1.98
<b>Total investments in securities</b> .....			<b>1,024,437</b>	<b>99.63</b>
Other net assets/(liabilities) .....			<b>3,773</b>	<b>0.37</b>
<b>Total</b> .....			<b>1,028,210</b>	<b>100.00</b>

**Geographical classification**

(by domicile of the issuer)  
(in percentage of net assets)

United States of America .....	51.78%
Japan .....	12.53%
United Kingdom .....	11.48%
Canada .....	7.93%
France .....	5.76%
The Netherlands .....	4.25%
South Korea .....	1.93%
Ireland .....	1.54%
Germany .....	0.85%
Spain .....	0.79%
Finland .....	0.49%
Sweden .....	0.30%
<b>Total</b> .....	<b>99.63%</b>

**Industrial classification**

(in percentage of net assets)

Consumer Discretionary .....	21.91%
Financials .....	18.92%
Information Technology .....	18.04%
Industrials .....	14.75%
Health Care .....	10.19%
Communication Services .....	6.90%
Materials .....	4.53%
Energy .....	2.81%
Utilities .....	1.58%
<b>Total</b> .....	<b>99.63%</b>



**LYRICAL VALUE FUNDS (LUX)**  
**GLOBAL IMPACT VALUE EQUITY STRATEGY SUB-FUND**  
**SCHEDULE OF INVESTMENTS**  
**31 December 2022**

Description	Currency	Shares	Market value (USD)	% of total net assets
<b>Investments in securities</b>				
<b>Transferable securities admitted to an official stock exchange listing</b>				
<b>Common Stocks - 99.59%</b>				
Ardagh Metal Packaging S.A. ....	USD	25,460	122,463	2.96
Ashtead Group PLC .....	GBP	3,951	225,454	5.44
Centene Corp. ....	USD	2,592	212,570	5.13
Cigna Corp. ....	USD	600	198,804	4.80
CNH Industrial N.V. ....	EUR	14,818	237,374	5.73
Crown Holdings, Inc. ....	USD	1,991	163,680	3.95
eBay, Inc. ....	USD	4,359	180,768	4.36
Elis S.A. ....	EUR	9,235	136,619	3.30
Flex, Ltd. ....	USD	11,545	247,756	5.99
Gen Digital, Inc. ....	USD	8,417	180,376	4.35
Grupo Catalana Occidente S.A. ....	EUR	4,854	153,541	3.71
Hanesbrands, Inc. ....	USD	12,508	79,551	1.92
HCA Healthcare, Inc. ....	USD	957	229,642	5.54
Hitachi, Ltd. ....	JPY	4,449	226,823	5.48
Konecranes OYJ. ....	EUR	3,491	107,474	2.59
Kyudenko Corp. ....	JPY	3,690	91,800	2.22
NXP Semiconductors N.V. ....	USD	1,167	184,421	4.45
Primerica, Inc. ....	USD	1,355	192,166	4.64
Rexel S.A. ....	EUR	10,466	206,589	4.99
SPIE S.A. ....	EUR	6,675	174,058	4.20
United Rentals, Inc. ....	USD	632	224,625	5.42
WESCO International, Inc. ....	USD	1,480	185,296	4.47
Whirlpool Corp. ....	USD	1,156	163,528	3.95
<b>Total investments in securities</b> .....			<b>4,125,378</b>	<b>99.59</b>
Other net assets/(liabilities) .....			<b>17,180</b>	<b>0.41</b>
<b>Total</b> .....			<b>4,142,558</b>	<b>100.00</b>

**Geographical classification**

(by domicile of the issuer)  
(in percentage of net assets)

United States of America .....	57.48%
France .....	12.49%
United Kingdom .....	11.17%
Japan .....	7.70%
China .....	4.45%
Spain .....	3.71%
Finland .....	2.59%
<b>Total</b> .....	<b>99.59%</b>

**LYRICAL VALUE FUNDS (LUX)**  
**GLOBAL IMPACT VALUE EQUITY STRATEGY SUB-FUND**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**31 December 2022**

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**Industrial classification**

(in percentage of net assets)

Industrials . . . . .	29.68%
Consumer Discretionary . . . . .	20.03%
Information Technology . . . . .	19.15%
Health Care . . . . .	15.47%
Financials . . . . .	8.35%
Materials . . . . .	6.91%
<b>Total . . . . .</b>	<b>99.59%</b>

**LYRICAL VALUE FUNDS (LUX)**  
**U.S. VALUE EQUITY STRATEGY - II SUB-FUND**  
**SCHEDULE OF INVESTMENTS**  
**31 December 2022**

Description	Currency	Shares	Market value (USD)	% of total net assets
<b>Investments in securities</b>				
<b>Transferable securities admitted to an official stock exchange listing</b>				
<b>Common Stocks - 98.90%</b>				
Adient PLC	USD	29,866	1,036,052	0.99
AerCap Holdings N.V.	USD	63,270	3,689,906	3.53
Affiliated Managers Group, Inc.	USD	14,700	2,328,921	2.23
Air Lease Corp.	USD	38,992	1,498,073	1.43
Ameriprise Financial, Inc.	USD	16,964	5,282,081	5.05
Arrow Electronics, Inc.	USD	24,863	2,599,924	2.49
Assurant, Inc.	USD	19,701	2,463,807	2.36
Berry Global Group, Inc.	USD	46,829	2,829,876	2.71
Bread Financial Holdings, Inc.	USD	17,672	665,528	0.64
Broadcom, Inc.	USD	10,266	5,740,028	5.48
Celanese Corp.	USD	34,533	3,530,654	3.38
Centene Corp.	USD	60,034	4,923,388	4.71
Cigna Corp.	USD	16,641	5,513,829	5.28
CommScope Holding Co., Inc.	USD	73,007	536,601	0.51
Concentrix Corp.	USD	11,483	1,529,076	1.46
eBay, Inc.	USD	104,525	4,334,652	4.15
Flex, Ltd.	USD	160,608	3,446,648	3.30
Gen Digital, Inc.	USD	198,781	4,259,877	4.08
Global Payments, Inc.	USD	47,144	4,682,342	4.48
Hanesbrands, Inc.	USD	121,970	775,729	0.74
HCA Healthcare, Inc.	USD	21,785	5,227,529	5.00
Lear Corp.	USD	19,466	2,414,173	2.31
Liberty Global PLC	USD	159,214	3,093,528	2.96
Lincoln National Corp.	USD	72,677	2,232,637	2.14
Lithia Motors, Inc.	USD	8,870	1,816,044	1.74
NRG Energy, Inc.	USD	79,974	2,544,773	2.43
Suncor Energy, Inc.	USD	157,100	4,984,783	4.77
SYNNEX Corp.	USD	24,131	2,285,447	2.19
Uber Technologies, Inc.	USD	161,487	3,993,574	3.82
United Rentals, Inc.	USD	15,765	5,603,196	5.36
Univar Solutions, Inc.	USD	59,019	1,876,804	1.80
Western Digital Corp.	USD	86,783	2,738,004	2.62
Whirlpool Corp.	USD	20,416	2,888,047	2.76
<b>Total investments in securities</b>			<b>103,365,531</b>	<b>98.90</b>
Other net assets/(liabilities)			1,151,266	1.10
<b>Total</b>			<b>104,516,797</b>	<b>100.00</b>

**Geographical classification**

(by domicile of the issuer)  
(in percentage of net assets)

United States of America	87.64%
Canada	4.77%
Ireland	3.53%
United Kingdom	2.96%
<b>Total</b>	<b>98.90%</b>

**LYRICAL VALUE FUNDS (LUX)**  
**U.S. VALUE EQUITY STRATEGY - II SUB-FUND**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**31 December 2022**

**Industrial classification**  
(in percentage of net assets)

Information Technology .....	30.10%
Consumer Discretionary .....	18.38%
Financials .....	17.38%
Health Care .....	14.99%
Materials .....	6.09%
Energy .....	4.77%
Communication Services .....	2.96%
Utilities .....	2.43%
Industrials .....	1.80%
<b>Total</b> .....	<b>98.90%</b>



# LYRICAL VALUE FUNDS (LUX)

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2022

#### 1. General information

Lyrical Value Funds (Lux) (the "Company") has been incorporated as a société anonyme under the laws of Luxembourg, qualifies as a société d'investissement à capital variable (SICAV) and is registered under Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended (these are commonly known as "UCITS" funds) (the "2010 Law").

The Company offers investors, within the same investment vehicle, a choice among shares in several separate sub-funds (collectively, "Sub-Funds" and each, individually, a "Sub-Fund"). The Sub-Funds are managed and administered separately. The Sub-Funds are distinguished mainly by their specific investment policies.

The Company was incorporated on 21 December 2020 for an unlimited period.

The following table lists each Sub-Fund's commencement of operations as well as Share Classes funded as of 31 December 2022:

<b>Lyrical Value Funds (Lux)</b>	<b>Commencement of Operations</b>	<b>Share Classes Funded</b>
U.S. Value Equity Strategy Sub-Fund	7 June 2021	B USD, I GBP <sup>1</sup> , I USD, S USD, W EUR, W USD
Global Value Equity Strategy Sub-Fund	4 January 2021	I USD
Global Impact Value Equity Strategy Sub-Fund	4 January 2021	I USD
U.S. Value Equity Strategy - II Sub-Fund	20 August 2021	CS acc USD <sup>2</sup> , CS dis USD

<sup>1</sup>Class I GBP commenced on 21 November 2022.

<sup>2</sup>Class CS acc USD commenced on 7 November 2022.

#### 2. Significant Accounting Policies

The Financial Statements are presented in accordance with Luxembourg regulations (under Luxembourg GAAP) relating to Undertakings for Collective Investment and under the going concern basis.

##### *Investment Valuation*

The value of the assets of the Company shall be determined as follows:

- 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 shall be 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 shall be arrived at after making such discount as the Company may consider appropriate in such case to reflect the true value thereof.
- The value of securities and/or financial derivative instruments which are listed or dealt in on any stock exchange is based on the last available price.
- The value of securities and/or financial derivative instruments dealt in on any other regulated market is based on the last available price.
- In the event that any of the securities held in the Company's portfolios on the relevant day are not listed or dealt in on any stock exchange or other regulated market or if, with respect to securities quoted or dealt in on any stock exchange or dealt in on any other regulated market or if the price as determined pursuant to sub-paragraphs b) or c) is not representative of the fair market value of the relevant securities, the value of such securities will be determined based on the reasonably foreseeable sales price determined prudently and in good faith.
- The financial derivative instruments which are not listed on any official stock exchange or traded on any other regulated market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Company in accordance with market practice.
- Units or shares in open-ended investment funds shall be valued at their last available net asset value reduced by any applicable redemption charge.



## LYRICAL VALUE FUNDS (LUX) NOTES TO THE FINANCIAL STATEMENTS (Continued)

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- g) Liquid assets and money market instruments will be valued at mark-to-market, mark-to-model and/or using the amortised cost method.
- h) In the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adjust the value of any investment or permits another method of valuation to be used for the assets of the Company.
- i) In circumstances where the interests of the Company or its Shareholders so justify (including but not limited to, avoidance of market timing practices, for example), the Board of Directors may take any appropriate measures (such as, for example, applying a fair-value pricing methodology) to adjust the value of the Company's assets. The net asset value per Share of each Sub-Fund and the issue and redemption price thereof are available at the registered office of the Company and of each Paying Agent.

### *Net realised gain/(loss) on sales of securities*

The realised gains and losses on sales of securities are determined on the highest cost method.

### *Investment income*

Dividend income is accrued on the ex-dividend date. Investment income is shown net of any withholding taxes.

### *Swing pricing adjustment*

The Sub-Funds are single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of their underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switches in and out of the Sub-Fund. This is known as "dilution".

In order to counter this and to protect Shareholders' interests, the Company will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the Company will make adjustments in the calculations of the Net Asset Values per Share, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

In the usual course of business the application of a dilution adjustment will be applied systematically and on a consistent basis when the predetermined net capital activity threshold is exceeded (i.e. partial swing pricing can be applied). The Board of Directors may also make a discretionary dilution adjustment if, in its opinion, it is in the interest of existing Shareholders to do so.

Swing pricing aims to protect existing Shareholders from the performance dilution effects they may suffer as a result of transactions by other investors in a Sub-Fund. The need to make a dilution adjustment will depend upon the net value of subscriptions, switches and redemptions received by a Sub-Fund for each Dealing Day. The Board of Directors therefore reserves the right to make a dilution adjustment where a Fund experiences a net cash movement which exceeds a threshold set by the Directors from time to time of the previous Dealing Day's total Net Asset Value.

Where a dilution adjustment is made, it will increase the Net Asset Value per Share when there are net inflows into the Sub-Fund and decrease the Net Asset Value per Share when there are net outflows. The Net Asset Value per Share of each Share Class in the Sub-Fund will be calculated separately but any dilution adjustment will, in percentage terms, affect the Net Asset Value per Share of each Share Class identically.

As dilution is related to the inflows and outflows of money from the Sub-Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently, it is also not possible to accurately predict how frequently the Board of Directors will need to make such dilution adjustments.

## LYRICAL VALUE FUNDS (LUX) NOTES TO THE FINANCIAL STATEMENTS (Continued)

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Because the dilution adjustment for each Sub-Fund will be calculated by reference to the costs of dealing in the underlying investments of that Sub-Fund, including both the estimated fiscal charges and dealing costs that may be incurred by the Fund and the estimated bid/offer spreads of the assets in which the Sub-Fund invests, which can vary with market conditions, this means that the amount of the dilution adjustment can vary over time but will not exceed 2% of the relevant Net Asset Value.

Swing pricing is applied on the capital activity at the level of a Sub-Fund and does not address the specific circumstances of each individual investor transaction.

Unless otherwise specified in the relevant Annex, swing pricing may be applied to all the Sub-Funds in the Company.

As at 31 December 2022, no Sub-Funds have applied swing price adjustments.

### 3. Fees and Expenses

#### *Formation expenses*

Formation expenses are amortised using the straight-line method over five years.

#### *Management company fees*

As remuneration for its management company services the Management Company is entitled to receive out of the asset of each Class within each Sub-Fund a recurring management company fee on a sliding scale of up to 0.13% p.a. or such other amount as determined in the relevant Annex of the prospectus for each Sub-Fund and Class, subject to a minimum annual fee, for the first year of EUR 150.000 per Sub-Fund and, after the first year, of EUR 180.000 per Sub-Fund. This fee will be calculated on a quarterly basis as the average of the month-end Net Asset Value of the previous quarter and shall be paid quarterly in arrears.

Additional fees may be charged to the relevant Sub-Fund by the Management Company in relation to other ancillary services as may be required pursuant to applicable laws and regulations, as may be agreed from time to time.

In addition, the Management Company shall be entitled to receive from the Company reimbursement for its reasonable cash disbursements, included but not limited to reasonable out-of-pocket expenses, incurred in the performance of its duties.

#### *Investment management fees*

As remuneration for its investment management duties, the Investment Manager is entitled to receive out of the assets of each Class within each Sub-Fund a fee. The Management fees are based on the average net assets of the Class in question. The percentage for each Class is set out as follows:

#### U.S. Value Equity Strategy Sub-Fund

Class B – 1.25%

Class I – 0.75%

Class S – 0.25%

Class W – 0.75%

#### Global Value Equity Strategy Sub-Fund

Class I – 0.75%

#### Global Impact Value Equity Strategy Sub-Fund

Class I – 0.85%

#### U.S. Value Equity Strategy - II Sub-Fund

Class CS – 0.75%



## LYRICAL VALUE FUNDS (LUX) NOTES TO THE FINANCIAL STATEMENTS (Continued)

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### *Performance fees*

#### U.S. Value Equity Strategy Sub-Fund:

In addition to the above Management fees, the Investment Manager shall, where applicable, be entitled to a performance fee equal to 20% for each of the B, I, and W share classes, respectively and equal to 30% for the S share classes of the "Accrued Outperformance" of the NAV, as defined further below, for a period equivalent to an accounting year (hereinafter respectively defined as the "Calculation Period").

The "Accrued Outperformance" is determined by the addition of the daily differences between the "Daily Performance of the Share Class" and the "Daily Performance of the Benchmark". During an underperformance Calculation Period, the "Accrued Outperformance" shall be reduced and may become negative. A performance fee shall only be allocated if the "Accrued Outperformance" is positive. It should be noted that a performance fee could be paid if the Net Asset Value per Share has decreased, provided that the Daily Performance of the Share Class outperforms the Daily Performance of the Benchmark. The "Daily Performance of the Share Class" is the difference between the NAV of that Valuation Day and the "adjusted NAV" of the previous Valuation Day, calculated on each Valuation Day.

The "adjusted NAV" is the NAV adjusted by any distribution, subscription and redemption on the Valuation Day in question. The "Daily Performance of the Benchmark" is the theoretical gains or losses obtained by having invested the "adjusted NAV" of the Valuation Day in the S&P 500 (Total Return) index of the previous Valuation Day.

All such calculations must be made and accrued on each Valuation Day before deducting the Performance Fee for the current Calculation Period and must include realised and unrealised gains and losses, and in each case shall be readjusted by the dividends and distributions made, recapitalisations and other similar events. The Performance Fee is calculated net of all costs except for the Performance Fee itself.

The annual Performance Fee shall generally be payable to the Investment Manager after the end of each Calculation Period or as of the end of each month following the date of any redemption occurring prior to the end of the Calculation Period (the "Redemption Date"). The Performance Fee payable on any share redeemed prior to the end of the Calculation Period shall be determined solely by reference to this share and shall be payable to the Manager on the Redemption Date. If the Accrued Outperformance is negative at the end of the Calculation Period, this negative Accrued Outperformance shall be carried over to the next Calculation Periods until the underperformance is clawed back. To this purpose, any underperformances are considered and carried forward as negative contributions. The performance reference period will not be reset and corresponds to the entire life of the Sub-Fund. The Performance Fee may be fully or partially repaid to the Sub-Fund by the Investment Manager at its sole discretion.

#### Global Impact Value Equity Strategy Sub-Fund and Global Value Equity Strategy Sub-Fund:

In addition to the above Investment Management fees, the Investment Manager shall, where applicable, be entitled to a performance fee equal to 20% for the P share class of the "Accrued Outperformance" of the NAV, as defined further below, for a period equivalent to an accounting year (hereinafter respectively defined as the "Calculation Period").

The "Accrued Outperformance" is determined by the addition of the daily differences between the "Daily Performance of the Share Class" and the "Daily Performance of the Benchmark". During an underperformance Calculation Period, the "Accrued Outperformance" shall be reduced and may become negative. A performance fee shall only be allocated if the "Accrued Outperformance" is positive. It should be noted that a performance fee could be paid if the Net Asset Value per Share has decreased, provided that the Daily Performance of the Share Class outperforms the Daily Performance of the Benchmark. The "Daily Performance of the Share Class" is the difference between the NAV of that Valuation Day and the "adjusted NAV" of the previous Valuation Day, calculated on each Valuation Day.

The "adjusted NAV" is the NAV adjusted by any distribution, subscription and redemption on the Valuation Day in question. The "Daily Performance of the Benchmark" is the theoretical gains or losses obtained by

## LYRICAL VALUE FUNDS (LUX) NOTES TO THE FINANCIAL STATEMENTS (Continued)

having invested the “adjusted NAV” of the Valuation Day in the MSCI World index of the previous Valuation Day.

All such calculations must be made and accrued on each Valuation Day before deducting the Performance Fee for the current Calculation Period and must include realised and unrealised gains and losses, and in each case shall be readjusted by the dividends and distributions made, recapitalisations and other similar events. The Performance Fee is calculated net of all costs except for the Performance Fee itself.

The annual Performance Fee shall generally be payable to the Investment Manager after the end of each Calculation Period or as of the end of each month following the date of any redemption occurring prior to the end of the Calculation Period (the “Redemption Date”). The Performance Fee payable on any share redeemed prior to the end of the Calculation Period shall be determined solely by reference to this share and shall be payable to the Manager on the Redemption Date. If the Accrued Outperformance is negative at the end of the Calculation Period, this negative Accrued Outperformance shall be carried over to the next Calculation Periods until the underperformance is clawed back. To this purpose, any underperformances are considered and carried forward as negative contributions. The performance reference period will not be reset and corresponds to the entire life of the Sub-Fund. The Performance Fee may be fully or partially repaid to the Sub-Fund by the Investment Manager at its sole discretion.

As of 31 December 2022 performance fees payable by U.S. Value Equity Strategy Sub-Fund, Global Value Equity Strategy Sub-Fund and Global Impact Value Equity Strategy Sub-Fund were respectively \$3,868, \$0 and \$0. Amounts are included within the line item “Accrued expenses and other liabilities” in the Statement of Net Assets.

### *Performance fees charged per share class*

<b>U.S. Value Equity Strategy Sub-Fund</b>	<b>Performance fees charged per share class in Fund currency</b>	<b>Percentage of performance fees based on the average NAV of the share class</b>
Class B USD	0	0.00%
Class I GBP <sup>1</sup>	78	0.15%
Class I USD	0	0.00%
Class S USD	0	0.00%
Class W EUR	3,790	0.76%
Class W USD	0	0.00%

<sup>1</sup>Class commenced on 21 November 2022.

### *Capped expenses*

All charges supported by U.S. Value Equity Strategy Sub-Fund, Global Value Equity Strategy Sub-Fund, Global Impact Value Equity Strategy Sub-Fund and U.S. Value Equity Strategy - II Sub-Fund (excluding management fee, performance fee, and transaction fee) are limited to 0.20% per year.

Any charges exceeding this limit (excluding management fee, performance fee, and transaction fee) will be deducted from the investment management fee paid to LYRICAL ASSET MANAGEMENT L.P.. In case these exceeding charges are above the investment management fee, these exceeding charges will be borne by LYRICAL ASSET MANAGEMENT L.P. and reimbursed to the Fund.

### *Transaction costs*

Transaction costs are costs incurred in the acquisition, issue or disposal of transferable securities, money market instruments, derivatives or other eligible assets. They can include bid-ask spread, fees and commissions paid to agents, advisers, brokers and dealers, transaction related taxes and other market charges. They do not include debt premiums or discounts, financing costs or internal administrative or holding costs. Transaction costs are reflected in the net realised gain/(loss) on investments securities in the Statement of Operations and Changes in Net Assets.



## LYRICAL VALUE FUNDS (LUX) NOTES TO THE FINANCIAL STATEMENTS (Continued)

Transaction costs are excluded from the Total Expense Ratio and/or expense reimbursement calculation.

For the year ended 31 December 2022, the amount of transaction costs incurred by each Sub-Fund is detailed in the following table:

<b>Lyrical Value Funds (Lux)</b>	<b>Transaction Costs</b>
U.S. Value Equity Strategy Sub-Fund	\$ 184,139
Global Value Equity Strategy Sub-Fund	\$ 1,023
Global Impact Value Equity Strategy Sub-Fund	\$ 8,315
U.S. Value Equity Strategy - II Sub-Fund	\$ 18,255

### 4. Taxes

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

The Company is not subject to net wealth tax in Luxembourg.

The Company is however subject to a subscription tax (taxe d'abonnement) levied at the rate of 0.05% per annum based on its net asset value at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax of 0.01% per annum is applicable to individual compartments of UCITS with multiple compartments, as well as for individual classes of securities issued within a UCITS or within a compartment of a UCITS with multiple compartments, provided that the securities of such compartments or classes are reserved for one or more institutional investors.

### 5. Distributions

The Company does in principle not expect to declare dividends.

Annual dividends may be declared separately in respect of each Class of each Sub-Fund by a resolution of the Shareholders of the Sub-Fund concerned, at an annual general meeting of Shareholders. Interim dividends may be paid at any time of the year as deemed appropriate upon a decision of the Board of Directors in relation to any of the Classes of each Sub-Fund. Distributions may be made only if the net assets of the Company do not fall below the equivalent in USD of EURO 1,250,000.

Notwithstanding the foregoing, dividends may be declared with respect to a specific Sub-Fund or Class of a Sub-Fund if provided for and within the conditions set forth in the relevant Annex to the Prospectus.

In the event dividends are declared for a particular Class of a Sub-Fund in accordance with the provisions of the relevant Annex to the Prospectus, distributions will be paid in accordance with the Shareholder's instructions given in the subscription application, however where no instructions are given, the distributions will be paid in cash in accordance with the provisions of the subscription application.

In the event that cash dividends are payable, they will be paid to holders of Shares by wire transfer. The right to a dividend shall be barred after five (5) years have elapsed from the dividend payment date. Dividends and allocations not claimed after such period shall revert to the relevant Sub-Fund.

In the event that the distributions are reinvested in the subscription of further Shares as per the instructions of the Shareholder, such Shares will be issued in registered form on the date on which the relevant dividend is paid at a price which will be calculated in the same way as for other issues of Shares in that Sub-Fund in respect of that Valuation Day. No initial sales charge will be payable. Applicants not wishing to use this reinvestment facility should inform the Company of their intention in written form.

In respect of each dividend declared for any Classes of each Sub-Fund, the Board of Directors may determine if, and to what extent, such dividend is to be paid out of realised and unrealised capital gains regardless of capital losses, increased or decreased, as the case may be, by the portion of net investment income and capital gains attributable to Shares issued and to Shares repurchased. Any specific distribution



## **LYRICAL VALUE FUNDS (LUX) NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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policy of each Sub-Fund, or of any Class of each Sub-Fund, if any, may be set forth in the relevant Annex hereto relating to such Sub-Fund.

### **6. Changes in the composition of the portfolio**

The list of movements in the portfolio composition for the year ended 31 December 2022 is available free of charge at the Company's registered office.

### **7. Significant events during the year**

There was no significant events.

### **8. Important Events**

A new Prospectus was issued in July 2022. There was no other important events.

### **9. Subsequent events**

There was no significant subsequent events.

## **LYRICAL VALUE FUNDS (LUX)**

### **APPENDIX (Unaudited)**

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#### **Remuneration**

Waystone Management Company (Lux) S.A. has adopted a remuneration policy pursuant to Circular CSSF 22/797 on the application of the Guidelines of the European Banking Authority on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04).

As prescribed by the Sustainable Finance Disclosure Regulation (EU) 2019/2088 adopted by the European Parliament on November 27<sup>th</sup>, 2019, the company ensures when performing its activities as AIFM/management company that the structure of its remuneration does not encourage excessive risk taking with respect to sustainability risks.

Details of the remuneration policy of the management company, including the persons in charge of determining the fixed and variable remunerations of staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available at <https://www.waystone.com/waystone-policies/>.

With respect to the financial year ended 31 December 2022 (as of that date, Waystone Management Company (Lux) S.A. had a headcount of 92 employees), the total fixed and variable remuneration paid by Waystone Management Company (Lux) S.A. to its employees amounted to EUR 6,680,489.44 and to EUR 865,637.79 respectively. The total remuneration paid by the management company to senior management and members of its identified staff whose actions have a material impact on the risk profile of the collective investment schemes managed amounted to EUR 3,736,654.76. The remuneration committee of the management company has reviewed the implementation of the remuneration policy and has not identified any deficiency in that respect. Moreover, the current version of the remuneration policy was updated and approved by the Board of Directors in the course of the financial year ended 31 December 2021, the current version being dated February 2021.

The remuneration Policy will be reviewed and approved by the Board of Directors Q2 2023.

#### **Risk Management**

The global exposure of each Sub-Fund is calculated using the commitment approach as detailed, in applicable laws and regulations, including but not limited to CSSF Circular 11/512.

Under the commitment approach, financial derivative positions are converted into the market value of the equivalent positions in the underlying asset.

#### **Securities financing transactions**

The Company does not engage in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions) or total return swaps. Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the period ended 31 December 2022.

# LYRICAL VALUE FUNDS (LUX) APPENDIX (Unaudited) (Continued)

## Sustainable Finance Disclosure Regulation

**Product Names:** Global Impact Value Equity Strategy (“GIVES”) Sub-Fund

**Legal entity identifier:** 6354006HK9KOHUN90B44

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

### Sustainable investment objective

**Did this financial product have a sustainable investment objective?**

**Yes**
  **No**

- |   |   |
|---|---|
| <p><input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: 66%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> | <p><input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> |
|---|---|

**LYRICAL VALUE FUNDS (LUX)**  
**APPENDIX (Unaudited) (Continued)**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

It made sustainable investments with a social objective: 33%       It promoted E/S characteristics, but did not make any sustainable investments



**LYRICAL VALUE FUNDS (LUX)**  
**APPENDIX (Unaudited) (Continued)**



**To what extent was the sustainable investment objective of this financial product met?**

The Sub-Fund’s sustainable objective is to only invest in companies with a clearly stated and significant commitment and support at least one of the United Nations Sustainable Development Goals (“SDGs”). The Sub-Fund met this goal with 66% of sustainable investments contributing to an environmental objective and 33% supporting sustainable investments with a social objective.

<b>GIVES Impact (2022-25)</b>			
<b>Sustainable Investments with an Environmental Objective</b>	<b>SDG 7: Climate &amp; Clean Energy Leaders</b>	Clean Energy Installed (MW)	1,170
		Weighted Avoided Emissions (mm tCO2e)	14
		Avoided Cost to Society & the Environment from Climate Change (\$mm)	744
	<b>SDG 12: Resource Reducers</b>	Water Savings (bn Liters)	10
<b>Sustainable Investments with a Social Objective</b>	<b>SDG 3: Health Improvers</b>	Lives Saved	3,900
	<b>SDG 8: Job Creators &amp; SDG 16: Identity Protectors</b>	Economic Impact (\$bn)	4
		Economic Savings (\$bn)	5

Please see the question directly below for further information on how the Sub-Fund’s sustainability indicators performed over the reference period.

## LYRICAL VALUE FUNDS (LUX) APPENDIX (Unaudited) (Continued)

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Sustainability indicators measure how the sustainable objectives of this financial product are attained.

### ● *How did the sustainability indicators perform?*

To measure the Sub-Fund's contribution to the SDGs with environmental and social objectives, the Investment Manager conducted a bottom-up analysis of each company's impact. The Investment Manager captured the results of its due diligence in its quantitative impact tracker and company-specific impact statements. Below are examples from the Investment Manager's impact statements to demonstrate how the Sub-Fund contributed to SDGs with an environmental and social objective.

Please note that some companies contributed to multiple SDGs. The Investment Manager only focused on the most relevant impact for its periodic disclosure.

#### **The Sub-Fund's Contribution to SDGs with an environmental objective.**

**SDG 7: Climate & Clean Energy Leaders (Impact: MW Installed)** – Flex's contribution to SDG 7 comes from its NexTracker brand, the number one global producer of solar trackers. Solar trackers improve the capacity of solar panels by automatically positioning each panel, increasing production by 15-30%. For example, in the Northeastern US, the tilt of the panels must change by 30 degrees every six months to capture the maximum amount of sunlight. From 2022-25, the Investment Manager estimates that Flex will increase global solar output by 20,000 MW, raising global solar production by 1-2%. This additional solar output could power 3.9 million homes.

Flex's sustainable revenue includes its contribution toward SDG 12. More information will be made available in the Investment Manager's 2022 Impact Report.

**SDG 7: Climate & Clean Energy Leaders (Impact: Avoided Emissions)** – Rexel contributes to SDG 7 by distributing and promoting solar, wind, and energy efficiency products, enabling customers to make positive environmental contributions. As part of the company's core business strategy, Rexel directly supports its 615,000 customers by using best-in-class sustainable products to achieve their objectives. The company trains its customers on new topics and more advanced solutions so they can capitalize on environmentally friendly business opportunities. In sum, Rexel offers the necessary products and solutions to facilitate the energy transition, i.e. avoid emissions from the use of products that the company sells.

## LYRICAL VALUE FUNDS (LUX) APPENDIX (Unaudited) (Continued)

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From 2022-25, Rexel will avoid 42 million tCO<sub>2</sub>e from the use of its sold products. This should save society \$2.1 billion by mitigating the adverse effects of climate change and improving economic outcomes, including reducing changes in agricultural productivity, damages caused by sea level rise, and a decline in human health and labor productivity. The Investment Manager uses the US government's social cost of carbon of \$51 per tCO<sub>2</sub>e to measure the Sub-Fund's avoided cost to society and the environment from climate change.

**SDG 12: Resource Reducers (Impact: Water Savings)** – Elis' environmental impact is achieved by using industrial washers, which are highly resource efficient, and reusing linens as many times as possible before they are recycled. During the Investment Manager's engagements with company management, Elis shared an LCA conducted on industrial washers, which found that its washers use 48% less water than commercial machines. From 2022-25, the Investment Manager expects Elis to save 54 billion liters of water. Outsourced cleaning services are more environmentally efficient, an increasingly important competitive advantage. The Investment Manager expects the industry to increase its market share from 40% outsourced currently. For every 1% increase in the company's market share, Elis can save an average of 202 million liters of water annually.

### **The Sub-Fund's Contribution to SDGs with a social objective.**

**SDG 3: Health Improvers (Impact: Lives Saved)** – NXP's automotive radar solutions, through its advanced driver-assistance systems (ADAS) technology, make a meaningful contribution to SDG 3 by reducing the number of global deaths and injuries from road accidents. ADAS uses a human-machine interface to improve earlier detection and provide safety assistance through early warning and automated systems. The integration of ADAS in passenger vehicles can prevent 40% of all crashes and 29% of deaths in crashes. From 2022-25, the Investment Manager estimates that 100 million new cars with NXP ADAS technology will hit the road, resulting in about 88,400 fewer fatal car crashes. To put this in perspective, North America has about 50,000 fatal car collisions yearly.

**SDG 8: Job Creators (Impact: Positive Economic Impact)** – Grupo Catalana contributes to SDG 8 by insuring the receivables on the balance sheet of small and medium enterprises (SMEs) worldwide through its Atradius business, lowering the mistrust between buyers and sellers. The company's trade insurance and credit insurance solutions promote international trade and support SMEs, which



## LYRICAL VALUE FUNDS (LUX) APPENDIX (Unaudited) (Continued)

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comprise 95% of OECD enterprises and account for 60%-70% of employment in most countries. For approximately 25 to 35 basis points, Atradius will insure up to 90% of a firm's receivables, allowing trust between counterparties and for global trade to function even in challenging times. From 2022-25, the Investment Manager expects the company to grow its contribution to SDG 8 by increasing international credit insurance by 3.5%. This will spur global trade by 0.4% or \$90 billion.

**SDG 16: Identity Protectors (Impact: Economic Savings)** – Gen Digital contributes to SDG 16 through its best-in-class antivirus apps and software. While the company has about 80 million global users, approximately 70% of its customers use its products for free, providing a critical public good to people worldwide. The company's software effectiveness comes from its antivirus scans which help remove malware files that enter a device. Its antivirus technology uses machine learning to get online threats to reveal themselves in milliseconds. Gen Digital protection software is also optimized to improve the user experience, decreasing the chance an individual will mistakenly divulge sensitive personal information. From 2022-25, the Investment Manager expects the company to increase its contribution to society by averting 58 million identity theft cases in the US, saving users approximately \$82 billion. This savings is approximately 28x of the Department of Homeland Security's FY2023 budget (\$2.9 billion) for cybersecurity and infrastructure security.

The tables below show a complete list of the Sub-Fund's sustainability indicators. In 2022, the Investment Manager began to portfolio-weight the Sub-Fund-level sustainability indicators better to reflect the Sub-Fund's contribution to the SDGs.

As part of the Sub-Fund's investment strategy, the Investment Manager measured the Sub-Fund's expected contribution to the SDGs from 2022-25.

The Investment Manager no longer includes the Number of Employees Helped as a measurement of impact. The Investment Manager employed this metric in relation to its holding in Concentrix Corporation. The Investment Manager determined that the company's policy to pay employees above minimum wage was an example of strong Environmental, Social, and Governance ("ESG") but that those benefits did not arise to "impact" consistent with the Sub-Fund's sustainable objective. To qualify for GIVES, a company's revenues or profit must directly align with positive impact. And, a company's goods or services must help solve a major world problem. In this case, the Investment Manager's measurement focused



**LYRICAL VALUE FUNDS (LUX)**  
**APPENDIX (Unaudited) (Continued)**

instead on expenses and internal operations. The Investment Manager continues to applaud the company’s ESG efforts and sees a significant upside to intrinsic value in the stock.

GIVES Sub-Fund's Contribution to the SDGs (2022-25)				
Sustainable Objective	SDG	Company Ticker	Impact	Summary
<i>Environmental</i>	<b>Clean Energy Installed</b>			
	SDG 7	Flex	1,170	Increasing solar output from NexTracker solar trackers.
		Kyudenko	2.5	Developing solar/wind energy projects via equity investment.
		<b>Total</b>	<b>1,172 MW</b>	
<i>Environmental</i>	<b>Portfolio Weighted Avoided Emissions</b>			
	SDG 7	AHT	79,651	Avoided emissions from renting construction equipment versus owning.
		AMBP	10,252	Avoided emissions from the added capacity of aluminum containers versus PET.
		CCK	20,003	Avoided emissions from the added capacity of aluminum containers versus PET.
		CNHI	43,249	Avoided emissions from full adoption of auto-guidance precision agricultural technology versus traditional agricultural technology.
		EBAY	240,002	Avoided emissions from selling non-new and refurbished items versus new items.
		HBI	3,687	Avoided emissions from sourcing more sustainable cotton versus conventional cotton.
		Hitachi	9,915,232	Avoided emissions from the new, innovative, and sustainable products versus outdated, less efficient technology.
		KCR	558,924	Avoided emissions from servicing cranes and extending their life, reducing the number of new cranes manufactured.
		Kyudenko	54,070	Avoided emissions in Japan from deploying energy-efficient technology in commercial/residential housing.
		RXL	2,049,946	Avoided emissions from the new, innovative, and sustainable clean energy/modern infrastructure products versus outdated, less efficient technology.
		SPIE	91,701	Avoided emissions from EVs serviced by SPIE charging points versus fossil-fuel powered automobiles.
		URI	128,810	Avoided emissions from renting construction equipment versus owning.
		WCC	1,376,556	Avoided emissions from the new, innovative, and sustainable clean energy products versus outdated, less efficient technology.
		WHR	25,529	Avoided emissions from dishwashers sold to first-time appliance buyers in emerging markets who used to wash dishes by hand.
			<b>Total</b>	<b>14.6 mm tCO<sub>2</sub>e</b>
	<b>Social Cost of Carbon</b>	<b>744.5 mm</b>		

**LYRICAL VALUE FUNDS (LUX)  
APPENDIX (Unaudited) (Continued)**

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

		<b>Water Savings</b>		
<i>Environmental</i>	ELIS	1,781,873,963		Water savings from outsourced laundering versus traditional laundering.
	SDG 12 HBI	8,609,445,961		Water savings from sourcing more sustainable cotton versus traditional cotton.
	WHR	490,037,309		Water savings from dishwashers sold to first-time appliance buyers in emerging markets who used to wash dishes by hand.
	<b>Total</b>		<b>10.9 bn Liters</b>	
		<b>Lives Saved</b>		
<i>Social</i>	SDG 3 NXPI	3,936		Potential lives saved from improving safety features of ADAS technology in passenger vehicles.
	<b>Total</b>		<b>3,936 Lives</b>	
		<b>Economic Impact</b>		
<i>Social</i>	EBAY	689,460,579		Positive economic impact from selling non-new and refurbished items.
	GCO	3,335,155,743		Increased global trade from credit/trade insurance.
	SDG 8 PRI	339,710,857		Promoted the financial inclusion of low-/middle-income Americans by providing affordable insurance offerings.
	SPIE	23,774,621		Positive economic impact of installing EV charging stations.
	<b>Total</b>		<b>\$ 4.4 bn</b>	
		<b>Economic Savings</b>		
<i>Social</i>	CI	\$ 1,385,009,950		Customer savings from more biosimilars coming to market versus branded drugs.
	SDG 8 & 12 CNC	\$ 651,938,412		Managed Medicaid business provides better health outcomes to patients while reducing costs.
	GEN	\$ 3,551,314,532		Savings from preventing cases of identity theft/cybercrimes.
	<b>Total</b>		<b>\$ 5.6 bn</b>	

*...and compared to previous periods?*

Sustainability indicators as of December 31, 2021, are in the table below. As part of the Sub-Fund’s investment strategy, the Investment Manager measured the Sub-Fund’s expected contribution to the SDGs from 2021-24.

<b>GIVES Sub-Fund's Contribution to the SDGs (2021-24)</b>				
Sustainable Objective	SDG	Company Ticker	Impact	Summary
<i>Environmental</i>	<b>Clean Energy Installed</b>			
		Flex	18,109	Increasing solar output from NexTracker solar trackers.
	SDG 7	Kyudenko/ Kinden	53	Developing solar/wind energy projects via equity investment.
		PWR	28,904	Installing solar, wind, and battery storage.
		MW	<b>47,066 MW</b>	

**LYRICAL VALUE FUNDS (LUX)**  
**APPENDIX (Unaudited) (Continued)**

		<b>Avoided Emissions (tCO2e)</b>	
<i>Environmental</i>	<b>CCK</b>	508,000	Avoided emissions from the added capacity of aluminum containers versus PET.
	<b>EBAY</b>	3,299,000	Avoided emissions from selling non-new and refurbished items versus new items.
	<b>HBI</b>	171,000	Avoided emissions from sourcing more sustainable cotton versus conventional cotton.
	<b>Hitachi</b>	60,000	Avoided emissions from the metro rail project in Lucknow, which decreased the number of cars.
	<b>SDG 7 KCR</b>	20,408,000	Avoided emissions from servicing cranes and extending their life, reducing the number of new cranes manufactured.
	<b>RBL</b>	10,000	Print-on-demand model decreases emissions from apparel, homeware, accessories, and more.
	<b>SPIE</b>	1,585,000	Avoided emissions from EVs serviced by SPIE charging points versus fossil-fuel powered automobiles.
	<b>URI</b>	1,353,000	Avoided emissions from renting construction equipment versus owning.
	<b>WHR</b>	781,000	Avoided emissions from dishwashers sold to first-time appliance buyers in emerging markets who used to wash dishes by hand.
	<b>Total</b>	<b>28.2</b>	<b>mm tCO2e</b>
		<b>Water Savings</b>	
<i>Environmental</i>	<b>ELIS</b>	113,159,000,000	Water savings from outsourced laundering versus traditional laundering.
	<b>HBI</b>	398,972,000,000	Water savings from sourcing more sustainable cotton versus traditional cotton.
	<b>SDG 12 RBL</b>	3,995,000,000	Print-on-demand model decreases excess waste from apparel, homeware, accessories, and more.
	<b>WHR</b>	16,700,000,000	Water savings from dishwashers sold to first-time appliance buyers in emerging markets who used to wash dishes by hand.
	<b>Total</b>	<b>532.8</b>	<b>bn Liters</b>
		<b>Lives Saved</b>	
<i>Social</i>	<b>SDG 3 NXPI</b>	74,400	Potential lives saved from improving safety features of ADAS technology in passenger vehicles.
	<b>Total</b>	<b>74,400</b>	<b>Lives</b>
		<b>Employees Helped</b>	
<i>Social</i>	<b>SDG 8 CNXC</b>	140,400	Supporting women and employees who self-identify as LGBTQ.
	<b>PRI</b>	4,836	Increasing the diversity of the financial services industry which is predominately white and male.
	<b>Total</b>	<b>145,236</b>	<b>Employees</b>

**LYRICAL VALUE FUNDS (LUX)  
APPENDIX (Unaudited) (Continued)**

		<b>Economic Impact</b>	
<b>Social</b>	<b>CNXC</b>	\$ 85,000,000	Providing living wage to lower-paid employees
	<b>EBAY</b>	\$ 4,241,000,000	Economic impact from selling non-new and refurbished items.
	<b>GCO</b>	\$ 141,765,000,000	Increasing in global trade from credit/trade insurance.
	<b>PRI</b>	\$ 6,604,000,000	Promoting the financial inclusion of low-/middle-income Americans by providing affordable insurance offerings.
	<b>RBL</b>	\$ 257,000,000	Helping independent artists be compensated fairly.
	<b>SPIE</b>	\$ 487,000,000	Economic impact from installing EV charging stations.
	<b>Total</b>	<b>\$ 153.4 bn</b>	
		<b>Economic Savings</b>	
<b>Social</b>	<b>CNC</b>	\$ 11,957,000,000	Managed Medicaid business providing better health outcomes to patients while reducing costs
	<b>NLOK</b>	\$ 67,371,000,000	Savings from preventing cases of identity theft/cybercrimes.
	<b>Total</b>	<b>\$ 79.3 bn</b>	

***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

*How were the indicators for adverse impacts on sustainability factors taken into account?*

Before the Investment Manager purchases a security, the Director of Sustainability, in collaboration with the Investment Team, performs diligence on company fundamentals and ESG policies and practices, including adverse impacts. The results of this process are captured in pre-trade summaries and qualitative and quantitative ESG and impact trackers. The Investment Manager has aligned its quantitative due diligence metrics with the principal adverse impact (“PAI”) indicators in the EU Taxonomy and Annex I Table 1 of the SFD Regulation. The Investment Manager developed its quantitative ESG tracker using Refinitiv to streamline its pre-trade due diligence and post-trade compliance checks. Post-trade assessments were conducted quarterly and on an ongoing basis, if there was a trade, using ESG trackers and post-trade summaries.



**LYRICAL VALUE FUNDS (LUX)**  
**APPENDIX (Unaudited) (Continued)**

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*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

<b>Sub-Fund’s Alignment with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights</b>	OECD Guidelines for Multinational Enterprises Alignment	23%
	Global Compact Signatory	32%
	Fundamental Human Rights ILO UN Alignment	73%
	UNPRI Signatory	5%

Due to a lack of data on the Sub-Fund’s compliance with the UN Guiding Principles on Business and Human Rights, the Investment Manager uses Refinitiv’s Global Compact Signatory, UNPRI Signatory, and Fundamental Human Rights ILO UN indicators as a proxy. The Fundamental Human Rights ILO UN indicator captures a company’s alignment with the following: the International Labor Organization (“ILO”) Declaration on Fundamental Principles and Rights at Work and UN Universal Declaration of Human Rights.

## LYRICAL VALUE FUNDS (LUX) APPENDIX (Unaudited) (Continued)

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### **How did this financial product consider principal adverse impacts on sustainability factors?**

First, the Sub-Fund considers PAIs by applying the Investment Manager's ESG Policy. That policy describes the Investment Manager's sustainable investment process and how it considers material negative impacts and risks to the environment and society, among other ESG and impact issues. Please see the Investment Manager's ESG Policy for more information:

[https://lyricalam.com/wp-content/uploads/dlm\\_uploads/2022/12/2022-LAM-ESG-Policy.pdf](https://lyricalam.com/wp-content/uploads/dlm_uploads/2022/12/2022-LAM-ESG-Policy.pdf)

Second, the Investment Manager analyzed all investments against the mandatory PAI indicators under the SFD Regulation. The Investment Manager used its quantitative ESG tracker, which primarily relied upon data from Refinitiv, to streamline its pre-trade due diligence and post-trade compliance checks. The Investment Manager sought data that was closely aligned with each PAI. Where data was limited or unavailable, the Investment Manager tried to supplement it with the best available proxy indicators or with qualitative analysis, if material to the company's operations.

For the cases in which data was limited or unavailable, the Investment Manager used the following indicators:

5. Share of nonrenewable energy consumption and production: The Investment Manager used Refinitiv's Renewable Energy Use indicator, which tracks if a company consumes or produces renewable energy.
7. Activities negatively affecting biodiversity sensitive areas: The Investment Manager used Refinitiv's Biodiversity Impact Reduction indicator. Refinitiv's Biodiversity Impact Reduction indicator measures if a company reports on its impact on biodiversity or on activities to reduce its impact on the native ecosystems and species, as well as the biodiversity of protected and sensitive areas. In addition, the Investment Manager used Refinitiv to track if a company discloses its support of SDG 14 (Life Below Water) and/or SDG 15 (Life on Land).
8. Emissions to water: The Investment Manager used carbon intensity and water intensity.
14. Exposure to controversial weapons: The Investment Manager used Refinitiv's Cluster Bombs and Anti-Personnel Landmine indicators, which tracks if a company is involved in activities related to cluster bombs and/or landmines.

The Investment Manager performed two types of due diligence on the PAIs to determine if the investment is causing significant harm or risk:

## LYRICAL VALUE FUNDS (LUX) APPENDIX (Unaudited) (Continued)

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1. For quantitative indicators with sufficient availability, comparability, and quality, part of the Investment Manager's assessment was whether the adverse impact was significant based on the company's performance against the MSCI World benchmark. This was complemented by a bottom-up analysis of the company's policies and practices as the benchmark was not account for a company's industry or size.
2. For qualitative indicators (e.g. violations of UNGC), the Investment Manager assessed significant harm using bottom-up analysis to verify that negative impacts do not compromise the company's sustainable objective to support the SDGs.

Third, in cases where the due diligence suggests an investment may be causing significant harm or risk, the Investment Manager conducted additional bottom-up research and engagement to assess adverse impacts. The Investment Manager captured the results of its analysis in its pre-/post-trade trackers and its annual impact report. The Investment Manager concluded a company is not causing significant harm if:

- The Investment Manager's bottom-up research demonstrated that the company was most likely not causing significant harm.
- The company has taken steps to address the potential significant harm, such as developing GHG emission reduction targets.
- The company received below a Severe (Level 5) Sustainalytics controversy score then it is not causing significant harm.

According to the PAI indicators and the Investment Manager's bottom-up analysis, a company will be removed from the Sub-Fund if it determines a company is causing significant harm. As of the end of the reference period, no companies have been removed from the Sub-Fund due to this analysis.



## LYRICAL VALUE FUNDS (LUX) APPENDIX (Unaudited) (Continued)



### What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1 Jan, 2022 – 31 Dec, 2022

Largest investments	Sector	% Assets	Country
Flex Ltd.	Information Technology	6.0%	Singapore
CNH Industrial NV	Industrials	5.8%	United Kingdom
HCA Healthcare Inc	Health Care	5.5%	United States
Hitachi, Ltd.	Industrials	5.4%	Japan
United Rentals, Inc.	Industrials	5.4%	United States
Ashtead Group plc	Industrials	5.4%	United Kingdom
Centene Corporation	Health Care	5.1%	United States
Rexel SA	Industrials	4.9%	France
Cigna Corporation	Health Care	4.8%	United States
Primerica, Inc.	Financials	4.6%	United States
WESCO International, Inc.	Industrials	4.5%	United States
NXP Semiconductors NV	Information Technology	4.5%	Netherlands
eBay Inc.	Consumer Discretionary	4.4%	United States
Gen Digital Inc.	Information Technology	4.4%	United States
SPIE SA	Industrials	4.2%	France

**LYRICAL VALUE FUNDS (LUX)**  
**APPENDIX (Unaudited) (Continued)**

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**What was the proportion of sustainability-related investments?**

Regarding the asset allocation and the minimum share of sustainable investments, the Investment Manager confirms that 100% of the Sub-Fund's investments in equities have a sustainable objective by contributing to at least one SDG. As of the end of the reference period, 66% of the Sub-Fund's net asset values pursued an environmental objective, and 33% of the Sub-Fund's investments pursued a social objective.

Approximately 1% of the Sub-Fund's net asset value was held in cash as a residual for liquidity purposes. No minimum environmental or social safeguards have been put in place in relation to such holdings.

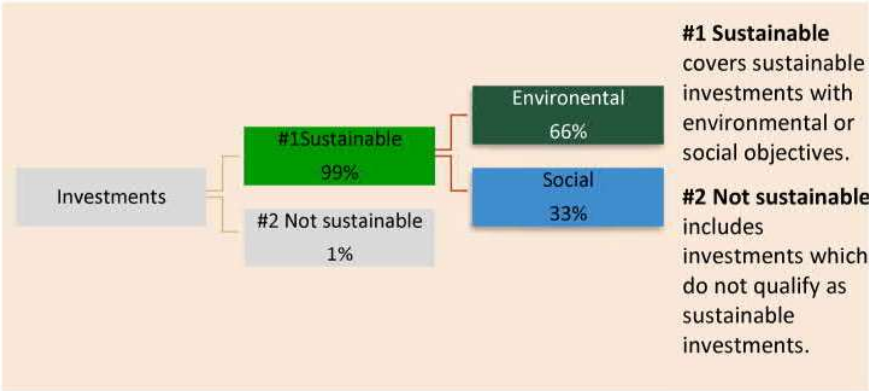
# LYRICAL VALUE FUNDS (LUX)

## APPENDIX (Unaudited) (Continued)

**Asset allocation** describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● *What was the asset allocation?*



**LYRICAL VALUE FUNDS (LUX)**  
**APPENDIX (Unaudited) (Continued)**

*In which economic sectors were the investments made?*

GICS Sector	Economic Sector		
	Consumer Discretionary		10%
	Financials		8%
	Health Care		15%
	Industrials		44%
	Information Technology		15%
	Materials		7%

FactSet Industry	Industry		
	Apparel/Footwear		2%
	Containers/Packaging		7%
	Electronic Production Equipment		6%
	Electronics/Appliances		4%
	Engineering & Construction		6%
	Finance/Rental/Leasing		11%
	Hospital/Nursing Management		6%
	Information Technology Services		5%
	Internet Retail		4%
	Life/Health Insurance		5%
	Managed Health Care		10%
	Miscellaneous Commercial Services		3%
	Multi-Line Insurance		4%
	Packaged Software		4%
	Semiconductors		4%
	Trucks/Construction/Farm Machinery		8%
	Wholesale Distributors		9%



**LYRICAL VALUE FUNDS (LUX)**  
**APPENDIX (Unaudited) (Continued)**

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**To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0% of the Sub-Fund’s sustainable investments with an environmental objective aligned with the EU Taxonomy.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

**Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas       In nuclear energy]

No

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<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

# LYRICAL VALUE FUNDS (LUX)

## APPENDIX (Unaudited) (Continued)

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the product including sovereign bonds, while the second graph shows the Taxonomy alignment on relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

Similarly, 0% of the Sub-Fund's investments were in taxonomy-aligned enabling and transitional activities.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

NA

## LYRICAL VALUE FUNDS (LUX) APPENDIX (Unaudited) (Continued)

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 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

66% of the Sub-Fund's net asset value with an environmental objective was not aligned with the EU Taxonomy



**What was the share of socially sustainable investments?**

33% of the Sub-Fund's net asset value with a social objective.



**What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?**

As of the end of the reference period, approximately 1% of the Sub-Fund was held in cash as a residual for liquidity purposes.

No minimum environmental or social safeguards have been put in place in relation to such holdings.

## LYRICAL VALUE FUNDS (LUX) APPENDIX (Unaudited) (Continued)

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### **What actions have been taken to attain the sustainable investment objective during the reference period?**

To attain the Sub-Fund's sustainable investment objective, the Investment Manager only invested in companies with a clearly stated and significant commitment and support for at least one of the SDGs. The Investment Manager used its three general investment criteria (value, quality, and analyzability) and four impact investment pillars (material, measurable, intentional, and sustainable) to determine if a company qualifies for the Sub-Fund.

To facilitate this process, the Investment Manager used publicly available information and information specifically requested from the companies, which was gathered and analyzed by the investment management team. The Investment Manager used a logic framework to map a company's revenues and operating activities to its material impact on society. The Investment Manager developed company-specific quantitative metrics and qualitative case studies using the SDG sub-goals and related indicators to measure the Sub-Fund's contribution toward environmental and social objectives.

As of the end of the reference period, the Investment Manager determined that 100% of the Sub-Fund's investments (excluding liquidities and derivatives for hedging purposes) complied with these criteria.

More information will be made available in the Investment Manager's 2022 Impact Report.



### **How did this financial product perform compared to the reference sustainable benchmark?**

- *How did the reference benchmark differ from a broad market index?*  
NA
- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*  
NA



## LYRICAL VALUE FUNDS (LUX) APPENDIX (Unaudited) (Continued)

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Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

- *How did this financial product perform compared with the reference benchmark?*  
NA
- *How did this financial product perform compared with the broad market index?*  
NA