

# **EFFEPILUX ALTERNATIVE**

*Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé*

R.C.S. Luxembourg B 150.495

**Annual report including the audited financial statements  
as at December 31, 2023**

No subscriptions can be received on the basis of these financial statements. Subscriptions are only valid if made on the basis of the current prospectus and the Key Information Document («KID»), accompanied by a copy of the latest annual report including the audited financial statements, if published thereafter.

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## Organisation and Administration

### Registered Office

146, Boulevard de la Pétrusse,  
L-2330 Luxembourg  
Grand Duchy of Luxembourg

### Board of Directors

#### Chairman:

Robert DENORMANDIE, Independent Director,  
Former Associate and founder of The Directors  
Office, Luxembourg, Grand Duchy of Luxembourg

#### Members:

Franco OTTOBRE, Vice-President of the Board of  
Directors of Fondo Pensione per il personale delle  
Aziende del Gruppo UniCredit, Milan, Italy.

Massimo COTELLA, Independent consultant and  
Chairman of the Board of Directors and member of  
the investments committee of Fondo Pensione per il  
personale delle Aziende del Gruppo UniCredit,  
Milan, Italy

Corrado GALEASSO, Member of the Board of  
Directors and member of the Investment Committee  
of Fondo Pensione per il personale delle Aziende del  
Gruppo Unicredit, Milan, Italy

Andrea LARUCCIA, General Manager and member  
of the Investment Committee of Fondo Pensione per  
il personale delle Aziende del Gruppo Unicredit,  
Milan, Italy

### Management Company

Fondaco Lux S.A.,  
146, Boulevard de la Pétrusse,  
L-2330 Luxembourg  
Grand Duchy of Luxembourg

### Board of Directors of the Management Company

#### Chairman:

Fabio LIBERTINI, Chairman of Fondaco Lux S.A.,  
146, Boulevard de la Pétrusse,  
L-2330 Luxembourg  
Grand Duchy of Luxembourg

### Members:

Paolo CROZZOLI, Independent Director,  
146, Boulevard de la Pétrusse,  
L-2330 Luxembourg  
Grand Duchy of Luxembourg

Henri NINOVE, Director of Ersel Gestion  
Internationale S.A. Luxembourg,  
17, rue Jean l'Aveugle,  
L-1148 Luxembourg,  
Grand Duchy of Luxembourg

Monica PORFILIO, Independent Director  
146, boulevard de la Pétrusse,  
L-2330 Luxembourg  
Grand Duchy of Luxembourg

### Delegates of the Board of Directors of the Management Company who effectively conduct the business:

Paola TROMBETTA,  
Conducting Person of Fondaco Lux S.A.  
146, boulevard de la Pétrusse,  
L-2330 Luxembourg  
Grand Duchy of Luxembourg

Lorenzo Valerio PIZZUTI,  
Conducting Person of Fondaco Lux S.A.  
146, boulevard de la Pétrusse,  
L-2330 Luxembourg  
Grand Duchy of Luxembourg

Andrea BAZZANI,  
Conducting Person of Fondaco Lux S.A.  
146, boulevard de la Pétrusse,  
L-2330 Luxembourg  
Grand Duchy of Luxembourg

Marco PAOLINI,  
Conducting Person of Fondaco Lux S.A.  
146, boulevard de la Pétrusse,  
L-2330 Luxembourg  
Grand Duchy of Luxembourg

## Organisation and Administration (continued)

### Depository and Paying Agent

Société Générale Luxembourg  
11, avenue Emile Reuter,  
L-2420 Luxembourg,  
Grand Duchy of Luxembourg

### Administrative Agent and Registrar Agent

*(Until July 10, 2023)*

Société Générale Luxembourg (operational center)  
28-32, Place de la gare,  
L-1616 Luxembourg,  
Grand Duchy of Luxembourg

*(Since July 11, 2023)*

Société Générale Luxembourg  
11, avenue Emile Reuter,  
L-2420 Luxembourg,  
Grand Duchy of Luxembourg

### Investment Managers

Edmond de Rothschild Asset Management (France)  
47, rue du Faubourg Saint-Honoré,  
75008 Paris, France  
(for the Sub-Fund EFFEPILUX ALTERNATIVE -  
Alternativo)

Fondaco SGR S.p.A  
Corso Vittorio Emanuele II,71  
10128 Torino, Italy  
(for the Sub-Fund EFFEPILUX ALTERNATIVE - R.E.)  
Partners Group AG  
Zugerstrasse 57, Baar-Zug, Switzerland  
(for the Sub-Fund EFFEPILUX ALTERNATIVE - R.E.)

### Independent Auditor

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

## General information on the Company

EFFEPILUX ALTERNATIVE, is an open-ended investment company organised as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and qualifies as a *Société d'Investissement à Capital Variable* ("SICAV" or the "Company") and a *Fonds d'Investissement Spécialisé* under the Law of 13 February 2007 relating to Specialised Investment Funds (the "SIF Law") as amended, with several separate Sub-Funds (individually a "Sub-Fund" and collectively the "Sub-Funds") pursuant to article 71 of the SIF law.

The Company was incorporated on December 31, 2009 with a Share capital of 31 000 EUR divided into 31 shares of no par value of the EFFEPILUX ALTERNATIVE - Alternativo Sub-Fund (liquidated as of 15/12/2023).

The articles of incorporation of the Company were published in the *Mémorial C, Recueil Spécial des Sociétés et Associations du Grand-Duché de Luxembourg* (hereinafter the "Mémorial") on 15 January 2010, after having been registered with the District Clerk of the Court of Luxembourg, where they can be consulted and where copies can be obtained against payment of the Court fees.

The Board of Directors may issue Shares of different classes (individually a "Class" and collectively the "Classes") in each Sub-Fund. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. As a result, the Company is an "umbrella Fund" enabling investors to choose between one or more investment objective(s) by investing in one or more Sub-Fund(s).

The Board of Directors appointed Fondaco Lux S.A., which qualifies as a Chapter 15 management company pursuant to the 2010 Law, in order to act as its designated Management Company pursuant the Management Company Agreement, dated September 1, 2016.

At December 31, 2023 one Sub-Fund is in activity:

- EFFEPILUX ALTERNATIVE - R.E.

## Information to the Shareholders

The annual general meeting of Shareholders of the Company is held in Luxembourg on the 2<sup>nd</sup> Monday of June of each year at 10.00 a.m. or, if such day is not a business day in Luxembourg, on the next business day. For all general meetings of Shareholders notices are sent to registered Shareholders by post at least 8 days prior to the meeting. Notices, if required, will be published in the Mémorial and in a Luxembourg newspaper (if legally required) and in such other newspapers as the Board of Directors may decide. Such notices will include the agenda and specify the place of the meeting. The legal requirements as to notice, quorum and voting at all general and Sub-Fund or Class Meetings are included in the Articles. Meetings of Shareholders of any given Sub-Fund or Class shall decide upon matters relating to that Fund or Class only.

Annual reports, including audited financial statements are sent to the registered Shareholders and are made available for public inspection at each of the registered offices of the Company and the Domiciliary Agent.

The financial year of the Company ends on 31<sup>st</sup> December each year.

## Report of the Board of Directors

### EFFEPILUX ALTERNATIVE - Alternativo

The Sub-Fund started 2023 with EUR 200.23M AUM; most of the Sub-Fund was represented by Private Market investments in the areas of private equity, infrastructure, private loans and venture capital.

The rest of the Sub-Fund portfolio was invested in gold and in money market instruments as well as a very small residual allocation to side pockets linked with prior hedge funds investments.

The year was interested by a radical reorganization of the Sub-Fund.

The first step undertaken mid-January was represented by the termination of the investment management agreement with Edmond de Rothschild Asset Management, whose task was the hedging of part of the USD denominated portfolio.

The second step was the write-off of side pocket positions having no residual value: Invesco Partnership Fund IV, Liongate 15 SPC SICAV, PallMall Tech Venture V and VII, Pinebridge US Venture L.P. and Silver Creek Low Vol Continuation Fund Cayman L.P. as well as the sale of liquid securities.

Then, the decision was taken to transfer eligible assets from Sub-Fund Alternativo to Sub-Fund RE, to better align Sub-Funds portfolios. The transfer happened in two instalments: within the first tranche Energeia Fotovoltaico, Green Arrow European Renewable and Renewable Energy II, Hines International RE and Tender Real Assets moved from one Sub-Fund to the other with effective date January 31st; the second tranche saw the transfer of PVE European Distressed I and III with effective date March 31st and the transfer of Apollo India Property as of April 3rd.

Finally, there has been the receipt of a full redemption order sent by the investor in the fund, with trade date March 31st, and the subsequent transfer of assets (i.e. liquidity and all the remaining Private Market investments) to the investor to pay the full redemption in kind.

The Board decided to liquidate the Sub-Fund, holding no more assets but residual cash, as of December 15th, 2023, with a negative YTD performance equal to 0.77%.

### EFFEPILUX ALTERNATIVE - R.E.

2023 was a difficult year for the Sub-Fund, which registered a negative performance of 6.31%. The Real Estate portfolio has an IRR of 3.7% and, despite the fact that it continued to generate a significant amount of cash, total return over the last 3 years of some large target positions was disappointing. After the Covid-19 pandemic impacted some segments of the portfolio, especially the component managed by Partners Group, the rise in interest rates added strains to the portfolio. Target positions with the highest IRR since inception continue being Columbus UK, IEEF II and Residences Ritz-Carlton.

The Sustainable Real Assets Poche was created in May 2021 with a capital commitment of € 80.0 million. It started the investment activity in September 2021, and since then has made commitments for a total of €45.0 million to 4 funds. As of the end of December 2023, €28.6 million have been drawn down and €4.8 million have been distributed by the underlying managers.

The first investment was a € 15.0 million commitment to Ginkgo III. The fund targets brownfield assets in the Eurozone countries with the aim of de-polluting the sites, realizing mixed-use projects and contributing to the economic development of the local communities. Given the strong sustainability and positive impact component of its investment strategy, the fund is compliant with the Art. 9 of the Sustainable Finance Disclosure Regulation (SFDR). As of the end of December 2023, the fund called capital for a total of €8.4 million and distributed €0.4 million. As of Dec 31st, 2023, the performance of the fund, based on the latest NAV available, corresponds to an IRR since inception of -8.9% and a TVPI of 0.87x.

## Report of the Board of Directors (continued)

The second commitment of €10.0 million was to Italian Energy Efficiency Fund II. The fund plans to allocate capital to the financing of greenfield projects launched by operating companies, such as Energy Service Companies (ESCOs), in the fields of, among others, lighting, co-generation and tri-generation, HVACR, energy storage and renewables. The nature of the financed projects is in line with the international Environmental, Social and Governance (ESG) best practices and, for this reason, the fund is compliant with the Art. 8 of the SFDR. As of the end of December 2023, the fund had called capital for a total of €8.1 million and distributed €2.6 million. As of Dec 31st, 2023, the performance of the fund, based on the latest NAV available, corresponds to an IRR since inception of +40.3% and a TVPI of 1.51x.

In April 2022, the third commitment of €10.0 million to the Capital Dynamics Clean Energy Infrastructure IX was performed. The fund invests in the renewables in Europe (mainly in Spain and Italy) for the production of clean energy through solar PV and onshore wind plants, and targets, opportunistically, adjacent sectors such as batteries. The manager focuses on ready-to-build projects by partnering with local developers and construction companies. The fund is categorized as SFDR Art. 9 and promotes environmental impact objectives. As of the end of December 2023, the fund had called capital for a total of €7.6 million and distributed €1.4 million. As of Sep 30th, 2023, the performance of the fund, based on the latest NAV available, corresponds to an IRR since inception of +8.5% and a TVPI of 1.08x.

In December 2022, the fourth commitment of €10.0 million to the Equiter Infrastructure II was performed. The manager has a generalist focus and targets investments, among the others sub-sectors, in energy transition, healthcare, smart mobility, urban regeneration and circular economy in the Italian market. On the sustainability side, the investment activity will be performed according to SFDR Art. 8. As of the end of December 2023, the fund had called capital for a total of €4.5 million and distributed €0.5 million. As of Dec 31st, 2023, the performance of the fund, based on the latest NAV available, corresponds to an IRR since inception of -18.1% and a TVPI of 0.90x.

As of Dec 31st, 2023, the performance of the overall portfolio corresponds to an IRR since inception of +9.6% and a TVPI of 1.11x. The primary catalyst for this positive performance was the robust exposure to the energy sector, particularly in renewables and energy efficiency. This strength can be attributed to the inflationary pressures on energy prices and sustained demand. The remaining components of the portfolio are still going through the typical j-curve dynamics.

Regarding the portfolio managed by Partners Group within the Sub-Fund, during the first quarter of 2023, Effepilux made a EUR 40 million commitment to Partners Group Real Estate Secondary 2021 (EUR) S.C.A., SICAV-RAIF and invested EUR 6.6 million largely to fund part of its new commitment to the fund, which in turn deployed capital to support Oslo Light Industrial Portfolio's acquisition of additional ten assets; during the same quarter 80 Fenchurch Street was negatively revalued due to yield expansion based on a comparable transaction in the market. Over the second quarter of 2023, the Program reported several negative revaluations within its portfolio. For instance, Normandy Real Estate Fund III was written off as the NAV of the remaining office properties was unlikely to be recovered due to significant headwinds faced by the office sector and rising interest rates. During the third quarter portfolio investment multiples decreased from 1.25x to 1.23x due to overall negative revaluations across the portfolio. The valuation movement was mainly driven by 80 Fenchurch Street, which was negatively revalued, tied to yield expansion, reflecting the macroeconomic headwinds in the UK.

At year end the portfolio's investment multiple decreased further, from 1.23x to 1.21x due to overall negative revaluations across the portfolio. The valuation movement was mainly driven by 80 Fenchurch Street, which was negatively revalued based on a latest third-party appraisal, reflecting the overall deteriorating market sentiment for office assets.

As per the portion of the portfolio managed by AIFM, the Sub-Fund received two transfer ins for a total of 8 funds in kind, from Sub-Fund Alternativo, corresponding to an inflow of EUR 48.24M.

The year-end Assets under Management stood at €127.5M.



## Report of the Board of Directors (continued)

### **EFFEPILUX ALTERNATIVE – Private Debt**

The Sub-Fund started 2023 with EUR 109.56M AUM.

The Sub-Fund portfolio had two main components: 5 closed end funds investing in private debt, with a total commitment value of €100M (representing 56% of total assets) and 3 open-end funds investing in senior loans, representing 34% of total assets; the remainder, or 10% of AUM, was represented by cash.

The year was interested by a radical reorganization of the Sub-Fund.

On March 6th the fund received of a full redemption by the investor, with trade date March 31st. The redemption was paid partially in cash (with the proceeds of the disposal of liquid investments) and partially in kind with the transfer of the 5 remaining assets (remaining Private Market investments) to the investor. Tikehau Direct Lending IV, Green Arrow Private Debt, Castello Canova, BlackRock European Middle Market were transferred with effective date March 31st, while Arcmont Senior Loans changed hands effective April 3rd.

The Board decided to liquidate the Sub-Fund, holding no more assets but residual cash, as of December 15th, 2023, with a positive YTD performance equal to 1.09%.

Luxembourg, June 26, 2024

The Board of Directors

To the Shareholders of

**EFFEPILUX ALTERNATIVE**

*Société anonyme*

*Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé*

146, Boulevard de la Pétrusse

L-2330 Luxembourg

**REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

**Opinion**

We have audited the financial statements of Effepilux Alternative (the "Fund"), which comprise the statement of net assets and the statement of investments and other net assets as at December 31, 2023 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at December 31, 2023, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

**Basis for Opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *réviseur d'entreprises agréé* for the Audit of the Financial Statements" section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Other information**

The *Board of Directors of the Fund* is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the *réviseur d'entreprises agréé* thereon.

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

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

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

## **Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *réviseur d'entreprises agréé* to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *réviseur d'entreprises agréé*. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For Deloitte Audit, *Cabinet de révision agréé*

Emmanuelle Miette, *Réviseur d'entreprises agréé*  
Partner

## Statement of Net Assets

(expressed in the Sub-Fund's currency)

	Notes	EFFEPILUX ALTERNATIVE - R.E. EUR	Combined EUR
<b>ASSETS</b>			
Securities portfolio at cost		173 299 331	173 299 331
Net unrealised profit/ (loss)		(58 922 412)	(58 922 412)
Securities portfolio at market value	2.2	114 376 919	114 376 919
Cash at bank		11 743 033	11 743 033
Other assets		1 555 393	1 555 393
		<b>127 675 345</b>	<b>127 675 345</b>
<b>LIABILITIES</b>			
Management fees payable	3	305 641	305 641
Investment advisory fees payable	3	7 582	7 582
Depository fees payable	4	15 030	15 030
Administration fees payable	4	15 470	15 470
Registrar Agent fees payable	4	3 233	3 233
Interest and bank charges payable		14 420	14 420
Other liabilities		40 053	40 053
		<b>401 429</b>	<b>401 429</b>
<b>TOTAL NET ASSETS</b>		<b>127 273 916</b>	<b>127 273 916</b>

## Statement of Operations and Changes in Net Assets

(expressed in the Sub-Fund's currency)

	Notes	EFFEPILUX ALTERNATIVE - Alternativo EUR	EFFEPILUX ALTERNATIVE - R.E. EUR	EFFEPILUX ALTERNATIVE - Private Debt EUR
<b>Net assets at the beginning of the year</b>		<b>194 221 559</b>	<b>82 331 999</b>	<b>110 717 457</b>
<b>INCOME</b>				
Dividends, net	2.5	2 182 766	12 544 479	1 491 362
Bank interest	2.5	134 267	415 573	86 049
		<b>2 317 033</b>	<b>12 960 052</b>	<b>1 577 411</b>
<b>EXPENSES</b>				
Management fees	3	11 113	1 434 734	6 860
Investment advisory fees	3	-	10 384	-
Depository fees	4	10 975	30 929	6 780
Administration fees	4	10 639	32 236	7 012
Registrar Agent fees	4	1 599	6 617	1 599
Professional fees		9 963	71 455	7 946
Interest and bank charges		276	267	28
Transaction costs		-	70 871	-
Other expenses		100 000	151 287	216 466
		<b>144 565</b>	<b>1 808 780</b>	<b>246 691</b>
<b>Net investment income/ (loss)</b>		<b>2 172 468</b>	<b>11 151 272</b>	<b>1 330 720</b>
<b>Net realised gains/ (losses) on</b>				
- securities sold	2.3	30 998 305	(41 507 059)	2 558 229
- currencies	2.4	21 868	(59 302)	-
- forward foreign exchange contracts		(118 208)	-	-
		<b>30 901 965</b>	<b>(41 566 361)</b>	<b>2 558 229</b>
<b>Net realised result for the year</b>		<b>33 074 433</b>	<b>(30 415 089)</b>	<b>3 888 949</b>
<b>Change in net unrealised profit/ (loss) on</b>				
- securities		(28 653 638)	27 112 692	(3 845 935)
- forward foreign exchange contracts	2.6	54 688	-	-
		<b>(28 598 950)</b>	<b>27 112 692</b>	<b>(3 845 935)</b>
<b>Result of operations</b>		<b>4 475 483</b>	<b>(3 302 397)</b>	<b>43 014</b>
<b>Movements in capital</b>				
Subscriptions		-	48 244 314	-
Redemptions		(198 697 042)	-	(110 760 471)
		<b>(198 697 042)</b>	<b>48 244 314</b>	<b>(110 760 471)</b>
<b>Net assets at the end of the year</b>		<b>-</b>	<b>127 273 916</b>	<b>-</b>

## Statement of Operations and Changes in Net Assets (continued)

(expressed in the Sub-Fund's currency)

	Notes	Combined EUR
<b>Net assets at the beginning of the year</b>		<b>387 271 015</b>
<b>INCOME</b>		
Dividends, net	2.5	16 218 607
Bank interest	2.5	635 889
		<b>16 854 496</b>
<b>EXPENSES</b>		
Management fees	3	1 452 707
Investment advisory fees	3	10 384
Depository fees	4	48 684
Administration fees	4	49 887
Registrar Agent fees	4	9 815
Professional fees		89 364
Interest and bank charges		571
Transaction costs		70 871
Other expenses		467 753
		<b>2 200 036</b>
<b>Net investment income/ (loss)</b>		<b>14 654 460</b>
<b>Net realised gains/ (losses) on</b>		
- securities sold	2.3	(7 950 525)
- currencies	2.4	(37 434)
- forward foreign exchange contracts		(118 208)
		<b>(8 106 167)</b>
<b>Net realised result for the year</b>		<b>6 548 293</b>
<b>Change in net unrealised profit/ (loss) on</b>		
- securities		(5 386 881)
- forward foreign exchange contracts	2.6	54 688
		<b>(5 332 193)</b>
<b>Result of operations</b>		<b>1 216 100</b>
<b>Movements in capital</b>		
Subscriptions		48 244 314
Redemptions		(309 457 513)
		<b>(261 213 199)</b>
<b>Net assets at the end of the year</b>		<b>127 273 916</b>

## Statistical information

### EFFEPILUX ALTERNATIVE - R.E.

	Currency	31/12/23	31/12/22	31/12/21
<b>PART C</b>				
Number of shares		17 230 866.145	10 930 245.578	10 930 245.578
Net asset value per share	EUR	7.386	7.532	7.987
Total Net Assets	EUR	127 273 916	82 331 999	87 300 552



## EFFEPILUX ALTERNATIVE - R.E.

Nominal value/ Quantity*	Description	Quotation Currency	Market value EUR	% of net assets
<b>Investment Funds</b>				
<b>Close-ended Investment Funds</b>				
	CAPITAL DYNAMIC CLEAN ENERGY INFRASTRUCTURE - IX	EUR	6 632 723	5.21
	COIMA GEO PONENTE A1	EUR	-	0.00
	COIMA GEO PONENTE A2	EUR	1 100 002	0.86
	COIMA GEO PONENTE A3	EUR	33 416	0.01
	CYPRESS ACQUISITION PARTNERS 559	USD	1	0.00
	ENERGHEIA - A	EUR	4 184 473	3.29
	EQUITER INFRASTRUCTURE II	EUR	3 570 413	2.81
	EUROPEAN PROPERTY INV SPECIAL OPPS PGA 487	EUR	829 545	0.65
	FENCHURCH STREET PGA 700	GBP	15 554 793	12.22
	FUTURUM PGA 736	NOK	28 343	0.02
	GATEWAY REAL ESTATE FUND V	USD	6 837 047	5.37
	GINKGO FUND III SCA SICAV RAIF	EUR	6 904 058	5.42
801.97	HINES INTERNATIONAL REAL ESTATE FUND	USD	11 507	0.01
	ITALIAN ENERGY EFFICIENCY FUND II	EUR	9 696 348	7.62
	JPM INDIA PROPERTY	USD	153 797	0.12
	NUMERIA SALUTE 3	EUR	5 014 756	3.94
	PARTNERS GROUP ACCESS 641 LP	GBP	1	0.00
	PARTNERS GROUP REAL ESTATE SECONDARY SICAV RAIF 2021	EUR	12 615 651	9.91
	PEAKSIDE REAL ESTATE IV SCS	EUR	443 000	0.35
	PGA 635	EUR	74 415	0.06
	PROJECT ACTA PGA 634	EUR	2	0.00
	PROJECT ACTA PGA 843	EUR	23 731	0.02
	PROJECT LLOYD CENTER PGA 603	USD	1	0.00
	PROJECT SOPRANOS PGA 737	EUR	873 913	0.69
	PROJECT 200 NORTH MICHIGAN PGA S26	USD	1	0.00
	PROJECT 200 NORTH MICHIGAN PGA 602	USD	1	0.00
	PVE EUROPEAN DISTRESSED FUND - 3	EUR	798 177	0.63
13 000	PVE EUROPEAN DISTRESSED FUND - 1	EUR	4 231 370	3.32
101 010.1	GREEN ARROW EUROPEAN RENEWABLE FUND	EUR	15 106 477	11.88
118 811.88	GREEN ARROW RENEWABLE ENERGY II FUND	EUR	9 554 001	7.51
	REAL ESTATE II	EUR	2 871 402	2.26
	SEB ASIAN PROPERTY II	EUR	334 052	0.26
	TENDER CAPITAL ALTERNATIVE FUNDS PLC	EUR	6 899 500	5.43
	TORRE FUND RE I/NM	EUR	-	0.00
	WM INDUSTRIAL PORTFOLIO 1	USD	2	0.00
	<b>Total Close-ended Investment Funds</b>		<b>114 376 919</b>	<b>89.87</b>
	<b>Total Investment Funds</b>		<b>114 376 919</b>	<b>89.87</b>
	<b>Total Investments</b>		<b>114 376 919</b>	<b>89.87</b>
	<b>Cash at Bank</b>		<b>11 743 033</b>	<b>9.23</b>
	<b>Other net assets</b>		<b>1 153 964</b>	<b>0.90</b>
	<b>Total Net Assets</b>		<b>127 273 916</b>	<b>100.00</b>

\* Please see the commitments in note 8 for the investments funds without nominal value/quantity disclosed. The accompanying notes form an integral part of these financial statements.

**EFFEPILUX ALTERNATIVE - R.E.**

Economic and Geographical Classification of Investments

<b>Economic classification</b>	<b>%</b>
Investment Fund	89.87
	<b>89.87</b>

<b>Geographical classification</b>	<b>%</b>
Luxembourg	29.46
Italy	23.97
United States of America	17.97
United Kingdom	13.05
Ireland	5.42
	<b>89.87</b>

## Notes to the financial statements

### 1 - General

The investment objective of the EFFEPILUX ALTERNATIVE - Alternativo is to obtain an uncorrelated return from the main financial markets (equities and bonds), with the growth of the invested capital in the long term.

The investment objective of the EFFEPILUX ALTERNATIVE - R.E. is to invest mainly in core plus, value added and opportunistic real estate assets and strategies and will not be subject to any sector limitation.

The investment objective of the EFFEPILUX ALTERNATIVE - Private Debt is to invest indirectly in debt assets and strategies mainly through investment funds.

Based on the self assessment on the status of EFFEPILUX ALTERNATIVE, the Company has been recorded by the CSSF as not qualifying as alternative investment fund within the meaning of article 1 paragraph 39 of the AIFM Law.

On March 14, 2023, the Board of Directors of the Company has accepted the full redemption orders received on March 06, 2023 for Effepilux Alternative- Alternativo and Effepilux Alternative- Private Debt.

However, the Board of Directors of the Company has been informed about a transfer in kind to be executed with trade date March 31, 2023 from the Sub-Fund Effepilux Alternative- Alternativo into the Sub-Fund Effepilux Alternative- R.E.

The Board of Directors of the Company considers, in the best interest of the shareholders and of the Fund, to proceed with the Transfer in kind as referred above. Therefore, the redemption order received by Effepilux Alternative – Alternativo, is not considered as full redemption order rather as partial redemption order.

Consequently, the last official NAV of the Sub-Funds Effepilux Alternative- Alternativo and Effepilux Alternative- Private Debt were dated March 31, 2023, liquidation date of the Sub-funds.

### 2 - Significant accounting policies

#### 2.1 Presentation of financial statements

The financial statements are presented in accordance with legal and regulatory requirements and generally accepted accounting principles in Luxembourg, relating to undertakings for collective investment.

#### 2.2 Valuation of investment in securities

2.2.1 The value of any securities, money market instruments and derivative instruments is determined on the basis of the last available price on the stock exchange or any other regulated market on which these securities, money market instruments or derivative instruments are traded or admitted for trading unless otherwise mentioned in the Prospectus. Where such securities, money market instruments or derivative instruments are quoted or dealt in one or by more than one stock exchange or any other regulated market, the Board of Directors makes regulations for the order of priority in which stock exchanges or other Regulated Markets are used for the provision of prices of securities, assets or derivative instruments.

2.2.2 If a security, money market instrument or derivative instrument is not traded or admitted on any official stock exchange or any regulated market, or in the case of securities, money market instruments and derivative instruments so traded or admitted, the last available price of which does not reflect their true value, the Board of Directors requires to proceed on the basis of their expected sales price, which shall be valued with prudence and in good faith.

2.2.3 Swaps contracts are valued at the market value fixed in good faith by the Board of Directors and according to generally accepted valuation rules. Asset based swap contracts are valued by reference to the market value of the underlying assets. Cash flow based swap contracts are valued by reference to the net present value of the underlying future cash flows.

2.2.4 Each share or unit in an open-ended investment fund are valued at the last available net asset value (or bid price for dual priced investment funds) whether estimated or final, which is computed for such unit or shares on the same calculation day, failing which, it shall be the last net asset value (or bid price for dual priced investment funds) computed prior to the calculation day on which the Net Asset Value of the shares in the SICAV is determined.

2.2.5 In respect of shares or units of an investment fund held by the SICAV, for which issues and redemptions are restricted and a secondary market trading is effected between dealers who, as main market makers, offer prices in response to market conditions, the Board of Directors may decide to value such shares or units in line with the prices so established.

## Notes to the financial statements (continued)

2.2.6 If, since the day on which the latest net asset value was calculated, events have occurred which may have resulted in a material change of the net asset value of shares or units in other investment funds held by the SICAV-SIF, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Directors, such change of value.

2.2.7 The value of any security which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price.

2.2.8 Direct investment in real estate property will be valued on basis of the latest valuation made by independent valuers or on the basis of the transactions price.

If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the Directors may fix different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.

2.2.9 The value of any cash in 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.

### 2.3 Net realised gains or losses resulting from investments

The realised gain or loss resulting from the sales of investments is calculated on the basis of average cost of the investment sold.

### 2.4 Foreign exchange translation

The accounts are maintained in euro ("EUR") and the financial statements are expressed in that currency.

Cost of investment securities in currencies other than the EUR is translated in EUR at the exchange rates prevailing on the date of purchase.

Income or expenses expressed in currencies other than the EUR are converted at exchange rates ruling at the transaction date.

Assets and liabilities expressed in other currencies than the EUR are converted using the relevant spot rate quoted by a bank or other responsible financial institution. The realised or net unrealised gains or losses on foreign exchange are recognised in the Statement of Operations and Changes in Net Assets in determining the increase or decrease in net assets.

### 2.5 Income and distributions

This caption includes any distribution received from the underlying investments fund if executed without cancellation of shares or units held in the investments.

Dividends are credited to income on the date upon which the relevant securities are first listed as "exdividend".

Interest income is accrued on a daily basis.

### 2.6 Forward foreign exchange contracts

Forward foreign exchange contracts are valued at the forward rate applicable at the Statement of Net Assets date for the remaining period until maturity. Unrealised gains or losses resulting from outstanding forward foreign exchange contracts, if any, are recorded in the Statement of Net Assets.

### 2.7 Combined financial statements

The combined Statement of Net Assets and the combined Statement of Operations and Changes in Net Assets represent the total of the Statements of Net Assets and Statements of Operations and Changes in Net Assets of the individual Sub-Funds.

## Notes to the financial statements (continued)

### 3 - Investment Management fees, investments advisory fees, transactions fees, Performance fee and other expenses

The Company will pay out of the assets of the relevant Sub-Fund all expenses payable by the Company which shall include but not be limited to the fees payable to the Investment Managers including performance fees.

- Sub-Fund EFFEPILUX ALTERNATIVE - Alternativo (until March 31, 2023):

In its capacity as Investment Manager of the Sub-Fund EFFEPILUX ALTERNATIVE - Alternativo, Edmond de Rothschild Asset Management (France) is entitled to receive fees, payable at the end of each calendar quarter, which will depend on assets under management and will amount to not more than 1% per annum of the average NAV of the relevant Sub-Fund pursuant to an agreement with the Company.

- Sub-Fund EFFEPILUX ALTERNATIVE - R.E.:

In its capacity as Investment Manager of the Sub-Fund EFFEPILUX ALTERNATIVE - R.E., Partners Group AG will be entitled to receive the fees described below (together the "Investment Management Fees"), due at the end of each calendar quarter, and to the reimbursement of its reasonable out of pocket expenses and disbursements.

Investment Management Fee: payable at the beginning of each quarter, and calculated, in respect of each Real Estate Investment, on the basis of the applicable Reference Commitment and percentage rates (which in each case shall be reduced annually by 10% of the rate prevailing immediately prior to such reduction, starting from the 1st of January of the year following the fifth anniversary of the relevant Transaction Date) indicated below:

Tranche I and Tranche II:

- Primary Financial Real Estate Investments: 0.1750% per quarter on the transaction value,
- Secondary Financial Real Estate Investments: 0.3125% per quarter on the transaction value,
- Direct Real Estate Investments: 0.3750% per quarter on the transaction value.

Mandate Management Fee: calculated on the basis of the Mandate Amount, outstanding from time to time and payable at the beginning of each quarter.

Tranche I and Tranche II : 0.0125% per quarter

For the sole purposes of calculation of the Mandate Management Fee, the Mandate Amount may not be less than the sum of the Reference Commitments outstanding from time to time.

The Mandate Management Fee are recorded in the Statement of Operations and Changes in Net Assets under the caption "Investment advisory fees".

Transaction Fee: 0.0125% per quarter on the transaction value, payable at the beginning of each quarter, and calculated, in respect of each Real Estate Investment, on each relevant Reference Commitment.

Such fees are recorded in the Statement of Operations and Changes in Net Assets under the caption "Interest and bank charges".

Performance Fee: with respect to the Real Estate Investments committed to from the date of the Effepilux Alternative - R.E. Investment Management Agreement up to December 31, 2015 and thereafter, in any single calendar year, once the Sub-Fund has received cumulative distributions equal to the cumulative Real Estate Investment drawdowns and a rate of return of 8% per annum calculated on the cumulative Real Estate Investment drawdowns, compounded annually (the "Preferred Return"), Partners Group AG shall be entitled to receive an amount equal to 10% of the Preferred Return.

Thereafter, out of the balance of the additional monies distributed by the Real Estate Investments (the "Incremental Amount"), 90% shall remain in the Sub-Fund, while the remaining 10% shall be paid to Partners Group AG.

No Performance Fee was accrued during the year 2023 in the Sub-Fund EFFEPILUX ALTERNATIVE - R.E.

Other expenses: out of commitment fees levied by the underlying investments to finance their operations.

Moreover, in its capacity as Investment Manager of Effepilux Alternative - R.E. Fondaco Lux SGR will be entitled to receive the fees described below, (together the "Investment Management Fees"), due at the end of each calendar quarter, and to the reimbursement of its reasonable expenses and disbursements.

Mandate Management Fee: The Investment Manager shall be entitled to receive a mandate management fee per Tranche. The Management Fee shall be based on the respective tranche amount and charged at a rate defined in the Tranche Parameters.

Mandate Management Fee rate applicable during the Investment Period:

## Notes to the financial statements (continued)

0.5% per annum calculated on the Mandate Amount committed to PM Funds

1.00% per annum calculated on the Mandate Amount committed to co-investments and direct investments

Moreover,

- For the 1st year: 0,50% calculated on the Mandate Amount excluded the commitments of the PM Funds and excluded co-investment and direct investments commitments.

- For the 2nd year: 0,40% calculated on the Mandate Amount excluded the commitments of the PM Funds and excluded co-investment and direct investments commitments.

- For the 3rd year: 0,30% calculated on the Mandate Amount excluded the commitments of the PM Funds and excluded co-investment and direct investments commitments.

- For the 4th year: 0,20% calculated on the Mandate Amount excluded the commitments of the PM Funds and excluded co-investment and direct investments commitments.

Investment Management Fee: The Investment Manager shall be entitled to receive an investment management fee as specified below:

Fee rate applicable after the Investment Period:

PM Funds: 0.5% per annum on the NAV of PM Funds

Co-Investments and Direct Investments: 1.0% per annum on the NAV of Co-Investments and Direct Investments

Performance Fee: The Investment Manager will also be entitled to receive a performance fee payable out of the Sub-Fund's assets (the "Performance Fee"). The Performance Fee is equal to 10% of the relevant part of the Sub-Fund's return in case the Sub-Fund's return exceeds a yearly internal rate of return since inception of 8%.

• Sub-Fund EFFEPILUX ALTERNATIVE - Private Debt (until March 31, 2023):

A Management Company Fee of up to 0.04% per annum of the average of the net assets of each Sub-Fund will be paid to the Management Company by the Company on a quarterly basis as set out in the Management Company Agreement.

### 4 - Depositary and Paying Agent, Administrative Agent and Registrar Agent fees

The Depositary and Paying Agent is entitled to receive out of the assets of each Sub-Fund fees calculated in accordance with customary banking practice in Luxembourg and payable quarterly in arrears. In addition, the Custodian is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and disbursements and for the charges of any correspondents.

The Administrative Agent is entitled to receive out of the assets of each Sub-Fund a fee in compliance with Luxembourg business practice and payable quarterly in arrears. In addition, the Administrative Agent is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses.

The Registrar Agent is entitled to receive out of the assets of each Sub-Fund a fee in compliance with Luxembourg business practice and payable quarterly in arrears. In addition, the Registrar Agent is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses.

### 5 - Taxation

The Company is not subject to any taxes in Luxembourg on income or capital gains. The Company is subject to a fixed registration duty on capital of EUR 1 250 at the time of its incorporation. Pursuant to Article 68 of the modified Law of February 13, 2007, the Company is subject in Luxembourg to the *taxe d'abonnement* at a rate of 0,01%.

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the countries of origin. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin.

## Notes to the financial statements (continued)

### 6 - Exchange rates

The following exchange rates have been used for the preparation of these financial statements:

1 EUR =	1.61890	AUD	1 EUR =	0.86655	GBP
1 EUR =	11.21850	NOK	1 EUR =	1.10465	USD

## Notes to the financial statements (continued)

### 7 - Capital Commitments and Contributions

As at December 31, 2023, the Sub-Fund EFFEPILUX ALTERNATIVE - RE had entered into the following capital commitments and made the following capital contributions:

		Total Capital Commitments	Capital Contributions
CAPITAL DYNAMIC CLEAN ENERGY INFRASTRUCTURE - IX	EUR	10 000 000	6 633 403
ENERGHEIA - A	EUR	5 000 000	5 000 000
EUROPEAN PROPERTY INV SPECIAL OPPTS PGA 487	EUR	5 000 000	4 627 837
NUMERIA SALUTE 3	EUR	5 000 000	5 000 000
GREEN ARROW RENEWABLE ENERGY II	EUR	12 000 000	12 000 000
PVE EUROPEAN DISTRESSED FUND - 3	EUR	10 000 000	10 000 000
PARTNERS GROUP REAL ESTATE SECONDARY SICAV RAIF 2021	EUR	40 000 000	11 715 111
PGA 635	EUR	9 500 000	9 499 999
PEAKSIDE REAL ESTATE IV SCS	EUR	7 800 000	979 362
PROJECT ACTA PGA 634	EUR	2 128 579	2 128 579
PROJECT ACTA PGA 843	EUR	7 040 842	7 040 842
PROJECT SOPRANOS PGA 737	EUR	10 763 409	10 763 409
GREEN ARROW EUROPEAN RENEWABLE FUND	EUR	10 000 000	10 000 000
SEB ASIAN PROPERTY II	EUR	20 000 000	19 994 894
REAL ESTATE II	EUR	5 000 000	2 619 719
EQUITER INFRASTRUCTURE II	EUR	10 000 000	3 988 025
ITALIAN ENERGY EFFICIENCY FUND II	EUR	10 000 000	7 488 739
GINKGO FUND III SCA SICAV RAIF	EUR	15 000 000	7 998 000
TENDER CAPITAL ALTERNATIVE FUNDS PLC	EUR	10 000 000	10 000 000
<b>TOTAL in EUR</b>		<b>204 232 830</b>	<b>147 477 919</b>
FENCHURCH STREET PGA 700	GBP	15 913 341	15 869 789
PARTNERS GROUP ACCESS 641 LP	GBP	10 000 000	7 706 036
<b>TOTAL in GBP</b>		<b>25 913 341</b>	<b>23 575 825</b>
FUTURUM PGA 736	NOK	84 919 930	84 919 930
<b>TOTAL in NOK</b>		<b>84 919 930</b>	<b>84 919 930</b>
CYPRESS ACQUISITION PARTNERS 559	USD	10 000 000	10 000 000
GATEWAY REAL ESTATE FUND V	USD	9 000 000	8 043 093
JPM INDIA PROPERTY	USD	5 394 000	5 089 062
PROJECT 200 NORTH MICHIGAN PGA 602	USD	4 023 615	4 014 558
PROJECT 200 NORTH MICHIGAN PGA S26	USD	3 532 470	3 524 525
PROJECT LLOYD CENTER PGA 603	USD	4 575 196	4 575 150
PARTNERS GRP SER.ACC.LLC 28	USD	6 432 205	6 155 792
<b>TOTAL in USD</b>		<b>42 957 486</b>	<b>41 362 180</b>



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**Notes to the financial statements** (continued)

**8 - Transactions with related parties**

The Sub-Fund Effepilux Alternative - R.E. invests in a variety of vehicles underwritten by Partners Group AG, one of the Investment Managers selected to manage the Portfolio of the Sub-Fund. The portfolio selections are reviewed by the Board of Directors of Company to ensure full compliance with the strategic direction of the portfolio as presented in the prospectus.

**9 - Subsequent event**

There were no subsequent event.

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## Unaudited information

### **Sustainable Finance Disclosures Regulation**

The Sub-Fund is classified according to Article 6 in EU Regulation 2019/2088 on sustainability-related disclosures in the financial sector (“SFDR”). Consequently, the investments underlying this financial product do not consider the EU criteria for environmentally sustainable economic activities.

**EFFEPILUX ALTERNATIVE**

Annual report including the audited financial statements