

ANNUAL FUND REPORT  
LGT PB BALANCED (USD)  
A CO-OWNERSHIP FUND PURSUANT TO §2 (1) AND (2) OF THE AUSTRIAN INVESTMENT FUND ACT  
(*INVESTMENTFONDSGESETZ, INVFG*) 2011  
FOR THE ACCOUNTING YEAR FROM  
DECEMBER 1, 2021 TO  
NOVEMBER 30, 2022

## General information regarding the management company

<b>Supervisory Board</b>	Dr. Mathias Bauer, Chairman Mag. Dieter Rom, Deputy Chairman Mag. Natalie Flatz (until September 30, 2022) Mag. Markus Wiedemann Mag. (FH) Katrin Pertl Dipl.-BW (FH) Lars Fuhrmann, MBA, (since October 1, 2022)
<b>Management Board</b>	Mag. Peter Reisenhofer, CEO, Management Board Spokesperson MMag. Silvia Wagner, CEFA, CFO, Deputy Management Board Spokesperson Dipl.Ing.Dr. Christoph von Bonin, CIO, Managing Director
<b>State commissioner</b>	MR Mag. Christoph Kreutler, MBA Christian Reiningger, MSc (WU)
<b>Custodian bank</b>	Liechtensteinische Landesbank (Österreich) AG, Vienna
<b>Bank auditor</b>	KPMG Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
<b>Fund auditor</b>	BDO Assurance GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

## Details of remuneration<sup>1</sup>

pursuant to §20 (2) Items 5 and 6 of the Austrian Alternative Investment Funds Manager Act (*Alternative Investmentfonds Manager-Gesetz, AIFMG*) and Annex I Schedule B Item 9 of InvFG 2011 for the financial year 2021 of LLB Invest Kapitalanlagegesellschaft m.b.H. ("management company", "LBI")

Total <sup>2</sup> remuneration paid to employees (incl. managers <sup>3</sup> ) of the management company:	EUR 3,273,199.61
of which fixed remuneration:	EUR 2,886,886.12
of which variable performance-related remuneration (bonuses):	EUR 386,313.49
Number of employees (incl. managers) as of 12/31/2021 <sup>4</sup> : Full-time equivalent (as of 12/31/2021): of which beneficiaries "identified staff" <sup>5</sup> , as of 12/31/2021:	incl. employees on leave: 38 or 33.81 FTEs excl. employees on leave: 36 or 32.64 FTEs 7 or 6.81 FTE
Total <sup>6</sup> remuneration paid to managers:	EUR 750,923.28
Total <sup>7</sup> remuneration paid to (other) risk bearers (excl. managers):	EUR 399,784.36
Total <sup>8</sup> remuneration paid to employees with supervisory roles:	EUR 141,001.12
Remuneration paid to employees with the same level of income as managers and (other) risk bearers due to their overall remuneration:	EUR 1,291,708.76
Payment of carried interests (profit-sharing):	N/A
Outcome of the review of the remuneration policy by the remuneration committee of the Supervisory Board at a meeting held on May 18, 2022:	No irregularities

A breakdown of the above-mentioned remuneration is not provided for the individual investment fund, since this is not possible.<sup>9</sup>

The last significant change to the remuneration policy was implemented with effect as of April 1, 2019, and the Austrian Financial Market Authority was notified accordingly on February 20, 2019.

### Disclosure of external management company:

LBI has appointed an external management company to manage the fund's portfolio by means of delegation/outsourcing. The remuneration details for this external management company (LGT Bank (Österreich) AG, Vienna) are as follows<sup>10</sup>:

Calendar year 2021

Total remuneration paid to employees (incl. managers):	EUR 22,269,682.64
of which fixed remuneration:	EUR 17,973,467.27
of which variable performance-related remuneration (bonuses):	EUR 4,296,215.37
Remuneration paid directly out of the fund:	-
Number of employees (incl. managers):	248 (of whom 234 active and 14 inactive)

<sup>1</sup> Gross annual amounts; excluding employer's contributions; including any non-cash remuneration/benefits

<sup>2</sup> including payments to employees who left or joined the company during the course of the year

<sup>3</sup> At the management company, conceptually equivalent to a "director" within the meaning of InvFG 2011 and an "executive" within the meaning of AIFMG, i.e. persons who actually manage the company's business

<sup>4</sup> excl. employees on leave

<sup>5</sup> The beneficiaries pursuant to §20 (2) Item 5 AIFMG and Annex I Schedule B Item 9.1 of InvFG 2011 are managers (=executives/directors), higher-level managerial employees, (other) risk bearers and employees with supervisory roles

<sup>6</sup> including payments to managers who left or joined the company during the course of the year

<sup>7</sup> including payments to (other) risk bearers who left or joined the company during the course of the year

<sup>8</sup> including payments to employees with supervisory roles who left or joined the company during the course of the year

<sup>9</sup> Art. 107 (3) of the delegated EU Regulation No 231/2013

<sup>10</sup> Letter from the Austrian Financial Market Authority (FMA) of August 25, 2021 (ref. no. FMA-IF25 4000/0034-ASM/2021); Q&A, ESMA [item i, ESMA34-32-352 (page 7) and ESMA34-43-392 (page 42)]

### Remuneration policy principles:

The remuneration policy of LBI is consistent with the business strategy and the goals, values and long-term interests of LBI and of the investment funds under its management. The remuneration system takes into consideration a long-term approach, business success and the assumption of risk. Precautions have been implemented to prevent conflicts of interest.

The goal of the remuneration policy of LBI is for compensation – in particular, the variable salary component – for assumption of inherent business risks within the individual divisions of LBI to be provided only insofar as this is compatible with the risk appetite of LBI. The Management Board of LBI draws up the risk strategy and the principles of risk policy, subject to discussion with the remuneration committee and the Supervisory Board. It also consults Operational Risk Management and Compliance. In particular, the remuneration policy must be compatible with the risk profiles and the fund regulations of the funds managed by LBI.

### Principles for variable remuneration:

Variable remuneration will exclusively be paid out in accordance with the internal guidelines for LBI's remuneration policy. The system reflects a long-term approach, business success and the assumption of risk. Moreover, employees are obliged not to implement any measures or to pursue any activities which would entail the achievement of agreed goals by entering into a disproportionate level of risk or by entering into risks which – on the basis of an objective assessment – they would not have entered into in the absence of the agreement on variable remuneration.

As a rule, variable remuneration will be determined on the basis of a performance assessment at the level of individual employees, but also including the performance of the department or division in question and the overall performance of LBI, as well as its risk position.

For the performance assessment of the managers, the higher-level management, the risk buyers and other risk buyers as well as employees with supervisory roles (hereinafter jointly: "identified staff"), their influence over the performance of the department and the company will be considered and weighted accordingly. This will likewise already be considered in defining the relevant set of goals. This set of goals comprises the quantitative goals which may be influenced by the employee as well as relevant qualitative goals. These goals must be proportionate to one another and appropriately structured in line with the employee's position. If it is not possible to define any quantitative goals for certain positions, the relevant qualitative goals will be emphasized. As well as relevant income and risk goals – which must reflect a long-term approach – any set of goals must also include goals in keeping with the position in question – such as compliance, quality, training, organization and documentation goals etc.

The following positions are "identified staff":

- Supervisory Board
- Management
- Head of Compliance
- Head of Finance
- Head of Internal Audit
- Head of Risk Management (Back Office and Operational Risk Management)
- Head of Legal
- Head of Human Resources
- Head of Operations
- Fund managers whose variable remuneration exceeds the materiality threshold (see below)

In regard to the overall remuneration, fixed earnings must be proportionate to the variable remuneration (hereinafter also referred to as a "bonus"). The value of the variable remuneration is limited. As a rule, it may amount to up to 30%, max. 100% of the fixed annual earnings.

The bonus will be paid to "identified staff" subject to a materiality threshold. This threshold will not have been reached if the variable remuneration is less than 1/3 of the (fixed) annual salary in question and

does not exceed EUR 50,000. Accordingly, the following distinction applies for variable remuneration for “identified staff”:

- If the variable remuneration is below the above-mentioned materiality threshold, the bonus will be paid out immediately and in full, 100% in cash.
- If the variable remuneration exceeds the above-mentioned materiality threshold, then (in overall terms) as a rule half of the bonus will be provided in cash and the other half in the form of “non-cash instruments”. Concretely, these instruments shall be units of representative investment funds of LBI (hereinafter: “funds”). For the variable remuneration, the following allocation and apportionment scheme will apply for (the timing of) payment: i) as a rule, 60% of the bonus will be paid immediately (50% in cash and 50% in the form of funds); ii) the remainder will not be paid out immediately and will instead be apportioned over the following three financial years as a rule (50% in cash and 50% in the form of funds).<sup>11</sup> Moreover, “identified staff” may not immediately dispose of the funds upon receipt and must hold them for a minimum period of two years (for managers) or one year (for the other members of the “identified staff”).

### Remuneration committee

LBI has established a remuneration committee consisting of at least 3 members of the Supervisory Board of LBI who do not perform any management tasks and at least a majority of whom are classified as independent. The chairman of the remuneration committee must be an independent member who does not perform any management tasks.

The remuneration committee shall support and advise the Supervisory Board in drafting the remuneration policy of LBI, giving particular consideration to the mechanisms applied to ensure that the remuneration system appropriately reflects any types of risk as well as liquidity and the assets managed and that the remuneration policy is compatible overall with the business strategy and with the goals, values and interests of LBI and the funds under its management.

### Transparency of remuneration policy in relation to the integration of sustainability risks (Art. 5 of the Disclosure Regulation 2019/2088)

The management company's remuneration policy encompasses sound and effective risk management with respect to the management of sustainability risks. In particular, the structure of remuneration does not encourage excessive risk-taking with respect to sustainability risks. Among other measures, this is achieved by ensuring that an appropriate level of risk is entered into in regard to sustainability issues and business success. These principles are also applied in target agreements concluded with relevant persons.

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<sup>11</sup> Over the course of this apportionment period, every year – at the end of the financial year – the results in the base year will be evaluated from the point of view of a long-term approach. Depending on the outcome of this evaluation process, the financial position and the risk trend, part payments may also be made each year. If this annual evaluation does not result in a reduction of the variable remuneration or its outright loss, in principle payment will be made annually over the course of the apportionment period in the form of further part payments and in three equal portions.

## **ANNUAL FUND REPORT**

**for LGT PB Balanced (USD), a co-ownership fund pursuant to §2 (1) and (2) InvFG 2011 for the accounting year from December 1, 2021 to November 30, 2022**

Dear unitholder,

LLB Invest Kapitalanlagegesellschaft m.b.H. is pleased to present its report for LGT PB Balanced (USD) for the past accounting year.

On August 1, 2022, the fund's name was changed from PM 3 (USD) to LGT PB Balanced (USD).

Current statement on the coronavirus situation (as of January 1, 2022):

We expect to see a further normalization of global economic activity in 2022 amid the continuing distribution of COVID-19 vaccines. One risk for this positive scenario is that the vaccines developed to date fail to offer protection, or offer reduced protection, against future mutations of the virus, thus delaying the end of the lockdowns. Since the financial markets last year rapidly switched their focus to the period beyond the coronavirus pandemic, bad news concerning the protection offered by vaccines might trigger temporary corrections. However, as things currently stand, we consider that the risk of a further hard recession and related setbacks on the financial markets is low.

## 1. Comparative overview of the past five accounting years

	Total fund assets	Net asset value per accumulation unit	Accumulation fund AT0000A255K1 Accumulated income	Payment pursuant to §58 (2) InvFG 2011	Development (performance) in %
11/30/2022	26,771,364.33	1,072.71	9.0427	2.7341	-11.60
11/30/2021	30,734,171.05	1,229.11	74.3373	15.1426	8.53
11/30/2020	12,302,970.28	1,156.37	116.6993	24.8807	8.33
11/30/2019	21,262,791.25	1,070.00	8.4518	2.6684	7.00
	Total fund assets	Net asset value per accumulation unit	Accumulation fund AT0000A255J3 Accumulated income	Payment pursuant to §58 (2) InvFG 2011	Development (performance) in %
11/30/2022	26,771,364.33	1,068.63	6.4018	1.9813	-11.86
11/30/2021	30,734,171.05	1,227.33	71.5991	14.3757	8.21
11/30/2020	12,302,970.28	1,157.15	112.9385	23.8426	8.62
11/30/2019	21,262,791.25	1,067.40	6.4503	2.1397	6.74
	Total fund assets	Net asset value per accumulation unit	Accumulation fund AT0000A255H7 Accumulated income	Payment pursuant to §58 (2) InvFG 2011	Development (performance) in %
11/30/2022	26,771,364.33	1,057.63	3.6771	1.2053	-12.13
11/30/2021	30,734,171.05	1,217.78	68.1206	13.6632	7.88
11/30/2020	12,302,970.28	1,151.20	110.5536	23.2235	8.28
11/30/2019	21,262,791.25	1,064.58	3.7464	1.4237	6.46
	Total fund assets	Net asset value per accumulation unit	Accumulation fund AT0000A255G9 Accumulated income	Payment pursuant to §58 (2) InvFG 2011	Development (performance) in %
11/30/2022	26,771,364.33	1,051.07	2.1551	0.7729	-12.30
11/30/2021	30,734,171.05	1,212.14	65.6988	13.1837	7.67
11/30/2020	12,302,970.28	1,147.65	108.5062	22.6823	8.08
11/30/2019	21,262,791.25	1,062.98	2.6526	1.1392	6.30

Fund's first reporting date: 11/30/2019.

## 2. Statement of income and performance of the fund assets

### 2.1. Development in past accounting year (fund performance)

Calculation in accordance with the method provided by Oesterreichische Kontrollbank AG (OeKB):  
per unit in fund currency (USD), excluding subscription fee

	<b>Accumulation unit AT0000A255K1</b>
Unit value at start of accounting year	1,229.11
Payment (capital gains tax) on 2/16/2022 (corresponds to 0.0129 units) <sup>1)</sup>	15.1426
Unit value at end of accounting year	1,072.71
Total value incl. units (fictitiously) acquired through distribution/payment	1,086.53
Net income per unit	-142.58
<b>Performance of one unit in the past accounting year</b>	<b>-11.60%</b>

<sup>1)</sup> Net asset value of one accumulation unit (AT0000A255K1) on 2/16/2022 USD 1,175.39

	<b>Accumulation unit AT0000A255J3</b>
Unit value at start of accounting year	1,227.33
Payment (capital gains tax) on 2/16/2022 (corresponds to 0.0122 units) <sup>1)</sup>	14.3757
Unit value at end of accounting year	1,068.63
Total value incl. units (fictitiously) acquired through distribution/payment	1,081.72
Net income per unit	-145.61
<b>Performance of one unit in the past accounting year</b>	<b>-11.86%</b>

<sup>1)</sup> Net asset value of one accumulation unit (AT0000A255J3) on 2/16/2022 USD 1,173.68

	<b>Accumulation unit AT0000A255H7</b>
Unit value at start of accounting year	1,217.78
Payment (capital gains tax) on 2/16/2022 (corresponds to 0.0117 units) <sup>1)</sup>	13.6632
Unit value at end of accounting year	1,057.63
Total value incl. units (fictitiously) acquired through distribution/payment	1,070.04
Net income per unit	-147.74
<b>Performance of one unit in the past accounting year</b>	<b>-12.13%</b>

<sup>1)</sup> Net asset value of one accumulation unit (AT0000A255H7) on 2/16/2022 USD 1,164.39

	<b>Accumulation unit AT0000A255G9</b>
Unit value at start of accounting year	1,212.14
Payment (capital gains tax) on 2/16/2022 (corresponds to 0.0114 units) <sup>1)</sup>	13.1837
Unit value at end of accounting year	1,051.07
Total value incl. units (fictitiously) acquired through distribution/payment	1,063.03
Net income per unit	-149.11
<b>Performance of one unit in the past accounting year</b>	<b>-12.30%</b>

<sup>1)</sup> Net asset value of one accumulation unit (AT0000A255G9) on 2/16/2022 USD 1,158.95



Due to rounded-off figures for unit certificates, distributions and payments, the performances of the unit certificate classes may differ from one another even though the same fee rate applies.

## 2.2. Fund earnings in USD

### a) Realized fund earnings

#### Ordinary fund earnings

#### Income (excl. profit or loss from price changes)

Interest income from real estate funds		64,587.50	
Interest income		220,253.56	
Dividend income		158,932.83	
Ordinary income of foreign IFs		<u>545.53</u>	<u>444,319.42</u>

#### Expenses

Remuneration for investment company	<u>-333,725.33</u>	-333,725.33	
Other management expenses			
Costs for auditor/tax adviser	-6,540.88		
Licensing costs and tax representation services outside Austria	-50,213.36		
Publication costs	-3,353.03		
Custody account fees	-7,440.94		
Interest income expenses	-1,304.98		
Custodian bank fee	<u>0.00</u>	<u>-68,853.19</u>	<u>-402,578.52</u>

**Ordinary fund earnings (excl. income equalization) 41,740.90**

#### Realized profit or loss from price changes <sup>2) 3)</sup>

Realized profits		1,143,672.33	
Derivative instruments		186,241.25	
Realized losses		<u>-1,241,664.03</u>	

**Realized profit or loss from price changes (excl. income equalization) 88,249.55**

**Realized fund earnings (excl. income equalization) 129,990.45**

### b) Non-realized profit or loss from price changes <sup>2) 3)</sup>

Change in non-realized profit or loss from price changes -3,933,324.60

**Result for accounting year -3,803,334.15**

### c) Income equalization

Income equalization for income in the accounting year 3,924.56

**Income equalization 3,924.56**

**Total fund earnings <sup>4)</sup> -3,799,409.59**

<sup>2)</sup> Realized profits and losses are not specific to a particular period. Accordingly, like the change in the non-realized profit or loss from price changes, they may not correlate with the fund's performance in the past accounting year.

<sup>3)</sup> Total profit or loss from price changes, excl. income equalization (realized profit or loss from price changes, excl. income equalization, plus change in non-realized profit or loss from price changes): USD -3,845,075.05.

<sup>4)</sup> The result for the past accounting year includes explicitly reported transaction costs in the amount of USD 12,369.73.

## 2.3. Development of fund assets

in USD

<b>Fund assets at start of accounting year <sup>5)</sup></b>	<b>30,734,171.05</b>
<b>Payment</b>	
Payment on 2/16/2022 (for accumulation units AT0000A255K1)	-17,202.00
Payment on 2/16/2022 (for accumulation units AT0000A255J3)	-37,520.58
Payment on 2/16/2022 (for accumulation units AT0000A255H7)	-248,041.73
Payment on 2/16/2022 (for accumulation units AT0000A255G9)	<u>-60,064.94</u>
	<b>-362,829.25</b>
<b>Issuance and repurchasing of units</b>	
Issuance of units	1,753,902.88
Repurchasing of units	-1,550,546.20
Income equalization	<u>-3,924.56</u>
	<b>199,432.12</b>
<b>Overall fund earnings</b>	<b><u>-3,799,409.59</u></b>
(for a detailed presentation of fund earnings, please see Item 2.2.)	
<b>Fund assets at end of accounting year <sup>6)</sup></b>	<b><u>26,771,364.33</u></b>

<sup>5)</sup> Units outstanding at start of accounting year:  
1,136.00000 accumulation units (AT0000A255K1) and 2,610.00000 accumulation units (AT0000A255J3) and  
17,134.00000 accumulation units (AT0000A255H7) and 4,347.00000 accumulation units (AT0000A255G9)

<sup>6)</sup> Units outstanding at end of accounting year:  
1,136.00000 accumulation units (AT0000A255K1) and 2,610.00000 accumulation units (AT0000A255J3) and  
18,203.00000 accumulation units (AT0000A255H7) and 3,341.00000 accumulation units (AT0000A255G9)

### Payment (AT0000A255K1)

The payment of USD 2.7341 per accumulation unit will be made from February 16, 2023 by the custodian banks.

The bank redeeming the coupon is obliged to use the payment resulting from accumulation units for settlement of capital gains tax at a rate of USD 2.7341 (rounded-off), where no grounds for an exemption apply.

### Payment (AT0000A255J3)

The payment of USD 1.9813 per accumulation unit will be made from February 16, 2023 by the custodian banks.

The bank redeeming the coupon is obliged to use the payment resulting from accumulation units for settlement of capital gains tax at a rate of USD 1.9813 (rounded-off), where no grounds for an exemption apply.

### Payment (AT0000A255H7)

The payment of USD 1.2053 per accumulation unit will be made from February 16, 2023 by the custodian banks.

The bank redeeming the coupon is obliged to use the payment resulting from accumulation units for settlement of capital gains tax at a rate of USD 1.2053 (rounded-off), where no grounds for an exemption apply.



### **Payment (AT0000A255G9)**

The payment of USD 0.7729 per accumulation unit will be made from February 16, 2023 by the custodian banks.

The bank redeeming the coupon is obliged to use the payment resulting from accumulation units for settlement of capital gains tax at a rate of USD 0.7729 (rounded-off), where no grounds for an exemption apply.

For the subfunds of the fund, the investment companies managing these subfunds have charged management fees of between 0.01% and 2.00% per annum. These investment companies have not charged any subscription fees for the purchase of units.

Calculation method for overall level of risk: commitment approach

### **Total return swaps or similar derivative instruments**

A total return swap is a credit derivative for which the income and fluctuations in value of the underlying financial instrument (the underlying instrument or reference asset) are exchanged for fixed interest payments.

In the period under review the fund did not make any use of securities financing transactions or total return swaps (within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council on reporting and transparency of securities financing transactions), where these are permitted according to its fund regulations.

Collateral in the form of demand deposits and bonds was provided for any OTC derivatives in which the fund invested in the period under review, in order to reduce the level of counterparty risk (default risk).

LLB Invest Kapitalanlagegesellschaft m.b.H. complies with the 2012 Code of Conduct of the Austrian Investment Fund Industry.

### 3. Financial markets

Driven by a positive earnings season on the stock markets, Q4 2021 started off quite favorably. In November, however, and led by the commodities markets (oil, in particular), most asset classes developed negatively in view of ever-rising inflation and the emergence of the Omicron variant. Although the stock markets had previously reached new highs, they ended November in negative territory, with the interest rate premiums of corporate bonds increasing in November as well. In December, attention focused on the FED and its announcement that it would cut back its bond purchases even faster, due to strong inflationary pressure. Initial interest-rate hikes thus also drew closer, prompting a further rise in the US yield curve and a heightened level of volatility in the technology sector especially. However, the stock markets ultimately ended the month of December on a positive note, in the light of the expectation that the milder Omicron variant would not significantly slow down the global economic recovery. Faced with the highest inflation rate in four decades, the US Federal Reserve decided to quickly cut back on its monetary policy support in Q1 2022, while at the same time, the ECB still rejected the possibility of an interest rate increase in 2022. The outbreak of the war in Ukraine in February 2022 led to highly volatile stock markets since the economic impact of European sanctions was difficult to predict. Geopolitical factors and the setbacks in the commodities and energy supply chains that they triggered fueled rising inflation rates even more. Investors in the first quarter of the year were faced with huge uncertainties on the capital markets due to a slowing global economy combined with an ever-tightening monetary policy. Moreover, a new jump in COVID-19 cases in China in April led to wide-ranging mobility restrictions to bring the pandemic under control, which also put the brake on economic growth. In May, the ongoing strong price hike and the related erosion of purchasing power concerned not only investors, but also put pressure on the most important pillar of our economic growth – the consumer. Thus consumer sentiment reached a record low during the course of Q2, which – in combination with low fiscal policy impulses – slowed economic growth even more. Meanwhile, central banks around the world put their words into action and implemented the first interest rate measures. In early Q3, the ECB joined the ranks of central banks that raised interest rates with a sudden and considerable hike of 50 basis points. Core inflation rates nonetheless continued to keep the world on its toes, and it was mainly the steadily rising interest rates that were responsible for the uncertainty surrounding the valuation levels of risky assets. In Q4, capital markets were able to record growth figures once again. Many stock markets picked up considerably and even bond yields recovered from their recent peaks. In November, the first signs of inflation relief appeared along with the hopes of a less aggressive monetary policy in the US, which in turn led to a positive development on international capital markets. Nonetheless, in consideration of the macroeconomic environment, we expect the economy to slow into a small recession.

## 4. Investment policy

On average throughout the period, the fund maintained an increased liquidity position, relative to its strategic orientation, and underweighted equities. In late 2021, the decision was made to align the portfolio more defensively due to economic and geopolitical uncertainties. This defensive position was implemented around the end of Q1/early Q2 through a high weighting of the liquidity quota and a reduction of the equity exposure. Since the overall picture continued to be volatile, the decision was made around mid-year to change over from risky bond position to more widely diversified corporate bonds, and to build up the position in government bonds. In the bond segment, we also increased the duration and reduced our overweighting in gold to a neutral ratio. Towards the end of the reporting period, using targeted transactions the portfolio was adjusted to a more risk-efficient allocation in the equity segment in line with our assessment. The decision was also made to reduce the bonds position in the government bonds segment and to expand the TIPS in return, since these provide better hedging when inflation expectations are on the rise.

The fund invests according to an active investment strategy and thereby makes no reference to an index/reference benchmark.

There is "a risk of valuation prices for certain securities deviating from their actual selling prices due to pricing on illiquid markets (valuation risk)".

Sustainability/ESG (Art. 50(2) of Delegated Regulation (EU) 2019/2088): This fund is a product under Article 8 of the European Disclosure Regulation (so-called "light green", "Article 8 fund"); within the scope of the fund's management, environmental and/or social characteristics are considered. More information and disclosures can be found in the annex to this document (ANNEX IV, Template – Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

## 5. Composition of the fund assets

NAME OF SECURITY	SEC. NO.	CURRENCY	VOLUME 11/30/2022 UNITS/NOM.	PURCHASES ADDITIONS IN REPORTING PERIOD	SALES DISPOSALS IN REPORTING PERIOD	PRICE	MARKET VALUE IN USD	% SHARE OF FUND ASSETS	
<b>Official trading and organized markets</b>									
<b>Equities</b>									
Nestle registered shares (CHF)	CH0038863350	CHF	1,791	0	0	111.2600	209,450.23	0.78	
Novo Nordisk B (DKK)	DK0060534915	DKK	1,860	0	789	879.9000	228,127.27	0.85	
Deutsche Post AG	DE0005552004	EUR	3,047	3,047	4,299	37.8400	119,518.40	0.45	
EssilorLuxottica Shares	FR0000121667	EUR	1,167	0	0	175.5000	212,304.49	0.79	
Schneider Electric Shares	FR0000121972	EUR	1,667	0	0	138.8800	239,986.33	0.90	
London Stock Exchange Group (GBP)	GB00B05WJX34	GBP	1,555	1,555	0	80.4400	150,388.88	0.56	
Smith & Nephew Plc	GB0009223206	GBP	7,557	7,557	0	10.7800	97,944.81	0.37	
							<b>571,809.22</b>	<b>2.14</b>	
								<b>248,333.69</b>	
								<b>0.93</b>	
<b>Index certificates</b>									
WisdomTree Physical Gold	JE00B1VS3770	USD	3,357	3,604	3,465	164.6500	552,730.05	2.06	
							<b>552,730.05</b>	<b>2.06</b>	
<b>Total official trading and organized markets</b>							<b>USD</b>	<b>1,810,450.46</b>	<b>6.76</b>
<b>Investment funds</b>									
iShares VII-MSCI EMU (EUR) UCITS ETF-T	IE00B53QG562	EUR	1,322	1,322	0	137.9172	188,999.69	0.71	
iShares-STOXX Europe 600 [DE] UCITS ETF (EUR)-A	DE0002635307	EUR	1	2,878	5,558	43.2600	44.84	0.00	
							<b>189,044.53</b>	<b>0.71</b>	
iShares II-S&P Listed Private Eq.(USD) UCITS ETF-A	IE00B1TXHL60	USD	22,760	7,807	2,737	23.9599	545,327.32	2.04	
iShares VI-Diversified Commodity Swap UCITS ETF	IE00BDFL4P12	USD	67,921	4,674	40,642	7.2754	494,152.44	1.85	
iShares VII-USD Treasury Bond 1-3yr UCITS ETF	IE00B3VWN179	USD	4,985	417	8,703	108.9378	543,054.93	2.03	
iShares VII-USD Treasury Bond 3-7yr UCITS ETF(Acc)	IE00B3VWN393	USD	5,206	16,244	17,530	125.2095	651,840.66	2.43	
iShares-Core FTSE 100 UCITS ETF	IE00BYZ28W67	USD	39,231	22,988	6,196	6.3199	247,936.00	0.93	
iShares-Core MSCI Emerging Markets IMI UCITS ETF	IE00BKM4GZ66	USD	23,781	2,504	3,776	28.3998	675,375.64	2.52	
iShares-Core S&P 500 UCITS ETF USD A	IE0031442068	USD	78,365	7,869	7,431	39.4729	3,093,293.81	11.55	
iShares-MSCI AC F. East ex-Japan (USD) UCITS ETF-A	IE00B0M63730	USD	11,882	4,034	0	46.9082	557,363.23	2.08	
iShares-USD Corporate Bond UCITS ETF	IE00BYXYJ35	USD	460,219	208,497	8,358	5.2980	2,438,240.26	9.11	
CS ETF (IE) on iBoxx USD Govt. 7-10	IE00B3VWN518	USD	19,718	20,397	679	139.0996	2,742,765.91	10.25	
Goldman Sachs Absolute Return Tracker Ptf.I accum.	LU1103307580	USD	78,031	11,616	0	12.3700	965,243.47	3.61	
LGT Global Quality Leaders Fund R5	LI1199621981	USD	420	420	0	01,006.4500	422,709.00	1.58	
Neub. Berm. Inv.-Short Duration Em.Market Debt	IE00BTKH9Z19	USD	71,816	2,635	3,745	11.3200	812,957.12	3.04	
Neub. Berm. Inv.-Uncorrelated Strategies Fund	IE00BFZPTC98	USD	48,710	69,331	20,621	11.5300	561,626.30	2.10	
Polar Capital Biotechnology Fund I	IE00B4224531	USD	7,505	7,505	0	37.3600	280,386.80	1.05	
PIMCO GIS Global Investment Grade Credit Fd.	IE0034085260	USD	126,668	4,867	9,806	18.6600	2,363,624.88	8.83	
UBS ETF-Bloomberg TIPS 1-10 UCITS ETF	LU1459801517	USD	31,541	31,541	0	13.8861	437,981.48	1.64	
UBS ETF-MSCI Emerging Markets UCITS ETF (USD) A-A	LU0480132876	USD	7,705	7,705	0	94.4166	727,479.90	2.72	
UBS ETF-MSCI Japan A	LU1169822779	USD	41,754	11,136	13,927	17.6665	737,647.04	2.76	
UBS ETF-MSCI Switzerland 20/35 UCITS ETF	LU1169830368	USD	19,931	24,610	4,679	12.2370	243,895.65	0.91	
UBS ETF-MSCI USA U.ETF (USD) A	IE00BD4TXS21	USD	42,966	29,246	19,968	22.1540	951,868.76	3.56	
Vanguard S&P 500 UCITS ETF (USD)-A	IE00B3XXRP09	USD	8,596	0	6,563	75.1411	645,912.90	2.41	
Xtrackers II Global Inflation Linked Bond U.ETF 2C	LU0641007009	USD	33,874	5,362	18,175	25.9411	878,728.82	3.28	
Xtrackers MSCI World UCITS ETF 1C	IE00BJOKDQ92	USD	5,157	8,679	3,522	81.7778	421,728.11	1.58	
							<b>22,441,140.43</b>	<b>83.83</b>	
<b>Total investment funds</b>							<b>USD</b>	<b>22,630,184.96</b>	<b>84.53</b>
<b>Total securities holdings</b>							<b>USD</b>	<b>24,440,635.42</b>	<b>91.29</b>
<b>Financial futures contracts concluded for hedging purpose</b>									
<b>Other financial futures contracts, options and warrants on financial futures contracts or securities indices concluded for hedging purpose</b>									
Euro FX Currency Future December 2022	EC22	USD	-4			1.0342	-15,700.00	-0.06	
							<b>-15,700.00</b>	<b>-0.06</b>	
<b>Total financial futures contracts concluded for hedging purpose</b>							<b>USD</b>	<b>-15,700.00</b>	<b>-0.06</b>
<b>Bank balances</b>									
<b>USD balances - current account</b>									
		USD	2,299,048.39				2,299,048.39	8.59	
<b>Balances - current account in other EU currencies</b>									
		DKK	15,715.34				2,190.56	0.01	
		EUR	43,184.52				44,765.07	0.17	
		SEK	18,365.94				1,746.46	0.01	
<b>Balances - current account in non-EU currencies</b>									
		CHF	3,545.30				3,726.48	0.01	
		GBP	5,269.55				6,335.59	0.02	
		NOK	333.13				33.42	0.00	
<b>Total bank balances</b>							<b>USD</b>	<b>2,357,845.97</b>	<b>8.81</b>
<b>Short-term liabilities</b>									
<b>USD current account liabilities</b>									
		USD	-536.64				-536.64	0.00	
<b>Total short-term liabilities</b>							<b>USD</b>	<b>-536.64</b>	<b>0.00</b>



**Other assets****Interest claims from current account balances**

DKK	5.61	0.78	0.00
EUR	76.11	78.90	0.00
GBP	12.33	14.82	0.00
NOK	0.73	0.07	0.00
SEK	24.50	2.33	0.00
USD	10,031.58	10,031.58	0.04

**Dividend claims**

USD	11,994.52	11,994.52	0.04
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**Management fees**

USD	-26,149.09	-26,149.09	-0.10
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**Custody fees**

USD	-409.94	-409.94	0.00
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**Accruals for audit costs and other fees**

USD	-6,444.39	-6,444.39	-0.02
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**Total other assets**

**USD -10,880.42 -0.04**

**FUND ASSETS**

**USD 26,771,364.33 100.00**

Unit value accumulation units	AT0000A255K1	USD	1,072.71
Outstanding accumulation units	AT0000A255K1	UNITS	1,136.00000
Unit value accumulation units	AT0000A255J3	USD	1,068.63
Outstanding accumulation units	AT0000A255J3	UNITS	2,610.00000
Unit value accumulation units	AT0000A255H7	USD	1,057.63
Outstanding accumulation units	AT0000A255H7	UNITS	18,203.00000
Unit value accumulation units	AT0000A255G9	USD	1,051.07
Outstanding accumulation units	AT0000A255G9	UNITS	3,341.00000

**Conversion rates/exchange rates**

Foreign-currency assets have been converted into USD at the conversion rates/exchange rates applicable as of 11/29/2022:

Currency	Units	Price	
Euro	USD 1 =	0.96469	EUR
Pound sterling	USD 1 =	0.83173	GBP
Swiss franc	USD 1 =	0.95137	CHF
Danish crown	USD 1 =	7.17412	DKK
Norwegian crown	USD 1 =	9.96652	NOK
Swedish crown	USD 1 =	10.51611	SEK

**Market code**

Chicago BOE

**Stock exchange**

Chicago Board Options Exchange

The value of a unit is calculated by dividing the entire value of the investment fund inclusive of its income by the number of units. The total value of the investment fund is calculated on the basis of the current market prices of the securities, money market instruments and subscription rights in the fund plus the value of the fund's financial investments, cash holdings, credit balances, receivables and other rights, less its liabilities. That value will be calculated by the custodian bank.

The net assets are calculated in accordance with the following principles:

- In general, the value of assets quoted or dealt in on a stock exchange or on another regulated market will be determined on the basis of the most recently available price.
- If an asset is not quoted or dealt in on a stock exchange or another regulated market or if the price for an asset quoted or dealt in on a stock exchange or another regulated market does not appropriately reflect its actual market value, the prices provided by reliable data providers or, alternatively, market prices for equivalent securities or other recognized valuation methods will be used.

Transactions completed during the period under review and not listed in the statement of assets:

NAME OF SECURITY	SEC. NO.	CURRENCY	PURCHASES ADDITIONS	SALES DISPOSALS
<b>Official trading and organized markets</b>				
<b>Equities</b>				
CRH PLC	IE0001827041	EUR	0	4,272
Infineon Technologies AG	DE0006231004	EUR	0	6,104
BHP Group Limited	AU000000BHP4	GBP	3,459	3,459
BHP Group PLC (GBP)	GB00BH0P3Z91	GBP	0	3,459
Halma PLC	GB0004052071	GBP	0	2,948
Mowi ASA (NOK)	NO0003054108	NOK	0	8,180
<b>Investment funds</b>				
iShares II-Dev.Mkts.Prop.Yield UCITS ETF (USD) A	IE00B1FZS350	USD	2,411	23,072
iShares IV-E.MSCI Wld.Qual.Factor UCITS ETF(USD)	IE00BP3QZ601	USD	2,695	14,709
iShares IV-MSCI China A UCITS ETF(USD)-T	IE00BQT3WG13	USD	5,071	100,390
BlackRock Gl.Fds. - Emerging Markets Fund D2-accum.	LU0252970164	USD	834	10,555
LGT Dynamic Protection UCITS Sub_Fund	IE00BF375W98	USD	34	968
LGT(Lux)I-Cat Bond Fund (USD)	LU0816333552	USD	0	3,932
Neub.Berm.Inv.-Corporate Hybrid Bond Fund	IE00BD4H0L80	USD	3,675	75,635
Neub.Berm.Inv.-5G Connectivity Funds I	IE00BLXGV72	USD	2,195	37,206
<b>FINANCIAL FUTURES CONTRACTS CONCLUDED IN PERIOD UNDER REVIEW</b>				
Euro FX Currency Future December 2021	ECZ1	USD	9.00	0
Euro FX Currency Future December 2021	ECZ1	USD	2.00	0
Euro FX Currency Future June 2022	ECM2	USD	10.00	10.00
Euro FX Currency Future March 2022	ECH2	USD	11.00	11.00
Euro FX Currency Future September 2022	ECU2	USD	3.00	3.00

Vienna, February 28, 2023

LLB Invest Kapitalanlagegesellschaft m.b.H.

The Management Board

## 6. Audit certificate<sup>\*)</sup>

### Report on the annual fund report

#### Audit opinion

We have audited the attached annual fund report issued by LLB Invest Kapitalanlagegesellschaft m.b.H., Vienna, for its fund

#### **LGT PB Balanced (USD)**

a co-ownership fund pursuant to §2 (1) and (2) InvFG 2011,

comprising the statement of assets as of November 30, 2022, the statement of income for the accounting year ending on this date and the other particulars stipulated in Annex I Schedule B of the Austrian Investment Fund Act 2011 (InvFG 2011).

In our view, the annual fund report complies with the statutory requirements and provides a true and fair view of the fund's net assets and financial position as of November 30, 2022 and of the fund's earnings position for the accounting year ending on this date, in compliance with Austrian commercial law and the provisions of InvFG 2011.

#### Basis for the audit opinion

We performed our audit pursuant to §49 (5) of InvFG 2011 whilst complying with the Austrian principles of proper auditing. These principles require application of the International Standards on Auditing (ISA). Our responsibilities on the basis of these requirements and standards are outlined in further detail in the "Responsibilities of the auditor for the audit of the annual fund report" section of our audit certificate. We are independent from the company, in compliance with Austrian commercial law and professional standards, and we have fulfilled our other professional duties in accordance with these requirements. In our view, the documentation which we have obtained up to the date of the audit certificate is sufficient and appropriate in order to serve as a basis for our audit opinion as of this date.

#### Other information

The company's legal representatives are responsible for the other information provided. This other information comprises all of the information included in the annual fund report, with the exception of the statement of assets, the statement of income, the other disclosures required under Annex I Schedule B of InvFG 2011 and the audit certificate.

Our audit opinion for the annual fund report does not cover this other information, and we do not provide any sort of assurance in this regard.

In connection with our audit of the annual fund report, we are responsible for reading this other information and for assessing whether this other information contains significant discrepancies by comparison with the annual fund report or our audit findings or otherwise appears to have been misrepresented.

In the event that we conclude on the basis of the work which we carry out in relation to this other information prior to the date of the auditor's audit certificate that this other information has been materially misrepresented, we are obliged to report this fact. We have nothing to report in this respect.

## **Responsibilities of the company's legal representatives and the Supervisory Board for the annual fund report**

The company's legal representatives are responsible for the preparation of the annual fund report and for ensuring that it provides a true and fair view of the fund's net assets, financial and earnings position in compliance with Austrian commercial law and the provisions of InvFG 2011. The company's legal representatives are also responsible for the internal controls which they deem necessary in order to enable the preparation of an annual fund report which is free from material misrepresentations resulting either from malicious acts or errors.

The Supervisory Board is responsible for monitoring the company's accounting process in relation to the funds under its management.

## **Responsibilities of the auditor for the audit of the annual fund report**

Our goals are to establish sufficient certainty as to whether the annual fund report as a whole is free from material misrepresentations resulting either from malicious acts or errors and to issue an audit certificate which includes our audit opinion. Sufficient certainty means a high level of certainty – but not a guarantee – that an orderly audit performed in accordance with the recognized Austrian principles – which require application of the ISA – will always uncover any material misrepresentation. Misrepresentations may result from malicious acts or on the basis of errors and will be deemed material where they may be reasonably expected – either individually or collectively – to influence the economic decisions made by users on the basis of this annual fund report.

As part of an audit complying with the recognized Austrian principles of orderly auditing – which require application of the ISA – we exercise due discretion throughout our audit and maintain a critical distance.

In addition, the following applies:

- We identify and evaluate the risks of material misrepresentations resulting either from malicious acts or errors in the annual fund report, plan audit activities in response to these risks, implement these activities and obtain audit documentation which is sufficient and suitable in order to serve as a basis for our audit opinion. The risk of material misrepresentations resulting from malicious acts not being uncovered is greater than the risk resulting from errors, since malicious acts may include collusion, falsifications, deliberate incompleteness, misleading representations or the suspension of internal controls.
- We obtain a picture of the internal control system which is relevant for the audit so as to plan audit activities which are adequate in the given circumstances, but not with the objective of providing an audit opinion regarding the effectiveness of the company's internal control system.
- We evaluate the adequacy of the accounting methods applied by the company's legal representatives as well as the reasonableness of the legal representatives' estimates in the accounting as well as the related disclosures.
- We evaluate the overall picture, the structure and the contents of the annual fund report including the disclosures and whether the annual fund report provides a true and fair view of the underlying business transactions and events.
- We discuss matters with the Supervisory Board including the planned scope of the audit and its schedule as well as significant audit findings, including any significant shortcomings in the internal control system that we identify in the course of our audit.

Vienna, February 28, 2023

BDO Assurance GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Josef Schima  
Auditor

Bernd Spohn  
Auditor

<sup>7)</sup> In case of publication or forwarding of the annual fund report in a version which differs from the certified (full German-language) version (e.g. condensed version or translation), this audit certificate may not be quoted and our audit may not be referred to without our approval.

## Tax treatment for LGT PB Balanced (USD)

### **AT0000A255K1**

For private investors, any income from the fund is taxed at source from the point of view of income tax, through the deduction of capital gains tax in the amount of USD 2.7341 per accumulation unit.

### **AT0000A255J3**

For private investors, any income from the fund is taxed at source from the point of view of income tax, through the deduction of capital gains tax in the amount of USD 1.9813 per accumulation unit.

### **AT0000A255H7**

For private investors, any income from the fund is taxed at source from the point of view of income tax, through the deduction of capital gains tax in the amount of USD 1.2053 per accumulation unit.

### **AT0000A255G9**

For private investors, any income from the fund is taxed at source from the point of view of income tax, through the deduction of capital gains tax in the amount of USD 0.7729 per accumulation unit.

No action is required on the part of the unitholder.

The tax treatment information prepared on the basis of the audited annual fund report and more detailed particulars in this respect are available at [www.llbinvest.at](http://www.llbinvest.at).

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** LGT PB Balanced (USD)  
**Legal entity identifier:** 529900GXVKD8K1854E70

## Environmental and/or social characteristics

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

**Yes**

It made **sustainable investments with an environmental objective:** \_\_\_%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective:** \_\_\_%

**No**

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

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments.**

**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.

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.



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by this financial product consist of investments in fixed-income securities and equities issued by companies as well as fixed-income securities issued by sovereigns which, at the level of the portfolio, have an average to high LGT environmental, social and governance (ESG) sustainability rating.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

To a lesser degree, this financial product will invest in alternative investments which normally have either no ESG score or a low ESG score. It should be noted that

- a) corporate issuers will be excluded on the basis of specific business segments (thermal coal, controversial weapons);
- b) this financial product must have a lower environmental footprint (on an asset-weighted basis) by comparison with the corresponding strategic asset allocation from the point of view of greenhouse gas emissions and water usage.

In order to meet the positive selection criteria, 74.88% of the fund assets were invested in securities that fulfill E/S criteria.

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

The following table shows all of the sustainability indicators used for this financial product. It also states at what level the indicators are applied, for which investment classes and whether they promote environmental, social or both characteristics. The portfolio will fulfill the environmental and social characteristics which it promotes if it achieves the thresholds defined for each indicator. The sustainability indicators applied for this mandate are not currently subject to third-party review. In the past year under review, the thresholds of all indicators listed below were met.



Level of application	Investment class	Type of indicator	Description of indicator	Threshold	As of: November 30, 2022
Instrument	Equities, corporate bonds	Social	Companies involved in the manufacture and selling of controversial weapons	0%	0%
Instrument	Equities, corporate bonds	Environmental	Coal production or coal-based electricity generation	0%	0%
Instrument	Equities, corporate bonds, government bonds	Environmental and social	LGT sustainability rating of less than 2 stars	0%	0%
Portfolio	Equities, corporate bonds, government bonds	Environmental and social	Percentage share of assets with an LGT sustainability rating $\geq 2$ stars	$\geq 70\%$	100%
Portfolio	Equities, corporate bonds, government bonds	Environmental and social	Percentage share of assets with an LGT sustainability rating $\geq 4$ stars	$\geq 20\%$	68.2%
Portfolio	Equities, corporate bonds, government bonds	Environmental and social	The asset-weighted average ESG score of the portfolio	$\geq 50$	61,1
Portfolio	Equities, corporate bonds, government bonds	Social	The asset-weighted average governance score of the portfolio	$> 50$	61,1
Portfolio	Equities, corporate bonds	Environmental	The asset-weighted average intensity of greenhouse gas emissions of the portfolio	$<$ intensity of the strategic asset allocation	94.5%
Portfolio	Equities, corporate bonds	Environmental	The asset-weighted average intensity of water usage of the portfolio	$<$ intensity of the strategic asset allocation	89.5%

**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.

● ***...and compared to previous periods?***

Not yet available

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Not applicable.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

— ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

Not applicable.

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

Not applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



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

The financial product considers the principal adverse impacts on the sustainability factors by including them in the LGT sustainability rating or the sustainability indicators for this financial product (including stock market-listed equities and corporate bonds). The principal adverse impacts on the sustainability factors are considered by specifying minimum thresholds for the LGT sustainability ratings and the sustainability indicators for this financial product for all investments.

Sustainability factors are also reflected in the engagement/voting policy (see *Shareholder rights policy*, [www.llbinvest.at/Legal notes/ Legal conditions/ Shareholder rights policy](http://www.llbinvest.at/Legal%20notes/Legal%20conditions/Shareholder%20rights%20policy)).



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

Average values of the last 3 months before end of the accounting year (the principal 15 investments)

Large investments	Sector	% Assets	Country
BlackRock Asset Management Ireland	Funds	29.39	IE
Credit Suisse Fund Management Company	Funds	10.53	IE
PIMCO Global Advisors Limited	Funds	8.96	IE
UBS ETF SICAV Luxembourg	Funds	6.73	LU
BlackRock Fund Management Company (Ireland)	Funds	6.13	IE
Neuberger Berman Investment Fds PLC	Funds	5.83	IE
UBS Fund Services, Ireland	Funds	3.61	IE
Goldman Sachs, Luxembourg	Funds	3.47	LU
Deutsche Asset Management S.A.	Funds	3.18	LU
ETF Metal Securities Ltd.	Special purpose banks	2.62	JE
Vanguard Investment Series Plc	Funds	2.44	IE
Xtrackers (IE) plc.	Funds	1.52	IE
LGT Capital Partners (FL) AG	Funds	1.48	LI
Polar Capital LLP	Funds	1.04	IE

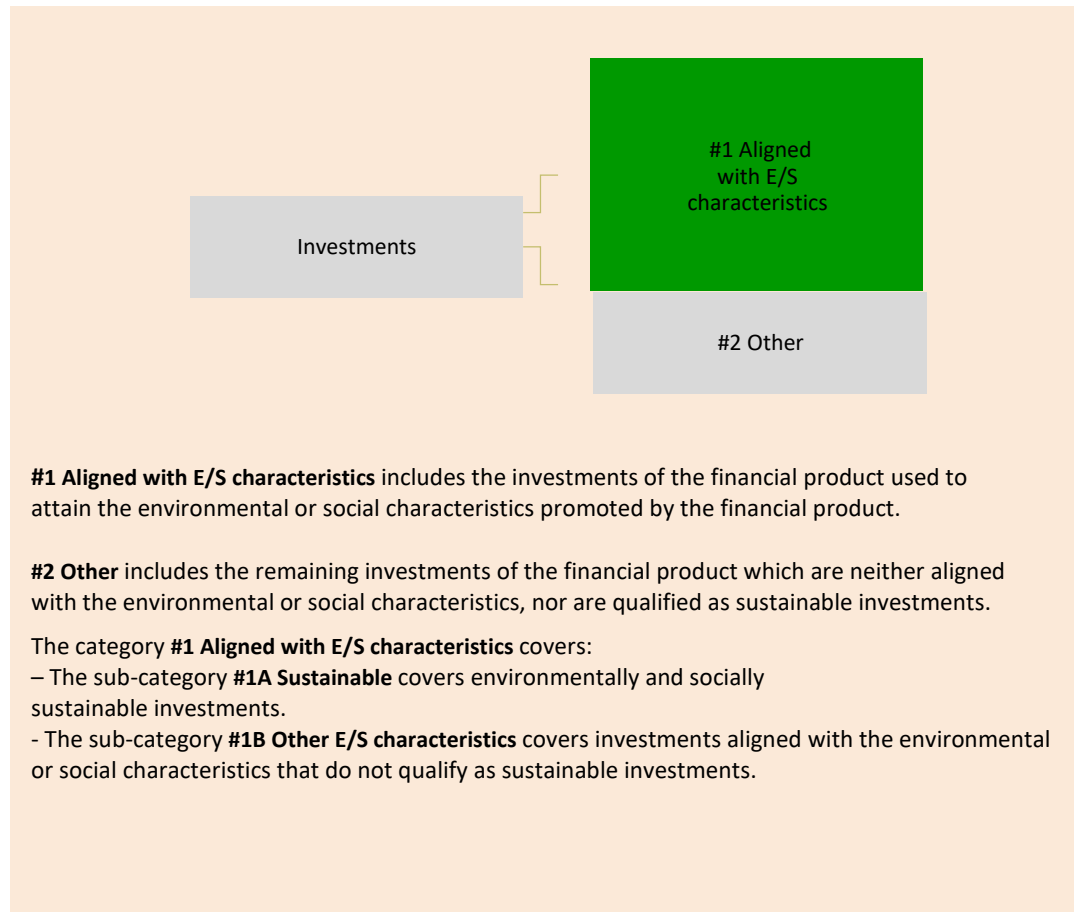
The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period:



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

74.88% of the fund assets were invested in securities that fulfill E/S criteria.

### ● What was the asset allocation?



### ● In which economic sectors were the investments made?

**As of the cutoff date, at the end of the accounting year (the top 15 sectors)**

- Funds
- Special purpose banks
- Personal hygiene, healthcare, cleaning services
- Other service industries
- Electrical industry
- Food, beverages and tobacco industry
- Finance brokerage, portfolio management, asset consulting



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

Not applicable

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

Not applicable

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

Not applicable



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

Not applicable.



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

Not applicable.



**What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investment purpose of the investments included under “#2 Other” is to reflect the asset allocation. This asset allocation must be complied with. This binding allocation may be achieved by investing in funds, ETFs or individual securities which may not be compatible with the sustainability indicators.

- 1) Use of ETFs for the purpose of management of the asset allocation: ETFs are required at times for the purpose of cost-efficient and rapid management of the asset allocation.
- 2) Buy-in of expertise in niche markets: We also invest in emerging markets (fixed-income securities and equities). It may be challenging, or even impossible, to select sustainable investments in this region.
- 3) Buy-in of specific knowledge: Wide-ranging sustainability issues such as “water” are linked with migration, climate, food, sanitary facilities etc. and therefore play an important role in overcoming challenges in the field of sustainability. LGT draws upon this knowledge by investing in actively managed third-party funds for this purpose.

The fund research team carries out a thorough review of minimum compliance with environmental and social standards before any investment is made in products issued by third-party providers (ETFs and funds).

As a rule, LGT’s exclusions in relation to controversial weapons and thermal coal will continue to apply for all groups of instruments (funds, ETFs, individual securities).



## What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Through the ESG approach applied during fund management through a combination of negative exclusion criteria and positive selection criteria (see details above), measures have been taken for fulfilling the environmental and/or social characteristics.

"Shareholder engagement" (Article 3g of Directive 2007/36/EC, see also Directive (EU) 2017/828): LLB Invest Kapitalanlagegesellschaft m.b.H. did not take part in any shareholders' meeting during the reporting period (in this context, please refer to the published Shareholder rights policy, [www.llbinvest.at/](http://www.llbinvest.at/) Legal notes/ Legal conditions/ Shareholder rights policy).



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

No reference benchmark (index, benchmark) is used.

- ***How does the reference benchmark differ from a broad market index?***

No reference benchmark (index, benchmark) is used.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

No reference benchmark (index, benchmark) is used.

- ***How did this financial product perform compared with the reference benchmark?***

No reference benchmark (index, benchmark) is used.

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

No reference benchmark (index, benchmark) is used.

## Fund regulations pursuant to InvFG 2011

The Austrian Financial Market Authority (FMA) has approved the fund regulations for the investment fund **LGT PB Balanced (USD)**, a co-ownership fund pursuant to the **2011 Austrian Investment Fund Act, as amended** (InvFG).

The investment fund is an undertaking for collective investment in transferable securities (UCITS) and is managed by LLB Invest Kapitalanlagegesellschaft m.b.H. (hereinafter: the "management company") which is headquartered in Vienna.

### Article 1 - Co-ownership interests

The co-ownership interests are embodied in unit certificates that are negotiable instruments which are issued to bearer.

The unit certificates are represented by global certificates for each unit class. Therefore, physical securities certificates cannot be issued.

### Article 2 - Custodian bank (depository)

The investment fund's custodian bank (depository) is Liechtensteinische Landesbank (Österreich) AG, Vienna.

The custodian bank (depository) and other paying agents referred to in the prospectus are the paying agents for unit certificates.

### Article 3 - Investment instruments and principles

#### **The following assets may be selected for the investment fund, as stipulated in InvFG:**

The fund invests according to an active investment strategy and thereby makes no reference to an index/reference benchmark.

LGT PB Balanced (USD) pursues an investment goal of long-term capital growth.

Bonds or other securitized debt securities may be purchased for the investment fund directly or indirectly through other investment funds or derivative instruments, together with money market instruments, for **at least 25 percent** and **up to 75 percent** of the fund assets.

In addition, equities and equity-equivalent securities will be purchased directly or indirectly through other investment funds or derivative instruments for **at least 20 percent** and **up to 70 percent** of the fund assets.

**Where appropriate, the fund may purchase units in investment funds whose investment restrictions differ in terms of the investment focus outlined above and the restrictions specified below with regard to investment instruments. This will not affect the fund's compliance with the above investment focus at all times.**

The following investment instruments are purchased for the fund assets, subject to compliance with the above description.

- **Securities**

Securities (including securities featuring embedded derivative instruments) may be purchased for **up to 100 percent** of the fund assets.

- **Money market instruments**

Money market instruments may be purchased for **up to 75 percent** of the fund assets.

- **Securities and money market instruments**

Securities or money market instruments issued or guaranteed by

- the **EU member states** (Belgium, Bulgaria, Denmark, Germany, Estonia, Finland, France, Greece, Italy, Ireland, Croatia, Latvia, Lithuania, Luxemburg, Malta, Netherlands, Austria, Poland, Portugal, Romania, Sweden, Slovenia, Slovakia, Spain, Czech Republic, Hungary, Cyprus),
- by the **Austrian federal states** (Vienna, Lower Austria, Upper Austria, Salzburg, Styria, Carinthia, Tyrol, Vorarlberg, Burgenland),
- the **German federal states** (Baden-Württemberg, Bavaria, Berlin, Brandenburg, Bremen, Hamburg, Hesse, Mecklenburg-Western Pomerania, Lower Saxony, Nord Rhine-Westphalia, Rhineland-Palatinate, Saarland, Saxony, Saxony-Anhalt, Schleswig-Holstein, Thuringia),
- the following **third countries**: United Kingdom, Norway, Switzerland, USA, Canada, Australia, New Zealand, Japan, Hong Kong, Chile, Brazil, India, Iceland, Israel, Mexico, Russia, South Africa, South Korea, Turkey and Singapore,

may be purchased for more than **35 percent** of the fund assets, provided that the fund assets are invested in at least six different issues. An investment in a given issue may not exceed **30 percent** of the fund assets.

Not fully paid-in securities or money market instruments and subscription rights for such instruments or other not fully paid-in financial instruments may be purchased.

Securities and money market instruments may be purchased where they comply with the criteria for listing and trading on a regulated market or a stock exchange pursuant to InvFG.

Securities and money market instruments which do not fulfill the criteria laid down in the above paragraph may be purchased for up to **10 percent** of the fund assets in aggregate.

- **Units of investment funds**

Units of investment funds (UCITS, UCIs) **may each be purchased for up to 20 percent** of the fund assets – and **up to 100 percent** of the fund assets **in aggregate** – insofar as these UCITS or UCIs do not for their part invest more than **10 percent** of their fund assets in units of other investment funds. Units of UCIs may be purchased for **up to 30 percent** of the fund assets **in aggregate**.

- **Derivative instruments**

Derivative instruments may account for **up to 100 percent** of the fund assets within the framework of the investment fund's investment strategy and for hedging purposes.

- **Investment fund's risk measurement method**

The investment fund uses the following risk measurement method:

**Commitment approach**

The commitment value is calculated pursuant to the 3rd chapter of the 4th Austrian Derivatives Risk Calculation and Reporting Ordinance (*Derivate-Risikoberechnungs- und Meldeverordnung, DeRiMV*), as amended.

- **Demand deposits and callable deposits**

Demand deposits and callable deposits with a term not exceeding 12 months may amount to **up to 55**



**percent** of the fund assets.

No minimum bank balance need be maintained.

- **Short-term loans**

The management company may take up short-term loans of **up to 10 percent** of the fund assets for account of the investment fund.

- **Repurchase agreements**

Not applicable.

- **Securities lending**

Not applicable.

- Investment instruments may only be acquired uniformly for the entire investment fund, not for an individual unit class or for a group of unit classes.
- However, this does not apply for currency hedging transactions. These transactions may also be entered into exclusively in relation to a single unit class. Expenses and income resulting from a currency hedging transaction shall exclusively be allocated to the relevant unit class.

#### **Article 4 - Issuance and redemption procedures**

The unit value will be calculated in **USD**.

The value of units will be calculated **on any Austrian banking day**, except for Good Friday and New Year's Eve.

- **Issuance and subscription fee**

Units will be issued on any Austrian banking day, except for Good Friday and New Year's Eve.

The issue price is the unit value plus a fee per unit of **max. 10 percent** to cover the management company's issuing costs, rounded up to the nearest 1 cent.

Issuance of the units shall not be limited in principle; however, the management company reserves the right to cease issuing unit certificates either temporarily or permanently.

The management company shall be entitled to introduce a graduated subscription fee.

- **Redemption and redemption fee**

Units will be redeemed on any Austrian banking day, except for Good Friday and New Year's Eve.

The redemption price corresponds to the unit value, rounded down to the nearest 1 cent.

No redemption fee will be charged.

At the request of a unitholder, his unit shall be redeemed out of the investment fund at the applicable redemption price against surrender of the unit certificate.

#### **Article 5 - Accounting year**

The investment fund's accounting year runs from December 1 to November 30.

#### **Article 6 - Unit classes and appropriation of income**

Distribution unit certificates and/or accumulation unit certificates with capital gains tax paid and accumulation unit certificates without capital gains tax paid may be issued for the investment fund, with each certificate documenting one unit or fractions thereof.

Various classes of unit certificates may be issued for this investment fund. The establishment of unit classes and issuance of units in a given unit class are at the discretion of the management company.

- **Appropriation of income for distribution unit certificates (*income distribution*)**

The income received during the past accounting year (interest and dividends), net of expenses, may be distributed at the discretion of the management company. The management company may opt not to make any distribution, subject to due consideration of the interests of the unitholders. The distribution of income from the sale of assets of the investment fund, including subscription rights, is likewise at the discretion of the management company. The fund assets may be distributed. Interim distributions are permitted.

The fund assets may not, as a result of distributions, fall below the minimum volume for a termination which is stipulated by law.

These amounts will be distributed to holders of distribution unit certificates from **January 15** of the following accounting year. The remainder will be carried forward to new account.

In any case, from **January 15** the amount calculated pursuant to InvFG must be paid out, to be used, where applicable, to meet any capital gains tax liability on the dividend-equivalent income for those unit certificates unless the management company ensures, by furnishing proof from the custodian institutions, that at the time of payment, the unit certificates are only held by unitholders who are either not subject to Austrian income tax or corporate income tax or who fulfill the requirements for exemption pursuant to §94 EStG or for a capital gains tax exemption.

- **Appropriation of income for accumulation unit certificates with capital gains tax paid (*income accumulation*)**

The income received during the accounting year that remains, net of expenses, will not be distributed. In case of accumulation unit certificates, from **January 15** the amount calculated pursuant to InvFG must be paid out, to be used, where applicable, to meet any capital gains tax liability on the dividend-equivalent income for those unit certificates unless the management company ensures, by furnishing proof from the custodian institutions, that at the time of payment, the unit certificates are only held by unitholders who are either not subject to Austrian income tax or corporate income tax or who fulfill the requirements for exemption pursuant to §94 EStG or for a capital gains tax exemption.

- **Appropriation of income for accumulation unit certificates without capital gains tax paid (*full income accumulation*)**

The income received during the accounting year that remains, net of expenses, will not be distributed. No payment pursuant to InvFG will be made. The key date pursuant to InvFG in case of non-payment of capital gains tax on the fund's annual income is **from January 15** of the following accounting year.

The management company must ensure, by furnishing proof from the custodian institutions, that at the time of payment the unit certificates are only held by unitholders who are either not subject to Austrian income tax or corporate income tax or who fulfill the requirements for exemption pursuant to §94 EStG or for a capital gains tax exemption.

If these preconditions have not been met as of the payment date, the amount calculated pursuant to InvFG shall be paid out by the custodian bank in the form of credit.

- **Appropriation of income for accumulation unit certificates without capital gains tax paid (*full income accumulation, foreign tranche*)**

Accumulation unit certificates without capital gains tax paid will be exclusively distributed outside Austria.

The income received during the accounting year that remains, net of expenses, will not be distributed. No payment pursuant to InvFG will be made.

The management company must ensure, by furnishing appropriate proof, that at the time of payment the unit certificates are only held by unitholders who are either not subject to Austrian income tax or corporate income tax or who fulfill the requirements for exemption pursuant to §94 EStG or for a capital gains tax exemption.

#### **Article 7 - Management fee, reimbursement of expenses, liquidation fee**

For its management activity, the management company receives annual remuneration of up to **2 percent p.a.** This remuneration will be calculated on the basis of the month-end values, accrued daily and paid out monthly.

The management company shall be entitled to introduce a graduated management fee.

The management company is entitled to reimbursement of all expenses associated with its management activities.

The costs arising at the introduction of new unit classes for existing asset portfolios shall be deducted from the unit prices of the new unit classes.

At the liquidation of the investment fund, the liquidator shall receive remuneration amounting to **0.50 percent** of the fund assets.

**Please refer to the prospectus for further information regarding this Investment fund.**

# Annex

## List of stock exchanges with official trading and organized markets

### 1. Stock exchanges with official trading and organized markets in the member states of the EEA as well as stock exchanges in European countries outside of the member states of the EEA which are considered to be equivalent to regulated markets

Each member state is required to maintain an updated list of markets authorized by it. Such list is to be made available to the other member states and to the European Commission.

Pursuant to the Directive, the European Commission is obliged to publish once per year a list of the regulated markets of which it has received notice.

Due to increasing deregulation and to trading segment specialization, the list of “regulated markets” is undergoing great changes. Consequently, the European Commission will, in addition to yearly publication of a list in the Official Journal of the European Union, maintain an updated version of this list on its official website.

#### 1.1. The current list of regulated markets is available at:

[https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_upreg](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_upreg)<sup>12</sup>

#### 1.2. The following stock exchanges are included in the list of *regulated markets*:

1.2.1. Luxembourg Euro MTF Luxembourg

#### 1.3. Recognized markets in the EEA pursuant to §67 (2) Item 2 InvFG:

Markets in the EEA classified as recognized markets by the relevant supervisory authorities.

### 2. Stock exchanges in European countries that are not member states of the EEA

- |      |                                    |   |
|------|------------------------------------|---|
| 2.1. | Bosnia & Herzegovina:              | Sarajevo, Banja Luka  |
| 2.2. | Montenegro:                        | Podgorica   |
| 2.3. | Russia:                            | Moscow Exchange   |
| 2.4. | Switzerland                        | SIX Swiss Exchange AG, BX Swiss AG  |
| 2.5. | Serbia:                            | Belgrade  |
| 2.6. | Turkey:                            | Istanbul (only “National Market” stock market segment)  |
| 2.7. | United Kingdom                     |   |
|      | Great Britain and Northern Ireland | Cboe Europe Equities Regulated Market – Integrated Book Segment, London Metal Exchange, Cboe Europe Equities Regulated Market – Reference Price Book Segment, Cboe Europe Equities Regulated Market – Off-Book Segment, London Stock Exchange Regulated Market (derivatives), NEX Exchange Main Board (non-equity), London Stock Exchange Regulated Market, NEX Exchange Main Board (equity), Euronext London Regulated Market, ICE FUTURES EUROPE, ICE FUTURES EUROPE - AGRICULTURAL PRODUCTS DIVISION, ICE FUTURES EUROPE - FINANCIAL PRODUCTS DIVISION, ICE FUTURES EUROPE - EQUITY PRODUCTS DIVISION and Gibraltar Stock Exchange |

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<sup>12</sup> To open the list, select “Regulated market” in the “Entity type” menu in the left-hand column and click on “Search” (or “Show table columns” and “Update”). The ESMA may change this link.

### 3. Stock exchanges in non-European countries

- 3.1. Australia: Sydney, Hobart, Melbourne, Perth
- 3.2. Argentina: Buenos Aires
- 3.3. Brazil: Rio de Janeiro, Sao Paulo
- 3.4. Chile: Santiago
- 3.5. China: Shanghai Stock Exchange, Shenzhen Stock Exchange
- 3.6. Hong Kong: Hong Kong Stock Exchange
- 3.7. India: Mumbai
- 3.8. Indonesia: Jakarta
- 3.9. Israel: Tel Aviv
- 3.10. Japan: Tokyo, Osaka, Nagoya, Fukuoka, Sapporo
- 3.11. Canada: Toronto, Vancouver, Montreal
- 3.12. Colombia: Bolsa de Valores de Colombia
- 3.13. Korea: Korea Exchange (Seoul, Busan)
- 3.14. Malaysia: Kuala Lumpur, Bursa Malaysia Berhad
- 3.15. Mexico: Mexico City
- 3.16. New Zealand: Wellington, Auckland
- 3.17. Peru: Bolsa de Valores de Lima
- 3.18. Philippines: Philippine Stock Exchange
- 3.19. Singapore: Singapore Stock Exchange
- 3.20. South Africa: Johannesburg
- 3.21. Taiwan: Taipei
- 3.22. Thailand: Bangkok
- 3.23. USA: New York, NYCE American, New York Stock Exchange (NYSE), Philadelphia, Chicago, Boston, Cincinnati, Nasdaq
- 3.24. Venezuela: Caracas
- 3.25. United Arab Emirates: Abu Dhabi Securities Exchange (ADX)

### 4. Organized markets in countries that are not member states of the European Union

- 4.1. Japan: Over-the-counter market
- 4.2. Canada: Over-the-counter market
- 4.3. Korea: Over-the-counter market
- 4.4. Switzerland: Over-the-counter market of the members of the International Capital Market Association (ICMA), Zurich
- 4.5. USA (FINRA): Over-the-counter market (subject to official supervision e.g. by SEC, FINRA)

### 5. Stock exchanges with futures and options markets

- 5.1. Argentina: Bolsa de Comercio de Buenos Aires
- 5.2. Australia: Australian Options Market, Australian Securities Exchange (ASX)
- 5.3. Brazil: Bolsa Brasileira de Futuros, Bolsa de Mercadorias & Futuros, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange
- 5.4. Hong Kong: Hong Kong Futures Exchange Ltd.
- 5.5. Japan: Osaka Securities Exchange, Tokyo International Financial Futures Exchange, Tokyo Stock Exchange
- 5.6. Canada: Montreal Exchange, Toronto Futures Exchange
- 5.7. Korea: Korea Exchange (KRX)
- 5.8. Mexico: Mercado Mexicano de Derivados
- 5.9. New Zealand: New Zealand Futures & Options Exchange
- 5.10. Philippines: Manila International Futures Exchange
- 5.11. Singapore: The Singapore Exchange Limited (SGX)
- 5.12. South Africa: Johannesburg Stock Exchange (JSE), South African Futures Exchange (SAFEX)

- 5.13. Turkey: TurkDEX
- 5.14. USA: NYCE American, Chicago Board Options Exchange, Chicago Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, ICE Future US Inc. New York, Nasdaq, New York Stock Exchange, Boston Options Exchange (BOX)