Audit Report on the Financial Statements
issued by an Independent Auditor

BUY & HOLD CAPITAL, S.G.I.I.C., S.A.
Financial Statements and Management Report
for the year ended
31 December 2023

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS
(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

To the shareholders of BUY & HOLD CAPITAL, S.G.I.I.C., S.A.:

Opinion

We have audited the financial statements of BUY & HOLD CAPITAL, S.G.I.I.C., S.A. (hereinafter, the Company), which comprise the Balance Sheet at 31 December 2023, the income statement, the statement of recognized income and expense, the statement of total changes in equity and the notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Company's equity and financial position at 31 December 2023 and its financial performance for the year then ended, in accordance with applicable financial reporting standards (disclosed in note 2 of the financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with the financial statement auditing standards prevailing in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to auditor independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. Note in this regard that we have not provided any non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

The key audit matters are those areas that, in our professional judgement, were deemed susceptible to higher risks of material misstatement in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Fees accrued in relation to the management of undertakings for collective investment (UCITS)

Description	As indicated in notes 1 and 17.1.a) of the accompanying annual financial statements, the Company's core business is the management of seven undertakings for collective investment and one pension fund. Those activities generated fee and commission income totalling 1,937,576.25 euros during the year ended 31 December 2023. Given that fee income is the Company's main source of revenue, we deemed its analysis a key audit matter.
Our response	As part of our audit work, we obtained an understanding of and evaluated the Company's internal control procedures in relation to the process of calculating and recognising fee and commission income. In addition, we conducted substantive audit tests, notably including the re-calculation of all of the management fees accrued in 2023 on the basis of the fee terms and conditions stipulated in the prospectuses corresponding to each of the UCITS under management and verification of the key inputs used (assets under management and UCITS performance) using the corresponding supporting documents to check the fees accrued by the Company.

Other information: Management report

Other information refers exclusively to the 2023 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our opinion on the financial statements does not cover the management report. In conformity with the standards on auditing prevailing in Spain, our responsibility in terms of the management report is to assess and report on the consistency of the report with the financial statements based on the knowledge of the Company we obtained while auditing the aforementioned financial statements, and to evaluate and report on whether the content and presentation of the management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described in the above paragraph, the information contained in the management report is consistent with that provided in the 2023 financial statements and their content and presentation are in conformity with applicable regulations.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of the accompanying financial statements such that they present fairly the Company's financial situation and financial performance, in keeping with the financial reporting framework applicable to the Company in Spain, as itemised in note 2 of the accompanying financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In drawing up the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease trading, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain 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 conformity with the financial statement auditing standards prevailing in Spain, we use our professional judgement and maintain professional scepticism throughout the audit. In addition:

- We 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.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- We evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.

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

- We evaluate the overall presentation, structure and presentation of the financial statements, including the disclosures, and assess whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's directors, 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.

From the matters communicated with the entity's directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore considered the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

ERNST & YOUNG, S.L.
(Registered in the Official Register
under entry #No. S0530)

(Signed on the original version in Spanish)

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Paloma Muñoz Góngora
(Registered in the Official Register of Auditors
under entry #No. 24207)

26 April 2024

BUY & HOLD CAPITAL
SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA, S.A.

Financial Statements and Management Report
for the year ended
31 December 2023

BUY & HOLD CAPITAL S.G.I.I.C., S.A.

Statement of financial position at 31 December 2023 and 2022
(Euros)

	ASSETS	Note	2023	2022
1.	**Cash**	**7**	**419.21**	**165.96**
	Cash in hand		419.21	165.96
	Cash at banks		-	-
2.	**Due from financial brokers and customers**	**8**	**580,246.96**	**315,228.84**
	Sight deposits		257,471.70	182,025.28
	Term deposits		-	-
	Fees and commissions receivable		-	-
	Other receivables		322,775.26	133,203.56
3.	**Debt securities**		**-**	**-**
	Public debt - Spanish securities		-	-
	Public debt - international securities		-	-
	Fixed-income securities - Spanish securities		-	-
	Fixed-income securities - international securities		-	-
	Valuation adjustments		-	-
4.	**Investments past due and outstanding**		**-**	**-**
5.	**Equity securities**	**9**	**1,710,636.37**	**1,476,844.98**
	Equity securities - Spanish securities		1,050,609.54	887,006.09
	Equity securities - international securities		332,750.83	283,850.89
	Shareholdings		-	-
	Financial assets at fair value through profit and loss		327,276.00	305,988.00
	Provision for the impairment of equity securities (-)		-	-
6.	**Derivatives**		**-**	**-**
7.	**Pension-linked insurance agreements**		**-**	**-**
8.	**Property and equipment**	**10**	**57,316.50**	**74,672.40**
	For own use		57,316.50	74,672.40
	Investment properties		-	-
	Property and equipment held for sale		-	-
	Provision for the impairment of property and equipment (-)		-	-
9.	**Intangible assets**	**11**	**119,146.59**	**134,952.13**
	Goodwill		-	-
	Software		119,146.59	134,952.13
	Other intangible assets		-	-
	Provision for the impairment of intangible assets (-)		-	-
10.	**Tax assets**	**18**	**91,770.58**	**85,975.41**
	Current		-	654.81
	Deferred		91,770.58	85,320.60
11.	**Prepayments and accrued income**	**12**	**31,772.91**	**15,069.30**
	Prepaid expenses		31,772.91	15,069.30
	Other accruals		-	-
12.	**Other assets**	**13**	**15,023.54**	**15,000.00**
	Advances and loans to employees		-	-
	Called-up payments on share capital		-	-
	Security deposits		15,000.00	15,000.00
	Other assets		23.54	-
	TOTAL ASSETS		**2,606,332.66**	**2,117,909.02**

BUY & HOLD CAPITAL S.G.I.I.C., S.A.

Statement of financial position at 31 December 2023 and 2022
(Euros)

	LIABILITIES AND EQUITY	Note	2023	2022
1.	**Due to financial brokers and customers**	**14**	**120,623.07**	**67,239.57**
	Loans and credit facilities		1,230.80	764.69
	Fees and commissions payable		-	-
	Payable for services received		119,392.27	66,474.88
	Employee benefits payable		-	-
2.	**Derivatives**		**-**	**-**
3.	**Subordinated liabilities**		**-**	**-**
4.	**Provisions**		**-**	**-**
	Provisions for pensions and similar obligations		-	-
	Provisions for taxes and other legal contingencies		-	-
	Provisions for other liabilities		-	-
5.	**Tax liabilities**	**18**	**177,731.42**	**96,241.48**
	Current		24,028.49	-
	Deferred		153,702.93	96,241.48
6.	**Liabilities associated with non-current assets held for sale**		**-**	**-**
7.	**Accruals and deferred income**		**-**	**-**
	Fees and other items collected but not accrued		-	-
	Expenses accrued but not due		-	-
	Other accruals		-	-
8.	**Other liabilities**	**13**	**124,384.47**	**64,078.47**
	Payable to the authorities		124,384.47	64,078.47
	Balances related to finance lease transactions		-	-
	Unpaid portion of equity investments		-	-
	Other liabilities		-	-
	TOTAL LIABILITIES		**422,738.96**	**227,559.52**

BUY & HOLD CAPITAL S.G.I.I.C., S.A.

Statement of financial position at 31 December 2023 and 2022
(Euros)

	LIABILITIES AND EQUITY	Note	2023	2022
	CAPITAL AND RESERVES		**2,010,597.00**	**1,876,730.33**
1.	Capital	15	677,084.00	677,084.00
	Issued and paid in		677,084.00	677,084.00
	Less: Uncalled capital		-	-
2.	Share premium	15	320,491.30	320,491.30
3.	Reserves	15	882,371.18	840,245.27
	Legal reserve		47,790.26	43,899.28
	Voluntary reserves		694,583.56	655,366.07
	Other reserves		139,997.36	140,979.92
4.	Retained earnings (prior year losses)		-	-
5.	Profit/(loss) for the year	4 & 17	126,415.58	38,909.76
6.	Other equity instruments		-	-
7.	*Less: Own shares*		-	-
8.	*Less: Interim and approved dividends*		-	-
9.	Grants, donations and bequests received	15	4,234.94	-
	VALUATION ADJUSTMENTS RECOGNISED IN EQUITY	**9**	**172,996.70**	**13,619.17**
1.	Financial assets at fair value through equity		172,996.70	13,619.17
2.	Cash flow hedges		-	-
3.	Hedges of net investments in foreign operations		-	-
4.	Exchange gains/(losses)		-	-
5.	Other adjustments		-	-
	TOTAL EQUITY		**2,183,593.70**	**1,890,349.50**
	TOTAL EQUITY AND LIABILITIES		**2,606,332.66**	**2,117,909.02**

BUY & HOLD CAPITAL S.G.I.I.C., S.A.

Statement of financial position at 31 December 2023 and 2022
(Euros)

	CONTINGENCY AND COMMITMENT ACCOUNTS	Note	2023	2022
1.	**Collateral and guarantees conferred**		**-**	**-**
2.	**Other contingent liabilities**		**-**	**-**
3.	**Forward securities purchase commitments**		**-**	**-**
4.	**Derivatives**		**-**	**-**
5.	**Other contingency and commitment accounts**		**-**	**-**
	TOTAL CONTINGENCY AND COMMITMENT ACCOUNTS		-	-
	OTHER OFF-BALANCE SHEET ITEMS	16		
1.	**Unrestricted cash held at call at banks**		**-**	**-**
2.	**Security deposits and other financial instruments**		**-**	**-**
3.	**Assets under management**		**354,151,830.14**	**249,689,945.46**
	Financial asset investment funds		83,084,923.00	59,734,650.93
	Foreign UCITS		268,642,135.92	188,090,311.16
	Pension funds		2,424,771.22	1,864,983.37
4.	**Other assets under discretionary portfolio management**		**-**	**-**
5.	**Assets under management - Marketed**		**48,773,905.67**	**37,260,697.93**
	Spanish UCITS under management		48,773,905.67	37,260,697.93
6.	**Assets under management - Advisory**		**-**	**-**
	Spanish and international equity securities		-	-
7.	**Non-performing assets past due and uncollected**		**-**	**-**
8.	**Other off-balance sheet items**		**-**	**-**
	TOTAL OFF-BALANCE SHEET ITEMS		**402,925,735.81**	**286,950,643.39**

BUY & HOLD CAPITAL S.G.I.I.C., S.A.

Statement of profit or loss
for the years ended 31 December 2023 and 2022
(Euros)

DEBIT	Note	2023	2022
Interest and similar charges on financial liabilities		**-**	**108.26**
Interest		-	107.99
Other charges			0.27
Commissions and brokerage fees paid	**17.1**	**252,476.87**	**151,296.41**
Marketing fees		252,476.87	151,296.41
Fees and commissions assigned to other entities		-	-
Fees and commissions paid to agents/representatives		-	-
Other fees and commissions		-	-
Losses on financial trades	**17.2**	**-**	**16,442.63**
Other losses			16,442.63
Exchange losses		**2,238.25**	**397.72**
Staff expenses	**17.3**	**674,346.28**	**662,628.95**
Wages and benefits		674,346.28	660,444.27
Pension fund provisions and contributions		-	-
Termination benefits		-	2,184.68
Training expenses		-	-
Share-based payments		-	-
Other staff expenses		-	-
General expenses	**17.4**	**793,978.89**	**723,917.87**
Buildings and facilities		98,152.41	61,813.64
IT systems		118,367.78	94,564.07
Advertising and business expenses		100,738.57	74,237.00
Independent professional services		216,313.88	232,325.95
Outsourced administrative services		67,147.09	23,333.89
Other expenses		193,259.16	237,643.32
Contributions and taxes		**-**	**-**
Depreciation and amortisation	**10 & 11**	**43,117.32**	**42,349.12**
Property and equipment for own use		19,240.07	18,899.50
Investment properties		-	-
Intangible assets		23,877.25	23,449.62
Other operating expenses	**17.2**	**2,569.04**	**2,596.37**
Official registry fees		2,569.04	2,596.37
Other		-	-
Asset impairment losses		**-**	**-**
Loans and other fixed-income securities		-	-
Provision expense		**-**	**-**
Other losses		**25,043.26**	**83.71**
Income tax	**18**	**39,196.10**	**7,692.38**
Profit from discontinued operations		**-**	**-**
Net profit for the period. Profit	**4**	**126,415.58**	**38,909.76**

BUY & HOLD CAPITAL S.G.I.I.C., S.A.

Statement of profit or loss
for the years ended 31 December 2023 and 2022
(Euros)

CREDIT	**Note**	**2023**	**2022**
Interest, dividend and similar income from financial assets		**28.91**	**11.27**
Brokerages		28.91	11.27
Public debt - Spanish securities		-	-
Public debt - international securities		-	-
Fixed-income securities - Spanish securities		-	-
Fixed-income securities - international securities		-	-
Dividends		-	-
Hedging gains		-	-
Other interest and returns		-	-
Fee and commission income	**17.1**	**1,937,576.25**	**1,636,933.41**
Management fees - financial asset investment funds		519,772.05	418,724.30
Management fees - foreign UCITS		1,409,377.77	1,210,085.57
Management fees - discretionary portfolio management		8,426.43	8,123.54
Advisory services		-	-
Other fees and commissions		-	-
Gains on financial trades	**17.2**	**21,641.42**	**7,449.00**
Exchange gains		**23.65**	**87.74**
Other operating income	**17.2**	**104.29**	**105.93**
Impaired assets recovered		**-**	**-**
Provisions reversed		**-**	**-**
Other gains		**7.07**	**1,835.83**
Loss from discontinued operations		**-**	**-**
Net profit for the period. Loss		**-**	**-**
TOTAL CREDIT		**1,959,381.59**	**1,646,423.18**

BUY & HOLD CAPITAL S.G.I.I.C., S.A.

Statement of recognised income and expense for the years ended 31 December 2023 and 2022

(Euros)

		2023	2022
A)	**Profit/(loss) for the year**	**126,415.58**	**38,909.76**
B)	**OTHER RECOGNISED INCOME AND EXPENSE**		
1.	**Financial assets at fair value through equity**	**159,377.53**	**(147,217.23)**
	a) Valuation gains/(losses)	159,377.53	(147,217.23)
	b) Amounts reclassified to profit or loss	-	-
	c) Other reclassifications	-	-
2.	**Cash flow hedges**	**-**	**-**
	a) Valuation gains/(losses)	-	-
	b) Amounts reclassified to profit or loss	-	-
	c) Amounts reclassified at initial measurement of hedged items	-	-
	d) Other reclassifications	-	-
3.	**Hedges of net investments in foreign operations**	**-**	**-**
	a) Valuation gains/(losses)	-	-
	b) Amounts reclassified to profit or loss	-	-
	c) Other reclassifications	-	-
4.	**Exchange gains/(losses)**	**-**	**-**
	a) Valuation gains/(losses)	-	-
	b) Amounts reclassified to profit or loss	-	-
	c) Other reclassifications	-	-
5.	**Non-current assets held for sale**	**-**	**-**
	a) Valuation gains/(losses)	-	-
	b) Amounts reclassified to profit or loss	-	-
	c) Other reclassifications	-	-
6.	**Actuarial gains/(losses) on pension plans**	-	-
7.	**Other recognised income and expense**	-	-
8.	**Income tax**	**-**	**-**
	TOTAL RECOGNISED INCOME AND EXPENSE (A+B)	**285,793.11**	**(108,307.47)**

BUY & HOLD CAPITAL S.G.I.I.C., S.A.

Statement of changes in equity
for the years ended 31 December 2023 and 2022
(Euros)

	Total equity								
	Capital	**Share premium**	**Reserves**	**Retained earnings (prior-year losses)**	**Profit/(loss) for the year**	**Grants, donations and bequests**	**Total own funds**	**Valuation adjustments**	**Total equity**
Balance at 31/12/2021	**677,084.00**	**320,491.30**	**445,144.38**	**(38,462.11)**	**1,934,575.25**	**-**	**3,338,832.82**	**160,836.40**	**3,499,669.22**
Total recognised income/(expense)	-	-	-	-	38,909.76	-	38,909.76	(147,217.23)	(108,307.47)
Distribution of dividends	-	-	-	-	-	-	-	-	-
Trading in own equity instruments (net)	-	-	-	-	-	-	-	-	-
Transfers between equity items	-	-	-	-	(1,934,575.25)	-	(1,934,575.25)	-	(1,934,575.25)
Increase/(decrease) in equity in connection with business combinations	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-
Other increases/(decreases) in equity	-	-	395,100.89	38,462.11	-	-	433,563.00	-	433,563.00
Balance at 31/12/2022	**677,084.00**	**320,491.30**	**840,245.27**	**-**	**38,909.76**	**-**	**1,876,730.33**	**13,619.17**	**1,890,349.50**
Restatement for errors	-	-	-	-	-	-	-	-	-
Restated balance at 1 Jan. 2023	**677,084.00**	**320,491.30**	**840,245.27**	**-**	**38,909.76**	**-**	**1,876,730.33**	**13,619.17**	**1,890,349.50**
Total recognised income/(expense)	-	-	-	-	126,415.58	-	126,415.58	159,377.53	285,793.11
Distribution of dividends	-	-	-	-	-	-	-	-	-
Trading in own equity instruments (net)	-	-	-	-	-	-	-	-	-
Transfers between equity items	-	-	-	-	(38,909.76)	-	(38,909.76)	-	(38,909.76)
Increase/(decrease) in equity in connection with business combinations	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-
Other increases/(decreases) in equity	-	-	42,125.91	-	-	4,234.94	46,360.85	-	46,360.85
Balance at 31/12/2023	**677,084.00**	**320,491.30**	**882,371.18**	**-**	**126,415.58**	**4,234.94**	**2,010,597.00**	**172,996.70**	**2,183,593.70**

1. GENERAL COMPANY AND BUSINESS INFORMATION

Buy & Hold Capital, Sociedad Gestora de Instituciones de Inversión Colectiva, S.A. (hereinafter, the "Company") was incorporated in Spain as a limited company, for an indeterminate period, called Buy & Hold Asesores, E.A.F.I., S.L., on 21 September 2012 (as placed on record before a notary public in Valencia, Mr. Diego Simó Sevilla). The Company is registered in Valencia Companies Register under Tome 9,536, Book 6,818, Paper 71, Sheet V-150764.

On 11 May 2017, the Company resolved at a general and universal meeting of shareholders to transform itself into a public limited company, as provided for in Spanish Law 3/2009 and other prevailing company law, and, further, to become an undertaking for collective investment in transferable securities ("UCITS") management company, as contemplated in Spanish Law 35/2003 and Royal Decree (RD) 1082/2012. The Company had previously obtained authorisation for its transformation from the Spanish securities markets regulator (hereinafter, the "CNMV"), on 6 April 2017.

UCITS management companies are regulated by Spanish Law 35/2003, of 4 November 2003, and its implementing regulations, enacted by Royal Decree 1082/2012, of 13 July 2012, as subsequently amended, in addition to the consolidated text of the Corporate Enterprises Act, enacted by means of Royal Legislative-Decree 1/2010, and by Law 6/2023, of 17 March 2023, on Securities Markets and Investment Services. The Company is likewise regulated by the various decrees or dispositions that implement, replace or amend the above laws, other laws and the Circulars issued by CNMV.

The Company was registered in the Administrative Register of UCITS Management Companies kept by the CNMV under entry no. 256 on 2 June 2017.

Its corporate object is the management of investments, the control and management of risks, the administration, representation and management of investment fund and entity subscriptions and redemptions and any other of the activities that UCITS management companies are permitted to carry out under article 40 of Law 35/2003 on Undertakings for Collective Investment.

The Company's registered office is located in Valencia, at calle la Cultura 1-1.

At 31 December 2023, the Company was managing a total of seven Collective Investments Institutions and one pension fund with aggregate assets of 353,460,712.83 euros (year-end 2022: 249,689,945.46 euros), broken down as follows (note 16):

CNMV REGISTRATION No.	NAME	ASSETS UNDER MANAGEMENT AT YEAR-END 2023	ASSETS UNDER MANAGEMENT AT YEAR-END 2022
5202	B&H ACCIONES FI	16,309,934.52	14,859,174.01
5203	B&H RENTA FIJA FI	28,816,758.7	10,969,762.19
5204	B&H FLEXIBLE FI	16,765,065.3	12,952,655.96
5429	B&H DEUDA, FI	21,193,164.48	20,953,058.77
FP	B&H JUBILACIÓN PP	2,424,771.22	1,864,983.37
EXT	Buy & Hold Luxembourg – B&H EQUITY	110,624,691.09	93,741,081.17
EXT	Buy & Hold Luxembourg – B&H FLEXIBLE	76,397,635.31	60,049,487.08
EXT	Buy & Hold Luxembourg - B&H BONDS	80,928,692.21	34,299,742.91
Total		**353,460,712.83**	**249,689,945.46**

2. BASIS OF PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

The financial statements have been prepared from the Company's accounting records and were drawn up in keeping with the criteria set down in CNMV Circular 1/2021 (25 March 2021), prevailing company law and Spain's generally accepted accounting principles, as established in prevailing legislation, so as to fairly present its equity, financial position and performance.

The figures contained in the documents comprising these financial statements (the statement of financial position, statement of profit or loss, statement of changes in equity and these notes) are expressed in euros.

Since the Company qualifies for presentation of financial statements under the short-form accounting framework provided for in the Spanish General Accounting Plan enacted by Royal Decree 1514/2007, it is not required to present a statement of cash flows.

2.1 Fair presentation

The financial statements have been prepared from the accounting records of the Company and are presented in keeping with Spain's General Accounting Plan, as enacted by Royal Decree 1514/2007 (of 16 November 2007), as amended several times, most recently by means of Royal Decree 1/2021 (of 12 January 2021), and its implementing regulations, and in conformity with certain aspects of CNMV Circular 7/2008, to present fairly the Company's equity, financial position and performance and the changes in its equity in 2023.

The Company's directors authorised the 2023 financial statements for issue on 28 March 2024. They will be submitted for shareholder approval at the Annual General Meeting and are expected to be ratified without modification.

2.2 Comparison of information

In keeping with Spanish company law, the Company discloses comparative information in respect of the previous reporting period for all amounts disclosed in the statement of financial position and the statement of profit or loss. The notes to the financial statements also include comparative information for narrative and descriptive disclosures in respect of the previous year, except when an accounting standard specifically permits or requires otherwise.

2.3 Critical issues regarding the measurement and estimation of uncertainty

In preparing the accompanying financial statements, the Company's management used estimates to measure certain of the assets, liabilities, income and expenses recognised and to make the contingent liability disclosures. These estimates were made on the basis of the best available information at year-end. However, the uncertainty inherent in these estimates means that future events could oblige their modification in the next financial year, prospectively if warranted.

In addition to other relevant information regarding the estimation of uncertainty at the reporting date, the key assumptions regarding the future that imply a considerable risk that the carrying amounts of assets and liabilities may require material adjustment in the next financial year relate to the measurement of the Company's financial assets (note 3.1.1).

2.4 Going concern

The information contained in these annual financial statements was prepared assuming that the Company will continue to operate for the foreseeable future; accordingly, the accounting policies were not applied in order to determine either net asset value with a view to full or partial sale or the amount that might be obtained from a hypothetical liquidation.

3. RECOGNITION AND MEASUREMENT STANDARDS

3.1. Financial instruments

3.1.1 Financial assets

Upon initial recognition, the Company recognises all of its financial assets in one of the categories below and that classification determines how they are initially and subsequently measured:

- Financial assets at fair value through profit or loss
- Financial assets at amortised cost
- Financial assets at fair value through equity
- Financial assets at cost

I. Financial assets at fair value through profit and loss

The Company classifies its financial assets in this category unless they qualify for classification in one of the other categories.

In all instances, financial assets held for trading are included in this category. The Company classifies a financial asset as held for trading when at least one of the following conditions is met:

- It is created or acquired for the purpose of selling it in the short term.
- It is, at the time of initial recognition, part of a portfolio of financial instruments identified or administered on a joint basis, for which there is evidence of recent action to obtain short-term profit.
- It is a derivative instrument, unless it constitutes a financial guarantee contract or is designated as a hedging instrument.

In addition, the Company may, at initial recognition, irrevocably designate a financial asset that would otherwise have been included in another financial asset category as measured at fair value through profit or loss (commonly known as the “FVPL designation option”). That option is available if so doing eliminates or significantly reduces a measurement or recognition inconsistency (an “accounting mismatch”) that would otherwise arise from measuring assets (or liabilities) on different bases.

The financial assets classified in this category are initially measured at fair value, which, barring evidence to the contrary, is presumed to be the transaction price, deemed equivalent to the fair value of the consideration paid. Transaction costs that are directly attributable are recognised in profit or loss for the year (i.e., they are not capitalised).

Subsequent to initial recognition, the Company measures the financial assets included in this category at fair value, recognising changes in their fair value in profit or loss (net finance cost).

The Company had no financial instruments in this category at either year-end.

II. Financial assets at amortised cost

The Company classifies a financial asset in this category, even when it is admitted to trading on an organised market, if the following conditions are met:

- The Company holds the assets within a business model whose objective is to collect their contractual cash flows.

Holding a portfolio of financial assets for the purpose of collecting the contractual cash flows does not necessarily imply holding all of the instruments until maturity; the business model can be to hold the assets to collect contractual cash flows even when sales of financial assets occur or are expected to occur in the future. To make that determination, the Company considers the frequency, value and timing of sales in prior periods, the reasons for those sales and expectations about future sales activity.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. That implies that the cash flows are akin to those of an ordinary loan agreement, irrespective of whether the parties agree a below-market rate of interest or a rate of zero.

That condition is presumed to exist in the case of a simple bond or loan with a stated maturity date for which the Company collects interest at a variable market rate, albeit subject to a cap. In contrast, it is presumed that that condition is not met in the case of instruments convertible into equity instruments of the issuer, loans that pay an inverse floating interest rate (i.e., the interest rate has an inverse relationship to market interest rates) and loans in which the issuer can defer interest payment in the event its payment would affect its solvency without accruing additional interest on that deferred interest.

Generally, this category includes credit extended to brokerages and customers and credit arising from non-commercial transactions (“other assets”).

The financial assets classified into this category are measured initially at fair value, which, barring evidence to the contrary, is presumed to be the transaction price, deemed equivalent to the fair value of the consideration paid plus directly attributable transaction costs. In other words, transaction costs are capitalised.

Nevertheless, trade receivables that mature within no more than a year from the reporting date with no explicit contractual interest rate, as well as advances and loans to employees, dividends receivable and called-up payments on equity instruments, the amount of which is expected to be realised in the short term, are measured at their face value, provided that the effect of not discounting the cash flows is not material.

They are subsequently measured at amortised cost. Accrued interest is recognised in profit or loss (finance income) using the effective interest rate method.

Amortised cost is the amount at which the financial asset was acquired minus principal repayments, the accumulated amortisation in profit or loss, using the effective interest method, of any difference between that initial amount and the maturity amount, and any reduction (directly or through the use of an allowance account) for impairment.

The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the carrying amount of the financial asset considering all the contractual terms of the instrument, such as prepayment options, but without considering future credit losses.

For financial instruments at fixed rates of interest, the effective interest rate coincides with the contractually stipulated rate established upon acquisition plus any fees and commissions deemed an integral part of the effective interest rate. For financial instruments at floating rates of interest, the effective interest rate coincides with the prevailing yield in respect of all items until the first scheduled benchmark rate reset date.

Receivables that mature within no more than one year, as outlined above, are measured initially and subsequently at their face value unless they become impaired.

In general, when the contractual cash flows of a financial asset at amortised cost are modified as a result of financial difficulties of the issuer, the Company tests them for impairment.

III. Financial assets at fair value through equity

This category includes the financial assets that meet the following terms and conditions:

The financial instrument is not held for trading and cannot be classified at amortised cost.

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In addition, the Company has the option of designating (irrevocably) investments in equity instruments into this category, so long as they are not held for trading and it is not a requirement to carry them at cost (see below).

As a general rule, the Company classifies debt securities, equity investments and shares in this category.

The financial assets classified into this category are measured initially at fair value, which, barring evidence to the contrary, is presumed to be the transaction price, deemed equivalent to the fair value of the consideration paid plus directly attributable transaction costs. In other words, transaction costs are capitalised.

Subsequently they are measured at fair value without deducting any transaction costs which may be incurred to sell them. Changes in fair value are recognised directly in equity (under “Valuation adjustments”) until the financial asset is derecognised or deemed impaired, at which time the cumulative gain or loss recognised in equity is reclassified to profit or loss.

Impairment allowances and foreign exchange gains and losses on monetary financial assets denominated in foreign currency are recognised in profit or loss and not in equity.

Accrued interest, calculated using the effective interest rate method, and accrued dividends are likewise recognised in profit or loss, specifically under "Interest, dividend and similar income on financial assets".

IV. *Financial assets at cost*

The Company includes the following assets in this category:

- Equity investments in subsidiaries, joint ventures and associates (in separate financial statements).

- Other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument or otherwise reliably estimated, and derivatives with such an investment as its underlying.

- Hybrid financial assets whose fair value cannot be reliably estimated, unless they meet the criteria for classification as financial assets at amortised cost.

- Contributions made under unincorporated joint venture and similar agreements ("*contratos de cuentas en participación*").

- Profit-participating loans in which interest payments are contingent either because the parties agree a fixed or variable rate conditional upon a specific milestone at the borrower (e.g., the generation of a profit) or because the interest is calculated exclusively by reference to the borrower's business performance.

- Any other financial asset which would initially fall into the fair value through profit or loss category when it is ultimately not possible to reliably estimate its fair value.

The investments included in this category are initially recognised at cost, which is equivalent to the fair value of the consideration delivered plus directly attributable transaction costs. In other words, transaction costs are capitalised.

These investments are also measured at cost subsequently, less any accumulated impairment losses.

The Company had no financial instruments in this category at either year-end.

Derecognition of financial assets

The Company derecognises financial assets when:

- The contractual rights to the cash flows from the asset expire. In that sense, it derecognises a financial asset when it has fallen due and the Company has collected the corresponding amount.

- The contractual rights to the cash flows from the asset have been transferred. In this case, the financial asset is derecognised when substantially all the risks and rewards incidental to ownership of the asset have been transferred.

Impairment losses

The Company adjusts the carrying amount of financial assets against the statement of profit or loss when there is objective evidence of actual impairment.

- In the case of debt instruments, understood as loans and debt securities, when one or more events occurring after their initial recognition has an impact on the estimated future cash flows.

- In the case of equity instruments, when one or more events occurring after their initial recognition implies that their carrying amount will not be recovered.

As a general rule, impairment losses on financial instruments are recognised in profit or loss in the year the impairment arises and the reversal of any previously recognised losses is recognised in profit or loss in the year in which impairment reverses or decreases. When recovery of any recognised amount is deemed remote it is derecognised, regardless of the measures the Company may take to collect the relevant amounts until its rights are definitively extinguished, whether due to prescription, forgiveness or for other reasons.

Impairment losses on debt instruments carried at amortised cost are measured at the difference between the carrying amount and the present value of the estimated future cash flows. In the case of listed debt instruments, the Company may use the market value of the instrument being tested as a substitute for the present value of the future cash flows, so long as the former is deemed a sufficiently reliable proxy for the value that the Company would be able to recover.

The estimated future cash flows of a debt instrument include all amounts - principal and interest - that the Company expects to obtain during the life of that instrument. In making that estimate, the Company considers all information available as of the date of preparing these financial statements that provides insight into the probability of collecting the future contractual cash flows. Moreover, when estimating the future cash flows from instruments secured by collateral, the calculations factor in the cash that would be obtained from their enforcement, less the costs incurred to foreclose and then sell the assets, irrespective of whether foreclosure is probable.

The present value of the estimated future cash flows is discounted using the original effective interest rate of the instrument if the contractual rate is fixed or the effective interest rate as at the reporting date calculated in keeping with the terms of contract, if that rate is floating.

The Company analyses its debt instrument portfolios, contingent exposures and contingent commitments, regardless of who owns them, how they are structured or whether they are secured, to determine its exposure to credit risk and estimate the corresponding impairment allowances. In drawing up these financial statements, the Company classifies its transactions in terms of exposure to credit risk separately for exposure to customer/borrower insolvency risk and exposure to country risk, if any.

Objective evidence of impairment is determined individually for all debt instruments that are material and either individually or collectively for groups of debt instruments that are not individually material. When a specific instrument cannot be classified into any group of assets with similar risk characteristics, the Company necessarily tests that asset for impairment individually.

The Company ceases to accrue the contractually agreed interest in profit or loss for all instruments classified individually as impaired and for all groups of assets for which impairment losses have been calculated collectively on account of presenting balances past due by more than three months.

In the case of listed equity investments, a significant (more than 40%) or prolonged (more than 18 months) decline in their fair value below their carrying amount is deemed objective evidence of impairment.

The amount of impairment losses recognised on the debt securities and equity instruments classified as financial assets at fair value through profit or loss is equal to any positive difference between the acquisition cost, net of principal repayment, and fair value, net of any impairment loss previously recognised in profit or loss.

When there is objective evidence that the decline in their fair value is due to impairment, the unrealised losses recognised in equity under "Valuation adjustments" are reclassified immediately to profit or loss. If some or all of those impairment losses are subsequently reversed, those reversals are recognised, in the case of debt securities, in the statement of profit or loss in the year of the reversal and, for equity instruments, in equity, under “Valuation adjustments”.

Impairment losses on equity instruments carried at acquisition cost are measured at the difference between their carrying amounts and the present value of expected future cash flows, discounted using market returns for similar securities. Those impairment losses are recognised in the statement of profit or loss in the year in which they arise by writing down the cost of the financial asset and cannot be reversed unless the impaired assets are sold.

Interest and dividends from financial assets

Interest and dividend income accrued on financial assets after their date of acquisition is recognised as revenue. Interest is recognised using the effective interest rate method; dividends are recognised when the right to receive them is established.

a) Financial liabilities

Upon initial recognition, the Company recognises all of its financial liabilities in one of the following categories:

- Financial liabilities at amortised cost

- Financial liabilities at fair value through profit or loss

I. Financial liabilities at amortised cost

The Company classifies all of its financial liabilities in this category, except when they must be designated at fair value through profit or loss.

As a general rule, this category includes balances due to brokerages and customers ("due to financial brokers and customers") and debits deriving from non-commercial transactions ("other liabilities").

The financial liabilities classified into this category are measured initially at fair value, which, barring evidence to the contrary, is presumed to be the transaction price, deemed equivalent to the fair value of the consideration received, adjusted for directly attributable transaction costs. In other words, transaction costs are capitalised.

Nevertheless, trade payables that mature within less than one year with no contractual interest rate, as well as called-up payments on shares, payment of which is scheduled in the short term, are carried at their nominal value when the effect of not discounting the cash flows is not significant.

They are subsequently measured at amortised cost. Accrued interest is recognised in profit or loss (finance cost) using the effective interest rate method.

However, payables that mature no more than one year from the reporting date and are carried at face value, as outlined above, continue to be measured at that amount.

II. *Financial liabilities at fair value through profit or loss*

This category includes financial liabilities that meet any of the following conditions:

- They are held for trading. A financial liability is classified as held for trading when at least one of the following conditions is met:

    - It is issued or assumed principally for the purpose of repurchasing it in the short term (e.g., listed issued notes and other marketable securities that the Company can buy back in the short term as a function of movements in their quoted price).

    - It is an obligation under which a short seller has to deliver financial assets that have been loaned to it ("short sales").

- It is, at the time of initial recognition, part of a portfolio of financial instruments identified or administered on a joint basis, for which there is evidence of recent action to obtain short-term profit.

- It is a derivative instrument, unless it constitutes a financial guarantee contract or is designated as a hedging instrument.

- At initial recognition, the financial liability has been irrevocably designated into this category ("FVPL designation option"), because:

  - Doing so eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) with respect to other instruments at fair value through profit or loss; or

  - It is part of a group of financial liabilities or financial assets and financial liabilities that is managed and whose performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel.

- Optionally, and irrevocably, hybrid financial liabilities with separable embedded derivatives can be designated into this category.

The financial liabilities included in this category are initially measured at fair value, which, barring evidence to the contrary, is presumed to be the transaction price, deemed equivalent to the fair value of the consideration received. Transaction costs that are directly attributable to their issuance are recognised in profit or loss in the year incurred.

Subsequent to initial recognition, the Company measures the financial liabilities included in this category at their fair value, recognising changes in their fair value in profit or loss.

The Company had no financial instruments in this category at either year-end.

Derecognition of financial liabilities

A financial liability or a part of one is derecognised when the underlying contractual obligation is extinguished either because it has been paid, cancelled or expired.

The difference between the carrying amount of an extinguished financial liability, or a part of one, and the consideration paid, including any non-cash asset transferred, less any liabilities assumed, is recognised immediately in the statement of profit or loss.

b) Fair value

Fair value is the amount for which a financial asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Fair value is estimated for a specific date and given that market conditions can vary over time, that value might not be valid for another date. In addition, in estimating fair value the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The best evidence of fair value is quoted prices in an active market, meaning an organised, transparent and deep market.

If there is no quoted price for a given financial asset, its fair value is estimated using prices from recent transactions involving similar instruments and if this information is not available, using sufficiently corroborated valuation techniques. This exercise also factors in the characteristics specific to the asset being valued and, most particularly, the various classes of risk to which the financial asset is exposed. However, the limits intrinsic to the valuation models developed and possible inaccuracies in the assumptions required by these models could mean that the fair value so estimated for a given financial asset does not coincide exactly with the price at which it could be bought or sold on the measurement date.

In all instances the valuation techniques used must be consistent with the methodologies widely accepted by and used in the market to set prices, using to the extent possible the methodology that has proven the most reliable estimator of prices. The calculations rely on observable market data and other factors market participants would take into account when pricing the asset, limiting to the extent possible the use of subjective judgements or data that is not observable or verifiable.

The Company assesses the effectiveness of the valuation techniques it uses regularly using observable prices in recent transactions in the same asset class as is being valued and prices based on data or indices that are observable in the market that are available and applicable.

In that manner it is possible to glean the hierarchy of the inputs used to determine fair value, articulated around the three required hierarchy levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

- Level 2: estimates based on quoted prices in active markets for similar instruments or by means of other valuation techniques for which all of the significant inputs are based on market data that are observable either directly or indirectly.

- Level 3: estimates in which at least one significant input is not based on observable market data.

Fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. To that end a significant input is one that has a decisive influence on the outcome of the measurement. In assessing the importance of a given input to the measurement, the Company takes into account the specific characteristics of the asset or liability being measured.

The fair value of financial derivatives that are traded on an active market is their daily quoted price; if a quoted price is not available on a given date due to exceptional circumstances, similar methods as those used to value OTC derivatives are used instead.

The fair value of OTC financial derivatives is the sum of future cash flows deriving from the instrument discounted to the valuation date using generally accepted valuation methods.

The Company had no proprietary positions in derivative instruments at either year-end.

3.2 Plant and equipment

Plant and equipment are measured at acquisition or production cost, including any indirect taxes that are not directly recoverable from the tax authorities, and carried net of accumulated depreciation and any impairment loss.

Depreciation is calculated on a straight-line basis based on the assets' cost less residual value as a function of their individual useful lives.

Every year the Company tests its assets for impairment. Impairment losses on items of plant and equipment and any subsequent reversals are recognised as an expense or as income, respectively, in the statement of profit or loss.

3.3 Intangible assets

The assets recognised as intangible assets, mainly software, meet the identifiability requirement and are presented net of accumulated amortisation and any impairment losses.

They are measured at acquisition or production cost. They are generally amortised on a systematic basis over their useful life, which does not exceed three years.

They are tested for impairment at least annually and are deemed impaired when their carrying amounts exceed their recoverable amounts. Impairment losses and any subsequent reversals are recognised as an expense or as income, respectively, in the statement of profit or loss.

3.4 Tax assets

This heading includes all tax assets, whether current or deferred. Current tax assets correspond to taxes receivable within 12 months from the reporting date; deferred tax assets include income tax recoverable in future years in respect of deductible differences between the tax bases of assets and liabilities and their carrying amounts and those arising from unused tax losses and tax credits.

3.5 Other assets

This heading presents the net balance of any assets that do not belong in any other financial assets category, including lease security deposits, inventories, if any, the negative differences between pension plan obligations and the value of the plan assets subject to recognition and advances and loans to employees, among other assets. This heading also includes all asset accrual accounts except for those corresponding to income from accrued interest.

3.6 Income and expenses

Income and expense are recognised on an accrual basis, as stipulated in CNMV Circular 7/2008.

3.7 Fees and commissions

Fees and commissions charged for services rendered over a specific period of time, irrespective of whether or not this term can be extended, are taken to the statement of profit or loss over the period during which they are performed.

3.8 Staff expenses and share-based payments

Staff expenses are generally recognised in accordance with the accrual principle, i.e., when the services are rendered by the employees.

3.9 Income tax

Income tax is considered an expense for the year and is presented as such in the statement of profit or loss. The related charge includes current tax and the change in deferred taxes.

However, the income tax related to items for which changes in value are recognised directly in equity is also recognised in equity and not in profit or loss; the changes in the value of these items are presented net of the related tax effects.

The Company does not recognise deferred tax assets or liabilities when they originate from the initial recognition of an asset or liability in transactions other than business combinations that affect neither accounting nor taxable profit.

The Company recognises deferred tax assets for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred assets are recognised to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilised, except where disallowed by prevailing tax legislation.

At each reporting date the Company reassesses recognised and unrecognised deferred taxes. Based on the outcome of that assessment, the Company derecognises a previously recognised deferred tax asset if its recovery is no longer deemed probable and recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates expected to prevail upon their reversal, based on tax legislation approved, and in accordance with the manner in which the assets are reasonably expected to be recovered and liabilities settled.

Deferred tax assets and deferred tax liabilities are not discounted and are classified as non-current assets or non-current liabilities, regardless of the date they are expected to be realised or settled.

3.10 Foreign currency transactions

The Company's functional and presentational currency is the euro.

Assets and liabilities denominated in foreign currency are measured at the closing exchange rate published by the European Central Bank. Differences arising from changes with respect to historic exchange rates are recognised as follows:

- All exchange differences arising from the translation or settlement of monetary items are recognised in profit or loss for the period.

- In the case of non-monetary investments measured at fair value, such as investments in equity instruments classified as available-for-sale financial assets, losses and gains on which are recognised in equity, the exchange differences included in the pertinent losses and gains are recognised directly in equity, separately disclosing the exchange-related portion of the change in the value of the corresponding non-monetary asset.

- When the losses or gains deriving from a non-monetary item, such as investments in equity instruments classified as available-for-sale financial assets or other financial assets at fair value through profit or loss, are recycled to profit or loss, the exchange differences included in the related losses or gains are also reclassified to profit or loss for the period.

3.11 Related party balances and transactions

The Company defines its related parties in line with the rules set forth in Standard # 54 of CNMV Circular 7/2008. Transactions with related parties are carried out on an arm's length basis.

4. PROPOSED APPROPRIATION OF PROFIT

The directors propose the following application of profit for 2023, subject to ratification by the shareholders in general meeting:

	Euros	
	(Proposed appropriation) 2023	**(Ratified appropriation) 2022**
Profit for the year	126,415.58	38,909.76
Appropriation to:		
Legal reserve	87,626.54	3,890.98
Voluntary reserves	18,320.83	22,267.23
Capitalisation reserve	20,468.21	-
Other reserves	-	12,751.55
Dividends	-	-
Total	126,415.58	38,909.76

5. CAPITAL MANAGEMENT

The regulations governing the UCITS management companies outlined in note 1 include having to maintain a minimum level of own funds in relation to assets under management.

Article100 of Spain's UCITS Regulations sets out how to calculate minimum and eligible own funds, respectively, such that the Company's own funds may not be lower than the higher of the following magnitudes:

a) Minimum share capital of 125,000 euros, grossed up by:

- 0.02% of the cash value of the assets of the UCITS administered or managed by the Company in respect of the portion of such assets in excess of 250 million euros, including the portfolios whose management has been delegated. Under no circumstances may the initial capital requirement plus this top-up exceed 10 million euros.

- The additional sum of capital referred to in the paragraph above may be covered up to 50% by a guarantee in the same amount from a credit institution or insurance provider. Any such credit institution or insurer must be domiciled in a European Union member state or a third country provided that the latter is bound by prudential requirements that, in the opinion of the CNMV, are equivalent to those stipulated in European Union law.

- In order to cover potential exposures as a result of professional liability in relation to the activities that may be performed by companies that manage UCITS that are not authorised under Directive 2009/65/EC, of 13 July 2009, private equity firms or closed-end mutual funds, such firms must either:

  - Hold sufficient additional own funds to cover their potential liability deriving from professional negligence.

    "Sufficient additional own funds" for such purposes shall be understood to equal 0.01% of the assets under management of UCITS not authorised under Directive 2009/65/EC.

  - Alternatively professional civil liability insurance may be arranged as coverage, or, if the insurance sector does not offer that coverage, a surety or other financial guarantee to cover potential professional negligence liabilities.

  For the purpose of calculating the minimum capital requirement referred to in the paragraphs above, the assets of UCITS under management, private equity firms and closed-end mutual funds will be deducted by the amounts of any investments held by them in other such institutions that are in turn managed by the same management company.

b) 25% of the fixed overhead expensed in the prior-year statement of profit or loss. Overhead is deemed to include staff costs, general expenses, contributions and taxes, depreciation and amortisation and other operating charges. Entities are allowed to reduce this amount, subject to CNMV authorisation, if their business volumes have fallen significantly year-on-year. Specifically, that amount of overhead may be adjusted when business volumes have varied substantively year-on-year, a circumstance deemed to have been met when overhead increases or decreases by 25% with respect to total prior-year expenditure, the latter calculated on a year-to-date basis.

Regardless of the amount implied by these requirements, a UCIT management company's own resources may not at any time fall below the threshold stipulated in Article 13 of Regulation (EU) 2019/2033, of 27 November 2019.

Minimum own funds must be invested in liquid assets or assets readily convertible into cash in the short term and may not be invested in speculative positions. As provided in article 30.1.a) of Law 35/2003, those assets may include bank deposits, sight deposits and share or unit holdings in UCITS, including those under management, so long as the latter comply with the provisions of articles 48.1.c) and d) of the UCITS Regulations, notwithstanding the prohibition to invest more than 10% of the equity of UCITS in shares of other UCITS. The rest of the Company's own funds may be invested in any other asset deemed fit for the purpose of fulfilling its corporate object, including the entities contemplated in the UCITS Regulations, private equity firms and closed-end mutual funds, so long as the investments are considered long term.

6. FINANCIAL INSTRUMENT RISK MANAGEMENT

a) Credit risk

This is the risk that one of the parties to a contract involving financial instruments may breach its obligations and cause financial loss to the other party.

Within "Due from financial brokers and customers", the balances presented under "Fees and commissions receivable" relate to balances pending collection from the entities managed and portfolio management fees outstanding.

b) Market risk

This risk arises from the Company's positions in financial instruments whose value is exposed to changes in market conditions.

The Company's measurement of market risk encompasses all transactions carried out with entities whose activities are exposed to market and liquidity risk. Interest rate, foreign currency and equity price risk are managed and controlled by the Company's Compliance and Risk Management Department.

b.1) Interest rate risk

This risk materialises when movements in market interest rates affect the value of the Company's financial instruments.

Interest rate risk management falls to the Company's Compliance and Risk Management Department, which works to minimise its exposure to this risk factor.

Most of the Company's investments are benchmarked against market interest rates (some at fixed rates) with short-term maturities and its accounts payable are likewise short term so that when market interest rates move, there may be small time lags in the corresponding maturity and rate reset dates across the various balance sheet items but they are never significant.

b.2) Price risk

This risk materialises as a result of movements in market prices (other than as a result of foreign currency or interest rate risk), driven by factors specific to a given financial instrument or its issuer or factors that affect all similar instruments traded in the market.

b.3) Foreign currency risk

This risk arises from movements between exchange rates.

The Company did not have any balances in currencies other than the euro at either reporting date.

c) Liquidity risk

This is the risk that the Company could face difficulties in servicing its financial liability obligations. As indicated in note 5, the Company is required to invest the equivalent of its minimum own funds in liquid assets or assets that are readily convertible into cash. Accordingly, at both year-ends, it had over 800,000.00 euros of assets that can be monetised at call in between one and 10 days.

7. CASH AND CASH EQUIVALENTS

The breakdown of this statement of financial position heading at year-end is as follows:

	Euros	
	2023	**2022**
Cash in hand	419.21	165.96
	419.21	165.96

8. DUE FROM FINANCIAL BROKERS AND CUSTOMERS

The breakdown of this heading at year-end:

	Euros	
	2023	**2022**
Sight deposits	257,471.70	182,025.28
Term deposits	-	-
Fees and commissions receivable	-	-
Other receivables (note 17.2)	322,775.26	133,203.56
	580,246.96	315,228.84

The year-end breakdown of "Sight deposits" in the table above:

	Euros	
	2023	**2022**
Banco Sabadell, S.A.	211,420.13	182,025.28
Inversis	46,051.57	-
	257,471.70	182,025.28

The accounts classified as "Sight deposits" in the table above earn interest at market rates and are unrestricted.

The year-end breakdown of "Other receivables" in the table above:

	Euros	
	2023	**2022**
Current accounts due from partners and directors	-	-
Management fees receivable (note 17.1)	321,296.45	131,315.51
Discretionary portfolio management delegated (note 17.1)	1,478.81	1,888.05
Other	-	-
	322,775.26	133,203.56

9. EQUITY SECURITIES

The breakdown of this heading at year-end:

	Euros	
	2023	**2022**
Equity securities - Spanish securities	1,050,609.54	887,006.09
Equity securities - international securities	332,750.83	283,850.89
Shareholdings	-	-
Financial assets at fair value through profit or loss	327,276.00	305,988.00
Provision for the impairment of equity securities (-)	-	-
	1,710,636.37	1,476,844.98

The Company held shares in investment funds under management in the amount of 1,710,636.37 euros at 31 December 2023 (1,476,844.98 euros at year-end 2022), of which 332,750.83 euros related to funds managed in Luxembourg (283,850.89 euros at year-end 2022).

Acquisitions and disposals:

The movements under this heading in 2023 and 2022:

	Opening balance, 2023	**Additions**	**Derecognitions**	**Other changes**	**Closing balance, 2023**
Equity securities - Spanish securities	887,006.09	174,186.19	(10,582.74)	-	1,050,609.54
Equity securities - international securities	283,850.89	50,013.03	(1,113.09)	-	332,750.83
Shareholdings	-	-	-	-	-
Financial assets at fair value through profit or loss	305,988.00	21,288.00	-	-	327,276.00
Provision for the impairment of equity securities (-)	-	-	-	-	-
	1,476,844.98	245,487.22	(11,695.83)	-	1,710,636.37

	Opening balance, 2022	**Additions**	**Derecognitions**	**Other changes**	**Closing balance, 2022**
Equity securities - Spanish securities	538,380.88	550,382.57	(201,757.36)	-	887,006.09
Equity securities - international securities	328,765.75	13,677.70	(58,592.56)	-	283,850.89
Shareholdings	-	-	-	-	-
Financial assets at fair value through profit or loss	313,281.00	7,449.00	(14,742.00)	-	305,988.00
Provision for the impairment of equity securities (-)	-	-	-	-	-
	1,180,427.63	571,509.27	(275,091.92)	-	1,476,844.98

In 2022, the Company acquired 8,142 Class C shares in B&H Flexible, F.I., 8,696 Class C shares in B&H Renta Fija and 23,818 Class C shares in B&H Acciones, F.I., at a cost of 100,000 euros, 100,000 euros and 200,000 euros, respectively.

Valuation adjustments recognised in equity:

The breakdown of "Valuation adjustments recognised in equity" at year-end 2023 and 2022 is shown below (euros):

	2023		2022	
	Measurement	**Valuation adjustments**	**Measurement**	**Valuation adjustments**
Equity securities - Spanish securities	1,050,609.54	127,680.45	887,006.09	4,977.88
Equity securities - international securities	332,750.83	45,316.25	283,850.89	8,641.29
	1,383,360.37	172,996.70	1,170,856.98	13,619.17

The reconciliation of this heading at the beginning and end of 2023 and 2022 (euros):

	2023			2022		
	Valuation adjustments, gross	**Deferred tax**	**Valuation adjustments, net**	**Valuation adjustments, gross**	**Deferred tax**	**Valuation adjustments, net**
Opening balance	230,662.27	57,665.57	172,996.70	18,158.89	4,539.72	13,619.17
Amounts reclassified to profit or loss (note 17)	-	-	-	-	-	-
Valuation gains/(losses)	-	-	-	-	-	-
Reclassification to financial assets at fair value through profit or loss	-	-	-	-	-	-
	230,662.27	57,665.57	172,996.70	18,158.89	4,539.72	13,619.17

10. PROPERTY AND EQUIPMENT

Property and equipment breaks down as follows at year-end (euros):

	Euros	
	2023	**2022**
For own use	57,316.50	74,672.40
Investment properties	-	-
Property and equipment held for sale	-	-
Provision for the impairment of property and equipment (-)	-	-
	57,316.50	74,672.40

The reconciliation of the balances comprising this financial statement of position heading at the beginning and end of both reporting periods is as follows:

	Opening balance, 2023	**Additions**	**Amounts derecognised**	**Closing balance, 2023**
Cost				
For own use				
Properties	181,523.16	2,695.88	-	184,219.04
Computers, facilities, furniture and other assets	-	-	-	-
	181,523.16	2,695.88	-	184,219.04
Accumulated depreciation				
For own use				
Properties	(106,850.76)	(20,051.78)	-	(126,902.54)
Computers, facilities, furniture and other assets	-	-	-	-
	(106,850.76)	(20,051.78)	-	(126,902.54)
Provision for impairment	-	-	-	-
Carrying amount	74,672.40	(17,355.90)	-	57,316.50

	Opening balance, 2022	Additions	Amounts derecognised	Closing balance, 2022
Cost				
For own use				
Properties	173,616.12	7,907.04	-	181,523.16
Computers, facilities, furniture and other assets	-	-	-	-
	173,616.12	7,907.04	-	181,523.16
Accumulated depreciation				
For own use				
Properties	(87,951.26)	(18,899.50)	-	(106,850.76)
Computers, facilities, furniture and other assets	-	-	-	-
	(87,951.26)	(18,899.50)	-	(106,850.76)
Provision for impairment	-	-	-	-
Carrying amount	85,664.86	(10,992.46)	-	74,672.40

At year-end 2023, the Company had fully depreciated items of property and equipment still in use with a gross carrying amount of 20,118.59 euros (year-end 2022: 19,008.68 euros).

These assets are depreciated on a straight-line basis over their useful lives. The table below shows the rates of depreciation applied by asset category:

	%
Facilities	10%
Furniture and fittings	10%
Computer equipment	25%
Other items of PP&E	10%

No significant amounts of property or equipment were subject to use or title restrictions, retired from service or pledged as security for liabilities at either year-end.

The Company had no material contractual commitments for the acquisition or sale of property or equipment at either year-end.

The Company has not recognised any impairment losses on any item of property or equipment.

11. INTANGIBLE ASSETS

Intangible assets break down as follows at year-end:

	Euros	
	2023	**2022**
Goodwill	-	-
Software	119,146.59	134,952.13
Other intangible assets	-	-
Provision for the impairment of intangible assets (-)	-	-
	119,146.59	134,952.13

The reconciliation of the balances comprising this financial statement of position heading at the beginning and end of both reporting periods is as follows:

	Opening balance, 2023	Additions	Amounts derecognised	Closing balance, 2023
Cost				
Software	234,494.63	7,260.00	-	241,754.63
Other intangible assets	-	-	-	-
	234,494.63	7,260.00	0.00	241,754.63
Accumulated amortisation				
Software	(99,542.40)	(23,877.25)	(811.71)	(122,607.94)
Other intangible assets	-	-	-	-
	(99,542.40)	(23,877.25)	(811.71)	(122,607.94)
Provision for impairment	-	-	-	-
Carrying amount	134,952.23	(16,617.25)	(811.71)	119,146.69

	Opening balance, 2022	Additions	Amounts derecognised	Closing balance, 2022
Cost				
Software	234,494.63	-	-	234,494.63
Other intangible assets	-	-	-	-
	234,494.63	- -		234,494.63
Accumulated amortisation				
Software	(76,092.78)	(23,449.62)	-	(99,542.40)
Other intangible assets	-	-	-	-
	(76,092.78)	(23,449.62)	-	(99,542.40)
Provision for impairment	-	-	-	-
Carrying amount	158,401.85	(23,449.62)	-	134,952.23

12. PREPAYMENTS AND ACCRUED INCOME

The breakdown of this heading at year-end:

	Euros	
	2023	**2022**
Prepaid expenses	31,772.91	15,069.30
Other accruals	-	-
	31,772.91	15,069.30

"Prepaid expenses" main comprise the premium on the Company's director liability insurance policy at both year-ends.

13. OTHER LIABILITIES AND OTHER ASSETS

The breakdown of "Other assets" at year-end:

	Euros	
	2023	**2022**
Advances and loans to employees	-	-
Called-up payments on share capital	-	-
Security deposits	15,000.00	15,000.00
Other assets	23.54	-
	15,023.54	15,000.00

"Security deposits" correspond to the deposit extended to the landlord of the offices in which the Company carries on its business activities.

The breakdown of "Other liabilities" at year-end:

	Euros	
	2023	**2022**
Payable to the authorities	124,384.47	64,078.47
Balances related to finance lease transactions	-	-
Unpaid portion of equity investments	-	-
Other liabilities	-	-
	124,384.47	64,078.47

"Payable to the authorities" breaks down as follows at year-end:

	Euros	
	2023	**2022**
VAT payable	6,334.14	2,651.61
Social Security payable	13,953.37	9,596.74
Withholdings payable	104,096.96	51,830.12
	124,384.47	64,078.47

14. DUE TO FINANCIAL BROKERS AND CUSTOMERS

This statement of financial position heading breaks down as follows at year-end:

	Euros	
	2023	**2022**
Loans and credit facilities	1,230.80	764.69
Fees and commissions payable	-	-
Payable for services received	119,392.27	66,474.88
Employee benefits payable	-	-
	120,623.07	67,239.57

At year-end 2023, "Payable for services received" mainly comprised balances due to several creditors in respect of debts generated in the course of the Company's activities in the amount of 120,623.07 euros (year-end 2022: 66,474.88 euros).

15. EQUITY

The breakdown of equity at year-end is set out in the next table:

	Euros	
	2023	**2022**
Capital	677,084.00	677,084.00
Share premium	320,491.30	320,491.30
Legal reserve	47,790.26	43,899.28
Voluntary reserves	694,583.56	655,366.07
Other reserves	139,997.36	140,979.92
Retained earnings (prior-year losses)	-	-
Profit/(loss) for the year	126,415.58	38,909.76
Grants, donations and bequests received	4,234.94	-
Valuation adjustments	172,996.70	13,619.17
	2,183,593.70	1,890,349.50

a) Issued capital and share premium

At both year-ends, the Company's share capital consisted of 677,084 bearer shares with a par value of 1.00 euro each, all fully paid. All the shares carry identical voting and dividend rights.

On 11 May 2017, the Company's shareholders resolved at a universal general meeting to increase capital by 308,321.00 euros (with a charge against unrestricted reserves), as provided for in article 303.1 of Spain's Corporate Enterprises Act. The capital increase was executed by creating and issuing 308,321 new shares, each with a unit par value of one euro. Those shares carry the same rights as those already outstanding at the time and were allocated to the Company's shareholders in proportion to their existing shareholdings. The Company incurred 1,256.72 euros of expenses in connection with the rights issue, which were recognised against reserves.

It was also agreed at that same shareholders' meeting to transform the Company into a public limited company, as provided for in Spanish Law 3/2009 and other prevailing company law. That transformation changed the legal status of the shares but did not change their par value. As a result, the Company's share capital was divided into 316,654 shares with a unit par value of one euro, all belonging to the same class and series and all fully paid in.

The shareholders further resolved at that meeting to increase capital by 135,710.00 euros via the creation of 135,710 new shares, each with a unit par value of one euro. That share issue was completed with a share premium of 145,209.70 euros, which is equivalent to 1.07 euros per share.

Lastly, at a separate universal general meeting held on 25 September 2017, the Company's shareholders agreed to increase capital by 224,720.00 euros via the creation of 224,720 new shares, each with a unit par value of one euro. That share issue was completed with a share premium of 175,281.60 euros, which is equivalent to 0.78 euros per share.

The Company's shareholder structure at year-end 2023 and 2022 was as follows:

	No. of shares		Ownership interest, %	
	2023	**2022**	**2023**	**2022**
Pacet de Inversiones SL	341,632	341,632	50.46%	50.46%
Antonio Aspas Inversiones SL	192,180	192,180	28.38%	28.38%
Rafael Valera de Vargas	143,272	143,272	21.16%	21.16%
	677,084	677,084	100.00%	100.00%

b) Legal reserve

Companies must transfer 10% of profit for the year to a legal reserve until this reserve is equivalent to at least 20% of share capital. This reserve cannot be distributed to shareholders and may only be used to offset losses if other reserves are available. Under certain circumstances, this reserve can also be used increase capital by the amount exceeding 10% of share capital *pro forma* for the increase.

c) Voluntary reserves and merger reserves

The voluntary and merger reserves are unrestricted, the only limitations being the amount of incorporation expenses and the conditions that their distribution (i) must not reduce share capital; or (ii) cause a breach of the minimum capital requirements outlined in note 5.

16. OTHER OFF-BALANCE SHEET ITEMS

The breakdown of the Company's off-balance sheet items at 31 December 2023 and 2022:

	Euros	
	2023	**2022**
Unrestricted cash held at call at banks	**-**	**-**
Security deposits and other financial instruments	**-**	**-**
Assets under management	**354,151,830.14**	**249,689,945.46**
Financial asset investment funds	83,084,923.00	59,734,650.93
Foreign UCITS	268,642,135.92	188,090,311.16
Pension funds	2,424,771.22	1,864,983.37
Other assets under discretionary portfolio management	**-**	**-**
Assets under management – Marketed	**48,773,905.67**	**37,260,697.93**
Spanish UCITS under management	48,773,905.67	37,260,697.93
Assets under management – Advisory	**-**	**-**
Spanish and international equity securities	-	-
Non-performing assets past due and uncollected	**-**	**-**
Other off-balance sheet items	**-**	**-**
	402,925,735.81	**286,950,643.39**

17. STATEMENT OF PROFIT OR LOSS

17.1. Fees and commissions

a) Fee and commission income

The breakdown of “Fee and commission income” in 2023 and 2022:

	Euros	
	2023	**2022**
Management fees - financial asset investment funds	519,772.05	418,724.30
Management fees - foreign UCITS	1,409,377.77	1,210,085.57
Management fees - discretionary portfolio management	8,426.43	8,123.54
Advisory services	-	-
Other fees and commissions	-	-
	1,937,576.25	1,636,933.41

This heading comprises the remuneration received by the Company from the UCITS it manages. Management fees are calculated daily as an annual percentage of the net asset value of the UCITS under management and are paid monthly or quarterly.

The breakdown of the fees and commissions accrued in 2023 and 2022 and those pending collection at year-end is shown below:

	2023		
	Fees and commissions accrued	**Fees and commissions pending collection (note 8)**	**Assets under management**
Management fees - financial asset investment funds	519,772.05	120,962.44	83,084,923.00
Management fees - foreign UCITS	1,409,377.77	200,334.01	268,642,135.92
Management fees - discretionary portfolio management	8,426.43	1,478.81	2,424,771.22
Advisory services	-	-	-
Other fees and commissions	-	-	-
	1,937,576.25	322,775.26	354,151,830.14

	2022		
	Fees and commissions accrued	**Fees and commissions pending collection (note 8)**	**Assets under management**
Management fees - financial asset investment funds	418,724.30	33,934.65	59,734,650.93
Management fees - foreign UCITS	1,210,085.57	97,380.86	188,090,311.16
Management fees - discretionary portfolio management	8,123.54	1,888.05	1,864,983.37
Advisory services	-	-	-
Other fees and commissions	-	-	-
	1,636,933.41	133,203.56	249,689,945.46

“Management fees - financial asset investment funds” presents the management fees in respect of the following funds: B&H Deuda, F.I., B&H Acciones, F.I., B&H Flexible, F.I., and B&H Renta Fija, F.I. The fees accrued at year-end 2023 stood at 519,772.05 euros (year-end 2022: 418,724.30 euros) with those corresponding to the month of December, in the amount of 120,962.44 euros (year-end 2022: 33,934.65 euros), pending collection.

“Management fees - foreign UCITS” presents the management fees in respect of the Luxembourg funds. The fees accrued at year-end 2023 stood at 1,409,377.77 euros (year-end 2022: 1,210,085.57 euros) with those corresponding to the month of December, in the amount of 200,334.01 euros (year-end 2022: 97,380.86 euros), pending collection.

“Management fees - discretionary portfolio management” includes the management fees related to the pension fund, B&H Jubilación PP, which has delegated management in the Company. The fees accrued at year-end 2023 stood at 8,426.23 euros (year-end 2022: 8,123.54 euros) with those corresponding to the month of December, in the amount of 1,478.81 euros (year-end 2022: 1,888.05 euros), pending collection.

b) Commissions and brokerage fees paid

The breakdown of “Commissions and brokerage fees paid” in 2023 and 2022:

	Euros	
	2023	**2022**
Marketing fees	252,476.87	151,296.41
Fees and commissions assigned to other entities	-	-
Fees and commissions paid to agents/representatives	-	-
Other fees and commissions	-	-
	252,476.87	151,296.41

The breakdown of the fee and commission expense accrued in 2023 and 2022 by management fees paid and those pending payment at year-end is shown below:

	2023		2022	
	Fees and commissions accrued	**Fees and commissions pending payment (note 14)**	**Fees and commissions accrued**	**Fees and commissions pending payment (note 14)**
Marketing fees	252,476.87	-	151,296.41	6,998.77
Fees and commissions assigned to other entities	-	-	-	-
Fees and commissions paid to agents/representatives	-	-	-	-
Other fees and commissions	-	-	-	-
	252,476.87	-	151,296.41	6,998.77

17.2. Gains and losses on financial trades and other operating income and expenses

a) Gains and losses on financial trades

The breakdown of these headings in 2023 and 2022:

	Euros	
	2023	**2022**
Gains on financial trades	21,641.42	7,449.00
Losses on financial trades	-	(16,442.63)
	21,641.42	(8,993.63)

b) Other operating income and expenses

The breakdown of these headings in 2023 and 2022:

	Euros	
	2023	**2022**
Other operating income	104.29	105.93
Other operating expenses	(2,569.04)	(2,596.37)
	(2,464.75)	(2,490.44)

17.3. Staff costs

The breakdown of "Staff costs" in 2023 and 2022:

	Euros	
	2023	**2022**
Wages and benefits	674,346.28	660,444.27
Pension fund provisions and contributions	-	-
Termination benefits	-	-
Training expenses	-	2,184.68
Share-based payments	-	-
Other staff expenses	-	-
	674,346.28	662,628.95

The average and year-end 2023 and 2022 headcounts by job category and gender are as follows:

	Average		2023		2022	
	2023	**2022**	**Men**	**Women**	**Men**	**Women**
Executives	2	2	2	-	2	-
Skilled professionals	9	9	8	2	8	2
	11	11	10	2	10	2

The Company had no employees with a disability of a severity of more than 33% in either 2023 or 2022.

17.4. General expenses

The breakdown of "General expenses" in 2023 and 2022:

	Euros	
	2023	**2023**
Buildings and facilities	98,152.41	61,813.64
IT systems	118,367.78	94,564.07
Advertising and business expenses	100,738.57	74,237.00
Independent professional services	216,313.88	232,325.95
Outsourced administrative services	67,147.09	23,333.89
Other expenses	193,259.16	237,643.32
	793,978.89	723,917.87

18. TAX MATTERS

In accordance with prevailing tax legislation, tax returns cannot be considered final until they have been inspected by the tax authorities or until the four-year inspection period has elapsed. At 31 December 2023, the Company had its tax returns open to inspection in respect of all major applicable taxes filed since 1 January 2019 The Company's directors do not expect any material tax liabilities to arise in the event of an inspection.

The reconciliation of the Company's accounting profit/(loss) and taxable income/(tax loss) in 2023 and 2022 is as follows:

	Statement of profit or loss	
	Increases/(decreases)	
Euros	**2023**	**2022**
Accounting profit/(loss) (before tax)	**165,611.68**	46,602.14
Permanent differences	22,372.74	4,029.54
Temporary differences		
- Limit on the deductibility of depreciation	16,697.63	16,481.74
Taxable income/(tax loss)	204,682.05	67,113.42
Reduction for capitalisation reserve	(20,468.21)	(6,711.34)
Utilisation of tax losses and tax credits	-	-
Tax loss before deductions	184,213.84	60,402.08
Reduction for tax break reserve for SMEs	-	(6,040.21)
Taxable income after the tax break reserve for SMEs	184,213.84	66,442.29
Gross tax payable, before deductions and withholdings	46,053.46	13,590.47
Deductions	(6,547.48)	(700.00)
Withholdings and payments on account	15,477.49	13,545.28
Corporate income tax receivable/payable	24,028.49	(654.81)

The income tax calculation for 2023 and 2022:

	Euros	
	2023	**2022**
Taxable income at rate of 25%	39,196.10	7,692.38
Income tax	39,196.10	7,692.38

Tax assets break down as follows:

	Euros	
	2023	2022
Current tax assets		
Income tax receivable	-	654.81
	-	654.81
Deferred tax assets		
Deferred tax assets related to financial assets at fair value through equity (note 9):	68,115.67	65,191.72
Unused tax losses	-	-
Unused tax credits	-	-
Other	23,654.91	20,128.88
	91,770.58	85,320.60

Tax liabilities break down as follows:

	Euros	
	2023	2022
Current tax liabilities		
Corporate tax payable	24,028.49	-
	24,028.49	-
Deferred tax assets		
Deferred tax liabilities related to financial assets at fair value through equity (note 9):	125,781.24	69,731.43
Deferred tax liabilities related to the tax break reserve for SMEs	26,510.05	26,510.05
	153,702.93	96,241.48

The Company has estimated taxable income for the next five years (the projection period considered to be sufficiently credible) on the basis of its business plan.

19. RELATED PARTY TRANSACTIONS AND BALANCES

The Company views the UCITS under management and its key management personnel (the Company's directors) as its related parties.

	UCITS under management	
	2023	**202**
Assets		
Equity securities	1,710,636.37	1,476,844.98
Due from financial brokers	322,775.26	133,203.56
Tax assets	68,115.67	65,191.72
	2,101,527.30	1,675,240.26
Liabilities		
Tax liabilities	125,781.24	69,731.43
	125,781.24	69,731.43
Equity	172,996.70	13,619.17
Valuation adjustments recognised in equity		
	172,996.70	13,619.17
Credit		
Fee and commission income	1,937,576.25	1,636,933.41
Gains on financial trades	21,641.42	7,449.00
	1,959,217.67	1,644,382.41
Debit		
Losses on financial trades	-	14,742.00
	-	14,742.00

Director disclosures

The members of the Company's Board of Directors received 28,600.08 euros for the provision of services and 151,916.52 euros of remuneration in 2023 (2022: 32,835.84 euros for the provision of services and 153,524.47 euros of remuneration and termination benefits). The Company had not extended any loans to the members of its board or assumed any pension or life insurance commitments in respect of current or former directors at either year-end.

20. OTHER DISCLOSURES

20.1. Customer service

Article 17 of Spanish Economy Ministry Order ECO/734/2004, of 11 March 2004, obliges customer attention departments and services and financial institutions' customer ombudsmen, if any, to present their boards with a report each year outlining the work performed by them in the preceding year.

The Company's customer service area has informed the Board of Directors that it had not received any complaints or claims in either 2023 or 2022 so that the Company did not have to take any follow-up measures.

20.2. Director statement

In relation to articles 227, 228, 229 and 231 of the Corporate Enterprises Act regarding directors' fiduciary duties, specifically including that of avoiding conflicts of interest, the members of the Company's Board of Directors have stated that none of them were directly or indirectly in conflict with the Company's interests at either year-end. The directors have likewise notified the Company that to the best of their knowledge, diligently obtained, none of their own related parties were directly or indirectly in conflict with the Company's interests.

20.3. Auditor remuneration

The Company's financial statements are audited by Ernst & Young, S.L. The fees accrued for auditing the financial statements for the year ended 31 December 2023 amounted to 5,974.00 euros (2022: 5,834.00 euros), irrespective of when they were invoiced. The Company did not incur any fees for services other than account auditing services provided by its auditor or any of its auditor's related parties.

20.4. Environmental disclosures

The Company's directors believe the environmental risks deriving from its business activities are minimal and adequately covered; accordingly they do not anticipate additional liabilities in this respect. The Company did not incur expenses or receive grants in respect of environmental protection work in either 2023 or 2022. Lastly, the Company does not have any greenhouse gas emission allowances.

20.5. Disclosures regarding average supplier payment term. Additional Provision Three. "Disclosure requirements" - of Law 15/2010.

The following table provides the disclosures required under additional provision three of Law 15/2010 (5 July 2010), amending Law 3/2004, establishing measures to tackle trade supplier non-payment, following the templates set forth in Resolution issued by the Spanish Audit and Accounting Institute (ICAC) on 29 January 2016 regarding financial statement disclosures on the deferral of payment to trade suppliers:

	2023	2022
	(Days)	**(Days)**
Average supplier payment term	32.42	44
Paid transactions ratio	32.42	44
Outstanding transactions ratio	32.42	44
	(Euros)	**(Euros)**
Total payments made	1,045,734.02	872,081
Total payments outstanding	92,892.66	104,960

21. EVENTS AFTER THE REPORTING PERIOD

No significant events have taken place between 31 December 2023 and the date on which the Company's directors authorised these annual financial statements for issue.

BUY & HOLD CAPITAL S.G.I.I.C., S.A.

MANAGEMENT REPORT

Markets:

The widespread expectation that the sharpest rate tightening in 40 years would trigger a major recession left investor sentiment (among retail and institutional investors alike) very negative at the start of the year. That sentiment deteriorated during the first few months of 2023 for several reasons: the weak state of the Chinese economy in general and the real estate sector in particular; the failure of several regional banks in the US due to losses on their bond portfolios and the forced takeover of Credit Suisse by UBS; and stubbornly resistant core inflation which ushered in additional rate increases, among other factors. For the first time in history, however, the monetary authorities and their tightening managed to cool inflation without provoking a recession, so that equity and fixed-income markets ultimately proved strongly bullish throughout 2023, with the main indices ending the year at annual highs, wiping out the losses sustained in 2022 and in some cases marking record highs. The reasons for the soft landing included the volume of savings set aside by households during the pandemic, which allowed them to continue to spend despite the inflation; the fact that the bout of rampant inflation was caused by circumstantial factors, specifically the global supply chain friction brought on by the pandemic and war in Ukraine; the fact that a good number of businesses and families had protected themselves against the rate increases by arranging fixed-rate loans and mortgages; and the sharp growth in spending in the services sector, a strong generator of employment. On top of that, the unexpected advent of artificial intelligence (IA), which went mainstream with the rollout of chatGPT and is expected to deliver considerable productivity gains in the coming years, coupled with the prospect of potential rate cuts from mid-2024, added more fuel to the bull markets.

The equity markets were led primarily by the tech sector, particularly the seven largest-cap stocks, Amazon, Nvidia, Microsoft, Google, Tesla, Meta and Apple, which gained 100% on average to account for a 30% weighting in the S&P 500.

That momentum among the large-cap stocks lost steam during the last two months of the year, with small and medium-sized companies taking the baton. This universe of stocks, in which we had increased our weighting significantly last year, presented more compelling valuations.

In fixed-income, the start of the year was much weaker than expected, due to the rise in long-term yields during the first half of the year and the wipe-out of Credit Suisse's CoCos.

The average return on the UCITS managed by the Company was 19%.

Market outlook:

Last year, businesses and consumers already proved highly resilient throughout the episode of sharp interest rate increases and high inflation. We trust that the incipient let-up in inflation and interest rates (in December, Euribor recorded its biggest drop in five years) will continue in 2024, driving a reduction in borrowing costs, growth in corporate profit margins and, ultimately, an improvement in corporate solvency.

In that context, our positioning in equities, where we are heavily exposed to mid-caps, which are more sensitive to economic growth and borrowing costs, and fixed income, where we are long on corporate bonds, should deliver outperformance relative to the benchmark indices.

Our managers will seek to take advantage of opportunities arising in the various asset classes to fine-tune that composition with the aim of outperforming the market in both fixed income and equities.

Business performance

All of our funds comfortably outperformed their benchmark indices in 2023, topping their respective performance rankings and generating double-digit returns across the board, except at our most conservative fund, B&H Deuda. Assets under management increased by almost 40%, driven by valuation gains and net purchases.

Operations wise, we received no customer complaints or claims.

At year-end 2023, the Company had 12 employees, ten men and two women.

Income from fees and commissions amounted to 1,937,576 euros, up sharply from 2022, due mainly to the growth in assets under management. Of the total, 1,929,150 euros correspond to fixed UCITS management fees and 8,426 euros to management fees on our pension plan.

Staff costs amounted to 674,346 euros, up 1.77% from 2022.

Profit after tax accordingly came to 126,416 euros in 2023.

Payments to suppliers

The Company paid its trade suppliers within the terms stipulated in Spanish Law 15/2010.

Events after the reporting date

None.

Changes in the board composition

None.

The number of directors remains unchanged at three.

Research, development and environmental protection activities

The nature of the Company's business meant it did not invest in any of these activities in 2023.

Purchase/sale of own shares

The Company did not buy or sell any own shares in 2023.

Business outlook

We are confident that the upside in our equity and fixed-income funds will extend the healthy performance across our funds in 2023 to 2024. We are looking for double-digit growth in assets under management, shaped by valuations gains and new investor flows, allowing our funds to remain in the top quartiles of their respective categories.

BUY & HOLD CAPITAL,
SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA, S.A.

Authorization to issue the 2023 financial statements

At the meeting held on March 28, 2024, the members of the Board of Directors authorized the issuance of the annual accounts and management report of Buy & Hold Capital, S.G.I.I.C., S.A. for the year ended December 31, 2023, consisting of 42 pages endorsed by the Secretary and the signature of this page by all the Directors.

Pacet de Inversiones, S.L.
represented by
Julián Pascual Huerta
Chairman

Rafael Valera de Vargas
Director

Antonio Aspas Romano
Secretary and Director

BUY & HOLD CAPITAL,
SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA, S.A.

Formulación correspondiente al ejercicio 2023

Los miembros del Consejo de Administración han formulado, en su reunión del día 28 de marzo de 2024, las Cuentas Anuales y el Informe de Gestión de Buy & Hold Capital, S.G.I.I.C., S.A., correspondientes al ejercicio 2023, en 42 hojas visadas todas ellas por el Sr. Secretario y firmada esta diligencia por todos los Sres. Consejeros.

Pacet de Inversiones, S.L.
representada por
D.Julián Pascual Huerta
Presidente

Rafael Valera de Vargas
Consejero Delegado

Antonio Aspas Romano
Secretario y Consejero