

ANNUAL REPORT
31.12.24

TREETOP INSTITUTIONAL

Institutional SICAV under Belgian law

Public limited liability company

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1 . GENERAL INFORMATION ON THE INVESTMENT COMPANY

1.1 . ORGANISATION OF THE INVESTMENT COMPANY

Registered office

Avenue du Port 86C b 320, 1000 Brussels

Date of incorporation

24 novembre 2021

Board of Directors of the SICAV

Julien Palissot, Chairman
Olivier de Vinck
Olivier Debroux

External investment manager of the SICAV

TreeTop Asset Management S.A.

Auditor of the SICAV

Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises srl Represented by Tom Renders Gateway building Luchthaven Nationaal 1J 1930 Zaventem

Depository

CACEIS Bank is a public limited liability company (société anonyme) incorporated under the laws of France with a share capital of 1 280 677 691,03 Euros, having its registered office located at 89-91, rue Gabriel Peri, 92120 Montrouge, France, identified under number 692 024 722 RCS Paris and is acting in Belgium through its Belgian branch, CACEIS BANK, Belgium Branch which is established Avenue du Port/Havenlaan 86C b315, 1000 Brussels, and which is registered with the register of legal entities of Brussels under number BE0539.791.736. CACEIS BANK, Belgium Branch has been appointed by the Fund as Depository through a depositary agreement dated as of 24th November 2021, as may be amended or restated from time to time (the "Depositary Agreement") and the relevant provisions of the AIFM Rules.

Delegation of the administration of the SICAV

CACEIS Bank, Belgium Branch Avenue du Port 86C b 320 1000 Brussels

List of sub-funds and share classes marketed by the SICAV

TreeTop Institutional US Buyback Equity - Share classes P, I and IC.

1.2 . MANAGEMENT REPORT

1.2.1 . Information to shareholders

General information

TreeTop Institutional (the “Fund”) is a public limited liability company (société anonyme) incorporated under the laws of Belgium as an investment company with variable share capital (*société d’investissement à capital variable* (SICAV)).

The Fund was incorporated on 24 November 2021, for an unlimited period, with an initial capital of EUR 1,250,000. The Articles have been published in the *Moniteur* on 29 November 2021. The Fund is registered with the Register of Legal Entities of Brussels under number 0777.729.964.

The capital of the Fund is represented by Shares of no par value and shall at any time be equal to the total net assets of the Fund. The minimum capital of the Fund shall at any time be EUR 1,200,000.

The Fund is registered with the Belgian financial services authority (FSMA) as an institutional SICAV in financial instruments and liquid assets pursuant to the Belgian Law of 19 April 2014 on alternative investment funds and their managers (the “AIFM Law”), and to the Royal Decree of 7 December 2007 on institutional alternative investment funds with variable number of shares, whose exclusive purpose is the collective investment in the category of investments authorized in article 183, paragraph 1, 1°, of the law of 19 April 2014 (the “Royal Decree”), both as amended from time to time.

The Fund is an ‘Alternative Investment Fund’ within the meaning of AIFM Law and is externally managed by TreeTop Asset Management S.A.

The Fund is established as an umbrella fund and as such provides Investors with the choice of investment in a range of several separate Sub-Funds, each of which relates to a separate portfolio of assets permitted by law with specific investment objectives, as described in the relevant Appendix to the Offering Memorandum.

The Fund is one single legal entity. However, the rights of the Shareholders and creditors relating to a Sub-Fund or arising from the setting up, operation and liquidation of a Sub-Fund are limited to the assets of that Sub-Fund, and will not be commingled with the assets of any other Sub-Fund.

As of December 31, 2024 the Fund only had one sub-fund: TreeTop Institutional US Buyback Equity (the “Sub-fund”).

Information required under Article 3:6 §1 of the Companies and Associations Code

Risk factors

Summary table of risks deemed relevant and significant, as assessed by the Sub-fund:

Type of risk	Definition of the risk	TreeTop Institutional US Buyback Equity
Market risk	Risk of the entire market falling or of an asset class that can affect the price and value of the asset held in the Sub-fund’s portfolio and lead to a decrease in NAV.	High
Credit risk	Risk of default of an issuer or a counterparty.	Low
Settlement risk	Risk that the outcome of a transaction in financial instruments fails or does not settle as expected between the parties to the transaction or with the clearing house.	Low
Liquidity risk	Risk that an asset held by the Sub-fund cannot be timely liquidated at a fair price.	Low
Exchange risk	Risk that the value NAV is affected by a change in exchange rates.	High
Custody risk	Risk of loss of assets held by the Fund’s custodian or its sub-custodians.	Low
Concentration risk	Risk that the value of the NAV of the Sub-fund is affected by a concentration of its portfolio in	High

	few investments, a single asset class or on a single market.	
Performance risk	Risk on the performance of the Sub-fund significantly deviates from the performance of large market indices.	High
Capital risk	Risk of loss on the capital invested	High
Counterparty risk	Risk of default of a counterparty to a forward financial transaction.	Low
Inflation risk	Risk linked to inflation	Low
Risks linked to external factors	Uncertainty about the sustainability of certain elements of the environment, like the tax system.	Medium
Sustainability risk	Environmental, social or governance issues or events which could have a negative impact on the value of one or more assets held by the Fund if they occur.	Medium

Significant events occurring after the end of the financial year

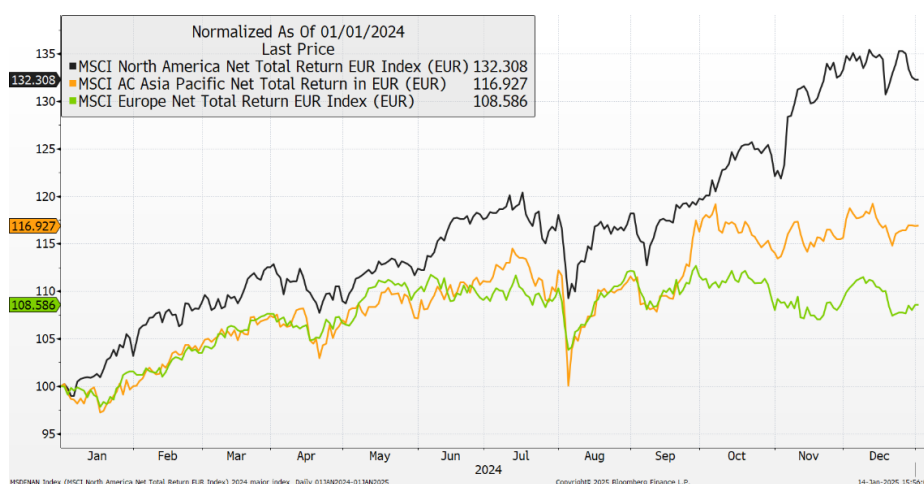
Nothing to report.

Circumstances likely to significantly influence the development of the company

The Fund's development may significantly be affected by the performance of the US stock market, events limiting the access of the Fund to the US stock market or by a change in the Belgian tax treatment of investment in RDT-DBI Sicavs.

1.2.2 . Market overview

2024 was another excellent vintage for global equity investors with the MSCI ACWI up just over 20% for the year. While the excellent performance was heavily driven by the US stock market, and particularly a booming technology sector, most geographies did well with both the MSCI Europe and the MSCI Asia Pacific up around 9% and 17% for the year (including dividend reinvestment). The standout performers were the US, technology heavy NASDAQ index - up close to 30% for the year - and the Taiwanese stock market - up over 40%! There were a few exceptions to this rosy picture though with France generating virtually zero equity return this year and South Korea down high single digits.



As we can see in the graph below, most of this good performance was driven by earnings growth (in dark green) but also valuation multiple re-rating (in light green), especially the US market.

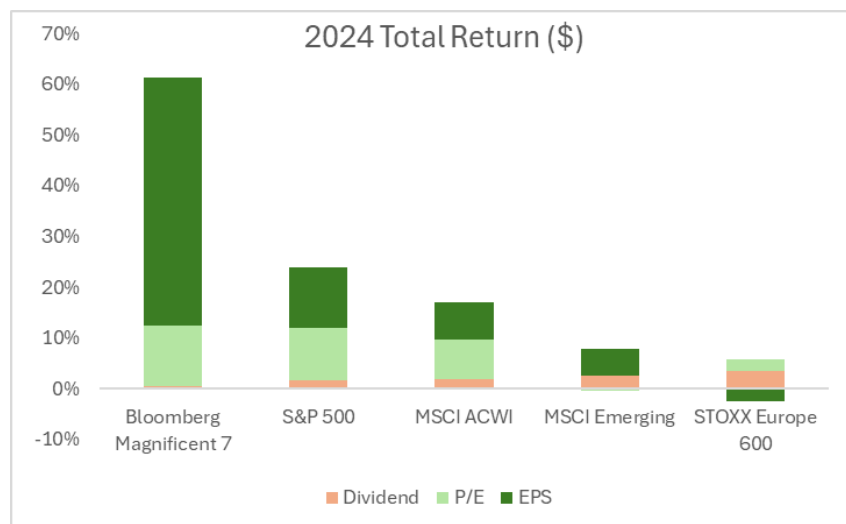


Figure 2 Source Bloomberg

Three major trends affected the global equity markets over the last year. First, after a stabilization of inflation in the Western World in 2023, inflation came down significantly in the West in 2024, enabling the US central bank ('FED') and the European central bank ('ECB') to cut interest rates several times. Secondly, two major technology transformations boosted global equity returns: the massive adoption of weight-loss drugs (Ozempic, Wegovy...) by patients in the United States and to a lesser extent in the rest of the world, and the massive acceleration of investment in artificial intelligence ('AI'). The third and last major trend affecting global equity markets was political & economic instability in Europe and the presidential win by Donald Trump in the United States.

One of the biggest developments in 2024 on the economic front was the drop of inflation in Europe and the United States, enabling central banks to start interest rates cuts. High inflation is a significant problem in any economy as it destroys savings, reduces confidence in the economy and makes economic planning difficult for companies, households and governments. Given the macro-economic dangers of high inflation, a well-managed central bank will always try to fight it, before it gets out of hand, as inflation can feed itself and leave an economy dire straits if not controlled (Germany pre-World War II or Argentina more recently). Unfortunately, central banks have limited tools at their disposal and mostly rely on interest rate rises, which while generally successful in fighting prices, can have several unpleasant side-effects. If we were doctors, we could say that inflation is like an economic 'cancer' and raising interest rates is like 'chemotherapy', highly unpleasant but an effective medicine. One of the key goals of high interest rates is to reduce 'aggregate demand' and 'cool down an economy'. Economists tend to use obscure and euphemistic terms, but it basically means 'make everyone more prudent and poorer so an economy doesn't blow up'. Another unpleasant side effect of higher interest rates is that it reduces the value of financial assets as it reduces the 'future value of money'. At a zero interest rate, one euro's theoretical value next year is the same as it is today. At a 5% interest rate, one euro next year is only worth c. 95 cents today. Given how interest rates work, it also affects certain assets more than others. 'Growth equities', which generally means companies with high growth prospects but little near term earnings and cashflows, tend to be more affected by a drop or rise in interest rates, as the equity value comes from cashflows far out in the future. It is no coincidence that the NASDAQ fell sharply in 2022, as interest rates rose quickly, and rebounded strongly in 2024 as interest rates came down.

The multi-trillion-euro question for investors is what the direction of global interest rates after these recent cuts will be. Unfortunately, we can only say that no one knows for sure where interest rates will be in the next twelve months, or in the next few years. We can make several observations though. Firstly, the extremely low interest period of the last decade was highly unusual and is therefore unlikely to come back. Secondly, the FED has already indicated that it is unlikely to cut interest rates further. Thirdly, yields have gone up in the United States in recent days as the market worries about an inflation resurgence. Overall, we are unlikely to see much lower interest rates going forward, so the stock market will need to be driven by earnings growth¹. When further re-rating is unlikely, it will be more important than ever to avoid the most stretched corners of the market.

Other significant developments in 2024 were the AI boom and the widespread adoption of weight-loss drugs in the United States. The latter might seem trivial to our readers, but the obesity crisis in the United States had become so bad in recent years that it started to have major economic implications, from the medical costs to lower labour participation. In contrast to artificial intelligence, which is still more of a promise, the emergence of these weight loss drugs is already generating billions dollar of sales for pharmaceutical companies, slimming people down and impacting food & alcohol sales, diabetes treatments and potentially reducing dementia & heart diseases. The overall stock market impact remains limited though. It made Eli Lilly the most valuable non-tech-company - briefly exceeding a trillion dollars in market cap - and boosted GDP growth in Denmark, but implications for investors are much smaller than for the society overall.

2024 will be the year when artificial intelligence ('AI') reached our collective consciousness with ChatGPT and OpenAI becoming mainstream entities. Like every major innovation, artificial intelligence has existed for a long time but hadn't been widely adopted yet - like the Internet in the late eighties and early nineties. For investors, and contrary to weight-loss drugs, the impact on the stock market has been massive. It added two new members to the three-trillion-dollar club -

¹ No guarantee of result or performance

NVIDIA, the monopolistic provider of chips for AI- computing, and Microsoft, the software provider old-guard that reinvented itself as an early backer of OpenAI, joining APPLE, a bit of laggard in artificial intelligence but still the most valuable company in the world. It also transformed the FAANG acronym into the 'Magnificent Seven'² - made up of the seven most valuable companies in the world - with most of these companies being very active in 'AI'. As we can see in the graph below, the value creation for shareholders from this new AI boom has been massive. Since January 2023, the 'Magnificent Seven' have added over USD10trillion of market capitalization and are now worth more than the entire European stock market.

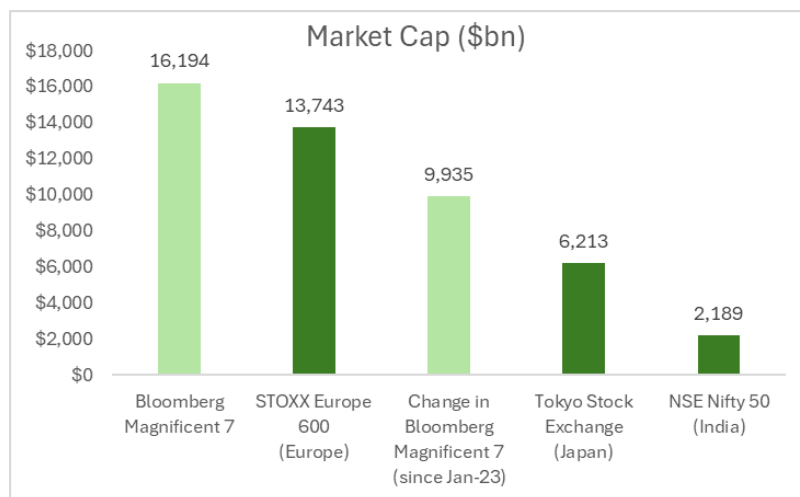


Figure 3 Source Bloomberg

While artificial intelligence hasn't yet transformed our societies, beyond flooding the internet with dubious pictures or doing homework for students, it has started a massive investment boom in data centres and chip manufacturing. It has also started a mini panic on the boards of major companies, forcing them to quickly assemble an 'AI-strategy'. As long-term investors, we have been through similar stock market roller coasters before. An important question-mark with any major innovation is when companies will be able to build profitable business models out of them, which is extremely difficult to answer. Sometimes innovation takes much longer to take hold than expected like autonomous driving, which was expected to be fully operational by now. Bloomberg recently wrote an article explaining how General Motors invested USD10billion in recent years in autonomous driving but had to significantly scale back its ambitions following a bad accident with a pedestrian³. Sometimes an innovation has a massive impact on society but doesn't generate much return for shareholders. Computer translation is now excellent but is mostly available for free. The shale oil & gas revolution in the United States and the massive boom in renewable energy has dramatically improved energy security but led to a collapse in prices, severely limiting investors' returns. Some gas prices in the US are now negative and the cost of solar wafers is down 98% since 2010! Artificial intelligence will very likely have some dramatic impact on the economy, but it is as yet unclear exactly how and when. One major risk for global investors is that the 'data centre hyper-scalers', mainly META (ex-Facebook), Amazon, Microsoft and Alphabet (ex-Google), are pouring hundreds of billions of dollars each into building cutting-edge data centres. This has massively boosted the bottom-line of NVIDIA, but the ability to generate revenue from artificial intelligence remains somewhat unclear, let alone profit. In a rosy scenario, artificial intelligence will quickly make our societies a lot more productive and the 'Magnificent Seven' will continue to generate earnings growth⁴ and boost the global economy and stock market. The major risk is that these stocks, and a lot of the US market, appears to already fully price this scenario. There is a real possibility that the AI benefits, like for Internet, take a lot longer to materialize than expected.

People often overestimate what will happen in the next two years and underestimate what will happen in ten. I'm guilty of this myself. (Bill Gates in his book 'the Road Ahead', 1996 edition)

A significant slowdown in artificial investment is unlikely to only affect the 'Magnificent Seven' and technology startups unfortunately. The recent boom has already started to impact much more traditional corners of the economy, like electric utilities. One core problem of the current 'large language models' used by the likes of Chat-GPT is that they consume enormous amounts of energy. A utility analyst recently told us that one large data centre could consume as much electricity as a quarter of Miami! Another good example of the impact of a technology boom on traditional companies is the evolution

² The 'Magnificent seven' stocks are a group of mega-cap stocks that drive the market's performance due to their heavy weighting in major stock indexes. It includes the following stocks: Apple, Microsoft, Alphabet, Amazon, NVIDIA, Tesla and Meta Platforms.

³ [Why AI Investors Should Worry About the Self-Driving Car Crash - Bloomberg](#)

⁴ No guarantee of result or performance

of Corning, the '173-year-old glassmaker behind Edison's light bulb' ⁵. In this interview, Wendell Weeks the current CEO of Corning explains how a traditional business can benefit tremendously from cutting edge innovation but can also suffer a lot during a technology bust. The 'dot.com' bubble nearly bankrupted Corning in the early 2000's and then a partnership with Apple to develop the iPhone screen saved it. It is now benefitting from the artificial intelligence boom through its fibre optics division, trying at the same time to be prudent not to repeat the boom and bust of the late nineties. All these examples show that avoiding a potential bubble requires a lot more than just avoiding the 'Magnificent Seven' but will require investments in companies where cashflows are sustainable, even if there is a bust, and valuations that makes sense.

The last major trend in 2024 affecting the global stock market was the election of Donald Trump and the political tensions in Europe. As politics is highly unpredictable - as politicians tend to make wild promises to get elected and then sometimes take very different decisions when in office - we will not speculate on what the next US administration is going to do. We will limit ourselves purely to economic and investment matters. However, out of curiosity and since we are in the middle of an artificial intelligence boom, we also asked ChatGPT the question in green below and here is what the model answered:

Could you contrast the economic approach of the new US administration and that of the European Union and China?

"1. U.S. (Trump's Economic Approach):

- **Capitalism and Deregulation:** *Trump's administration favors a free-market approach with less government regulation, lower corporate taxes, and a focus on incentivizing business growth.*
- **Protectionism and Trade Wars:** *Trump's stance on trade is generally protectionist, aiming to reduce trade deficits and bring manufacturing jobs back to the U.S. This includes imposing tariffs on foreign goods, especially from China, and withdrawing from multilateral trade agreements.*
- **Fiscal Stimulus:** *Trump advocates for stimulus measures such as tax cuts and government spending to stimulate the economy.*

2. European Union (EU):

- **Regulation and Sustainability:** *The EU emphasizes regulations aimed at environmental sustainability, fair competition, and social welfare. It places a significant focus on addressing climate change through green policies and supporting the European Green Deal.*
- **Trade and Multilateralism:** *The EU supports open markets and multilateral agreements, advocating for free trade and international cooperation. The EU also tends to prioritize the welfare of workers and a more balanced approach to economic growth that includes social safeguards.*
- **Fiscal Discipline and Economic Integration:** *EU economic policies stress fiscal discipline, with the European Central Bank (ECB) monitoring inflation and promoting financial stability. The EU also emphasizes economic integration, especially in the Eurozone.*

3. China:

- **State Capitalism:** *China's economic model is a mix of market reforms with strong state control. The Chinese government plays a central role in directing economic growth, investment, and innovation, particularly in high-tech and infrastructure sectors.*
- **Export-Led Growth and Trade:** *China's economic policy has historically focused on export-led growth, and it continues to build influence through initiatives like the Belt and Road Initiative (BRI), investing in infrastructure projects globally.*
- **Control Over Currency and Economy:** *The Chinese government actively manages its currency and regulates capital flows, seeking to avoid volatility and ensure stable economic growth."*

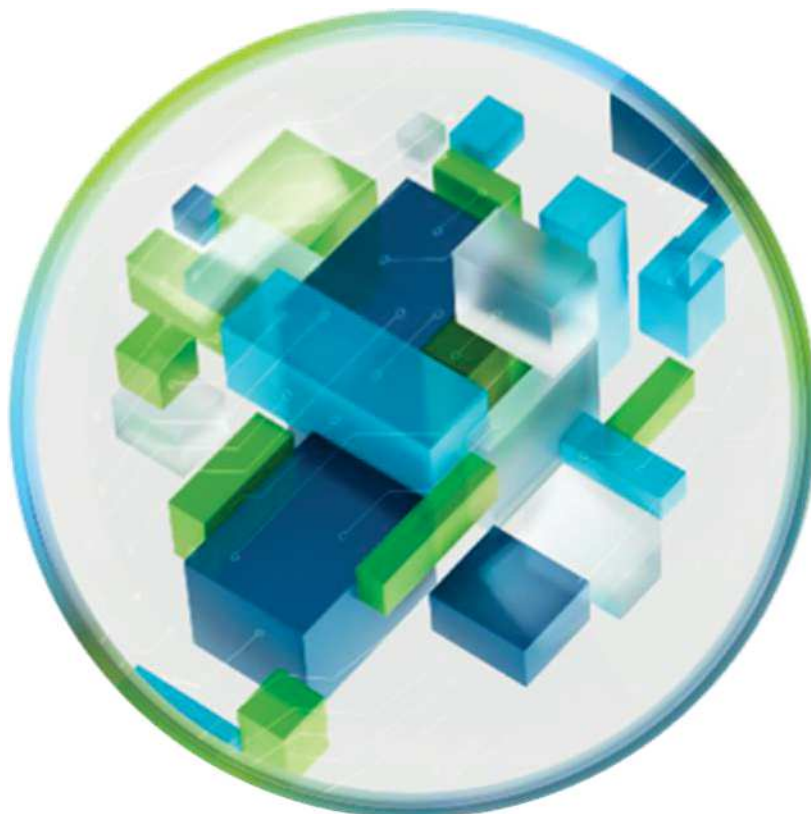
The real humans are now back and can say that ChatGPT is pretty good at summarizing the consensus view on important economic questions. It is also much faster at writing and articulating thoughts! We certainly agree with the view that China has a state-centric approach, that the US is more market oriented and that Europe values social welfare. One thing ChatGPT is unable to answer though, is the impact for investors and to tell which approach of the three economic blocs is the better one. It does highlight the fact that the US system and the Republican administration is more market friendly and at TreeTop we can observe that the United States is generally more friendly to entrepreneurship and shareholders than China and Europe. The European Union loves to regulate, and it has already started to with AI instead of trying to foster an innovative environment. The Chinese communist party sometimes crushes investment and innovation spirit if it deems that it goes against 'social stability'. For all these reasons, we continue to believe that the United States will remain an excellent ground for great investment opportunities, you just have to select them carefully.

In conclusion, 2024 was another excellent vintage for stock market investors after a very good 2023, driven by a solid macro-economic backdrop with lower rates and inflation and good earnings growth. The US, and specifically large US technology companies, has continued to dominate the market driven by an artificial intelligence investment boom. A further

⁵ [How the 173-year-old glass-maker behind Edison's light bulb and iPhone screens became a Silicon Valley darling | Fortune](#)

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re-rating of most equities seems unlikely, but companies could continue to deliver good earnings growth¹ driving the market higher. There are some very cheap stocks out there in emerging markets, Europe and some corners of the US market and at TreeTop we will continue to work hard to find them.



Treetop Institutional NV/SA

Statutory auditor's report to the shareholders' meeting for the year ended
31 December 2024 - Annual accounts

The original text of this report is in French

Statutory auditor’s report to the shareholders’ meeting of Treetop Institutional NV/SA for the year ended 31 December 2024 - Annual accounts

In the context of the statutory audit of the annual accounts of Treetop Institutional NV/SA (the “company”), we hereby submit our statutory audit report. This report includes our report on the annual accounts and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders’ meeting of 24 November 2021, in accordance with the proposal of the board of directors (“bestuursorgaan” / “organe d’administration”). Our mandate will expire on the date of the shareholders’ meeting deliberating on the annual accounts for the year ending 31 December 2024. We have performed the statutory audit of the annual accounts of Treetop Institutional NV/SA for 3 consecutive periods.

Report on the annual accounts

Unqualified opinion

We have audited the annual accounts of the company, which comprises the balance sheet as at 31 December 2024 and the income statement for the period ended at that date, as well as the explanatory notes. The annual accounts show total net assets of 77 865 (000) EUR and the income statement shows a profit for the year ended of 14 261 (000) EUR.

In our opinion, the annual accounts give a true and fair view of the company’s net equity and financial position as of 31 December 2024 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Name of the sub-fund	Currency	Equity	Results
TreeTop Institutional US Buyback Equity	EUR	77 865 374,57	14 261 013,09

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the “Responsibilities of the statutory auditor for the audit of the annual accounts” section of our report. We have complied with all ethical requirements relevant to the statutory audit of the annual accounts in Belgium, including those regarding independence.

We have obtained from the board of directors and the company’s officials the explanations and information necessary for performing our audit.

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

Responsibilities of the board of directors for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of the annual accounts in accordance with the financial reporting framework applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory 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 ISA 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 annual accounts.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of annual accounts in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, 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 an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors 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 statutory auditor's report to the related disclosures in the annual accounts 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 statutory auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, amongst 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.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the annual accounts, for maintaining the company's accounting records in compliance with the legal and regulatory requirements applicable in Belgium, as well as for the company's compliance with the Code of companies and associations and the company's articles of association.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the annual accounts, and compliance with certain obligations referred to in the Code of companies and associations and the articles of association, as well as to report on these matters.

Aspects regarding the directors' report

In our opinion, after performing the specific procedures on the directors' report on the annual accounts, the directors' report on the annual accounts is consistent with the annual accounts for that same year and has been established in accordance with the requirements of articles 3:5 and 3:6 of the Code of companies and associations.

In the context of our statutory audit of the annual accounts we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the annual accounts is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement.

Statements regarding independence

Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the company during the performance of our mandate.

Other statements

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant legal and regulatory requirements.
- We do not have to report any transactions undertaken or decisions taken which may be in violation of the company's articles of association or the Code of companies and associations.

Signed at Zaventem.

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Tom Renders

Deloitte.

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
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Member of Deloitte Touche Tohmatsu Limited

1.4 . SUMMARY OF THE ACCOUNTING AND VALUATION RULES

1.4.1 . Summary of rules

The below valuation rules have been drawn up based on the Royal Decree of 10 November 2006 on the accounting, annual accounts and periodic reports of certain public undertakings for collective investment with a variable number of units. In particular, the provisions of Articles 7 to 19 apply.

Fees

In order to avoid significant changes in the net asset value at the time of payment, recurring charges are provided for on a prorata temporis basis. These are mainly recurring fees and commissions as mentioned in the prospectus (e.g. remuneration for management of the investment portfolio, administration, custodian, statutory auditor, etc.).

The start-up costs are amortised over one or more years up to a maximum of 5 years, using the straight-line method.

Accounting for purchases and sales

Transferable securities, money market instruments, units in collective investment undertakings and derivative financial instruments that are valued at their fair value are, at the time of their acquisition and disposal, recorded in the accounts at their purchase price and sale price respectively. Incidental costs, such as transaction and delivery costs, are immediately charged to the profit and loss account.

Receivables and payables

Short-term receivables and payables as well as term investments are recorded in the balance sheet at their par value.

Where the investment policy of the sub-fund is primarily focused on investing its assets in deposits, cash or money market instruments, investments are valued at their fair value.

Transferable securities, money market instruments and derivative financial instruments

Transferable securities, money market instruments and derivative financial instruments (option contracts, futures contracts and swap contracts) are valued at their fair value in accordance with the following hierarchy:

- If these are assets for which there is an active market operating via the involvement of third-party financial institutions, the current bid and offer prices set on this market are used. In exceptional cases, these prices may be unavailable for bonds and other debt securities; the average price will then be used and this procedure will be mentioned in the (semi-) annual report.
- If these are assets that are traded on an active market without the involvement of any third-party financial institutions, the closing price is used.
- Use of the price of the most recent transaction, provided that the economic circumstances have not fundamentally changed since this transaction.
- Use of other valuation techniques that must make maximum use of market data, comply with the economic methods usually used and be regularly calibrated and tested for validity.

The units in unlisted undertakings for collective investment with a variable number of units are valued based on the net asset value of these units.

Impairments, capital losses and capital gains resulting from the above rules are charged to the profit and loss account in the relevant sub-item under "I. Impairments, capital losses and capital gains".

Changes in value relating to bonds and other debt securities resulting from the pro rata temporis accounting of accrued interest are charged to the profit and loss account as a component of item "II. Investment income and expenses - B. Interest".

The fair value of derivative financial instruments (option contracts, futures contracts and swap contracts) is recognised in the various balance sheet and off-balance-sheet items depending on the underlying instrument.

Underlying securities (options and warrants) and notional amounts (futures and swaps) are recognised in off-balance sheet items under the relevant headings.

If option contracts and warrants are exercised, the premiums are added to or deducted from the purchase or sale price of the underlying assets. Intermediary payments and income from swap contracts are recognised in the profit and loss account in sub-item "II. Investment income and expenses - D. Swap contracts".

Foreign currency transactions

Assets denominated in foreign currencies are converted into the currency of the sub-fund at the average market rate and the balance of any positive and negative differences resulting from the conversion is charged to the profit and loss account under "I.H. Foreign exchange positions and transactions".

1.4.2 . *Exchange rates*

	31.12.24	31.12.23
1 EUR	1.0355 USD	1.1047 USD

2 . INFORMATION ON SUBFUND TREETOP INSTITUTIONAL US BUYBACK EQUITY

2.1 . MANAGEMENT REPORT

2.1.1 . Subfund launch date and subscription price of shares

The Initial Offering Period was from 16 December 2021 to 16 December 2021. The Initial Offering Price was 1,000 EUR per Class P Share and 1,000 EUR per Class I Share. The Initial Offering Period for the Class IC Shares is 14 December 2023. The initial Offering Price for the Class IC Shares is 1,000 EUR per Share.

2.1.2 . Objective and main aspects of the investment policy

Investment objective

The primary objective of the Sub-Fund is to generate a long-term capital gain on the capital invested.

As the Sub-Fund does not seek to make sustainable investments within the meaning of SFDR, its investments do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund will at all times provide exposure to the stock market in order to maximise the RDT-DBI tax exemption for investors subject to Belgian corporate income tax holding distribution share classes. Investors' attention is however drawn to the fact that the Sub-Fund's portfolio may not be 100% composed of shares qualifying for the RDT-DBI regime and that income and capital gains linked to the Sub-Fund's shares may therefore not be 100% deductible for investors incorporated as companies subject to Belgian corporate income tax. In normal market circumstances, the Management Company will ensure that the Fund's portfolio is composed of at least 75% of shares eligible for the RDT-DBI regime.

Investment policy

The Sub-Fund's investment strategy to achieve its objective is based on the Manager's assumption that companies that generate a lot of free cash flow are financially healthy, and that the decision of their management to engage in buying back their own shares demonstrates a willingness to maintain their profitability and to efficiently return capital to shareholders. Accordingly, the Sub-Fund will seek to achieve its objective by investing in a selection of stocks of large US companies generating strong free cash flow and which have bought back their shares.

The Manager decided to implement the Sub-Fund's investment strategy through a passive portfolio management approach: the portfolio of the Sub-Fund will be invested in stocks that are included in the S&P 500 Buyback FCF Index (the "Index") with the aim to closely replicate the composition of the Index.

The S&P 500 Buyback FCF Index is an equity index composed of 30 stocks of large US companies which are characterized by: (i) a high buyback ratio, (ii) high liquidity and (iii) a high free cash flow yield.

The Index is built from the components of the S&P 500 Index in 3 steps. The S&P 500 Index is an index composed of the stocks of 500 US large capitalization companies listed on US stock exchanges. First, among the 500 stocks that make up the S&P 500 Index, the 100 stocks with the highest buyback ratio over 12 months are selected. Then, out of these 100 stocks, the 50 most liquid stocks are retained. Finally, of these 50 stocks, the 30 stocks with the highest cash flow yield enter the S&P 500 Buyback FCF Index. The constituents of the Index are then weighted by free cash flow yield.

The composition of the Index is reviewed on a quarterly basis.

The exposure to the Index will be achieved primarily through a physical replication by investing directly in the securities comprising the Index in a proportion that is close to their proportion in the Index. However in order to construct the Sub-Fund's portfolio, the Manager may remove, at its discretion, certain constituents from the Index, notably : (i) the shares of companies that, according to the sources available to the Manager, are involved in the manufacture and marketing of anti-personnel landmines and cluster bombs, (ii) the shares of companies included on national or supranational exclusion lists in relation to the fight against money laundering and the financing of terrorism, (iii) shares the weight of which would be too low and/or the investment cost of which would be too high, and/or (iv) shares which, if included in the portfolio, would jeopardize the objective of having at least 75% of the portfolio invested in securities eligible for the RDT-DBI regime. The Manager also reserves the possibility to replicate the exposure to one or more constituents of the Index through a synthetic replication through derivative instruments and/or other UCI, including Exchange Traded Funds.

Borrowing restrictions

The Sub-Fund will not make use of leverage, except if and to the extent expressly disclosed within the relevant Appendix of the Offering Memorandum, but not further or otherwise. Leverage will be consistent with limits and conditions that are applicable by operation of law.

Target investors

The Sub-Fund is directed at, and may only be subscribed by, Eligible Investors, as defined in the Offering Memorandum.

The investment in the Sub-Fund should be viewed as long term and may not be appropriate for all Eligible Investors.

The Sub-Fund is intended for Eligible Investors with a good understanding of the risks associated with investing in equity stocks and who wish to be invested in a concentrated portfolio of large US companies.

Investors must be ready to accept losses due to fluctuations in stock market prices.

Given the risks inherent in the Fund's investment policy, the recommended period is not less than 6 years.

2.1.3 . Policy followed during the year

In 2024, the Fund's investment policy, as a passive Fund, closely replicates the composition of the S&P 500 Buyback FCF index (the "Index"). The transactions initiated and the assets held enabled the achievement of the twofold management objective of the Fund : (i) to replicate the Index in order to provide its shareholders with exposure to shares of large US companies which are characterized by a high buyback ratio, high liquidity and a high free cash flow yield and (ii) to allow its shareholders subject to corporate income tax in Belgium to benefit from the regime of definitively taxed income (RDT), without however limiting the management company's ability to invest in authorised assets which do not give right to the tax advantage established by this RDT regime.

At TreeTop, we continue to believe that the United States has excellent investment opportunities but the re-rating of the market and the concentration in a few technology companies has made us look for investment strategies which reduce some of the risks. One of the key strategies we have developed over the last two years is the S&P 500 Buyback Free Cash Flow.

The S&P 500 Share Buyback FCF Total Return Index (SPBUYFUT Index) rose 4.8% in Euros during the 4th quarter of 2024, underperforming the S&P 500 Total Return Index (SPXT Index), which rose by 10.3% in Euros. The underperformance occurred mainly in the first two weeks of December and closely mirrored the underperformance of the S&P 500 Value Total Return Index (SPTRSVX Index) versus the S&P500 Growth Total Return Index (SPTRSGX Index), which was attributable to the strength of the 'Magnificent Seven' during this period (December was in fact the best month of outperformance for the 'Magnificent Seven' in 19 months).



Source Bloomberg

Top contributors/detractors for the last quarter 2024:

The biggest contributors to the strategy's performance during the last quarter were **Expedia** and **Booking**, both online travel agents that provide products and services to leisure and corporate travellers in the US and abroad, and **Morgan Stanley**, a global financial services firm that maintains significant market positions in each of its business segments - Institutional Securities, Wealth Management, and Investment Management.

- **Expedia Group (EXPE US Equity; \$24bn market capitalisation):** Expedia shares rose by 26% during the 4th quarter. The stock benefitted from improving US booking data and increased confidence that a new management team can help close the valuation gap with Booking. Management slightly raised full-year guidance at its Q3 earnings.
- **Morgan Stanley (MS US Equity; \$207bn market capitalisation):** Morgan Stanley shares rose by 21% during the 4th quarter. The company benefitted from strong equity markets and improved sentiment, following the election, that a Trump administration would lead to a pick-up in M&A and IPO activity.
- **Booking Holdings (BKNG US Equity; \$162bn market capitalisation):** Booking shares rose by 18% during the 4th quarter. Like Expedia, Booking benefitted from improving US booking data over the past three months. Booking is considered the best-in-class online travel agent and is actively developing its alternative accommodation offering.

The biggest detractors from the strategy's performance during the last quarter were **CVS Health**, a company with >9,000 pharmacies that also offers pharmacy benefits management and health insurance products, **Marathon Petroleum**, a leading, integrated, downstream energy company that operates the US's largest refining system, and **Lennar**, one of largest homebuilders in the United States.

- **CVS Health Corporation (CVS US Equity; \$58bn market capitalisation):** CVS Health shares fell 29% during the 4th quarter. Elevated medical costs have been a headwind on earnings throughout 2024 and investors were

disappointed at the lack of guidance by management following Q3 earnings. The stock struggled further in December as a bipartisan coalition of US lawmakers drafted legislation that would force a separation of pharmacy benefits management and pharmacy ownership.

- **Marathon Petroleum Corporation (MPC US Equity; \$45bn market capitalisation):** Marathon Petroleum shares fell 14% during the 4th quarter. Against an unsupportive macro backdrop (roughly flat oil prices and worsening sentiment towards China over the course of the quarter), shares were negatively impacted by the realisation that share buyback dollars were likely to be lower in 2025 than in 2024.
- **Lennar Corporation (LEN US Equity; \$37bn market capitalisation):** Lennar shares fell 27% during the 4th quarter. Homebuilders struggled throughout the fourth quarter as US government bond yields and mortgage rates continued to rise, hampering demand for new homes and increasing the incentives that homebuilders will have to offer prospective buyers. This weakness was exacerbated in December by Lennar reporting Q4 earnings and issuing 2025 guidance, both of which missed expectations.

As a conclusion, we continue to believe that the strategy can deliver consistent outperformance¹ across investment cycles. The strategy offers diversification from the overall US equity market, which is heavily exposed to the 'Magnificent Seven' (currently ~34% of the S&P500). Furthermore, valuation is a key aspect of the strategy, and the relative valuation of US value stocks is currently very attractive versus history.

EXHIBIT 3: RELATIVE VALUATION OF U.S. VALUE STOCKS



As of 9/30/2024 | Source: GMO

Stock valuations are calculated on a blend of Price/Sales, Price/Gross Profit, Price/Book, and Price/Economic Book.

Source GMO

2.1.4 . Allocation of result

The Board of Directors will propose to the General Meeting of Shareholders to distribute the following dividend:

- 223,29 EUR gross for the Class P (ISIN BE6331893246)
- 223,40 EUR gross for the Class I (ISIN BE6331894251)

The part of the dividend that can benefit from the RDT regime is 99,45%.

2.2 . BALANCE SHEET

	As at 31.12.24 (in EUR)	As at 31.12.23 (in EUR)
SECTION 1: SCHEMA BALANCE SHEET		
TOTAL NET ASSETS	77,865,374.57	24,032,113.94
I. Fixed assets	4,252.50	6,423.56
A. Start-up and organisational expenses	4,252.50	6,423.56
II. Securities, money market instruments, UCI and financial derivation instruments	77,711,993.39	23,533,390.53
C. Shares and other share equivalents		
a. Shares	77,711,993.39	23,533,390.53
IV. Receivables and debt due within one year	-625,161.24	185,929.07
A. Accounts receivable		
a. Amounts receivable	2,051,580.62	8,104,875.40
b. Tax credits	195,709.84	67,064.63
B. Debts		
a. Amounts payable (-)	-2,361,019.36	-7,934,357.96
c. Loans (-)	-511,432.34	-51,653.00
V. Deposits and cash	1,058,583.66	351,056.51
A. Sight bank deposits	1,058,583.66	351,056.51
VI. Adjustment accounts	-284,293.74	-44,685.73
C. Expenses to be deducted (-)	-284,293.74	-44,685.73
TOTAL SHAREHOLDER'S EQUITY	77,865,374.57	24,032,113.94
A. Capital	63,927,164.18	22,921,668.21
B. Profit-sharing/dividends	-1,433,248.43	390,836.45
C. Retained earnings	1,110,445.73	-349,047.98
D. Result for the period (of the semester)	14,261,013.09	1,068,657.26

2.3 . PROFIT AND LOSS ACCOUNT

	As at 31.12.24 (in EUR)	As at 31.12.23 (in EUR)
SECTION 3: SCHEMA PROFIT AND LOSS ACCOUNT		
I. Reductions in value, capital gains and capital losses	14,246,738.17	825,748.99
C. Shares and other share equivalents		
a. Shares	10,026,592.18	1,313,161.50
H. Foreign exchange positions and transactions		
b. Other foreign exchange positions and transactions	4,220,145.99	-487,412.51
II. Investment income and expenses	1,173,237.21	490,466.20
A. Dividends	1,452,954.81	644,805.12
B. Interest		
b. Deposits and cash	51,536.06	21,900.76
C. Loan interest (-)	-23,629.23	-763.92
E. Withholding tax (-)		
b. Other investment income	-307,624.43	-175,475.76
III. Other income	4,430.00	
B. Other	4,430.00	
IV. Operating costs	-1,163,392.29	-247,557.93
A. Transaction and delivery costs inherent to investments (-)	-236,586.70	-30,625.71
C. Remuneration due to the custodian (-)	-13,406.41	-3,162.81
D. Remuneration due to the manager (-)		
a. financial management	-810,229.65	-137,303.16
Share I	-292,963.33	
Share IC	-509,178.44	
Share P	-8,087.88	
b. Administration and accounting	-43,530.15	-10,865.23
F. Start-up and organisational expenses (-)	-22,420.25	-6,821.61
H. Misc. goods and services (-)	-31,158.20	-27,970.91
K. Other expenses (-)	-6,060.93	-30,808.50
Income and expenses for the financial year (of the semester)	14,274.92	242,908.27
Sub-total II + III + IV		
V. Current profit (loss) before tax	14,261,013.09	1,068,657.26
VII. Result for the period (of the semester)	14,261,013.09	1,068,657.26
SECTION 4: ALLOCATIONS AND WITHDRAWALS		
I. Profit (Loss) for allocation	13,938,210.39	1,110,445.73
a. Profits (loss) carried forward from the previous year	1,110,445.73	-349,047.98
b. Profit (loss) for the year for allocation	14,261,013.09	1,068,657.26
c. Share of profit received (paid out)	-1,433,248.43	390,836.45
II. (Allocation to) Withdrawal from the capital	-10,094,319.21	-1,110,445.73
III. (Profit to be carried forward) Loss to be carried forward	-1,055,950.70	
IV. (Distribution of dividends)	-2,787,940.48	

2.4 . COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 . Composition of the assets as at 31.12.24

Name	Quantity as at 31.12.24	Currency	Price in currency	Valuation (in EUR)	% Portfolio	% Net assets
SHARES						
<i>TRADING ON A REGULATED MARKET OR ON A SIMILAR MARKET</i>				<u>77,711,993.39</u>	<u>100.00%</u>	<u>99.80%</u>
United States of America				77,711,993.39	100.00%	99.80%
AIRBNB INC-CLASS A	12,087	USD	131.41	1,533,899.25	1.97%	1.97%
AMERICAN INTERNATIONAL GROUP	32,386	USD	72.80	2,276,871.85	2.93%	2.92%
AUTOZONE INC	535	USD	3,202.00	1,654,340.90	2.13%	2.13%
BANK OF NEW YORK MELLON CORP	56,142	USD	76.83	4,165,514.11	5.36%	5.35%
BOOKING HOLDINGS INC	493	USD	4,968.42	2,365,457.32	3.04%	3.04%
BRISTOL-MYERS SQUIBB CO	47,798	USD	56.56	2,610,772.46	3.36%	3.35%
BUILDERS FIRSTSOURCE INC	10,327	USD	142.93	1,425,435.16	1.83%	1.83%
CATERPILLAR INC	3,901	USD	362.76	1,366,612.03	1.76%	1.76%
CENTENE CORP	88,385	USD	60.58	5,170,799.90	6.65%	6.64%
CHARTER COMMUNICATIONS INC-A	8,183	USD	342.77	2,708,727.10	3.49%	3.48%
COMCAST CORP-CLASS A	37,877	USD	37.53	1,372,789.77	1.77%	1.76%
CVS HEALTH CORP	60,249	USD	44.89	2,611,856.70	3.36%	3.35%
DEERE & CO	5,722	USD	423.70	2,341,295.41	3.01%	3.01%
GOLDMAN SACHS GROUP INC	8,544	USD	572.62	4,724,737.11	6.08%	6.07%
HUMANA INC	15,064	USD	253.71	3,690,861.84	4.75%	4.74%
LAS VEGAS SANDS CORP	35,075	USD	51.36	1,739,692.90	2.24%	2.23%
LENNAR CORP-A	11,284	USD	136.37	1,486,044.50	1.91%	1.91%
LOCKHEED MARTIN CORP	2,280	USD	485.94	1,069,959.63	1.38%	1.37%
MARATHON PETROLEUM CORP	38,215	USD	139.50	5,148,230.32	6.63%	6.61%
METLIFE INC	75,817	USD	81.88	5,995,070.94	7.71%	7.70%
NORTHROP GRUMMAN CORP	3,415	USD	469.29	1,547,682.62	1.99%	1.99%
O'REILLY AUTOMOTIVE INC	1,159	USD	1,185.80	1,327,225.69	1.71%	1.70%
PAYPAL HOLDINGS INC	26,373	USD	85.35	2,173,766.83	2.80%	2.79%
PHILLIPS 66	29,459	USD	113.93	3,241,201.23	4.17%	4.16%
PULTEGROUP INC	11,752	USD	108.90	1,235,917.72	1.59%	1.59%
RTX CORP	14,037	USD	115.72	1,568,673.72	2.02%	2.01%
T-MOBILE US INC	8,715	USD	220.73	1,857,713.13	2.39%	2.39%
VALERO ENERGY CORP	45,956	USD	122.59	5,440,604.58	7.00%	6.99%
VISTRA CORP	17,174	USD	137.87	2,286,604.91	2.94%	2.94%
WELLS FARGO & CO	23,199	USD	70.24	1,573,633.76	2.03%	2.02%
Total SHARES				77,711,993.39	100.00%	99.80%
TOTAL PORTFOLIO				77,711,993.39	100.00%	99.80%
Sight bank deposits				1,058,583.66		1.36%
CACEIS BANK, BELGIUM BRANCH		USD		1,058,583.66		1.36%
TOTAL DEPOSITS AND CASH				1,058,583.66		1.36%
MISC.DEBTS AND RECEIVABLES				-625,161.24		-0.80%
OTHER				-280,041.24		-0.36%
TOTAL NET ASSETS				77,865,374.57		100.00%

2.4.2 . Notes to the financial statements and other information**NOTE 1 – Other income**

The section « III B. Other » in the income statement mainly includes a correction of Start-up and organisational expenses.

NOTE 2 – Other expenses

The post « IV. K. Other expenses (-)» in the income statement mainly comprises an invoice from PWC for calculation of RDT ratio.

NOTE 3 - Remuneration of the statutory auditor

In accordance with article 3:65 § 2 and 4 of the Companies and Associations Code, we inform you that the statutory auditor and the persons with whom he works professionally, have charged fees as stated below:

Remuneration of the statutory auditor(s): 5,440.00 EUR excluding VAT.

There is no remuneration for exceptional services or specific assignments performed within the company by the statutory auditor or by persons with whom the statutory auditor is affiliated.