

**HERMES LINDER FUND  
SICAV PLC**

**SV 100**

**Report and financial statements**

**31 August 2020**

## Contents

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	<i>Pages</i>
Directors, officers and other information	2
Directors' report	3 - 4
Statement of directors' responsibilities	5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in net assets attributable to holders of redeemable shares	8
Statement of cash flows	9
Notes to the financial statements	10 - 31
Portfolio statement	32 - 33
Statements of changes in the composition of the portfolios	34
Salient statistics and information about the Fund	35 - 36
Independent auditor's report	37 - 39
Investment manager's report	40 - 45
Information for the investors in Switzerland	46
Custodian's report	47

# HERMES LINDER FUND SICAV PLC

## Directors, officers and other information

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<i>Directors:</i>	Mr. Tom Anastasi Pace Mr. Claudio Palladini Mr. Ivan Fsadni Mr. David Galea Souchet
<i>Secretary:</i>	Mr. Maximilian Galea
<i>Registered office:</i>	Level 14 Portmaso Business Tower Portomaso St. Julians Malta
<i>Country of incorporation:</i>	Malta
<i>Company registration number:</i>	SV 100
<i>Auditor:</i>	Deloitte Audit Limited Deloitte Place Triq L-Intornjatur, Zone 3 Central Business District, CBD 3050 Birkirkara Malta
<i>Investment manager:</i>	Praude Asset Management Limited Level 14 Portomaso Business Tower Portomaso St. Julians, STJ4011 Malta
<i>Custodian:</i>	Bank of Valletta p.l.c. 58, Zachary Street Valletta, VLT 1130 Malta
<i>Administrator and registrar:</i>	BOV Fund Services Limited 58, Zachary Street Valletta, VLT 1130 Malta

# HERMES LINDER FUND SICAV PLC

## Directors' report

Year ended 31 August 2020

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The directors present their report and the audited financial statements of the Hermes Linder Fund SICAV PLC (the "Company") for the year ended 31 August 2020.

### Significant changes to the Company Documents

There were no significant changes to the Company's document in the period under review.

### Description of the Company

Hermes Linder Fund is an open-ended collective investment scheme organised as a multi-fund limited liability company with variable share capital registered under the laws of Malta and licensed by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the Laws of Malta). The Company qualifies as a "Maltese UCITS" in terms of the Investment Services Act (Marketing of UCITS) Regulations 2011 (Legal Notice 241 of 2011).

### Re-domiciliation to Luxembourg

On 8<sup>th</sup> May 2020, a general meeting of the Company's Shareholders was held and the re-domiciliation of the Company to Luxembourg was approved by way of an extraordinary resolution in accordance with the constitutional documents of the Company.

The date of migration was set for 1<sup>st</sup> September 2020; however due to circumstances beyond the Company's control this has been postponed to November 2020.

### Principal activities

The principal activity of the Company is to achieve its investment objectives as defined in its prospectus. The Company has one sub-fund, the Hermes Linder Fund, (the "sub-fund") which has three share classes: Class A, Class B and Class C. The investment objective of the Hermes Linder Fund is to achieve long-term appreciation principally through value investing mainly in the major equity markets. There is no guarantee that the sub-fund will achieve its investment objectives.

### Performance review

In the year under review the Hermes Linder Fund had subscriptions (including transfers in) of EUR26,234,464 (year ended 31 August 2019: EUR56,663,010) from investors with redemptions (including transfers out) amounting to EUR58,652,528 (year ended 31 August 2019: EUR83,016,256). The Company registered a loss of EUR16,713,333 (year ended 31 August 2019 loss of – EUR18,681,028). Net assets attributable to holders of redeemable shares at the end of the year amounted to EUR218,189,729 (year ended 31 August 2019: EUR267,321,153).

### Results and distribution

The results for the year ended 31 August 2020 are shown in the statement of profit or loss and other comprehensive income on page 6. No dividend is paid out as the entire net income of the Company is accumulated within the sub-fund and reflected in the net asset value.



# HERMES LINDER FUND SICAV PLC

## Directors' report (continued)

Year ended 31 August 2020

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### Significant events

The recent global outbreak of the coronavirus ("COVID-19") has caused significant volatility within the economic markets, for which the duration and spread of the outbreak and the resultant economic impact is uncertain and cannot be predicted. As the situation is fluid and rapidly evolving, the Investment Manager do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Company's financial statements and activities. This will continue to be monitored as the situation progresses.

### Likely future developments

The directors consider that the Company is well placed to sustain the present level of activity in the foreseeable future.

### Directors

The directors who served during the year were:

Mr. Tom Anastasi Pace

Mr. Claudio Palladini

Mr. Ivan Fsadni

Mr. David Galea Souchet

In accordance with the Company's articles of association the directors are to remain in office until the Company is redomiciled to Luxembourg.

### Auditors

A resolution to reappoint Deloitte Audit Limited as auditor of the Company will be proposed at the forthcoming annual general meeting.


### Regulatory breaches

In accordance with the Standard License Conditions ('SLCs'), the Directors confirm that during the reporting period there were no regulatory sanctions imposed on the Company and no regulatory breaches of the SLCs.

Approved by the board of directors and signed on 26 November 2020 by:



*Mr. Ivan Fsadni*  
Director



*Mr. David Galea Souchet*  
Director

# HERMES LINDER FUND SICAV PLC

## Statement of directors' responsibilities

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The directors are required by the Companies Act (Cap. 386) to prepare financial statements in accordance with generally accepted accounting principles and practices, which give a true and fair view of the state of affairs of the Fund at the end of each financial year and of the profit or loss of the Fund for the year then ended. In preparing the financial statements, the directors should:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Fund will continue in business as a going concern.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Fund and which enable the directors to ensure that the financial statements comply with the Companies Act (Cap. 386). This responsibility includes designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Fund, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Additionally, the directors of a multi-fund Company are responsible for ensuring that such separate records, accounts, statements and other records are kept as may be necessary to evidence the liabilities and assets of each sub-fund as distinct and separate from the assets and liabilities of other sub-funds in the same Company.

# HERMES LINDER FUND SICAV PLC

## Statement of profit or loss and other comprehensive income

Year ended 31 August 2020

	Notes	2020 EUR	2019 EUR
<b>Investment loss</b>			
Dividend income		3,344,714	7,441,010
Interest income		426,256	609,199
Net loss on financial instruments at fair value through profit or loss		(16,577,832)	(20,808,549)
<b>Net investment loss</b>		<b>(12,806,862)</b>	<b>(12,758,340)</b>
Administrator fees	5	173,076	195,318
Audit fees		6,154	10,662
Custodian fees	5	170,866	209,811
Directors' fees		30,082	25,743
Legal fees		9,397	16,260
Management fees	5	2,621,271	3,332,420
Other expenses		64,137	33,876
Transaction costs		139,641	395,788
Disbursement and commissions		30,392	36,925
<b>Operating expenses</b>		<b>3,245,016</b>	<b>4,256,803</b>
<b>Change in net assets attributable to holders of redeemable shares before withholding tax</b>		<b>(16,051,878)</b>	<b>(17,015,143)</b>
Withholding tax paid on behalf of holders of redeemable shares		(661,455)	(1,665,885)
<b>Change in net assets attributable to holders of redeemable shares</b>		<b>(16,713,333)</b>	<b>(18,681,028)</b>

# HERMES LINDER FUND SICAV PLC

## Statement of financial position

31 August 2020

	Notes	2020 EUR	2019 EUR
<b>Assets</b>			
Financial assets at fair value through profit or loss	6	217,548,842	264,832,241
Accrued income	7	560,198	74,881
Receivables	8	402,083	-
Cash and cash equivalents	11	309,272	2,916,763
<b>Total assets</b>		<b>218,820,395</b>	<b>267,823,885</b>
<b>Liabilities</b>			
Trade and other payables	9	530,765	502,732
Redemptions payable		99,901	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>		<b>630,666</b>	<b>502,732</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>218,189,729</b>	<b>267,321,153</b>

These financial statements were approved by the board of directors, authorised for issue on 26 November 2020 and signed on its behalf by:



**Mr Ivan Fsadni**  
Director



**Mr David Galea Souchet**  
Director

# HERMES LINDER FUND SICAV PLC

## Statement of changes in net assets attributable to holders of redeemable shares

Year ended 31 August 2020

	2020 EUR	2019 EUR
At the beginning of the year	267,321,153	312,355,577
Creation of redeemable shares	11,592,893	36,739,683
Redemption of redeemable shares	(44,010,984)	(63,093,079)
Change in net asset attributable to holders of redeemable shares	(16,713,333)	(18,681,028)
<b>Net assets attributable to holders of redeemable shares</b>	<b>218,189,729</b>	<b>267,321,153</b>



# HERMES LINDER FUND SICAV PLC

## Statement of cash flows

Year ended 31 August 2020

	2020 EUR	2019 EUR
<b>Cash flows (used in)/from operating activities</b>		
Bond and bank interest received	421,526	711,824
Dividend income received	2,864,128	7,441,010
Operating expenses paid	(2,980,118)	(4,032,404)
Income taxes paid	(661,455)	(1,527,245)
<i>Net cash flows (used in)/from operating activities</i>	<u>(355,919)</u>	<u>2,593,185</u>
<b>Cash flows from investing activities</b>		
Payment to acquire financial instruments at fair value through profit or loss	(81,012,792)	(137,870,534)
Receipts from disposal of financial instruments at fair value through profit or loss	111,079,410	144,023,469
<i>Net cash flows from investing activities</i>	<u>30,066,618</u>	<u>6,152,935</u>
<b>Cash flows used in financing activities</b>		
Amounts received on creation of redeemable shares	11,592,893	36,739,683
Amounts paid on redemption of redeemable shares	(43,911,083)	(63,093,079)
<i>Net cash flows used in financing activities</i>	<u>(32,318,190)</u>	<u>(26,353,396)</u>
<b>Net movements in cash and cash equivalents</b>	<b>(2,607,491)</b>	<b>(17,607,276)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,916,763</b>	<b>20,524,039</b>
<b>Cash and cash equivalents at the end of the year (note 11)</b>	<b><u>309,272</u></b>	<b><u>2,916,763</u></b>



# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

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### 1. Company information and basis of preparation

Hermes Linder Fund SICAV PLC (“the Fund”) has constituted one sub-fund which is a segregated patrimony and is represented by different classes of shares. These financial statements comprise the financial statements of the Fund which include the following sub-fund licensed at 31 August 2020: Hermes Linder Fund (“the sub-fund”).

The Fund was re-domiciled to Malta from the British Virgin Islands on 25 March 2009 and registered as a Professional Investor Fund licensed by the Malta Financial Services Authority as a multi-fund limited liability company with variable share capital targeting experienced investors pursuant to the Companies Act (Cap. 386), with registration number SV100 and registered office is level 14, Portomaso Business Tower, St Julians, Malta.

With effect from 1 September 2010, the Fund was converted to a qualifying ‘Maltese UCITS’ scheme in terms of the Council directive for Undertakings for Collective Investment in Transferable Securities 85/611/EEC (as amended) and Management Companies Regulations, 2004 (as amended).

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are stated at their fair values and in accordance with International Financial Reporting Standards as adopted by the EU. The significant accounting policies adopted are set out below.

### 2. Significant accounting policies

#### *Financial instruments*

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Fund has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

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### 2. Significant accounting policies (continued)

#### *Financial instruments (continued)*

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

#### (i) Receivables

Receivables are classified with assets and are stated as their nominal value unless the effect of discounting is material, in which case receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

#### (ii) Financial assets at fair value through profit or loss

#### *Classification*

The Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below. In applying that classification, a financial asset or financial liability is considered to be held-for-trading if these are acquired principally for the purpose of selling in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading. The Company does not classify any derivatives as hedges in a hedging relationship.

#### (a) *Financial assets*

The Company classifies its financial assets as subsequently measured at amortised cost or measured at FVTPL on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

#### Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortised cost include debt securities, accrued income, other receivables (representing amounts receivable for transactions contracted for but not yet delivered by the end of the period) and cash and cash equivalents.

# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

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### 2. Significant accounting policies (continued)

#### *Financial instruments (continued)*

##### (iii) Financial assets at fair value through profit or loss (continued)

###### Financial assets at fair value through profit or loss

A financial asset is measured at FVTPL if it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell or its contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Company may irrevocably designate a financial asset as measured at FVTPL when doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category, derivative contracts in an asset position and equity and debt instruments classified as held for trading. Financial assets managed, evaluated and reported on a fair value basis in accordance with the Fund's documented investment strategy are mandatory measured at FVTPL.

##### (b) *Financial liabilities*

###### Financial liabilities measured at amortised cost

Financial liabilities that are not classified at FVTPL are classified at amortised cost. Financial liabilities measured at amortised cost include other payables (representing amounts payable for transactions contracted for but not yet delivered by the end of the period) and overdrawn bank balances.

###### Financial liabilities measured at FVTPL

A financial liability is measured at FVTPL if it meets the definition of held for trading. The Company includes in this category, derivative contracts in a liability.



# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

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### 2. Significant accounting policies (continued)

#### *Financial instruments (continued)*

##### (ii) Financial assets at fair value through profit or loss (continued)

###### *Recognition, derecognition and measurement*

Regular purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset. Financial assets or financial liabilities are initially recognised at fair value, and transaction costs for all financial instruments carried at FVTPL are expensed as incurred. Financial assets are derecognised when the rights to receive cash flows expire or the Company has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities at FVTPL category are included in the Statement of Comprehensive Income in the period in which they arise. Interest and dividends earned or paid on these instruments are recorded separately in 'other net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss' and 'dividend income' in the Statement of Comprehensive Income.

Debt instruments, other than those classified as at FVTPL, are measured at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Comprehensive Income. Any gain or loss on derecognition is recognised in the Statement of Comprehensive Income. Financial liabilities, other than those classified as at FVTPL, are measured at amortised cost using the effective interest method.

The fair value of financial instruments listed or dealt on a regulated market, is based on the latest available dealing price, appearing to the Directors. The fair values of unquoted investments are established by using valuation techniques. These include reference to recent financial statements and similar financial instruments as well as option pricing models.

###### *Impairment*

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

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### 2. Significant accounting policies (continued)

#### *Financial instruments (continued)*

##### (ii) Financial assets at fair value through profit or loss (continued)

#### *Impairment (continued)*

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Debt securities that are determined to have a low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. In this regard, the Company has an internal credit scoring system in place that analyses the credit quality of the counterparties accordingly. Such credit scoring system takes into consideration both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, and also considers the counterparties' macroeconomic context. The Company has elected the rebuttable presumption from IFRS 9 by assuming that the credit risk on a financial asset has increased significantly if the financial asset is more than 30 days past due.

Moreover, if the counterparty becomes downgraded by two notches (or more) based on the credit score assessment, the Company deems the financial asset's credit risk to have increased significantly.

Moreover, the Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- The financial asset is more than 90 days past due.

The maximum period considered when estimated ECLs is the maximum contractual period over which the Company is exposed to credit risk.

##### (iii) Payables

Payables are stated at their nominal value unless the effect of discounting is material, in which case trade payables are measured at amortised cost using the effective interest method.

##### (iv) Realised and unrealised gains and losses

Investment transactions are recorded on a trade date basis. Realised gains or losses on investments are calculated on a weighted average cost and are disclosed within net (loss)/gain on financial instruments at fair value through profit or loss in the statement of profit or loss and other comprehensive income.



# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

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### 2. Significant accounting policies (continued)

#### *Financial instruments (continued)*

##### (v) Net assets attributable to shareholders

The liability to participating shareholders is presented in the statements of financial position as “net assets attributable to holders of redeemable shares” and is determined based on the residual assets of the Fund after deducting all other liabilities.

##### (vi) Margin account

Margin accounts represent cash deposits held with brokers as collateral against open futures and option contracts and are included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Fund classifies that asset in its statement of financial position separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the financial statements.

#### *Revenue recognition*

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Fund and these can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

##### (i) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

##### (ii) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established. Dividend income relating to exchange-traded equity securities and dividend expense relating to exchange-traded equity securities sold short are recognised in the statement of profit or loss and other comprehensive income on the ex-dividend date.

#### *Taxation*

The taxation of collective investment schemes is based on the classification of funds into prescribed or non-prescribed funds in accordance with the Collective Investment Schemes (Investment Income) Regulations, 2001.



# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

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### 2. Significant accounting policies (continued)

#### *Taxation (continued)*

The Fund qualifies as a non-prescribed fund in terms of these regulations on the basis that the value of the fund's assets situated in Malta are less than eighty-five per cent of the value of its total assets. Accordingly the income and capital gains of the Fund are not subject to Malta income tax pursuant to the provisions of the Income Tax Act (Cap. 123).

Foreign tax withheld on dividend income is accounted for when the Fund recognises the related dividend or interest in the statement of profit or loss and other comprehensive income.

#### *Currency translation*

As allowed by sub-legislation 386.02 of the Companies Act (Investment Companies with Variable Share Capital) Regulations, a company with sub-funds whose capital is denominated in different currencies may elect to present its financial statements in any one of these currencies. Consequently, the financial statements of the Fund are presented in Euro being the currency in which the sub-fund's share capital is denominated.

Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt within the statement of profit or loss and other comprehensive income.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, fiduciary deposits and margin deposits held in respect of open future and option contracts.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the Fund's accounting policies, management has made no judgements which can significantly affect the amounts recognised in the financial statements. At the reporting date, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 4. International Financial Reporting Standard in issue but not yet effective

#### IAS 1 & IAS 8 Amendment – Definition of material

The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. These amendments are effective for annual periods beginning on or after 1 January 2020.

# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

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### 5. Fees

#### (i) Management fees

*Hermes Linder Fund* - The Investment Manager, Praude Asset Management Limited, receives an Investment Management Fee as follows:

Class A Voting Shares: 1% per annum of the net asset value after accruing for any performance fees which may be due by the Fund in respect of the sub-fund.

Class B Voting Shares: 2% per annum of the net asset value after accruing for any performance fees which may be due by the Fund in respect of the sub-fund.

Class C Voting Shares: Nil.

The investment management fee borne by the Fund during the financial year ended 31 August 2020 was that of EUR 2,621,271 (2019: EUR 3,332,420).

#### (ii) Performance fees

*Hermes Linder Fund* - The Investment Manager, Praude Asset Management Limited, receives a performance fee calculated on the basis of the net asset value per share as per the audited financial statements of the sub-fund. The performance fee shall be equal to 15% in the case of Class A Voting Investor Shares and 25% in the case of Class C Voting Investor Shares of the amount by which the net asset value per share (before the deduction of the performance fee) has exceeded the NAV target per share during the performance period, multiplied by the average number of Investor Shares in issue, taken at each valuation point, during that annual accounting period. A performance fee is not charged on Class B Voting Investor Shares.

The NAV target per share is equal to the highest of: (i) highest NAV per share as at the end of any previous accounting period on which a performance fee was paid, or (ii) the initial offer price.

There was no performance fee borne by the Fund during the financial years ended 31 August 2020 and 2019.

#### (iii) Administrator fees

*Hermes Linder Fund* - The Administrator, BOV Fund Services Limited receives a fee which varies between 0.05% and 0.10% per annum of the net asset value of the Fund and is subject to a minimum fee of EUR 42,000.

The administrator fee borne by the Fund during the financial year ended 31 August 2020 was that of EUR 173,076 (2019: EUR 195,318).

# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

### 5. Fees (continued)

#### (iv) Custodian fees

*Hermes Linder Fund* - The Custodian, Bank of Valletta plc, receives a fee which varies between 0.025% and 0.04% per annum of the net asset value of the Fund, subject to a minimum fee of EUR 30,000 per annum.

Custodian fees for the year ended 31 August 2020 amounted to EUR 170,866 (2019: EUR 209,811).

### 6. Financial assets and liabilities at fair value through profit or loss

	2020 Fair Value EUR	% of net assets	% of total assets
Financial assets designated at fair value through profit or loss			
- Equity instruments	207,834,534	95.25	94.98
- Debt instruments	9,657,333	4.43	4.41
- Fair value of Warrants	56,975	0.03	0.03
	<u>217,548,842</u>	<u>99.71</u>	<u>99.42</u>

	2019 Fair Value EUR	% of net assets	% of total assets
Financial assets designated at fair value through profit or loss			
- Equity instruments	258,297,201	96.62	96.44
- Debt instruments	6,505,834	2.43	2.43
- Fair value of Warrants	29,206	0.01	0.01
	<u>264,832,241</u>	<u>99.06</u>	<u>98.88</u>

Further details on the other financial instruments are provided in note 14.

### 7. Accrued income

	2020 EUR	2019 EUR
Accrued interest	79,611	74,881
Dividend receivable	<u>480,587</u>	<u>-</u>
	<u>560,198</u>	<u>74,881</u>



# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

### 8. Receivables

	2020 EUR	2019 EUR
Amounts due on securities sold	402,083	-

### 9. Payables

	2020 EUR	2019 EUR
Accruals	530,765	405,509
Amounts due on securities purchased	-	97,223
	530,765	502,732

Included in accruals are management and performance fees payable which are due to related parties. The terms and conditions of these related parties payables are disclosed in note 12.

### 10. Share capital

#### *Authorised share capital*

The Fund may issue up to a maximum of five billion one thousand fully-paid up shares without any nominal value assigned to them.

#### *Issued share capital*

The initial share capital of the Fund is one thousand US dollars, with no nominal value, representing 1,000 founder shares issued at an initial price of USD1.

The share capital of the Fund shall have no nominal value and shall be equal to the value, for the time being, of the issued share capital of the Fund. Each sub-fund shall constitute a separate class of shares in the Fund, except for the founder shares, which shall not constitute a separate sub-fund. Each sub-fund shall be constituted by separate classes of shares.

Founder shares shall be the only class of shares in the Fund carrying voting rights and shall rank pari passu among themselves in all respects. All other classes of shares shall not, unless the terms under which they are issued provide otherwise, be entitled to vote. The Founder Shares do not carry a right to participate in any dividends or other distributions of the Fund or in the assets of the Fund on a winding up (other than the return of the paid up capital after payment of all amounts due to the Investor Shares).

Investor shares may be issued and redeemed at prices based on the value of the sub-fund's net asset value as determined in accordance with the articles of association.

# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

### 10. Share capital (continued)

#### *Issued share capital (continued)*

The Fund's obligations in connection with the redemption of the investor shares are disclosed in the liquidity risk section of note 14. The directors do not envisage that the contractual obligations disclosed in that note will be representative of the actual cash outflows. The Investor Shares of each sub-fund participate in the assets of the respective sub-fund and in any dividends, and distributions of the Fund relating to the respective sub-fund, upon liquidation.

#### **Redeemable shares**

	Numbers of Shares Class A	Numbers of Shares Class B
Balance as at 1 September 2019	48,225.26	12,174.11
Issue of redeemable shares during the year	1,621.39	2,286.13
Redemption of redeemable shares during the year	(5,211.18)	(11,280.40)
Balance as at 31 August 2020	<u>44,635.47</u>	<u>3,179.84</u>

	Numbers of Shares Class A	Numbers of Shares Class B
Balance as at 1 September 2018	46,383.95	31,160.16
Issue of redeemable shares during the year	6,772.25	1,408.99
Redemption of redeemable shares during the year	(4,930.94)	(20,395.04)
Balance as at 31 August 2019	<u>48,225.26</u>	<u>12,174.11</u>

The amounts received and paid on the creation and redemption of shares are disclosed in the statement of changes in net assets attributable to holders of redeemable shares on page 8.

### 11. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise bank balances, fiduciary deposits as well as margin deposits held in respect of open future and option contracts. The following statement lists the financial position amounts:

	2020 EUR	2019 EUR
Cash and cash equivalents held in banks	<u>309,272</u>	<u>2,916,763</u>
	<u>309,272</u>	<u>2,916,763</u>

Cash at bank earns interest at floating rates based on bank deposit rates. The Fund did not hold any open future contracts as at 31 August 2020 and 31 August 2019.

# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

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### 12. Related party disclosures

During the year, the Fund entered into transactions with key management personnel as set out below:

Mr. Claudio Palladini is a director and founder member of the Fund. Mr. Tom Anastasi is both director of the Fund and director of Praude Asset Management Limited, the investment manager of the Fund. During the year under review, the Fund incurred management fees amounting to *EUR 2,621,271* (2019: *EUR 3,332,420*) and no performance fees (2019: *Nil*). Directors' fees amounting to *EUR 30,082* (2019: *EUR 25,743*) were incurred during the year.

The fund secretary of the Hermes Linder Fund Sicav plc, Mr. Maximilian Galea, is also a corporate executive of Praude Asset Management Limited. During the year under review, the Fund incurred secretarial fees amounting to *EUR 3,235* (2019: *EUR 4,563*).

### 13. Fair values of financial assets and financial liabilities

At 31 August 2020 and 2019, the fair value of listed investments is based on quoted prices in an active market at the end of the reporting period. Pursuant to the adoption of IFRS 13 "Fair Value Measurement", the quoted market price used for financial assets and liabilities held by the Fund is the price within the bid-ask spread that is most representative of the fair value in the circumstances to be used to measure fair value. The fair values of derivative contracts are valued by reference to the price at which a new contract of the same size and maturity could be undertaken at valuation date. At 31 August 2020 and 2019 the carrying amounts of other financial assets and financial liabilities classified with assets and liabilities respectively approximated their fair values due to short-term maturities of these assets and liabilities.

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from inputs that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.



# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

### 13. Fair values of financial assets and financial liabilities (continued)

The determination of what constitutes ‘observable’ requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund’s financial assets and financial liabilities measured at fair value for 31 August 2020 and 31 August 2019.

#### Financial assets and financial liabilities at fair value as at 31 August 2020

	Total EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
Financial assets held for trading				
- Equity instruments	207,834,534	207,834,534	-	-
- Debt instruments	9,657,333	9,657,333	-	-
- Derivative financial instruments	56,975	56,975	-	-
	<u>217,548,842</u>	<u>217,548,842</u>	-	-

#### Financial assets and financial liabilities at fair value as at 31 August 2019

	Total EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
Financial assets held for trading				
- Equity instruments	258,297,201	258,297,201	-	-
- Debt instruments	6,505,834	6,505,834	-	-
- Derivative financial instruments	29,206	29,206	-	-
	<u>264,832,241</u>	<u>264,832,241</u>	-	-

# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

### 13. Fair values of financial assets and financial liabilities (continued)

The following table analyses within the fair value hierarchy the Fund's assets and liabilities not measured at fair value for which fair value is disclosed:

2020	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
<b>Assets</b>				
Receivables	-	962,281	-	962,281
Cash and cash equivalents	309,272	-	-	309,272
<b>Total</b>	<b>309,272</b>	<b>962,281</b>	<b>-</b>	<b>1,271,553</b>
<b>Liabilities</b>				
Payables	-	630,666	-	630,666
Net assets attributable to holders of redeemable shares	-	218,189,729	-	218,189,729
<b>Total</b>	<b>-</b>	<b>218,720,494</b>	<b>-</b>	<b>218,820,395</b>
<b>2019</b>	<b>Level 1 EUR</b>	<b>Level 2 EUR</b>	<b>Level 3 EUR</b>	<b>Total EUR</b>
<b>Assets</b>				
Receivables	-	74,881	-	74,881
Cash and cash equivalents	2,916,763	-	-	2,916,763
<b>Total</b>	<b>2,916,763</b>	<b>74,881</b>	<b>-</b>	<b>2,991,644</b>
<b>Liabilities</b>				
Payables	-	502,732	-	502,732
Net assets attributable to holders of redeemable shares	-	267,321,153	-	267,321,153
<b>Total</b>	<b>-</b>	<b>267,823,885</b>	<b>-</b>	<b>267,823,885</b>

The fair values of other financial assets and financial liabilities are not materially different from their carrying amounts.

Cash and cash equivalents include deposits held with banks.

The fees payable and accruals represent the contractual amounts and obligations due by the Fund for settlement of expenses.

# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

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### 13. Fair values of financial assets and financial liabilities (continued)

The puttable value of redeemable shares is calculated based on the net difference between total assets and all other liabilities of the Sub-Fund in accordance with the offering documents. A demand feature is attached to these shares, as they are redeemable at the holders' option and can be put back to the Sub-Fund at any dealing date for cash equal to a proportionate share of the Sub-Fund's net asset value attributable to the share class. The fair value is based on the amount payable on demand, discounted from the first date that the amount could be required to be paid. The impact of discounting in this instance is not material. As such, Level 2 is deemed to be the most appropriate categorisation for net assets attributable to holders of redeemable shares.

### 14. Financial risk management

#### *Risk management*

Where possible, the Fund aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements. The activities of the Fund expose it to a variety of financial risks: market risk (including price risk, interest rate risk and currency risk), credit risk and liquidity risk.

#### *Market risk*

The Fund trades in financial instruments, taking positions in traded instruments including derivatives. All securities present a risk of loss of capital. The Fund moderates this risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Fund's overall market positions are monitored on a regular basis by the Fund's investment manager. The Fund's exposure to the different types of investments is summarised in note 6 to the financial statements.

At the year-end, the Fund's market risk is affected by three main components: changes in actual market prices, interest rates and foreign currency movements, all of which are covered below.

#### *Price risk*

Price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices whether caused by factors specific to an individual investment, its issuer or all other factors affecting all instruments traded in the market.



# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

### 14. Financial risk management (continued)

#### *Price risk (continued)*

The Fund's equity, debt instruments and trading derivative financial instruments are susceptible to price risk arising from uncertainties about future prices of the instruments.

As all of the Fund's financial instruments are carried at fair value with fair value changes recognised in the statement of comprehensive income, all changes in market price will directly affect net investment income as shown in the statement of profit or loss and other comprehensive income on page 6.

Price risk is mitigated by the Fund's investment manager by constructing a diversified portfolio of instruments traded on various markets. In addition, price risk may be hedged using derivative financial instruments such as forwards, futures and options. The Fund may employ various techniques and enter into hedging transactions to attempt to mitigate a portion of the risks inherent to its investment strategies. The Fund did not use derivative financial instruments for speculative purposes and had not designated any of its derivative financial instruments in a hedging relationship for accounting purposes.

The following is an analysis of the Fund's industry diversification as at the reporting date:

	2020	2019
	% of net assets	% of net assets
Financial Services Industry	21.83	11.10
Basic material	8.95	2.21
Industrials	37.84	47.87
Consumer services	12.86	21.19
Telecommunications	9.12	4.76
Consumer goods	7.16	7.01
Other	1.94	4.94

Due to COVID-19, current market conditions are volatile, exposing the company to higher price risks. The situation is on-going and being monitored by the portfolio manager of the company's sub-fund.

#### *Interest rate risk*

Interest rate risk represents the accounting loss that would be recognised should changes in interest rates adversely affect the value of the Fund's investments.

At the statement of financial position date, only 4.44% (2019: 2.46%) of the financial assets of the Fund are interest bearing. Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by restructuring its financing structure.

Except as mentioned above, the financial instruments of the Fund are non-interest bearing except for cash at bank which earns interest at floating rates based on bank deposit rates.

# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

### 14. Financial risk management (continued)

#### *Interest rate risk (continued)*

Investment in equity instruments and derivative financial instruments are not exposed to interest rate risk.

The carrying amounts of the Fund's financial instruments carrying a rate of interest at the reporting date are disclosed in the notes to the financial statements.

#### *Currency risk*

Currency fluctuations between the base currency of the Fund, and the currency of the underlying investments of the Fund, may adversely affect the portion of the value of investments and the income derived there from. The currency denomination of the Fund's net asset excluding positions in forward foreign exchange contracts is as follows:

	2020	2019
	% of net assets	% of net assets
	EUR	EUR
- denominated in EUR	88.52	83.37
- denominated in CHF	9.43	12.58
- denominated in SGD	0.00	0.94
- denominated in CAD	0.00	0.07
- denominated in SEK	0.00	-
- denominated in HKD	-	0.00
- denominated in GBP	-	0.02
- denominated in PLN	1.90	2.06
- denominated in NOK	-	0.93
- denominated in SEK	0.00	-
	99.85	99.97

There were no open forward contracts as at 31 August 2020 and 2019.

The risk arising from foreign currency transactions is managed by regular monitoring of the relevant rates and management's reactions to material movement thereto.

#### *Sensitivity analysis*

For financial instruments held or issued, the Fund has used sensitivity analysis techniques that measure the change in the fair value of the Fund's financial instruments at the reporting date for hypothetical changes in the relevant market risk variables.

# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

### 14. Financial risk management (continued)

#### *Sensitivity analysis (continued)*

The sensitivity of profit or loss due to changes in the relevant risk variables are set out below.

The amounts generated from the sensitivity analysis are forward-looking estimates of market risk assuming certain market conditions. Actual results in the future may differ materially from those projected results due to the inherent uncertainty of global financial markets. The sensitivity analysis is for illustrative purposes only, as in practice market rates rarely change in isolation and are likely to be interdependent.

The estimated change in fair values for changes in exchange rates is based on an instantaneous increase or decrease of 10%, with all other variables remaining constant.

The estimated change in fair values for changes in financial instruments prices is based on an instantaneous increase or decrease of 10% at the reporting date, with all other variables remaining constant.

The estimated change in fair values for changes in market interest rates are based on an instantaneous increase or decrease of 200 basis points at the reporting date, with all other variables remaining constant.

	<b>Profit or loss</b>	<b>Profit or loss</b>
	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Currency exchange risks	<b>+/-2,472,811</b>	<b>+/-4,444,633</b>
Financial instruments prices	<b>+/-21,754,884</b>	<b>+/-26,483,224</b>
Market interest rates – fair value	<b>+/-197,334</b>	<b>+/-130,117</b>

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year-end exposure does not reflect the exposure during the year.

#### *Liquidity risk*

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with its financial liabilities. The Fund's offering documents provide for the creation and cancellation of shares, and are therefore exposed to the liquidity risk of meeting shareholders' redemptions at any time.



# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

### 14. Financial risk management (continued)

#### *Liquidity risk (continued)*

The Fund is exposed to daily cash redemptions of redeemable shares. Redeemable shares are redeemed on demand at the holder's option. Notwithstanding, the Fund has the option to limit the number of investor shares redeemed on any redemption day to 5 % of the total NAV of the Fund on that redemption day. In addition the directors have the right to suspend the calculation of the net asset value and no redemptions shall take place during such period. All other liabilities are due within one to three months.

A significant portion of the Fund's assets is maintained as cash and cash equivalents in order to meet unexpected redemptions and other liabilities. In addition the Fund's listed securities are considered to be readily realisable as they are listed on recognised stock exchanges.

The following tables show the contractual, undiscounted cash flows of the Fund's financial liabilities at 31 August 2020 and 31 August 2019.

2020	Less than 1 month EUR	1-3 months EUR	Total EUR
<b>Financial liabilities</b>			
Custodian fee payable	-	13,527	13,527
Redemption payable	99,901	-	99,901
Other fees payable	508,683	8,555	517,238
Amounts due on securities purchased	-	-	-
Net assets attributable to participating shareholders	218,189,729	-	218,189,729
 2019	 Less than 1 month EUR	 1-3 months EUR	 Total EUR
<b>Financial liabilities</b>			
Custodian fee payable	-	16,944	16,944
Redemption payable	-	-	-
Other fees payable	377,904	10,661	388,565
Amounts due on securities purchased	97,223	-	97,223
Net assets attributable to participating shareholders	267,321,153	-	267,321,153

In accordance with the Fund's policy, the investment manager monitors the Fund's liquidity position on a regular basis.

# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

### 14. Financial risk management (continued)

#### *Credit risk*

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Fund. The Fund has policies that limit the amount of credit exposure to any single issuer. Accordingly, the investment manager monitors the Fund's credit position on a regular basis. Financial assets, which potentially subject the Fund to credit risk, consist principally of trade and other receivables, cash and cash equivalents and debt instruments.

Trade and other receivables mainly constitute accrued income and preplaced transactions.

These receivables are all short-term. Accordingly, the Fund has no significant credit risk in respect of accounts receivable.

Cash and cash equivalents and derivative instruments are respectively held and entered into with reputable counterparties, with a Standard & Poor's credit rating of BBB- (2019: BBB).

Credit risk arising on other debt instruments held in 2020 and 2019 is shown below:

2020	Credit rating	Market value 2020	% of net assets
Greenyard Fresh NV 3.75% 2021	Not rated	9,657,333	4.43
2019	Credit rating	Market value 2019	% of net assets
PNE Wind AG 3.75% 2019	Not rated	130,977	0.05
Piteco SPA 4.5% 2020	Not rated	573,215	0.21
Greenyard Fresh NV 3.75% 2021	Not rated	5,801,642	2.17

#### *Offsetting financial assets and liabilities*

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

### 14. Financial risk management (continued)

*Credit risk (continued)*

*Offsetting financial assets and liabilities (continued)*

				Related amounts not set off in the financial statements		
	Gross financial assets	Gross financial liabilities off-set	Net amount of presented financial assets	Financial instruments	Financial collateral received	Net amount
	EUR	EUR	EUR	EUR	EUR	EUR
2020						
Financial assets						
Cash and cash equivalents	209,371	-	209,371	-	-	209,371

				Related amounts not set off in the financial statements		
	Gross financial assets	Gross financial liabilities off-set	Net amount of presented financial assets	Financial instruments	Financial collateral received	Net amount
	EUR	EUR	EUR	EUR	EUR	EUR
2020						
Financial assets						
Cash and cash equivalents	2,916,763	-	2,916,763	-	-	2,916,763

# HERMES LINDER FUND SICAV PLC

## Notes to the financial statements

31 August 2020

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### 14. Financial risk management (continued)

#### *Capital risk management*

The Fund's capital is represented by redeemable shares with no par value and with no voting rights. They are entitled for payment of a proportionate share based on the Fund's net asset value per share on the redemption date.

The Fund has the option to limit the number of Investor Shares in any sub-fund repurchased on any redemption day to 5% of the total net asset value of that sub-fund on that redemption day. The relevant movements are shown in the statement of changes in net assets attributable to holders of redeemable shares. The sub-fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of listed securities where necessary.

### 15. Events after the reporting year

Hermes Linder Fund SICAV PLC is being redomiciled to Luxembourg on 26 November 2020.

For the period from 1 September 2020 to the latest available published NAV, there have been subscription submissions of EUR639,198 and redemption requests of EUR1,839,072.

In the first quarter of 2020, the World Health Organization declared a global health pandemic due to the spread of the "COVID-19" virus. COVID-19 is causing significant market volatility. Although the pandemic broke out during the period covered by these financial statement, effects of this pandemic are still on-going and the situation continues to evolve subsequent to year end.



# HERMES LINDER FUND SICAV PLC

## Portfolio Statement

Year ended 31 August 2020

	Market Value 31.08.2020 EUR	% of Net Assets
<b>QUOTED EQUITIES</b>		
FLUGHAFEN WIEN	7,636,174.00	3.50
ANDRITZ	1,786,681.00	0.82
PALFINGER	387,789.00	0.18
ROSENBAUER INTL.	1,247,266.00	0.57
BUCHER INDUSTRIES	2,259,946.00	1.04
SWISS LIFE HOLDING	1,858,636.00	0.85
JUNGFRAUBAHN 'R'	2,799,747.00	1.28
VAUDOISE 'B'	5,108,552.00	2.34
FLUGHAFEN ZURICH	4,271,760.00	1.96
HELVETIA HOLDING N	4,278,048.00	1.96
SMT SCHARF	589,688.00	0.27
OHB	4,641,798.00	2.13
KRONES	2,971,179.00	1.36
KOENIG & BAUER	1,362,814.00	0.62
WUESTENROT & WUERTT.	9,359,081.00	4.29
HAMB.HAFEN UD.LOGISTIK	2,579,634.00	1.18
TECHNOTRANS (XET)	1,004,060.00	0.46
ADESSO	8,482,106.00	3.89
KINGHERO AG	-	0.00
SCHALTBAU HOLDING N	8,467,524.00	3.88
WACKER NEUSON	7,577,781.00	3.47
TALGO	1,330,499.00	0.61
GRUPO CATALANA OCCIDENTE	3,350,022.00	1.54
NH HOTEL GR	1,516,203.00	0.69
PSB INDUSTRIES	562,589.00	0.26
SAVENCIA	3,045,053.00	1.40
CNP ASSURANCES	2,528,988.00	1.16
FIGEAC AERO	90,856.00	0.04
FBD HOLDINGS	1,834,721.00	0.84
CPL RESOURCES	6,653,332.00	3.05
TOTAL PRODUCE	3,478,680.00	1.59
DALATA HOTEL GROUP	2,627,528.00	1.20
IRISH CONT.GP.UNT.	841,048.00	0.39
FNM	3,856,423.00	1.77
DANIELI & C RSP	615,149.00	0.28
AUTOSTRADA MERIDIONALI	6,444,690.00	2.95
CATTOLICA ASSICURAZIONI	7,723,308.00	3.54
BASICNET	1,362,477.00	0.62
SOL	10,850.00	0.00
A2A	1,015,090.00	0.47
BUZZI UNICEM RSP	10,965,102.00	5.03
OPENJOBMETIS SPA AGENZIA	318,211.00	0.15
POSTE ITALIANE	1,065,834.00	0.49

# HERMES LINDER FUND SICAV PLC

## Portfolio Statement (continued)

Year ended 31 August 2020

	Market Value	% of
	31.08.2020	Net Assets
	EUR	
<b>QUOTED EQUITIES (Continued)</b>		
SAFILO GROUP	1,881,177	0.86
SESA	8,610,600	3.95
PITECO	705,724	0.32
ITAL WINE BRANDS	6,107,121	2.80
LUVE	148,776	0.07
AVIO	6,815,784	3.12
ORSERO	5,771,175	2.65
OPENJOBMETIS SPA AGENZIA	5,418,000	2.48
SITI-B&T GR	376,218	0.17
EL EN	3,215,337	1.47
GPI	634,550	0.29
SOMEC	458,519	0.21
NB AURORA SICAF- RAIF A	348,107	0.16
ICT GROUP	1,421,173	0.65
DPA GROUP	1,532,318	0.70
NN GROUP	1,792,415	0.82
BRUNEL INTL.	853,464	0.39
ASR NEDERLAND	5,309,178	2.43
CEMENTIR HOLDING N.V.	7,406,433	3.39
WARSAW STOCK EXCHANGE	4,145,291	1.90
LUVE	4,976,257	2.28
	<b>207,834,534</b>	<b>95.25</b>
<b>Quoted Corporate Bonds</b>		
Greenyard 3.75% 2021	9,657,333	4.43
	<b>9,657,333</b>	<b>4.43</b>
<b>Derivatives – Equity warrants</b>		
D Amico 2019 WTS	13,263	0.01
VEI 1 2023 CVD.WT	43,713	0.02
	<b>56,975</b>	<b>0.03</b>

# HERMES LINDER FUND SICAV PLC

## Statement of Changes in the Composition of the Portfolio

Year ended 31 August 2020

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The composition of the portfolio, detailed in the Portfolio Statement on pages 32 to 33, in comparison with the Portfolio Statement as at 31 August 2019 stood as follows:

	% of net assets 31.08.2020	% of net assets 31.08.2019
Quoted Equities	95.25	96.62
Quoted Convertible Bonds	4.43	2.43
Warrants	0.03	0.01

# HERMES LINDER FUND SICAV PLC

## Salient statistics and information about the Fund

Year ended 31 August 2020

Hermes Linder Fund SICAV PLC (“the Fund”) was originally re-domiciled to Malta from the British Virgin Islands on 25 March 2009 and registered as a Professional Investor Fund licensed by the Malta Financial Services Authority as a multi-fund limited liability company with variable share capital targeting experienced investors.

With effect from 1 September 2010, the fund was converted to a qualifying ‘Maltese UCITS’ scheme in terms of the Council directive for Undertakings for Collective Investment in Transferable Securities 85/611/EEC (as amended) and Management Companies Regulations, 2004 (as amended).

The Fund, to date, has established one sub-fund – Hermes Linder Fund.

### Net Asset Value per investor share

The Net Asset Value per share is determined by dividing the net asset value of investor shares by the shares in issue at the statement of financial position date.

	Hermes Linder Fund Class A Number of shares 2020	Hermes Linder Fund Class B Number of shares 2020	Hermes Linder Fund Total Number of shares 2020
Investor shares in issue as at 31 August 2020	44,635.47	3,179.84	47,815.31
Net asset value of investor shares as per statement of financial position	212,822,820	5,366,909	218,189,729
Temporary differences	(115,897)	(2,923)	(118,820)
Net asset value of investor shares as at official valuation date 31 August 2020	212,706,923	5,363,986	218,070,909
Net asset value of investor shares as at official valuation Date 31 August 2020	4,765.424	1,686.871	-



# HERMES LINDER FUND SICAV PLC

## Salient statistics and information about the Fund (continued)

Year ended 31 August 2020

	Hermes Linder Fund Class A Number of shares 2019	Hermes Linder Fund Class B Number of shares 2019	Hermes Linder Fund Total Number of shares 2019
Investor shares in issue as at 31 August 2019	48,225.26	12,174.11	60,399.37
Net asset value of investor shares as per statement of financial position	245,189,333	22,131,820	267,321,153
Temporary differences	(695)	(63)	(758)
Net asset value of investor shares as at official valuation date 31 August 2019	245,188,638	22,131,757	267,320,395
Net asset value of investor shares as at official valuation Date 31 August 2019	5,084.236	1,817.937	-

## Independent auditor's report

to the members of  
**Hermes Linder Fund SICAV plc**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Hermes Linder Fund SICAV plc (the Fund), set out on pages 6 to 31, which comprise the statement of financial position as at 31 August 2020, and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to holders of redeemable shares and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* (Maltese Code) that are relevant to our audit of the financial statements in Malta, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Maltese Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Information Other than the Financial Statements and the Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the company information on page 2, the directors' report on pages 3 and 4, the statement of directors' responsibilities on page 5, the portfolio statement on pages 32 and 33, the statement of changes in the composition of the portfolio on page 34, the salient statistics and information about the Fund on pages 35 and 36, the investment manager's report on pages 40 to 45, the information for the investors in Switzerland on page 46 and the custodian report on page 47, but does not include the financial statements and our auditor's report thereon.

Except for our opinion on the directors' report in accordance with the Companies Act (Cap. 386), our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

With respect to the Directors' report, we also considered whether the Directors' report includes the disclosure requirements of Article 177 of the Companies Act (Cap. 386).

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## Independent auditor's report (continued)

to the members of  
**Hermes Linder Fund SICAV plc**

### **Information Other than the Financial Statements and the Auditor's Report Thereon (continued)**

In accordance with the requirements of sub-article 179(3) of the Companies Act (Cap. 386) in relation to the Directors' Report on pages 3 and 4, in our opinion, based on the work undertaken in the course of the audit:

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

### **Responsibilities of the Directors for the Financial Statements**

As explained more fully in the statement of directors' responsibilities on page 5, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Companies Act (Cap.386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

## Independent auditor's report (continued)

to the members of

**Hermes Linder Fund SICAV plc**

### **Auditor's Responsibilities for the Audit of the Financial Statements**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Report on Other Legal and Regulatory Requirements**

Under the Companies Act (Cap. 386), we have responsibilities to report to you if in our opinion:

- Proper accounting records have not been kept;
- Proper returns adequate for our audit have not been received from branches not visited by us;
- The financial statements are not in agreement with the accounting records and returns; or
- We have been unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

We have nothing to report to you in respect of these responsibilities.



Sarah Curmi as Director  
in the name and on behalf of

**Deloitte Audit Limited**

Registered auditor

Deloitte Place,  
Central Business District, Birkirkara, Malta

26 November 2020



# HERMES LINDER FUND SICAV PLC

## Investment Manager's Report

Year ended 31 August 2020

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### Introduction

Hermes Linder Fund is an open-ended collective investment scheme organised as a multi-fund limited liability company with variable share capital registered under the laws of Malta and licensed by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the Laws of Malta). The Company qualifies as a "Maltese UCITS" in terms of the Investment Services Act (Marketing of UCITS) Regulations 2011 (Legal Notice 241 of 2011).

### Investment Objective

Hermes Linder Fund aims to achieve long-term appreciation principally through value investing in listed securities.

### Strategy & Investment Policy

The policy adopted by the Fund has been that of investing most of its assets in securities quoted on the major exchanges of the developed world. The Fund focuses on value and is willing to withstand the added risks that are associated with small caps provided that the risk taken is adequately justified by prospective reward in the medium-long term. Positions are usually held, on average, for a number of years and the turnover is limited. On an ongoing basis, at least 20% of the assets are always invested in very liquid securities. Additionally, derivatives may be used mainly for efficient portfolio management and to a limited extent for investment purposes.

### Report of the Investment Manager

For the financial year ending 31<sup>st</sup> August 2020, Hermes Class A was down 6.27% and Class B was down 7.21%. The first part of the financial year showed upward momentum, with the Fund rising 11.38% (Class A) and 10.99% (Class B) until the start of the market crash driven by COVID-19, beginning on the 20<sup>th</sup> February 2020. In the month that followed, the Fund lost 33.4% (Class A) and 33.53% (Class B). From the low point on 18<sup>th</sup> March to the end of the financial year, the Fund regained 26.35% (Class A) and 25.78% (Class B).

The Fund is not managed in accordance with any benchmark. Merely as a point of reference we can note that, during the financial year under review, the Euro Stoxx 50 returned -4.50% and the Stoxx Europe 600 returned -3.42%. The Bloomberg Barclays EuroAgg Total Return Index (consisting of investment grade, euro-denominated, fixed-rate bonds including treasuries, government-related, corporate and securitized issuers) returned -1.09% during this period. The Eurekahedge European Hedge Fund Index (made up of 256 constituent funds investing exclusively in Europe) returned +1.96% during the same period.

Liquidity has been the driving force behind market performance for a number of years but the unprecedented amounts of liquidity that have been unleashed into the market as a response to COVID-19 and its economic consequences have exacerbated this trend. Companies that have access to finance continue to grow not because of the entrepreneurial quality of the management but because they can borrow at low rates and increasingly more often, they borrow not to expand or improve their productive base, but just to enhance the profit per share through their own company share buyback.

# HERMES LINDER FUND SICAV PLC

## Investment Manager's Report (continued)

Year ended 31 August 2020

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Despite the ECB increasing the monetary stimulus from EUR 750 billion to EUR 1.35 trillion as announced in June 2020, the euro area annual inflation rate was -0.2% in August 2020 as measured by Eurostat. Due to the absence of price inflation, Central Banks globally are able to keep on pumping liquidity into the markets without constraint, leading instead to asset price inflation, or, at least, to a decoupling between the fundamental value of the financial assets according to the traditional valuation metrics and market prices. Monetary policies become less effective every day and the only real result is an inefficient and regardless-of-merit deployment of resources. On the other hand, access to credit for ordinary people and smaller companies is becoming more and more difficult every day in many jurisdictions, especially in Europe.

The assets being purchased under the current Pandemic Emergency Purchase Programme (PEPP) include sovereign debt, asset-backed securities, corporate bonds and commercial paper, amongst other categories. As a result, the prices of these assets are being inflated, whilst simultaneously interest rates are being artificially pushed down. Consequently, investors in search of yield – or more precisely, in need of yield like pension funds and life insurance – are being displaced from the investment-grade bond market and are being forced into higher risk asset class categories, including equities. The ones that are able to issue new equity or bonds can largely benefit from this trend, regardless of their merit. On the other side, the same Central Banks that inundate the market with liquidity set tighter rules every day about the ways money can be lent or even only circulate. This translates into a negligible stimulus effect of the enormous liquidity created and only a negligible part of this liquidity reaches small enterprises and consumers. Banks that should be the natural channel to reach these categories are increasingly overregulated, risk-averse institutions that make money through the trading of government bonds and are every day less interested in high risk/reward lending processes where the remuneration is strictly connected to the grade of risk that the banks are willing to accept.

Merit is increasingly becoming irrelevant thanks to a second trend that has been visible in the last years – a shift from active management to passive management. According to data from Morningstar, from January 1995 to March 2020, cumulative net flows to passive mutual funds and ETFs totalled \$5.2 trillion, in comparison to \$1.8 trillion flowing to active funds. Increasing inflows into such passive strategies have two effects: 1) the inflows lead to investments in the indices, causing outperformance of such strategies, leading to them attracting more inflows, and 2) an increased allocation of liquidity in the equity markets to the shares present in the established indices i.e. the larger, more liquid and more well-known companies, regardless of their specific quality.

As a result of the above-mentioned factors, the Fund's strategy of investing in smaller, less liquid, less known companies with attractive valuations has underperformed. Valuation multiples do not appear to be appreciated in the current environment of ever-increasing liquidity and popularity of passive management. However, we believe that the tide must turn. Looking at the continued outperformance of technology stocks, reaching untenable valuations, reminds us of the dotcom bubble. Even if we recognise that the quality of the companies is often outstanding, this doesn't mean that even excellent companies cannot be overpriced. Furthermore, as can be seen from the below chart, value stocks have massively underperformed growth stocks for some years now and we believe that this bifurcation must come to an end.



# HERMES LINDER FUND SICAV PLC

## Investment Manager's Report (continued)

Year ended 31 August 2020



We see in these trends a decoupling of financial markets from hard assets. An example: free cash flow seems irrelevant in many cases but we find it hard to understand how pure cash generation can be irrelevant. In the same way, actual recurrent profits sometimes seem to be worthless in markets' appreciation while promised, uncertain futuristic profits are highly rewarded by the same markets. As we said previously, we recognise that there are technology companies that are changing the world but we also notice that the levels of profit that are generally expected by the markets for the most significant of these companies is such that such a growth rate is incorporated that it comes to pose significant questions about the size of the grip that each of these companies is expected to have on the world economy. We see in many cases a regulatory reaction as unavoidable in order to keep working plural and democratic societies. In other cases, we don't even see this exceptional quality and we expect that time will reduce the hyperbolic multiples that are recognised on these companies even when it can be reasonably assumed that they will be profitable for a long time to come.

For these reasons, the Fund will retain its strategy – to be invested in the real economy in small- to mid-cap companies with a history of reliable profitability and cash generation, capable management and manageable leverage, with attractive valuations compared to their peers. Additionally, we also look at bonds of companies that are in jeopardy which we believe will turn around and will have adequate liquidity available to pay back its debts and we also look at special situations where a known profit can be made over a relatively short time period.

We will now examine the stocks which had the most negative and most positive impact on the Fund's performance during the period under review.

Two of the worst performers during the Financial Year were the two airports Flughafen Wien (with its share price falling 30.2% during the period) and Flughafen Zurich (with its share price falling 25.11%).



# HERMES LINDER FUND SICAV PLC

## Investment Manager's Report (continued)

Year ended 31 August 2020

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The impact on passenger numbers could clearly be seen in Flughafen Wien's statement noting that during the main summer travel season, they had a passenger volume of around 25% compared to the prior year. Furthermore, they note that a further decline is expected in the subsequent months due to the numerous different travel regulations across Europe which are holding back international aviation completely. Flughafen Zurich faced a similar environment with August passenger traffic down nearly 77% year on year. In response to these deteriorating conditions, both airports have reduced their operating and capital expenditure, introduced short-time working and have cancelled their dividend. The position in Flughafen Wien was trimmed slightly due to the negative sentiment. However, as air traffic and profitability recovers, the Manager believes that there is substantial value to be found in this share. The Price/Book ratio is now 1.5 at the time of writing and therefore the downside risk has now been sharply reduced. Furthermore, in the most recent Half Year Manager's Report, the Manager explained the reasons (unrelated to COVID-19) for reducing the position in Flughafen Zurich – the share which was the largest holding in the Fund for over a decade and made remarkable returns during that time. After years of Flughafen Zurich earning a high return relative to its cost of capital, the regulator's intentions now seem to be to reduce the difference between the two and consequently, the Manager believes that the prospects for the company aren't as optimistic anymore as in the past. This holding was further reduced in the second half of the financial year.

The best performing holding during the period was Sesa SpA, rising from €32.75 to €75 per share during the period under review. This price increase was fuelled by the increasing importance of digital transformation which is being emphasised by the lockdowns. The same can be said for Adesso SE, the third best performing position during the period, which had its share price rise from €50.90 to €73.60 during the financial year. Also in Adesso's case, management commented that COVID-19 brings more mid-term opportunities than short term risks. Sesa and Adesso became, respectively, the fourth and fifth largest holdings in the Fund as at the end of the financial year.

The second-best performing holding in the Fund was the Greenyard 2021 convertible bond which went up from €57.44 at the beginning of the financial year to €87 at year end. Greenyard is a Belgian seller of fresh, frozen and prepared fruit and vegetables which faced various challenges in 2018 and 2019, causing the bond to trade at distressed levels. The bond started to move up after a successful transformation plan which included entering into long-term integrated partnerships with various well-known chains such as Delhaize, Carrefour Belgium, REWE Group and Tesco. The company now expects to reach an adjusted EBITDA for the next financial year between €100m and €105m and the company now has a market cap of €220m, giving the Manager comfort that the bond will be repaid in full next year. The Greenyard bond was the second largest holding of the Fund as at the end of the financial year.

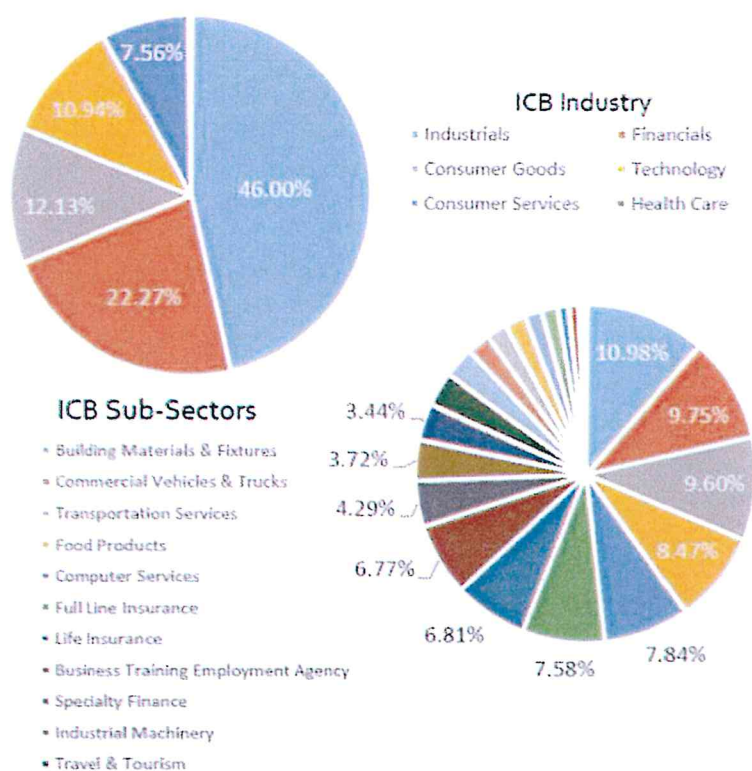
To conclude, as previously mentioned, the Manager will stick to the strategy which the Fund has always followed – looking for undervalued, resilient small to mid-caps, with a focus on attractive multiples, reliable profitability and low leverage. Although the short future strategy implemented during the Financial Year was profitable, currently there are no more short future positions in place in the portfolio as this is too risky in the current environment of ever-increasing liquidity as well as volatility.



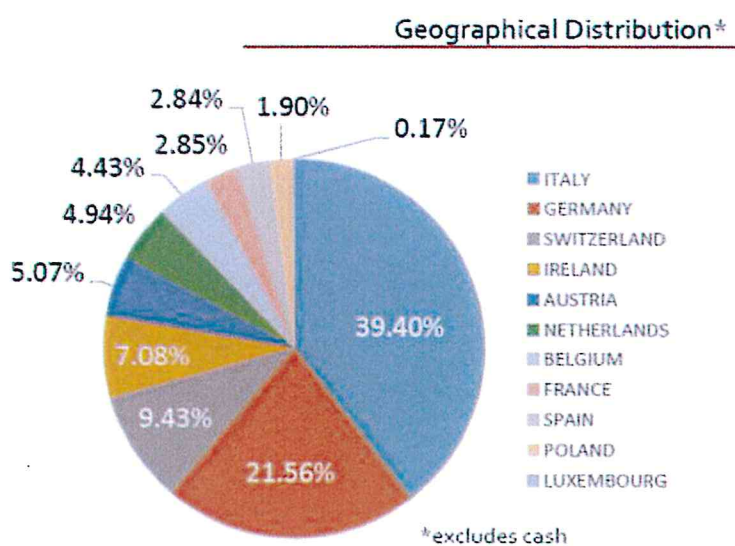
# HERMES LINDER FUND SICAV PLC

## Investment Manager's Report (continued)

Year ended 31 August 2020



Industrial diversification as at end August 2020



Geographical Diversification as at end August 2020

# HERMES LINDER FUND SICAV PLC

## Investment Manager's Report (continued)

Year ended 31 August 2020

### Five largest holdings as at end August 2020

Rank	Security	Type	Country	Industry	Sub-Sector	% of Portfolio
1	Buzzi Unicem SpA	Equities	ITALY	Industrials	Building Materials & Fixtures	5.03%
2	BRYFO 3 3/4 12/22/21	Bonds	BELGIUM	Consumer Goods	Food Products	4.43%
3	Wuestenrot & Wuertembergische	Equities	GERMANY	Financials	Specialty Finance	4.29%
4	Sesa SpA	Equities	ITALY	Technology	Computer Services	3.95%
5	Adesso SE	Equities	GERMANY	Technology	Computer Services	3.89%

### Asset Allocation as at end of August 2020

	% of NAV
Equities	95.25%
Bonds	4.43%
Cash	0.14%
Warrants	0.03%

### Published Net Asset Value Per Share, Number of Shares and Net Asset Value

28<sup>th</sup> February 2020

Share Class	Net Asset Value per Share	Number of Shares in Issue	Net Asset Value
A	€4,998.083	46,325.97	€231,541,072.83
B	€1,778.221	9,481.074	€16,859,452.34
C	N/A	N/A	N/A

31<sup>st</sup> August 2020

Share Class	Net Asset Value per Share	Number of Shares in Issue	Net Asset Value
A	€4,765.424	44,635.466	€212,706,923.15
B	€1,686.871	3,179.842	€5,363,986.12
C	N/A	N/A	N/A

**Note: The opinions expressed are given in good faith and should not be construed as investment advice.**

# HERMES LINDER FUND SICAV PLC

## Information for investors in Switzerland (unaudited)

For the year ended 31 August 2020

The Fund is an umbrella investment company with capital incorporated in Malta. It has appointed Société Générale, Paris, Zurich Branch, Talacker 50, 8001 Zurich, Switzerland, as representative and paying agent for Switzerland. The prospectus, the Key Investor Information Document (KIID), memorandum and articles of association and a list of the purchases and sales made on behalf of the Fund can be obtained from the representative, Société Générale, at the address above, free of charge.

Investors should contact the Swiss representative at the above address should they require additional information, e.g. on performance including the composition of the relevant indices where applicable. Unaudited Performance Record for the year ended 31 August 2020 and comparative figures for the years ended 31 August 2019 and 31 August 2018.

### 31 August 2020

	31.08.2020	31.08.2019	31.08.2018
Share Class A EUR	(6.27)%	(6.18)%	(3.67)%
Share Class B EUR	(7.21)%	(7.12)%	(4.63)%

Source: The returns stated above are annualized and calculated from the NAV per share as disclosed in the financial statements of the Fund for the year ended 31 August 2020.

***Past performance is not a guide to current or future performance. The value of an investment can fall as well as rise resulting from fluctuations and investors may not get back the amount originally invested. This performance data does not take account of the commissions and costs incurred on the issue and redemption of redeemable participating shares.***

### Total Expense Ratios – Unaudited

The Total Expense Ratios for each Fund for the years ended 31 August 2020 and the comparative figures for the years ended 31 August 2019 and 31 August 2018 are as follows:

31 August 2020	31.08.2020	31.08.2019	31.08.2018
Share Class A EUR	1.20%	1.23%	1.20%
Share Class B EUR	2.20%	2.23%	2.20%

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he information was established by the Administrator, BOV Fund Services Limited and is based on the data contained in the Income Statement extracted from the annual report and financial statements for the years ended 31 August 2020 and for the comparative years ended 31 August 2019 and 31 August 2018 (Fund management fees, administration fees, custodian fees, all other commissions and expenses appearing as per the breakdown of the Income Statement and not already included in any of the foregoing categories).



## Bank of Valletta

### Finance

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30<sup>th</sup> September 2020

### Annual Report of the Custodian

#### *Hermes Linder Fund SICAV p.l.c.*

We, Bank of Valletta p.l.c., as Custodian to the Hermes Linder Fund SICAV p.l.c ("the Scheme") hereby confirm that having enquired into the conduct of the Manager during the year ended 31<sup>st</sup> August 2020, it is our opinion that during this year, the Company and its Funds have been managed:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of each Fund by the constitutional documents and by the Malta Financial Services Authority,
- (ii) otherwise in accordance with the provisions of the constitutional documents and the Fund's license conditions,

**Kevin Portelli**  
**Head –Custody Services**  
**Bank of Valletta p.l.c.**