

# Hermes Linder Fund SICAV

*Société d'Investissement à Capital Variable (SICAV)*

**Annual Report, including Audited Financial Statements**

**As at August 31, 2021**

R.C.S. Number B 249 446

# Hermes Linder Fund SICAV

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# Hermes Linder Fund SICAV

## Management and Organisation

### **Registered Office of the Fund:**

14, Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

### **Board of Directors of the Fund:**

Dr. Antonia Zammit  
Chief Executive Officer of Praude Asset Management Limited

Ms. Caroline Nabbe  
Portfolio Manager of Praude Asset Management Limited

Mr. Charles Muller  
Independent Director

Ms. Jane Wilkinson  
Independent Director

### **Management Company:**

Praude Asset Management Limited  
Level 14, Portomaso Business Tower  
Portomaso  
St Julians STJ4011  
Malta

### **Legal Advisors:**

Ganado SARL  
15A, Boulevard Grande-Duchesse Charlotte  
L-1331 Luxembourg  
Grand Duchy of Luxembourg

### **Depository and Paying Agent:**

RBC Investor Services Bank S.A.  
14, Porte de France  
L - 4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

### **Central Administration (Domiciliation Agent, Administrative Agent, Registrar and Transfer Agent):**

RBC Investor Services Bank S.A.  
14, Porte de France  
L - 4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

### **Auditor:**

Deloitte Audit  
20, Boulevard de Kockelscheuer  
L-1821 Luxembourg  
Grand Duchy of Luxembourg

# Hermes Linder Fund SICAV

## Report of the Board of Directors for the Period Ended August 31, 2021

### Covering the Period November 27, 2020 until August 31, 2021

The Directors present their report and the audited financial statements of Hermes Linder Fund SICAV (the “Company”) for the period November 27, 2020 to August 31, 2021.

#### Significant changes to the Company Documents

There have been changes to the Prospectus throughout this period and the said changes related to:

Prospectus dated February 26, 2021:

- Certain disclosures required to be compliant with the EU Regulation on sustainability-related disclosures in the financial services sector.

Prospectus dated September 1, 2021 (all changes were notified to the shareholders pursuant to notice dated August 19, 2021):

- Changes made to the performance fee calculation in accordance with the ESMA guidelines.
- Clarification regarding the change of directors of Praude Asset Management Limited.
- Changes in relation to imprecisions and typographical errors.
- Changes to data protection disclosures requested by the central administrator.

#### Description of the Company

Hermes Linder Fund SICAV is an undertaking for collective investment in transferable securities (UCITS) in the form of an open-ended investment company with variable share capital (*société d'investissement à capital variable*) subject to the Luxembourg law of December 17, 2010 relating to undertakings for collective investment, as amended. The Fund is registered with the Luxembourg Register of Commerce and Companies under number B249446.

#### Continuation of the Company to Luxembourg

Prior to the continuation of the Company to Luxembourg that was effective on the November 27, 2020, the Company was a SICAV registered and licensed in Malta as a UCITS fund. On the May 8, 2020 a general meeting of the Company's shareholders was held and those present approved the continuation of the Company to Luxembourg. The Fund went from having three share classes to five to be in line with the requirements of the Luxembourg tax d'abonnement rules whereby institutional and retail investors are segregated and subject to different rates of said tax.

#### Principal Activities:

The principal activity of the Company is to achieve its investment objectives as defined in the Prospectus. The Company has one sub-fund; the Hermes Linder Fund (the “Sub-Fund”) which now has 5 share classes; Class AI, Class AR, Class BI, Class BR and Class C. The investment objective of the Sub-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 objective.

#### Results and Distribution

The results for the reporting period November 27, 2020 until August 31, 2021 are shown in the Statement of Operations and Changes in Net Assets on page 9. 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.

#### Significant Events

The global pandemic of COVID-19 has continued to cause significant volatility within the economic markets, for which the duration and spread of the outbreak and the resultant economic impact remains uncertain and cannot be predicted. As the situation is fluid and always evolving, the Investment Manager does not consider it practicable to provide a quantitative estimate of the potential impact the ongoing pandemic will have on the Company's financial statements and activities. We have seen that the Company has not been negatively impacted in the financial statements for the period November 27, 2020 until August 31, 2021. This will continue to be monitored.

#### Likely future developments

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

# Hermes Linder Fund SICAV

## Report of the Board of Directors for the Period Ended August 31, 2021 (continued)

### Directors

The Directors who served during the period under review were:

- Mr. Charles Muller
- Ms. Jane Wilkinson
- Ms. Caroline Nabbe
- Dr. Antonia Zammit

In accordance with the Company's articles of association, the directors shall be appointed by the general meeting of shareholders which shall determine their remuneration and term of office.

### Auditors

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

### Regulatory Breaches

The directors confirm that during the reporting period there were no regulatory sanctions imposed on the Company and no regulatory breaches of the Luxembourg regulations.

Approved by the Board of Directors and signed on the November 29, 2021 by:

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Mr. Charles Muller

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Ms. Jane Wilkinson

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Ms. Caroline Nabbe

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Dr. Antonia Zammit

# Hermes Linder Fund SICAV

## Investment Manager's Report

### For the Period November 27, 2020 until August 31, 2021

#### Introduction

Hermes Linder Fund SICAV is an undertaking for collective investment in transferable securities (UCITS) in the form of an open-ended investment company with variable share capital (société d'investissement à capital variable) subject to the Luxembourg law of December 17, 2010 relating to undertakings for collective investment, as amended. The Fund is registered with the Luxembourg Register of Commerce and Companies under number B249446.

#### Investment Objective

Hermes Linder Fund aims to achieve long-term appreciation principally through value investing mainly in the major equity markets.

#### Strategy & Investment Policy

Hermes will achieve its investment objective by investing most of its assets in securities quoted on major exchanges. These may include investments in equities, fixed income (including up to 10% in contingent convertible securities and excluding distressed and defaulted securities), exchange traded funds, UCITS and other UCIs in accordance with article 41(1)(e) of the 2010 Law. The Management Company employs an active bottom-up style of management by researching, studying and selecting individual stocks based on the principles of value investing with a specific focus on (but not limited to) small and mid-cap European listed equities. Hermes is not referenced to any Benchmark and does not have any target geographical or industrial sectors.

The Management Company may use financial derivative instruments for investment purposes and for the purposes of efficient portfolio management, to take indirectly exposure in equities and other transferable securities giving or capable of giving, directly or indirectly, access to capital or voting rights, traded on Eurozone and/or international markets such as North America, provided that such investment will be made in accordance with the investment restrictions and limits set out in the general part of the Prospectus and the Supplement. Financial derivative instruments utilised by Hermes may include, but are not limited to, exchange listed futures, exchange listed options and FX Forwards amongst other financial derivative instruments. This action carries risks for the possibility that the coverage is not perfect and for the leverage involved.

#### Report of the Investment Manager

For the financial year September 1, 2020 to August 31, 2021;

- Hermes Class AI returned +52.251%
- Hermes Class AR returned +52.248%
- Hermes Class BI returned +54.695%
- Hermes Class BR returned +54.646%

The Fund is not managed in accordance with any benchmark. Merely as a point of reference we can note that, during this same period, the Euro Stoxx 50 returned +28.232% and the Stoxx Europe 600 returned +28.477%. 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 +1.034% during this period. The Eurekahedge European Hedge Fund Index (made up of 256 constituent funds investing exclusively in Europe) returned +14.345% during the same period.

The performance of the Fund during the period September 1, 2020 to November 26, 2020 was discussed in the Manager's Report included with the financial statements covering this period and therefore, this Manager's Report will focus on the period November 27, 2020 until August 31, 2021. During this period under review, the performance of the Fund was as follows:

- Hermes Class AI returned +36.447%
- Hermes Class AR returned +36.444%
- Hermes Class BI returned +38.967%
- Hermes Class BR returned +38.923%

For reference, during this same period, the Euro Stoxx 50 returned +19.524%, the Stoxx Europe 600 returned +20.236%, the Bloomberg Barclays EuroAgg Total Return Index returned -1.174% and the Eurekahedge European Hedge Fund Index returned +10.291%.

## Investment Manager's Report (continued) For the Period November 27, 2020 until August 31, 2021

In the last few Manager's Reports, we have highlighted the continuously increasing money supply as a major theme for market performance and indeed, the printing presses are continuing to rumble unabatedly. It seemed that central banks found a way to create wealth out of nothing as there had not yet been a corresponding increase in inflation. However, we believe that this trend could come to an end very soon and as a result, we started looking for protection against the risk of inflation. The first step we took was to short futures on long-term fixed-rate government bonds but we are also particularly looking for investments that can provide protection in an inflationary environment.

We believe that inflation risk is hugely downplayed as the assumption is that money can be printed forever without inflationary consequences. Whilst this could be true, the Fund will be managed considering also the eventuality that this assumption is wrong. More so than having a clear view on the future of inflation, we have a clear view that the risk/reward assumption of obtaining protection from an upward evolution of inflation costs much less than what it is worth.

Many market participants believe that the long-term yield curve is quite flat and the general assumption is that the market does not believe in inflation. We believe that the flatness of the yield curve is the result of central bank bond purchases and if this is the case, nasty surprises could be expected in the markets. Many years of very low inflation and a constantly increasing money supply have created a sense of complacency and have led to portfolios where bonds, especially long-term bonds, are no longer held to act as a safe haven for those trying to reduce volatility and uncertainty but have become a very speculative tool that justifies its presence in portfolios mostly due to the expected capital appreciation as a consequence of continuously decreasing interest rates. Otherwise, even mildly positive returns are associated with increased and as well often downplayed credit or duration risks.

It is quite clear that the stock of long-term fixed interest rate bonds that have been accumulated in the last few years could be the trigger for a very negative mark-to-market performance of investor portfolios. If this is the case, there will probably also be a rebalancing between bonds and equity as many investors will increase their investments in bonds and reduce their investments in equity just to maintain the proportion between these two asset classes as set in their investment policy.

For a fund that invests in equities and especially in small to mid-cap equities, it is very difficult to address this eventuality. However, we believe that, even in an inflationary environment, some companies will continue to outperform as they did in previous years. For example, we are confident that Adesso SE and Sesa SpA – two of the top performers in the period under review (+104.23% and +103.13% respectively), both of which now form part of the top holdings of the fund – will keep delivering a reassuring operational performance. Even though their valuations at first sight are not in line with the usual standard accepted by the Fund, these valuations can be considered to be fair in the presence of a long term growing consolidated profitability and because their capability to grow has been clearly and constantly demonstrated. They operate in a fast growing sector and they have a clear strategy which is well-implemented by reliable management teams.

Another company that was one of the best performers in the period under review (+55.82%) and also forms part of the largest holdings of the Fund is SOL SpA. This is another example of a high-quality company that we believe can continue to outperform in any market environment. Although some of the contracts of this company are long-term and do not contain clauses that give a complete protection against the risks arising from a growing level of inflation, on the other hand the company retains an extremely high pricing power and monetary expansion can only increase its profitability proportionally.

From the above three examples we can note that even if we do not have a clear stance on inflation, at the same time we do try to assess the downward risk that an unexpectedly growing level of inflation could pose in the overall market and we try to address this risk mainly by sticking to what we believe to be high-quality companies with a strong competitive position and the ability to transfer cost increases quickly into the prices of their products.

In the period under review, the above three shares together with Italian Wine Brands SpA (+166.48%) and Schaltbau Holding AG (+78.33%) were the top 5 contributors to the performance of the Fund.

A takeover offer for Schaltbau was launched and the shares held by the Fund were tendered into this offer. We have finally been rewarded for keeping the Schaltbau shares and for supporting the company's restructuring programme.

Italian Wine Brands was the main contributor to the Fund's performance during the period under review in absolute terms. This is a company that we bought because of its undemanding valuation and it has since experienced not only a continuous and substantial growth but also a rerating of its multiples as the company is growing like a tech company and not as could be expected from a company that is in a very old and traditional business. We believe that Italian Wine Brands is a good example to confirm that value investing is a good driver to create performance and to create alpha even if from time to time it goes out of fashion. In this specific case, we were again comforted by the fact that if inflation breaks out, Italian Wine Brands will be able to transfer the increased cost to the product prices reasonably quickly. Furthermore, as it issued 6 year bonds at fixed interest rates which more or less covers all of its financial needs, it would be unaffected by rising interest rates. We are perfectly aware that central banks want to keep interest rates low for as long as they can in order to create wealth out of nothing but we believe that borrowing for the long term at low fixed interest rates will or could in the future be a very important factor to distinguish between winners and losers in the market.

# Hermes Linder Fund SICAV

## Investment Manager's Report (continued)

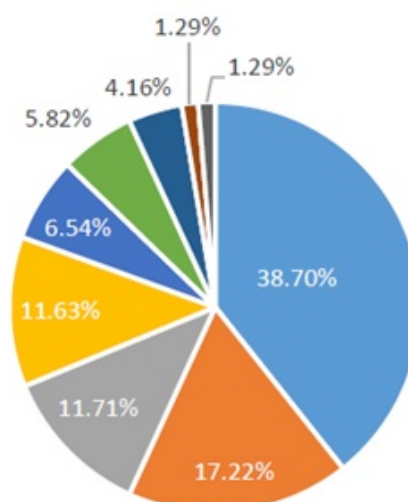
For the Period November 27, 2020 until August 31, 2021

We also tried to strengthen our protection by shorting futures on ten year government bonds as we believe that the artificially low interest rates that are paid on these bonds are a consequence of the continuous flow of liquidity that is inundating the market. It is undeniable that equity valuations are also beneficiaries of this flow of liquidity. Overall, our investment strategy was very well-rewarded in the last financial year and we will stick to this policy: to look for fundamental value whilst at the same time trying to select those value stocks that will also provide some protection for what we see as the most important incumbent risk for the markets, that is, inflation. An ancillary strategy of shorting long-term government bonds will complement the main strategy and will try to fine-tune it by covering that part of the risk that is very difficult to manage having only long equity positions.

### Industrial Diversification\*

ICB Industry

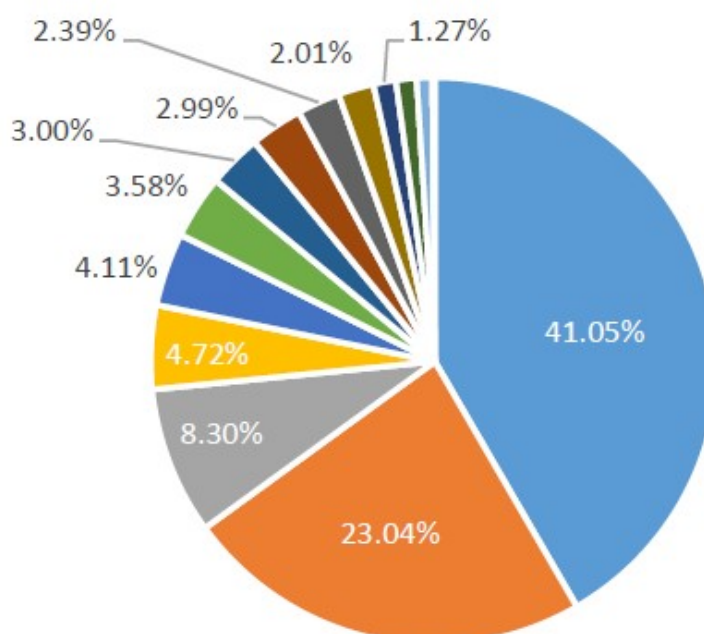
- Industrials
- Financials
- Consumer Staples
- Technology
- Consumer Discretionary
- Basic Materials
- Health Care
- Telecommunications
- Utilities



Industrial diversification as at end August 2021

### Geographical Distribution (excluding cash)

- ITALY
- GERMANY
- SWITZERLAND
- AUSTRIA
- IRELAND
- FRANCE
- NETHERLANDS
- SPAIN
- GREECE
- BRITAIN
- NORWAY
- POLAND
- SWEDEN
- LUXEMBOURG



Geographical Diversification as at end August 2021



# Hermes Linder Fund SICAV

## Investment Manager's Report (continued)

For the Period November 27, 2020 until August 31, 2021

### Five largest holdings as at end August 2021

Rank	Security	Type	Country	Industry	Sub-Sector	% of Portfolio
1	Adesso SE	Equities	GERMANY	Technology	Computer Services	6.09%
2	SOL SpA	Equities	ITALY	Basic Materials	Specialty Chemicals	5.30%
3	Schaltbau Holding AG	Equities	GERMANY	Industrials	Commercial Vehicles and Parts	5.19%
4	Italian Wine Brands SpA	Equities	ITALY	Consumer Staples	Distillers and Vintners	5.11%
5	Sesa SpA	Equities	ITALY	Technology	Computer Services	4.68%

### Asset Allocation as at end August 2021

	% of NAV
Equities	98.39%
Cash	1.40%

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

#### November 26, 2020

Share Class	Net Asset Value per Share	Number of Shares in Issue	Net Asset Value
A	€5,317.391	44,393.722	€236,058,812.84
B	€1,877.787	3,120.804	€5,860,205.89
C	N/A	N/A	N/A

#### August 31, 2021

Share Class	Net Asset Value per Share	Number of Shares in Issue	Net Asset Value
AI	€7,255.41	16,500.25	€119,716,081.55
AR	€7,255.26	28,880.29	€209,534,154.80
BI	€2,609.51	1,497.54	€3,907,841.71
BR	€2,608.69	1,458.15	€3,803,854.03

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

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

### Opinion

We have audited the financial statements of Hermes Linder Fund SICAV (the “Fund”), which comprise the statement of net assets and the statement of investments and other net assets as at 31 August 2021 and the statement of operations and changes in net assets for the period from November 27, 2020 to August 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2021, and of the results of its operations and changes in its net assets for the period from November 27, 2020 to August 31, 2021 in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### Basis for Opinion

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

### Other information

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

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

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

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

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "*réviseur d'entreprises agréé*" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "*réviseur d'entreprises agréé*". However, future events or conditions may cause the Fund to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For Deloitte Audit, *Cabinet de révision agréé*

Ladislav De Crouy-Chanel, *Réviseur d'entreprises agréé*

Partner

Luxembourg, November 29, 2021

# Hermes Linder Fund SICAV - Hermes Linder Fund ("Hermes")

## Statement of Net Assets as at August 31, 2021

	Hermes Linder Fund	
	Notes	EUR
<b>ASSETS</b>		
Investments in securities at market value	2	341,315,770
Cash at bank		4,630,926
Interest and dividend receivable, net		173,468
Amounts receivable on subscriptions		21,930
Amounts receivable on sale of investments		484,445
Other assets		20,138
<b>TOTAL ASSETS</b>		<b>346,646,677</b>
<b>LIABILITIES</b>		
Amounts payable on redemptions		60,173
Amounts payable on purchase of investments		270,172
Net unrealised loss on futures contracts		724,170
Management fees payable		285,304
Depository bank fee payable		47,498
Performance fees payable		7,978,085
Taxes and expenses payable		95,262
Subscription tax		19,827
Formation expenses payable		19,360
Other liabilities		184,894
<b>TOTAL LIABILITIES</b>		<b>9,684,745</b>
<b>TOTAL NET ASSETS</b>		<b>336,961,932</b>

The accompanying notes form an integral part of these financial statements.

# Hermes Linder Fund SICAV - Hermes Linder Fund ("Hermes")

## Statement of Operations and Changes in Net Assets for the period from November 27, 2020 to August 31, 2021

	Hermes Linder Fund	
	Notes	EUR
<b>NET ASSETS AT THE BEGINNING OF THE PERIOD</b>		<b>241,919,018</b>
<b>INCOME</b>		
Dividend income on securities, net	2	4,591,918
Interest on bonds, net		136,665
<b>TOTAL INCOME</b>		<b>4,728,583</b>
<b>EXPENSES</b>		
Management Company fees	3	2,276,299
Amortisation of formation expenses		2,948
Depositary fees	4	55,073
Directors fees		41,330
Performance fees	8	7,978,085
Central Administration fees	5	110,711
Audit fees		13,455
Subscription tax		82,320
Interest paid on bank liabilities		18,942
Migration costs		1,094
Bank charges and correspondent fees		74,533
Other expenses		115,949
<b>TOTAL EXPENSES</b>		<b>10,770,739</b>
<b>NET LOSS BEFORE REALISED AND UNREALISED MOVEMENTS IN INVESTMENTS</b>		<b>(6,042,156)</b>
Net realised gain/(loss) on sale of investments	2	11,197,745
Net realised gain/(loss) on futures contracts		(798,450)
Net realised gain/(loss) on foreign exchange		(1,129)
<b>NET REALISED PROFIT</b>		<b>10,398,166</b>
Change in net unrealised appreciation/(depreciation) on investments	2	86,050,140
Change in net unrealised appreciation/(depreciation) on futures contracts		(724,170)
<b>NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS</b>		<b>89,681,980</b>
<b>EVOLUTION OF CAPITAL</b>		
Subscriptions of Shares		11,332,001
Redemptions of Shares		(5,971,067)
<b>NET ASSETS AT THE END OF THE PERIOD</b>		<b>336,961,932</b>

The accompanying notes form an integral part of these financial statements.

# Hermes Linder Fund SICAV - Hermes Linder Fund ("Hermes")

## Statement of Changes in the Number of Shares for the period from November 27, 2020 to August 31, 2021

	Hermes Linder Fund
Class AR Shares	
Allotment of shares upon continuation of Fund	28,998.743
Number of shares subscribed	427.707
Number of shares redeemed	(546.157)
Shares in issue at the end of the period	28,880.293
Class AI Shares	
Allotment of shares upon continuation of Fund	15,394.979
Number of shares subscribed	1,462.331
Number of shares redeemed	(357.056)
Shares in issue at the end of the period	16,500.254
Class BR Shares	
Allotment of shares upon continuation of Fund	1,507.679
Number of shares subscribed	0.000
Number of shares redeemed	(49.529)
Shares in issue at the end of the period	1,458.150
Class BI Shares	
Allotment of shares upon continuation of Fund	1,613.125
Number of shares subscribed	0.000
Number of shares redeemed	(115.585)
Shares in issue at the end of the period	1,497.540

## Statistics Information for the period from November 27, 2020 to August 31, 2021

	Hermes Linder Fund EUR
<b>August 31, 2021</b>	
<b>Net asset value</b>	<b>336,961,932</b>
<b>Net asset value per share</b>	
Class AR Shares	7,255.26
Class AI Shares	7,255.41
Class BR Shares	2,608.69
Class BI Shares	2,609.51
<b>Number of shares in issue</b>	
Class AR Shares	28,880.29
Class AI Shares	16,500.25
Class BR Shares	1,458.15
Class BI Shares	1,497.54

# Hermes Linder Fund SICAV

## Hermes Linder Fund ("Hermes")

### Statement of Investments as at August 31, 2021

(expressed in EUR)

ISIN	Description	Number of shares/ Face Value	Currency	Cost EUR	Market Value EUR	%net assets
<b>Transferable securities admitted to an official stock exchange listing</b>						
<b>Shares</b>						
<b>Austria</b>						
AT0000730007	ANDRITZ AG GRAZ	53,479	EUR	2,454,163	2,602,288	0.77
AT0000758305	PALFINGER AG	33,399	EUR	960,117	1,275,842	0.38
AT0000922554	ROSENBAUER INTERNATIONAL AG	35,288	EUR	1,887,895	1,842,034	0.55
AT0000A0E9W5	S&T AG	25,162	EUR	536,771	488,898	0.15
AT0000908504	VIENNA INSUR GR	145,921	EUR	2,852,132	3,582,360	1.06
AT00000VIE62	VIENNA INTERNATIONAL AIRPORT	234,095	EUR	5,899,904	6,578,069	1.95
				<b>14,590,982</b>	<b>16,369,491</b>	<b>4.86</b>
<b>France</b>						
FR0000120222	CNP ASSURANCES	223,100	EUR	2,082,368	3,233,834	0.96
FR0000066607	LACROIX SA	14,137	EUR	588,806	627,683	0.19
FR0000031775	SA DES CEMENTS VICAT-VICAT	106,578	EUR	4,022,252	4,492,263	1.33
FR0000120107	SAVENCIA ACT	54,976	EUR	4,297,648	4,079,219	1.21
				<b>10,991,074</b>	<b>12,432,999</b>	<b>3.69</b>
<b>Germany</b>						
DE000A0Z23Q5	ADESSO NACH CAPITAL	115,107	EUR	1,985,433	21,110,624	6.27
DE0005895403	GRAMMER AG	88,156	EUR	2,038,568	2,168,638	0.64
DE000A0S8488	HAMBURGER HAFEN UND LOGISTIK AG	148,025	EUR	2,515,064	2,762,147	0.82
DE0007193500	KOENIG + BAUER AG	54,723	EUR	3,304,395	1,595,175	0.47
DE0006335003	KRONES AG	42,298	EUR	3,271,937	3,627,053	1.08
DE0005936124	OHB SE	115,013	EUR	2,527,272	4,491,258	1.33
DE000A2NBTL2	SCHALTBAU HOLDING AG	336,613	EUR	10,591,283	18,008,795	5.35
DE000A0XYGA7	TECHNOTRANS --- NAMEN-AKT	63,447	EUR	1,281,854	1,992,236	0.59
DE000WACK012	WACKER NEUSON SE /NAMEN	443,210	EUR	6,931,304	11,363,904	3.37
DE0008051004	WUESTENROT & WUERTEMBERG./NAM	648,391	EUR	12,896,515	12,086,008	3.59
				<b>47,343,625</b>	<b>79,205,838</b>	<b>23.51</b>
<b>Great Britain</b>						
GB00BLY2F708	CARD FACTORY PLC	2,500,000	GBP	981,021	1,833,329	0.54
GB00BKDTK925	TRAINLINE PLC	842,513	GBP	2,842,202	3,593,106	1.07
GB00B1GK4645	VERTU MOTORS	2,431,420	GBP	1,280,603	1,530,747	0.45
				<b>5,103,826</b>	<b>6,957,182</b>	<b>2.06</b>
<b>Greece</b>						
GRS395363005	HELEX REG.SHS	367,786	EUR	980,865	1,443,560	0.43
GRS470003013	PIRAEUS PORTH AUTHORITY SA	48,277	EUR	983,000	977,609	0.29
GRS472003011	PROFILE SYSTEMS&SOFTW.SA/REG.	239,965	EUR	901,880	1,386,998	0.41
GRS434003000	PUBLIC POWER CORP SA /REG.	445,172	EUR	2,923,421	4,465,075	1.33
				<b>5,789,166</b>	<b>8,273,242</b>	<b>2.46</b>
<b>Ireland</b>						
IE00BJMZDW83	DALATA HOTEL GROUP PLC	942,567	EUR	4,896,488	3,562,903	1.06
IE0003LFZ4U7	DOLE RG	563,822	USD	5,500,720	7,666,011	2.27
IE0000669501	GLANBIA PLC /-A-	126,758	EUR	1,329,816	1,915,314	0.57
IE00BLP58571	IRISH CONTINENTAL GROUP PLC	260,568	EUR	1,283,774	1,115,231	0.33
				<b>13,010,798</b>	<b>14,259,459</b>	<b>4.23</b>



# Hermes Linder Fund SICAV

## Hermes Linder Fund ("Hermes")

### Statement of Investments (continued) as at August 31, 2021

(expressed in EUR)

ISIN	Description	Number of shares/ Face Value	Currency	Cost EUR	Market Value EUR	%net assets
<b>Italy</b>						
IT0000084043	AUTOSTRADA MERIDIONALI NAPOLI	307,012	EUR	6,573,273	8,565,635	2.54
IT0001033700	BASIC NET	331,699	EUR	1,798,637	1,486,012	0.44
IT0001347308	BUZZI UNICEM	539,235	EUR	8,543,313	12,122,003	3.60
IT0005244618	CELLULARLINE S.P.A.	265,021	EUR	1,032,586	1,211,146	0.36
IT0000076486	DANIELI+C. /RISP.N-CV	46,869	EUR	649,287	754,591	0.22
IT0005453250	EL.EN. N	787,152	EUR	3,698,724	10,264,462	3.04
IT0000060886	FNM S.P.A.	5,969,695	EUR	3,278,439	3,498,241	1.04
IT0005221517	GPI S.P.A.	160,194	EUR	1,463,248	2,010,435	0.60
IT0005075764	ITALIAN WINE BRANDS S.P.A.	374,610	EUR	3,083,890	17,719,053	5.26
IT0005421646	LABOMAR N	149,000	EUR	894,000	2,167,950	0.64
IT0005107492	LU-VE S.P.A.	253,733	EUR	2,918,012	5,759,739	1.71
IT0003324024	NET INSURANCE SPA	49,343	EUR	332,462	347,868	0.10
IT0003683528	OPENJOBMETIS S.P.A.	52,859	EUR	531,867	533,876	0.16
IT0005138703	ORSERO S.P.A.	977,561	EUR	9,536,548	9,228,176	2.74
IT0004997984	PILECO S.P.A.	92,911	EUR	495,458	1,114,932	0.33
IT0004729759	SESA S.P.A.	10,218	EUR	251,402	1,724,798	0.51
IT0005171936	SITI - B & T GROUP S.P.A.	191,446	EUR	1,591,723	601,140	0.18
IT0001206769	SOL SPA	947,892	EUR	12,190,988	18,389,105	5.46
IT0005329815	SOMECA S.P.A.	29,105	EUR	500,321	902,255	0.27
IT0005119810	SPACE2 --- AZ NOM	254,090	EUR	3,356,666	3,074,489	0.91
IT0004585243	TESMEC	1,091,444	EUR	135,777	129,445	0.04
				<b>62,856,621</b>	<b>101,605,351</b>	<b>30.15</b>
<b>Netherlands</b>						
NL0011872643	ASR NEDERLAND NV	177,820	EUR	4,855,997	6,885,190	2.04
NL0010776944	BRUNEL INTERNATIONAL N.V.	122,794	EUR	1,497,568	1,372,837	0.41
NL0013995087	CEMENTIR HLDG RG	1,450,494	EUR	8,153,574	13,910,238	4.13
NL0010773842	NN GROUP N.V.	48,523	EUR	1,164,497	2,133,556	0.63
				<b>15,671,636</b>	<b>24,301,821</b>	<b>7.21</b>
<b>Norway</b>						
NO0011045429	HAVILA KYSTRUT RG	60,000	NOK	128,097	119,227	0.03
NO0010694029	KOMPLETT BANK REGISTERED SHS	5,148,941	NOK	4,690,095	4,299,043	1.28
				<b>4,818,192</b>	<b>4,418,270</b>	<b>1.31</b>
<b>Poland</b>						
PLGPW0000017	WARSAW STOCK EXCHANGE	413,109	PLN	3,572,114	3,959,516	1.18
				<b>3,572,114</b>	<b>3,959,516</b>	<b>1.18</b>
<b>Spain</b>						
ES0132105018	ACERINOX S.A.	155,918	EUR	1,532,491	1,796,175	0.53
ES0117360117	CEMENTOS MOLINS SA	50,300	EUR	785,009	890,310	0.26
ES0116920333	GRUPO CATALANA OCCIDENTE SA	86,394	EUR	2,674,640	2,773,248	0.82
ES0124244E34	MAPFRE SA	1,298,827	EUR	2,301,215	2,371,658	0.70
ES0161560018	NH HOTELES SA	142,220	EUR	627,961	531,903	0.16
ES0105065009	TALGO S.A.	422,008	EUR	2,399,440	1,941,237	0.58
ES0183746314	VIDRALA SA	550	EUR	53,694	53,845	0.02
				<b>10,374,450</b>	<b>10,358,376</b>	<b>3.07</b>

# Hermes Linder Fund SICAV

## Hermes Linder Fund ("Hermes")

### Statement of Investments (continued) as at August 31, 2021

(expressed in EUR)

ISIN	Description	Number of shares/ Face Value	Currency	Cost EUR	Market Value EUR	%net assets
<b>Sweden</b>						
SE0007665823	RESURS HOLDING AB	723,511	SEK	3,614,257	3,125,347	0.93
				<b>3,614,257</b>	<b>3,125,347</b>	<b>0.93</b>
<b>Switzerland</b>						
CH0002432174	BUCHER INDUSTRIES AG/NAM	7,115	CHF	1,731,886	3,046,414	0.91
CH0319416936	FLUGHAFEN ZUERICH AG	53,946	CHF	5,928,921	7,592,887	2.25
CH0466642201	HELVETIA HOLDING LTD	60,796	CHF	2,494,743	5,897,711	1.75
CH0017875789	JUNGFRAUBAHN HLDG /NAM.AKT	24,508	CHF	2,734,292	3,263,649	0.97
CH0014852781	SWISS LIFE HOLDING /NAM	5,467	CHF	1,637,797	2,414,607	0.72
CH0021545667	VAUDOISE ASSURANCES HLD NOM.	11,278	CHF	2,290,938	4,828,877	1.43
CH0530235594	VETROPACK HLDG N	30,526	CHF	1,589,343	1,764,343	0.52
				<b>18,407,920</b>	<b>28,808,488</b>	<b>8.55</b>
	<b>Total - Shares</b>			<b>216,144,661</b>	<b>314,075,380</b>	<b>93.21</b>
<b>Warrants</b>						
<b>Luxembourg</b>						
LU1588548724	D AMICO INT 30.06.22 CW /DIS	1,339,675	EUR	13,423	11,119	0.00
				<b>13,423</b>	<b>11,119</b>	<b>0.00</b>
	<b>Total - Warrants</b>			<b>13,423</b>	<b>11,119</b>	<b>0.00</b>
	<b>Total - Transferable securities admitted to an official stock exchange listing</b>			<b>216,158,084</b>	<b>314,086,499</b>	<b>93.21</b>
<b>Other transferable securities</b>						
<b>Shares</b>						
<b>Germany</b>						
DE000A2G8308	KINGHERO AG	15	EUR	1,326,846	0	0.00
				<b>1,326,846</b>	<b>0</b>	<b>0.00</b>
<b>Italy</b>						
IT0005433674	LU-VE N-VM	144,239	EUR	1,658,796	3,274,225	0.97
IT0005155269	OPENJOBMETIS CUM VOTO	900,000	EUR	9,200,554	9,090,000	2.70
ZZ0U17838893	SESA SPA	85,899	EUR	2,059,095	14,499,751	4.30
				<b>12,918,445</b>	<b>26,863,976</b>	<b>7.97</b>
	<b>Total - Shares</b>			<b>14,245,291</b>	<b>26,863,976</b>	<b>7.97</b>

# Hermes Linder Fund SICAV

## Hermes Linder Fund ("Hermes")

### Statement of Investments (continued) as at August 31, 2021

(expressed in EUR)

ISIN	Description	Number of shares/ Face Value	Currency	Cost EUR	Market Value EUR	%net assets
	Investment Funds					
LU1738384764	Luxembourg					
	NB AURORA SA SICAF-RAIF-A- EUR	34,863	EUR	330,114	365,295	0.11
				330,114	365,295	0.11
	Total - Investment Funds			330,114	365,295	0.11
	Total - Other transferable securities			14,575,405	27,229,271	8.08
	Total Investments			230,733,489	341,315,770	101.29

## Notes to the Financial Statements as at August 31, 2021

### NOTE 1 - GENERAL INFORMATION

The Fund is an open-ended investment company organised under the laws of Luxembourg as an investment company with variable share capital (société d'investissement à capital variable), registered with the Luxembourg Register of Commerce and Companies under number B249446. The Articles of Association were published on the Recueil électronique des sociétés et associations ("RESA") on December 10, 2020, the central electronic platform of the Grand-Duchy of Luxembourg.

The Fund was originally incorporated in the British Virgin Islands as an international business company on the July 27, 2000 as Hermes Global Fund Limited and was later registered as continuing in Malta as an open-ended multi-fund investment company with variable share capital on the March 25, 2009 under the name Hermes Linder Fund SICAV p.l.c. with registration number SV 100. The Fund was continued in Malta as a professional investor fund and was later converted to an undertaking for collective investment in transferable securities on September 1, 2010. On November 27, 2020, the Fund has been continued in Luxembourg and as a result, admitted to the official list of the CSSF as an undertaking for collective investment in transferable securities governed by Part I of the 2010 Law.

The Fund has been authorised by the Commission de Surveillance du Secteur Financier ("CSSF"). However, such authorisation does not require the CSSF to approve or disapprove either the adequacy or accuracy of the Prospectus of the Fund or the portfolio of assets held by the Fund. Any declaration to the contrary should be considered as unauthorised and illegal.

There is no limit to the number of Shares which may be issued. Shares will be issued to subscribers in registered form.

Shares shall have the same voting rights and shall have no pre-emptive subscription rights. In the event of the liquidation of the Fund, each Share is entitled to its proportionate share of the Fund's assets after payment of the Company's debts and expenses, taking into account the Fund's rules for the allocation of assets and liabilities.

The minimum share capital of the Fund must at all times be at least of EUR 1,250,000 which amount has to be attained within six months of the Fund's authorisation to operate as a UCI. The Company's share capital is at all times equal to its Net Asset Value. The Fund's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed, and no special announcements or publicity are necessary in relation thereto.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fund are prepared in accordance with generally accepted accounting principles in Luxembourg.

Upon redomiciliation, the book cost and unrealised fair value gains/losses on investments as at November 26, 2021, being the last NAV date in Malta, were carried forward in the respective cost and unrealised gains/losses nominal ledger accounts. Accordingly the unrealised gains/losses in the Statement of Operations and Changes in Net Assets for the period ended August 31, 2021 represent the relevant movement between closing of November 26, 2020 and August 31, 2021.

The value of each Sub-Fund's assets shall be determined as follows:

- a) Transferable securities and money market instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided below, at the last available market price or quotation prior to the time of valuation on the primary exchange on which such securities trade, provided that fixed income securities shall be valued on the basis of independent reputable pricing sources including composite valuation approaches and methodologies. Transferable securities and money market instruments for which the above market prices, quotations or sources are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their fair value estimated with care and in good faith as further outlined below.
- b) The value of any transferable security which is not quoted, listed or dealt in on a regulated market or which is so quoted, listed or dealt in but for which no such quotation or value is available or the available quotation or value is not representative shall be the fair value as estimated with care and good faith either by (i) the directors or (ii) the Valuation Committee or (iii) a competent person, firm or corporation selected and approved by the directors.
- c) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends and interest/profit accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after a decision by the directors making such discount as may be considered appropriate in such case to reflect the true value thereof.
- d) Derivative contracts traded on a regulated market shall be valued at the settlement price on the relevant market and in line with paragraph A) above. If the settlement price is not available, the fair value shall be estimated with care and in good faith either by (i) the directors or (ii) the Valuation Committee or (iii) a competent person, firm or corporation selected and approved by the directors. Derivative contracts which are traded 'over-the-counter' will be valued at each Valuation Date either (i) on the basis of a quotation provided by the relevant counterparty and such valuation shall be approved or verified at least weekly by a party who is approved for the purpose by the directors and the depository and who is independent of the counterparty; (ii) using an alternative valuation provided by a competent person selected and approved by the Directors (the "Alternative Valuation"). Where such Alternative Valuation method is used the Fund will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as the International Organisation of Securities Commissions or the Alternative Investment Management Association and will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise, these will be promptly investigated and explained.

## Notes to the Financial Statements as at August 31, 2021 (continued)

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- e) Forward foreign exchange contracts shall be valued in the same manner as derivatives contracts as mentioned in paragraph D) above.
- f) Units in collective investment schemes shall be valued at the latest available net asset value per unit as published by the relevant collective investment scheme or, if listed or traded on a regulated market, in accordance with paragraph A) above.
- g) Any value (whether of a security, derivative or cash) denominated other than in Euros will be converted into Euros as of the close of business on the relevant Valuation Day and WM Reuters or Bloomberg Terminal 'closing' quotes as of 16:00 GMT London will be used.
- h) Where the value of any investment is not ascertainable as described above, the value shall be the fair value estimated with care and in good faith either by (i) the directors; or (ii) the Valuation Committee; or (iii) by a competent person selected and approved for the purpose by the directors.
- i) The directors may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.

The Board of Directors may at their discretion permit any other method of valuation to be used if they consider that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good practice.

### NOTE 3 - MANAGEMENT COMPANY FEES

The Fund has appointed Praude Asset Management Limited (the "Management Company") as its management company in accordance with the provisions of the 2010 Law pursuant to the Management Company Agreement.

The Management Company is responsible, subject to the overall supervision of the Directors, for the provision of investment management services, administrative services and marketing services to the Fund.

The Management Company has been incorporated on December 3, 2009 as a limited liability company under Maltese law and is registered with the Malta Business Register ("MBR") under number company registration number C48324. Its registered address is at Level 14, Portomaso Business Tower, Portomaso, St Julians STJ4011. Its fully paid-up share capital as at December 31, 2020 amounted to two hundred thousand Euros (EUR 200,000). The names and legal documents of all funds managed are available at the domicile of the Management Company and on the website [www.praude.com.mt](http://www.praude.com.mt).

### NOTE 4 - DEPOSITARY FEES

The Depositary is entitled to receive out of the assets of Hermes a fee calculated in accordance with customary banking practice in Luxembourg as a percentage per annum of the average quarterly Net Asset Value thereof during the relevant quarter and payable quarterly in arrears.

They are currently paid at the following rates:

First EUR 500 million: 1 basis point per annum  
Above EUR 500 million: 0.70 basis points per annum

The above rates are subject to a minimum monthly fee of EUR 300. The depositary shall also charge cash flow monitoring fees, reconciliation fees and ad-hoc fees for services rendered and increase any amounts by any VAT payable thereon.

### NOTE 5 - ADMINISTRATION FEES

The Administrator will be entitled to an annual fee as percentage of the average Net Asset Value of Hermes in accordance with the below:

First EUR 100 million: 2.25 basis points per annum  
Next EUR 150 million: 1.75 basis points per annum  
Next EUR 250 million: 1.25 basis points per annum  
Above EUR 500 million: 1 basis point per annum

The above rates are subject to a minimum annual fee of EUR 24,000. The Administrator shall also charge fees for additional services provided which include but are not limited to registrar and transfer agency, investment and risk management compliance, KIID preparation, KYC, FATCA and CRS reporting.

The Administrator Fees will accrue on each Valuation Day and will be payable quarterly in arrears. The Administrator will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

Other fees or charges which may accrue shall be allocated to Hermes and may be paid from time to time.

# Hermes Linder Fund SICAV

## Notes to the Financial Statements as at August 31, 2021 (continued)

### NOTE 6 - ITALIAN PAYING AGENT FEES

Societe Generale Securities Services (hereinafter referred to as “SGSS”) has been appointed as Paying Agent in Italy for Hermes and, for this purpose, the following charges shall apply:

Investors through authorised distributors

Each subscription / redemption placed in EUR: 0.15% of the amount, subject to a minimum of EUR 15.00 and a maximum of EUR 25.00

Each subscription / redemption placed in other currencies: 0.15% of the amount, subject to a minimum of EUR 15.00 and a maximum of EUR 25.00

Fund switches: Exempt from charges

### NOTE 7 - SUBSCRIPTION TAX

The Fund is as a rule liable in Luxembourg to a subscription tax (“taxe d’abonnement”) of 0.05% per annum of its net asset value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Fund at the end of the relevant calendar quarter.

A reduced subscription tax rate of 0.01% per annum is applicable to Luxembourg UCITS whose exclusive object is the collective investment in Money Market Instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax rate of 0.01% per annum is also applicable to UCITS individual compartments of UCITS with multiple compartments, as well as for individual classes of securities issued within a UCITS or within a compartment of a UCITS with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more Institutional Investors.

Subscription tax exemption applies to (i) investments in a Luxembourg UCI subject itself to the subscription tax, (ii) UCIs, compartments thereof or dedicated classes reserved to retirement pension schemes, (iii) money market UCIs, (iv) UCITS and UCIs subject to the part II of the 2010 Law qualifying as exchange traded funds, and (v) UCIs and individual compartments thereof with multiple compartments whose main objective is the investment in microfinance institutions.

	Subscription tax rate
Class AR Shares	0.05%
Class AI Shares	0.01%
Class BR Shares	0.05%
Class BI Shares	0.01%

### NOTE 8 - PERFORMANCE FEES

The Management Company shall, in addition to the Management Company Fee payable, be entitled to receive a fee based on the performance (the “**Performance Fee**”) out of the assets of Hermes based on the high watermark and hurdle rate principle.

The performance period (the “**Performance Period**”) shall run from the 1st September of one calendar year to the 31st August of the following calendar year coinciding with the Financial Year of the Fund and will be calculated separately for each Share Class.

The Performance Fee shall be calculated on the basis of the NAV per Share. The Performance Fee shall be equal to 15% in the case of Class AR Shares and Class AI Shares (upon the Fund’s continuation in Luxembourg, Classes AR and AI retained the same HWM and Performance Fee % of the previous Class A Investor Shares before the Fund been re-domiciled into Luxembourg) and 25% in the case of Class C Shares of the amount by which the Net Asset Value per Share (before the deduction of the Performance Fee) has exceeded the:

- i) The High Watermark, plus
- ii) The Hurdle Rate of Return

During the Performance Period, multiplied by the outstanding number of Shares in that particular class as at the relevant Valuation Day. No Performance Fee is payable in the case of Class BR Shares and Class BI Shares.

The ‘High Watermark’ is:

- For Class AI and AR Shares - the greatest of: (i) the NAV per Class A Investor Share as at August 31, 2020 and (ii) the NAV per Class A Investor Share or Class AI Shares or Class AR Shares as at the end of the last Performance Period at which a Performance Fee was paid.
- For Class C Shares - the greatest of: (i) the initial offer price for the Class C Shares once this is launched and (ii) the NAV per Class C Shares as at the end of the last Performance Period at which a Performance Fee was paid.

# Hermes Linder Fund SICAV

## Notes to the Financial Statements as at August 31, 2021 (continued)

### NOTE 8 - PERFORMANCE FEES (continued)

The Hurdle Rate of Return means 1% plus 3-month Euribor taken as at the relevant Valuation Day, calculated on an annualised basis as follows:

$$(1\% + A) * B/365$$

Where:

A = 3-Month EURIBOR taken as at the relevant Valuation Day and

B = The number of calendar days elapse since the last day of the Performance Period at which a performance fee was paid

The Hurdle Rate of Return cannot be lower than 0%. The 3-month EURIBOR is being used solely for the purposes of calculating the Performance Fee and should not be considered as a benchmark, as no form of benchmark is used by the Fund.

An accrual in respect of the Performance Fee will be made on each Valuation Day if the High Watermark conditions (i) and (ii) referred to above are met. If condition (i) or (ii) is not met, no accrual will be made. At the end of the financial year, an amalgamation of the positive and the negative returns is performed. In case that the High Watermark condition (i) or (ii) referred to above is not met but there are positive returns or negative returns then they will be transferred to the next financial year. Where there is a positive cumulative net excess return (positive return) at the end of the year and the Performance Fee becomes payable, the High Watermark will be set to the Net Asset Value per Share on the last Business Day of the financial year. However, where the Share Class has underperformed over the full financial year, no additional Performance Fee will be paid and the High Watermark will remain unchanged from the prior financial year.

The Performance Fee will be calculated on the basis of the Net Asset Value per Share after deducting all expenses, fees (but not the Performance Fee) and adjusting it for subscriptions, redemptions and distributions during the relevant financial year so that these will not affect the additional variable fee payable ("Gross Asset Value").

In the event that a redemption is made prior to the end of the Financial year, any accrued but unpaid Performance Fee relating to those Shares shall be crystallised (as at the Redemption Day) and paid to the Management Company within four months from the end of the relevant financial year.

The Performance Fee shall be payable yearly in arrears and normally within four months from the end of the financial year to which it relates.

Hermes does not operate an equalisation account.

If the Management Company is replaced before the end of any performance period, the Performance Fee in respect of such financial year will be calculated and paid as if the date of termination was the end of the relevant financial year.

The HWM for the current financial year of the Fund in respect of Class AI and AR was set at €5,625.752 + hurdle rate, in accordance with the offering documents of the Fund.

It was proposed by the Management Company on 7th January 2021, and approved by the Board of Directors of the Fund on 5th February 2021, to renounce all performance fees due on Class AI and AR until the proposed new HWM of €6,250 + hurdle rate (which will restart being accrued once the NAV hits the €6,250) is reached.

The reason for this decision was that due to the disappointing performance of the Fund over the past three years, the Investment Manager felt that it was appropriate in the current circumstances to do this in favour of the Fund's investors.

Subsequently, the new proposed HWM was reached during the period under review, leading to a crystallisation of performance fees of EUR 7,978,085.

Consequently, as explained above, the HWM will be raised to the NAV per Class AI Shares and Class AR Shares respectively as at 31st August 2021.

Furthermore, as explained in the Report of the Board of Directors, in the prospectus dated September 1, 2021, certain changes were made to the performance fee calculation in accordance with the ESMA guidelines. Please refer to the prospectus dated September 1, 2021 for further details.

### NOTE 9 - TRANSACTION COSTS

The total amount of transaction costs is included in the Statement of Operations and Changes in Net Assets of the sub-fund and includes sub-depositary fees, correspondent's expenses and brokerage fees. For bonds, the transaction costs are included in the spread.

The following sub-funds incurred transaction costs relating to purchase or sale of transferable securities or derivative instruments as follows:

Sub-fund Name	Currency	Amount
Hermes Linder Fund ("Hermes")	EUR	115,668

# Hermes Linder Fund SICAV

## Notes to the Financial Statements as at August 31, 2021 (continued)

### NOTE 10 - EXCHANGE RATES

The exchange rates used as of August 31, 2021 are:

1 EUR = 1.081352 CHF

1 EUR = 0.857729 GBP

1 EUR = 10.276221 NOK

1 EUR = 4.519715 PLN

1 EUR = 10.197479 SEK

1 EUR = 1.180450 USD

### NOTE 11 - FUTURES CONTRACTS

As at August 31, 2021, the following futures contracts were outstanding:

#### HERMES LINDER FUND

Type	Currency	Contracts	Number of Contracts	Commitment (EUR)	Maturity Date	Unrealised Gain/Loss (EUR)
SALE	EUR	10Y BTP ITALIAN BOND	(218)	(21,717,160)	10/09/2021	(286,410)
SALE	EUR	EURO BUND	(192)	(20,089,920)	10/09/2021	(437,760)
						(724,170)



# Hermes Linder Fund SICAV

## Remuneration policy (unaudited)

The Management Company has in place a remuneration policy in line with the Directive 2014/91/EU of the European Parliament and of the Council of July 23, 2014 amending 2009/65/EC of the European Parliament and of the Council of July 13, 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

The remuneration policy sets out principles applicable to the remuneration of senior management, all staff members having a material impact on the risk profile of the financial undertakings as well as all staff members carrying out independent control functions.

In particular, the remuneration policy complies with the following principles in a way and to the extent that is appropriate to the size, internal organisation and the nature, scope and complexity of the activities of the Management Company:

- i) it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or Articles of Incorporation of the Fund;
- ii) if and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- iii) it is in line with the business strategy, objectives, values and interests of the Management Company and the Fund and of the Shareholders, and includes measures to avoid conflicts of interest;
- iv) fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

The remuneration policy is determined and reviewed at least on an annual basis by the remuneration officer.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, are available on <http://www.praude.com.mt/en/remuneration-policy>, a paper copy will be made available free of charge upon request.

## Transparency of Securities Financing Transactions and their Reuse (unaudited)

During the financial year of the fund no securities financing transactions and total return swaps in the sense of Regulation (EU) 2015/2365 of the European Parliament and the Council of November 25, 2015 on transparency of securities financing transactions and of reuse and amending Regulation 648/2012 have taken place. As a consequence, no information according to article 13 of the afore mentioned Regulation need to be disclosed to the fund's investors.

## Risk Management (unaudited)

Hermes Linder Fund is monitored on a daily basis from a risk management perspective in line with its daily valuation. The UCITS limits as imposed by the Directive are closely monitored to ensure all is in order. Moreover, the offering documentation specific limits are also closely monitored to ensure the Fund is being managed in accordance with the investment, borrowing and leverage limits. The risk management function also ensures that the Fund is actively investing in eligible assets as set out in the offering documentation and the UCITS rules. The Fund adopts the commitment approach in determining its global exposure and leverage to financial derivative instruments.

# Hermes Linder Fund SICAV

## Information for Investors in Switzerland (unaudited) As at August 31, 2021

Hermes Linder Fund is a public limited liability company (société anonyme) organised as an investment company with variable capital (société d'investissement à capital variable) and registered under the laws of Luxembourg. It has appointed Société Générale, Paris, Zurich Branch, Talacker 50, PO Box 5070, 8021 Zurich, Switzerland, as representative and paying agent for Switzerland. Société Générale, Paris, Zurich Branch has been approved by the Federal Financial Market Authority FINMA approved as representative of the company in Switzerland and acts as paying agent. The Prospectus, Key Investor Information Document (KIID), Memorandum and Articles of Association and a list of the purchases and sales made on behalf of the Company 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.

## Total Expense Ratios – Unaudited

The TER (“Total Expense Ratio”) is expressed as a percentage.

### TER

		<b>August 31, 2021 (including performance fee)*</b>	<b>August 31, 2021 (excluding performance fee)</b>	<b>February 28, 2021</b>
Hermes Linder Fund	Class AI	4.01%	1.17%	1.25%
Hermes Linder Fund	Class AR	3.97%	1.21%	1.30%
Hermes Linder Fund	Class BI	2.18%	2.18%	2.25%
Hermes Linder Fund	Class BR	2.22%	2.22%	2.29%

Source: The Total Expense Ratio figures are provided by the Administrator, RBC Investor Services Bank S.A.

\*This index is calculated in accordance with the directive on the calculation and publication of the TER and PTR issued by the Swiss Funds and Asset Management Association (“SFAMA”) on 16 May 2008. The TER indicates all fees and charges applicable retrospectively to the assets of the SICAV (operating expenses) as a percentage of the net assets of the SICAV itself, including the performance fee payable to the Management Company. The TER does not include transaction costs or other costs arising from the hedging of currency risks.

## Fund Performance Data

Hermes Linder Fund

Supplementary Information (unaudited)

Hermes Linder Fund	<b>August 31, 2021</b>	<b>August 31, 2020</b>	<b>August 31, 2019</b>	<b>August 31, 2018</b>
Performance Class AI (EUR)	52.25%	-6.27%	-6.18%	-3.67%
Performance Class BI (EUR)	54.70%	-7.21%	-7.12%	-4.63%

The information contained in this report is historical and not necessarily indicative of future performance. The performance data contained in this report does not take account of any commissions or costs charged when subscribing and redeeming shares.