

**HERMES LINDER FUND
SICAV PLC**

SV 100

Report and financial statements

31 August 2016

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HERMES LINDER FUND SICAV PLC

Directors, officer and other information

<i>Directors:</i>	Mr. Tom Anastasi Pace Mr. Claudio Palladini Mr. Ivan Fsadni
<i>Secretary:</i>	Valletta Fund Services Limited TG Complex Suite 2, Level 3 Brewery Street Mriehel Malta
<i>Registered office:</i>	TG Complex Suite 2, Level 3 Brewery Street Mriehel Malta
<i>Country of incorporation:</i>	Malta
<i>Company registration number:</i>	SV 100
<i>Auditor:</i>	Deloitte Audit Limited Deloitte Place Mriehel Bypass Mriehel Malta
<i>Investment manager:</i>	Praude Asset Management Limited Level 14 Portmaso Business Tower, Portomaso St. Julians Malta

HERMES LINDER FUND SICAV PLC

Directors, officer and other information

Custodian: Bank of Valletta p.l.c
BOV Centre
Cannon Road
Santa Venera
Malta

*Prime broker and
sub-custodian:* Axion Swiss Bank S.A
Viale Stefano Franscini 22, Emilio Bossi 1
CH- 6901 Lugano
Switzerland

Administrator and registrar: Valletta Fund Services Limited
Suite 2, Level 3
TG Complex
Brewery Street
Mriehel
Malta

Legal advisors: CDF Advocates
13/23 Vincenti Buildings
Strait Street
Valletta
Malta

HERMES LINDER FUND SICAV PLC

Directors' report

Year ended 31 August 2016

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 2016.

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).

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 attracted *EUR48,127,593* (2015 – *EUR43,482,668*) from investors with redemptions amounting to *EUR19,893,675* (2015 – *EUR15,494,228*).

The Company registered a gain of *EUR7,134,218* (2015 – *EUR21,817,099*). Net assets attributable to holders of redeemable shares at the end of the year amounted to *EUR218,897,236* (2015 – *EUR183,529,100*).

Results and distribution

The results for the year ended 31 August 2016 are shown in the statement of profit or loss and other comprehensive income on page seven. 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 2016

Likely future developments

The directors consider that the year end financial position was satisfactory and that the Company is well placed to sustain the present level of activity in the foreseeable future.

Directors

The directors who served during the period were:

Dr. Frank Chetcuti Dimech (resigned on 25th January 2016)

Mr. Tom Anastasi Pace

Mr. Claudio Palladini

Mr. Ivan Fsadni (appointed on 8th March 2016)

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

Auditors

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

Approved by the board of directors and signed on 12 December 2016 by:



Mr Ivan Fsadni
Director



Mr Tom Anastasi Pace
Director

HERMES LINDER FUND SICAV PLC

Statement of directors' responsibilities

The directors are required by the Companies Act (Cap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU, which give a true and fair view of the state of affairs of the Company at the end of each financial year and of the profit or loss of the Company 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 company 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 company 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 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 Company, 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 2016

		2016	2015
	Notes	EUR	EUR
Investment income			
Dividend income		4,975,755	3,510,765
Interest income		450,098	1,003,145
Net gain on financial instruments at fair value through profit or loss		6,988,008	24,042,929
Other income		-	25
Net investment income		12,413,861	28,556,864
Administrator fees	5	148,905	151,150
Audit fees		7,000	19,248
Custodian fees	5	217,433	149,505
Directors' fees	12	10,610	9,854
Legal fees		6,269	5,980
Management fees	5	2,526,842	2,031,830
Other expenses		33,411	54,884
Transaction costs		500,835	445,305
Disbursement and commissions		56,391	38,590
Performance fees	5	863,692	3,026,714
Operating expenses		4,371,388	5,933,060
Change in net assets attributable to holders of investor shares before withholding tax		8,042,473	22,623,804
Withholding tax paid on behalf of holders of investor shares		(908,255)	(806,705)
Change in net assets attributable to holders of investor shares		7,134,218	21,817,099

HERMES LINDER FUND SICAV PLC

Statement of financial position

31 August 2016

	Notes	2016 EUR	2015 EUR
Assets			
Financial assets at fair value through profit or loss	6	215,156,880	183,456,172
Accrued income	7	42,952	124,868
Receivables	8	-	3,653,227
Cash and cash equivalents	11	5,488,253	1,171,428
Total assets		220,688,085	188,405,695
Liabilities			
Financial liabilities at fair value through profit or loss	6	63,295	57,270
Trade and other payables	9	1,727,554	4,819,325
Total liabilities (excluding net assets attributable to holders of investor shares)		1,790,849	4,876,595
Net assets attributable to holders of investor shares		218,897,236	183,529,100

These financial statements were approved by the board of directors, authorised for issue on 12 December 2016 and signed on its behalf by:



Mr Ivan Fsadni
Director



Mr Tom Anastasi Pace
Director

HERMES LINDER FUND SICAV PLC

Statement of changes in net assets attributable to holders of investor shares

Year ended 31 August 2016

	2016	2015
	EUR	EUR
Net assets attributable to holders of investor shares at the beginning of the year	183,529,100	133,723,561
Creation of investor shares	48,127,593	43,482,668
Redemption of investor shares	(19,893,675)	(15,494,228)
Change in net assets attributable to holders of investor shares	7,134,218	21,817,099
Net assets attributable to holders of investor shares at the end of the year	218,897,236	183,529,100

HERMES LINDER FUND SICAV PLC

Statement of cash flows

Year ended 31 August 2016

	2016	2015
	EUR	EUR
Cash flows used in operating activities		
Bond and bank interest received	451,160	1,274,412
Dividend income received	5,056,609	3,481,303
Operating expenses paid	(5,962,128)	(4,471,001)
Withholding taxes paid	(908,255)	(806,705)
<i>Net cash flows used in operating activities</i>	<u>(1,362,614)</u>	<u>(521,991)</u>
Cash flows used in investing activities		
Payment to acquire financial instruments at fair value through profit or loss	(124,182,870)	(123,960,209)
Receipts from disposal of financial instruments at fair value through profit or loss	101,628,389	90,748,571
<i>Net cash flows used in investing activities</i>	<u>(22,554,481)</u>	<u>(33,211,638)</u>
Cash flows from financing activities		
Amounts received on creation of investor shares	48,127,595	43,482,668
Amounts paid on redemption of investor shares	(19,893,675)	(15,494,228)
<i>Net cash flows from financing activities</i>	<u>28,233,920</u>	<u>27,988,440</u>
Net movements in cash and cash equivalents	4,316,825	(5,745,189)
Cash and cash equivalents at the beginning of the year	1,171,428	6,916,617
Cash and cash equivalents at the end of the year (note 11)	<u>5,488,253</u>	<u>1,171,428</u>

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

1. Basis of preparation

At the reporting date, Hermes Linder Fund SICAV PLC (“the Company”) 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 Company which include the following sub-fund licensed at 31 August 2016: Hermes Linder Fund (“the sub-fund”).

The Company 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.

With effect from 1 September 2010, the Company 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 Company 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 Company 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.

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

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

2. Significant accounting policies (continued)

Financial instruments (continued)

(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 the statement of profit or loss and other comprehensive income when there is objective evidence that the asset is impaired.

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

The Company's investments are classified as financial assets and financial liabilities at fair value through profit or loss. Financial assets and financial liabilities at fair value through profit or loss are those that are held for trading purposes or those financial assets that are so designated by the Company upon initial recognition.

After initial recognition, financial assets and financial liabilities at fair value through profit and loss are measured at their fair value. Prior to 1 January 2013, the quoted market price used for financial assets held by the fund was the current bid price; the quoted market price for financial liabilities was the current asking price. The Fund adopted IFRS 13, 'Fair Value Measurement', from 1 January 2013; it changed its fair valuation input to utilise the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

Gains and losses arising from a change in fair value are recognised in profit or loss in the period in which they arise. Where applicable, dividend income and interest income on financial assets at fair value through profit or loss is disclosed separately in the statement of profit or loss and other comprehensive income on page 7. Fair value gains and losses are recognised within net gain on financial instruments at fair value through profit or loss.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

2. Significant accounting policies (continued)

Financial instruments (continued)

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

(a) Derivative financial instruments

Derivative financial assets and derivative financial liabilities are classified as held for trading unless they are designated as effective hedging instruments. During the year under review, the Company did not designate any of its derivative financial instruments in a hedging relationship for accounting purposes.

After initial recognition, derivative financial instruments are measured at their fair value. Gains and losses arising from a change in fair value are recognised in profit or loss in the period in which they arise.

A forward currency contract involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward foreign exchange contracts are valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward currency contracts is calculated as the difference between the contract rate and this forward price, and is recognised in the statement of profit or loss and other comprehensive income.

A futures contract provides an investor the opportunity to buy or sell an asset or security at a specified price and settlement date in the future. To buy or sell a futures contract is a commitment to buy or sell the underlying asset or security at the specified price and settlement date. Investing in futures contracts carries high exposure to risk. Because of the leverage associated with trading futures, a relatively small movement in the market price of traded instruments may result in a disproportionately large profit or loss.

Options are derivative financial instruments that give the buyer, in exchange for a premium payment, the right, but not the obligation, to either purchase from (call option) or sell to (put option), the other party a specified underlying instrument at a specified price on or before a specified date. The Company enters into exchange traded and over the counter option contracts to meet the requirement of its risk management and trading activities.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

2. Significant accounting policies (continued)

Financial instruments (continued)

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

(b) Convertible bond

The convertible bond represents a hybrid contract with an embedded derivative. The Company does not account for the embedded derivative separately and designates the entire instrument as at fair value through profit or loss upon initial recognition and is subsequently re-measured to its fair value at the end of each reporting period. The Company designates hybrid contracts as a financial asset or financial liability at fair value through profit or loss when such contracts contain one or more embedded derivatives and when it is permitted to do so.

(iii) Trade and other payables

Trade and other 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 gain on financial assets at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

(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 investor shares” and is determined based on the residual assets of the Company after deducting all other liabilities.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

2. Significant accounting policies (continued)

Financial instruments (continued)

(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 Company 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 Company 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 and 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 2016

2. Significant accounting policies (continued)

Taxation (continued)

The Company 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 Company 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 Company recognises the related dividend or interest in the statement of profit or loss and other comprehensive income.

Currency translation

The financial statements of the Company are presented in Euro, which is the currency used for the financial statements and the currency in which the Company's share capital is denominated, in accordance with the provisions of article 187 of the Companies Act (Cap. 386). The sub-fund's functional currency is the currency of denomination of the sub-fund as stipulated in the prospectus.

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 with in the statements 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.

Fees and other expenses

Fees, commission and other expenses are recognised in profit or loss on an accrual basis.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

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

In the process of applying the Company'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. Initial application of International Financial Reporting Standards and International Financial Reporting Standards in issue but not yet effective

The following amendments to the existing standards issued by the International Accounting Standards Board are effective for the current year:

- An amendment to IAS 24 'Related Party Disclosures', as part of the 'Annual Improvements to IFRSs 2010-2012 cycle' clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. This amendment is effective for annual periods commencing on 1 February 2015.
- As a part of the 'Annual Improvements to IFRSs 2011-2013 cycle' IFRS 13 'Fair Value Measurement' clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation. This amendment is effective for annual periods commencing on 1 January 2015.

At the date of authorisation of these financial statements the following standards, revisions and interpretations were in issue but not yet effective:

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

4. Initial application of International Financial Reporting Standards and International Financial Reporting Standards in issue but not yet effective (continued)

- The final version of IFRS 9 'Financial Instruments' brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 'Financial Instruments: Recognition and Measurement'.

The Standard supersedes all previous versions of IFRS 9.

IFRS 9 introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule based requirements that are generally considered to be overly complex and difficult to apply.

The new model also results in a single, forward-looking 'expected loss' impairment model that will require more timely recognition of expected credit losses.

IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements.

IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. This amendment is effective for annual periods commencing on or after 1 January 2018 and has not yet been endorsed by the EU.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements
31 August 2016

4. Initial application of an International Financial Reporting Standard and International Financial Reporting Standards in issue but not yet effective (continued)

- Amendments to IAS 1 Presentation of Financial Statements were issued on 18 December 2014. The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports. The amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. The amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. This amendment is effective for annual periods commencing on or after 1 January 2016.
- Amendments to IFRS 7 Financial Instruments: Disclosures were issued on 25 September 2014. The amendments provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purposes of the disclosures required in relation to transferred assets. This amendment is effective for annual periods commencing on or after 1 January 2016.

Only amendments that are relevant to the Company have been disclosed above.

The directors anticipate that the adoption of International Financial Reporting Standards that were in issue at the date of authorisation of these financial statements but not yet effective will have no material impact on the financial statements of the Company in the period of initial application.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

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 Company 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 Company in respect of the Sub-Fund.

Class C Voting Shares: Nil.

The investment management fee borne by the Company during the financial year ending 31 August 2016 was that of *EUR2,526,842* (2015: *EUR2,031,830*).

(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. 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.

The performance fee borne by the Company during the financial year ending 31 August 2016 was that of *EUR863,692* (2015: *EUR3,026,714*).

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

5. Fees (continued)

(iii) Administrator fees

Hermes Linder Fund - The Administrator, Valletta 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 Company during the financial year ending 31 August 2016 was that of *EUR148,905* (2015: *EUR151,150*).

(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. The Sub-Custodian, Axion Swiss Bank, receives a sub-custody fee at 0.075% based on the NAV of the sub-fund subject to a minimum of *EUR 25,000* per annum. The custody fee does not include any sub-custody fees due by the custodian to the sub-custodian.

The custodian fee borne by the Company during the financial year ended 31 August 2016 amounted to *EUR217,433* (2015: *EUR149,505*).

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

	2016 Fair value EUR	% of net Assets	% of total assets
Financial assets designated at fair value through profit or loss			
- Equity instruments	215,040,512	98.24	97.44
- Debt instruments	98,149	0.04	0.04
- Fair value of warrants	-	-	-
Financial assets held for trading			
- Forward exchange contracts	18,219	0.01	0.01
	<u>215,156,880</u>	<u>98.29</u>	<u>97.49</u>

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

6. Financial assets and liabilities at fair value through profit or loss (continued)

	2015 Fair value EUR	% of net assets	% of total assets
Financial assets classified as held for trading			
- Equity instruments	183,046,364	99.74	97.16
- Debt instruments	100,829	0.05	0.05
- Fair value of warrants	44,160	0.02	0.02
Financial assets held for trading			
- Fair value of forward exchange contracts	264,819	0.14	0.14
	<u>183,456,172</u>	<u>99.95</u>	<u>97.37</u>

2016

Investments in forward exchange contracts

Maturity	Notional Value	Details	Fair value of forward exchange contract at year-end EUR
12 September 2016	(5,525,000)	Sell CAD/Buy EUR	7,485
21 September 2016	(2,600,000)	Sell CHF/Buy EUR	10,734
			<u>18,219</u>

2015

Investments in forward exchange contracts

Maturity	Notional Value	Details	Fair value of forward exchange contract at year-end EUR
01 September 2015	(110,000)	Sell SGD/Buy EUR	69,741
01 September 2015	78,147	Sell EUR/Buy USD	(69,603)
03 September 2015	(13,750,000)	Sell ILS/Buy EUR	199,415
03 September 2015	(1,100,000)	Sell GBP/Buy EUR	56,170
03 September 2015	1,100,000	Sell EUR/Buy GBP	9,096
			<u>264,819</u>

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

6. Financial assets and liabilities at fair value through profit or loss (continued)

	2016 Fair Value EUR	% of Net Assets	% of Total Liabilities
Financial liabilities held for trading - Options	<u>(63,295)</u>	<u>(0.03)</u>	<u>3.53</u>

2016

Investments in options

Expiration	Details	Fair value of options at year-end EUR
September 2016	Sale of 298 Fraport Call Options @ strike 52	(6,258)
September 2016	Sale of 30 Galenica Call Options @ strike 1,120	(11,004)
September 2016	Sale of 80 Galenica Call Options @ strike 1,140	(20,601)
September 2016	Sale of 40 Galenica Call Options @ strike 1,160	(6,810)
September 2016	Sale of 50 Galenica Call Options @ strike 1,180	(5,300)
September 2016	Sale of 50 Galenica Call Options @ strike 1,200	(3,221)
September 2016	Sale of 160 Linde Call Options @ strike 160	(10,101)
		<u>(63,295)</u>

	2015 Fair Value EUR	% of Net Assets	% of total liabilities
Financial liabilities held for trading - Options	<u>(57,270)</u>	<u>(0.03)</u>	<u>1.17</u>

2015

Investments in options

Expiration	Details	Fair value of options at year-end EUR
September 2015	Sale of 105 Roche Options	35,270
September 2015	Sale of 500 Unilever Options	22,000
		<u>57,270</u>

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

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

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7. Accrued income

	2016 EUR	2015 EUR
Accrued interest	1,923	2,985
Dividends receivable	41,029	121,883
	<u>42,952</u>	<u>124,868</u>

8. Receivables

	2016 EUR	2015 EUR
Amounts due on securities sold	<u>-</u>	<u>3,653,227</u>

9. Payables

	2016 EUR	2015 EUR
Accruals	1,201,551	3,293,123
Amounts due on securities purchased	526,003	1,526,202
	<u>1,727,554</u>	<u>4,819,325</u>

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

HERMES LINDER FUND SICAV PLC

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10. Share capital (continued)

Issued share capital (continued)

Founder shares shall be the only class of shares in the Company 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 Company or in the assets of the Company on a winding up (other than the return of the paid up capital after payment of all amounts due to the Investor Shares).

The investor shares in a sub-fund may or may not carry voting rights. Details on the voting rights attached to the investor shares in a sub-fund of the company will be set out in the offering supplement in respect of that sub-fund.

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.

The Company'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 Company relating to the respective sub-fund, upon liquidation.

Investor shares

	Numbers of Shares Class A	Numbers of Shares Class B
Balance as at 1 September 2015	34,148.92	41,511.16
Issue of investor shares during the year	7,342.06	15,414.03
Redemption of investor shares during the year	(2,869.45)	(6,817.41)
Balance as at 31 August 2016	<u>38,621.53</u>	<u>50,107.78</u>
	Numbers of Shares Class A	Numbers of Shares Class B
Balance as at 1 September 2014	28,918.24	36,615.79
Issue of investor shares during the year	13,465.74	5,363.04
Redemption of investor shares during the year	(8,235.06)	(467.67)
Balance as at 31 August 2015	<u>34,148.92</u>	<u>41,511.16</u>

HERMES LINDER FUND SICAV PLC

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10. Share capital (continued)

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 investor shares on page 9.

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:

	2016	2015
	EUR	EUR
Cash and cash equivalents held in banks	5,453,541	1,171,346
Initial margin balances on open future and option contracts	1,854,194	1,488,860
Variation margin balances on open future contracts	(1,819,482)	(1,488,778)
	<u>5,488,253</u>	<u>1,171,428</u>

Cash at bank earns interest at floating rates based on bank deposit rates.

Variation margin balances on open future contracts

	2016	% of	% of
	EUR	net	Total
		assets	liabilities
Financial liabilities classified as held for trading			
- Fair value of open futures contracts	(1,819,482)	(0.83)	101.60

Maturity	Details	Fair value of future contracts at year-end 2016 EUR
September 2016	Sale of 475 EURX-EUR BTP	(2,105,482)
September 2016	Purchase of 11 EURX-DAX INDEX	286,000
		<u>(1,819,482)</u>

HERMES LINDER FUND SICAV PLC

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11. Cash and cash equivalents (continued)

	2015	% of net assets	% of total liabilities
	EUR		
Financial liabilities classified as held for trading			
- Fair value of open futures contracts	<u>(1,488,778)</u>	0.81	30.53
			Fair value of future contracts at year-end 2015 EUR
Maturity	Details		
September 2015	Sale of 475 EURX-EUR BTP		<u>(1,488,778)</u>

12. Related party disclosures

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

Mr. Claudio Palladini is a director and founder member of the Company. Mr. Tom Anastasi is both director of the Company and director of Praude Asset Management Limited, the investment manager of the Company. During the year under review, the Company incurred management fees and performance fees amounting to *EUR2,526,842* (2015: *EUR2,031,830*) and *EUR863,692* (2015: *EUR3,026,714*) respectively. Directors' fees amounting to *EUR10,610* (2015: *EUR 9,854*) were incurred during the period.

Until 25th January 2016, Dr. Frank Chetcuti Dimech was the compliance officer and money laundering reporting officer of the Company, as well as one of the directors. The remuneration paid to Dr. Frank Chetcuti Dimech for these services is included in his director fee. He was replaced by Mr. Ivan Fsadni as money laundering reporting officer, who is a director of the Company and for which remuneration is included in his director fee. The compliance function has been taken over by Mr. David Galea Souchet who, however, is not a related party.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

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12. Related party disclosures (continued)

During the previous financial year, Acelum Value Fund, a sub-fund of Acelum SICAV, authorised as a UCITS in Luxembourg by the Commission de Surveillance du Secteur Financier having its registered office at 8-10, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg, was also managed by Praude Asset Management Limited. On 15 April 2015, Hermes Linder Fund (the Receiving Fund) merged with Acelum Value Fund (the Merging Fund) by way of cross-border merger completed in accordance with the Investment Service Act (UCITS Mergers) Regulations (Maltese Legal Notice 242 of 2011, as amended by Legal Notice 336 of 2012 and Legal Notice 333 of 2014), namely by the delivery and/or transfer of the net assets of the Merging Fund to the Receiving Fund's custodian to be held on behalf of the Receiving Fund in exchange for the issue of new shares in the Receiving Fund to the Merging Fund's Shareholders. The following statement lists the amounts of assets and liabilities transferred from the Merging Fund to the Receiving Fund at the date of merger:

	15 April 2015
	EUR
Cash and cash equivalents held in banks	2,109,040
Financial assets at fair value through profit or loss	25,452,509
Receivables	59,414
Total assets	27,620,963
Financial liabilities at fair value through profit or loss	157,950
Payables and accruals	672,798
Total liabilities	830,748
Net assets	26,790,215

The number of shares issued to the previous shareholders of Acelum Value Fund is 6,729.92. The value of those shares amounts to EUR 26,790,215, which is equivalent to the net assets value of Acelum Value Fund at the date of merger.

HERMES LINDER FUND SICAV PLC

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13. Fair values of financial assets and financial liabilities

At 31 August 2016 and 2015, 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 Company 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 2016 and 2015 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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company 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.

The determination of what constitutes ‘observable’ requires significant judgment by the Company. The Company 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.

HERMES LINDER FUND SICAV PLC

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

The following table analyses within the fair value hierarchy the Company's financial assets and financial liabilities measured at fair value for 31 August 2016 and 31 August 2015.

Financial assets and financial liabilities at fair value as at 31 August 2016

	Total EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
<i>Financial assets designated at fair value through profit or loss</i>				
- Equity instruments	215,040,512	212,276,742	2,763,770	-
- Debt instruments	98,149	-	98,149	-
- Warrants	-	-	-	-
- Derivative financial instruments	18,219	-	18,219	-
	<u>215,156,880</u>	<u>212,276,742</u>	<u>2,880,138</u>	<u>-</u>
<i>Financial liabilities held for trading</i>				
- Options	63,295	63,295	-	-
	<u>63,295</u>	<u>63,295</u>	<u>-</u>	<u>-</u>

Financial assets and financial liabilities at fair value as at 31 August 2015

	Total EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
<i>Financial assets designated at fair value through profit or loss</i>				
- Equity instruments	183,046,364	123,630,082	59,416,282	-
- Debt instruments	100,829	-	100,829	-
- Warrants	44,160	-	44,160	-
<i>Financial assets held for trading</i>				
- Forward exchange contracts	264,819	-	264,819	-
	<u>183,456,172</u>	<u>123,630,082</u>	<u>59,826,090</u>	<u>-</u>
<i>Financial liabilities held for trading</i>				
- Options	57,270	57,270	-	-
	<u>57,270</u>	<u>57,270</u>	<u>-</u>	<u>-</u>

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

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

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

2016	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Assets				
Accrued income	-	42,952	-	42,952
Amounts receivable on securities sold	-	-	-	-
Cash and cash equivalents	5,488,253	-	-	5,488,253
Total	5,488,253	42,952	-	5,531,205
Liabilities				
Trade and other payables	-	1,727,554	-	1,727,554
Net assets attributable to holders of investor shares	-	218,897,236	-	218,897,236
Total	-	220,624,790	-	220,624,790
2015	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Assets				
Accrued income	-	124,868	-	124,868
Amounts receivable on securities sold	-	3,653,227	-	3,653,227
Cash and cash equivalents	1,171,428	-	-	1,171,428
Total	1,171,428	3,778,095	-	4,949,523
Liabilities				
Trade and other payables	-	4,819,325	-	4,819,325
Net assets attributable to holders of investor shares	-	183,529,100	-	183,529,100
Total	-	188,348,425	-	188,348,425

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

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

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 Company for settlement of expenses and purchases for settlement.

The puttable value of investor 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 investor shares.

14. Financial risk management

Risk management

Where possible, the Company 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 Company 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 Company trades in financial instruments, taking positions in traded instruments including derivatives. All securities present a risk of loss of capital. The Company 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 Company's overall market positions are monitored on a regular basis by the Company's investment manager.

The Company's exposure to the different types of investments is summarised in note 6 to the financial statements.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

14. Financial risk management (*continued*)

Market risk (continued)

At the year-end, the Company'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.

The Company'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 Company's financial instruments are carried at fair value with fair value changes recognised in the statement of profit or loss and other 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 7.

Price risk is mitigated by the Company'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 Company may employ various techniques and enter into hedging transactions to attempt to mitigate a portion of the risks inherent to its investment strategies. The Company 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 Company's industry diversification as at the reporting date:

	2016	2015
	% of net	% of net
	assets	assets
Financial Services Industry	21.05	20.18
Basic materials	0.79	6.26
Industrials	47.39	45.11
Consumer services	3.84	5.77
Telecommunications	2.45	2.90
Consumer goods	13.10	14.89
Other	9.67	4.71

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

14. Financial risk management (*continued*)

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 Company's investments.

At the statement of financial position date, only 0.05% (2015: 0.05%) of the financial assets of the Company 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 Company are non-interest bearing except for cash at bank which earns interest at floating rates based on bank deposit rates.

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

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

	2016 % of net assets EUR	2015 % of net assets EUR
- denominated in EUR	76.35	68.94
- denominated in CHF	18.28	21.81
- denominated in SGD	1.64	3.16
- denominated in CAD	1.66	1.68
- denominated in USD	0.01	0.01
- denominated in AUD	-	0.01
- denominated in HKD	1.64	1.86
- denominated in ILS	-	1.48
- denominated in GBP	0.01	0.64
- denominated in JPY	0.14	0.26
- denominated in PLN	0.26	-
	99.99	99.85

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

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14. Financial risk management (continued)

Currency risk (continued)

Foreign exchange fluctuations were partly hedged through forward foreign exchange contracts. The contract amounts as at year end are disclosed below:

The contract amounts at year-end are disclosed below:

2016	Contract amount in Euro	Contract amount in Foreign currency
CAD against EUR maturing on 12 September 2016	(2,387,511)	(2,600,000)
Sale of CHF against EUR maturing on 21 September 2016	(3,786,581)	(5,525,000)
2015	Contract amount in Euro	Contract amount in Foreign currency
Sale of SGD against EUR maturing on 01 September 2015	(70,003)	(110,000)
Sale of GBP against EUR maturing on 03 September 2015	(1,565,947)	(1,100,000)
Sale of ILS against EUR maturing on 03 September 2015	(3,318,610)	(13,750,000)
Purchase of USD against EUR maturing on 01 September 2015	70,003	78,147
Purchase of GBP against EUR maturing on 03 September 2015	1,500,682	1,100,000

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 Company has used sensitivity analysis techniques that measure the change in the fair value of the Company'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

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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.

	Profit or loss	Profit or loss
	2016	2015
	EUR	EUR
Currency exchange risks	+/-5,674,546	+/-5,362,641
Financial instruments prices	+/-21,315,773	+/-18,452,203
Market interest rates – fair value	+/-1,963	+/-1,754

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.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

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14. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company'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.

The Company is exposed to cash redemptions of investor shares every day with 5 working days notice. Investor shares are redeemed on demand at the holder's option. Notwithstanding, the Company has the option to limit the number of investor shares redeemed on any redemption day to 5 % of the total NAV of the Company 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 portion of the Company's assets is maintained as cash and cash equivalents in order to meet unexpected redemptions and other liabilities. In addition the Company'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 Company's financial liabilities at 31 August 2016 and 31 August 2015.

2016	Less than 1 month EUR	1-3 months EUR	Total EUR
<i>Financial liabilities</i>			
Custodian fee payable	-	27,378	27,378
Performance fee payable	-	863,692	863,692
Other fees payable	310,481		310,481
Amounts due on securities purchased	526,003	-	526,003
Net assets attributable to Investor shares	218,879,236	-	218,879,236

HERMES LINDER FUND SICAV PLC

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14. Financial risk management (continued)

Liquidity risk (continued)

2015	Less than 1 month EUR	1-3 months EUR	Total EUR
<i>Financial liabilities</i>			
Custodian fee payable	-	20,155	20,155
Other fees payable	3,290,515	-	3,290,515
Amounts due on securities purchased	1,526,202	-	1,526,202
Net assets attributable to Investor shares	183,529,100	-	183,529,100

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

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 Company. The Company has policies that limit the amount of credit exposure to any single issuer. Accordingly, the investment manager monitors the Company's credit position on a regular basis. Financial assets, which potentially subject the Company 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 Company 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 Moody's credit rating of Aa2.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

14. Financial risk management (continued)

Credit risk (continued)

Credit risk arising on other debt instruments held in 2016 and 2015 was not significant.

Offsetting financial assets and liabilities

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

				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
2016	EUR	EUR	EUR	EUR	EUR	EUR
Financial Assets						
Cash and cash equivalents	7,307,735	-	7,307,735	(1,819,482)	-	5,488,253
Financial Liabilities						
Derivative Instruments	64,735,128	(66,194,610)	(1,819,482)	1,819,482	-	-

				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
2015	EUR	EUR	EUR	EUR	EUR	EUR
Financial Assets						
Cash and cash equivalents	2,660,206	-	2,660,206	(1,488,778)	-	1,171,428
Financial Liabilities						
Derivative Instruments	62,716,972	(64,205,750)	(1,488,778)	1,488,778	-	-

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

14. Financial risk management (continued)

Capital risk management

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

The Company 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 investor 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. Salient statistics and information about the Company

Hermes Linder Fund SICAV PLC ("the Company") 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 Company, to date, has established one sub-fund – Hermes Linder Fund.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

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15. Salient statistics and information about the Company

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 2016	Hermes Linder Fund Class B Number of shares 2016	Hermes Linder Fund Total Number of shares 2016
Investor shares in issue as at 31 August 2016	<u>38,621.530</u>	<u>50,107.78</u>	<u>88,729.31</u>
	EUR	EUR	EUR
Net asset value of investor shares as per statement of financial position	151,115,636	67,781,600	218,897,236
Difference relating to Founder share capital	(522)	(234)	(756)
Net asset value of investor shares as at official valuation date 31 August 2016	<u>151,115,114</u>	<u>67,781,366</u>	<u>218,896,480</u>
Net asset value of investor shares as at official valuation Date 31 August 2016	<u>3,912.716</u>	<u>1,352.711</u>	-

HERMES LINDER FUND SICAV PLC

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15. Salient statistics and information about the Company (continued)

	Hermes Linder Fund Class A Number of shares 2015	Hermes Linder Fund Class B Number of shares 2015	Hermes Linder Fund Total Number of shares 2015
Investor shares in issue as at 31 August 2015	34,148.92	41,511.16	75,660.08
	EUR	EUR	EUR
Net asset value of investor shares as per statement of financial position	129,114,081	54,415,019	183,529,100
Difference relating to founder share capital	(533)	(225)	(758)
Net asset value of investor shares as at official valuation date 31 August 2015	129,113,548	54,414,794	183,528,342
Net asset value of investor shares as at official valuation date 31 August 2015	3,780.896	1,310.847	-

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2016

15. Salient statistics and information about the Company (continued)

	Hermes Linder Fund Class A Number of shares 2014	Hermes Linder Fund Class B Number of shares 2014	Hermes Linder Fund Total Number of shares 2014
Investor shares in issue as at 31 August 2014	28,918.24	36,615.80	65,534.04
	EUR	EUR	EUR
Net asset value of investor shares as per statement of financial position	93,479,673	40,243,127	133,722,800
Difference relating to founder share capital	5,475	2,349	7,824
Net asset value of investor shares as at official valuation date 31 August 2015	93,485,148	40,245,476	133,730,624
Net asset value of investor shares as at official valuation date 31 August 2015	3,232.739	1,099.128	-

Independent auditor's report

to the members of

Hermes Linder Fund SICAV PLC

We have audited the accompanying financial statements of Hermes Linder Fund SICAV PLC ("the company") set out on pages 7 to 43, which comprise the statement of financial position as at 31 August 2016, and the statement of comprehensive income, statement of changes in net assets attributable to holders of investor shares and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

As explained more fully in the statement of directors' responsibilities on page 6, the directors of the company are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of financial statements that give a true and fair view 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 internal control of the company. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Independent auditor's report (continued)

to the members of

Hermes Linder Fund SICAV PLC

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Hermes Linder Fund SICAV PLC as at 31 August 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).



Sarah Curmi as Director
in the name and on behalf of
Deloitte Audit Limited
Registered auditor,
Mriehel, Malta

12 December 2016

HERMES LINDER FUND SICAV PLC

Portfolio Statement

Year ended 31 August 2016

	Market Value 31.08.2016 EUR	% of Net Assets
<i>Quoted Equities</i>		
BANKERS PTL.	3,302,252	1.51
CAPSTONE MINING	325,740	0.15
BUCHER INDUSTRIES	1,730,219	0.79
HELVETIA HOLDING N	4,109,937	1.88
SWISS LIFE HOLDING	4,495,984	2.05
GALENICA 'R'	2,606,665	1.19
VAUDOISE 'B'	4,979,464	2.27
PARTNERS GROUP HOLDING	2,981,774	1.36
GAM HOLDING	489	0.00
FLUGHAFEN ZURICH	18,050,150	8.25
FLUGHAFEN WIEN	1,169,315	0.53
SEMPERIT	2,010,052	0.92
ROSENBAUER INTL.	1,936,354	0.88
ISRA VISION	3,945,912	1.80
FRAPORT	1,490,298	0.68
INVISION SOFTWARE	305,243	0.14
OHB	2,182,629	1.00
LINDE	1,397,305	0.64
PUBLITY	581,077	0.27
SCHALTBAU HOLDING	4,714,837	2.15
IVU TRAFFIC TECHS.	244,797	0.11
HAMB.HAFEN UD.LOGISTIK	3,270,115	1.49
TECHNOTRANS (XET)	3,389,858	1.55
ADESSO	3,784,211	1.73
SUESS MICROTEC	1,764,365	0.81
VTG	4,358,225	1.99
WACKER NEUSON	4,361,584	1.99
ATTICA PUBLICATIONS	66,872	0.03
FYFFES (ESM)	11,165,699	5.10
TOTAL PRODUCE (ESM)	1,308,280	0.60
INTERPUMP GROUP	2,751,243	1.25
FNM	826,430	0.38
ASSICURAZIONI GENERALI	5,099,220	2.33
DANIELI & C RSP	2,233,564	1.02
SOGEFI	1,628,867	0.74
ASTM	3,195,877	1.46
AUTOSTRADe MERIDIONALI	1,050,238	0.48
CATTOLICA ASSICURAZIONI	14,856,181	6.79
SAES GETTERS RSP	1,900,188	0.87
LA DORIA	1,511,283	0.69

HERMES LINDER FUND SICAV PLC

Portfolio Statement (continued)

Year ended 31 August 2016

	Market Value 31.08.2016 EUR	% of Net Assets
<i>Quoted Equities (Continued)</i>		
MOLMED	955,115	0.44
EMAK	1,226,524	0.56
BUZZI UNICEM RSP	6,790,384	3.10
ACSM-AGAM	1,426,747	0.65
FINCANTIERI	706,496	0.32
ITALCEMENTI FABBRICHE	5,688,393	2.60
PANARIA GP.INDUSTR.CRMH.	3,783,642	1.73
SAVE-AEP.DI VNZ.MRC.POLO	4,209,485	1.92
IREN	2,131,376	0.97
BIESSE	9,845,205	4.50
CEMENTIR HOLDING	3,805,921	1.74
BANCA IFIS	4,656,157	2.13
SIAS	969,319	0.44
ELICA	1,229,291	0.56
ESPRINET	1,018,275	0.47
ASCOPIAVE	5,884,401	2.69
RETI TELEMATICHE ITALIAN	1,507,311	0.69
SAFILO GROUP	1,370,711	0.63
SESA	3,779,331	1.73
MASSIMO ZANETTI BEV.GP.	1,069,625	0.49
EL EN	8,280,825	3.78
IVS GROUP	129,726	0.06
KAS BANK	2,854,741	1.30
BATENBURG TECHNIEK	1,206,600	0.55
HEIJMANS	368,230	0.17
DELTA LLOYD GROUP	1,453,200	0.66
BEIJING CAP.INTL.ARPT.	3,536,876	1.62
UTOC	65,972	0.03
ASUNARO AOKI CON.	88,056	0.04
TAKEMOTO YOHKI	158,247	0.07
PKP CARGO	551,450	0.25
LIAN BENG GROUP	1,100,936	0.50
FOOD EMPIRE HDG.	1,377,632	0.63
TTJ HOLDINGS	731,520	0.33

HERMES LINDER FUND SICAV PLC

Portfolio Statement (continued)

Year ended 31 August 2016

	Market Value	% of Net Assets	
	31.08.2016		
Quoted Corporate Bonds			
	EUR		
PNE WIND 3.75	98,149		0.04
Derivatives – Options			
Fraport September 2016 Call Strike @ 52	(6,258)		0.00
Galenica September 2016 Call Strike @ 1120	(11,004)		0.01
Galenica September 2016 Call Strike @ 1140	(20,601)		0.01
Galenica September 2016 Call Strike @ 1160	(6,810)		0.00
Galenica September 2016 Call Strike @ 1180	(5,300)		0.00
Galenica September 2016 Call Strike @ 1200	(3,221)		0.00
Linde September 2016 Call Strike @ 160	(10,101)		0.00
Derivatives - Forward Forex Contracts			
	Fair Value	Nominal exposure	
Sale of CAD against EUR maturing on 12 September 2016	7,485	(3,786,581)	0.00
Sale of CHF against EUR maturing on 21 September 2016	10,734	(2,387,511)	0.00
Derivatives – Futures			
	Fair Value	Nominal exposure	
FUTURE EUREX – EUR BTP September 2016	(2,105,485)	(67,007,015)	(0.96)
FUTURE EUREX – DAX INDEX September 2016	286,000	2,631,888	0.13

HERMES LINDER FUND SICAV PLC

Statement of Changes in the Composition of the Portfolios

Year ended 31 August 2016

	% of net assets 31.08.2016 EUR	% of net assets 31.08.2015 EUR
Quoted Equities	98.24	99.74
Quoted Convertible Bonds	0.04	0.05
Warrants	-	0.02
Derivative Financial Liabilities	(0.03)	(0.03)

HERMES LINDER FUND SICAV PLC

Manager's Report

Year ended 31 August 2016

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

Over the past financial year, the Fund turned in a good outperformance over headline European Indices, outperforming the EuroStoxx 50 by 11.03% and the Stoxx 600 by 8.8% [both for Class A]. The Fund underperformed the MSCI World Index over the period [around 1%], which is reasonable, given the weight the latter index has towards the American market, which outperformed its European counterparts over the period.

The first half of 2016 was characterised by two major bearish periods, starting with the emerging market turmoil upon fears of capital flight out of Asian markets coupled with jitters surrounding the overall banking system's performance given negative interest rates and the surprise Brexit vote towards the end of June. During the former, European markets lost around 17% while American Indices were down 10%, with Hermes down 16% during the period. Market negativity subsided and from mid-February till end May, Hermes gained 18.8% with European and American Indices positing similar [but lower] gains in the range of 13.5% - 14.5%.

The Brexit aftermath sent European Markets on an 11% sell-off in June with Hermes giving up 8.4% while the effect on American Indices was less pronounced at -3.6% and -4.6%.

HERMES LINDER FUND SICAV PLC

Manager's Report (continued)

Year ended 31 August 2016

Overall the Fund performed well, given its long strategy, again posting a good over-performance after the positive result registered last year. Global markets are going through a difficult period of uncertainty and lack of direction as everything hangs on the next move by the US Federal Reserve regarding a possible interest rate increase as early as this year or a postponement of the decision to next year. Thus, in this macro environment, it pays to focus specifically on companies which will perform and maintain stability during difficult macro periods and hence the Manager maintained the previous stance of bottom-up investing philosophy.

The philosophy of picking small/mid cheap, deep value companies has continued to pay dividends this year as the Fund was rewarded for holding these companies for a number of years with the likes of Adesso, Isra Vision, Technotrans, El.en, SAVE and Partners Group to name a few, breaking out during the first eight months of 2016.

The positions held in airports remains central to the structure of the Fund with an overall weighting of 12.93%. Four out of five airports held, namely Flughafen Zurich, Flughafen Wien, SAVE [Venice & Treviso Airports] and Beijing Airport turned in a positive performance over the period with Fraport [Frankfurt Airport] the only negative performing airport in our portfolio (but overall positive when considering the value of the options sold having these shares as underlying). The latter is held in the portfolio for the purposes of maintaining a percentage of very liquid assets in the portfolio and the performance is enhanced through option trading. As stated in previous reports, low and negative interest rates are forcing investors to seek alternatives means of steady income and airports are a good alternative. International commute is always on the rise and airports are nowadays becoming the centre where people meet and develop their businesses giving the opportunity to the airport managers to expand their business range from just Aviation to real estate, retail and services, improving the quality and variety of their revenue streams. The exposure to real estate also provides a kind of protection in case of increasing inflation. Most airports offer good dividends and together with their stable business offer a good source of return for the cautious investor.

In Hermes, the largest holding remains Zurich Airport with 8.20%. During the financial year the share turned in a good performance, gaining 18.3%.

HERMES LINDER FUND SICAV PLC

Manager's Report (continued)

Year ended 31 August 2016

The main country exposure towards Italy was maintained at almost 48% [increasing from 39% last year], made up mostly of industrial companies together with Assicurazioni Cattolica, the largest exposure in the Italian market. Cattolica is the only cooperative still listed in the Italian market and its undemanding multiples reflect its baroque governance so the Manager is confident that, soon or later, Cattolica will be forced to transform into a joint stock company. During this period we added a few positions in municipal utility and infrastructure companies which were trading at compelling multiples and book values below 1x. Most of these companies have relatively low trading liquidity and hence we built a small portfolio of such companies, namely ACSM AGAM, FNM [Ferrovie Nord Milano], IREN, Retelit together with a small group of companies which run toll roads, SIAS, ASTM and Autostrade Meridionali.

As per previous reports, the Italian banking and financial system is still a very worrying issue, not only within the country but also on a European level. The Manager does not trust the Italian economy and especially does not trust the regulating entity of the Italian banking system but at the same time the Manager strongly believes that Italy has some world class companies, the valuation of which are comparatively very low solely because they are Italian. So as to go long on these companies, the Manager goes short on Italian Government bonds. As the ECB keeps buying government debt, yields are pushed further down to absurd levels, distorting the representation of credit risk in government bond yields. Thus, for the time being we are still playing against the referee, who is still managing to keep Italian yields at lows despite the number of Italian banks which, one after the other, are requesting external aid to maintain their capital base and that are on the cusp of bankruptcy. We believe that there has to come a point at which the situation cannot be reasonably controlled by the ECB and yields will start soaring to more realistic levels.

Until this day arrives, we will maintain the short position in the BTPs as it allows us to comfortably keep a strong long position in Italy. A number of these companies have contributed positively over the period such as El en [+34.7%], Saes getters risp [+32.19%], Interpump [+30.56%], Buzzi risp [+14.35%] and Italcementi [+6.02%]. The latter is currently in the process of being taken over by Heidelberg Cement, a process that has been going on for over a year and is still ongoing , given the legal issues involved, but moving closer to completion.

HERMES LINDER FUND SICAV PLC

Manager's Report (continued)

Year ended 31 August 2016

During the same period the Italian FTSE MIB Index lost 22.78% while the Italian Mid-Cap Index lost 8.72%, further emphasising the encouraging performance of the above mentioned companies, that have been in the portfolio for a number of years, and that still hold an integral part of the Italian portfolio as we believe these hold more value, as they still trade at compelling multiples. We also had some non-performers, which was unavoidable given the performance of the main Indices, namely Assicurazioni Cattolica [-17.89%], Biesse [-17.60%], La Doria [-7.00%] and Banca Ifis [-6.90%]. As Italian financial stocks collapsed [losing between 25% and 87% during the period], it was unavoidable for Cattolica not to perform negatively during the period. It must be said that Cattolica suffered the consequences of a big investment in Banca Popolare di Vicenza, an unacceptable mistake of the management. Comparing its performance to that of other Italian financial companies, Cattolica withstood the sell off and performed better than a number of its counterparts such as Assicurazioni Generali [-30.19%], Unipol [-40.68%] and Mediobanca [-25.69%]. The low multiples that Cattolica just deserves surely helped.

With regards to Cattolica we have a strong position in the portfolio [6.79%] as we had taken advantage of their latest capital increase at very cheap prices after a thorough analysis of the company's pros and cons. All in all, when weighing all the possible outcomes which may develop in the coming months, considering that they have written down most of their investments in bankrupt Italian banks, the downside is much lower than the potential upside.

Biesse [4.50% of the Fund] performed very well last year, gaining 93% over the same comparable period. Thus a correction in the current market environment was expected. The company's fundamentals are still intact, results are in line with targets and valuation multiples still quite cheap when compared to other companies thus the position will be maintained. Over the past year the position was reduced as Biesse peaked and we started buying again on the dips.

Swiss and German exposure remained strong, in line with previous periods. Exposure in Switzerland declined to 17.7% from 21.5% as a result of sold call options on Roche, Richemont and Partners Group which were exercised with the eventuality of these positions being sold partially or in their totality. As mentioned earlier, the largest Swiss exposure, Flughafen Zurich, was maintained as were the positions in Swiss insurers Vaudoise and Helvetia with the addition of Swiss Life. These companies are solid and have been delivering, even during the recent tough period of low interest rates, which has made it very hard for insurance companies to maintain margins. The companies mentioned are all well managed and offer healthy dividends; with the prospects of an upward revision in interest rates looming, insurers who survive the current depressed period face substantial upside as higher rates will improve their bottom line.

HERMES LINDER FUND SICAV PLC

Manager's Report (continued)

Year ended 31 August 2016

German small and mid-cap companies held in the Fund flourished over the period with companies like Adesso [from €18.82 to €31.26], Isra Vision [from €53.75 to €84.21] and Technotrans [from €15.43 to €21.01] posting substantial gains. These three are typical examples of firms with strong management whose clear visions and strategies have developed these companies into stable, profit making entities that deliver on their promises year-on-year. The Manager has maintained these positions in the Fund for a number of years now on the basis of their cheap valuation multiples, strong financials. Over the period a number of similar new small and mid-cap companies were added to our German portfolio, namely OHB, Hamburger Hafen [the port of Hamburg], Wacker Neuson and Publity, that follow the same rationale of the other holdings in the portfolio and are currently trading at compelling multiples. In the cases of Adesso, Isra and Technotrans, should valuation multiples rise to levels which the Manager deems as too high, taking all aspects into consideration, these positions will start being trimmed or sold in their totality. This applies to all holdings in our portfolio: when valuations are such that they are unreasonable for us to buy, then it is the time to start selling.

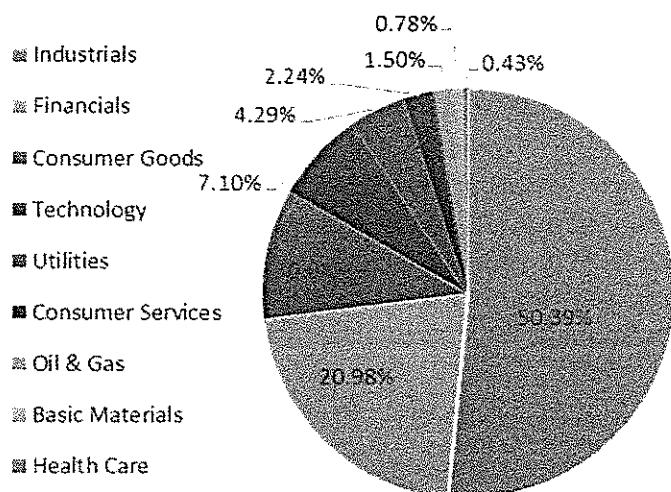
Irish exposure was maintained through Fyffes and to a lesser extent Total Produce. Banana and fruit distributor Fyffes has been in the portfolio for a number of years and still maintains a strong weight of 5.1%. Over recent years the company has acquired a number of producers which allows it to enter into other areas, such as pineapples and mushrooms, creating room for growth and diversifying their revenue streams, adding solidity to its overall structure. Fyffes has featured in the portfolio for a number of years as it fits perfectly with the Manager's philosophy, delivering stable growth without stretching its financial position beyond its means and repaying its shareholders along the way. During the period under review Fyffes gained 11.1%, reaching highs of €1.622 and closing August 2016 at €1.55.

Basic materials and Oil & Gas exposure was practically nil with the exception of Bankers Petroleum in Canada, who are currently being taken over by a Chinese company at a price of \$2.20 per share. This deal should be finalised by the end of September of this year.

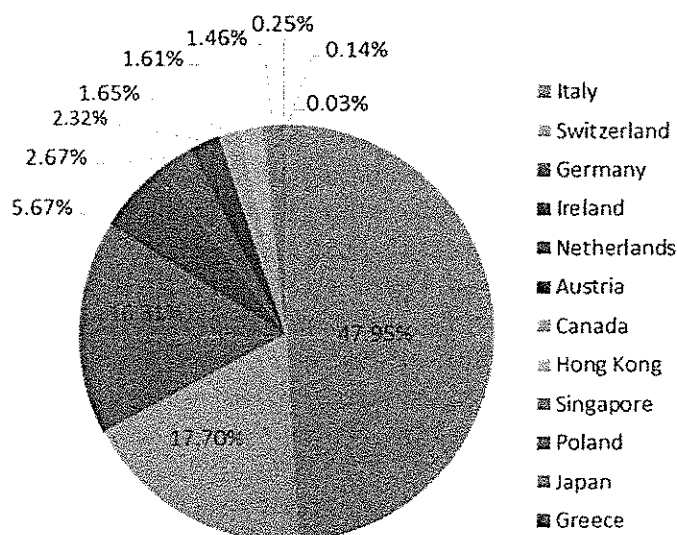
HERMES LINDER FUND SICAV PLC

Manager's Report (continued)

Year ended 31 August 2016



Industrial Diversification as at end August 2016



Geographical Diversification as at end August 2016

Ten Largest Holdings as at end August 2016

Rank	Equity	Type	Country	Industry	% of Portfolio
1	Flughafen Zurich	Equity	Switzerland	Industrials	8.20%
2	Cattolica Assicurazioni	Equity	Italy	Financials	6.75%
3	Fyffes	Equity	Ireland	Consumer Goods	5.07%
4	Biesse	Equity	Italy	Industrials	4.47%
5	El.en	Equity	Italy	Industrials	3.76%
6	Buzzi Unicem risp	Equity	Italy	Industrials	3.09%
7	Ascopiave	Equity	Italy	Industrials	2.67%
8	Italcementi	Equity	Italy	Industrials	2.59%
9	Assicurazioni Generali	Equity	Italy	Industrials	2.32%
10	Vaudoise Assurances Hol	Equity	Switzerland	Financials	2.26%

HERMES LINDER FUND SICAV PLC

Manager's Report (continued)

Year ended 31 August 2016

Asset Allocation as at end August 2016

	% of NAV
Quoted Equities	97.72
Quoted Conv Bonds	0.04
Cash and Cash Equivalents	1.41
Initial Margin	0.84
Quoted Options	(0.03)

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

29 February 2016

Share Class	Net Asset Value per share	Number of Shares in Issue	Net Asset Value
A	€ 3,666.56	38,027.933	€ 139,431,560.58
B	€ 1,267.16	40,563.137	€ 51,400,091.25
C	N/A	N/A	N/A

31 August 2016

Share Class	Net Asset Value per share	Number of Shares in Issue	Net Asset Value
A	€ 3,912.716	38,621.535	€ 151,115,113.85
B	€ 1,352.711	50,107.782	€ 67,781,365.50
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

Manager's Report (continued)

Year ended 31 August 2016

Remuneration disclosure

Praude Asset Management Limited (the "Company") is licenced by the Malta Financial Services Authority to act as a UCITS Management Company (amongst others) pursuant to the transposition of Directive 2009/65/EC (as amended). Directive 2014/91/EU of European Parliament on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities ("UCITS") as regards depositary functions, remuneration policies and sanctions came into force in March 2016 hereinafter referred to as "UCITS V" or the "Directive".

UCITS V requires that the management company discloses, in accordance with the principle of proportionality and at least on an annual basis, certain information regarding its remuneration policy and practices for 'identified staff'.

The Board of Directors has adopted and implements a remuneration policy designed to

- align individual awards with client and shareholder success;
- promote sound and effective risk management and not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the relevant Clients;
- align individual awards with business strategies, objectives, values and interest of the Company, the Clients and their investors and avoid conflict of interest;
- reinforce our meritocracy by differentially rewarding high performers; and
- recognise and retain top talent by ensuring a meaningful mix of upfront and deferred compensation.

Following due consideration of the Company's size, internal organisation as well as the nature, scope and complexity of its activities, the Board of Directors have determined that the Company is not required to appoint a remuneration committee on the basis of the principle of proportionality. The Board of Directors will review the appropriateness of the remuneration policy annually and will ensure that it is in accordance with the applicable laws and regulations.

The Company's remuneration regime is designed, structured and implemented on the basis of an annual operating plan that is contingent to the Company's long term strategic objectives to achieve strong investment performance and to be instrumental to clients' success.

The table below described the components of our remuneration regime for employees as well as the purpose and key measures.

HERMES LINDER FUND SICAV PLC

Manager's Report (continued)

Year ended 31 August 2016

Remuneration disclosure (continued)

Remuneration type	Pay element	What It does	Key measures
Fixed	Base Salary	Provides competitive fixed pay	Experience, seniority, education, job complexity, duties and scope of responsibility Internal and external market factors
Variable	Annual Cash Bonus	Provides a competitive annual cash incentive opportunity to motivate and reward high performers	Based on annual financial results, individual conduct and performance as well as the company's and the Client's progress against long term strategy, strengthen long term customer relations and generate income and shareholder value to the Clients of the Company.

The Company's Board of Directors has determined that 'identified staff' constitute all members of its Board together with the Investment Committee members, and senior management, totalling 8 'identified staff'. 6 of these are involved in the activities related to the SICAV and receive a fixed remuneration as follows:

	Number of beneficiaries	EUR
Senior management	4	69,129
Other identified staff	2	22,680
	<u>6</u>	<u>91,809</u>

This disclosure is being made available before the Company has completed its first annual performance period in which it has to comply with Articles 14a and 14b of the Directive as the requirements came into effect on 18 March 2016. Accordingly, this remuneration-related information is being disclosed on a best effort basis.

HERMES LINDER FUND SICAV PLC

Information for investors in Switzerland (unaudited) For the year ended 31 August 2016

The Company 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 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.

Unaudited Performance Record for the year ended 31 August 2016 and comparative figures for the years ended 31 August 2015 and 31 August 2014.

31 August 2016

	31.08.2016	31.08.2015	31.08.2014
Share Class A EUR	3.49%	16.96 %	16.36 %
Share Class B EUR	3.19%	19.26 %	18.34 %

Source: The returns stated above are annualized and calculated from the NAV per share as disclosed in the financial statements of the Company for the year ended 31 August 2016.

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 2016 and the comparative figures for the years ended 31 August 2015 and 31 August 2014 are as follows:

31 August 2016

	31.08.2016	31.08.2015	31.08.2014
Share Class A EUR	1.24%	1.25 %	1.27 %
Share Class B EUR	2.24%	2.25 %	2.27 %

The information was established by the Administrator, Valletta 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 2016 and for the comparative years ended 31 August 2015 and 31 August 2014 (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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6th October 2016

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 31st August 2016, 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; and
- (ii) otherwise in accordance with the provisions of the constitutional documents and the Fund's license conditions.

Kevin Portelli
Bank of Valletta p.l.c.

Annabelle Muscat
Bank of Valletta p.l.c.

