

HERMES LINDER FUND SICAV PLC

SV 100

Report and financial statements

31 August 2017

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HERMES LINDER FUND SICAV PLC

Directors, officers and other information

<i>Directors:</i>	Mr. Tom Anastasi Pace Mr. Claudio Palladini Mr. Ivan Fsadni
<i>Secretary:</i>	BOV Fund Services Limited (<i>up to 30 June 2017</i>) TG Complex Suite 2, Level 3 Brewery Street Mriehel Malta Mr. Maximilian Galea (<i>as from 1 July 2017</i>)
<i>Registered office:</i>	Level 14 Portmaso Business Tower, Portomaso St. Julians Malta
<i>Country of incorporation:</i>	Malta
<i>Company registration number:</i>	SV 100
<i>Auditor:</i>	Deloitte Audit Limited Deloitte Place Mriehel Bypass Mriehel Malta
<i>Investment manager:</i>	Praude Asset Management Limited Level 14 Portomaso Business Tower, Portomaso St. Julians Malta

HERMES LINDER FUND SICAV PLC

Directors, officers and other information (continued)

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

*Prime broker and
sub-custodian:* Axion Swiss Bank S.A
Via Emilio Bossi 1
6901 Lugano
Switzerland

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

HERMES LINDER FUND SICAV PLC

Directors' report

Year ended 31 August 2017

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 2017.

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 had subscriptions of *EUR54,112,463* (2016 - *EUR48,127,593*) from investors with redemptions amounting to *EUR63,318,236* (2016- *EUR19,893,675*). The Company registered a gain of *EUR93,912,238* (2016 - *EUR7,134,218*). Net assets attributable to holders of redeemable shares at the end of the year amounted to *EUR303,603,701* (2016 - *EUR218,897,236*).

Results and distribution

The results for the year ended 31 August 2017 are shown in the statement of profit or loss and other comprehensive income on page 7. 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.

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.

HERMES LINDER FUND SICAV PLC

Directors' report (continued)

Year ended 31 August 2017

Directors

The directors who served during the year were:

Mr. Tom Anastasi Pace

Mr. Claudio Palladini

Mr. Ivan Fsadni

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 30 November 2017 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 generally accepted accounting principles and practices, which give a true and fair view of the state of affairs of the Fund at the end of each financial year and of the profit or loss of the Fund for the year then ended. In preparing the financial statements, the directors should:

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

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

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

HERMES LINDER FUND SICAV PLC

Statement of profit or loss and other comprehensive income

Year ended 31 August 2017

		2017	2016
	Notes	EUR	EUR
Investment income			
Dividend income		5,402,668	4,975,755
Interest income		40,554	450,098
Net gain on financial instruments at fair value through profit or loss		<u>106,057,245</u>	<u>6,988,008</u>
Net investment income		<u>111,500,467</u>	<u>12,413,861</u>
Administrator fees	5	179,962	148,905
Audit fees		10,484	7,000
Custodian fees	5	281,662	217,433
Directors' fees		8,000	10,610
Legal fees		4,604	6,269
Management fees	5	3,229,687	2,526,842
Other expenses		41,065	33,411
Transaction costs		741,173	500,835
Disbursement and commissions		23,280	56,391
Performance fees	5	12,044,607	863,692
Operating expenses		<u>16,564,524</u>	<u>4,371,388</u>
Change in net assets attributable to holders of redeemable shares before withholding tax		94,935,943	8,042,473
Withholding tax paid on behalf of holders of redeemable shares		<u>(1,023,705)</u>	<u>(908,255)</u>
Change in net assets attributable to holders of redeemable shares		<u>93,912,238</u>	<u>7,134,218</u>

HERMES LINDER FUND SICAV PLC

Statement of financial position


31 August 2017

	Notes	2017 EUR	2016 EUR
Assets			
Financial assets at fair value through profit or loss	6	307,866,373	215,156,880
Accrued income	7	134,237	42,952
Receivables	8	362,564	-
Cash and cash equivalents	11	9,516,693	5,488,253
Total assets		317,879,867	220,688,085
Liabilities			
Financial liabilities at fair value through profit or loss	6	33,065	63,295
Trade and other payables	9	14,243,101	1,727,554
Total liabilities (excluding net assets attributable to holders of redeemable shares)		14,276,166	1,790,849
Net assets attributable to holders of redeemable shares		303,603,701	218,897,236

These financial statements were approved by the board of directors, authorised for issue on 30 November 2017 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 redeemable shares

Year ended 31 August 2017

	2017	2016
	EUR	EUR
At the beginning of the year	218,897,236	183,529,100
Creation of redeemable shares	54,112,463	48,127,593
Redemption of redeemable shares	(63,318,236)	(19,893,675)
Change in net assets attributable to holders of redeemable shares	93,912,238	7,134,218
Net assets attributable to holders of redeemable shares	303,603,701	218,897,236

HERMES LINDER FUND SICAV PLC

Statement of cash flows

Year ended 31 August 2017

	2017 EUR	2016 EUR
Cash flows used in operating activities		
Bond and bank interest (paid)/received	(91,760)	451,160
Dividend income received	5,443,697	5,056,609
Operating expenses paid	(4,578,733)	(5,962,128)
Income taxes paid	(1,023,705)	(908,255)
<i>Net cash flows used in operating activities</i>	<u>(250,501)</u>	<u>(1,362,614)</u>
Cash flows used in investing activities		
Payment to acquire financial instruments at fair value through profit or loss	(130,419,466)	(124,182,870)
Receipts from disposal of financial instruments at fair value through profit or loss	143,904,181	101,628,389
<i>Net cash flows from/(used in) investing activities</i>	<u>13,484,715</u>	<u>(22,554,481)</u>
Cash flows from financing activities		
Amounts received on creation of redeemable shares	54,112,462	48,127,595
Amounts paid on redemption of redeemable shares	(63,318,236)	(19,893,675)
<i>Net cash flows (used in)/from financing activities</i>	<u>(9,205,774)</u>	<u>28,233,920</u>
Net movements in cash and cash equivalents	4,028,440	4,316,825
Cash and cash equivalents at the beginning of the year	5,488,253	1,171,428
Cash and cash equivalents at the end of the year (note 11)	<u>9,516,693</u>	<u>5,488,253</u>

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

1. Company information and basis of preparation

Hermes Linder Fund SICAV PLC (“the Fund”) has constituted one sub-fund which is a segregated patrimony and is represented by different classes of shares. These financial statements comprise the financial statements of the Fund which include the following sub-fund licensed at 31 August 2017: Hermes Linder Fund (“the sub-fund”).

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

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

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

2. Significant accounting policies

Financial instruments

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

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

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

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 2017

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 profit or loss when there is objective evidence that the asset is impaired.

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

The Fund'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 Fund 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 comprehensive income on page 7. Fair value gains and losses are recognised within net gain/ (loss) on financial instruments at fair value through profit or loss.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

2. Significant accounting policies (continued)

Financial instruments (continued)

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

(a) Securities sold short

Securities sold short are those positions where the Fund has sold a security that it does not own. Short sales are used predominantly for hedging purposes. To enter a short sale, the Fund may need to borrow the security for delivery to the buyer. On each day the short sale transaction is open, the liability to replace the borrowed security is marked to market and an unrealised gain or loss is recorded in the statement of comprehensive income. While the transaction is open the Fund will incur an expense for any dividends that will be paid to the lender of the securities.

(b) 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 Fund 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 comprehensive income.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

2. Significant accounting policies (continued)

Financial instruments (continued)

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

(b) Derivative financial instruments (continued)

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 Fund enters into exchange traded and over the counter option contracts to meet the requirement of its risk management and trading activities.

(c) Convertible bond

The convertible bond represents a hybrid contract with an embedded derivative. The Fund 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 Fund 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) Payables

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

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

2. Significant accounting policies (continued)

Financial instruments (continued)

(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/loss on financial assets at fair value through profit or loss in the statement of 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 redeemable shares” and is determined based on the residual assets of the Fund after deducting all other liabilities.

(vi) Margin account

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

Revenue recognition

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

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

2. Significant accounting policies (continued)

Revenue recognition (continued)

(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 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.

The Fund qualifies as a non-prescribed fund in terms of these regulations on the basis that the value of the fund's assets situated in Malta are less than eighty-five per cent of the value of its total assets.

Accordingly the income and capital gains of the Fund are not subject to Malta income tax pursuant to the provisions of the Income Tax Act (Cap. 123).

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

Currency translation

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

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

2. Significant accounting policies (continued)

Currency translation (continued)

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

Cash and cash equivalents

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

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

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

4. Adoption of revised International Financial Reporting Standards and International Financial Reporting Standards in issue but not yet effective

Adoption of revised International Financial Reporting Standards

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

The December 2014 amendments to IAS 1 aim at clarifying this Standard 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 applicable for annual periods beginning on or after 1 January 2016.

An amendment was issued to IFRS 7 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 beginning on or after 1 January 2016.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

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

Standard and interpretations issued by IASB but not yet effective

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

The final version of IFRS 9 Financial Instruments issued on 24 July 2014 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.

IFRS 9 is effective for annual periods beginning on or after 1 January 2018.

Only the amendments that are relevant to the Sub-Fund have been disclosed above. The Sub-Fund, however, expects no impact from the adoption of the amendments on its financial position or performance.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

5. Fees

(i) Management fees

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

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

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

Class C Voting Shares: Nil.

The investment management fee borne by the Fund during the financial year ending 31 August 2017 was that of *EUR 3,229,687* (2016: *EUR 2,526,842*)

(ii) Performance fees

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

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

The performance fee borne by the Fund during the financial year ending 31 August 2017 was that of *EUR 12,044,607* (2016: *EUR 863,692*)

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

5. Fees (continued)

(iii) Administrator fees

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

The administrator fee borne by the fund during the financial year ending 31 August 2017 was that of *EUR179,962* (2016: *EUR148,905*).

(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.

Custodian fees for the year ended 31 August 2017 amounted to *EUR281,662* (2016: *EUR217,433*).

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

	2017 Fair Value EUR	% of net assets	% of total assets
Financial assets designated at fair value through profit or loss			
- Equity instruments	301,636,220	99.35	94.89
- Debt instruments	5,571,767	1.84	1.75
- Fair value of Warrants	658,386	0.22	0.21
Financial assets held for trading			
- Forward exchange contracts	-	-	-
	<u>307,866,373</u>	<u>101.41</u>	<u>96.85</u>

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

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

	2016 Fair Value EUR	% of Net Assets	% of total assets
Financial assets classified as held for trading			
- 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			
- Fair value of forward exchange contracts	18,219	0.01	0.01
	<u>215,156, 880</u>	<u>98.29</u>	<u>97.49</u>

2016

Investments in forward exchange contracts

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

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

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

	2017 Fair Value EUR	% of Net Assets	% of Total Liabilities
Financial liabilities held for trading			
- Options	(33,065)	(0.01)	0.23

2017

Investments in options

Expiration	Details	Fair Value of Exchange traded options at year- end
September 2017	Sale of Italgas SpA 118 Call Options @ strike 4.8	(5,357)
September 2017	Sale of Linde AG 56 Call options @ strike 166	(4,984)
September 2017	Sale of MTU Aero Engines 70 Call options @ strike 115	(6,230)
September 2017	Sale of MTU Aero Engines 70 Call options @ strike 116	(7,980)
September 2017	Sale of MTU Aero Engines 43 Call options @ strike 118	(8,514)
		<u>(33,065)</u>

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

2016

Investments in options

Expiration	Details	Fair value of exchange traded options at year- end
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>

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

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

7. Accrued income

	2017 EUR	2016 EUR
Accrued interest	134,237	1,923
Dividends receivable	-	41,029
	<u>134,237</u>	<u>42,952</u>

8. Receivables

	2017 EUR	2016 EUR
Amounts due on securities sold	<u>362,564</u>	-

9. Payables

	2017 EUR	2016
Accruals	12,446,169	1,201,551
Amounts due on securities purchased	1,796,932	526,003
	<u>14,243,101</u>	<u>1,727,554</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 Fund may issue up to a maximum of five billion one thousand fully-paid up shares without any nominal value assigned to them.

Issued share capital

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

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

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

10. Share capital (continued)

Issued share capital (continued)

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

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

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

Redeemable shares

	Numbers of Shares Class A	Numbers of Shares Class B
Balance as at 1 September 2016	38,621.53	50,107.78
Issue of redeemable shares during the year	10,114.52	1,744.48
Redemption of redeemable shares during the year	(4,428.83)	(25,373.82)
Balance as at 31 August 2017	<u>44,307.22</u>	<u>26,478.44</u>
	Numbers of Shares Class A	Numbers of Shares Class B
Balance as at 1 September 2015	34,148.92	41,511.16
Issue of redeemable shares during the year	7,342.06	15,414.03
Redemption of redeemable 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>

The amounts received and paid on the creation and redemption of shares are disclosed in the statement of changes in net assets attributable to holders of redeemable shares on page 9.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

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:

	2017 EUR	2016 EUR
Cash and cash equivalents held in banks	12,173,193	5,453,541
Initial margin balances on open future and option contracts	-	1,854,194
Variation margin balances on open future contracts	(2,656,500)	(1,819,482)
	<u>9,516,693</u>	<u>5,488,253</u>

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

Variation margin balances on open future contracts

	2017 EUR	% of net assets	% of total liabilities
Financial liabilities classified as held for trading			
- Fair value of open futures contracts	(2,656,500)	(0.87)	7.70

Maturity	Details	Fair value of exchange traded future contracts at year-end 2017 EUR
September 2017	Sale of 742 EURX-EUR BTP	<u>(2,656,500)</u>

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

11. Cash and cash equivalents (continued)

	2016	% of net	% of total
	EUR	Assets	liabilities
Financial liabilities classified as held for trading			
- Fair value of open futures contracts	(1,819,482)	(0.83)	101.60
			Fair value of exchange traded future contracts at year-end 2016 EUR
Maturity	Details		
September 2016	Sale of 475 EURX-EUR BTP		(2,105,482)
September 2016	Sale of 11 EURX-DAX INDEX		286,000
			<u>(1,819,482)</u>

12. Related party disclosures

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

Mr. Claudio Palladini is a director and founder member of the Fund. Mr. Tom Anastasi is both director of the Fund and director of Praude Asset Management Limited, the investment manager of the Fund. During the year under review, the Fund incurred management fees and performance fees amounting to *EUR 3,229,687* (2016: *EUR 2,526,842*) and *EUR 12,044,607* (2016: *EUR 863,692*) respectively. Director's Fees amounting to *EUR 8,000* (2016: *EUR 10,610*) were incurred during the period.

Until 30 June 2017, the fund secretary of the Hermes Linder Fund Sicav plc, BOV Fund Services Limited, was also the Fund's administrator. Mr. Tom Anastasi Pace is the director of the Fund and director of BOV Fund Services Limited, the fund administrator. During the year under review, the Fund incurred administration fees amounting to *EUR 179,962* (2016: *EUR 148,905*).

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

13. Fair values of financial assets and financial liabilities

At 31 August 2017 and 2016, the fair value of listed investments is based on quoted prices in an active market at the end of the reporting period. Pursuant to the adoption of IFRS 13 “Fair Value Measurement”, the quoted market price used for financial assets and liabilities held by the Fund is the price within the bid-ask spread that is most representative of the fair value in the circumstances to be used to measure fair value. The fair values of derivative contracts are valued by reference to the price at which a new contract of the same size and maturity could be undertaken at valuation date. At 31 August 2017 and 2016 the carrying amounts of other financial assets and financial liabilities classified with assets and liabilities respectively approximated their fair values due to short-term maturities of these assets and liabilities.

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

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

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

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

The following table analyses within the fair value hierarchy the Fund’s financial assets and financial liabilities measured at fair value for 31 August 2017 and 31 August 2016.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

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

Financial assets and financial liabilities at fair value as at 31 August 2017

	Total EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
<i>Financial assets held for trading</i>				
- Equity instruments	301,636,220	301,636,220	-	-
- Debt instruments	5,571,767	5,571,767	-	-
- Derivative financial instruments	658,386	658,386	-	-
	<u>307,866,373</u>	<u>307,866,373</u>	-	-
<i>Financial liabilities held for trading</i>				
- Derivative instruments	<u>33,065</u>	<u>33,065</u>	-	-

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 held for trading</i>				
- Equity instruments	215,040,512	212,276,742	2,763,770	-
- Debt instruments	98,149	-	98,149	-
- Derivative financial instruments	18,219	-	18,219	-
	<u>215,156,880</u>	<u>212,276,742</u>	<u>2,880,138</u>	-
<i>Financial liabilities held for trading</i>				
- Derivative instruments	<u>63,295</u>	<u>63,295</u>	-	-

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

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

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

2017	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Assets				
Receivables	-	362,564	-	362,564
Cash and cash equivalents	9,516,693	-	-	9,516,693
Total	9,516,693	362,564	-	9,879,257
Liabilities				
Payables	-	14,243,101	-	14,243,101
Net assets attributable to holders of redeemable shares	-	303,603,701	-	303,603,701
Total	-	317,846,802	-	317,846,802
2016	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Assets				
Receivables	-	42,952	-	42,952
Cash and cash equivalents	5,488,253	-	-	5,488,253
Total	5,488,253	42,952	-	5,531,205
Liabilities				
Payables	-	1,727,554	-	1,727,554
Net assets attributable to holders of redeemable shares	-	218,897,236	-	218,897,236
Total	-	220,624,790	-	220,624,790

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

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 Fund for settlement of expenses.

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

14. Financial Risk Management

Risk management

Where possible, the Fund aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements.

The activities of the Fund expose it to a variety of financial risks: market risk (including price risk, interest rate risk and currency risk), credit risk and liquidity risk.

Market risk

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

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

14. Financial risk management (*continued*)

Market risk (continued)

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

Price risk

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

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

As all of the Fund's financial instruments are carried at fair value with fair value changes recognised in the statement of comprehensive income, all changes in market price will directly affect net investment income as shown in the statement of comprehensive income on page 7.

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

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

	2017	2016
	%	%
Financial Services Industry	15.03	21.05
Basic material	1.70	0.79
Industrials	48.91	47.39
Consumer services	5.80	3.84
Telecommunications	3.70	2.45
Consumer goods	21.25	13.10
Other	5.01	9.67

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

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 Fund's investments.

At the statement of financial position date, only 1.84% (2016: 0.05%) of the financial assets of the Fund are interest bearing. Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by restructuring its financing structure.

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

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

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

Currency risk

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

	2017	2016
	% of net assets	% of net
	EUR	assets
		EUR
- denominated in EUR	86.55	76.35
- denominated in CHF	11.45	18.28
- denominated in SGD	2.04	1.64
- denominated in CAD	0.23	1.66
- denominated in USD	0.52	0.01
- denominated in AUD	-	-
- denominated in HKD	2.37	1.64
- denominated in ILS	0.00	-
- denominated in GBP	0.01	0.01
- denominated in JPY	0.00	0.14
- denominated in PLN	0.87	0.26
- denominated in SEK	-	-
	104.04	99.99

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

14. Financial risk management (continued)

Currency risk (continued)

Foreign exchange fluctuations were partly hedged through forward foreign exchange contracts entered into with Axion Swiss Bank S.A.

There were no open forward contracts as at 31 August 2017. The contract amounts at 31 August 2016 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	(3,787,359)	(5,525,000)

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

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.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

14. Financial risk management (continued)

Sensitivity analysis (continued)

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 2017 EUR	Profit or loss 2016 EUR
Currency exchange risks	+/- 5,913,390	+/-5,159,656
Financial instruments prices	+/- 30,783,330	+/-21,509,359
Market interest rates – fair value	+/- 111,435	+/-1,963

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

Liquidity risk

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

The Fund is exposed to cash redemptions of redeemable shares every 15 days with 5 working days notice. Redeemable shares are redeemed on demand at the holder's option. Notwithstanding, the Fund has the option to limit the number of investor shares redeemed on any redemption day to 5 % of the total NAV of the Fund on that redemption day. In addition the directors have the right to suspend the calculation of the net asset value and no redemptions shall take place during such period. All other liabilities are due within one to three months.

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

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

14. Financial risk management (continued)

Liquidity risk (continued)

The following tables show the contractual, undiscounted cash flows of the Fund's financial liabilities at 31 August 2017 and 31 August 2016.

2017	Less than 1 month EUR	1-3 months EUR	Total EUR
<i>Financial liabilities</i>			
Custodian fee payable	-	35,870	35,870
Performance fee payable	-	12,044,606	12,044,606
Other fees payable	365,693	-	365,693
Amounts due on securities purchased	1,796,932	-	1,796,932
Net assets attributable to participating shareholders	303,603,701	-	303,603,701
2016	Less than 1 month EUR	1-3 months EUR	Total EUR
<i>Financial liabilities</i>			
Custodian fee payable	-	27,378	27,378
Other fees payable	1,172,836	-	1,172,836
Amounts due on securities purchased	526,003	-	526,003
Net assets attributable to participating shareholders	218,879,236	-	218,879,236

In accordance with the Fund's policy, the investment manager monitors the Fund'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 Fund. The Fund has policies that limit the amount of credit exposure to any single issuer. Accordingly, the investment manager monitors the Fund's credit position on a regular basis. Financial assets, which potentially subject the Fund to credit risk, consist principally of trade and other receivables, cash and cash equivalents and debt instruments.

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

14. Financial risk management (continued)

Credit risk (continued)

Trade and other receivables mainly constitute accrued income and preplaced transactions. These receivables are all short-term. Accordingly, the Fund has no significant credit risk in respect of accounts receivable.

Cash and cash equivalents and derivative instruments are respectively held and entered into with reputable counterparties, with a Moody's credit rating of Aa2.

Credit risk arising on other debt instruments held in 2017 and 2016 was mitigated by investing in rated instruments issued by rated counter parties as shown below:

Credit risk arising on other debt instruments held in 2017 and 2016 was mitigated by investing in rated instruments issued by rated counter parties as shown below:

2017	Credit rating	Market value 2017	% of net assets
PNE Wind AG 3.75% 2019	Not rated	611,755	0.20
Piteco SPA 4.5% 2020	Not rated	4,844,444	1.60
Publity AG 3.5% 2020	Not rated	115,568	0.04
2016	Credit rating	Market value 2016	% of net assets
PNE Wind AG 3.75% 2019	Not rated	98,149	0.04

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

14. Financial risk management (continued)

Credit risk (continued)

Offsetting financial assets and liabilities

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

	Gross financial assets	Gross financial liabilities off-set	Net amount of presented financial assets	Financial instruments	Financial collateral received	Net amount
	EUR	EUR	EUR	EUR	EUR	EUR
2017						
Financial Assets						
Cash and cash equivalents	12,173,193	-	12,173,193	(2,656,500)	-	9,516,693
Financial Liabilities						
Derivative Instrument	99,249,780	(101,906,280)	(2,656,500)	2,656,500	-	-

HERMES LINDER FUND SICAV PLC

Notes to the financial statements

31 August 2017

14. Financial risk management (continued)

Credit risk (continued)

Offsetting financial assets and liabilities (continued)

	Gross financial assets	Gross financial liabilities off-set	Net amount of presented financial assets	Related amounts not set off in the financial statements		Net amount
				Financial instruments	Financial collateral received	
	EUR	EUR	EUR	EUR	EUR	EUR
2016						
Financial Assets						
Cash and cash equivalents	7,307,735	-	7,307,735	(1,819,482)	-	5,488,253
Financial Liabilities						
Derivative Instrument	64,375,128	(66,194,610)	(1,819,482)	1,819,482	-	-

Capital risk management

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

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

HERMES LINDER FUND SICAV PLC

Portfolio Statement

Year ended 31 August 2017

	Market Value 31.08.2017 EUR	% of Net Assets
QUOTED EQUITIES		
ACSM-AGAM	1,942,160	0.64
ADESSO	4,868,526	1.60
ANDRITZ	1,793,066	0.59
ARNOLDO MONDADORI EDI.	298,108	0.10
ASCOPIAVE	216,716	0.07
ASTM	8,690,433	2.86
ATTICA PUBLICATIONS	63,618	0.02
AUTOSTRADA MERIDIONALI	4,634,157	1.53
BANCA IFIS	8,325,388	2.74
BATENBURG TECHNIK	1,760,459	0.58
BAUER	1,779,153	0.59
BEE TEAM	462,050	0.15
BEIJING CAP.INTL.ARPT.	7,132,019	2.35
BIESSE	11,969,745	3.94
BUCHER INDUSTRIES	2,199,630	0.72
BUZZI UNICEM RSP	10,117,924	3.33
CAPSTONE MINING	681,126	0.22
CARRARO	1,951,859	0.64
CATTOLICA ASSICURAZIONI	8,126,760	2.68
CEMENTIR HOLDING	4,125,442	1.36
CPL RESOURCES (ESM)	8,345,031	2.75
DALATA HOTEL GROUP	3,359,299	1.11
DANIELI &.C RSP	2,104,836	0.69
DPA GROUP	1,679,000	0.55
EL EN	7,477,678	2.46
EMAK	3,707,202	1.22
ESPRINET	2,085,149	0.69
FIRST SENSOR	1,209,269	0.40
FLUGHAFEN WIEN	9,655,359	3.18
FLUGHAFEN ZURICH	22,645,398	7.46
FNM	1,723,817	0.57
FOOD EMPIRE HDG.	2,600,570	0.86
GLENALTA	522,500	0.17
GPI	265,824	0.09
HAMB.HAFEN UD.LOGISTIK	5,140,628	1.69
HEIDELBERGCEMENT	1,395,245	0.46
HELVETIA HOLDING N	4,310,681	1.42
ICT GROUP	2,700,330	0.89
IMPREGILO	2,165,710	0.71

HERMES LINDER FUND SICAV PLC

Portfolio Statement (continued)

Year ended 31 August 2017

	Market Value 31.08.2017 EUR	% of Net Assets
QUOTED EQUITIES (Continued)		
INTERPUMP GROUP	3,242,846	1.07
IRISH CONT.GP.UNT.	618,200	0.20
ISRA VISION	4,290,356	1.41
ITAL WINE BRANDS	2,790,480	0.92
ITALGAS	561,495	0.18
IVS GROUP	1,161,956	0.38
JUNGFRAUBAHN 'R'	1,352,443	0.45
KAS BANK	2,473,344	0.81
KSB	28,577	0.01
KSB PREF.	5,470,717	1.80
LA DORIA	2,702,994	0.89
LIAN BENG GROUP	1,355,967	0.45
LINDE	901,880	0.30
MASSIMO ZANETTI BEV. GP.	1,275,329	0.42
MAYR-MELNHOF KARTON	1,552,886	0.51
MOLMED	1,255,044	0.41
NOTORIOUS PICTUR	25,315	0.01
OHB	3,801,116	1.25
OPENJOBMETIS SPA AGENZIA	7,669,494	2.53
ORSERO	10,555,095	3.48
PANARIA GP.INDUSTR.CRMH.	6,033,604	1.99
PHARMANUTRA	317,373	0.10
PITECO	275,070	0.09
PKP CARGO	1,173,406	0.39
PUBLITY	3,451,634	1.14
RETI TELEMATICHE ITALIAN	5,565,018	1.83
ROSENBAUER INTL.	2,093,971	0.69
SAES GETTERS RSP	2,224,235	0.73
SCHALTBAU HOLDING	8,308,753	2.74
SEMPERIT	1,890,447	0.62
SESA	3,727,783	1.23
SIAS	1,177,742	0.39
SITI-B&T GR	1,750,000	0.58
SOGEFI	4,368,000	1.44

HERMES LINDER FUND SICAV PLC

Portfolio Statement (continued)

Year ended 31 August 2017

	Market Value 31.08.2017 EUR	% of Net Assets
QUOTED EQUITIES (Continued)		
STALEXPORT AUTOSTRADY	1,355,932	0.45
SUESS MICROTEC	4,190,559	1.38
SURTECO	3,592,735	1.18
TOTAL PRODUCE (ESM)	1,019,797	0.34
TOUAX	165,949	0.05
TTJ HOLDINGS	726,778	0.24
VARD HOLDINGS	755,357	0.25
VAUDOISE 'B'	4,831,480	1.59
VIFOR PHARMA	5,937	0.00
VINA CONCHA Y TORO ADR	1,557,923	0.51
VTG	6,216,854	2.05
WACKER NEUSON	8,295,665	2.73
WUESTENROT & WUERTT.	9,246,816	3.05
	Market Value 31.08.2017 EUR	% of Net Assets
Quoted Corporate Bonds		
PITECO SPA 4.5% 2020	611,755	0.20
PUBLITY AG 3.5% 2020	4,844,444	1.60
PNE WIND 3.75% 2019	115,568	0.04
Derivatives – Options		
	Market Value	% of Net Assets
Italgas SPA September 2017 Call Strike @ 4.8	(5,357)	0.00
Linde AG September 2017 Call Strike @ 166	(4,984)	0.00
MTU Aero Engines September 2017 Call Strike @ 115	(6,230)	0.00
MTU Aero Engines September 2017 Call Strike @ 116	(7,980)	0.00
MTU Aero Engines September 2017 Call Strike @ 118	(8,514)	0.00

HERMES LINDER FUND SICAV PLC

Portfolio Statement (continued)

Year ended 31 August 2017

<i>Derivatives – Futures</i>	<i>Fair Value</i>	<i>Nominal exposure</i>	
FUTURE EUREX – EUR BTP September 2017	(2,656,500.98)	(99,249,779)	32.69
		Market Value	% of
		31.08.2017	Net Assets
		EUR	
<i>Derivatives – Equity warrants</i>			
ITALIAN WINE BRANDS SPA-CW20		20,000	0.01
PHARMANUTRA SPA-CW22		547,861	0.18
GLENALTA SPA-PW22		90,525	0.03

HERMES LINDER FUND SICAV PLC

Statement of Changes in the Composition of the Portfolios

Year ended 31 August 2017

	% of net assets 31.08.2017 EUR	% of net assets 31.08.2016 EUR
Quoted Equities	99.35	98.24
Quoted Convertible Bonds	1.84	0.04
Warrants	0.22	-
Derivative Financial Liabilities	(0.01)	(0.03)

HERMES LINDER FUND SICAV PLC

Salient statistics and information about the Fund

Year ended 31 August 2017

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

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

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

Net Asset Value per investor share

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

	Hermes Linder Fund Class A Number of shares 2017	Hermes Linder Fund Class B Number of shares 2017	Hermes Linder Fund Total Number of shares 2017
Investor shares in issue as at 31 August 2017	44,307.219	26,478.449	70,785.668
Net asset value of investor shares as per statement of financial position	249,261,955	54,341,744	303,603,699
Temporary differences	(522)	(234)	(756)
Net asset value of investor shares as at official valuation date 31 August 2017	249,261,433	54,341,510	303,602,943
Net asset value of investor shares as at official valuation Date 31 August 2017	5,625.752	2,052.292	-

HERMES LINDER FUND SICAV PLC

Salient statistics and information about the Fund (continued)

Year ended 31 August 2017

	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	38,621.53	50,107.78	88,729.31
	EUR	EUR	EUR
Net asset value of investor shares as per statement of financial position	151,115,636	67,781,600	218,897,236
Temporary differences	(522)	(234)	(756)
Net asset value of investor shares as at official valuation date 31 August 2016	151,115,114	67,781,366	218,896,480
Net asset value of investor shares as at official valuation date 31 August 2016	3,912.716	1,352.711	-
	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
Temporary differences	(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	-

Independent auditor's report

to the members of
Hermes Linder Fund SICAV PLC

Opinion

We have audited the financial statements of Hermes Linder Fund SICAV p.l.c. (the Company) set out on pages 7 to 38, which comprise the statement of financial position as at 31 August 2017 and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to holders of redeemable shares and statement of cash flows for the period then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 August 2017, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountant* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Malta, we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we obtained is sufficient and appropriate to provide basis of our opinion.

Information other than the financial statements and the Auditor's Report thereon

The directors is responsible for the other information. The other information comprises the Company information on pages 2-3, the directors' report on pages 4-5, the statement of directors' responsibilities on page 6, investment manager's report on pages 49 -54 and the information included in the salient statistics and information about the Company on page 44-45, but does not include the financial statements and our auditor's report thereon.

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

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

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

In accordance with the requirements of sub-article 179(3) of the Companies Act (Cap.386) in relation to the Directors' Report on pages 4 to 5, in our opinion, based on the work undertaken in the course of the audit:

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

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

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Independent auditor's report (continued)

to the members of

Hermes Linder Fund SICAV PLC

Responsibilities of the Directors for the Financial Statements

As explained more fully in the statement of directors' responsibilities on page 6, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report (continued)

to the members of

Hermes Linder Fund SICAV PLC

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

Report on Other Legal and Regulatory Requirements

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

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

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



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

30 November 2017

HERMES LINDER FUND SICAV PLC

Investment Manager's Report

Year ended 31 August 2017

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, around 20% of the assets are invested in relatively 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

The Fund pursued the same major strategies that were followed in the previous years: the long position on Italian mid and small caps was maintained, same as the short on Italian Government Bonds. As stated in previous reports, the investment manager is convinced that Italy has many world class companies whose stock market performance was affected by the overall performance of the country in the last years.

On the other hand, the investment manager is convinced that the overall perception by the market of the Italian financial situation is too optimistic and that a) the decisive influence of the ECB purchases of Government bonds to keep the Italian Government bonds issue viable is highly under-stated; b) the quality of regulation in the Italian financial market, effectively in the banking system, is too poor and unreliable and it worked essentially to kick the can down the road and to hide the enormous previous regulatory mistakes in such a way that the Italian Banking system, 10 years after the crisis started, still needs substantial and costly restructuring. The reappointment of the Governor of the Bank of Italy, despite an overwhelming vote of distrust by the Italian Parliament, provides very clear evidence that the overall Italian system is not able to command itself and hence the significant distrust in the country is highly justifiable. Following these convictions, the investment manager avoided any investment in Italian regulated financial companies with two main exceptions: Banca Ifis and Cattolica Assicurazioni. The former is a very innovative bank that has been regularly fined by the Bank of Italy after every inspection and that in the last 10 years had a return for investors of 496.46% and in the last 20 years 6687.65% (while the darlings of the Regulator like Banca Popolare di Vicenza effectively destroyed their capital and were never fined until the scandal broke out). Banca Ifis during the period rallied 110%.

HERMES LINDER FUND SICAV PLC

Investment Manager's Report (continued)

Year ended 31 August 2017

The other one is Cattolica Assicurazioni, the only cooperative company still listed in the Italian market. The governance system is exactly the same that led Banca Popolare di Vicenza and Veneto Banca straight to disaster and this system is not allowed any more for Italian listed banks.

The investment manager expected that Cattolica could have been forced by the Regulator or by the legislator to transform itself into a Società per Azioni. The market value of Cattolica, by any parameter, was dirt cheap even considering its poor performance, a direct result of the company's poor quality of governance, thus a transformation into a Società per Azioni could have triggered a value reassessment. Nothing happened, even if the expectation is still there, and during the period Cattolica rallied 39%.

The investment of the Fund in Italian industrial and service companies provided a substantial boost to the overall return with Biesse +166%, Autostrade Torino Milano +106%, Emak +105%, Retelit +95%, Panaria +88%, El.en +72%, Sesa +65%, Interpump +54% and Saes Getters Risip +50%.

So overall the strategy delivered a substantial outperformance on both the Italian and European markets.

Another strategy was to accurately avoid the consequences of technological shifts. This meant shying away from all those companies whose business model could be affected by new technologies like retail banking, newspapers and magazines publishing, and automotive companies which could be displaced by electric or self-driving cars.

On the other hand, even selecting the real long-term winners in the technological war is quite a demanding task. Consequently, the Fund tended to stick to world class industrial and service companies that supposedly will be able to keep their technological leadership in the next years. Further to the above mentioned Italian companies, substantial holdings were kept in Wacker Neuson in Germany and Bucher in Switzerland, believing that their world class brand will be well rewarded in expected upside in the agricultural sector. Isra Vision, Schaltbau, Suess, OHB in Germany were among those that according to the Manager fit the criteria of market leadership in niche sectors with good visibility for the future.

The investment manager assumes that he is not able to predict the great movements of currencies and interest rates and believes that the most important question to be currently answered to predict the behaviour of markets is: how will inflation develop? Despite unprecedented amount of liquidity injected in the system during the last years by the Central Bank, we still have exceptionally low inflation. Not even the clear improvement in labour markets was able to drive up inflation.

Regulated businesses have thrived in the last years as stable and predictable yields was highly sought after by investors in such an environment where low inflation and low interest rates are the rule.

HERMES LINDER FUND SICAV PLC

Investment Manager's Report (continued)

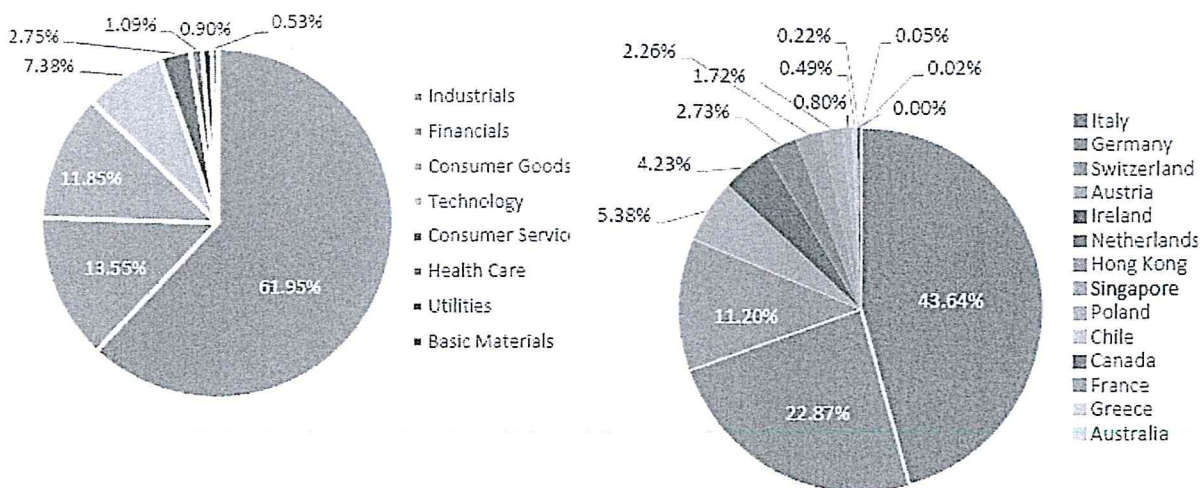
Year ended 31 August 2017

An outbreak of inflation and consequent increase of market interest rates would be detrimental for equity market but would affect even more those companies that rely on the income of stable regulated business.

The investment manager likes airports even if they have regulated business. They are well exposed to economic growth and at the same time they have in many cases, a significant exposure to real estate with significant development potential. This means that, different from other regulated businesses, they can work well even in an economic environment with strong growth and when it is accompanied by mounting inflation. Zurich Airport has been for the 13th consecutive year the largest position of the Fund and Vienna Airport has become an important position as well.

During the year there was an offer for SAVE, the company which manages Venice Airport, and the Fund accepted and sold the whole holding in the company.

Performances for the Financial Year 2016/2017: Hermes Class A +43.78%, Hermes Class B +51.72%, EuroStoxx 50 +13.17%, Stoxx 600 +8.84%, MSCI World Index +13.97%, FTSE MIB +27.90%, DAX +13.81%, FTSE Italia Mid-Cap Index +34.76%, MDAX +15.32%.



Industrial Diversification as at end August 2017

Geographical Diversification as at end August 2017

HERMES LINDER FUND SICAV PLC

Investment Manager's Report (continued)

Year ended 31 August 2017

Ten Largest Holdings as at end August 2017

Rank	Equity	Type	Country	Industry	% of Portfolio
1	Flughafen Zurich AG	Equity	Switzerland	Industrials	7.18%
2	Biesse SPA	Equity	Italy	Industrials	3.79%
3	Orsero SPA	Equity	Italy	Consumer Goods	3.34%
4	Buzzi Unicem SPA – RSP	Equity	Italy	Industrials	3.21%
5	Flughafen Wien AG	Equity	Austria	Industrials	3.06%
6	Wuestenrot & Wuerttemberg	Equity	Germany	Financials	2.93%
7	ASTM SPA	Equity	Italy	Industrials	2.75%
8	CPL Resources PLC	Equity	Ireland	Industrials	2.64%
9	Banca Ifis SPA	Equity	Italy	Financials	2.64%
10	Schaltbau Holding AG	Equity	Germany	Industrials	2.63%

Asset Allocation as at end August 2017

	% of NAV
Quoted Equities	99.18
Equity Warrants	0.22
Quoted Conv Bonds	1.84
Cash and Cash Equivalents	3.54

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

28 February 2017

Share Class	Net Asset Value per share	Number of Shares in Issue	Net Asset Value
A	€ 4,728.871	39,057.421	€ 184,697,513.46
B	€ 1,681.317	27,677.457	€ 46,534,583.61
C	N/A	N/A	N/A

31 August 2017

Share Class	Net Asset Value per share	Number of Shares in Issue	Net Asset Value
A	€ 5,625.752	44,307.219	€ 249,261,433.32
B	€ 2,052.292	26,478.449	€ 54,341,509.69
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

Investment Manager's Report (continued)

Year ended 31 August 2017

Remuneration Note

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.

HERMES LINDER FUND SICAV PLC

Investment Manager's Report (continued)

Year ended 31 August 2017

Remuneration Note (continued)

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

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 total fixed remuneration as follows:

	Number of beneficiaries	EUR
Senior management	4	78,772
Risk takers	1	10,748
Control functions	1	17,000
Other identified staff	-	-
	<u>6</u>	<u>106,520</u>

Except, for one beneficiary, the remuneration paid to identified staff cannot be apportioned between the mandates held by the manager.

During the financial year identified staff were not paid a variable remuneration.

HERMES LINDER FUND SICAV PLC

Information for investors in Switzerland (unaudited) For the year ended 31 August 2017

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

Investors should contact the Swiss representative at the above address should they require additional information, e.g. on performance including the composition of the relevant indices where applicable.

Unaudited Performance Record for the year ended 31 August 2017 and comparative figures for the years ended 31 August 2016 and 31 August 2015.

31 August 2017

	31.08.2017	31.08.2016	31.08.2015
Share Class A EUR	43.78%	3.49 %	16.96 %
Share Class B EUR	51.72%	3.19 %	19.26 %

Source: The returns stated above are annualized and calculated from the NAV per share as disclosed in the financial statements of the Fund for the year ended 31 August 2017.

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 2017 and the comparative figures for the years ended 31 August 2016 and 31 August 2015 are as follows:

31 August 2017

	31.08.2017	31.08.2016	31.08.2015
Share Class A EUR	1.21%	1.24 %	1.25 %
Share Class B EUR	2.21%	2.24 %	2.25 %

The information was established by the Administrator, BOV Fund Services Limited and is based on the data contained in the Income Statement extracted from the annual report and financial statements for the years ended 31 August 2017 and for the comparative years ended 31 August 2016 and 31 August 2015 (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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T: (356) 2131 2020 F: (356) 2275 3729
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8th November 2017

Annual Report of the Custodian

Hermes Linder Fund SICAV p.l.c.

We, Bank of Valletta p.l.c., as Custodian to the Hermes Linder Fund SICAV p.l.c ("the Scheme") hereby confirm that having enquired into the conduct of the Manager during the year ended 31st August 2017, 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
Head – Custody Services
Bank of Valletta p.l.c.