

Hermes Linder Fund SICAV



Investment Company with Variable Capital (SICAV)

**Annual report, including Audited Financial Statements
as at 31/08/24**

R.C.S. Luxembourg B 249 446

Hermes Linder Fund SICAV

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Subscriptions can be accepted only on the basis of the valid Sales Prospectus (with annexes) and the Key Information Document (KID) together with the most recent Annual Report and, if the latter was published more than eight months ago, the most recent Semi-Annual Report.

Hermes Linder Fund SICAV

Organisation and administration

| | |
|---|--|
| Registered Office of The Fund | 14, Porte de France L-4360 Esch-sur-Alzette Grand Duchy of Luxembourg |
| Board of Directors of the Fund | Dr. Antonia Zammit Chief Executive Officer of Praude Asset Management Limited Ms. Caroline Nabbe (until December 21, 2023) Portfolio Manager of Praude Asset Management Limited Mr. Charles Muller Independent Director Ms. Jane Wilkinson Independent Director |
| Management Company and Global Distributor | Waystone Management Company (Lux) S.A. 19, Rue de Bitbourg L-1273 Luxembourg Grand Duchy of Luxembourg |
| Investment Manager | Praude Asset Management Limited Level 14, Portomaso Business Tower Portomaso St Julians STJ4011 Malta |
| Depository and Paying Agent | CACEIS Bank, Luxembourg Branch (from June 1, 2024) 5, Allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg CACEIS Investor Services Bank S.A. (until May 31, 2024) 14, Porte de France L-4360 Esch-sur-Alzette Grand Duchy of Luxembourg |
| Central Administration (Domiciliation Agent, Administrative Agent, Registrar and Transfer Agent) | CACEIS Bank, Luxembourg Branch (from June 1, 2024) 5, Allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg CACEIS Investor Services Bank S.A. (until May 31, 2024) 14, Porte de France L-4360 Esch-sur-Alzette Grand Duchy of Luxembourg |
| Auditor | Deloitte Audit 20, Boulevard de Kockelscheuer L-1821 Luxembourg Grand Duchy of Luxembourg |
| Legal Advisors | Ganado SARL 47, Boulevard Prince Henri L-1724 Luxembourg Grand Duchy of Luxembourg |

Hermes Linder Fund SICAV

Report of the Board of Directors

For the financial year 1st September 2023 to 31st August 2024;

- Hermes Class AI returned +10.71%
- Hermes Class AR returned +10.68%
- Hermes Class BI returned +10.61%
- Hermes Class BR returned +10.56%

The Fund is not referenced to any benchmark and does not have any target geographical or industrial sectors. The Performance of the Fund during the period exceeded the hurdle rate above which the performance fee is recognised and starts being accrued for class A shares, which was on average during the period 4.85%. Merely as a point of reference we can note that, during this same period, the Euro Stoxx 50 returned +15.38%, the Stoxx Europe 600 returned +14.59%, the MSCI Europe Microcap returned + 6.19% and the FTSE Italia Star Index returned +3.77%. The Bloomberg Barclays EuroAgg Total Return Index (consisting of investment grade, euro-denominated, fixed-rate bonds including treasuries, government-related, corporate and securitized issuers) returned +5.65% during this period. The Eurekahedge European Hedge Fund Index (made up of 256 constituent funds investing exclusively in Europe) returned +10.66% during the same period.

During the period under review inflation figures in Europe registered an ongoing steady decline from levels of 4.3% in September 2023 to lows of 2.2% as at end August 2024 as the rate hikes implemented by the ECB since mid-2022 managed to slow down consumer spending and consumption, in turn reigning in economic growth. Other factors, namely energy price declines, also played an important role in bringing down inflation as supply constraints which had developed in 2022 subsided and reduced consumer demand resulted in a subsequent decline and stabilization in energy prices. As inflation eased and interest rates were raised to multi-year highs, fears of an impending global recession gained traction as economic figures, namely declining Manufacturing and Services PMI in Europe and the US coupled with a deceleration in Retail sales growth amongst other factors showed the slowdown was in effect developing, fueled by the above-mentioned measures and an overall slowdown in Chinese spending which is a major contributor to worldwide trade flows.

Faced with this daunting reality, Central Banks around the world moved to reverse the increases enacted in the previous months and from mid-2024 interest rates started being cut in an effort to reinvigorate global economies and consumption appetite. Financial market movements during the period were largely influenced by expectations surrounding the size and timeliness of interest rate cuts – markets rallied as imminent rate cuts were expected towards the end of 2023 and into 2024 on the back lower inflation figures which also led to falling yields on long-term government bonds, from highs of 5% in Italy reached in October 2023 to lows of 3.47% by end December 2023, closing August 2024 at 3.70% and in Germany moving from highs of almost 3.00% reached in October 2023 to lows of 1.89% by end 2023, closing August 2024 at 2.30%. However deeper into Q2 2024 Central Bank procrastination in cutting rates, due to a stabilisation of inflation at higher than the targeted levels, sparked worries that this inaction will bring about a deeper than expected recession, especially with economic data being released around this period signaling worrying slowdowns in a number of countries. This led to a decline and an overall sideways movement in markets up until the end of the Fund's Financial Year.

Another aspect worth noting during these months was the significant contrasting trends observed in fund flows, both in Europe and across the Atlantic in the US markets, with passive ETFs tracking the major Indices winning the lion's share of flows whereas actively managed ETFs focusing on small and mid-cap companies continued to bleed out. Drilling further down, flows into Italian small and mid-cap Funds lagged behind their European counterparts, a trend which was mirrored by the severe underperformance of the FTSE Italia Star Index, which is made up of a number of small and mid-sized Italian listed companies. The Index weighting is skewed towards industrial and consumer discretionary companies with size ranging from mid to micro-cap which were adversely effected during the period due to reduced consumer spending and disruptions in supply chains whilst being underexposed to technology and healthcare which outperformed over the period. This factor was an overall negative overhang for Hermes whose portfolio exposure is similar in terms of industries and sectors as well as geographically, given the important exposure to the Italian market historically held in the Fund.

The past months were also characterized by political events, in particular the volatility and uncertainties that unfolded in France during the month of June which left a deep impact on the Fund's performance, subsequent to President Macron's snap election announcement which came about after his party's dire performance during the June 2024 European Elections. The CAC 40 lost 6.42% during the month – Hermes Linder was directly impacted as the exposure towards French equities was above 12% at that point, with the main holdings, namely Carrefour, Verallia and Dassault Aviation severely underperforming the index during the month with all three companies posting double digit percentage losses during the month, sparked by both intrinsic company news and the overall economic and political situation within the country. During the same period there were also renewed tensions in the Middle East which as per usual trends in these instances the volatility created by the conflict in Israel and Iran pushed investors to divest out of riskier assets and move into safer, easier to liquidate investments, compounding the effects highlighted earlier and further increasing pressure on the smaller, less liquid value stocks. June, which historically and statistically has been the worst performing month for Hermes Linder, was once again true to this trend as the Fund lost 4.61% during the month, characterized mostly by the turmoil in France.

The main positive contributor to the portfolio during the period was the position in Banca Monte dei Paschi di Siena (BMPS), which started being built in November 2023 and reached just below 10% by mid-May 2024 staying at this level and higher (due to market movements) ever since – by far the largest single exposure in the Fund. Albeit not a typical investment that one would associate with Hermes Linder Fund ever since its inception, towards the end of 2023 the Manager conducted a thorough study of the bank which resulted in a strong conviction of the turnaround, from a governance, legal and financial point of view and the subsequent deep undervaluation when compared with its peers. BMPS holds substantial excess capital which amounts to around 30% of the Bank's market cap and has one of the highest CET1 ratios in Italy, sitting higher than 18% and also trades at a very low Price-to-Book multiple which lately has oscillated between 0.53x – 0.62x. Since the position was added to the portfolio, the share has returned 95.97% up until the end of August 2024 contributing almost half of the Fund's performance over the period.

Cement producers, which were the second largest exposure in terms of sub-sector at the start of the financial year sitting at around 9% of the portfolio had another strong period. Legacy Italian holdings Buzzi Unicem and Cementir returned 28.31% and 22.33% respectively over the 12-month period whereas French holding Vicat posted just below 1.00% return. Titan Cement, a Greek cement producer was added to the portfolio early in 2024 contributing positively to the portfolio closing August at €31.70, up 35.35% from the average purchase price of €23.42. The factors contributing to this performance were effective pricing strategies implemented to offset higher production costs which allowed the companies to increase topline even with softer volumes, strong demands from crucial markets, namely the US market on the back of a drive in infrastructure and the construction segment as well as operational efficiency and cost management strategies which led to leaner structures.

Hermes Linder Fund SICAV

Report of the Board of Directors

Other strong positive contributors to the Fund's performance during the period were SOL SpA (+42.60%), Leonardo SpA (+72.44%) and Danieli Risparmio SpA (+45.07%). Starting off with SOL, the company has been performing fantastically for the past 4 years as the management navigated the inflationary period in exemplary fashion, implementing pricing strategies that allowed the company to maintain and increase profitability, taking full advantage of the nature and price inelasticity of their products. This performance has also been reflected in its share price which has increased 157.14% since end 2020.

Leonardo was added to the portfolio back in May 2023 at an average purchase price of €10.90, on the back of new management - the positive impetus and expertise they bring to the table was seen as a strong catalyst by the Manager as they should enable the company to be operationally leaner and more focused, eventually unlocking the company's true value. Furthermore, the geopolitical situation which had developed at the time provided a positive tailwind for Leonardo going forward. From that point Leonardo's results have been strong, propelled by a very strong order book fueled by the EU's spending on Defense and their ability to translate these orders into bottom line, which should improve in the coming periods. The company closed August 2024 at a share price of €22.96.

Danieli Risparmio registered very solid results over the period, buoyed by the plant-making division which has seen a flurry of orders and a very robust backlog, translating into improved EBITDA and margins which exceeded expectations. This flow of orders has been driven by the end clients' move to greener, leaner and more efficient steelmaking processes, given that Danieli is at the forefront of innovation and technology when it comes to this new generation of plants. Despite the positive news being released over the period of new sizable contracts being awarded over the period, the share price gave up gains and closed August 2024 at €25.30 after reaching €28.45 in June 2024, having started the period under review at €17.44 – registering an overall increase of +45.07%.

In the previous report, the Manager highlighted the important position that was built in glass container producers, which stood at 9.28% at the start of the financial year, moving to 8.53% as at end August 2024. The past months have shown that the glass container market is enduring a soft period in terms of volumes due to weaker consumer demand and overall macro dynamics noted earlier in this report. Comparatively, company results for FY 2024 came in below stellar figures released in the previous financial year during which these companies, as expected by the Manager and hence the reason why the position was built, benefitted greatly from the price inelasticity of their products through the period of high inflation and successfully increased profitability even with slightly lower volumes as prices were maintained and in cases even increased. In 2024 these companies posted softer results with generally weaker marginality and profitability that was mostly in line with 2022 levels – share price performance reflected these numbers, with the exception of Vidrala which still performed positively gaining 19.40% over this 12-month period whilst Verallia and Vetropack shed 39.08% and 31.62% respectively. Based on these differing price and valuation trajectories, the Manager re-shuffled sideways the exposure towards glass container producers over the period, reducing the exposure to the more expensive Vidrala and re-investing in its cheaper peers Verallia and Vetropack. The market premium attributed to Vidrala arises from both financial factors due to its higher marginality and better financial position as well as positive managerial decisions taken in previous periods such as shifting production to lower cost jurisdictions. In the Manager's views, the trends seen with Vidrala should be exhibited by its peers in the coming periods, on the back of positive decisions taken by management, such as Vetropack moving out of its high cost production plant in Switzerland, eventually improving profitability but also with due consideration to the value held by the related land as well as a general pick up in the market, which even though not as strong as envisaged, is already being observed. During the financial year under review, the net contribution of this sector exposure to the overall portfolio was negative.

Another negative contributor was once again Adesso SE in Germany, which retracted 42.82% during the Fund's financial year. The company has been facing marginality and profitability issues ever since it embarked on a drive to secure top-quality personnel ahead of its competitors in recent periods and most notably in an inflationary period, which translated to higher salary costs. This has led to the growth in full-time employees (FTEs) exceeding the growth in revenues, which has in turn led to a problem of workforce underutilization and hence a strain on profitability. The company has reiterated that the aforementioned strategy is based on medium-term expectations and thus they will be pursuing this drive, albeit a number of measures have been implemented in an effort to buoy marginality and profitability. Topline trend is positive and in line with expectations, however Adesso's share price is expected to remain subdued until a turnaround in profitability is seen in the numbers.

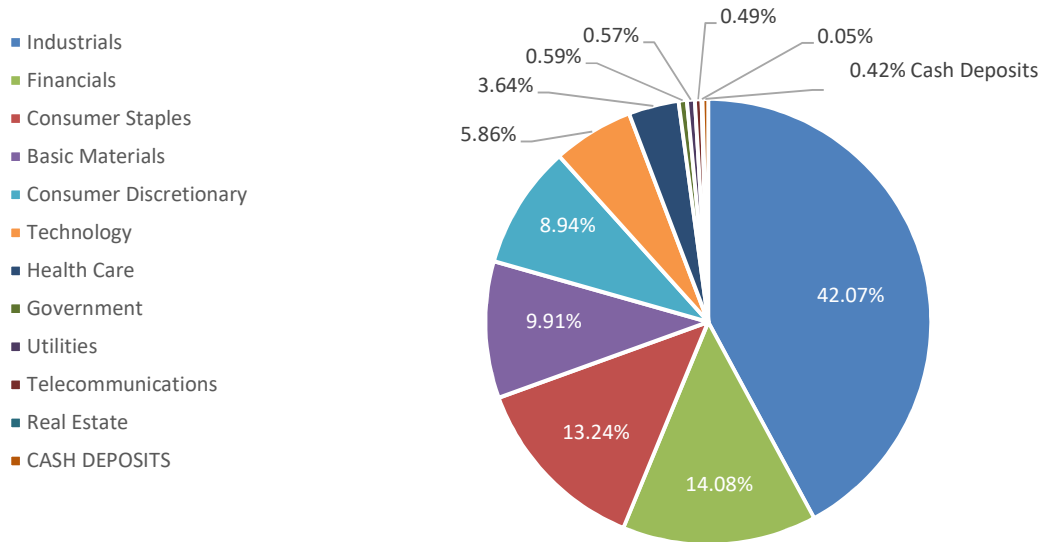
Medmix in Switzerland was another company which performed negatively over the period, retreating 60.15% in the 12-month period. Towards the end of October 2023, in the periodic results release Medmix highlighted to the market that the rebalancing and destocking within the Dental end market was taking longer than anticipated and with the Dental division being one of the major and most profitable end markets for the company, the stock came under pressure, halving in price during the period. A slew of news ensued in 2024, starting off in April when Medmix announced that the CEO was being replaced, followed by the reduction of their guidance to reflect ongoing softness in end markets in July. We believe the recent disappointing performance is due in part to a "perfect storm" which saw the company dealing with multiple issues within a very short time span. Notably, the longer destocking issue highlighted above; the rushed opening of the new plant in Valencia to replace the forced decommissioned plant in Poland; a patent infringement within the Dental segment (on which the company already won a litigation case) and finishing off with the implementation of a dual sourcing policy by a customer in the drug delivery space. We suspect some of these issues were caused by a combination of mismanagement and misfortune. We see the appointment of the new CEO as a positive that should help with the execution of a turnaround. The Dental market is already showing signs of recovery in the latest results published and a robust pipeline of projects and innovative devices should help drive revenue growth in the drug delivery space during the next few years.

In conclusion, the Manager believes a number of companies held within the portfolio hold substantial value, such as the largest holding Banca Monte dei Paschi di Siena whose share price, in our view, is being held back by the overhang of the impending divestiture by the Italian Government of its remaining 26% shareholding in the Bank. With an economic environment characterized with lower interest rates, consumer spending should be buoyed which in turn should reflect in the financial markets – such a dynamic would prove to be a positive catalyst for the glass container producer industry, amongst others, thus the Fund still holds concrete opportunities for upward valuation re-assessment.

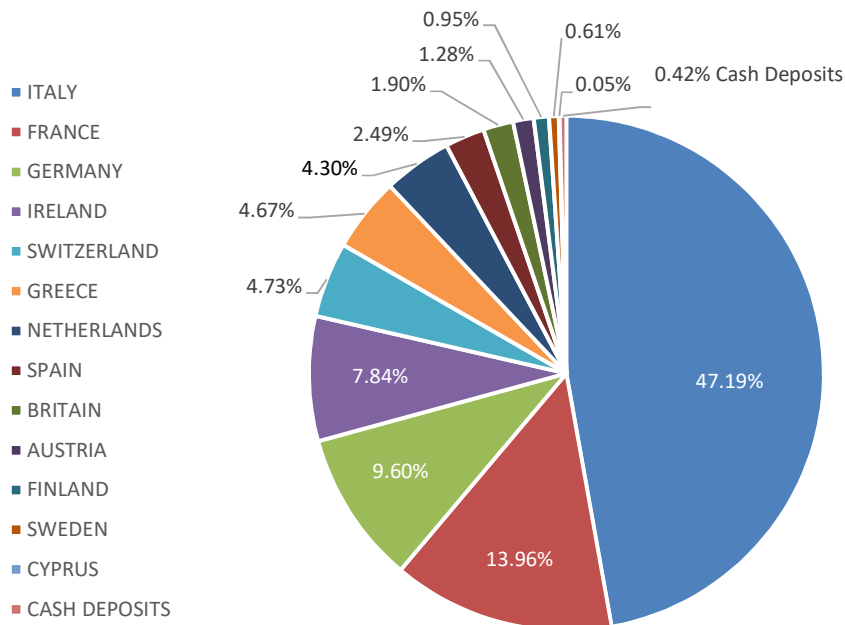
Hermes Linder Fund SICAV

Report of the Board of Directors

Industrial Diversification as at end August 2024



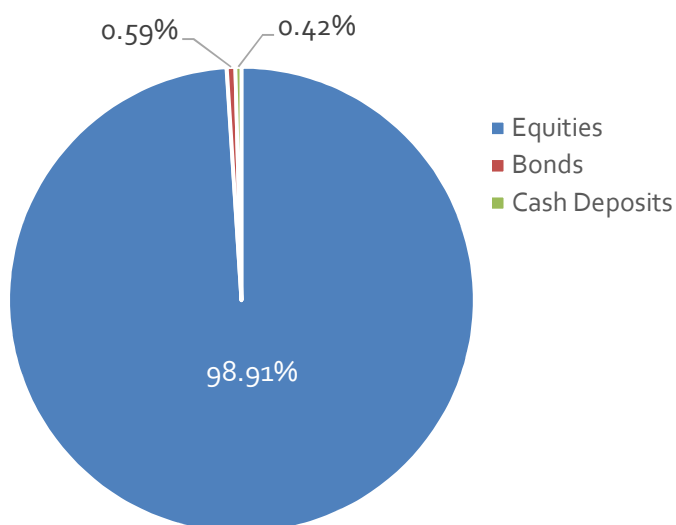
Geographical Diversification as at end August 2024



Hermes Linder Fund SICAV

Report of the Board of Directors

Asset Allocation as at end August 2024



Top Holdings in the Portfolio as at end August 2024

| Rank | Titoli | Tipo | Nazione | Industria | Sub-Settore | % of Portafoglio |
|------|--------------------------------|----------|---------|------------------------|--------------------------|------------------|
| 1 | Banca Monte dei Paschi di Sien | Equities | ITALY | Financials | Banks | 10.80% |
| 2 | SOL SpA | Equities | ITALY | Basic Materials | Specialty Chemicals | 6.80% |
| 3 | Buzzi SpA | Equities | ITALY | Industrials | Cement | 5.28% |
| 4 | Dalata Hotel Group PLC | Equities | IRELAND | Consumer Discretionary | Hotels and Motels | 4.46% |
| 5 | Verallia SA | Equities | FRANCE | Industrials | Containers and Packaging | 4.31% |

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

AUGUST 31, 2023

| Share Class | Net Asset Value per Share | Number of Shares in Issue | Net Asset Value |
|-------------|---------------------------|---------------------------|-----------------|
| AI | €8,082.6713 | 16,222.469 | €131,120,884.40 |
| AR | €8,085.1926 | 28,870.139 | €233,420,635.50 |
| BI | €2,884.4424 | 673.793 | €1,943,517.12 |
| BR | €2,881.2425 | 1,501.789 | €4,327,018.32 |

AUGUST 31, 2024

| Share Class | Net Asset Value per Share | Number of Shares in Issue | Net Asset Value |
|-------------|---------------------------|---------------------------|-----------------|
| AI | €8,948,0281 | 16,404.134 | €146,784,651.26 |
| AR | €8,948.6738 | 30,591.526 | €273,753,586.22 |
| BI | €3,190.5483 | 662.793 | €2,114,673.09 |
| BR | €3,185.6219 | 1,866.532 | €5,946,065.25 |

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

Note: Please refer to the offering supplement of the Fund for the investment objective and investment policy of the Fund. The prospectus of the Fund can be found on the website of the Investment Manager Praude Asset Management Limited: www.praude.com.mt

To the Shareholders of
Hermes Linder Fund SICAV
14, Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

REPORT OF THE *REVISEUR D'ENTREPRISES AGREE*

Opinion

We have audited the financial statements of Hermes Linder Fund SICAV (the “Fund”), which comprise the statement of net assets and the statement of investments and other net assets as at August 31, 2024 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at August 31, 2024, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

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

Other information

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

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

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

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

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

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

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

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

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

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

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

For Deloitte Audit, *Cabinet de révision agréé*

Anne Ricci, *Réviseur d'entreprises agréé*

Partner

December 12, 2024

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

Statement of net assets as at 31/08/24

| | <i>Note</i> | <i>Expressed in EUR</i> |
|--|-------------|-------------------------|
| Assets | | 435,594,684.08 |
| Securities portfolio at market value | 2.2 | 430,883,861.31 |
| <i>Cost price</i> | | <i>350,903,267.68</i> |
| Cash at banks | 2.3 | 3,400,389.74 |
| Receivable for investments sold | | 1,080,312.99 |
| Receivable on subscriptions | | 10,306.78 |
| Dividends receivable, net | | 19,860.71 |
| Interests receivable, net | | 219.43 |
| Formation expenses, net | | 2,137.20 |
| Other assets | | 197,595.92 |
| Liabilities | | 6,995,708.26 |
| Payable on investments purchased | | 2,539,994.29 |
| Payable on redemptions | | 32,902.63 |
| Management Company fees and Investment Management fees payable | 3 | 373,095.76 |
| Depositary fees payable | 5 | 54,492.01 |
| Performance fees payable | 4 | 3,777,325.60 |
| Audit fees payable | | 24,251.10 |
| Subscription tax payable ("Taxe d'abonnement") | 9 | 25,825.02 |
| Other liabilities | | 167,821.85 |
| Net asset value | | 428,598,975.82 |

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

Statement of operations and changes in net assets from 01/09/23 to 31/08/24

| | Note | Expressed in EUR |
|--|------|-----------------------|
| Income | | 15,705,578.78 |
| Dividends on securities portfolio, net | 2.3 | 15,560,243.08 |
| Interests on bonds and money market instruments, net | 2.3 | 85,555.85 |
| Bank interests on cash accounts | | 37,225.94 |
| Other income | | 22,553.91 |
| Expenses | | 8,609,776.47 |
| Management Company fees and Investment Management fees | 3 | 4,120,779.68 |
| Performance fees | 4 | 3,777,325.60 |
| Depositary fees | 5 | 160,962.70 |
| Administration fees | 6 | 102,655.94 |
| Domiciliary fees | | 30,874.52 |
| Amortisation of formation expenses | | 1,675.06 |
| Audit fees | | 36,571.53 |
| Legal fees | | 31,107.19 |
| Transaction fees | 8 | 122,552.40 |
| Directors fees | | 45,326.02 |
| Subscription tax ("Taxe d'abonnement") | 9 | 144,107.58 |
| Interests paid on bank overdraft | | 951.98 |
| Other expenses | | 34,886.27 |
| Net income / (loss) from investments | | 7,095,802.31 |
| Net realised profit / (loss) on: | | |
| - sales of investment securities | 2.2 | 19,845,754.03 |
| - forward foreign exchange contracts | 2.5 | -11,210.29 |
| - financial futures | 2.5 | 305,482.62 |
| - foreign exchange | 2.4 | -175,911.30 |
| Net realised profit / (loss) | | 27,059,917.37 |
| Movement in net unrealised appreciation / (depreciation) on: | | |
| - investments | 2.2 | 13,136,408.81 |
| - financial futures | 2.5 | 146,615.10 |
| Net increase / (decrease) in net assets as a result of operations | | 40,342,941.28 |
| Subscriptions of shares | | 29,760,385.28 |
| Redemptions of shares | | -12,316,406.04 |
| Net increase / (decrease) in net assets | | 57,786,920.52 |
| Net assets at the beginning of the year | | 370,812,055.30 |
| Net assets at the end of the year | | 428,598,975.82 |

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

Statistics

| | | 31/08/24 | 31/08/23 | 31/08/22 |
|---------------------------|------------|-----------------------|-----------------------|-----------------------|
| Total Net Assets | EUR | 428,598,975.82 | 370,812,055.30 | 311,037,041.25 |
| Class AR Shares | | | | |
| Number of shares | | 30,591.526 | 28,870.139 | 28,414.181 |
| Net asset value per share | EUR | 8,948.6738 | 8,085.1926 | 6,913.3184 |
| Class AI Shares | | | | |
| Number of shares | | 16,404.134 | 16,222.469 | 15,570.049 |
| Net asset value per share | EUR | 8,948.0281 | 8,082.6713 | 6,916.3323 |
| Class BR Shares | | | | |
| Number of shares | | 1,866.532 | 1,501.789 | 1,450.158 |
| Net asset value per share | EUR | 3,185.6219 | 2,881.2425 | 2,460.4835 |
| Class BI Shares | | | | |
| Number of shares | | 662.793 | 673.793 | 1,358.540 |
| Net asset value per share | EUR | 3,190.5483 | 2,884.4424 | 2,462.2304 |

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

Changes in number of shares outstanding from 01/09/23 to 31/08/24

| | Shares outstanding as at 01/09/23 | Shares issued | Shares redeemed | Shares outstanding as at 31/08/24 |
|------------------------|--------------------------------------|---------------|-----------------|--------------------------------------|
| Class AR Shares | 28,870.139 | 2,002.467 | 281.080 | 30,591.526 |
| Class AI Shares | 16,222.469 | 1,376.576 | 1,194.911 | 16,404.134 |
| Class BR Shares | 1,501.789 | 386.121 | 21.378 | 1,866.532 |
| Class BI Shares | 673.793 | 0.000 | 11.000 | 662.793 |

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

Securities portfolio as at 31/08/24

| Denomination | Currency | Quantity/ Notional | Cost price (in EUR) | Market value (in EUR) | % of net assets |
|---|----------|-----------------------|------------------------|--------------------------|--------------------|
| Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market | | | 349,576,421.63 | 430,883,861.31 | 100.53 |
| Shares | | | 346,982,888.60 | 427,985,652.66 | 99.86 |
| Austria | | | 4,947,370.95 | 5,557,728.00 | 1.30 |
| ANDRITZ AG - INHABER AKT | EUR | 66,013 | 2,964,394.40 | 3,934,374.80 | 0.92 |
| MAYR-MELNHOF KARTON AG | EUR | 16,684 | 1,982,976.55 | 1,623,353.20 | 0.38 |
| Belgium | | | 4,094,812.26 | 5,334,273.80 | 1.24 |
| TITAN CEMENT INTERNATIONAL N.V. | EUR | 144,554 | 3,386,097.60 | 4,582,361.80 | 1.07 |
| VIOHALCO SA | EUR | 129,640 | 708,714.66 | 751,912.00 | 0.18 |
| Cyprus | | | 1,977.67 | 39,190.60 | 0.01 |
| GALAXY COSMOS ME | EUR | 57,046 | 1,977.67 | 39,190.60 | 0.01 |
| Finland | | | 4,044,779.75 | 4,129,875.94 | 0.96 |
| AIFORIA TECHNOLOGIES OYJ | EUR | 419,142 | 1,466,997.00 | 1,735,247.88 | 0.40 |
| UPM-KYMMENE CORP - REG SHS | EUR | 78,307 | 2,577,782.75 | 2,394,628.06 | 0.56 |
| France | | | 65,629,779.56 | 60,418,381.15 | 14.10 |
| CARREFOUR SA | EUR | 772,514 | 12,573,195.14 | 11,263,254.12 | 2.63 |
| CIMENT VICAT SA | EUR | 156,840 | 5,382,060.02 | 4,932,618.00 | 1.15 |
| DASSAULT AVIATION SA | EUR | 79,144 | 14,524,451.33 | 15,417,251.20 | 3.60 |
| SAVENCIA | EUR | 62,116 | 4,722,290.85 | 3,087,165.20 | 0.72 |
| SOCIETE GENERALE SA | EUR | 115,011 | 2,512,576.22 | 2,510,690.13 | 0.59 |
| SOPRA STERIA GROUP | EUR | 26,009 | 4,632,723.36 | 4,538,570.50 | 1.06 |
| VERALLIA SASU | EUR | 694,525 | 21,282,482.64 | 18,668,832.00 | 4.36 |
| Germany | | | 43,021,788.21 | 41,535,344.45 | 9.69 |
| ADESSO | EUR | 107,793 | 2,442,104.24 | 7,125,117.30 | 1.66 |
| ALZCHEM GROUP AG | EUR | 80,650 | 3,871,200.00 | 3,895,395.00 | 0.91 |
| DEUTZ | EUR | 170,227 | 948,955.59 | 807,556.89 | 0.19 |
| DUERR AG | EUR | 6,451 | 133,326.37 | 127,407.25 | 0.03 |
| FRAPORT AG FRANKFURT AIRPORT | EUR | 110,716 | 5,532,064.40 | 5,061,935.52 | 1.18 |
| GRAMMER | EUR | 89,991 | 2,048,569.52 | 643,435.65 | 0.15 |
| JENOPTIK - REG SHS | EUR | 67,909 | 1,712,751.04 | 1,908,242.90 | 0.45 |
| K+S | EUR | 354,570 | 4,531,737.02 | 3,797,444.70 | 0.89 |
| KION GROUP AG | EUR | 97,687 | 3,489,052.59 | 3,423,929.35 | 0.80 |
| OHB SE | EUR | 48,515 | 1,223,170.73 | 2,134,660.00 | 0.50 |
| TECHNOTRANS | EUR | 64,200 | 1,306,615.47 | 1,078,560.00 | 0.25 |
| TEPLA AG | EUR | 27,519 | 397,097.28 | 409,207.53 | 0.10 |
| WACKER CONSTR EQUIP - REG SHS | EUR | 334,908 | 5,257,281.10 | 4,869,562.32 | 1.14 |
| WUESTENROT-WUERTTEMBERGISCHE.NAMEN AKT | EUR | 509,193 | 10,127,862.86 | 6,252,890.04 | 1.46 |
| Greece | | | 11,746,487.55 | 14,897,630.28 | 3.48 |
| GR SARANTIS REG. | EUR | 164,793 | 1,111,792.84 | 1,638,042.42 | 0.38 |
| HELLENIC EXCHANGES SA REG SHS | EUR | 189,479 | 886,065.69 | 856,445.08 | 0.20 |
| HOLDING COMPANY ADMIE | EUR | 961,545 | 2,100,483.05 | 2,052,898.58 | 0.48 |
| INTRAKAT S.A TECHNICAL & STE | EUR | 120,072 | 552,410.97 | 618,370.80 | 0.14 |
| METLEN ENERGY & METALS S.A. | EUR | 12,609 | 447,619.50 | 429,210.36 | 0.10 |
| MOTOR OIL HELLAS CORINTH REFIN - REG SHS | EUR | 22,955 | 500,621.72 | 498,123.50 | 0.12 |
| PIRAEUS FIN HLG --- REGISTERED SHS | EUR | 869,457 | 3,061,719.38 | 3,397,837.96 | 0.79 |
| PIRAEUS PORT AUTHORITY SA REG SHS | EUR | 114,390 | 2,071,266.80 | 3,088,530.00 | 0.72 |
| PROFILE SYSTEMS & SOFTWARE SA | EUR | 506,151 | 1,014,507.60 | 2,318,171.58 | 0.54 |
| Ireland | | | 30,575,200.91 | 34,028,445.34 | 7.94 |
| BANK OF CYPRUS HOLDINGS PLC | GBP | 39,955 | 186,272.43 | 197,343.78 | 0.05 |
| DALATA HOTEL GROUP PLC | EUR | 4,391,836 | 18,948,901.02 | 19,324,078.40 | 4.51 |
| DOLE | USD | 665,500 | 6,734,778.36 | 9,685,793.66 | 2.26 |
| ORIGIN ENTERPRISES PLC | EUR | 925,000 | 3,095,151.55 | 3,043,250.00 | 0.71 |

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

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

Securities portfolio as at 31/08/24

| Denomination | Currency | Quantity/ Notional | Cost price (in EUR) | Market value (in EUR) | % of net assets |
|---|----------|-----------------------|------------------------|--------------------------|--------------------|
| RYANAIR HLDGS | EUR | 111,577 | 1,610,097.55 | 1,777,979.50 | 0.41 |
| Italy | | | 112,370,760.63 | 184,946,538.70 | 43.15 |
| ANTARES VISION S.P.A. | EUR | 490,370 | 3,007,192.21 | 1,623,124.70 | 0.38 |
| BANCA MONTE DEI PASCHI DI SIENA SPA | EUR | 8,891,085 | 30,667,730.46 | 46,749,324.93 | 10.91 |
| BASICNET | EUR | 255,674 | 1,382,593.31 | 782,362.44 | 0.18 |
| BIESSE | EUR | 121,364 | 1,534,436.94 | 1,082,566.88 | 0.25 |
| BUZZI SPA | EUR | 644,677 | 10,791,515.81 | 22,847,352.88 | 5.33 |
| CELLULARLINE RG REGISTERED SHS | EUR | 113,927 | 412,423.33 | 303,045.82 | 0.07 |
| DANIELI AND CO SPA NON CONV | EUR | 578,208 | 9,771,629.67 | 14,628,662.40 | 3.41 |
| EL.EN | EUR | 782,423 | 4,066,020.97 | 8,105,902.28 | 1.89 |
| FILA SPA | EUR | 176,697 | 1,752,081.18 | 1,630,913.31 | 0.38 |
| FINCANTIERI --- REGISTERED SHS | EUR | 1,683,738 | 4,411,393.56 | 8,536,551.66 | 1.99 |
| FNM SPA | EUR | 10,004,087 | 5,087,374.32 | 4,411,802.37 | 1.03 |
| GPI SPA | EUR | 109,330 | 1,072,249.76 | 1,311,960.00 | 0.31 |
| INDEL B REGISTERED | EUR | 40,897 | 942,869.81 | 940,631.00 | 0.22 |
| ITALIAN WINE BRANDS SPA | EUR | 241,271 | 1,986,207.28 | 5,259,707.80 | 1.23 |
| LEONARDO SPA | EUR | 510,846 | 5,572,083.85 | 11,729,024.16 | 2.74 |
| ORSERO NM AZ. NOMINATIVA | EUR | 986,631 | 9,646,302.40 | 12,727,539.90 | 2.97 |
| PIOVAN S.P.A. | EUR | 123,905 | 1,114,783.38 | 1,703,693.75 | 0.40 |
| SESA | EUR | 64,396 | 2,831,990.36 | 6,243,192.20 | 1.46 |
| SOL | EUR | 813,820 | 10,691,258.50 | 29,419,593.00 | 6.86 |
| TREVI FINANZIARIA INDUSTRIALE | EUR | 15,543,231 | 5,206,893.85 | 4,523,080.22 | 1.06 |
| ZIGNAGO VETRO SPA | EUR | 35,137 | 421,729.68 | 386,507.00 | 0.09 |
| Netherlands | | | 29,852,792.82 | 35,003,736.06 | 8.17 |
| BRUNEL INTERNATIONAL N.V | EUR | 994,764 | 10,884,147.33 | 9,519,891.48 | 2.22 |
| CEMENTIR HOLDING N.V | EUR | 1,662,052 | 9,853,446.64 | 16,387,832.72 | 3.82 |
| KONINKLIJKE AHOLD DELHAIZE NV | EUR | 214,198 | 5,972,512.94 | 6,652,989.88 | 1.55 |
| NSI NV | EUR | 11,788 | 273,667.96 | 234,816.96 | 0.05 |
| SLIGRO FOOD GROUP | EUR | 169,601 | 2,869,017.95 | 2,208,205.02 | 0.52 |
| Spain | | | 8,704,707.62 | 10,792,981.02 | 2.52 |
| FAES FARMA SA | EUR | 964,321 | 3,186,545.79 | 3,582,452.52 | 0.84 |
| VIDRALA SA | EUR | 73,055 | 5,518,161.83 | 7,210,528.50 | 1.68 |
| Sweden | | | 2,528,622.18 | 2,642,359.27 | 0.62 |
| SVENSKA CELLULOSA SCA AB-SHS-B- | SEK | 210,119 | 2,528,622.18 | 2,642,359.27 | 0.62 |
| Switzerland | | | 19,916,069.39 | 20,440,417.46 | 4.77 |
| BERGBAHNEN ENGELBERG-TRUEBSEE-TITLIS AG | CHF | 16,436 | 754,561.89 | 710,537.83 | 0.17 |
| JUNGFRAUBAHN HOLDING -NAMEN- | CHF | 21,255 | 2,371,363.69 | 4,560,381.73 | 1.06 |
| MEDMIX --- REGISTERED SHS | CHF | 141,483 | 2,489,565.70 | 1,578,812.59 | 0.37 |
| MONTANA AEROSP | CHF | 63,333 | 1,138,037.47 | 1,301,524.68 | 0.30 |
| SANDOZ GROUP AG | CHF | 30,051 | 1,126,464.64 | 1,193,528.51 | 0.28 |
| SULZER AG NOM | CHF | 3,123 | 243,724.64 | 434,955.44 | 0.10 |
| VETROPACK HLDG --- REGISTERED SHS -A- | CHF | 313,855 | 11,792,351.36 | 10,660,676.68 | 2.49 |
| United Kingdom | | | 9,547,739.10 | 8,218,750.59 | 1.92 |
| LEARNING TECHNOLOGIES GROUP PLC | GBP | 1,311,504 | 1,927,119.59 | 1,077,543.21 | 0.25 |
| LIONTRUST ASSET MANAGEMENT PLC | GBP | 132,013 | 960,366.03 | 979,615.61 | 0.23 |
| TRAINLINE - REGISTERED SHS | GBP | 614,342 | 2,121,116.02 | 2,188,217.28 | 0.51 |
| WATCH SWITZ GRP - REGISTERED SHS | GBP | 846,377 | 4,539,137.46 | 3,973,374.49 | 0.93 |
| Warrants | | | 22,653.03 | 327,411.08 | 0.08 |
| Italy | | | 22,653.03 | 327,411.08 | 0.08 |
| FINCANTIERI SPA 30.09.26 WAR | EUR | 1,798,962 | 22,653.03 | 327,411.08 | 0.08 |
| Treasury market | | | 2,570,880.00 | 2,570,797.57 | 0.60 |

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

Securities portfolio as at 31/08/24

| Denomination | Currency | Quantity/ Notional | Cost price (in EUR) | Market value (in EUR) | % of net assets |
|--------------------------------------|----------|-----------------------|------------------------|--------------------------|--------------------|
| Italy | | | 2,570,880.00 | 2,570,797.57 | 0.60 |
| ITAL BUON ORDI DEL ZCP 30-09-24 | EUR | 600,000 | 598,080.00 | 598,367.57 | 0.14 |
| ITAL BUON ORDI DEL ZCP 31-01-25 | EUR | 2,000,000 | 1,972,800.00 | 1,972,430.00 | 0.46 |
| Other transferable securities | | | 1,326,846.05 | - | - |
| Shares | | | 1,326,846.05 | - | - |
| Germany | | | 1,326,846.05 | - | - |
| KINGHERO AG | EUR | 15 | 1,326,846.05 | - | - |
| Total securities portfolio | | | 350,903,267.68 | 430,883,861.31 | 100.53 |

Hermes Linder Fund SICAV
Other notes to the financial statements

Hermes Linder Fund SICAV

Notes to the financial statements

1 - General information

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

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

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

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

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

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

2 - Principal accounting policies

2.1 - Presentation of the financial statements

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

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

2.2 - Portfolio valuation

Transferable securities and money market instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided below, at the last available market price or quotation prior to the time of valuation on the primary exchange on which such securities trade, provided that fixed income securities shall be valued on the basis of independent reputable pricing sources including composite valuation approaches and methodologies. Transferable securities and money market instruments for which the above market prices, quotations or sources are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their fair value estimated with care and in good faith as further outlined below.

The value of any transferable security which is not quoted, listed or dealt in on a regulated market or which is so quoted, listed or dealt in but for which no such quotation or value is available or the available quotation or value is not representative shall be the fair value as estimated with care and good faith either by (i) the directors or (ii) the Valuation Committee or (iii) a competent person, firm or corporation selected and approved by the directors.

Units in collective investment schemes shall be valued at the latest available net asset value per unit as published by the relevant collective investment scheme or, if listed or traded on a regulated market, in accordance with first paragraph above.

Where the value of any investment is not ascertainable as described above, the value shall be the fair value estimated with care and in good faith either by (i) the directors; or (ii) the Valuation Committee; or (iii) by a competent person selected and approved for the purpose by the directors

2.3 - Liquidities

The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends and interest/profit accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after a decision by the directors making such discount as may be considered appropriate in such case to reflect the true value thereof.

2.4 - Foreign currency translation

The exchange rates used as of August 31, 2024 are:

| | | | | | | | | |
|---------|---------|-----|---------|---------|-----|---------|---------|-----|
| 1 EUR = | 1.4918 | CAD | 1 EUR = | 0.93915 | CHF | 1 EUR = | 0.84225 | GBP |
| 1 EUR = | 11.7245 | NOK | 1 EUR = | 4.275 | PLN | 1 EUR = | 11.3355 | SEK |
| 1 EUR = | 1.1069 | USD | | | | | | |

Hermes Linder Fund SICAV

Notes to the financial statements

2 - Principal accounting policies

2.5 - Valuation of derivative contracts

Derivative contracts traded on a regulated market shall be valued at the settlement price on the relevant market. If the settlement price is not available, the fair value shall be estimated with care and in good faith either by (i) the directors or (ii) the Valuation Committee or (iii) a competent person, firm or corporation selected and approved by the directors. Derivative contracts which are traded 'over-the-counter' will be valued at each Valuation Date either (i) on the basis of a quotation provided by the relevant counterparty and such valuation shall be approved or verified at least weekly by a party who is approved for the purpose by the directors and the depositary and who is independent of the counterparty; (ii) using an alternative valuation provided by a competent person selected and approved by the Directors (the "Alternative Valuation"). Where such Alternative Valuation method is used the Fund will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as the International Organisation of Securities Commissions or the Alternative Investment Management Association and will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise, these will be promptly investigated and explained. Forward foreign exchange contracts, if any, shall be valued in the same manner as derivatives contracts as mentioned in the above paragraph.

The directors may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.

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

3 - Management Company fees and Investment Management fees

The Fund has appointed Waystone Management Company (Lux) S.A. ("Waystone") as the Management Company of the Fund (the "Management Company") and Waystone, with the approval of the Fund, has appointed Praude Asset Management Limited as the Investment Manager of the Fund (the "Investment Manager") in accordance with the provisions of the 2010 Law pursuant to the Management Company Services Agreement and the Investment Management Agreement.

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

The Management Company was incorporated by a notarial deed dated October 23, 2003, published in the Mémorial C, Recueil des Sociétés et Associations under number 1252 of November 26, 2003. The last consolidated version of the articles of incorporation of the Management Company was filed with the Register of Commerce and Companies in June 2017. The share capital of the Management Company is EUR 2,450,000 and has been fully paid. The Management Company is registered on the official list of Luxembourg management companies governed by Chapter 15 of the 2010 Law.

The Management Company is entitled to receive a Management Company Fee as follows:

The Management Company shall receive an annual fee for its services, the highest of an annual fee of EUR 50,000 or a basis point charge calculated from the table below. The fee will be calculated as the average of the month-end Net Asset Value of the previous quarter and invoiced quarterly in arrears:

Management Company fees

| AUM | BASIS POINTS |
|------------------------------------|--------------|
| Up to EUR 250,000,000 | 3.5 bps |
| EUR 250,000,001 to EUR 500,000,000 | 3.25 bps |
| EUR 500,000,001 to EUR 750,000,000 | 3.0 bps |
| 750,000,001 to 1,000,000,000 | 2.7 bps |
| 1,000,000,001 and onwards | 2.5 bps |

Additional fees may be charged by the Management Company to the relevant Sub-Fund in relation to other ancillary services, as may be agreed from time to time. In addition, the Management Company shall be entitled to receive from the Fund reimbursement for its reasonable cash disbursements, included but not limited to reasonable out-of-pocket expenses, incurred in the performance of its duties.

The Fund will pay to the Investment Manager an Investment Management Fee based on Net Asset Value as follows:

Investment Management fees

| Shares | Investment Management fees |
|----------|----------------------------|
| Class AR | 1% p.a. |
| Class AI | 1% p.a. |
| Class BR | 2% p.a. |
| Class BI | 2% p.a. |
| Class C | Nil |

The Investment Management Fee will be accrued on every Valuation Day and paid out of the assets of the Fund. The Investment Manager will be reimbursed for all properly incurred and approved out-of-pocket expenses.

For the year ended August 31, 2024, Management Company fees and Investment Management fees amounted to respectively EUR 133,605.48 and EUR 3,987,174.20.

Hermes Linder Fund SICAV

Notes to the financial statements

4 - Performance fees

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

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

The length of the performance reference period of the Sub-Fund will be equal to the whole life of the Sub-Fund which means that the Reference Adjusted High Watermark will be perpetual for the whole life of the Sub-Fund without any reset.

The Performance Fee shall be calculated on the basis of the NAV per Share. The Performance Fee shall be equal to 15% in the case of Class AR Shares and Class AI Shares and 25% in the case of Class C Shares of the amount by which the Net Asset Value per Share (before the deduction of the Performance Fee) has exceeded the:

- i) The Reference Adjusted High Watermark, plus
 - ii) The Hurdle Rate of Return during the Performance Period, multiplied by the outstanding number of Shares in that particular class as at the relevant Valuation Day. No Performance Fee is payable in the case of Class BR Shares and Class BI Shares.
- For the purposes of this section, the Class A Investor Shares refers to the classes of shares of the Fund prior to being continued in Luxembourg. Upon being continued in Luxembourg, the Class A Investor Shares have been split into Class AI Shares and Class AR Shares.

The 'Reference Adjusted High Watermark' is:

- For Class AI and AR Shares - the greatest of: (i) the NAV per Class A Investor Share as at August 31, 2020 or (ii) the NAV per Class A Investor Share or Class AI Shares or Class AR Shares as at the end of the last Performance Period at which a Performance Fee was paid; adjusted at each Valuation Day to take into account the effect of new subscriptions and redemptions.
- For Class C Shares - the greatest of: (i) the initial offer price for the Class C Shares once this is launched and (ii) the NAV per Class C Shares as at the end of the last Performance Period at which a Performance Fee was paid; adjusted at each Valuation Day to take into account the effect of new subscriptions and redemptions by applying the following:

The adjustment of the High Watermark at each Valuation Day to take into account the effect of new subscriptions and redemptions should be done as follows:

$$= ((\text{PHWMHR} * \text{POUTS}) - (\text{PHWMHR} * \text{RSHS}) + (\text{PNAV} * \text{SSHS})) / \text{COUTS}$$

Where:

PHWMHR = The previous day reference adjusted High Watermark plus Hurdle Rate

POUTS = The previous day outstanding class shares

RSHS = Number of shares redeemed on the current valuation day

PNAV = The previous day NAV Price per share

SSHS = Number of shares subscribed on the current Valuation Day

COUTS = The current day outstanding class shares

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

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

Where:

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

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

The Hurdle Rate of Return cannot be lower than 0%.

The performance fee calculation is subject to a benchmark hurdle. This benchmark hurdle together with the Reference Adjusted High Water Mark as set out above must be exceeded before a performance fee is accrued. The use of EURIBOR as benchmark hurdle is considered as the use of a benchmark within the meaning of article 3 1. (7) of the Benchmark Regulation.

An accrual in respect of the Performance Fee will be made on each Valuation Day if the High Watermark conditions (i) and (ii) referred to above are met. If condition (i) or (ii) is not met, no accrual will be made. At the end of the financial year, an amalgamation of the positive and the negative returns is performed.

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

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

Hermes Linder Fund SICAV

Notes to the financial statements

4 - Performance fees

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

The Performance Fee shall be payable yearly in arrears and normally within four months from the end of the financial year to which it relates. Hermes does not operate an equalisation account.

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

In application of the ESMA Guidelines on performance fees (ESMA34-39-992) and Circular CSSF 20/764, the table below displays the actual amount of performance fees charged by each relevant Share Class and the percentage of these fees based on the Share Class Net Asset Value ("NAV"). Only the Share Classes for which performance fees have been charged are shown below :

| Shares | Amount of Performance Fees (in EUR) | Average NAV of the Class of Shares (in EUR) | % in the Class of Shares average NAV |
|----------|--|--|--------------------------------------|
| Class AR | 2,412,472.58 | 247,863,573.19 | 0.97% |
| Class AI | 1,364,853.02 | 136,677,718.45 | 1.00% |
| Class BR | - | - | 0.00% |
| Class BI | - | - | 0.00% |

5 - Depositary fees

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

These fees are currently paid at the following rates:

| AUM | BASIS POINTS |
|-------------------------|--------------|
| Up to EUR 500,000,000 | 1.0 bps |
| 500,000,000 and onwards | 0.70 bps |

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

6 - Administration fees

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

| AUM | BASIS POINTS |
|------------------------------------|--------------|
| Up to EUR 100,000,000 | 2.25 bps |
| EUR 100,000,001 to EUR 150,000,000 | 1.75 bps |
| EUR 150,000,001 to EUR 250,000,000 | 1.25 bps |
| 500,000,000 and onwards | 1.00 bps |

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

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

7 - Italian Paying Agent fees

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

| Investors through authorised distributors | |
|---|---|
| Each subscription / redemption placed in EUR | 0.15% of the amount, subject to a minimum of EUR 15.00 and a maximum of EUR 25.00 |
| Each subscription / redemption placed in other currencies | Exempt from charges |
| Fund switches | Exempt from charges |

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Notes to the financial statements

8 - Transaction fees

For the year ending August 31, 2024, the Fund sustained the following transaction fees in connection with the sale or purchase of transferable securities, money market instruments, derivatives or other eligible assets.

Until April 25, 2024, brokerage costs were included in the purchase cost or deducted from the sale price as shown in the table below:

| Sub-Fund Name | Currency | Brokerage costs |
|--|----------|-----------------|
| Hermes Linder Fund SICAV - Hermes Linder Fund ("Hermes") | EUR | 251,741.25 |

Since April 2024, the brokerage costs are totally expensed and are included in the amount presented in "Transaction fees" in the Statement of operations and changes in net assets.

9 - Subscription tax ("*Taxe d'abonnement*")

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

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

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

10 - Transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions. The Directors ensure that if any transactions occurs with connected parties during the year, it is carried out on an arm's length basis and in the best interest of the Fund.

11 - Significant events during the year

Caroline Nabbe resigned from her position as PM on the 18 October 2024 and from her post as director on Hermes effectively on 21 December 2023.

12 - Subsequent events

There were no subsequent events after reporting date.

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Additional unaudited information

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Additional unaudited information

Remuneration policy

Waystone Management Company (Lux) S.A. (Henceforth, “Waystone”, “WMC Lux”, or the “Company”) has adopted a remuneration policy in accordance with the applicable regulatory framework, particularly:

- The ESMA Guidelines on sound remuneration policies under the UCITS Directive of 14 October 2016 (ESMA/2016/575) and the ESMA Guidelines on sound remuneration policies under the AIFMD (ESMA/2013/232, as amended by ESMA/2016/579),
- The Law of 17 December 2010 relating to undertakings for collective investment,
- The Law of 12 July 2013 on alternative investment fund managers, and
- The CSSF Circular 18/698 of 23 August 2018 on the Authorization and organization of investment fund managers incorporated under Luxembourg law.

Through its remuneration policy, and as prescribed by the Sustainable Finance Disclosure Regulation [Regulation (EU) 2019/2088 of 27 November 2019 or the “SFDR”], the Company ensures that the structure of its remuneration does not encourage excessive risk taking with respect to sustainability risks when performing its activities as AIFM/Management Company, while it promotes sound and effective risk management with respect to sustainability risks.

Details of Waystone’s remuneration policy, including the persons in charge of determining the fixed and variable remunerations of staff, a description of the key remuneration elements, and an overview of how remuneration is determined, is available under <https://www.waystone.com/waystone-policies>.

With respect to the financial year ended 31 December 2023 (when, as of that date, WMC Lux had a headcount of 83 employees), the total fixed and variable remuneration paid by the Company to its employees amounted to EUR 8,084,973 and EUR 714,783 respectively.

The total remuneration paid by the Company to senior management and members of its identified staff whose actions have a material impact on the risk profile of the collective investment schemes managed amounted to EUR 3,872,522

The Company’s remuneration committee has reviewed the implementation of the remuneration policy and has not identified any deficiency in that respect. Moreover, the current version of the remuneration policy was updated and approved by the Board of directors in the financial year ended 31 December 2023, being the current version dated of November 2023.

The remuneration policy was reviewed and approved by the Board of Directors on 29 November 2023.

Hermes Linder Fund SICAV

Additional unaudited information

Global Risk Exposure

Risk management

All risks relevant to the portfolio of the UCITS (and its sub-funds as the case may be) derived from assets and financial instruments held or invested into are appropriately identified according to market standard practices, in accordance to the risk management process and risk management policy of the Manager. The Manager has put in place different risk managements systems to, in an appropriate manner, depending on the asset classes identified by the Manager, measure and monitor the different risks to which the UCITS may be exposed to, and as part of the risk management practices, regular reporting is prepared illustrating key risk metrics, in line with methodologies which are appropriate for the type of investments the UCITS may be exposed to. Furthermore, stress tests are performed and regular investment compliance checks are conducted with regards to the legal investment restrictions as well as any relevant restrictions of the offering documents. All key risk and potential issues are reported to the board of the UCITS.

In accordance with the Regulation leverage is any method which increases the Fund's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of a Fund's exposure to its net asset value and is calculated on both a gross and commitment method.

Under the gross method, exposure represents the sum of a Fund's positions (including all holdings) after deduction of cash balances and cash equivalents, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and cash equivalents and after certain hedging and netting positions are offset against each other if applicable.

As at 31/08/2024, the total amount of leverage calculated according to the gross method and according to the commitment method amounts to 1.782% and 1.782% respectively.

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Additional unaudited information

Securities Financing Transactions Regulation (SFTR) Disclosures

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

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Additional unaudited information

SFDR (Sustainable Finance Disclosure Regulation)

The Fund does not promote environmental or social characteristics, nor does it have sustainable investment as its objective. The Fund is therefore considered as an "Article 6" financial product in accordance with the SFDR, whose underlying investments do not take into account the EU criteria for environmentally sustainable economic activities.