



# HESPER FUND

Luxembourg registered company B  
234859

Annual Report for the period from  
1 January 2021 to 31 December 2021

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Investment fund under Luxembourg law

Investment fund pursuant to Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment, as amended, taking the legal form of a Société d'Investissement à Capital Variable (SICAV), Luxembourg registered company B 234859

ETHENEA Independent Investors S.A.  
Luxembourg registered company 155427



**ETHENEA**

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The Sales Prospectus with integrated Management Regulations, the Key Investor Information Document (KIID) and the fund's annual report are available free of charge by post, fax or e-mail from the registered office of the investment company, or from the depositary, paying agent and the distributor and the representative in Switzerland. Additional information may be obtained from the Management Company at any time during regular business hours.

Share subscriptions are valid only if they are made on the basis of the most recent version of the Sales Prospectus (including its annexes) in conjunction with the latest available annual report and any subsequent semi-annual report.

# Business Performance Report

The fund management report on behalf of the Board of Directors of the management company:

Dear investors,

Whereas 2020 was the “Annus Horribilis” that shook the global economy, 2021 was the year of the “Great Recovery”. Last year was defined by a strong upturn in the global economy, supported by unprecedented policy stimulus and the gradual introduction of effective COVID-19 vaccines.

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The first half of the year benefited from both the reopening and strong political support, which led to a strong upturn in the global economy. However, the recovery, while robust, remained uneven in different countries and sectors, reflecting significant disparities in access to vaccines, disruptions due to the pandemic, and policy support. The solid economic growth slowed during the second half of the year as a result of the resurgence of the pandemic and rising energy prices, raw material shortages, bottlenecks in the global supply chain and rising inflation.

The “Great Recovery” was particularly rapid and highly unusual. It was driven by an increase in aggregate demand, which was made possible by the extraordinary support of fiscal and monetary policy. However, the compromised supply could not meet the recovery in aggregate demand, and the resulting demand-supply mismatch led to a sharp rise in inflation. Growth forecasts for 2021 were revised downwards, if only slightly, and the global economy is expected to have grown at a robust rate of 5.9% last year.

Cyclical growth will continue in 2022, although at a more moderate pace as the global economy is now in the middle of the cycle. The baseline scenario for 2022 is based on a continued expansion of global production at a solid, above-trend pace of around 5%. This will be supported by strong domestic demand, a reorientation of growth towards the services sector and an ongoing rebound in global trade once supply chain issues are resolved. Capital investment and rising inventories will also contribute to solid growth. While the labour market will gradually improve, it is expected to lag the manufacturing recovery and remain uneven across regions. Production gaps will gradually disappear in 2022, and global production is expected to return to pre-pandemic levels. Inflation is also expected to moderate and approach the central bank’s target of 2%.

Monetary and fiscal policy stimulus measures will continue to be key factors for economic development. Varying levels of political support in different countries and regions will continue to lead to disparities in the speed of recovery. While several emerging economies have already begun to reduce their policy support, governments in advanced economies will continue to provide significant fiscal support. Central banks will initiate a gradual normalisation of their policies, but will be cautious about withdrawing monetary support to ensure that the recovery is not interrupted and returns to the moderately good pre-pandemic growth outlook. The US Federal Reserve has started reducing its quantitative easing programme and will soon start raising key interest rates. The European Central Bank will continue its asset purchases after the expiry of its Pandemic Emergency Purchase Programme (PEPP) with an increase in its regular purchase programme (APP), and the Bank of Japan is also likely to continue its highly expansionary policy. Other central banks in the advanced economies (e.g. the Bank of England and the Bank of Canada) are likely to tighten policy earlier, but given the expected slowdown in growth and inflation, interest rates will only increase slowly. As a result, global financial conditions are likely to remain broadly accommodative in 2022.

Although the baseline scenario is encouraging, the global economy will face a number of headwinds and uncertainty will remain heightened. Persistent commodity shortages, supply chain bottlenecks and rising energy prices could lead to sustained inflationary pressures and entrenched inflation, forcing central banks to tighten policy sooner than expected. The above-mentioned imbalance between supply and demand poses the greatest downside risk to growth and the greatest upside risk to inflation. The combination of slowing economic momentum and persistently high inflation is both a concern for the macroeconomic outlook and a challenge for policymakers. Inflation is likely to remain high in the first half of 2022, but is expected to gradually return to pre-pandemic levels in most countries once the adverse impact of the pandemic has subsided and prices have appropriately adjusted to lower levels. Economic growth is expected to remain solid. Central banks in advanced economies will have to walk a fine line to continue providing support to the economic recovery while not losing control over inflation.

Macroeconomic and geopolitical developments in China and the future of the US-China relationship will also influence the global economy in 2022. Broadly speaking, the year now underway will provide further insights into the trajectory of globalisation. Decisions taken by policymakers around the globe on whether to resolve to return to the path of cooperation and multilateralism or opt for protectionism and unilateralism will shape economic cooperation, international trade and global growth in the years to come. In the final analysis, the COVID-19 pandemic is not yet fully under control, and the development of new infectious variants still poses a significant risk that threatens the resilience of the economic recovery. If inflationary pressures can be moderated and the COVID-19 pandemic can be gradually brought under control at the global level, the relatively favourable scenario of above-trend global growth could continue in 2022.

HESPER FUND – Global Solutions:

2021 - a wild year for equities

2021 will go down as the year of the “Great Recovery” in the aftermath of the COVID 19 shock that shook the global economy in 2020. Despite significant progress in the fight against the pandemic, the emergence of new coronavirus variants had a major impact on economic performance and markets. The Delta and Omicron variants triggered new restrictions and slowed economic growth in the third and fourth quarters of the year and there is still a great deal of uncertainty about the development of the pandemic and its impact on the global economy. Economists and market observers also saw 2021 as the year in which inflation made a comeback. It is still an open question as to whether current high inflation rates will gradually decline once the pandemic-related disruptions to global supply and demand have been mitigated, or whether inflation will become entrenched and the long-term inflation dynamics will change. However, it is clear that the mismatch between the strong upturn in aggregate demand (supported by unprecedented policy stimulus) and constrained supply is currently the main downside risk to growth and the main upside risk to inflation.

Wall Street had a very good run in 2021 thanks to very accommodative monetary and fiscal conditions. US equities delivered double-digit returns for the third year in a row, pulling equity markets in most advanced economies along with them. The S&P 500 Index was the top performer with a solid return of 26.9%. In Europe, the blue-chip EURO STOXX 50 Index rose by 21% (12.7% in USD). 2021 was also the year when the US equity markets reached their highest level in the last 26 years. The S&P 500 set 70 records last year, the highest number since 1995. The hype surrounding so-called “meme stocks”, a record number of IPOs worldwide and a downturn in the Chinese equity market due to strict regulation and a slowing economy also played a part in an eventful year. However, the strong stock rotation made stock picking extremely difficult. It was extremely challenging to keep pace with the S&P 500. While it surged upwards, led by a number of very large companies, some underlying stocks suffered heavy losses. The strong US dollar surprised the markets, as it had not been one of the main recommendations of market pundits at the beginning of the year. The U.S. Dollar Index (DXY), which represents the average of exchange rates between the US dollar and other major world currencies, increased by 6.6% in 2021. The euro, in contrast, declined by almost 8% against the US dollar over the course of the year. Yields followed a similar pattern as the market consensus pointed to much higher government bond yields than were actually achieved. Despite a surge in inflation and supply chain disruptions, government bond yields scarcely rose last year, sending confusing signals about future economic growth to investors, observers, policymakers and the general public.

December 2021

December was a good month for equity markets worldwide, although the Christmas rally was not as strong as expected due to the Omicron outbreak and inflation fears. The majority of equity markets posted positive returns during the month, with strong gains for the year. As was the case during most of the year, it was difficult to keep pace with the S&P 500 as the index ended the year near a record high.

In December, the major US equity indices fluctuated, but the majority ended the month up and not far from their all-time highs. The S&P 500 rose 4.4% for the month, the Dow Jones Industrial Average (DIJA) gained 5.4% and small caps, as measured by the Russell 2000 Index, rose 2.1%. The technology-weighted Nasdaq Composite lagged, rising only 0.7%. However, it was able to recover from a few days of strong sell-off in the technology sector in December.

The stock markets in Europe followed the sentiment in the US. The EURO STOXX 50 Index for major companies rose 5.8% (up 6.4% in US dollar terms), while the FTSE 100 in the UK gained 4.6% (up 6.7% in US dollar terms). Despite the strength of the Swiss franc, the Swiss Market Index performed very well, rising 5.9% (6.6% in US dollars) in the month under review.

Asian markets were mixed, with the Shanghai Shenzhen CSI 300 Index gaining 2.2% (+2.5% in US dollars). Hong Kong's Hang Seng Index fell 0.3% amid a regulatory crackdown and geopolitical tensions. In Japan, the blue-chip Nikkei 225 Index rose by 3.5% (1.3% in US dollars).

The emerging markets were particularly volatile during the month as many central banks (e.g. in most Eastern European countries and in Brazil) continued their aggressive interest rate hikes to counter higher inflation. Turkey attracted press and FX market attention during the final weeks of the month as Erdogan's move towards lower interest rates sent the Turkish lira into a freefall and then into a wild reversal as the government introduced exchange-rate protected lira term deposits to attract depositors in the domestic currency. However, this effort largely backfired as borrowing costs continued to rise and the lira depreciated rapidly and steadily in the last week of the year. Politics also took a heavy toll on domestic markets in Chile. Assets in Chile tumbled after leftist president-elect Boric was given a broad mandate to push for reform in Latin America's most open economy.

The macro scenario for HESPER FUND - Global Solutions is under review due to the highly uncertain situation (higher inflation, lower growth and the emergence of the Omicron variant), which appears to pose a serious challenge to policymakers. In December, the central banks in the advanced economies signalled a change of course. This, combined with the emergence of the Omicron variant, has led to strong volatility in the markets. We are currently evaluating the macroeconomic conditions for economic policy differences and growth expectations in the major economic regions. For now, we are monitoring the risk of increased volatility resulting from the acceleration of policy normalisation by central banks and the change in sentiment as a result of the spread of the Omicron variant. To benefit from the Christmas rally, we also carefully managed the equity exposure while maintaining tight stop limits.

The Fund performed well in December thanks to dynamic equity exposure. The strength of the Swiss franc and the recovery of the Norwegian krone also contributed to the positive monthly performance. Our trade against the British pound in favour of the US dollar was closed as the market again factored in a series of interest rate hikes and the stop limits were triggered. As a result, our exposure to the US dollar fell to 48%.

As always, we continuously monitor and calibrate our exposure to the various asset classes in order to adjust to market sentiment and changes in the macroeconomic baseline scenario.

In December, HESPER FUND - Global Solutions EUR T-6 gained 1.01%. The Fund turned in a positive performance in 2021 of 11.29%. Net inflows amounted to EUR 4 million, taking the total assets under management (AuM) to EUR 41.6 million at the end of the year. The Fund recorded positive monthly returns in 10 of the 12 months during the year, the only exception being September. Volatility increased slightly over the last 250 days, but still remained low at 7%, so the Fund continues to have an interesting risk-return profile. The annualised return since launch is 8.64%.

What 2022 holds in store for us

The next year will be challenging for asset managers, to say the least. Higher inflation will cause central banks to slow, stop or possibly reverse the monetary support they have been providing to the global economy, making financial markets more difficult to navigate. The pandemic is far from over and there are still a number of obvious political tensions. The asset management industry will come under even more pressure to make their investments environmentally friendly without resorting to greenwashing.

Munsbach, January 2022

The Fund Management on behalf of the Board of Directors of the Management Company

The management company is entitled to create unit classes that confer different rights depending on the units.

Currently the following unit classes exist with these structural features:

	<b>Unit class (A-12) EUR</b>	<b>Unit class (A-12) CHF</b>	<b>Unit class (T-12) EUR</b>	<b>Unit class (T-10) EUR</b>
Security identification no.:	A2PEEC	A2PEED	A2QK9X	A2PEEF
ISIN code:	LU1931795501	LU1931796905	LU2275633894	LU1931800350
Subscription fee:	up to 3.00%	up to 3.00%	up to 3.00%	up to 3.00%
Redemption fee:	none	none	none	none
Management fee:	0.15% p.a.	0.15% p.a.	0.15% p.a.	0.15% p.a.
Minimum subsequent investment:	none	none	none	none
Dividend policy:	distributed	distributed	reinvested	reinvested
Currency:	EUR	CHF	EUR	EUR
	<b>Unit class (T-12) CHF</b>	<b>Unit class (A-6) CHF</b>	<b>Unit class (T-6) EUR</b>	<b>Unit class (T-6) CHF</b>
Security identification no.:	A2PEEG	A2PED7	A2PED9	A2PEEA
ISIN code:	LU1931801754	LU1931803297	LU1931806399	LU1931808338
Subscription fee:	up to 3.00%	up to 3.00%	up to 3.00%	up to 3.00%
Redemption fee:	none	none	none	none
Management fee:	0.15% p.a.	0.15% p.a.	0.15% p.a.	0.15% p.a.
Minimum subsequent investment:	none	none	none	none
Dividend policy:	reinvested	distributed	reinvested	reinvested
Currency:	CHF	CHF	EUR	CHF

## Geographical breakdown by country of HESPER FUND - GLOBAL SOLUTIONS

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	United States of America	24.38%
	Ireland	18.13%
	Luxembourg	12.12%
	Germany	10.44%
	Netherlands	1.62%
	Panama	1.27%
	Norway	1.22%
	Switzerland	0.67%
	<b>Securities holdings</b>	<b>69.85%</b>
	Futures contracts	0.37%
	Cash at banks <sup>2)</sup>	29.50%
	Other receivables and payables (net)	0.28%
		<b>100.00%</b>

<sup>1)</sup> Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

<sup>2)</sup> See notes to the Report.

<b>Breakdown by economic sector <sup>1)</sup></b>	
Investment fund units	37.63%
Hardware and equipment	8.69%
Consumer services	8.08%
Raw materials and supplies	3.48%
Transport	3.06%
Diversified financial services	2.83%
Wholesale and retail	1.92%
Software & services	1.32%
Government bonds	1.22%
Insurance	0.99%
Energy	0.63%
<b>Securities holdings</b>	<b>69.85%</b>
Futures contracts	0.37%
Cash at banks <sup>2)</sup>	29.50%
Other receivables and payables (net)	0.28%
	<b>100.00%</b>

<sup>1)</sup> Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

<sup>2)</sup> See notes to the Report.



**Change over the last 3 financial years**

## Share class (T-10) EUR

Date	Net sub-fund assets in EUR millions	Outstanding shares	Net inflows in EUR thousands	Share value EUR
31/12/2019	0.84	8,192	790.35	102.04
31/12/2020	2.05	18,903	1,152.71	108.50
31/12/2021	2.80	23,302	522.66	120.15

## Share class (A-6) CHF

Date	Net sub-fund assets in EUR millions	Outstanding shares	Net inflows in EUR thousands	Share value EUR	Share value CHF
31/12/2019	0.77	8,320	765.16	92.17	100.38 <sup>1)</sup>
31/12/2020	0.10	1,000	-699.33	97.98	106.13 <sup>2)</sup>
31/12/2021	0.11	1,000	0.00	113.59	117.72 <sup>3)</sup>

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## Share class (T-6) EUR

Date	Net sub-fund assets in EUR millions	Outstanding shares	Net inflows in EUR thousands	Share value EUR
31/12/2019	20.09	193,250	19,343.35	103.96
31/12/2020	8.68	78,178	-12,000.65	110.98
31/12/2021	10.68	86,503	1,012.24	123.51

**Performance since launch**

## Share class (A-12) EUR

Date	Net sub-fund assets in EUR millions	Outstanding shares	Net inflows in EUR thousands	Share value EUR
11.02.2021	Launch	-	-	100.00
31/12/2021	0.41	3,801	388.67	107.70

## Share class (A-12) CHF

Date	Net sub-fund assets in EUR millions	Outstanding shares	Net inflows in EUR thousands	Share value EUR	Share value CHF
11.02.2021	Launch	-	-	92.60	100.00 <sup>4)</sup>
31/12/2021	0.01	100	9.26	103.50	107.27 <sup>3)</sup>

## Share class (T-12) EUR

Date	Net sub-fund assets in EUR millions	Outstanding shares	Net inflows in EUR thousands	Share value EUR
11.02.2021	Launch	-	-	100
31/12/2021	0.01	100	10.00	107.52

<sup>1)</sup> Converted at the foreign exchange rate into EUR as of 31 December 2019: EUR 1 = CHF 1.0891

<sup>2)</sup> Converted at the foreign exchange rate into EUR as of 31 December 2020: EUR 1 = CHF 1.0832

<sup>3)</sup> Converted at the foreign exchange rate into EUR as of 31 December 2021: EUR 1 = CHF 1.0364

<sup>4)</sup> Converted at the foreign exchange rate into EUR as of 11 February 2021: EUR 1 = CHF 1.0799

## Share class (T-12) CHF

Date	Net sub-fund assets in EUR millions	Outstanding shares	Net inflows in EUR thousands	Share value EUR	Share value CHF
29.01.2021	Launch	-	-	92.86	100.00 <sup>3)</sup>
31/12/2021	0.02	220	20.43	106.08	109.94 <sup>2)</sup>

## Share class (T-6) CHF

Date	Net sub-fund assets in EUR millions	Outstanding shares	Net inflows in EUR thousands	Share value EUR	Share value CHF
06.02.2020	Launch	-	-	93.42	100.00 <sup>4)</sup>
31/12/2020	21.83	226,322	21,186.63	96.48	104.51 <sup>1)</sup>
31/12/2021	27.58	246,562	2,121.72	111.84	115.91 <sup>2)</sup>

<sup>1)</sup> Converted at the foreign exchange rate into EUR as of 31 December 2020: EUR 1 = CHF 1.0832

<sup>2)</sup> Converted at the foreign exchange rate into EUR as of 31 December 2021: EUR 1 = CHF 1.0364

<sup>3)</sup> Converted at the foreign exchange rate into EUR as of 29 January 2021: EUR 1 = CHF 1.0769

<sup>4)</sup> Converted at the foreign exchange rate into EUR as of 6 February 2020: EUR 1 = CHF 1.0704

## Composition of net sub-fund assets of HESPER FUND - GLOBAL SOLUTIONS

### 10 Composition of net sub-fund assets as of 31 December 2021

	EUR
Securities holdings (securities acquisition costs: EUR 25,796,048.70)	29,079,109.48
Cash at banks <sup>1)</sup>	12,280,791.91
Unrealised gains on futures contracts	151,275.49
Unrealised gains on forward foreign exchange contracts	377,124.32
Interest receivable	112,287.84
Other assets <sup>2)</sup>	17,708.74
	<b>42,018,297.78</b>
Other liabilities and equity <sup>3)</sup>	-391,769.37
	<b>-391,769.37</b>
<b>Net sub-fund assets</b>	<b>41,626,528.41</b>

<sup>1)</sup> See notes to the Report.

<sup>2)</sup> This item includes capitalised formation costs.

<sup>3)</sup> This item mainly comprises the performance fee and the fund management fee.

**Allocation among share classes**

<b>Share class (A-12) EUR</b>	
Pro rata net sub-fund assets	EUR 409,404.87
Outstanding shares	3,801.492
Share value	EUR 107.70

<b>Share class (A-12) CHF</b>	
Pro rata net sub-fund assets	EUR 10,350.01
Outstanding shares	100.000
Share value	EUR 103.50
Share value	CHF 107.27 <sup>1)</sup>

<b>Share class (T-12) EUR</b>	
Pro rata net sub-fund assets	EUR 10,751.83
Outstanding shares	100.000
Share value	EUR 107.52

<b>Share class (T-10) EUR</b>	
Pro rata net sub-fund assets	EUR 2,799,707.07
Outstanding shares	23,301.953
Share value	EUR 120.15

<b>Share class (T-12) CHF</b>	
Pro rata net sub-fund assets	EUR 23,336.72
Outstanding shares	220.000
Share value	EUR 106.08
Share value	CHF 109.94 <sup>1)</sup>

<b>Share class (A-6) CHF</b>	
Pro rata net sub-fund assets	EUR 113,594.25
Outstanding shares	1,000.000
Share value	EUR 113.59
Share value	CHF 117.72 <sup>1)</sup>

<b>Share class (T-6) EUR</b>	
Pro rata net sub-fund assets	EUR 10,684,255.49
Outstanding shares	86,503.000
Share value	EUR 123.51

<b>Share class (T-6) CHF</b>	
Pro rata net sub-fund assets	EUR 27,575,128.17
Outstanding shares	246,561.615
Share value	EUR 111.84
Share value	CHF 115.91 <sup>1)</sup>

<sup>1)</sup> Converted at the foreign exchange rate into EUR as of 31 December 2021: EUR 1 = CHF 1.0364

**Change in net sub-fund assets**

in the period under review from 1 January 2021 to 31 December 2021

	Total EUR	Share class (A-12) EUR <sup>1)</sup> EUR	Share class (A-12) CHF <sup>1)</sup> EUR	Share class (T-12) EUR <sup>1)</sup> EUR
Total net sub-fund assets at the beginning of the period under review	32,659,415.45	0.00	0.00	0.00
Ordinary net expenditure	-325,795.18	-3,051.47	-92.20	-97.89
Income and expense equalisation	25,634.99	1,256.35	0.00	0.00
Inflow of funds from sale of shares	5,928,491.27	388,669.19	9,260.12	10,000.00
Outflow of funds from redemption of shares	-1,843,518.10	0.00	0.00	0.00
Realised gains	7,511,465.86	19,132.53	2,015.50	1,490.75
Realised losses	-4,848,640.89	-15,670.79	-1,200.14	-987.13
Net change in unrealised gains	2,257,295.82	19,198.91	336.69	314.53
Net change in unrealised losses	262,179.19	-129.85	30.04	31.57
<b>Total net sub-fund assets at the end of the period under review</b>	<b>41,626,528.41</b>	<b>409,404.87</b>	<b>10,350.01</b>	<b>10,751.83</b>

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	Share class (T-10) EUR EUR	Share class (T-12) CHF <sup>2)</sup> EUR	Share class (A-6) CHF EUR	Share class (T-6) EUR EUR
Total net sub-fund assets at the beginning of the period under review	2,050,956.41	0.00	97,983.47	8,676,085.77
Ordinary net expenditure	-34,912.90	-272.24	-852.05	-81,366.81
Income and expense equalisation	5,791.15	0.00	0.00	7,539.68
Inflow of funds from sale of shares	641,608.25	20,429.01	0.00	2,341,302.17
Outflow of funds from redemption of shares	-118,947.05	0.00	0.00	-1,329,066.99
Realised gains	366,149.25	4,587.06	24,974.25	1,536,398.69
Realised losses	-250,179.53	-2,733.59	-16,154.17	-1,040,942.06
Net change in unrealised gains	131,881.28	1,266.27	6,683.49	542,658.38
Net change in unrealised losses	7,360.21	60.21	959.26	31,646.66
<b>Total net sub-fund assets at the end of the period under review</b>	<b>2,799,707.07</b>	<b>23,336.72</b>	<b>113,594.25</b>	<b>10,684,255.49</b>

	Share class (T-6) CHF EUR
Total net sub-fund assets at the beginning of the period under review	21,834,389.80
Ordinary net expenditure	-205,149.62
Income and expense equalisation	11,047.81
Inflow of funds from sale of shares	2,517,222.53
Outflow of funds from redemption of shares	-395,504.06
Realised gains	5,556,717.83
Realised losses	-3,520,773.48
Net change in unrealised gains	1,554,956.27
Net change in unrealised losses	222,221.09
<b>Total net sub-fund assets at the end of the period under review</b>	<b>27,575,128.17</b>

<sup>1)</sup> The share classes A-12 EUR, A-12 CHF and T-12 EUR were launched on 11 February 2021.

<sup>2)</sup> The share class T-12 CHF was launched on 29 January 2021.

**Change in number of shares in circulation**

	Share class (A-12) EUR <sup>1)</sup> Number	Share class (A-12) CHF <sup>1)</sup> Number	Share class (T-12) EUR <sup>1)</sup> Number	Share class (T-10) EUR Number
Shares in circulation at the beginning of the period under review	0.000	0.000	0.000	18,903.000
Shares issued	3,801.492	100.000	100.000	5,444.944
Shares redeemed	0.000	0.000	0.000	-1,045.991
<b>Shares in circulation at the end of the period under review</b>	<b>3,801.492</b>	<b>100.000</b>	<b>100.000</b>	<b>23,301.953</b>

	Share class (T-12) CHF <sup>2)</sup> Number	Share class (A-6) CHF Number	Share class (T-6) EUR Number	Share class (T-6) CHF Number
Shares in circulation at the beginning of the period under review	0.000	1,000.000	78,177.926	226,321.615
Shares issued	220.000	0.000	19,680.000	23,970.000
Shares redeemed	0.000	0.000	-11,354.926	-3,730.000
<b>Shares in circulation at the end of the period under review</b>	<b>220.000</b>	<b>1,000.000</b>	<b>86,503.000</b>	<b>246,561.615</b>

<sup>1)</sup> The share classes A-12 EUR, A-12 CHF and T-12 EUR were launched on 11 February 2021.

<sup>2)</sup> The share class T-12 CHF was launched on 29 January 2021.

# Statement of operations of HESPER FUND - GLOBAL SOLUTIONS

## Statement of operations

in the period under review from 1 January 2021 to 31 December 2021

	Total EUR	Share class (A-12) EUR <sup>1)</sup> EUR	Share class (A-12) CHF <sup>1)</sup> EUR	Share class (T-12) EUR <sup>1)</sup> EUR
<b>Income</b>				
Dividends	20,960.37	6.14	5.57	6.14
Income from investment units	86,492.61	687.09	22.40	24.00
Interest on bonds	374,752.45	1,780.94	87.89	94.91
Bank interest	-32,673.70	-160.92	-7.98	-8.17
Other income	10.70	0.00	0.00	0.00
Income equalisation	34,053.51	2,122.27	0.00	0.00
<b>Total income</b>	<b>483,595.94</b>	<b>4,435.52</b>	<b>107.88</b>	<b>116.88</b>
<b>Expense</b>				
Interest expense	-798.70	-3.37	-0.17	-0.16
Performance fee	-345,882.42	-1,272.12	-61.51	-66.28
Management fee / fund management fee	-280,662.51	-2,320.07	-113.01	-121.79
Depositary fee	-55.78	0.00	0.00	0.00
Central administration fee	-26.85	0.00	0.00	0.00
Taxe d'abonnement	-18,251.22	-89.00	-4.13	-4.50
Publication and audit expenses	-12,404.80	-57.99	-3.28	-3.35
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-15,385.69	-32.91	-4.12	-4.49
Registrar and transfer agent fee	-561.30	-2.52	-0.15	-0.15
Government fees	-11,215.35	-17.59	-0.68	-0.74
Formation costs	-4,689.50	-21.24	-0.49	-0.49
Other expenses <sup>1)</sup>	-59,768.50	-291.56	-12.54	-12.82
Expense equalisation	-59,688.50	-3,378.62	0.00	0.00
<b>Total expense</b>	<b>-809,391.12</b>	<b>-7,486.99</b>	<b>-200.08</b>	<b>-214.77</b>
<b>Ordinary net expenditure</b>	<b>-325,795.18</b>	<b>-3,051.47</b>	<b>-92.20</b>	<b>-97.89</b>
<b>Total transaction costs in the financial year <sup>2)</sup></b>	<b>52,529.86</b>			
<b>Total expense ratio in percent <sup>2)</sup></b>		<b>1.45 <sup>3)</sup></b>	<b>1.46 <sup>3)</sup></b>	<b>1.45 <sup>3)</sup></b>
<b>Performance fee in percent <sup>2)</sup></b>		<b>0.65</b>	<b>0.65</b>	<b>0.65</b>
<b>Ongoing charges in percent <sup>2)</sup></b>		-	-	-
<b>Swiss total expense ratio in percent before performance fee percent <sup>2)</sup> (for the period from 1 January 2021 to 31 December 2021)</b>		<b>1.58 <sup>4)</sup></b>	<b>1.65 <sup>4)</sup></b>	<b>1.64 <sup>4)</sup></b>
<b>Swiss total expense ratio in percent with performance fee percent <sup>2)</sup> (for the period from 1 January 2021 to 31 December 2021)</b>		<b>2.21 <sup>4)</sup></b>	<b>2.30 <sup>4)</sup></b>	<b>2.29 <sup>4)</sup></b>
<b>Swiss performance fee in percent <sup>2)</sup> (for the period from 1 January 2021 to 31 December 2021)</b>		<b>0.63</b>	<b>0.65</b>	<b>0.65</b>

<sup>1)</sup> The share classes A-12 EUR, A-12 CHF and T-12 EUR were launched on 11 February 2021.

<sup>2)</sup> The share class T-12 CHF was launched on 29 January 2021.

<sup>3)</sup> For the period from 12 February 2021 to 31 December 2021.

<sup>4)</sup> Projected for the period from 1 January to 31 December 2021.

**Statement of operations**

in the period under review from 1 January 2021 to 31 December 2021

	Share class (T-10) EUR EUR	Share class (T-12) CHF <sup>2)</sup> EUR	Share class (A-6) CHF EUR	Share class (T-6) EUR EUR
<b>Income</b>				
Dividends	1,282.97	12.58	61.02	5,723.62
Income from investment units	5,510.28	50.50	245.51	22,436.83
Interest on bonds	23,314.27	206.11	1,091.56	97,709.46
Bank interest	-2,025.24	-19.02	-95.00	-8,538.94
Other income	0.67	0.00	0.03	2.84
Income equalisation	5,431.18	0.00	0.00	10,194.60
<b>Total income</b>	<b>33,514.13</b>	<b>250.17</b>	<b>1,303.12</b>	<b>127,528.41</b>
<b>Expense</b>				
Interest expense	-49.71	-0.41	-2.35	-208.50
Performance fee	-20,419.78	-191.44	-1,015.62	-90,144.20
Management fee / fund management fee	-25,661.53	-264.90	-787.88	-70,494.17
Depositary fee	-3.50	0.00	-0.16	-14.82
Central administration fee	-1.69	0.00	-0.08	-7.13
Taxe d'abonnement	-1,136.76	-10.08	-53.11	-4,753.88
Publication and audit expenses	-771.69	-7.49	-36.05	-3,235.92
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-962.12	-9.30	-45.16	-4,044.91
Registrar and transfer agent fee	-34.81	-0.33	-1.64	-146.33
Government fees	-698.35	-6.45	-33.07	-2,965.33
Formation costs	-291.63	-2.87	-14.13	-1,223.17
Other expenses <sup>1)</sup>	-7,173.13	-29.14	-165.92	-13,922.58
Expense equalisation	-11,222.33	0.00	0.00	-17,734.28
<b>Total expense</b>	<b>-68,427.03</b>	<b>-522.41</b>	<b>-2,155.17</b>	<b>-208,895.22</b>
<b>Ordinary net expenditure</b>	<b>-34,912.90</b>	<b>-272.24</b>	<b>-852.05</b>	<b>-81,366.81</b>
<b>Total expense ratio in percent <sup>2)</sup></b>	<b>1.67</b>	<b>1.55 <sup>4)</sup></b>	<b>1.10</b>	<b>1.09</b>
<b>Performance fee in percent <sup>2)</sup></b>	<b>0.93</b>	<b>0.90</b>	<b>0.98</b>	<b>0.98</b>
<b>Ongoing charges in percent <sup>2)</sup></b>	<b>1.80</b>	<b>-</b>	<b>1.24</b>	<b>1.23</b>
<b>Swiss total expense ratio in percent before performance fee <sup>2)</sup> (for the period from 1 January 2021 to 31 December 2021)</b>	<b>1.67</b>	<b>1.69 <sup>3)</sup></b>	<b>1.10</b>	<b>1.09</b>
<b>Swiss total expense ratio in percent with performance fee percent <sup>2)</sup> (for the period from 1 January 2021 to 31 December 2021)</b>	<b>2.60</b>	<b>2.59 <sup>3)</sup></b>	<b>2.08</b>	<b>2.07</b>
<b>Swiss performance fee in percent <sup>2)</sup> (for the period from 1 January 2021 to 31 December 2021)</b>	<b>0.93</b>	<b>0.90</b>	<b>0.98</b>	<b>0.98</b>

<sup>1)</sup> The share classes A-12 EUR, A-12 CHF and T-12 EUR were launched on 11 February 2021.

<sup>2)</sup> The share class T-12 CHF was launched on 29 January 2021.

<sup>3)</sup> Projected for the period from 1 January to 31 December 2021.

<sup>4)</sup> For the period from 1 February to 31 December 2021.



**Statement of operations**

in the period under review from 1 January 2021 to 31 December 2021

	Share class (T-6) CHF EUR
<b>Income</b>	
Dividends	13,862.33
Income from investment units	57,516.00
Interest on bonds	250,467.31
Bank interest	-21,818.43
Other income	7.16
Income equalisation	16,305.46
<b>Total income</b>	<b>316,339.83</b>
<b>Expense</b>	
Interest expense	-534.03
Performance fee	-232,711.47
Management fee / fund management fee / investment advisory fee, if applicable	-180,899.16
Depository fee	-37.30
Central administration fee	-17.95
Taxe d'abonnement	-12,199.76
Publication and audit expenses	-8,289.03
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-10,282.68
Registrar and transfer agent fee	-375.37
Government fees	-7,493.14
Formation costs	-3,135.48
Other expenses <sup>1)</sup>	-38,160.81
Expense equalisation	-27,353.27
<b>Total expense</b>	<b>-521,489.45</b>
<b>Ordinary net expenditure</b>	<b>-205,149.62</b>
<b>Total expense ratio in percent <sup>2)</sup></b>	<b>1.10</b>
<b>Performance fee in percent <sup>2)</sup></b>	<b>0.98</b>
<b>Ongoing charges in percent <sup>2)</sup></b>	<b>1.24</b>
<b>Swiss total expense ratio in percent before performance fee percent <sup>2)</sup> (for the period from 1 January 2021 to 31 December 2021)</b>	<b>1.10</b>
<b>Swiss total expense ratio in percent with performance fee percent <sup>2)</sup> (for the period from 1 January 2021 to 31 December 2021)</b>	<b>2.08</b>
<b>Swiss performance fee in percent <sup>2)</sup> (for the period from 1 January 2021 to 31 December 2021)</b>	<b>0.98</b>

<sup>1)</sup> The share classes A-12 EUR, A-12 CHF and T-12 EUR were launched on 11 February 2021.

<sup>2)</sup> The share class T-12 CHF was launched on 29 January 2021.

**Performance in percent \***

As of 31 December 2021

Fund	ISIN WKN	Unit class currency	6 months	1 year	3 years	10 years
HESPER FUND - GLOBAL SOLUTIONS A-12 CHF since 11/02/2021	LU1931796905 A2PEED	CHF	5.56%	7.27% **	---	---
HESPER FUND - GLOBAL SOLUTIONS A-12 EUR since 11/02/2021	LU1931795501 A2PEEC	EUR	5.89%	7.70% **	---	---
HESPER FUND - GLOBAL SOLUTIONS A-6 CHF since 26/12/2019	LU1931803297 A2PED7	CHF	5.83%	10.92%	17.72% **	---
HESPER FUND - GLOBAL SOLUTIONS T-10 EUR since 30/07/2019	LU1931800350 A2PEEF	EUR	5.66%	10.74%	20.15% **	---
HESPER FUND - GLOBAL SOLUTIONS T-12 CHF since 29/01/2021	LU1931801754 A2PEEG	CHF	5.53%	9.94% **	---	---
HESPER FUND - GLOBAL SOLUTIONS T-12 EUR since 11/02/2021	LU2275633894 A2QK9X	EUR	5.72%	7.52% **	---	---
HESPER FUND - GLOBAL SOLUTIONS T-6 CHF since 06/02/2020	LU1931808338 A2PEEA	CHF	5.82%	10.91%	15.91% **	---
HESPER FUND - GLOBAL SOLUTIONS T-6 EUR since 14/06/2019	LU1931806399 A2PED9	EUR	6.00%	11.29%	23.51% **	---

\* On the basis of published unit values (BVI method); the result complies with the Guidelines on the "Calculation and Publication of Performance Data of Collective Investment Schemes" issued by the Swiss Funds & Asset Management Association on 16 May 2008.

\*\* Since launch.

Past performance is no indicator of current or future performance. The performance data do not include commissions and charges incurred in the issue and redemption of units.

# Statement of net assets of HESPER FUND - GLOBAL SOLUTIONS as of 31 December 2021

## 18 Statement of net assets as of 31 December 2021

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA <sup>1)</sup>
<b>Bonds</b>							
<b>Securities traded on an exchange</b>							
<b>CHF</b>							
CH0353945394	3.000% gategroup Fin Reg.S. v.17(2027)	700,000	0	700,000	85.7600	579,235.82	1.39
CH0370943562	3.000% MSC Cruises S.A. Reg.S. v.17(2023)	300,000	0	300,000	97.0000	280,779.62	0.67
						<b>860,015.44</b>	<b>2.06</b>
<b>EUR</b>							
XS2363235107	3.500% Dte. Lufthansa AG EMTN Reg.S. v.21(2029)	700,000	0	700,000	99.0730	693,511.00	1.67
						<b>693,511.00</b>	<b>1.67</b>
<b>NOK</b>							
NO0010646813	2.000% Norway Reg.S. v.12(2023)	5,000,000	0	5,000,000	101.2300	508,065.41	1.22
						<b>508,065.41</b>	<b>1.22</b>
<b>USD</b>							
NL0000116168	1.650% Aegon NV Reg.S. FRN Perp.	500,000	0	500,000	93.7580	413,067.23	0.99
US04650NAB01	5.350% AT & T Inc. v.10(2040)	1,200,000	0	1,200,000	125.5890	1,327,930.21	3.19
US655664AH33	6.950% Nordstrom Inc. v.98(2028)	500,000	0	800,000	113.2710	798,456.25	1.92
US71647NAA72	5.625% Petrobras Global Finance BV v.13(2043)	300,000	0	300,000	98.6380	260,740.15	0.63
US912909AD03	6.650% United States Steel Corporation v.07(2037)	1,500,000	0	1,500,000	109.7470	1,450,528.68	3.48
US92343VCQ59	4.400% Verizon Communications Inc. v.14(2034)	500,000	500,000	500,000	116.1910	511,899.73	1.23
						<b>4,762,622.25</b>	<b>11.44</b>
<b>Securities traded on an exchange</b>						<b>6,824,214.10</b>	<b>16.39</b>
<b>Securities admitted to or included on organised markets</b>							
<b>EUR</b>							
XS2264155305	7.625% Carnival Corporation Reg.S. v.20(2026)	0	0	500,000	105.5870	527,935.00	1.27
						<b>527,935.00</b>	<b>1.27</b>

<sup>1)</sup> NFA = Net sub-fund assets. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

**Statement of net assets as of 31 December 2021**

ISIN	Securities		Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA <sup>1)</sup>
<b>USD</b>								
US247025AE93	7.100% Dell Inc. v.98(2028)		0	0	500,000	124.9610	550,537.49	1.32
US92343VVGJ70	2.550% Verizon Communications Inc. v.21(2031)		2,000,000	0	2,000,000	100.8450	1,777,160.98	4.27
							<b>2,327,698.47</b>	<b>5.59</b>
<b>Securities admitted to or included on organised markets</b>							<b>2,855,633.47</b>	<b>6.86</b>
<b>Bonds</b>							<b>9,679,847.57</b>	<b>23.25</b>
<b>Investment fund units <sup>2)</sup></b>								
<b>Germany</b>								
DE0005933956	iShares Core EURO STOXX 50 UCITS ETF DE	EUR	85,000	0	85,000	42.9700	3,652,450.00	8.77
							<b>3,652,450.00</b>	<b>8.77</b>
<b>Ireland</b>								
IE00B53L4350	CS ETF IE on Dow Jones Industrial AverageSM	USD	0	4,000	6,000	418.3100	2,211,525.24	5.31
IE00B5BMR087	iShares Core S&P 500 UCITS ETF	USD	12,400	13,000	12,400	488.3100	5,335,310.60	12.82
							<b>7,546,835.84</b>	<b>18.13</b>
<b>Luxembourg</b>								
LU0977261329	UBS Lux Fund Solutions - MSCI Switzerland 20/35 UCITS ETF	CHF	160,000	0	160,000	28.9350	4,467,001.16	10.73
							<b>4,467,001.16</b>	<b>10.73</b>
<b>Investment fund units <sup>2)</sup></b>							<b>15,666,287.00</b>	<b>37.63</b>
<b>Certificates</b>								
<b>Securities traded on an exchange</b>								
<b>United States of America</b>								
DE000A0S9GB0	Dte. Börse Commodities GmbH/ Gold Ounce 999 Cert. v.07(2199)	EUR	70,000	20,000	50,000	51.1050	2,555,250.00	6.14
GB00B15KYG56	WisdomTree Commodity Securities Ltd./Bloomberg Industrial Metals TR Index Cert. v.06(2199)	USD	0	70,000	80,000	16.7075	1,177,724.91	2.83
							<b>3,732,974.91</b>	<b>8.97</b>
<b>Securities traded on an exchange</b>							<b>3,732,974.91</b>	<b>8.97</b>
<b>Certificates</b>							<b>3,732,974.91</b>	<b>8.97</b>
<b>Securities holdings</b>							<b>29,079,109.48</b>	<b>69.85</b>
<b>Futures contracts</b>								
<b>Long positions</b>								
<b>USD</b>								
E-Mini S&P 500 Index Future March 2022			30	0	30		149,187.15	0.36
							<b>149,187.15</b>	<b>0.36</b>
<b>Long positions</b>							<b>149,187.15</b>	<b>0.36</b>

<sup>1)</sup> NFA = Net sub-fund assets. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

<sup>2)</sup> Information on subscription and redemption fees as well as the maximum amount of the management fee for target fund units may be obtained on application from the registered office of the management company and from the depository and paying agents free of charge.

**Statement of net assets as of 31 December 2021**

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA <sup>1)</sup>
<b>Short positions</b>							
<b>USD</b>							
	CBT 10YR US T-Bond Future March 2022	0	80	-80		2,088.34	0.01
						<b>2,088.34</b>	<b>0.01</b>
<b>Short positions</b>							
<b>Futures contracts</b>							
						<b>151,275.49</b>	<b>0.37</b>
<b>Cash at banks - Current account <sup>2)</sup></b>						<b>12,280,791.91</b>	<b>29.50</b>
<b>Other receivables and payables (net)</b>						<b>115,351.53</b>	<b>0.28</b>
<b>Net sub-fund assets in EUR</b>						<b>41,626,528.41</b>	<b>100.00</b>

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<sup>1)</sup> NFA = Net sub-fund assets. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

<sup>2)</sup> See notes to the Report.

**Forward foreign exchange contracts**

The following forward foreign exchange contracts were open as of 31 December 2021:

Currency	Counterparty		Currency amount	Price EUR	% share of NFA <sup>1)</sup>
CHF/EUR	DZ PRIVATBANK S.A.	Currency purchases	28,959,100.00	27,965,189.22	67.18
GBP/EUR	DZ PRIVATBANK S.A.	Currency purchases	1,700,000.00	2,020,175.61	4.85
RUB/EUR	DZ PRIVATBANK S.A.	Currency purchases	334,709,060.00	3,961,781.57	9.52
EUR/CHF	DZ PRIVATBANK S.A.	Currency sales	206,500.00	199,412.66	0.48
EUR/GBP	DZ PRIVATBANK S.A.	Currency sales	1,700,000.00	2,020,175.61	4.85
EUR/RUB	DZ PRIVATBANK S.A.	Currency sales	334,709,060.00	3,961,781.57	9.52
EUR/USD	DZ PRIVATBANK S.A.	Currency sales	1,500,000.00	1,320,558.54	3.17

**Bilateral forward foreign exchange contracts**

As at 31/12/2021, the following open bilateral forward foreign exchange contracts were outstanding:

Currency	Counterparty		Currency amount currency of purchase	Currency amount currency of sale	Price EUR	% share of NFA <sup>1)</sup>
CHF/GBP	DZ PRIVATBANK S.A.	Bilateral currency transactions	5,096,746.40	4,000,000.00	4,919,786.00	11.82
GBP/CHF	DZ PRIVATBANK S.A.	Bilateral currency transactions	4,000,000.00	5,064,551.20	4,752,005.02	11.42
GBP/USD	DZ PRIVATBANK S.A.	Bilateral currency transactions	19,000,000.00	25,526,008.00	22,583,163.27	54.25
USD/GBP	DZ PRIVATBANK S.A.	Bilateral currency transactions	25,808,854.00	19,000,000.00	22,739,301.57	54.63

**Futures contracts**

	Holdings	Commitments	% share of NFA <sup>1)</sup>
<b>Long positions</b>			
<b>USD</b>			
E-Mini S&P 500 Index Future March 2022	30	6,323,684.91	15.19
		<b>6,323,684.91</b>	<b>15.19</b>
<b>Long positions</b>		<b>6,323,684.91</b>	<b>15.19</b>
<b>Short positions</b>			
<b>USD</b>			
CBT 10YR US T-Bond Future March 2022	-80	-9,179,222.84	-22.05
		<b>-9,179,222.84</b>	<b>-22.05</b>
<b>Short positions</b>		<b>-9,179,222.84</b>	<b>-22.05</b>
<b>Futures contracts</b>		<b>-2,855,537.93</b>	<b>-6.86</b>

<sup>1)</sup> NFA = Net sub-fund assets. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

# Acquisitions and disposals

## from 1 January 2021 to 31 December 2021

### of HESPER FUND - GLOBAL SOLUTIONS

#### 22 Acquisitions and disposals from 1 January 2021 to 31 December 2021

Purchases and sales of securities, promissory note loans and derivatives executed during the period under review, including changes excluding capital movements to the extent not reported in the statement of net assets.

ISIN	Securities		Acquisitions in the period under review	Disposals in the period under review
<b>Equities, rights and profit participation certificates</b>				
<b>Securities traded on an exchange</b>				
<b>Germany</b>				
DE000A3CMGN3	hGears AG	EUR	10,000	10,000
<b>Italy</b>				
IT0005239360	UniCredit S.p.A.	EUR	80,000	80,000
<b>Canada</b>				
CA0679011084	Barrick Gold Corporation	USD	0	44,000
<b>Netherlands</b>				
NL00150002Q7	Vivoryon Therapeutics N.V.	EUR	10,000	10,000
<b>Switzerland</b>				
CH0038863350	Nestlé S.A.	CHF	0	4,000
CH0014852781	Swiss Life Holding AG	CHF	0	740
CH0011075394	Zurich Insurance Group AG	CHF	0	1,000
<b>United States of America</b>				
US0378331005	Apple Inc.	USD	5,500	5,500
US9497461015	Wells Fargo & Co.	USD	22,300	22,300
<b>Securities admitted to or included on organised markets</b>				
<b>Germany</b>				
DE000A0LR9G9	EXASOL AG	EUR	0	20,000
<b>Unlisted securities</b>				
<b>Germany</b>				
DE0007921835	Vivoryon Therapeutics AG	EUR	0	10,000
<b>Bonds</b>				
<b>Securities traded on an exchange</b>				
<b>NOK</b>				
NO0010757925	1.500% Norway Reg.S. v.16(2026)		0	4,000,000

**Acquisitions and disposals from 1 January 2021 to 31 December 2021**

Purchases and sales of securities, promissory note loans and derivatives executed during the period under review, including changes excluding capital movements to the extent not reported in the statement of net assets.

ISIN	Securities		Acquisitions in the period under review	Disposals in the period under review
<b>USD</b>				
US345370CA64	7.450% Ford Motor Co. v.99(2031)		0	400,000
US36164QNA21	4.418% GE Capital International Funding Co. v.16(2035)		0	400,000
XS1596794971	3.750% Huarong Finance 2017 Co. Ltd. Reg.S. v.17(2022)		300,000	300,000
US912909AM02	6.875% United States Steel Corporation v.17(2025)		700,000	1,500,000
US912810SS87	1.625% United States of America v.20(2050)		500,000	500,000
<b>Securities admitted to or included on organised markets</b>				
<b>EUR</b>				
IT0005422891	0.900% Italy Reg.S. v.20(2031)		3,000,000	6,000,000
XS0982711714	4.750% Petrobras Global Finance BV v.14(2025)		0	100,000
<b>USD</b>				
US00206RCP55	4.500% AT&T Inc. v.15(2035)		0	250,000
US097023CV59	5.705% Boeing Co. v.20(2040)		0	500,000
US11135FBA84	4.750% Broadcom Inc. v.19(2029)		0	300,000
US29278GAF54	3.500% ENEL Finance International NV 144A v.17(2028)		0	200,000
US345370CV02	8.500% Ford Motor Co. v.20(2023)		0	200,000
US345370CW84	9.000% Ford Motor Co. v.20(2025)		0	200,000
US369604BW26	3.625% General Electric Co. v.20(2030)		0	600,000
US37045VAS97	5.000% General Motors Co. v.18(2028)		0	200,000
US55616PAA21	8.375% Macy's, Inc. 144A v.20(2025)		0	300,000
US912909AN84	6.250% United States Steel Corporation v.18(2026)		1,000,000	1,000,000
<b>Investment fund units <sup>1)</sup></b>				
<b>Germany</b>				
DE000A0F5UJ7	iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen-iShares STOXX Europe 600 Banks UCITS ETF (DE)	EUR	138,000	138,000
DE0005933923	iShares MDAX UCITS ETF DE	EUR	5,200	18,200
<b>Ireland</b>				
IE00BDFL4P12	iShares Diversified Commodity Swap UCITS ETF	USD	570,000	570,000
IE00B53SZB19	iShares NASDAQ 100 UCITS ETF	USD	2,000	2,000
IE00BD3V0B10	iShares S&P US Banks UCITS ETF	USD	130,000	130,000
IE00BJ5JPG56	iSharesIV-MSCI China UCITS ETF	USD	70,000	170,000
IE00BJZ2DD79	Xtrackers Russell 2000 UCITS ETF	EUR	7,500	7,500
<b>Luxembourg</b>				
LU1681045024	Amundi MSCI EM Latin America UCITS ETF	EUR	0	200,000
LU1834988278	Lyxor IF-L.ST.Eu.600 Oil & G.	EUR	33,200	33,200
LU1781541849	Lyxor MSCI EM Asia UCITS ETF	EUR	0	260,000

<sup>1)</sup> Information on subscription and redemption fees as well as the maximum amount of the management fee for target fund units may be obtained on application from the registered office of the management company and from the depository and paying agents free of charge.



**Acquisitions and disposals from 1 January 2021 to 31 December 2021**

Purchases and sales of securities, promissory note loans and derivatives executed during the period under review, including changes excluding capital movements to the extent not reported in the statement of net assets.

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review
<b>Options</b>			
<b>USD</b>			
	Call on E-Mini S&P 500 Index Future June 2021/4,000.00	5	5
	Put on E-Mini S&P 500 Index Future December 2021/4,300.00	30	30
	Put on E-Mini S&P 500 Index Future September 2021/3,800.00	120	120
	Put on E-Mini S&P 500 Index Future September 2021/4,200.00	29	29
	Put on EUR/USD December 2021/1.170	5,000,000	5,000,000
	Put on EUR/USD December 2021/1.180	6,800,000	6,800,000
	Put on S&P 500 Index June 2021/3,600.00	11	11
<b>Futures contracts</b>			
<b>CHF</b>			
	Swiss Market Index Future December 2021	26	26
	Swiss Market Index Future December 2021	7	7
	Swiss Market Index Future June 2021	7	7
	Swiss Market Index Future September 2021	7	7
<b>EUR</b>			
	Euro Stoxx 50 Price Index Future December 2021	172	172
	Euro Stoxx 50 Price Index Future June 2021	88	88
	Euro Stoxx 50 Price Index Future September 2021	86	86
	EUX 10YR Euro-BTP Future June 2021	60	60
	EUX 10YR Euro-BTP Future March 2021	0	10
	EUX 10YR Euro-BTP Future September 2021	60	60
	FTSE MIB Index Future March 2021	6	6
<b>GBP</b>			
	LIF 10YR Long Gilt Future December 2021	12	12
	LIF 3MO Sterling Future March 2021	0	150
<b>USD</b>			
	CBT 10YR US T-Bond Future December 2021	110	110
	CBT 10YR US T-Bond Future June 2021	74	74
	CBT 10YR US T-Bond Future September 2021	83	83
	Dow Jones Industrial Average Index Future December 2021	28	28
	Dow Jones Industrial Average Index Future June 2021	13	13
	Dow Jones Industrial Average Index Future March 2021	0	12
	Dow Jones Industrial Average Index Future September 2021	14	14
	E-Mini S&P 500 Index Future December 2021	100	100
	E-Mini S&P 500 Index Future December 2021	11	11
	E-Mini S&P 500 Index Future September 2021	11	11
	E-Mini S&P 500 Index Future September 2021	10	10
	Nasdaq 100 Index Future December 2021	30	30
	Nasdaq 100 Index Future March 2021	3	3
	Nasdaq 100 Index Future September 2021	13	13
	Russell 2000 Index Future June 2021	18	18
	S&P 500 Index Future June 2021	60	60
	S&P 500 Index Future June 2021	20	20

**Foreign exchange rates**

For the valuation of assets in a foreign currency, the following exchange rate for 31 December 2021 was used for conversion into euro.

Pound sterling	EUR 1 =	GBP	0.8414
Norwegian krone	EUR 1 =	NOK	9.9623
Russian ruble	EUR 1 =	RUB	84.1655
Swiss franc	EUR 1 =	CHF	1.0364
US dollar	EUR 1 =	USD	1.1349

# HESPER FUND

## 26 Notes to the Annual Report as of 31 December 2021

### 1.) General

The investment company HESPER FUND, SICAV is a public limited company with variable capital (*société d'investissement à capital variable*), incorporated under the laws of the Grand Duchy of Luxembourg, with its registered office at 4, Rue Thomas Edison, L-1445 Strassen. It was established in the form of an umbrella fund on 14 May 2019 for an indefinite period of time. Its Articles of Association were published for the first time on 5 June 2019 in the *Recueil électronique des sociétés et associations* ("RESA"), the information platform of the Trade and Companies Register in Luxembourg. The investment company is registered with the Luxembourg Trade and Companies Register (R.C.S. Luxembourg) under the registration number B-234859. The last amendment to the Management Regulations was made on 1 January 2021 and published in the RESA.

The Board of Directors of the investment company has entrusted ETHENEA Independent Investors S.A. ("management company"), a public limited company incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 16, rue Gabriel Lippmann, L-5365 Munsbach, with the investment management, administration and distribution of the shares of the investment company. It was established on 10 September 2010 for an indefinite period. Its Articles of Association were published on 15 September 2010 in the *Mémorial*. The most recent amendment to the management company's Articles of Association entered into force on 1 January 2015 and were published in the *Mémorial* on 13 February 2015. The management company is registered with the Luxembourg Trade and Companies Register under the registration number R.C.S. Luxembourg B-155427

Since the Hesper Fund, SICAV consists of a single sub-fund, HESPER FUND - GLOBAL SOLUTIONS, as at 31 December 2021, the composition of net sub-fund assets, change in net sub-fund assets and the statement of operations of HESPER FUND - GLOBAL SOLUTIONS are also the consolidated statements of the HESPER FUND:

### 2.) Main accounting and valuation principles; share value calculation

Responsibility for preparing these financial statements in accordance with the applicable Luxembourg statutory provisions and regulations relating to the preparation and presentation of financial statements lies with the Board of Directors of the investment company.

1. The net assets of the investment company are denominated in euro ("reference currency").
2. The value of a fund share ("net asset value per share") is stated in the currency ("fund currency") as specified in the annex to the Sales Prospectus, unless a currency other than the fund currency is specified for any other share classes in the respective annex to the Sales Prospectus ("share class currency").
3. The net asset value per share is calculated by the management company or its delegate under the supervision of the depositary on each day that is a bank working day in Luxembourg, with the exception of 24 and 31 December of each year ("valuation day"), and rounded to two decimal places. The Board of Directors may stipulate a different arrangement for the respective sub-fund, taking into account that the net asset value per share must be calculated at least twice a month.
4. To calculate the net asset value per share, the value of the assets in the respective sub-fund less any liabilities of the respective sub-fund ("net sub-fund assets") is calculated on each valuation day, divided by the number of shares in the respective sub-fund in circulation on the valuation day. However, the investment company may decide to determine the net asset value per share on 24 and 31 December of any given year, without this constituting a calculation of the net asset value per share on a valuation day as specified in sentence 1 above of this point 4. Consequently, shareholders may not request the issue, redemption and/or conversion of shares on the basis of a net asset value per share determined on 24 December and/or 31 December of any year.

5. To the extent that information regarding the position of the net assets of the Company needs to be provided in annual reports, semi-annual reports or other financial statistics in accordance with legal requirements or the rules in the Articles of Association, the fund assets are translated into the reference currency. The net sub-fund assets are calculated on the basis of the following principles:

a) securities, money market instruments, derivative financial instruments (derivatives) and other assets which are officially listed on a stock exchange are valued at the last available price of the trading day preceding the valuation day which ensures a reliable valuation. The management company may determine for the individual sub-fund that securities, money market instruments, derivative financial instruments (derivatives) and other assets which are officially listed on a stock exchange are valued at the last available closing price of the trading day which ensures a reliable valuation. This is mentioned in the annex to the respective sub-fund's Sales Prospectus.

Where securities, money market instruments, derivatives and other assets are officially listed on several stock exchanges, the exchange with the highest liquidity is used.

b) Securities, money market instruments, derivatives and other assets not officially listed on a stock exchange (or whose exchange prices are not considered representative because of a lack of liquidity, for example) but which are traded on a regulated market are valued at a price that may be no lower than the bid price and no higher than the offer price of the trading day preceding the valuation day and that the management company considers in good faith to be the best possible price at which the securities, money market instruments, derivatives and other assets may be sold.

The management company can determine for the respective sub-fund that securities, money market instruments, derivatives and other assets not officially listed on a stock exchange (or whose exchange prices are not considered representative because of a lack of liquidity, for example) but which are traded on a regulated market are valued at a price that may be no lower than the bid price and no higher than the offer price of the trading day preceding the valuation day and that the management company considers in good faith to be the best possible price at which the securities, money market instruments, derivatives and other assets may be sold. This is mentioned in the annex to the respective sub-fund's Sales Prospectus.

- c) OTC derivatives are valued on a daily basis using a verifiable method to be specified by the management company.
- d) units of UCITS or UCIs shall be valued at the last redemption price determined before the valuation day, or at the last available price which ensures a reliable valuation. If redemption has been suspended for investment fund units or a redemption price has not been specified, these units are valued in the same way as all other assets at the relevant market value as determined by the management company in good faith using generally accepted and verifiable valuation rules.
- e) if the applicable prices are not in line with the market, if the financial instruments referred to in b) are not traded on a regulated market and if no prices have been determined for financial instruments other than those referred to in letters a) to d), these financial instruments shall be valued in the same way as the other legally permissible assets at the applicable market value as determined by the management company in good faith and in accordance with generally recognised and verifiable valuation rules (e.g. suitable valuation models taking into account current market conditions).
- f) cash and cash equivalents are valued at their nominal value plus interest.
- g) receivables, such as deferred interest and liabilities, are generally valued at their nominal value.
- h) the market value of securities, money market instruments, derivative financial instruments (derivatives) and other assets that are denominated in a currency other than the fund currency is converted into the fund currency on the basis of the exchange rate determined at the WM/Reuters fixing at 5:00 p.m. (4:00 p.m. London time) on the trading day preceding the valuation day. Profits and losses from foreign exchange transactions are added or deducted as appropriate.

The management company can determine for the respective sub-fund that securities, money market instruments, derivatives and other assets denominated in a currency other than the respective sub-fund currency are converted into the relevant sub-fund currency on the basis of the exchange rate determined on the valuation day. Profits and losses from foreign exchange transactions are added or deducted as appropriate. This is mentioned in the annex to the respective sub-fund's Sales Prospectus.

Net sub-fund assets are reduced by any distributions paid to shareholders in the sub-fund concerned.

6. The net asset value per share is calculated in accordance with the aforementioned criteria. However, if share classes have been created within the respective sub-fund, the net asset value per share is calculated separately for each share class within the respective sub-fund in accordance with the aforementioned criteria.

### 3.) Taxation

#### Taxation of the investment company

The assets of the Company are not liable to tax on its income or profits in the Grand Duchy of Luxembourg. The assets of the Company are only subject to the *taxe d'abonnement* in the Grand Duchy of Luxembourg at the current rate of 0.05% p.a. A reduced *taxe d'abonnement* at the rate of 0.01% p.a. is applicable to (i) sub-funds of the share classes, the shares of which are issued exclusively to institutional shareholders pursuant to Article 174 of the Law of 17 December 2010, (ii) sub-funds, the exclusive purpose of which is to invest in money market instruments, term deposits at credit institutions, or both. The *taxe d'abonnement* is payable quarterly on the net assets of the Company as reported at the end of each quarter. The rate of the *taxe d'abonnement* for the respective sub-fund or share classes is mentioned in the respective annex to the Sales Prospectus. An exemption from the *taxe d'abonnement* is applicable, *inter alia*, if the sub-fund assets are invested in other Luxembourg investment funds that are already subject to the *taxe d'abonnement*.

Income earned by the sub-fund (in particular interest and dividends) may be subject to withholding tax or other taxes in the countries in which the fund assets are invested. The fund may also be liable to tax on realised or unrealised capital gains on its investments in the source country. Neither the depositary nor the management company is required to collect tax certificates.

#### Taxation of shareholder income from shares in the investment company

Shareholders that are or were not tax resident in the Grand Duchy of Luxembourg, and have a permanent establishment or permanent representative there, are not subject to any Luxembourg income tax in relation to their income from or gains from disposals of their fund shares.

Natural persons who are tax residents in the Grand Duchy of Luxembourg are subject to Luxembourg's progressive income tax.

Companies that are tax resident in the Grand Duchy of Luxembourg are liable to pay corporation tax on income from fund units.

It is recommended that shareholders and prospective shareholders ensure they are informed about laws and regulations applicable to the taxation of assets of the Company and to the subscription, purchase, ownership, redemption or transfer of shares and obtain advice from an independent third party, in particular from a tax advisor.

### 4.) Appropriation of income

Further information on the appropriation of income are provided in the Sales Prospectus.

### 5.) Total Expense Ratio (TER)

In calculating the total expense ratio (TER), the following calculation method was applied:

$$\text{TER} = \frac{\text{Total cost in sub-fund currency}}{\text{Average sub-fund volume (Basis: daily NFA*)}} \times 100$$

\* NFA = net sub-fund assets

The TER indicates the level of expenses charged to the fund assets of the respective sub-fund. In addition to management and depositary fees and the *taxe d'abonnement*, all other costs are included, with the exception of transaction costs incurred by the respective sub-fund. It shows the total amount of these respective costs as a percentage of the average sub-fund volume in a financial year. (Any performance fees are shown separately in direct relation to the TER.)

The calculation of a synthetic TER is waived if the sub-fund invests in target funds.

### 6.) Information relating to charges and expenditure

Information on management and depositary fees may be found in the current Sales Prospectus.

### 7.) Transaction costs

Transaction costs include all costs which were accounted for and/or settled separately on account of the respective sub-fund in the financial year and are directly connected with a purchase or sale of securities, money market instruments, derivatives or other assets. These costs essentially include commissions, settlement fees and taxes.

## 8.) Ongoing charges

Ongoing charges is a figure calculated pursuant to Article 10(2)(b) of Commission Regulation (EU) No 583/2010 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament.

The ongoing charges indicate the level of expenses charged to the fund assets in the past financial year. In addition to management and depositary fees and the tax d'abonnement, all other costs are included, with the exception of applicable performance fees. The figure shows the total amount of these charges as a percentage of the average fund volume in the financial year. In the case of investment funds which invest more than 20% of their assets in other fund products / target funds, the charges for the target funds are also included – any retrocession receipts (trailer fees) for these products are offset against the charges.

## 9.) Income and expense equalisation

An income equalisation amount and expense equalisation amount are set against ordinary income and expense. This includes net income arising during the period under review which the purchaser of units pays for as part of the issue price and the seller of units receives as part of the redemption price.

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## 10.) Fund current accounts (cash at banks and/or liabilities to banks)

All of the fund's current accounts (including those in different currencies) that actually and legally form only part of a single current account are designated as a single current account in connection with net fund assets.

Current accounts in foreign currencies, if applicable, are converted into the currency of the fund. Interest is calculated on the basis of the terms of the relevant individual account.

## 11.) Risk management (unaudited)

The management company applies a risk management procedure which enables it to monitor and measure at all times the risk contained in the investment positions and their contribution to the overall risk profile of the investment portfolio of the funds managed by the management company. In accordance with the Law of 17 December 2010 and the applicable regulatory requirements of the Commission de Surveillance du Secteur Financier ("CSSF"), the management company reports regularly to the CSSF on the risk management process adopted. The management company shall ensure, as part of the risk management process, using appropriate and reasonable methods, that the total risk associated with derivatives of the funds under management does not exceed the total net value of their portfolios. The management company uses the following methods for this purpose:

### Commitment approach

Under the Commitment Approach, positions in derivative financial instruments are converted into their underlying equivalent using the delta method. This takes account of netting and hedging effects between derivative financial instruments and their underlyings. Equivalent to underlyings, their total value must not exceed the total net value of the fund portfolio.

### VaR approach:

The Value-at-Risk (VaR) figure is a statistical concept and is used as a standard measure of risk in the financial sector. The VaR indicates the potential loss on a portfolio during a given period (the holding period) which has a given probability (the confidence level) of not being exceeded.

- **Relative VaR approach:**  
In the relative VaR approach, the VaR for the fund must not exceed the VaR for a reference portfolio by a factor contingent on the level of the fund's risk profile. The maximum factor permitted by the supervisory authorities is 200%. The benchmark portfolio provides a correct representation of the fund's investment policy.
- **Absolute VaR approach:**  
In the absolute VaR approach, the VaR for the fund (99% confidence level, 20-day holding period) must not exceed a portion of the fund's assets contingent on the level of the fund's risk profile. The maximum limited permitted by the supervisory authorities is 20% of the fund's assets.

For funds which use the VaR approaches to ascertain the total risk, the Management Company estimates the expected degree of leverage effect. The extent of this leverage effect may deviate from the actual value depending on prevailing market conditions, falling below or exceeding it. Investors' attention is drawn to the fact that no conclusions can be drawn from this information with respect to the risk entailed in the fund. Furthermore, the expected leverage published is explicitly not to be understood as an investment limit. The method used to determine the overall risk and, if applicable the publication of the reference portfolio and the expected degree of leverage, as well as the calculation method, are stated in the fund-specific appendix.

Sub-fund:	Risk management procedure applied
HESPER FUND – Global Solutions	absolute VaR

In the period from 1 January 2021 to 31 December 2021, the absolute VaR approach was used to monitor and measure the total risk associated with derivatives. An absolute value of 20% was used for the internal limit.

The VaR figure in relation to this internal limit was a minimum of 9.37%, a maximum of 43.56% and an average of 26.68% over the period in question. The VaR was calculated using a (parametric) variance-covariance approach, applying the calculation standard of a one-sided confidence interval of 99%, a holding period of 20 days and a (historical) observation period of 252 trading days.

The leverage had the following values in the period from 1 January 2021 to 31 December 2021:

Lowest leverage:	69.93%
Highest leverage:	475.53%
Median leverage:	155.95% (138.62%)
Calculation method:	Nominal value method (total of nominal values of all derivatives)

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## 12.) Portfolio turnover rate (TOR)

Asset managers are required to disclose certain information on the basis of Shareholder Rights Directive II (SRD II). This document contains the portfolio turnover ratios (TORs) for the same period as the annual reports of the listed funds as part of specific fund disclosures.

The turnover figures are calculated using the following method adopted by the CSSF:

Turnover = ((Total 1 - Total 2) / M)\*100 Where: Total 1 = Total of all securities transactions (purchases and sales) made during the period; Total 2 = Total of all new investments and redemptions made during the period; M = Average net assets of the fund.

The TOR for the HESPER FUND – Global Solutions fund for the period from 1 January 2021 to 31 December 2021 is 225.28.

## 13.) Significant events during the period under review

The Sales Prospectus was updated with effect from 19 February 2021. The following amendments entered into force:

- Adjustment with reference to the Disclosure Regulation (SFDR):
- The fund has been classified as an Art. 8 fund and the ESG strategy has been accordingly included under the investment objectives.
- Alignments to template and editorial changes

### Information regarding the COVID-19 pandemic

On 11 March 2020, the World Health Organization (WHO) declared a global pandemic as a result of the spread of the coronavirus (COVID-19). This is the first time this has happened since the outbreak of the H1N1 virus over 10 years ago in 2009/2010.

The pandemic that started in China at the end of December 2019 is first and foremost a humanitarian catastrophe. However, since the imposition of extensive lockdowns worldwide from March 2020, it is also having a significant impact on the global economy. Record daily falls in practically all major indices in March 2020 are just one sign of this, alongside many others.

As such, developments as a result of the COVID-19 outbreak also have a concrete impact on the performance of the sub-fund:

1. The crisis management implemented by all of the fund's counterparties means that its daily operations can be maintained. All of the fund's service providers (including the management company, central administration, depositary, registrar and transfer agent, paying agent and fund manager) are in a position to continue with the provision of the same fund management services, thanks to the potential for full server-based homeworking. In the event of general lockdowns, border closures or more far-reaching measures, which had not yet been announced on the date of the audit opinion in Luxembourg, this would ensure the unrestricted continuation of the fund management. All of the fund's counterparties have adequate staff to continue to fulfil their contractual duties, even in the event of the spread of COVID-19 and related staff absences due to employees contracting the illness. All employees in each team have adequate training to be able to take over the duties of any other team members who may be absent due to illness.

2. The management company is responsible for the risk management of the sub-fund. In this context, ETHENEA Independent Investors S.A. has introduced a range of measures, including closer scrutiny of unit transactions, in particular, in order to identify any significant redemptions and take the necessary action. Although the sub-fund generally consists of assets that can be liquidated on a short-term basis, there is a risk that significant redemptions could not be met during the extreme market conditions prevailing during the crisis. The management company or the Board of Directors of the SICAV can suspend unit transactions if such a situation regarding redemptions appears likely. Should redemptions occur at such a level that liquidation of the sub-funds and consequently of the funds becomes an issue for consideration, the management company or the Board of Directors of the SICAV will take the appropriate measures to ensure that all investors in the sub-fund are treated equally.
3. Information regarding the most recent market trends for the sub-funds is available upon request, and on the website of the management company: [www.ethenea.com](http://www.ethenea.com). All investors will be informed in good time of any further events to explain the most recent market trends for the sub-funds. Furthermore, any documentation connected to such events will subsequently be available upon request from the management company.

There were no other noteworthy changes or significant events in the period under review.

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#### 14.) Significant events after the period under review

The Sales Prospectus was updated with effect from 1 January 2022. The following amendments entered into force:

- Conversion of the fee structure: The depositary and central administration fees, which were previously reported and charged separately, will be eliminated and paid out of the management fee in future. For this purpose, the management fee will be adjusted by 0.10% to 0.15%. In addition, the minimum fee of the management company will be waived. The fund management fee payable to the external fund manager will continue to be disclosed separately.
- Implementation of the Taxonomy Regulation
- Implementation of the ESMA Guidelines on performance fees
- Alignments to template

There were no other noteworthy changes or significant events after the period under review.

#### 15.) Performance fee

The management company receives a performance fee of up to 10% of the unit price performance exceeding a defined minimum performance (hurdle rate), provided that the unit price at the end of the financial year is higher than the highest unit price at the end of the previous financial years or higher than the initial unit price at the end of the first financial year (high watermark principle).

The defined minimum performance (hurdle rate) amounts to 1% p.a., prorated on a straight-line basis on each calculation day to the respective past days within the calculation period.

High watermark principle: at launch of the fund, the high watermark is identical to the initial unit value. If the unit value on the last valuation day of a subsequent financial year is higher than the previous high watermark, the high watermark shall be set to the calculated unit value on the last valuation day of that financial year. In all other cases, the high watermark remains unchanged.

The unit value performance (“unit value performance”) is calculated on each valuation day by comparing the current unit value with the highest unit value of the end of the previous financial years (high watermark). If there are different unit classes in the fund, the unit value per unit class is used as the basis for the calculation.

In order to determine the unit value performance, any interim distribution payments paid will be taken into account accordingly, i.e. they will be added to the current unit value reduced by the amount of the distribution.

The performance fee is calculated on each valuation day, starting at the beginning of each financial year, on the basis of the aforementioned unit value performance, the average number of units in circulation during the financial year and the highest unit value of the previous financial year ends (high watermark).

On the valuation days on which the unit value outperforms (outperforms) the defined minimum performance (hurdle rate) (out-performance) and at the same time the current unit value exceeds the high watermark, the accrued total amount changes in accordance with the method described above. On the valuation days on which the performance of the unit value is lower than the defined minimum performance (hurdle rate) or the current unit value exceeds the high watermark, the accrued total amount is reversed. The data of the previous valuation day (same day at the end of the financial year) is used as the basis for calculation.

The amount calculated on the last valuation day of the accounting period may be withdrawn from the fund at the expense of the unit class concerned at the end of the financial year, if there is a performance fee that can be paid out.



If the unit value performance in a financial year is lower than the agreed minimum performance (hurdle rate), this agreed minimum performance is not cumulative with the minimum performance of the following year.

These fees are exclusive of any value added tax.

For the financial year ended 31 December 2021, the actual performance fee accrued and the corresponding performance fee percentage (calculated on the basis of the respective average net assets of the subfunds) for the respective subfunds are as follows:

Currency	Fund name	ISIN	Performance fee	
			in EUR	in %
EUR	HESPER FUND – GLOBAL SOLUTIONS A-12 EUR	LU1931795501	1,272.12	0.65
EUR	HESPER FUND – GLOBAL SOLUTIONS A-12 CHF	LU1931796905	61.51	0.65
EUR	HESPER FUND – GLOBAL SOLUTIONS T-12 EUR	LU2275633894	66.28	0.65
EUR	HESPER FUND – GLOBAL SOLUTIONS T-10 EUR	LU1931800350	20,419.78	0.93
EUR	HESPER FUND – GLOBAL SOLUTIONS T-12 CHF	LU1931801754	191.44	0.90
EUR	HESPER FUND – GLOBAL SOLUTIONS A-6 CHF	LU1931803297	1,015.62	0.98
EUR	HESPER FUND – GLOBAL SOLUTIONS T-6 EUR	LU1931806399	90,144.20	0.98
EUR	HESPER FUND – GLOBAL SOLUTIONS T-6 CHF	LU1931803297	232,711.47	0.98

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## 16.) Classification under the SFDR Regulation (EU 2019/2088) (unaudited)

Article 8 of Regulation (EU) 2019/2088 and Article 6 of Regulation (EU) 2020/852 (EU Taxonomy) apply to this Fund.

In compliance with the ESG strategy of the fund manager, ESG criteria, in particular sustainability risks, are taken into consideration for the fund in the investment decision process.

ETHENEA Independent Investors S.A. (management company and fund manager of the fund) has signed the UN PRI (United Nations-supported Principles for Responsible Investment).

The investment universe includes global equities and corporate bonds, which have been subject to a systematic selection process. This selection process also takes into consideration ESG aspects based on our own analyses and supported by external research services. The fund invests exclusively in corporate securities that apply best practice in corporate governance and do not fall under the general exclusion criteria.

In addition, the fund management of the Management Company makes use of external research from one or more sustainability rating agencies. Their findings are taken into consideration as one component in the fund manager's investment decision process.

For the assessment of the suitability of investments for the fund assets, the individual ESG criteria are accordingly taken into account in addition to the traditional parameters for risk and return expectations.

Detailed information on the principles of responsible investment of the Management Company and the appointment of sustainability rating agencies used can be found on [www.ethenea.com](http://www.ethenea.com) under "ABOUT ETHENEA".

The fund manager does not currently consider any adverse impact of investment decisions on sustainability factors for this fund. In the market, the relevant data that must be used to determine and weight the adverse sustainability impacts are currently not sufficiently available. No later than 30 December 2022, the fund manager will provide information on whether and how the main adverse effects of investment decisions on sustainability factors are taken into account.

## 17.) Information on the remuneration policy (unaudited)

The Management Company of ETHENEA Independent Investors S.A. applies a remuneration policy that complies with the legal requirements. The remuneration system is designed to be compatible with sound and effective risk management, neither encouraging the assumption of risks that are inconsistent with the risk profiles, management regulations or articles of association of the undertakings for collective investment in transferable securities (hereinafter "UCITS") under management, nor preventing ETHENEA Independent Investors S.A. from duly acting in the best interests of the UCITS.

Employee remuneration consists of an appropriate fixed annual salary and variable performance and results-based remuneration.

As of 31 December 2020, the total remuneration of the 23 employees of ETHENEA Independent Investors S.A. for the year was EUR 1,817,473.43 in fixed annual salaries plus EUR 484,000.00 in variable remuneration. The aforementioned remuneration pertains to all of the UCITS managed by ETHENEA Independent Investors S.A. All employees are involved in total management activities for all funds; therefore, distribution based on fund is not possible.

More detailed information on the current remuneration policy can be obtained free of charge on the website of the Management Company, [www.ethenea.com](http://www.ethenea.com), in the legal notices section. A hard-copy version will be provided to investors free of charge upon request.

## 18.) Transparency of securities financing transactions and their reuse (unaudited)

By definition, ETHENEA Independent Investors S.A., as a management company of undertakings for collective investment in transferable securities (UCITS), comes within the scope of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 ("SFTR").

No securities financing transactions or total return swaps within the meaning of this Regulation were used in the financial year of the investment fund. Thus, no disclosures pursuant to Article 13 of this regulation are to be made to investors in the Annual Report. More detailed information on the fund's investment strategy and the financial instruments it uses can be found in the current prospectus, and can be obtained free of charge from the website of the management company at [www.ethenea.com](http://www.ethenea.com).

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## 19.) Information for Swiss investors (unaudited)

### a.) Securities numbers:

HESPER FUND - Global Solutions share class A-12 EUR	Securities no. 47598691
HESPER FUND - Global Solutions share class A-12 CHF	Securities no. 47598718
HESPER FUND - Global Solutions share class T-12 EUR	Securities no. 59018522
HESPER FUND - Global Solutions share class T-10 EUR	Securities no. 47598721
HESPER FUND - Global Solutions share class T-12 CHF	Securities no. 47599724
HESPER FUND - Global Solutions share class A-6 CHF	Securities no. 47598735
HESPER FUND - Global Solutions share class T-6 EUR	Securities no. 47599067
HESPER FUND - Global Solutions share class T-6 CHF	Securities no. 47599508

### b.) Total Expense Ratio (TER) in accordance with the guidelines issued by the Swiss Funds & Asset Management Association (SFAMA) on 16 May 2008 (updated on 1 June 2015):

Commissions and costs incurred in the management of the collective investment scheme must be disclosed using the internationally recognised measure known as the "Total Expense Ratio (TER)". This figure expresses the total of those commissions and costs which are incurred by the assets of the collective investment scheme on an ongoing basis (operating expense) retrospectively as a percentage of net assets and is to be calculated using the following formula:

$$\text{TER \%} = \frac{\text{Total operating expense in UA}^*}{\text{Average net assets in UA}^{**}} \times 100$$

\*UA = Units in the currency of account of the collective investment scheme

For newly established funds, the TER is to be calculated for the first time using the statement of operations published in the first annual or semi-annual report.

Operating expense may be converted to a 12-month period. The median of month-end values over the period under review is used to calculate the average value for fund assets.

$$\text{Annualised operating expense in UA}^* = \frac{\text{Operating expense in n months}}{N} \times 12$$

\*UA = Units in the currency of account of the collective investment scheme

As per the Swiss Funds & Asset Management Association (SFAMA) guidelines of 16 May 2008 (updated as of 1 June 2015), the following TER in percent was calculated for the period from 1 January 2021 to 31 December 2021:

<b>Ethna AKTIV</b>	<b>Swiss TER in %</b>	
	<b>Without performance fee</b>	<b>With performance fee in %</b>
Share class A-12 EUR	1.58 <sup>1)</sup>	2.21 <sup>1)</sup>
Share class A-12 CHF	1.65 <sup>1)</sup>	2.30 <sup>1)</sup>
Share class T-12 EUR	1.64 <sup>1)</sup>	2.29 <sup>1)</sup>
Share class T-10 EUR	1.67	2.60
Share class T-12 CHF	1.69 <sup>1)</sup>	2.59 <sup>1)</sup>
Share class A-6 CHF	1.10	2.08
Share class T-6 EUR	1.09	2.07
34 Share class T-6 CHF	1.10	2.08

<sup>1)</sup> Projected for the period from 1 January to 31 December 2021.

#### **c.) Information for investors**

Payments may be made from the fund management fee to distributors and asset managers in return for distribution of the investment fund (trailer fees). Reimbursements may be granted from the management fee to institutional investors which hold the fund units for third-party beneficial owners.

#### **d.) Amendments to the Prospectus in the financial year**

Published amendments to the Sales Prospectus in the financial year are made available for download at [www.swissfunddata.ch](http://www.swissfunddata.ch).

# Report of the Réviseur d'Entreprises agréé

To the shareholders of  
Hesper Fund, SICAV  
4, rue Thomas Edison  
L-1455 Strassen  
Luxembourg

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## **Audit opinion**

We have audited the annual financial statements of Hesper Fund, SICAV (“the Fund”), consisting of the composition of net sub-fund assets as of 31 December 2021, changes in net sub-fund assets as well as the statement of operations for the financial year ending on that date; and notes, along with a summary of key accounting methods.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2021, and of its financial performance and its changes in net sub-assets for the year ended on that date in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

## **Basis for the audit opinion**

We have carried out our audit in accordance with the Law concerning the audit profession (“Law of 23 July 2016”) and international standards on auditing (“ISAs”) accepted for Luxembourg by the Commission de Surveillance du Secteur Financier (“CSSF”). Our responsibility under the Law of 23 July 2016 and the ISA Standards as they have been adopted in Luxembourg by the CSSF is further described in the section “Responsibility of the Réviseur d’entreprises agréé for the audit of the financial statements”. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the “IESBA Code”) accepted for Luxembourg by the CSSF, together with professional conduct requirements to be upheld within the framework of the audit of the annual financial statements and have fulfilled all other professional obligations in accordance with these conduct requirements. We are of the opinion that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinion.

## **Additional information**

The Fund’s Board of Directors is responsible for the additional information. The additional information includes the information contained in the Annual Report, but not the financial statements or our report as Réviseur d’entreprises agréé on these financial statements.

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Our audit results for the financial statements do not cover the additional information, and we make no guarantee whatsoever regarding this information.

In auditing the financial statements, our responsibility is to read the additional information and to assess whether there is a significant discrepancy between it and the financial statements or the findings obtained from the audit, or whether the additional information appears otherwise misrepresented. If, based on the work we have performed, we conclude that any other information contains a material misstatement, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of the Board of Directors of the Fund for the annual financial statements**

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the annual financial statements in accordance with the legal provisions and regulations applying in Luxembourg to the preparation and presentation of annual financial statements, and for the internal controls which the Board of Directors of the Fund deems necessary in order to ensure that annual financial statements are prepared which are free of material misstatement – whether due to error or fraud.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the ability of the Fund and each of its sub-funds to continue as a going concern and, as applicable, to disclose matters related to the going concern assumption as a matter of accounting policy unless the Board of Directors of the Fund intends to liquidate the Fund or one of its sub-funds, to cease operations, or has no realistic alternative but to do so.

**Responsibility of the Réviseur d'entreprises agréé for the audit of the annual financial statements**

The aim of our audit is to obtain reasonable assurance that the annual financial statements as a whole are free of material misstatement – whether due to error or fraud – and prepare a Report of the Réviseur d'entreprises agréé containing our audit opinion. Reasonable assurance corresponds to a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with the ISAs adopted for Luxembourg by the CSSF will always identify a material misstatement, if any. Misstatements can arise from error or fraud 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.

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In accordance with the Law of 23 July 2016 and the ISAs as adopted for Luxembourg by the CSSF, we have carried out our audit in accordance with our professional judgement and have maintained a critical perspective. Furthermore:

- We identify and assess the risk of material misstatements in the annual financial statements due to fraud or error, plan and carry out audit procedures in response to these risks and obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion. The risk that material misstatements will not be identified is higher for fraud than for errors, as fraud may involve collusion, forgery, intentional omissions, misleading statements or the override of internal controls.
- We 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.
- We 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.
- We reach a conclusion on the appropriateness of the application of the going concern accounting principle by the Board of Directors of the Fund, as well as on the basis of the audit evidence obtained as to whether a material uncertainty exists in connection with events or circumstances that could create serious doubt about the ability of the Fund or one of its sub-funds to continue with its activities. If we conclude that there is material uncertainty, we are required to draw attention in the report of the Réviseur d'entreprises agréé to the related notes to the financial statements or, if the disclosures are inadequate, to modify our opinion. These conclusions are based on the audit evidence obtained up to the date of the report of the Réviseur d'entreprises agréé. Future or events or circumstances may result in the Fund or one of its sub-funds no longer being able to continue with its business activities.
- We assess the overall presentation, structure and contents of the annual financial statements, including the notes, and assess whether this gives a reasonable presentation of underlying transactions and events.

We communicate with those responsible for governance about the planned audit scope and time frame, as well as significant findings including material weaknesses in the internal control system identified within the framework of the audit.

Luxembourg, 11 March 2022

Ernst & Young  
Société anonyme  
Cabinet de révision agréé

Nadia Faber

## Administration, distribution and advisory

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<b>Investment company:</b>	<b>HESPER FUND, SICAV</b>
<b>Registered office of the company:</b>	4, rue Thomas Edison L-1445 Strassen, Luxembourg
<b>Board of Directors of the investment company:</b>	
<b>Chairman of the Board of Directors</b>	Arnoldo Valsangiacomo ETHENEA Independent Investors S.A.
<b>Directors:</b>	Andrea Siviero ETHENEA Independent Investors (Schweiz) AG
	Frank Hauprich ETHENEA Independent Investors S.A.
<b>Management company:</b>	<b>ETHENEA Independent Investors S.A.</b>
	16, rue Gabriel Lippmann L-5365 Munsbach
<b>Managing directors of the management company:</b>	Frank Hauprich Thomas Bernard Josiane Jennes
<b>Board of Directors of the management company (managing body):</b>	
<b>Chairman of the Board of Directors</b>	Luca Pesarini ETHENEA Independent Investors S.A.
<b>Directors:</b>	Thomas Bernard ETHENEA Independent Investors S.A.
	Nikolaus Rummler IPConcept (Luxemburg) S.A.
	Arnoldo Valsangiacomo ETHENEA Independent Investors S.A.

<b>Depositary:</b>	<b>DZ PRIVATBANK S.A.</b> 4, rue Thomas Edison L-1445 Strassen, Luxembourg
<b>Registrar and transfer agent and central administration:</b>	<b>DZ PRIVATBANK S.A.</b> 4, rue Thomas Edison L-1445 Strassen, Luxembourg
<b>Fund manager</b>	<b>ETHENEA Independent Investors (Schweiz) AG</b> Sihleggstrasse 17 CH-8832 Wollerau
<b>Paying agent in the Grand Duchy of Luxembourg:</b>	<b>DZ PRIVATBANK S.A.</b> 4, rue Thomas Edison L-1445 Strassen, Luxembourg
<b>Auditor of the investment company and the management company:</b>	<b>Ernst &amp; Young S.A.</b> 35E, Avenue John F. Kennedy L-1855 Luxembourg
<b>Information for investors in Switzerland:</b>	
<b>Representative in Switzerland:</b>	<b>IPConcept (Schweiz) AG</b> Münsterhof 12 P.O. Box CH-8022 Zurich
<b>Paying agent in Switzerland:</b>	<b>IPConcept (Schweiz) AG</b> Münsterhof 12 P.O. Box CH-8022 Zurich



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