

# GLOBAL VALUE & GROWTH SICAV-FIS

Annual report including the financial statements as per 31/12/2020 (audited)

R.C.S. Luxembourg B148922

Investment Company (société d'investissement à capital variable –  
Fonds d'investissement spécialisé, SICAV SIF)  
in accordance with the amended law of 13 February 2007  
relating to specialised investment funds

## Contents

Organisation .....	3
At a glance .....	4
Activity report .....	5
<b>REPORT OF THE REVISEUR D'ENTREPRISES AGREE .....</b>	<b>8</b>
<b>GLOBAL VALUE &amp; GROWTH SICAV-FIS .....</b>	<b>11</b>
Statement of net assets as per 31/12/2020 .....	11
Profit and loss accounts from 01/01/2020 until 31/12/2020 .....	12
Three-year comparison .....	13
Change in net assets .....	14
Shares in circulation .....	15
Assets as per 31/12/2020 .....	16
Derivative instruments .....	17
<b>Notes to the financial statements .....</b>	<b>18</b>

Subscriptions can be accepted only on the basis of the valid Sales Prospectus (with annexes) and the most recent Annual Report and.

## Organisation

### Company

GLOBAL VALUE & GROWTH SICAV-FIS  
2, rue Edward Steichen  
LU-2540 Luxembourg

### Board of Directors

Steffen Rønn Jensen (Chairman), Monaco(MC)  
Hamid Jourabchi (Member), Monaco (MC)  
Jakob Kjelgaard (Member), Luxembourg (LU)

### Alternative Investment Fund Manager, Central Administration and Registrar and Transfer Agent

VP Fund Solutions (Luxembourg) SA  
2, rue Edward Steichen  
LU-2540 Luxembourg

### Board of the AIFM

Since August 5, 2020:  
Dr. Felix Brill (Chairman), Vaduz (LI)  
Jean-Paul Gennari (Member), Bergem (LU)  
Ralf Konrad (Member), Vaduz (LI)  
Until August 4, 2020:  
Eduard von Kymmel (Chairman),  
Luxembourg (LU)

### Investment Manager (Committee)

Steffen Rønn Jensen  
47, Avenue de Grande Bretagne  
MC-98000 Monaco

Jakob Kjelgaard  
Managing Director  
Core Capital Management S.A.  
46, Place Guillaume II  
LU-1648 Luxembourg

Dr. Uwe Stein  
2, rue Edward Steichen  
LU-2540 Luxembourg

### Depositary and Paying Agent

VP Bank (Luxembourg) SA  
2, rue Edward Steichen  
LU-2540 Luxembourg

### Auditor

BDO Audit S.A.  
1 rue Jean Piret  
LU-2350 Luxembourg

### Legal Counsel

Since March 11, 2020:  
Elvinger Hoss Prussen, Société anonyme  
2, place Winston Churchill  
LU-1340 Luxembourg

Until March 10, 2020:  
Bonn & Schmitt Avocats  
148, Avenue de la Faiënerie  
LU-1511 Luxembourg

## At a glance

Net asset value as at 31/12/2020			EUR 176.2 millions
Net asset value per share as at 31/12/2020			
GLOBAL VALUE & GROWTH SICAV-FIS (P)			EUR 456.63
Performance <sup>1</sup>			1 year
GLOBAL VALUE & GROWTH SICAV-FIS (P)			6.11 %
Inception			per
GLOBAL VALUE & GROWTH SICAV-FIS (P)			23/10/2009
Total expense ratio (TER) <sup>2</sup>	Incl. Performance fee	Excl. Performance fee	
GLOBAL VALUE & GROWTH SICAV-FIS (P)	1.60 %	0.94 %	
Profit utilisation			
GLOBAL VALUE & GROWTH SICAV-FIS (P)			reinvestment of profits
Performance fee			
GLOBAL VALUE & GROWTH SICAV-FIS (P)			10% with hurdle rate with high watermark
	Subscription fee	Subscription fee	
	(max.)	in favour of fund (max.)	
GLOBAL VALUE & GROWTH SICAV-FIS (P)	3.00 %	n/a	
	Redemption fee	Redemption fee	
	(max.)	in favour of fund (max.)	
GLOBAL VALUE & GROWTH SICAV-FIS (P)	0.40 %	0.40 %	
	Fund domicile	ISIN	
GLOBAL VALUE & GROWTH SICAV-FIS (P)	Luxembourg	LU0459208012	

<sup>1</sup> Past performance is not necessarily a guide to the future performance of the fund. The performance information above does not reflect the commissions charged upon issuance and redemption of fund Shares.

<sup>2</sup> Indicates the sum of all commissions and costs charged to the fund during the last 12 months as a percentage of net asset value.

## Activity report

2020 has been our most volatile year so far. The COVID pandemic gave all investors conditions we have not experienced before. For me the biggest surprise was how a small group of "tech" stocks got a lot of investors attention and funds. During the second and third quarter FOMO (Fear-Of-Missing-Out) caught on and many of the stocks in this group went from expensive to very expensive - in my opinion. As the market capitalisation of these stocks grew to record levels, they became more and more dominant in the benchmarks. Most equity investors found it very hard to keep up with the benchmarks in 2020 as this little group of stocks raced ahead.

Despite being significantly underweight this group of stocks, our fund did beat the equity benchmarks and our 5% pro annum benchmark in 2020.

Last year our fund increased 6,1% from €430.3 to €456.6, beating our 5% per annum benchmark by 1.1% and MSCI\* World equities by 1.5%.

Since inception in November 2009, Global Value & Growth SICAV FIS (GVG) is up 356.6% outperforming our Benchmark with 292.6% and MSCI World Equities by 171%. The average 3 year return is 9.5% and the average 5 year return is 13.9%. Since inception the average annual return is 14.6%.

### How is Global Value & Growth different and how to compare our results?

The rating companies have no category that fits our fund 100% in my opinion. I would describe our fund as an *Unleveraged Long Biased Large Cap Equity Fund*. The rating companies have placed our fund in the Global Equity category. It's my impression that the rating companies do not put a lot of emphasis on the fund prospectus – or benchmark for that matter - but focus more on the historical activity. I have asked them: "What if I had been having 50% in cash the last 5 years? Would GVG then be in the category of Global Equities"? They answered: "Probably not". In other words, the rating companies have not rewarded GVG with any extra points for the strategic decision to be 100% long - without an equity hedge - for 10 years. Since the inception of the fund in November 2009 I have been bullish and the fund has been fully invested in equities, the fund has not held more than 5% in cash and has not been hedging the equity exposure. Only a part of the currency exposure (historically between 10 and 30%) has been hedged. I think it's very important not to forget that the GVG benchmark is a yearly return of 5% and it is not the equity benchmark. A manager with a 5% benchmark thinks differently and is motivated differently than a long only equity benchmark manager.

A manager working with an equity benchmark is motivated to be 100% long equities most of the time. And when the equity markets rise rapidly, he may include and overweigh popular growth equities trading at very high multiples in order to keep up with the rising equity benchmark – as described in the first paragraph above.

Our 5% per annum benchmark motivates me to have different objectives and priorities. My main concern is the long term down side and permanent loss of capital. I am more worried about permanently losing money than I am about not making (enough) money in a rapidly rising equity market.

## Expected opportunities

I do not pride myself of being able to time the market. And because of my high-conviction-strategy with a high allocation to my top 3-5 ideas, you should expect me to be out of sync with the equity market for 1, 2 - maybe even 3-year periods - from time to time. I am primarily a bottom-up-investor. Company by company I look for attractive long term opportunities.

Please allow me to repeat myself from 2018, 2019 and again early last year when I wrote: *"I'm convinced that the easy money has been made and I think it will be a mistake to pursue high returns, in what I estimate is a low-return world"*

Today at the beginning of 2021, I think it is important to be prepared for a possible set back. As most of the leading equity markets after a very fast run in Q2-Q4 in 2020 are at All-Time-High levels, I think it's important to mentally to prepare our selves for a possible set back.

Short term movements are very hard to predict and I never try play them. To give you an example of my philosophy on being a long term investor: We have made more than a 2000% return on our Apple stock since we first bought the stock in 2010. I am certain that we would have made a lot less, if I had tried to play the short term zigs-and-zags in that stock. Investing is difficult but it is even more difficult – I would even say impossible – if you try to get all the short term moves right. Keep your eyes on the horizon – it is not *timing* the market, it is *time* in the market.

I now estimate we are in an average-return-world. My outlook is not so bad and prices are not so high that I think it's time for maximum defensiveness. After all, if an investor turned to maximum defence today, the return would be near zero - something most investors can't stomach for very long.

In other words the odds are less favourable now compared to when our fund was incepted in November 2009 but today in the beginning of 2021, I estimate that our universe of opportunities is still attractive compared to bonds. Leading 10 year government bonds are trading way above their historic average representing a yearly return of sub zero to the 1.3% level. As fear and doubt about the future slowly decreases and investors are less happy with earning less than 2% on government bonds, I think its likely that more funds will be moved away from bonds and allocated primarily to high quality large cap equities.

## You don't pay for marketing and sales

The GVG investors are not burdened with costs for expensive distribution platforms. The first priority is to protect and grow your capital. In other words: "We get by with a little help from our friends" and if you like your experience at Global Value & Growth, I hope you will tell your network about it. I would like to express my gratitude to those of you who did this last year.

Thank you for your trust. I wish you good health, success and happiness in 2021.

**Steffen Rønn Jensen**  
Chairman of the Board  
Global Value & Growth SICAV-FIS  
February 22nd 2021

*PS. With the COVID-19 virus – and variants - still taking center stage, it should be expected that growth in many of our portfolio companies will be specifically impacted during 2021. I consider that the impact of the virus will pass, though creating a high level of disruption in the economic activity and financial markets especially during the first part of 2021. Longer term – 3,4,5 years from now – I feel good about our companies. I have not experienced any news from the managements of our portfolio companies that makes me doubt that they will get us through this difficult time.*

*\*Source: [www.msci.com](http://www.msci.com) (www.msci.com/end-of-day-data-search)*

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Shareholders of  
GLOBAL VALUE & GROWTH  
Société anonyme  
Société d'investissement à capital variable - Fonds d'investissement spécialisé

### Opinion

We have audited the financial statements of GLOBAL VALUE & GROWTH (the “Fund”), which comprise the statement of net assets and the portfolio of investments as at 31 December 2020, and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of GLOBAL VALUE & GROWTH as at 31 December 2020, and of the results of its operations and changes in its net assets for the year then in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### Basis for opinion

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

### Other information

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

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



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

### **Responsibilities of the Board of Directors for the financial statements**

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

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

### **Responsibilities of the “réviseur d'entreprises agréé” for the audit of the financial statements**

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

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

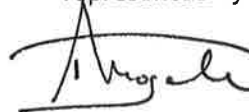
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

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

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

Luxembourg, 13 April 2021

BDO Audit  
*Cabinet de révision agréé*  
represented by



Frédéric Mosele

## GLOBAL VALUE & GROWTH SICAV-FIS

### Statement of net assets as per 31/12/2020

GLOBAL VALUE & GROWTH SICAV-FIS	(in EUR)
Bank deposits	
Bank deposits, at sight	789,817.25
Transferable securities	
Shares	174,266,741.48
Derivative instruments	
Derivatives	1,278,292.61
<b>Total assets</b>	<b>176,334,851.34</b>
Liabilities	-140,117.04
Bank liabilities	-1,071.91
<b>Total liabilities</b>	<b>-141,188.95</b>
<b>Net asset value</b>	<b>176,193,662.39</b>
<b>Shares in circulation</b>	<b>385,856.5595</b>
<b>Net asset value per share</b>	
Share class P	EUR 456.63

## Profit and loss accounts from 01/01/2020 until 31/12/2020

GLOBAL VALUE & GROWTH SICAV-FIS	(in EUR)
Income from bank deposits	2,931.87
Income from securities	
Shares	1,876,922.59
Income from other securities and rights	
Funds	112,615.82
<b>Total income</b>	<b>1,992,470.28</b>
Interest paid on bank overdraft / negative interest	-22,519.81
Investment Management Fee	-1,194,572.88
Performance Fees	-1,066,577.88
Depositary Bank and Management Fees	-204,673.88
Register and Transfer agent Fees	-3,000.00
Distribution Agency Fees	-838.73
Taxe d'abonnement	-15,655.66
Audit fees	-21,020.18
Other charges	-30,846.66
<b>Total expenses</b>	<b>-2,559,705.68</b>
<b>Net investment income</b>	<b>-567,235.40</b>
<b>Realised capital gains (losses)</b>	<b>12,701,427.22</b>
Realised gain on investments	15,178,426.07
Realised loss on investments	-2,408,832.86
Realised gain on foreign exchange	19,889.91
Realised loss on foreign exchange	-22,717.02
Realised loss on forward foreign exchange contracts	-65,338.88
<b>Realised income</b>	<b>12,134,191.82</b>
<b>Net change in unrealised capital gains (losses)</b>	<b>-5,736,516.24</b>
Change in unrealised loss on forward foreign exchange contracts	-248,071.11
Change in unrealised gain on forward foreign exchange contracts	1,278,292.61
Change in unrealised gain on investments	10,565,474.64
Change in unrealised loss on investments	-17,332,212.38
<b>Net income</b>	<b>6,397,675.58</b>

## Three-year comparison

GLOBAL VALUE & GROWTH SICAV-FIS

(in EUR)

### Net assets

31/12/2018	138,119,097.67
31/12/2019	181,698,131.85
31/12/2020	176,193,662.39

### Shares in circulation

31/12/2018	419,586.6184
31/12/2019	422,219.2258
31/12/2020	385,856.5595

### Net asset value per share

31/12/2018	329.18
31/12/2019	430.34
31/12/2020	456.63

## Change in net assets

GLOBAL VALUE & GROWTH SICAV-FIS

(in EUR)

---

Net assets, beginning of period	181,698,131.85
Subscriptions	16,251,806.89
Redemptions	-28,153,951.93
Net income	6,397,675.58
Net assets, end of period	176,193,662.39

## Shares in circulation

GLOBAL VALUE & GROWTH SICAV-FIS

---

Balance, beginning of period	422,219.2258
Issued Shares	40,943.5859
Redeemed Shares	-77,306.2522
Balance, end of period	385,856.5595

## Assets as per 31/12/2020

### GLOBAL VALUE & GROWTH SICAV-FIS

Description	ISIN	Ccy	Quantity	Price	Cost in EUR	Value in EUR	% of NAV
<b>Transferable securities, that are listed or traded on an official stock exchange</b>							
<b>Shares</b>							
<b>Shares in Denmark</b>							
Novo Nordisk -B	DK0060534915	DKK	350,000	426.65	13,320,926	20,060,991	11.39
<b>Total Shares in Denmark</b>						<b>20,060,991</b>	<b>11.39</b>
<b>Shares in France</b>							
LVMH	FR0000121014	EUR	52,000	510.90	8,667,702	26,566,800	15.08
<b>Total Shares in France</b>						<b>26,566,800</b>	<b>15.08</b>
<b>Shares in Germany</b>							
adidas (N)	DE000A1EWWW0	EUR	19,000	297.90	3,923,393	5,660,100	3.21
Muenchener Rueckv	DE0008430026	EUR	18,000	242.80	3,007,456	4,370,400	2.48
<b>Total Shares in Germany</b>						<b>10,030,500</b>	<b>5.69</b>
<b>Shares in Israel</b>							
TevaPharmInd	US8816242098	USD	1,200,000	9.46	13,676,803	9,278,270	5.27
<b>Total Shares in Israel</b>						<b>9,278,270</b>	<b>5.27</b>
<b>Shares in Italy</b>							
Tod's	IT0003007728	EUR	125,000	28.46	7,575,883	3,557,500	2.02
<b>Total Shares in Italy</b>						<b>3,557,500</b>	<b>2.02</b>
<b>Shares in Japan</b>							
Nintendo	JP3756600007	JPY	16,600	65,830.00	5,461,846	8,650,696	4.91
<b>Total Shares in Japan</b>						<b>8,650,696</b>	<b>4.91</b>
<b>Shares in Spain</b>							
Banco Santander	ES0113900J37	EUR	4,278,260	2.54	16,732,042	10,858,224	6.16
<b>Total Shares in Spain</b>						<b>10,858,224</b>	<b>6.16</b>
<b>Shares in United States</b>							
Alphab Rg-C-NV	US02079K1079	USD	16,000	1,750.00	14,044,860	22,885,091	12.99
Apple	US0378331005	USD	110,000	133.52	2,884,479	12,004,121	6.81
Bank of America	US0605051046	USD	700,000	29.97	12,019,210	17,146,654	9.73
Berkshire Hath Rg-A	US0846701086	USD	27	344,256.00	4,338,739	7,596,961	4.31
JPMorgan Chase	US46625H1005	USD	200,000	125.17	11,919,065	20,460,906	11.61
Levi Strauss Rg-A	US52736R1023	USD	310,000	20.41	4,851,117	5,170,028	2.93
<b>Total Shares in United States</b>						<b>85,263,760</b>	<b>48.39</b>
<b>Total Shares</b>						<b>174,266,741</b>	<b>98.91</b>
<b>Total Transferable securities, that are listed or traded on an official stock exchange</b>						<b>174,266,741</b>	<b>98.91</b>
<b>Total Transferable securities</b>						<b>174,266,741</b>	<b>98.91</b>



Description	ISIN	Ccy	Quantity	Price	Cost in EUR	Value in EUR	% of NAV
Bank deposits						789,817	0.45
Derivative instruments						1,278,293	0.73
Total assets						176,334,851	100.08
Bank liabilities						-1,072	0.00
Liabilities						-140,117	-0.08
Net assets						176,193,662	100.00

## Derivative instruments

### Open foreign exchange forwards at the end of the year

	amount		equivalent value	maturity	counterparty	contract value in EUR	market value in EUR	% of NAV
Buy	EUR 13,513,514	against	USD 15,000,000	01/04/2021	VP Bank (Lux) SA	12,235,221	1,278,293	0.73

### Volume of open contracts in derivative financial instruments

Foreign exchange forward long	EUR	1,278,293
Total bound cash / underlyings out of derivatives in EUR:		1,278,293

# Notes to the financial statements

## 1. General

GLOBAL VALUE & GROWTH (the "Company") was incorporated as a "Société Anonyme" on 23 October 2009. The Company is organised as an investment company with variable capital and qualifies as specialised investment fund, within the meaning of the 2007 Law. The Company is governed by Luxembourg law. The legal basis of the Company is set out in its articles of incorporation and the Offering Memorandum. Matters not covered by the Statutes are submitted to the provisions of the law of 10 August 1915 relating to commercial companies, as amended, the 2007 Law and the Luxembourg law of 12 July 2013 on managers of alternative investment funds implementing EU Directive 2011/61/EC into Luxembourg law, as amended (the "AIFM Law"). As such the Company is registered on the official list of specialised investment fund maintained by the Luxembourg regulator.

It is established for an undetermined duration from the date of the incorporation.

## 2. Summary of significant accounting policies

- a) The value of any cash at hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, dividends and interests declared or due but not yet collected will be deemed to be the full value thereof, unless it is unlikely that such values are received in full, in which case the value thereof will be determined by deducting such amount the Directors consider appropriate to reflect the true value thereof.
- b) Securities listed on a stock exchange or traded on any other regulated market will be valued at the last available price on such stock exchange or market. If a security is listed on several stock exchanges or markets, the last available price on the stock exchange or market, which constitutes the main market for such securities, will be determining.
- c) Securities not listed on any stock exchange or traded on any regulated market or securities for which no price quotation is available or for which the price referred to in (b) is not representative of the fair market value, will be valued prudently, and in good faith on the basis of their reasonable foreseeable sales prices.
- d) Securities for which no price quotation is available or for which the price referred to in (b) and/or (c) is not representative of the fair market value, will be valued prudently, and in good faith on the basis of their reasonable foreseeable sales prices.
- e) Contracts for differences are valued at fair value based on the last available price of the underlying security.
- f) Investments in investment funds of the open ended type are taken at their latest net asset values reported by the administrator of the relevant investment fund.
- g) Financial futures contracts (on securities, interest rates and indices) are valued at the exchange quoted settlement price. While the contracts are open, unrealized gains and losses are recorded on "mark-to-market" basis at the valuation date. When a contract is closed, the Fund records a realized gain or loss equal to the difference between the proceeds from, or cost of, the closing transaction and the price at which the contract was originally written.

- h) Options contracts (on securities, currencies, interest rates and indices) are valued on the basis of the last available trade price.
- i) Forward foreign exchange contracts are valued by reference to the forward rate prevailing at the valuation date.
- j) Contracts for which no price quotation is available or for which the price referred to in(g) and/or (h) is not representative of the fair market value, will be valued prudently, and in good faith on the basis of their reasonable foreseeable sales prices.

Assets expressed in a currency other than the currency of the Company shall be converted on the basis of the rate of exchange ruling on the relevant business day in Luxembourg.

### **3. Investment Management Fee**

In consideration for its services, the Investment Manager will receive from the Management Company a fixed fee payable monthly equal to 0.75 % per annum calculated on the basis of the average Net Asset Value of the Company.

### **4. Performance Fee**

In addition, the Investment Manager shall also be entitled to a performance related fee of 10.00 % of the appreciation of the Net Asset Value per share which exceeds the benchmark. The benchmark is 5.00 % per annum. The performance fee is due as of each Valuation Date. The accrued performance fees (if any) are payable quarterly.

The performance fee accrues only on the Valuation Date on which the Net Asset Value per share exceeds the highest Net Asset Value per share on any previous Valuation Date plus the prorated benchmark ("**high water mark**").

For the period from 1 January 2020 to 31 December 2020, the performance fee paid amounted to EUR 1,066,577.88.

### **5. Depositary Bank and Management Fee**

In consideration for its services as Depositary, VP Bank (Luxembourg) SA will receive from the Company a fixed fee payable monthly equal to 0.05 % of the net assets with a minimum of EUR 20,000.00 per annum (transactional and external charges not included).

In consideration for its services the Management Company shall receive a management fee calculated and accrued in accordance with the terms of the Management Company Agreement. The Management Company in its function as AIFM receives a fixed fee of 0.075 % p.a., minimum 20,000.00 EUR p.a. Additionally the Management Company is entitled to charge a fee for transfer agency services, domiciliation services and regulatory reporting services as agreed in the AIFM Agreement.

## 6. Transaction costs

The transaction costs represent broker transaction fees in relation to the purchases and sales of securities and financial derivative instruments during the business year. For the year ended 31 December 2020, the transaction costs amounted to EUR 103,923.20.

## 7. Taxes

The Company will not be liable for any Luxembourg corporate income tax or capital gains tax. The Company is, however, liable in Luxembourg for an incorporation tax of EUR 75.00 and for an annual subscription tax (*taxe d'abonnement*) of 0.01 % of its net assets. Exemptions are available as stipulated in the 2007 Law.

Nevertheless, some income from the Company's portfolio, in the form of dividends and interest, may be subject to tax at variable rates, deducted at source in the country of origin.

## 8. Liabilities

The item "Liabilities" includes unpaid expenses during the current financial period. This includes inter alia the "taxe d'abonnement", Investment Management Fee, Depository Bank and Management Fees, Register and Transfer Agent Fee and Audit fee.

## 9. Exchange rates

Currency spot rates used as at 31/12/2020:

EUR 1 — equal to DKK 7.443675

EUR 1 — equal to JPY 126.322551

EUR 1 — equal to USD 1.223504

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

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

## 11. Events during the financial year

Covid-19

A coronavirus strain was caused in China in late 2019 and the virus has spread worldwide. A significant outbreak of the Covid-19 virus in human population led to a widespread health crisis, which affected the economies and financial markets worldwide. This could affect the future performance of the fund. The management company has not yet noticed any significant increase in redemptions for the fund so far. Currently, there are no plans to close the fund due to the corona crisis.

## 12. Subsequent Events

There were no significant events after the reporting period.

### 13. Off-Balance Sheet Commitments

There are no outstanding commitments.

### 13. Risk Management (unaudited)

#### Significant risks during the reporting period for Global Value & Growth

##### Market risk

During the reporting period, the fund was exposed to market price risks, primarily in the form of share price fluctuations. The diversification of investment positions to more quality investments results in a significant risk reduction.

##### Currency risks

The fund was invested mainly in EUR, USD, DKK and JPY securities at the reporting date. The relatively high USD position was largely hedged by forward exchange contracts. Risks against DKK can be considered low due to the small share in the portfolio.

##### Liquidity risk

The fund was predominantly invested in highly liquid equities during report period. All positions were tradable, resulting in a very low liquidity risk.

##### Operational risks

The AIFM took the necessary measures during the financial year to reduce the operational risks to an appropriate level. The operational risk includes legal, documentation and reputational risks, and risks arising from the trading, settlement and valuation procedures used for the fund. It also includes risks resulting from the failure to observe statutory or contractual investment requirements.

The AIFM has, amongst others, implemented written conduct guidelines, process descriptions and a control environment to counter and mitigate these risks.

#### Risk Management Approach

The global exposure of the compartment is calculated in accordance with the requirements for leverage calculation as defined under the Alternative Investment Fund Managers Directive (AIFMD).

In the period from 1 January 2020 until 31 December 2020 the average level of leverage was:

Gross Method: 108.53%

Commitment-Method: 100.00 %

## Remuneration Policy (unaudited)

### Content, Purpose and Scope

VP Fund Solutions (Luxembourg) SA (hereinafter referred to as "VPFLU") has established, implemented and maintains a Remuneration Policy. The purpose of this policy is to set out the position and principles of VPFLU in respect of the remuneration of its Staff Members. The Policy reflects VPFLU's objectives for good corporate governance as well as sustained and long-term value creation. It ensures that VPFLU is able to attract, develop and retain high-performing and motivated employees in a competitive labour market by acting in the best interests of the funds' investors.

### Remuneration components

The amounts of fixed and variable compensation reflect both the complexity and size of our management company. To determine the amount of the variable compensation pool, VPFLU is guided by a sustainable and risk-adjusted approach. VPFLU is committed to address the conservative risk culture in the payment system and offers its employees an attractive but relatively moderate variable compensation. In view of the overall package VPFLU pays a fixed income and fringe benefits in line with Luxembourg market practices. It is a declared goal to define the remuneration packages of VPFLU's Staff Members in such a way that the fixed component is sufficient to allow them a decent life even without variable remuneration.

The Board will monitor compliance with the remuneration policy on an annual basis. This will include alignment with the business strategy, objectives, values and interest of VPFLU and the Funds it manages as well as measures to avoid conflicts of interest. There were no determination, which required any adjustments.

### Indication of the remuneration

Remuneration of the AIFM during the financial year from January 1, 2020 until December 31, 2020:

Total remuneration paid by the AIFM	3.80 million CHF
Thereof fixed remuneration	3.57 million CHF
Thereof variable remuneration	0.23 million CHF
Number of Beneficiaries	32
Thereof Senior management and risk takers	13
Carried interest paid by the AIFM	n/a
Total remuneration paid to Senior management and risk takers	1.30 million CHF

### Declaration of essential modifications of the defined remuneration policy

There were no essential modifications of the defined remuneration policy during the financial year.