

**Annual report including audited financial statements  
as at 31st December 2021**

# **NHS-SICAV II**

Société d'Investissement à Capital Variable

R.C.S. Luxembourg B196020

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No subscription can be received on the basis of this financial report. Subscriptions are only valid if made on the basis of the current prospectus and the key investor information document ("KIID") accompanied by the subscription form, the latest annual report including audited financial statements and the most recent semi-annual report, if published thereafter.

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## NHS-SICAV II

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## NHS-SICAV II

### Organisation

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**Registered Office**

1, rue Hildegard von Bingen  
L-1282 LUXEMBOURG

**Board of Directors****Directors**

Laurent VAN DEN EYNDE  
Independant director  
(until 15th November 2021)

Jacques BOSSUYT  
Independant director

Guy KNEPPER  
Independant director

**Management Company**

DAVY GLOBAL FUND MANAGEMENT  
LUXEMBOURG S.A  
1, rue Hildegard von Bingen  
L-1282 LUXEMBOURG

**Depository and Paying Agent**

UBS EUROPE SE, Luxembourg Branch  
33A, avenue J.F. Kennedy  
L-1855 LUXEMBOURG

**Administrative Agent, Registrar and  
Transfer Agent**

EUROPEAN FUND ADMINISTRATION S.A.  
2, rue d'Alsace  
L-1122 LUXEMBOURG

**Auditor**

PRICEWATERHOUSECOOPERS,  
Société coopérative  
2, rue Gerhard Mercator  
L-2182 LUXEMBOURG

**Legal Advisor**

VAN CAMPEN LIEM LUXEMBOURG  
2, rue Dicks  
L-1417 LUXEMBOURG

## NHS-SICAV II

### Report on activities of the Board of Directors

#### NHS-SICAV II - MCM Israeli IT-Security Fund

The compartment has posted an overall positive performance in 2021, despite a difficult environment for the cyber security sector that year, beating its benchmark. The reference index of NHS SICAV II – MCM Israeli IT-Security Fund, TASE-BlueStar Israel Global Technology Index, is down 8.40% while the compartment is up for the same period.

Isin	Class	Currency	Price 31.12.2020	Price 31.12.2021	Pref. 2021	Benchmark	Overperformance
LU1345291485	A	EUR	152.82	154.4	1.03%		7.37%
LU1345291642	B	EUR	153.05	153.41	0.24%		8.16%
LU1345292533	E	USD	167.9	170.92	1.80%		6.60%
LU1345292707	F	USD	193.3	195.23	1.00%	-8.40%	7.40%
LU1345292962	G	USD	241.97	246.92	2.05%		6.35%
LU2002716376	I	USD	138.89	138.06	-0.60%		-9.00%
LU2002716533	J	EUR	128.38	125.78	-2.03%		-10.43%
LU2002716616	K	GBP	124.86	128.33	2.78%		5.62%

The strategy has proven itself efficient to select a small amount of overperforming stocks among a large universe (22 lines in portfolio on average).

The Cyber Security sector is expected to expand at a 9.7% annual growth rate between 2021 and 2026, with a target global market at almost USD 350 billion.

Luxembourg, 25th February 2022

The Board of Directors

Note: The information in this report represents historical data and is not an indication of future results.



## **Audit report**

To the Shareholders of  
**NHS-SICAV II**

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### **Our opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of NHS-SICAV II (the "Fund") and of each of its sub-funds as at 31 December 2021, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund's financial statements comprise:

- the combined statement of net assets for the Fund and the statement of net assets for each of the sub-funds as at 31 December 2021;
- the statement of investments and other net assets as at 31 December 2021;
- the combined statement of operations and other changes in net assets for the Fund and the statement of operations and other changes in net assets for each of the sub-funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

We are 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. We have fulfilled our other ethical responsibilities under those ethical requirements.

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### **Other information**

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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**Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism throughout the audit. We also:

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



- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;
- conclude on the appropriateness of the Board of Directors of the Fund's 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 or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds 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.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 8 April 2022

Sébastien Sadzot



## NHS-SICAV II

### Combined statement of net assets (in EUR) as at 31st December 2021

#### **Assets**

Securities portfolio at market value	90,987,084.89
Cash at banks	13,237,245.73
Receivable cash collateral paid	403,289.94
Receivable on issues of shares	228,161.11
Income receivable on portfolio	18,986.77
Other income receivable	58,327.89
Prepaid expenses	4,351.55
	<hr/>
Total assets	104,937,447.88

#### **Liabilities**

Bank overdrafts	1,977,369.58
Unrealised loss on forward foreign exchange contracts	398,491.19
Expenses payable	106,113.38
	<hr/>
Total liabilities	2,481,974.15
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Net assets at the end of the year	102,455,473.73

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

## NHS-SICAV II

### Combined statement of operations and other changes in net assets (in EUR) from 1st January 2021 to 31st December 2021

#### **Income**

Dividends, net	141,933.06
Bank interest	447.64
Commissions on subscription and on redemption	82,844.33
Other commissions received	20,369.99
Total income	245,595.02

#### **Expenses**

Management fees	856,883.90
Depository fees	54,646.75
Banking charges and other fees	299.28
Transaction fees	426,287.21
Central administration costs	143,576.02
Professional fees	39,314.82
Other administration costs	35,545.20
Subscription duty ("taxe d'abonnement")	16,356.93
Bank interest paid	236,775.75
Other expenses	168,671.78
Amortisation and Contingent Deferred Sales Charge	86,782.17
Total expenses	2,065,139.81

Net investment loss	-1,819,544.79
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#### **Net realised gain/(loss)**

- on securities portfolio	22,944,042.00
- on forward foreign exchange contracts	-1,809,898.18
- on foreign exchange	1,304,498.67
Realised result	20,619,097.70

#### **Net variation of the unrealised gain/(loss)**

- on securities portfolio	-12,449,887.68
- on forward foreign exchange contracts	-747,251.68
Result of operations	7,421,958.34

Subscriptions	32,756,332.09
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Redemptions	-29,900,772.05
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Total changes in net assets	10,277,518.38
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Total net assets at the beginning of the year	92,177,955.35
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Total net assets at the end of the year	102,455,473.73
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The accompanying notes are an integral part of these financial statements.

## NHS-SICAV II - MCM ISRAELI IT-SECURITY FUND

### Statement of net assets (in EUR) as at 31st December 2021

#### Assets

Securities portfolio at market value	90,987,084.89
Cash at banks	13,237,245.73
Receivable cash collateral paid	403,289.94
Receivable on issues of shares	228,161.11
Income receivable on portfolio	18,986.77
Other income receivable	58,327.89
Prepaid expenses	4,351.55
Total assets	104,937,447.88

#### Liabilities

Bank overdrafts	1,977,369.58
Unrealised loss on forward foreign exchange contracts	398,491.19
Expenses payable	106,113.38
Total liabilities	2,481,974.15
Net assets at the end of the year	102,455,473.73

#### Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in EUR)
A	113,088.645	EUR	154.40	17,460,764.81
B	26,417.314	EUR	153.41	4,052,795.80
E	461,359.139	USD	170.92	69,366,488.03
F	57,212.867	USD	195.23	9,825,444.69
G	739.264	USD	246.92	160,573.97
I	7,522.424	USD	138.06	913,600.60
J	4,908.436	EUR	125.78	617,370.61
K	382.279	GBP	128.33	58,435.22
				102,455,473.73

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

## NHS-SICAV II - MCM ISRAELI IT-SECURITY FUND

### Statement of operations and other changes in net assets (in EUR)

from 1st January 2021 to 31st December 2021

#### **Income**

Dividends, net	141,933.06
Bank interest	447.64
Commissions on subscription and on redemption	82,844.33
Total income	225,225.03

#### **Expenses**

Management fees	853,926.90
Depository fees	48,471.74
Banking charges and other fees	25.00
Transaction fees	426,287.21
Central administration costs	126,351.10
Professional fees	27,187.30
Other administration costs	30,620.20
Subscription duty ("taxe d'abonnement")	16,356.93
Bank interest paid	236,775.75
Other expenses	47,015.19
Amortisation and Contingent Deferred Sales Charge	86,782.17
Total expenses	1,899,799.49

Net investment loss	-1,674,574.46
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#### **Net realised gain/(loss)**

- on securities portfolio	21,714,364.54
- on forward foreign exchange contracts	-1,809,898.18
- on foreign exchange	1,304,498.67
Realised result	19,534,390.57

#### **Net variation of the unrealised gain/(loss)**

- on securities portfolio	-11,588,353.42
- on forward foreign exchange contracts	-747,251.68
Result of operations	7,198,785.47

Subscriptions	32,750,332.09
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Redemptions	-22,376,679.79
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Total changes in net assets	17,572,437.77
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Total net assets at the beginning of the year	84,883,035.96
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Total net assets at the end of the year	102,455,473.73
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The accompanying notes are an integral part of these financial statements.

## NHS-SICAV II - MCM ISRAELI IT-SECURITY FUND

Statistical information (in EUR)  
as at 31st December 2021

Total net assets	Currency	31.12.2019	31.12.2020	31.12.2021
	EUR	51,910,267.53	84,883,035.96	102,455,473.73

Net asset value per share class	Currency	31.12.2019	31.12.2020	31.12.2021
A	EUR	114.47	152.82	154.40
B	EUR	115.56	153.05	153.41
E	USD	123.90	167.90	170.92
F	USD	143.78	193.30	195.23
G	USD	178.11	241.97	246.92
I	USD	-	138.89	138.06
J	EUR	99.39	128.38	125.78
K	GBP	-	124.86	128.33

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A	92,080.176	29,846.791	-8,838.322	113,088.645
B	25,217.314	10,262.000	-9,062.000	26,417.314
E	410,216.010	153,917.947	-102,774.818	461,359.139
F	55,813.008	17,564.356	-16,164.497	57,212.867
G	2,784.588	-	-2,045.324	739.264
I	6,602.772	5,673.845	-4,754.193	7,522.424
J	3,800.514	1,218.665	-110.743	4,908.436
K	403.385	7,138.460	-7,159.566	382.279

## NHS-SICAV II - MCM ISRAELI IT-SECURITY FUND

### Statement of investments and other net assets (in EUR) as at 31st December 2021

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
USD	59,956	Amdocs Ltd	3,719,526.88	3,947,138.49	3.85
USD	24,935	Booz Allen Hamilton Hg Corp A	1,879,512.81	1,859,815.84	1.81
USD	16,136	CACI Intl Inc A	3,706,964.51	3,821,228.50	3.73
USD	70,514	Check Point Software Tec Ltd	6,975,347.71	7,230,042.08	7.06
USD	22,238	Cloudflare Inc A Reg	3,105,367.63	2,572,393.56	2.51
USD	102,752	Cognyte Software Ltd	1,923,429.83	1,416,365.10	1.38
USD	45,409	Cyber-Ark Software Ltd	5,850,432.88	6,921,597.04	6.76
USD	29,559	Fiverr International Ltd Reg	3,926,301.64	2,956,420.04	2.89
USD	12,605	Fortinet Inc	3,423,367.34	3,985,078.29	3.89
USD	130,980	Jfrog Ltd	3,895,430.76	3,421,979.24	3.34
USD	51,680	Mimecast UK Ltd Reg	3,512,146.60	3,617,327.23	3.53
USD	140,004	Netscout Systems Inc	3,747,271.80	4,074,008.02	3.98
USD	26,882	Nice Ltd spons ADR repr 1 Share	6,154,945.02	7,179,253.34	7.01
USD	9,725	Okta Inc Reg A	2,063,159.01	1,917,710.46	1.87
USD	16,871	Rapid7 Inc Reg	1,699,474.97	1,746,611.53	1.70
USD	39,800	SailPoint Tech Hgs Inc Reg	1,665,753.30	1,692,410.27	1.65
USD	49,900	Science Applications Intl Corp Reg	3,804,997.84	3,669,195.11	3.58
USD	34,596	Splunk Inc	4,661,340.45	3,521,682.90	3.44
USD	84,739	Tenable Holdings Inc Reg	3,983,579.44	4,105,011.20	4.01
USD	151,495	Varonis Syst Inc Reg	5,437,541.79	6,500,638.72	6.34
USD	164,929	Verint Systems Inc Reg	5,557,263.82	7,618,245.77	7.44
USD	27,396	Wix.com Ltd Reg	5,761,842.12	3,802,616.85	3.71
USD	12,065	Zscaler Inc Reg	3,255,616.90	3,410,315.31	3.33
Total investments in securities			89,710,615.05	90,987,084.89	88.81
Cash at banks				13,237,245.73	12.92
Bank overdrafts				-1,977,369.58	-1.93
Other net assets/(liabilities)				208,512.69	0.20
Total				102,455,473.73	100.00

\* Minor differences may arise due to rounding in the calculation of percentages.

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

## NHS-SICAV II - MCM ISRAELI IT-SECURITY FUND

### Industrial and geographical classification of investments as at 31st December 2021

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#### Industrial classification

(in percentage of net assets)

Technologies	88.81 %
Total	<u>88.81 %</u>

#### Geographical classification

(by domicile of the issuer)  
(in percentage of net assets)

United States of America	52.62 %
Israel	28.81 %
Guernsey	3.85 %
United Kingdom	<u>3.53 %</u>
Total	<u>88.81 %</u>

**NHS-SICAV II - FONDITA NORDIC SMALL CAP FUND (liquidated on 26th March 2021)****Statement of operations and other changes in net assets (in EUR)**

from 1st January 2021 to 26th March 2021

**Income**

Other commissions received	20,369.99
Total income	20,369.99

**Expenses**

Management fees	2,957.00
Depository fees	6,175.01
Banking charges and other fees	274.28
Central administration costs	17,224.92
Professional fees	12,127.52
Other administration costs	4,925.00
Other expenses	121,656.59
Total expenses	165,340.32

Net investment loss	-144,970.33
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**Net realised gain/(loss)**

- on securities portfolio	1,229,677.46
Realised result	1,084,707.13

**Net variation of the unrealised gain/(loss)**

- on securities portfolio	-861,534.26
Result of operations	223,172.87

Subscriptions	6,000.00
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Redemptions	-7,524,092.26
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Total changes in net assets	-7,294,919.39
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Total net assets at the beginning of the period	7,294,919.39
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Total net assets at the end of the period	0.00
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The accompanying notes are an integral part of these financial statements.



# NHS-SICAV II - FONDITA NORDIC SMALL CAP FUND (liquidated on 26th March 2021)

**Statistical information (in EUR)**  
as at 31st December 2021

<b>Total net assets</b>	<b>Currency</b>	<b>31.12.2020</b>	<b>31.12.2021</b>		
	EUR	7,294,919.39	0.00		
<b>Net asset value per share class</b>	<b>Currency</b>	<b>31.12.2020</b>	<b>31.12.2021</b>		
EB - Early Bird EUR	EUR	170.04	175.29	*	26/03/2021
* Net asset value used for final redemption					
<b>Number of shares</b>	<b>outstanding at the beginning of the period</b>	<b>issued</b>	<b>redeemed</b>	<b>outstanding at the end of the period</b>	
EB - Early Bird EUR	42,901.499	34.297	-42,935.796	-	

## **NHS-SICAV II**

### **Notes to the financial statements**

as at 31st December 2021

#### **Note 1 -General Information**

NHS-SICAV II (the "SICAV") is an open-ended investment company incorporated under the laws of the Grand Duchy of Luxembourg as a Société d'Investissement à Capital Variable ("SICAV") with an umbrella structure, incorporated on 2nd April 2015 for an unlimited duration, and with multiple Sub-Funds incorporated under the laws of Luxembourg, subject to Part I of the amended 2010 Law.

The SICAV publishes an annual report including audited financial statements on 31st December and an unaudited semi-annual report on 30th June. These financial reports contain information on the asset situation of the SICAV and separate financial statements for each Sub-Fund.

The Net Asset Value and the issue, repurchase prices for the shares in each Sub-Fund may be obtained at the registered office of the SICAV.

The following documents are made available to the public at the registered office of the SICAV and of the Management Company:

- the Articles of Association of the SICAV,
- the prospectus of the SICAV,
- the key investor information document ("KIID") of the Sub-Funds (also published on [www.davygfm.com](http://www.davygfm.com)),
- the financial reports of the SICAV,
- a copy of the agreements contracted with the Management Company, the Investment Advisor, the Depositary and the Administrative Agent.

#### **Note 2 - Significant accounting principles**

##### **a) Presentation of the financial statements**

The financial statements of the SICAV are prepared in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment and with generally accepted accounting principles in Luxembourg.

The financial statements of the SICAV have been prepared on a going concern basis, except for the Sub-Fund NHS-SICAV II - FONDITA NORDIC SMALL CAP FUND which was put in liquidation in date of 26th March 2021. As such, the financial statements for this Sub-Fund have been prepared on a non-going concern basis.

##### **b) Valuation of assets**

1. The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the SICAV may consider appropriate in such case to reflect the true value thereof.
2. The value of securities and/or money market instruments and/or financial derivative instruments which are listed or dealt in on any stock exchange is based on the last available price.
3. The value of securities and/or money market instruments and/or financial derivative instruments dealt in on any other regulated market is based on the last available price.
4. In the event that any of the securities held in the SICAV's portfolios on the relevant day are not listed or dealt in on any stock exchange or other regulated market or if, with respect to securities

## NHS-SICAV II

### Notes to the financial statements (continued)

as at 31st December 2021

quoted or dealt in on any stock exchange or dealt in on any other regulated market or if the price as determined pursuant to sub-paragraphs 2) or 3) is not representative of the fair market value of the relevant securities, the value of such securities will be determined based on the reasonably foreseeable sales price determined prudently and in good faith.

5. The financial derivative instruments which are not listed on any official stock exchange or traded on any other regulated market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the SICAV in accordance with market practice.
6. Units or shares in open-ended investment funds are valued at their last available net asset value reduced by any applicable redemption charge.
7. The value of money market instruments neither listed or dealt in on a stock exchange nor dealt in on any other regulated market shall be based on the nominal value plus any accrued interest or on an amortised cost basis.
8. In the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adjust the value of any investment or permit another method of valuation to be used for the assets of the SICAV.
9. In circumstances where the interests of the SICAV or its Shareholders so justify (avoidance of market timing practices, for example), the Board of Directors may take any appropriate measures, such as applying a fair-value pricing methodology to adjust the value of the SICAV's assets.

#### c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by each Sub-Fund that are denominated in currencies other than the reference currency of the Sub-Fund is converted into this currency at the exchange rate prevailing on the date of purchase.

#### d) Net realised gain / (loss) on securities portfolio

The realised gains and losses on securities portfolio are calculated on the basis of the average acquisition cost and are disclosed net in the statement of operations and other changes in net assets.

#### e) Investment portfolio income

Dividend income is recorded at the ex-date, net of any withholding tax.

#### f) Valuation of forward foreign exchange contracts

Open forward foreign exchange contracts are valued at forward rates for the remaining period from valuation date to the maturity of the contracts. Net unrealised gains or losses of open contracts are disclosed in the statement of net assets. Net variation of the unrealised gains or losses and net realised gains or losses are disclosed in the statement of operations and other changes in net assets.

#### g) Conversion of foreign currencies

Cash at banks, other net assets and liabilities and the market value of the securities in portfolio expressed in currencies other than the reference currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the financial statements. Income and expenses incurred in currencies other than the Sub-Fund's currency are converted at the prevailing exchange rate of the day of each transaction. Net realised gains or losses on foreign exchange are disclosed in the statement of operations and other changes in net assets.

## NHS-SICAV II

### Notes to the financial statements (continued) as at 31st December 2021

At the date of the financial statements, the exchange rates used are the following:

1	EUR	=	1.0334629	CHF	Swiss Franc
			0.8390443	GBP	Pound Sterling
			1.1325000	USD	US Dollar

#### h) Formation expenses

Formation expenses were amortised on a straight line basis over a period of five years.

If the launch of a Sub-Fund occurs after the launch date of the SICAV, the costs of formation in relation to the launch of the new Sub-Fund is charged to such Sub-Fund alone and may be amortised over a maximum of 5 years with effect from the Sub-Fund's launch date.

#### i) Transaction fees

Transaction costs disclosed under the item "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the SICAV and of fees relating to purchases or sales of securities, of fees relating to transactions paid to the depositary as well as of transaction fees on financial instruments and derivatives.

## Note 3 - Management fee

### For NHS-SICAV II - MCM IDRAELI IT-SECURITY FUND:

The Management Company is entitled to receive from the Sub-Funds a management fee:

Share class	Management fee (in % per p.a.)
A	0.75
B	1.50
E	0.75
F	1.50
G	0.50
I	1.50
J	1.50
K	1.50

The Management fee is calculated on the average Net Asset Value of the Sub-Funds and is payable on a monthly basis.

### For NHS-SICAV II - FONDITA NORDIC SMALL CAP FUND (until 26th March 2021):

The Management Company receives a management fee for its services. The management fee is accrued daily and is to be paid monthly as follows:

- 0.10% based on the average Net Asset Value of the Class EB - Early Bird EUR.

The Management Company fees are subject to a minimum annual fee of EUR 12,500.

## **NHS-SICAV II**

### **Notes to the financial statements (continued)**

as at 31st December 2021

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#### **Management fees of the Master Fund**

- 0.75% based on the average Net Asset Value of the Class B of the Master Fund, Fondita Nordic Small Cap Units B Cap (ie, 2% subject to a 1.25% rebate from the Master Fund as set out below).

#### **Rebates**

The Sub-Fund is entitled to receive rebates from the Master Fund amounting to 1.25% of the net assets of the Feeder Fund invested in the Master Fund. The rebates are paid on a monthly basis. They are disclosed under the item "Other commissions received" in the statement of operations and other changes in net assets.

#### **Note 4 -Central administration costs**

The item "Central administration costs" disclosed in the statement of operations and other changes in net assets is mainly composed of the administrative agent, the transfer agent and domiciliary fees.

#### **Note 5 -Other expenses**

The item "Other expenses" disclosed in the statement of operations and other changes in net assets of the Sub-Fund NHS-SICAV II - FONDITA NORDIC SMALL CAP FUND is mainly composed of liquidation fees, restructuring fees and Directors fees.

#### **Note 6 - Amortisation and Contingent Deferred Sales Charge**

The item "Amortisation and Contingent Deferred Sales Charge" disclosed in the statement of operations and other changes in net assets is mainly composed of amortisations on the share Classes I, J and K of the Sub-Fund NHS-SICAV II - MCM ISRAELI IT-SECURITY FUND.

#### **Note 7 - Subscription duty ("Taxe d'abonnement")**

The SICAV is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the SICAV is subject to an annual "*taxe d'abonnement*" of 0.05% p.a. applicable for Classes B, F and J shares respectively 0.01% p.a. applicable for Class A, E and G shares which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter.

#### **Note 8 - Changes in investments**

The statement of changes in investments for the period in reference to the report is available free of charge at the registered office of the SICAV.

#### **Note 9 - Subscription and redemption of shares**

##### **For NHS-SICAV II - FONDITA NORDIC SMALL CAP FUND: (until 26th March 2021)**

- A fee, not exceeding 1% of the Subscription Price, may be added for the purpose of compensating financial intermediaries who assist in placing the Shares. This fee is to be considered a maximum rate and the Board of Directors and the Management Company may decide at their discretion to waive this charge in whole or in part.

## NHS-SICAV II

### Notes to the financial statements (continued) as at 31st December 2021

- No fees are levied on redemptions of Shares.

#### For NHS-SICAV II - MCM ISRAELI IT-SECURITY FUND

An Entry fee of 5% of the subscribed amount shall be paid to the SICAV and then on-paid to the Investment Adviser and will be amortized over a five year period. To the extent that the relevant Shares are redeemed before the end of the five years amortisation period applied in respect of the Entry fee, an Exit fee equivalent to the then unamortised Entry fee will be charged on redemption of those Shares.

All or part of the Entry fee or the Exit fee may be waived from time to time (in respect of any payment date or period) in respect of one or more Classes of Shares, provided that when doing so, the SICAV shall (i) apply the same Entry fee or Exit Fee rate within the relevant Class of Shares (and the waiver cannot be made individually with respect to one or more identified investors in a Class of Shares) and (ii) take into account the fair treatment of investors in the Sub-Fund.

#### Note 10 - Forward foreign exchange contracts

As at 31st December 2021, the SICAV is committed in the following forward foreign exchange contracts with UBS (Luxembourg) SA, Luxembourg:

##### NHS-SICAV II - MCM ISRAELI IT-SECURITY FUND

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in EUR)
<b>Forward foreign exchange contracts</b>					
EUR	93,950,000.00	USD	109,264,667.37	07.01.2022	-2,164,263.21
EUR	3,500,000.00	USD	4,087,218.80	07.01.2022	-95,307.26
USD	3,402,180.30	EUR	3,000,000.00	07.01.2022	-7,285.98
					<u>-2,266,856.45</u>
<b>Forward foreign exchange contracts linked to Classes E, F, G and I shares</b>					
EUR	4,400,537.64	USD	5,000,000.00	07.01.2022	2,307.88
USD	89,750,810.46	EUR	77,216,881.34	07.01.2022	1,732,088.49
USD	6,000,000.00	EUR	5,144,637.19	07.01.2022	133,241.03
					<u>1,867,637.40</u>
<b>Forward foreign exchange contracts linked to Class K shares</b>					
EUR	24,547.76	GBP	21,000.00	07.01.2022	-464.95
GBP	69,114.93	EUR	81,105.00	07.01.2022	1,216.51
GBP	3,000.00	EUR	3,556.25	07.01.2022	16.99
USD	2,661.84	GBP	2,000.00	07.01.2022	-40.69
					<u>727.86</u>

- UBS (Luxembourg) SA, Luxembourg pays to the Sub-Fund cash collateral, if the net unrealised result is positive: thus, cash collateral received is disclosed in the caption "Cash at banks" in the Statement of net assets. The amount received and to be redeemed to UBS (Luxembourg) SA, Luxembourg is disclosed in the caption "Receivable cash collateral received" in the statement of net assets.

#### Note 11 - Credit Facility Agreement

Pursuant to a credit facility agreement dated as of April 2020 between UBS Europe SE and NHS-SICAV II, the Sub-Funds of the SICAV may use overdrafts on current account(s) up to following limits:

NHS-SICAV II - MCM ISRAELI IT-SECURITY FUND 10% of the Total Net Assets.

NHS-SICAV II - Fondita Nordic Small Cap Fund (until 26th March 2021) 5% of the Total Net Assets.

The net overall balance across all cash accounts on the two Sub-Funds is positive.

## **NHS-SICAV II**

### **Notes to the financial statements (continued)**

as at 31st December 2021

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#### **Note 12 -Events**

Following a material redemption request, the Board of Directors of the SICAV decided to liquidate the Sub-Fund NHS-SICAV II - FONDITA NORDIC SMALL CAP FUND on 26th March 2021. Liquidation expenses of 80,000 EUR have been processed to the final NAV as of 26th March 2021 to cover for any unknown expenses and the final cash balance of the fund has been paid to investors on 22nd July 2021.

#### **Note 13 - Subsequent event**

NHS SICAV II will migrate to a new Management Company called Fuchs Asset Management, during quarter 1 2022. The current Management Company Davy Global Fund Management Luxembourg S.A. will stop its activities by 15th of April 2022.

## NHS-SICAV II

### Additional information (unaudited)

as at 31st December 2021

#### 1 - Risk management

As required by Circular CSSF 11/512 as amended, the Board of Directors of the SICAV needs to determine the global risk exposure of the SICAV by applying either the commitment approach or the VaR ("Value at Risk") approach.

In terms of risk management, the Board of Directors of the SICAV decided to adopt the commitment approach as a method of determining the global exposure.

#### 2 - Remuneration

The Management Company has implemented a Remuneration Policy that is designed as not to encourage taking excessive risks. In that context, it integrates in its performance management system, risk criteria, specific to the activities of the business units concerned. The Management Company has implemented a series of safeguards that refrain to staff taking undue risk compared to the activity profile. The governance structure of the Remuneration Policy aims at preventing internal conflicts of interest. The Policy is formulated by Executive Management and approved by the Board of Directors. The Policy follows a defined process establishing the principles, the approval, communication, implementation, review and update of the Policy which involves the Board of Directors, Executive Management, Human Resources, Internal Audit and other control functions. Performance is assessed on Group and Management Company level. Individual staff assessments are based on a weighting of financial and nonfinancial targets linked to the specific job scope and role. As such, the principle of individual performance assessment is based on an assessment of objectives reached as well an appreciation of the employee's long-term value creation. Furthermore, the performance reflects an assessment of business and interpersonal skills and is linked to the achievement of the individual. The criteria applied to establish fixed remuneration are job complexity, level of responsibility, performance and local market conditions.

##### A) Methodology

The below represents a proportion of the total fixed remuneration of the staff of the Management Company attributable to all the funds it manages, taking into account UCITS and non-UCITS.

The below amount has been proportionated to the total net assets of the SICAV and the number of staff of the Management Company.

SICAV	SICAV TNA (EUR)	Average headcount in MANCO	% of total TNA of MANCO	Staff costs by TNA for the SICAV (EUR)*
NHS-SICAV II	102,455,473.73	14	13.96%	143,747.31

(\*) Fixed remuneration including fixed salary, pension, etc.

##### B) Senior Management

The below represents the aggregate amount of remuneration broken down by senior management and members of staff of the Management Company whose actions have a material impact on the risk profile of the funds it manages, taking into account UCITS and non-UCITS.

Identified staff	5
Remuneration to executives*	522,884 (EUR)
Fixed compensation	522,884 (EUR)
Pension costs	0
Total	522,884 (EUR)

(\*) Fixed remuneration including fixed salary, pension, etc.



**3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")**

During the reporting period, the SICAV did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported.

**4 - Sustainability related disclosures**

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities