

Semi-Annual Report 2020

Investment Company under Luxembourg Law (SICAV)

R.C.S. Luxembourg N° B 181 979

Unaudited semi-annual report as of 30 June 2020

SULA UCITS SICAV – FLEXIBLE ALPHA FUND

Unaudited semi-annual report as of 30 June 2020

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Sales restrictions

Shares of this Fund may not be offered, sold or distributed within the United States of America.

Management and Administration

Semi-Annual Report as of 30 June 2020
SULA UCITS SICAV

Registered office of the Fund

2C, rue Albert Borschette
L-1246 Luxembourg

Board of Directors

Raquel Gómez-Pintado (Chairman)
Managing Director
C & D Investments S.à r.l.
14, rue Beck
L-1222 Luxembourg
Grand Duchy of Luxembourg

Giorgio Savona
Managing Director
Cladan Family Office
C/ Prado del Rey, 4
E-28223 Pozuelo de Alarcón
Spain

José Femenia Arguedas
Managing Director
C & D Investments S.à r.l.
14, rue Beck
L-1222 Luxembourg
Grand Duchy of Luxembourg

Irène Zander
Independent Director
6, rue Henri VII
L-1725 Luxembourg
Grand Duchy of Luxembourg

Management Company

MDO Management Company S.A.
19, Rue de Bitbourg
L-1273 Luxembourg
Grand Duchy of Luxembourg

Depositary and Paying Agent

UBS Europe SE, Luxembourg Branch
33A, avenue J. F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Administrator and Domiciliary Agent

Northern Trust Global Services SE
10, rue du Château d'Eau
L-3364 Leudelange
Grand Duchy of Luxembourg

Investment Manager

C & D Investments S.à r.l.
14, rue Beck
L-1222 Luxembourg
Grand Duchy of Luxembourg

Auditor

Ernst & Young Société Anonyme
35E, avenue J. F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Legal adviser as to matters of Luxembourg law

Arendt & Medernach SA
41A, avenue J. F. Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

Features of the Fund

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SULA UCITS SICAV

SULA UCITS SICAV (hereafter called “the Fund”) is a public limited company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital (*société d’investissement à capital variable*). The Fund is subject to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate subfunds. Shares in the Fund are shares in a specific subfund. The Fund may issue shares of different share classes in each subfund. Such share classes may each have specific characteristics. Certain share classes may be reserved to certain categories of investors. Investors should refer to the relevant Supplement of the Prospectus for further information on characteristics of share classes.

The Fund has been incorporated in Luxembourg initially on 18 November 2013 as a financial holding company (*société de participations financières*) under the form of a private limited company (*société à responsabilité limitée*) and has been converted into an investment company with variable share capital (*société d’investissement à capital variable*) on 14 December 2018. The Fund is registered with the Luxembourg Trade and Companies Register under number B 181 979. The latest version of the Articles of Association will be published in the *Recueil électronique des sociétés et associations* (“RESA”), the central electronic platform of the Grand-Duchy of Luxembourg.

The Fund has appointed MDO Management Company S.A. as its management company in accordance with the provisions of the 2010 Law pursuant to the Management Company Agreement.

The Management Company is a public limited company (*société anonyme*) registered under number B 96 744 in the Luxembourg commercial and companies’ register, where copies of its articles of association are available for inspection and can be received upon request. Its registered office is in 19, rue de Bitbourg, L-1273 Luxembourg.

The articles of association were published in the *Mémorial* in Luxembourg on 26 November 2003 and the latest update has been published on 14 April 2014. The Management Company is authorised and regulated

by the CSSF in Luxembourg under Luxembourg law. Its main business activity is the management of Luxembourg and foreign undertakings for collective investment in transferable securities authorised according to Directive 2009/65/EC and the additional management of other Luxembourg and foreign undertakings for collective investment, in accordance with Article 101 (2) and Annex II of the 2010 Law and the performance, for Luxembourg and foreign alternative investment funds (AIFs) within the meaning of Directive 2011/61/EU of management functions, administration functions, marketing functions and other activities related to the assets of AIFs, in accordance with Article 5 (2) and Annex I of the Luxembourg Law of 12 July 2013 relating to alternative investment fund managers.

The fully paid-up capital of the Management Company amounts to EUR 2 450 000 as of 22 June 2017.

The financial year of the Fund will begin on 1 January of each year and end on 31 December of the same year.

Currently, the Fund offers Class U Shares, Class H Shares and Class R Shares which are open to retail and institutional investors.

The annual general meeting of shareholders will be held within six (6) months of the end of each financial year in Luxembourg in order to approve the financial statements of the Fund for the previous financial year. The annual general meeting of shareholders will be held at the registered office of the Fund, or at such alternative location in Luxembourg as may be specified in the convening notice of such meeting.

Only the information contained in the sales prospectus and in one of the documents referred to therein shall be deemed to be valid.

The detailed schedule of portfolio movements, the annual and semi-annual reports are available free of charge to shareholders at the registered office of the Fund and the Depositary.

No subscription may be accepted on the basis of the financial reports. Subscriptions are accepted only on the basis of the current prospectus accompanied by the latest annual report and the latest semi-annual report if available.

The figures stated in this report are historical and not necessarily indicative of future performance.

SULA UCITS SICAV – FLEXIBLE ALPHA FUND

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Most important figures

Date	ISIN	30.6.2020	31.12.2019	31.12.2018
Net assets in EUR		71 041 307.10	74 369 955.27	58 087 728.80
Class H Shares¹	LU1900183697			
Shares outstanding		117 059.4530	119 059.4530	-
Net asset value per share in EUR ²		96.27	102.49	-
Class R Shares³	LU1900183424			
Shares outstanding		5 631.2600	3 448.0000	-
Net asset value per share in EUR ²		95.77	102.11	-
Class U Shares⁴	LU1900183770			
Shares outstanding		546 664.4650	536 836.0000	519 576.0000
Net asset value per share in EUR ²		108.35	115.15	111.80

¹ First NAV: 14.1.2019

² See note 1

³ First NAV: 9.1.2019

⁴ First NAV: 17.12.2018

Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
United States	74.85
Luxembourg	5.32
France	4.19
Canada	1.47
South Korea	0.68
Germany	-0.01
Total	86.50

Economic Breakdown as a % of net assets	
Countries & central governments	30.76
Retail trade, department stores	11.83
Pharmaceuticals, cosmetics & medical products	6.32
Supranational organisations	5.31
Food & soft drinks	4.18
Miscellaneous consumer goods	4.10
Computer hardware & network equipment providers	3.79
Finance & holding companies	3.72
Telecommunications	2.98
Internet, software & IT services	2.76
Electronics & semiconductors	2.65
Aerospace industry	2.34
Banks & credit institutions	1.98
Precious metals & stones	1.47
Petroleum	1.16
Tobacco & alcohol	1.15
Total	86.50

Statement of Net Assets

	EUR
Assets	30.6.2020
Investments in securities, cost	61 126 886.17
Investments in securities, unrealized appreciation (depreciation)	321 990.13
Total investments in securities (Note 1)	61 448 876.30
Cash at banks, deposits on demand and deposit accounts	10 972 863.60
Other liquid assets (Margins)	619 308.56
Receivable on securities sales (Note 1)	866 823.76
Interest receivable on securities	279 499.24
Formation expenses, net (Note 1)	37 992.83
Unrealized gain (loss) on financial futures (Note 1)	-198 826.96
Unrealized gain (loss) on forward foreign exchange contracts (Note 1)	653 463.17
Total Assets	74 680 000.50
Liabilities	
Payable on securities purchases (Note 1)	-3 520 293.07
Provisions for administration fees (Note 2)	-7 166.07
Provisions for investment manager fees (Note 2)	-44 179.04
Provisions for management company fees (Note 2)	-14 759.62
Provisions for formation expenses (Note 1)	-7 250.00
Provisions for depositary fees (Note 2)	-4 764.76
Provisions for taxe d'abonnement (Note 3)	-14 767.92
Provisions for regulatory fees (Note 2)	-5 862.30
Provisions for audit fees, legal and economic advice (Note 2)	-5 723.83
Provisions for other commissions and fees (Note 2)	-13 926.79
Total provisions	-118 400.33
Total Liabilities	-3 638 693.40
Net assets at the end of the period	71 041 307.10

Statement of Operations

	EUR
Income	1.1.2020-30.6.2020
Interest on liquid assets	7 974.13
Interest on securities	594 740.55
Dividends	56 625.80
Total income	659 340.48
Expenses	
Administration fees (Note 2)	-29 799.80
Investment manager fees (Note 2)	-257 229.48
Management company fees (Note 2)	-26 216.23
Depositary fees (Note 2)	-29 086.92
Taxe d'abonnement (Note 3)	-17 474.43
Regulatory fees (Note 2)	-7 459.60
Audit fees, legal and economic advice (Note 2)	-15 712.08
Amortization of formation expenses (Note 1)	-3 063.39
Other commissions and fees (Note 2)	-60 168.85
Interest on cash and bank overdraft	-16 141.03
Other expenses	-4 770.65
Total expenses	-467 122.46
Net income (loss) on investments	192 218.02
Realized gain (loss) (Note 1)	
Realized gain (loss) on market-priced securities without options	1 335 099.50
Realized gain (loss) on options	-1 541 013.66
Realized gain (loss) on financial futures	-2 016 461.04
Realized gain (loss) on forward foreign exchange contracts	-1 488 736.81
Realized gain (loss) on foreign exchange	155 385.29
Total realized gain (loss)	-3 555 726.72
Net realized gain (loss) of the period	-3 363 508.70
Changes in unrealized appreciation (depreciation) (Note 1)	
Unrealized appreciation (depreciation) on market-priced securities without options	-898 217.67
Unrealized appreciation (depreciation) on options	43 250.00
Unrealized appreciation (depreciation) on financial futures	-598 606.99
Unrealized appreciation (depreciation) on forward foreign exchange contracts	411 074.33
Total changes in unrealized appreciation (depreciation)	-1 042 500.33
Net increase (decrease) in net assets as a result of operations	-4 406 009.03

Statement of Changes in Net Assets

	EUR
	1.1.2020-30.6.2020
Net assets at the beginning of the period	74 369 955.27
Subscriptions	1 359 999.90
Redemptions	-282 639.04
Total net subscriptions (redemptions)	1 077 360.86
Net income (loss) on investments	192 218.02
Total realized gain (loss)	-3 555 726.72
Total changes in unrealized appreciation (depreciation)	-1 042 500.33
Net increase (decrease) in net assets as a result of operations	-4 406 009.03
Net assets at the end of the period	71 041 307.10

Changes in the Number of Shares outstanding

	1.1.2020-30.6.2020
Class	H Shares
Number of shares outstanding at the beginning of the period	119 059.4530
Number of shares issued	0.0000
Number of shares redeemed	-2 000.0000
Number of shares outstanding at the end of the period	117 059.4530
Class	R Shares
Number of shares outstanding at the beginning of the period	3 448.0000
Number of shares issued	3 151.2600
Number of shares redeemed	-968.0000
Number of shares outstanding at the end of the period	5 631.2600
Class	U Shares
Number of shares outstanding at the beginning of the period	536 836.0000
Number of shares issued	9 828.4650
Number of shares redeemed	0.0000
Number of shares outstanding at the end of the period	546 664.4650

Statement of Investments in Securities and other Net Assets as of 30 June 2020

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Forward Exchange Contracts (Note 1)	as a % of net assets
Transferable securities and money market instruments listed on an official stock exchange			
Bearer shares			
France			
EUR AIRBUS EUR1	26 200.00	1 664 224.00	2.34
EUR DANONE EURO.25	11 000.00	677 160.00	0.96
Total France		2 341 384.00	3.30
United States			
USD COCA-COLA CO COM USD0.25	22 800.00	907 006.19	1.28
USD JP MORGAN CHASE & COM USD1	11 000.00	921 212.66	1.29
Total United States		1 828 218.85	2.57
Total Bearer shares		4 169 602.85	5.87
Registered shares			
Canada			
USD BARRICK GOLD CORP COM NPV	43 500.00	1 043 395.81	1.47
Total Canada		1 043 395.81	1.47
United States			
USD WALMART INC. COM USD0.10	8 000.00	853 171.88	1.20
Total United States		853 171.88	1.20
Total Registered shares		1 896 567.69	2.67
Notes, fixed rate			
USD			
USD ALPHABET INC 3.37500% 16-25.02.24	2 000 000.00	1 957 855.14	2.76
USD APPLE INC 2.85000% 14-06.05.21	800 000.00	727 809.82	1.02
USD APPLE INC 3.45000% 14-06.05.24	2 000 000.00	1 964 810.40	2.77
USD CHEVRON CORP 1.55400% 20-11.05.25	900 000.00	824 032.76	1.16
USD EUROPEAN INVESTMENT BANK 2.50000% 18-15.03.23	4 000 000.00	3 775 617.15	5.32
USD EXPORT-IMPORT BANK OF KOREA 2.62500% 16-26.05.26	500 000.00	484 546.81	0.68
USD HOME DEPOT INC/THE 2.00000% 16-01.04.21	3 000 000.00	2 702 769.09	3.80
USD INTEL CORP 3.10000% 15-29.07.22	2 000 000.00	1 882 576.32	2.65
USD JOHNSON & JOHNSON 1.65000% 16-01.03.21	5 000 000.00	4 488 283.84	6.32
USD PHILIP MORRIS INTERNATIONAL INC 1.12500% 20-01.05.23	900 000.00	814 863.92	1.15
USD PROCTER & GAMBLE CO 3.10000% 13-15.08.23	3 000 000.00	2 914 045.32	4.10
USD TOTAL CAPITAL INTERNATIONAL SA 2.21800% 19-12.07.21	700 000.00	633 607.60	0.89
USD UNILEVER CAPITAL CORP 2.20000% 17-05.05.22	700 000.00	641 704.65	0.90
USD WALMART INC 3.40000% 18-26.06.23	5 000 000.00	4 849 605.57	6.83
Total USD		28 662 128.39	40.35
Total Notes, fixed rate		28 662 128.39	40.35
Medium term notes, fixed rate			
USD			
USD NESTLE HOLDINGS INC-REG-S 2.37500% 17-18.01.22	1 500 000.00	1 373 664.25	1.93
Total USD		1 373 664.25	1.93
Total Medium term notes, fixed rate		1 373 664.25	1.93
Bonds, fixed rate			
EUR			
EUR AT&T INC 2.40000% 14-15.03.24	2 000 000.00	2 116 188.00	2.98
Total EUR		2 116 188.00	2.98
Total Bonds, fixed rate		2 116 188.00	2.98
Treasury notes, fixed rate			
USD			
USD AMERICA, UNITED STATES OF 1.62500% 17-15.10.20	5 300 000.00	4 738 462.84	6.67
USD AMERICA, UNITED STATES OF 2.00000% 13-30.11.20	4 000 000.00	3 587 566.04	5.05
USD AMERICA, UNITED STATES OF 2.25000% 14-31.03.21	8 000 000.00	7 233 561.32	10.18
USD AMERICA, UNITED STATES OF 0.62500% 20-31.03.27	7 000 000.00	6 295 525.71	8.86
Total USD		21 855 115.91	30.76
Total Treasury notes, fixed rate		21 855 115.91	30.76
Total Transferable securities and money market instruments listed on an official stock exchange		60 073 267.09	84.56

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Forward Exchange Contracts (Note 1)	as a % of net assets
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Transferable securities and money market instruments traded on another regulated market

Notes, fixed rate

USD			
USD	COCA-COLA CO/THE 3.30000% 11-01.09.21	1 500 000.00	1 382 359.21
Total USD			1 382 359.21

Total Notes, fixed rate			1 382 359.21
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Total Transferable securities and money market instruments traded on another regulated market			1 382 359.21
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Derivative instruments listed on an official stock exchange

Options on indices, classic-styled

EUR			
EUR	EURO STOXX 50 INDEX PUT 1750.00000 18.12.20	-50.00	-6 750.00
Total EUR			-6 750.00

Total Options on indices, classic-styled			-6 750.00
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Total Derivative instruments listed on an official stock exchange			-6 750.00
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Total investments in securities			61 448 876.30
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Derivative instruments

Derivative instruments listed on an official stock exchange

Financial Futures on currencies

USD	EURO FX CURRENCY FUTURE 14.09.20	250.00	-198 826.96
Total Financial Futures on currencies			-198 826.96

Total Derivative instruments listed on an official stock exchange			-198 826.96
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Total Derivative instruments			-198 826.96
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Forward Foreign Exchange contracts

Forward Foreign Exchange contracts (Purchase/Sale)

EUR	32 083 614.78	USD	35 500 000.00	18.2.2021	653 463.17	0.92
Total Forward Foreign Exchange contracts (Purchase/Sale)					653 463.17	0.92

Cash at banks, deposits on demand and deposit accounts and other liquid assets			11 592 172.16	16.32
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Other assets and liabilities			-2 454 377.57	-3.46
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Total net assets			71 041 307.10	100.00
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Notes to the Financial Statements

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SULA UCITS SICAV

Note 1 – Summary of significant accounting policies

The financial statements have been prepared in accordance with the generally accepted accounting principles for investment funds in Luxembourg. The significant accounting policies are summarised as follows:

a) Calculation of the net asset value

The net asset value per share shall be determined by the Administrator as of each Valuation Day (as specified for each subfund in the relevant Supplement of the Prospectus) and at least twice a month. It is calculated by dividing the net asset value of the share class of a subfund by the total number of shares of such share class in issue as of that Valuation Day. The net asset value per share is expressed in the reference currency of the share class and may be rounded up or down to two (2) decimal places.

The net asset value of a share class is equal to the value of the assets allocated to such share class within a subfund less the value of the liabilities allocated to such share class, both being calculated as of each Valuation Day.

The net asset value of a subfund is equal to the value of the assets allocated to such subfund less the value of the liabilities allocated to such subfund, both calculated as of each Valuation Day in the reference currency of the subfund.

b) Valuation principles

- 1) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends and interest accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.
- 2) Transferable Securities and Money Market Instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided under paragraphs 3) and 6) below, at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated

market, the Board of Directors will determine on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Transferable Securities and Money Market Instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

- 3) Notwithstanding paragraph 2) above, where permitted under applicable laws and regulations, Money Market Instruments may be valued using an amortisation method whereby instruments are valued at their acquisition cost as adjusted for amortisation of premium or accrual of discount on a constant basis until maturity, regardless of the impact of fluctuating interest rates on the market value of the instruments. The amortisation method will only be used if it is not expected to result in a material discrepancy between the market value of the instruments and their value calculated according to the amortisation method.
- 4) Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market will be valued at the last available settlement price or, if such settlement price is not available, at the last available bid price, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the instruments are primarily quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.
- 5) Financial derivative instruments which are traded "over-the-counter" (OTC) will be valued daily at their fair market value, on the basis of valuations provided by the counterparty which will be approved or verified on a regular basis independently from the counterparty. Alternatively, OTC financial derivative

instruments may be valued on the basis of independent pricing services or valuation models approved by the Board of Directors which follow international best practice and valuation principles. Any such valuation will be reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.

- 6) Notwithstanding paragraph 2) above, shares or units in target investment funds (including UCITS and UCI) will be valued at their latest available official net asset value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the Board of Directors is satisfied of the reliability of such unofficial net asset value. The Net Asset Value calculated on the basis of unofficial net asset values of the target investment fund may differ from the Net Asset Value which would have been calculated, on the same Valuation Day, on the basis of the official net asset value of the target investment fund. Alternatively, shares or units in target investment funds which are quoted, listed or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph 2) above.
- 7) The value of any other asset not specifically referenced above will be the probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

c) Net realized gain (loss) on sales of securities

The realized gains or losses on the sales of securities are calculated on the basis of the average cost of the securities sold.

d) Valuation of forward foreign exchange contracts

The unrealized gain (loss) of outstanding forward foreign exchange contracts is valued on the basis of the forward exchange rates prevailing at valuation date.

e) Valuation of financial futures contracts

Financial futures contracts are valued based on the latest available published price applicable on the valuation date. Realized gains and losses and the changes in unrealized gains and losses are recorded in the statement of operations. The realized gains and losses are calculated in accordance with the FIFO method, i.e. the first contracts acquired are regarded as the first to be sold.

f) Conversion of foreign currencies

Bank accounts, other net assets and the valuation of the investments in securities held denominated in currencies other than the reference currency of the different subfunds are converted at the mid closing spot rates on the valuation date. Income and expenses denominated in currencies other than the currency of the different subfunds are converted at the mid closing spot rates at payment date. Gain or loss on foreign exchange is included in the statement of operations.

The cost of securities denominated in currencies other than the reference currency of the different subfunds is converted at the mid closing spot rate prevailing on the day of acquisition.

g) Receivable on securities sales, Payable on securities purchases

The position "Receivable on securities sales" can also include receivables from foreign currency transactions. The position "Payable on securities purchases" can also include payables from foreign currency transactions.

Receivables and payables from foreign exchange transactions are netted.

h) Income recognition

Dividends, net of withholding taxes, are recognized as income on the date upon which the relevant securities are first listed as "ex-dividend". Interest income is accrued on a daily basis.

i) Formation expenses

The fees and expenses incurred in connection with the formation of the Fund are estimated to an amount of approximately 60 000 EUR. Such costs will be borne by the Fund and may be amortised over a period of up to five (5) years from the date of incorporation of the Fund. The formation expenses of each new subfund will be borne by such subfund and may be amortised over a period of up to five (5) years. New subfunds created after the incorporation and launch of the Fund will participate in the non-amortised formation expenses of the Fund.

Note 2 – Fees and Expenses

Management Company Fee

In consideration for the services provided by the Management Company, the Management Company is entitled to an annual Management Company Fee, calculated as the average of the month-end Net Asset Value of the previous quarter and invoiced quarterly in arrears. The Management Company Fee is payable quarterly out of the assets of each subfund at a rate as specified for each subfund and/or Class in the relevant Special Section. The Management Company Fee is subject to a maximum of 0.06% p.a. of the Net Asset Value and subject to a minimum annual fee of EUR 15 000 per subfund.

In addition to the Management Company Fee, the Management Company is entitled to an annual fee per subfund of up to EUR 10 000 for the provision of risk management and investment compliance monitoring services. The Management Company may receive other fees for providing additional services, as agreed with the Board of Directors.

In addition, where applicable, any value added tax ("VAT") associated with the above fees and reimbursements will be charged to the relevant subfund.

The Management Company will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

Investment Manager Fee

The Investment Manager will be entitled to an annual fee equal to a percentage of the average Net Asset Value of each subfund or Share Class consistent with market practice as set out in the Supplement of the Prospectus for each subfund or Share Class. The Investment Manager fee will accrue on each Valuation Day and will be payable monthly in arrears out of the assets of each subfund and Share Class at a rate as follows:

SULA UCITS SICAV – FLEXIBLE ALPHA FUND	
Share Class name	Investment Management Fee
Class H Shares	0.85% p.a.
Class R Shares	1.20% p.a.
Class U Shares	0.50% p.a.

The Investment Manager will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Investment Manager may from time to time, at its sole discretion, decide to waive or return to the Fund all or part of its annual fee. Subject to applicable laws and regulations, the Investment Manager may also from time to time, at its sole discretion, enter into private arrangements with certain investors or financial intermediaries, affiliates and/or third-parties, whereby the Investment Manager will agree to pay an amount representing all or part of its annual fee.

Performance Fee

The Investment Manager may be entitled to receive a Performance Fee with respect to certain subfunds or Share Classes. The payment and size of the Performance Fee depends on the performance of the subfund or Share Class over a specified time period. The Performance Fee is calculated and accrued at each Valuation Day on the basis of the Net Asset Value after deducting all fees and expenses, including the Investment Manager Fee (but not the Performance Fee) and adjusting for subscriptions and redemptions during the performance period so these will not affect the calculation of the Performance Fee. The Performance Fee is paid out of the assets of the Fund and allocated to the relevant subfunds and Share Classes as described in section 8.2 (Valuation procedure) in the sales prospectus. Details regarding the calculation and payment of Performance Fees are contained in the Supplement of the Prospectus.

Over the reference period, the Performance Fee shall be accrued daily whereby the amount accrued shall be paid to the Investment Manager within fifteen Business Days following the closure of the reference period. The reference period is represented by each calendar year. In the inception year of the subfund the reference period starts on the last day of the inception month and ends on the last day of the inception year.

The Performance Fee will be equal to a specific percentage set out in the relevant Supplement of the Prospectus of the over-performance of the relevant subfund compared to a specific benchmark as set out in the relevant Supplement of the Prospectus, in case there is an increase of the Net Asset Value compared to a high water mark. The increase will be calculated

by comparing the Net Asset Value (after deducting all fees and expenses, including the Management Fee, the Investment Manager Fee (except Performance Fees) and adjusting for subscriptions and redemptions during the performance period) of the end of the reference period to the high water mark. The high water mark is equal to the highest Net Asset Value (after performance fees) reached on the previous reference period or since inception, as further set out in the relevant Supplement of the Prospectus, adjusted according to the amounts received for investments and the amounts payable for redemptions of the share class. The high-water-mark principle ensures that in case of loss, no performance fee will be paid until the loss has been recovered.

Furthermore, if so provided in the relevant Supplement of the Prospectus, the amount of the Performance Fee may depend on the performance of the NAV of the relevant Share Class compared to the performance of the relevant performance benchmark. For a specific Share Class, the Performance Fee rate equals a certain percentage of the over-performance of the subfunds versus its relevant benchmark over the reference period, as further specified in the relevant Supplement of the Prospectus.

Depositary Fees

The Depositary will be entitled to an annual fee equal to a percentage of the Net Asset Value of each subfund consistent with market practice in Luxembourg, subject to a minimum flat fee per subfund of EUR 30 000 per annum and a maximum rate of up to 0.085 percent (0.085%) per annum. The Depositary fee will be calculated by reference to the Net Asset Value of each subfund at the rate specified in the Supplement of the Prospectus for each subfund or Share Class calculated on each Valuation Day and be payable on a monthly basis in arrears. The Depositary will also be entitled to transaction fees charged on the basis of the investments made by each subfund consistent with market practice in Luxembourg. Fees paid to the Depositary may vary depending on the nature of the investments of each subfund and the countries and/or markets in which the investments are made. The Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Further fees may be payable to the Depositary in consideration of ancillary services rendered to the Fund and relating to the core services of the Depositary.

Administration Fees

The Administrator will be entitled to an annual fee equal to a percentage of the Net Asset Value of each subfund consistent with market practice in Luxembourg, subject to a minimum flat fee per subfund of EUR 30 000 per annum and a maximum annual rate of up to 0.08 percent (0.08%) per annum. The Administrator fee will accrue on each Valuation Day and will be payable monthly in arrears. The Administrator will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

Further fees may be payable to the Administrator in consideration of ancillary services rendered to the Fund and relating to the core services of the Administrator.

Directors' fees and expenses

The members of the Board of Directors are entitled to receive a fee in consideration for their function. The Fund will also reimburse the members of the Board of Directors for appropriate insurance coverage and expenses and other costs incurred by the members of the Board of Directors in the performance of their duties, including reasonable out-of-pocket expenses, traveling costs incurred to attend meetings of the Board of Directors, and any costs of legal proceedings unless such costs are caused by intentional or grossly negligent conduct by the member of the Board of Directors in question. The Fund may also pay fees and expenses to members of any committee established by the Board of Directors, where applicable.

Operating and Administrative Expenses

The Fund bears all ordinary operating costs and expenses incurred in the operation of the Fund or any subfund or Share Class ("Operating and Administrative Expenses") including but not limited to costs and expenses incurred in connection with:

- preparing, producing, printing, depositing, publishing and/or distributing any documents relating to the Fund, a subfund or Share Class that are required by applicable laws and regulations (such as the Articles of Association, the Prospectus, key investor information documents, financial reports and notices to investors) or any other documents and materials made available to investors (such as explanatory memoranda, statements, reports, fact-sheets and similar documents);

- other fees in relation to the establishment and launch of the Fund;
- organising and holding general meetings of shareholders and preparing, printing, publishing and/or distributing notices and other communications to shareholders as well as other corporate secretarial services;
- professional advisory services (such legal, tax, accounting, compliance, auditing and other advisory services) taken by the Fund or the Management Company on behalf of the Fund;
- investment services taken and/or data obtained by the Fund or the Management Company on behalf of the Fund (including fees and expenses incurred in obtaining investment research, systems and other services or data utilised for portfolio and risk management purposes), further information concerning the amount of research costs applicable to the relevant subfund in which they are invested being available to the shareholders at the registered office of the Fund;
- the authorisation of the Fund, the subfunds and Share Classes, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred in the course of regulatory compliance), and all types of insurance obtained on behalf of the Fund and/or the members of the Board of Directors;
- initial and ongoing obligations relating to the registration and/or listing of the Fund, a subfund or Share Class and the distribution of Shares in Luxembourg and abroad (such as fees charged by and expenses payable to financial regulators, distributors, correspondent banks, representatives, listing agents, paying agents, fund platforms, and other agents and/or service providers appointed in this context, as well as advisory, legal, and translation costs);
- due diligence fees, fees for the update of procedures and ancillary services based on applicable laws and regulations charged by the Management Company to the Fund;
- fees for domiciliation and transfer agency services;
- the determination and publication of tax factors for the EU/EEA Member States and/or any other countries where distribution licences and/or private placements exist, according to the actual expenditure incurred at market rates;
- memberships or services provided by international organisations or industry bodies such as the Association of the Luxembourg Fund Industry (ALFI);

- taxes, charges and duties payable to governments and local authorities (including the Luxembourg annual subscription tax (taxe d'abonnement) and any other taxes payable on assets, income or expenses) and any value added tax (VAT) or similar tax associated with any fees and expenses paid by the Fund; and
- the reorganisation or liquidation of the Fund, a subfund or Share Class.

Note 3 – Taxe d'abonnement

According to the law and practice currently in force, the Fund is not liable to any Luxembourg tax on withholding, income, capital gains or wealth taxes. The Fund is, however, liable in Luxembourg to a tax of 0.05% per annum ("Taxe d'Abonnement") of its net asset value, such tax being payable quarterly on the basis of the value of the net assets of the Fund at the end of the relevant calendar quarter or 0.01% per annum for the Classes of shares dedicated to institutional investor as defined from time to time by the Luxembourg laws and regulations.

Note 4 – Commitments on Financial Futures and Options

Commitments on Financial Futures and Options per subfund and respective currency as of 30 June 2020 can be summarised as follows:

a) Financial Futures

SULA UCITS SICAV	Financial Futures on currencies (bought)	Financial Futures on currencies (sold)
– FLEXIBLE ALPHA FUND	31 311 211.77 EUR	- EUR

The commitments on Financial Futures on currencies or index (if any) are calculated based on the market value of the Financial Futures (Number of contracts*notional contract size*market price of the futures).

b) Options

SULA UCITS SICAV	Options on indices, classic-styled
– FLEXIBLE ALPHA FUND	48 511.05 EUR

Note 5 – Significant event during the reporting period

On 11 March 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic. It exists a continuing concern about the effects of this virus on the global economy and as a result of this uncertainty the valuation of assets in this report can deviate significantly from the value of actual sales of these assets. Potential future significant corrections in the market and increased financial market volatility could significantly affect the fund in terms of future valuations of its assets. The Board of Directors and the Investment managers continue to monitor the efforts of government to reduce the spread of the virus and hence the economic impact on the portfolios and the fund itself.

There is no evidence that the going concern assumption made by the Board of Directors when preparing the financial statements of the fund is inappropriate.

Note 6 – Official language

The English version of these financial statements is the authoritative version. However, in the case of Fund shares sold to investors from other countries in which Fund shares can be bought and sold, the Fund and the Depositary may recognize approved translations (i.e. approved by the Fund and the Depositary) into the languages concerned as binding upon themselves.

Transparency of securities financing transactions and their reuse

No securities financing transactions or total return swaps within the meaning 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") were used by the Fund. As a result, no disclosures within the meaning of Article 13 of said Regulation need to be made to investors in the semi-annual report.