

# **SIFTER FUND**

An Investment Company with Variable Capital  
organised under the laws of the Grand Duchy of Luxembourg

**RCS Luxembourg B 93 438**

**Annual Report including the audited financial statements  
for the year ended 31 August 2021**

No subscription may be accepted on the basis of the unaudited semi-annual report or annual report including the audited financial statements. Subscriptions are accepted only on the basis of the current Prospectus and the Key Investor Information Document, the latest annual report or the latest semi-annual report if published thereafter.

## Table of Contents

Management and administration of the Fund.....	3
Fund Information .....	5
Management Report.....	6
Independent auditor's report.....	7
Statement of Net Assets as at August 31, 2021.....	10
Statement of operations and changes in net assets for the year ended August 31, 2021 .....	11
Statistical informations as at August 31, 2021 .....	12
Changes in number of shares for the year ending August 31, 2021.....	12
Statement of Investments in Securities and Other Net Assets as at August 31, 2021 .....	13
SIFTER FUND - Global.....	13
Economic and Geographical classification of investments as at August 31, 2021.....	14
Notes to the Financial Statements as at August 31, 2021.....	15
Unaudited appendix.....	19
Method used to calculate global risk exposure .....	19
Total Expense Ratio (TER) .....	19
Portfolio Turnover Ratio (PTR).....	19
Remuneration .....	19
Securities Financing Transaction Regulation ("SFTR").....	19
Additional information for investors in Switzerland.....	21

## Management and administration of the Fund

### REGISTERED OFFICE

6A, rue Gabriel Lippmann  
L-5365 Munsbach  
Grand Duchy of Luxembourg

### MEMBERS OF THE BOARD OF DIRECTORS

#### Chairman

Mr. Hannes G. Kulvik  
Independent Director  
Eaton Square 72  
SW1W9 AS London  
United Kingdom

#### Directors

Mrs. Elisabeth Anna Backes  
Adepa Asset Management S.A.  
6A, rue Gabriel Lippmann  
L-5365 Munsbach  
Grand Duchy of Luxembourg

Mr. Pauli Kulvik  
Independent Director  
Helmet Capital Oy  
Fredrikinkatu 48 A, 11<sup>th</sup> floor  
FI-00100 Helsinki  
Finland  
(until December 08, 2020)

Mr. Henri Kulvik  
Kasarmikatu 14 B 17  
FI-00130 Helsinki  
Finland  
(since March 10, 2021)

Mr. Luc Caytan  
Independent Director  
1, rue des Foyers  
L-1537 Luxembourg  
Grand Duchy of Luxembourg

Mr. Jussi Kärävä  
Independent Director  
Mechelininkatu 32B as 2  
FI-00260 Helsinki  
Finland

### MANAGEMENT COMPANY, PORTFOLIO MANAGEMENT, DOMICILIATION AND ADMINISTRATIVE AGENT

Adepa Asset Management S.A.  
6A, rue Gabriel Lippmann  
L-5365 Munsbach  
Grand Duchy of Luxembourg

### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Carlos Alberto Morales Lopez  
CEO  
Adepa Asset Management S.A.  
6A, rue Gabriel Lippmann  
L-5365 Munsbach  
Grand Duchy of Luxembourg

Jean-Noel Lequeue  
Director  
Adepa Asset Management S.A.  
6A, rue Gabriel Lippmann  
L-5365 Munsbach  
Grand Duchy of Luxembourg

Philippe Beckers  
Director  
Adepa Asset Management S.A.  
6A, rue Gabriel Lippmann  
L-5365 Munsbach  
Grand Duchy of Luxembourg

Elisabeth Anna Backes  
Managing Director  
Adepa Asset Management S.A.  
6A, rue Gabriel Lippmann  
L-5365 Munsbach  
Grand Duchy of Luxembourg

### REGISTRAR AND TRANSFER AGENT

European Fund Administration S.A. ("EFA")  
2, rue d'Alsace  
L-1122 Luxembourg  
Grand Duchy of Luxembourg

Registrar and transfer agent activities are delegated by Adepa Asset Management S.A. to European Fund Administration S.A.

### INVESTMENT ADVISOR AND PLACEMENT AGENT

Sifter Capital OY  
Kasarmikatu 14 a 3  
FI-00100 Helsinki  
Finland

### DEPOSITARY BANK AND PAYING AGENT

Quintet Private Bank (Europe) S.A. (Formerly KBL  
European Private Bankers S.A.)  
43, Boulevard Royal  
L - 2955 Luxembourg  
Grand Duchy of Luxembourg

### INDEPENDENT AUDITOR

Ernst & Young S.A.  
35E, avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

## **Management and administration of the Fund (continued)**

### **REPRESENTATIVE AGENT IN SWITZERLAND**

Oligo Swiss Fund Services S.A.  
Av. Villamont 17  
CH-1005 Lausanne  
Switzerland

### **PAYING AGENT IN SWITZERLAND**

Banque Cantonale de Genève  
Case Postale 2251  
CH-1211 Genève 2  
Switzerland

## Fund Information

SIFTER FUND (hereinafter the "Fund") is a variable capital investment company constituted in accordance with the Part I of the amended law of December 17, 2010 relating to Undertakings for Collective Investment (the "2010 Law"). It was incorporated on May 21, 2003 for an unlimited period with an initial capital of EUR 32,000.- divided into 320 Shares of the "SIFTER FUND Global" Sub-Fund. The Articles were filed with the Registre de Commerce et des Sociétés of Luxembourg.

The capital of the Fund is equal to the total net assets of the Fund.

The Fund is registered with the Luxembourg Register of Commerce and Companies under the number B 93438. The Articles of Association provide that all liabilities, whatever Sub-Fund they are attributable to, shall, unless otherwise agreed upon with the creditors or unless otherwise provided by law from time to time, only be binding upon the relevant Sub-Fund.

The Articles of Association were amended for the last time by notarial deed at an extraordinary general meeting held on August 12, 2019.

The objectives of the Fund are to offer its shareholders the possibility of investing in an investment vehicle oriented towards the growth of capital through investments in securities and money market instruments.

The Board of Directors may at any time and in compliance with the Articles of Association create additional Sub-Funds and/or Classes of Shares, whose investment aims may differ from those of already existing Sub-Funds and/or Classes of Shares.

At the date of the financial statements, one Sub-Fund is active:

- SIFTER FUND - Global

The financial year of the Fund begins on 1st September and ends on 31st August of each year.

The accounts of the Fund are expressed in EUR.

The Fund is one single legal entity. However, with regard to third parties, in particular towards the Fund's creditors, each Sub-Fund shall be exclusively responsible for the liabilities attributable to it. The debts, engagements and obligations which are not attributable to one Sub-Fund have to be considered for all Sub-Funds on a prorata basis. The Fund shall maintain for each Sub-Fund a separate portfolio of assets. Between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

Upon creation of new Sub-Funds, the Prospectus is adjusted to provide detailed information concerning the new Sub-Funds. The historical performance of the individual Sub-Funds is outlined in the Key Investor Information Document relating to the Sub-Funds / Classes of Shares. Historical performance is not an indication of future performance.

As an "open" ended investment company, the Fund may issue, redeem and convert its Shares at a price based on the respective net values of those Shares.

The prospectus, the Key Investor Information Document ("KIID"), the unaudited semi-annual reports, the annual reports including audited financial statements and copies of the Fund's Articles of Association are available at the registered office of the Fund.

The Net Asset Value per share of each Class of Shares of the Sub-Fund, and their issue, redemption and conversion prices are available at the registered office of the Fund.

## Management Report

Sifter Fund invests in quality businesses which have strong competitive advantages and low leverage. As a result, the Sub-fund believes that short-term economic fluctuations do not impact the underlying businesses of its portfolio companies as severely as they impact the overall market. Still, Sifter does recognize the economic turbulence caused by the COVID-19 pandemic and continuously monitors the impact of the pandemic on its portfolio businesses.

Strategy is unchanged since 2019 and the global allocation of stocks changed slightly during the period. The biggest exposure at the start of the period was the United States with a 64 % exposure, which at the end of the period stood at 60 %. The geographical exposure to European stocks changed from 11 % to 17 %, exposure to Asian stocks (Japan and Taiwan) increased slightly from 18 % to 19 % and exposure to Canadian stocks remained stable. The Sub-fund makes no deliberate investment decisions based on geographical origin alone, but rather invests into attractive businesses regardless of geographical presence.

In 2020 and 2021, Sifter Fund invested in four new companies: Automatic Data Processing, Novo Nordisk, Nitori Holdings and Sony Corporation. The Sub-fund sees that these companies are quality businesses, available at a reasonable price.

During the period, Sifter Fund divested five companies: Laboratory Corporation of America, Intel, iRobot, AIN Holdings and Oracle.

- Laboratory Corporation of America was divested due to its high leverage and its weak pre-pandemic growth and operating margin trajectory.
- Intel was divested due to numerous signs of eroding competitive position.
- iRobot was divested because the share price increased to a level that was no longer justified by the company's fundamentals.
- AIN Holdings was divested because the drug reimbursement cuts in Japan did not fuel consolidation in the pharmacy market to the extent that we had expected. In addition, we were concerned by the fact that AIN Holdings continued to bet on its loss-making cosmetics segment.
- Oracle was divested due to its stagnant constant currency growth rate, high and rising leverage, as well as its large-scale debt-fuelled share repurchases.

Companies that were not divested during the period were deemed attractively valued, given the risks involved.

Following the business continuity plan adopted by the Management Company and the rest of relevant services providers to the fund, its daily operations were not materially impacted by the COVID-19 pandemic during this financial year. In a context of high volatility and liquidity stress, the performance of the fund was impacted during the first half of 2020. By the end of fiscal year 2020/2021, as financial markets recovered, the performance of the fund improved as well. The fund has been carefully monitoring its performance and will continue doing so since future volatility and liquidity stress may evolve.

During this fiscal year, the performance of the Sub-Fund was:

LU0168577939 - I EUR : 30.53%

LU1194076995 - PI EUR : 30.97%

LU0168736675 - R EUR : 30.52%

## **Independent auditor's report**

To the Shareholders of  
SIFTER FUND  
6A, rue Gabriel Lippmann  
L-5365 Munsbach  
Luxembourg

### **Opinion**

We have audited the financial statements of SIFTER FUND (the "Fund"), which comprise the statement of net assets and the statement of investments in securities and other net assets as at 31 August 2021, the statement of operations and the statement of changes in net assets for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2021, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### **Basis for Opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "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 is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

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

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

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

The Board of Directors of the Fund is responsible for the preparation and fair presentation of 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 of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Ernst & Young  
Société anonyme  
Cabinet de révision agréé



Pierre-marie Boul

Luxembourg, 22 November 2021

## Statement of net assets as at August 31, 2021

		<b>SIFTER FUND - Global</b>
	Notes	(in EUR)
<b>Assets</b>		
Investment portfolio at cost	2.2	98,695,790.16
Unrealised result on portfolio	2.2	72,752,576.36
Portfolio at market value	2.2	<b>171,448,366.52</b>
Dividends receivable		78,164.25
Cash at bank		496,066.87
Other assets		29,346.45
Formation expenses, net of amortisation	2.7	14,335.24
<b>Total Assets</b>		<b>172,066,279.33</b>
<b>Liabilities</b>		
Depository and Paying Agency fees payable	7	6,623.04
Registrar and Transfer Agent Fees payable	8	193.75
Professional fees payable		27,641.25
Subscription tax payable ("taxe d'abonnement")	3	5,195.13
Performance fees payable	10	4,193,881.20
Management Company, Portfolio Management, Domiciliation, Administration Fees and Risk Management fees payable	4	21,108.56
Investment Advisor Fee payable	5	7,058.19
Placement agent fees payable	6	131,797.89
<b>Total Liabilities</b>		<b>4,393,499.01</b>
<b>Net assets at the end of the year</b>		<b>167,672,780.32</b>
Number of shares outstanding		
Class I		38,516.1481
ClassPI		198,943.8512
Class R		63,705.5534
Net asset value per share		
Class I		552.19
ClassPI		560.54
Class R		547.66

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

## Statement of operations and changes in net assets for the year ended August 31, 2021

		SIFTER FUND - Global
	Notes	(in EUR)
<b>Net assets at the beginning of the year</b>		<b>119,986,015.44</b>
<b>Income</b>		
Dividend income, net of withholding taxes		1,584,978.60
Commissions		10,947.58
<b>Total income</b>		<b>1,595,926.18</b>
<b>Expenses</b>		
Depositary and Paying Agency Fees	7	79,259.77
Registrar and Transfer Agent Fees	8	18,458.43
Professional fees		56,374.14
Subscription tax ("taxe d'abonnement")	3	26,632.27
Safekeeping fees		10,370.45
Performance fees	10	5,375,267.44
Management Company, Portfolio Management, Domiciliation, Administration Fees and Risk Management fees	4	280,766.53
Investment Advisor Fees	5	71,501.00
Directors Fees	9	63,956.51
Amortisation of formation expenses	2.7	4,679.82
Transaction fees	2.6	33,941.97
Bank and interest expense		2,695.12
Placement agent fees	6	1,329,968.65
Other expenses	2.8	71,358.02
<b>Total expenses</b>		<b>7,425,230.12</b>
<b>Net Investment Income/loss</b>		<b>-5,829,303.94</b>
Net realised gain/loss		
- on investments	2.2	15,475,952.38
- on foreign exchange currency		-432,526.77
<b>Net realised gain/loss for the year</b>		<b>15,043,425.61</b>
Change in net unrealised appreciation/depreciation		
- on investments	2.2	28,251,427.88
- on foreign exchange currency		990,318.54
<b>Change in net unrealised appreciation/depreciation for the year</b>		<b>29,241,746.42</b>
<b>Result of operations for the year</b>		<b>38,455,868.09</b>
Subscriptions		18,940,934.19
Redemptions		9,710,037.40
<b>Net assets at the end of the year</b>		<b>167,672,780.32</b>

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

## Statistical informations as at August 31, 2021

	Currency	31-08-21	31-08-20	31-08-19
<b>SIFTER FUND - Global</b>				
<b>Total net assets</b>	EUR	167,672,780.32	119,986,015.44	112,203,056.07
Class I	EUR	21,268,371.16	16,720,799.62	10,880,506.55
Class PI	EUR	111,515,465.66	82,481,927.67	83,388,378.83
Class R	EUR	34,888,943.50	20,783,288.15	17,934,170.69
<b>Number of shares outstanding</b>				
Class I		38,516.1481	39,523.9401	28,508.8262
Class PI		198,943.8512	192,716.2554	216,706.0179
Class R		63,705.5534	49,529.5162	47,343.3379
<b>Net assets value per share</b>				
Class I	EUR	552.19	423.05	381.65
Class PI	EUR	560.54	428.00	384.80
Class R	EUR	547.66	419.61	378.81

## Change in number of shares for the year ending August 31, 2021

### SIFTER FUND - Global

Share Class I	
Number of outstanding shares at the beginning of the financial year	39,523.9401
Number of shares issued	3,329.5656
Number of redeemed shares	4,337.3576
Number of redeemed shares at the end of the financial year	38,516.1481

Share Class PI	
Number of outstanding shares at the beginning of the financial year	192,716.2554
Number of shares issued	17,390.5958
Number of redeemed shares	11,163.0000
Number of redeemed shares at the end of the financial year	198,943.8512

Share Class R	
Number of outstanding shares at the beginning of the financial year	49,529.5162
Number of shares issued	18,848.3813
Number of redeemed shares	4,672.3441
Number of redeemed shares at the end of the financial year	63,705.5534

# Statement of Investments as at August 31, 2021

(expressed in EUR)

## SIFTER FUND – Global

Currency	ISIN	Nominal/Quantity	Description	Market Value	Market Value as a percentage of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
EQUITY					
CAD	CA6632782083	114,470.00	North West Co Inc/The	2,778,411.13	1.66
CAD	CA1363751027	71,800.00	Canadian National Railway Co	6,671,202.00	3.98
DKK	DK0060534915	106,100.00	Novo Nordisk A/S	9,191,842.28	5.48
EUR	DE0005810055	44,200.00	Deutsche Boerse AG	6,594,640.00	3.93
EUR	FR0000073272	48,174.00	Safran SA	5,121,859.68	3.06
JPY	JP3435000009	33,100.00	Sony Group Corp	2,868,105.04	1.71
JPY	JP3548600000	23,800.00	Disco Corp	5,846,290.30	3.49
JPY	JP3284600008	78,175.00	Koito Manufacturing Co Ltd	4,051,642.76	2.42
JPY	JP3162600005	5,940.00	SMC Corp/Japan	3,205,932.44	1.91
JPY	JP3756100008	32,500.00	Nitori Holdings Co Ltd	5,105,853.77	3.05
SEK	SE0011166628	156,025.00	Atlas Copco AB	7,730,122.14	4.61
USD	US92343E1029	37,100.00	VeriSign Inc	6,797,342.66	4.05
USD	US4781601046	50,747.00	Johnson & Johnson	7,469,992.81	4.45
USD	US5128071082	25,590.00	Lam Research Corp	13,187,933.12	7.86
USD	US78409V1044	12,700.00	S&P Global Inc	4,780,410.26	2.85
USD	US5949181045	46,270.00	Microsoft Corp	11,906,852.55	7.10
USD	US8825081040	42,178.00	Texas Instruments Inc	6,843,936.88	4.08
USD	US17275R1023	83,962.00	Cisco Systems Inc	4,208,241.63	2.51
USD	US02079K3059	4,279.00	Alphabet Inc - A	10,488,709.46	6.25
USD	US8740391003	108,414.00	Taiwan Semiconductor Manufactu-ADR	10,934,674.18	6.52
USD	US8552441094	76,430.00	Starbucks Corp	7,489,783.68	4.47
USD	US0530151036	44,150.00	Automatic Data Processing Inc	7,824,064.84	4.67
USD	US22160K1051	19,780.00	Costco Wholesale Corp	7,644,242.76	4.56
USD	US0528001094	78,200.00	Autoliv Inc	5,906,676.84	3.52
USD	US6795801009	27,300.00	Old Dominion Freight Line Inc	6,799,603.31	4.06
TOTAL EQUITY				171,448,366.52	102.25
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				171,448,366.52	102.25
TOTAL INVESTMENT IN SECURITIES				171,448,366.52	102.25
OTHER NET ASSETS				-3,775,586.20	-2.25
TOTAL NET ASSETS				167,672,780.32	100.00

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



SIFTER

## Economic and Geographical classification of investments as at August 31, 2021

(in % of Net Assets)

### SIFTER FUND - Global

Communications	10.30
Consumer Discretionary	13.46
Consumer Staples	6.22
Financials	3.93
Healthcare	9.93
Industrials	21.11
Technology	37.30
<b>Total</b>	<b>102.25</b>

### SIFTER FUND - Global

CANADA	5.64
DENMARK	5.48
FRANCE	3.05
GERMANY	3.93
JAPAN	12.57
SWEDEN	4.61
TAIWAN	6.52
UNITED STATES (U.S.A.)	60.45
<b>Total</b>	<b>102.25</b>

## **Notes to the financial statements as at August 31, 2021**

### **Note 1 - General information**

SIFTER FUND (hereinafter the "Fund") is a variable capital investment company constituted on May 21, 2003 for an unlimited period according to the Part I of the amended law of December 17, 2010 relating to Undertakings for Collective Investment, in accordance with the legislation of the Grand Duchy of Luxembourg. The Fund qualifies as an Undertaking for Collective Investment in Transferable Securities under the Council Directive 2009/65/EC, as amended.

The financial year of the Fund begins on 1st September and ends on 31st August of each year. The financial statements of the Fund are expressed in EUR.

The Net Asset Value per share of each Class of Shares of the Sub-Fund, and their issue, redemption and conversion prices are available at the registered office of the Fund.

The State of the origin of the Fund is Luxembourg.

### **Note 2 – Significant accounting policies**

#### **2.1 Presentation of the financial statement**

The financial statements of the Fund are prepared on a going concern basis in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment and with generally accepted accounting principles in Luxembourg.

#### **2.2 Valuation of Investments**

2.2.1 The value of cash in hand or on deposit, securities, stocks and shares and bills payable at sight and accounts receivable, prepaid expenses, dividends and interests declared or due but not yet collected, are made up of the nominal value of such assets, unless it appears unlikely that such value are collected; in which case the value is determined by deducting such amount which the Fund may deem necessary in view of reflecting the true value of such assets.

2.2.2 The value of any transferable security and/or financial derivative instruments which are officially traded or listed on a stock exchange on any other regulated, regularly operating, recognised market which is open to the public are in principle be determined as being their last known price in Luxembourg on the valuation date, and, where the security or financial derivative instrument is traded on several different markets, by taking the security's or financial derivative instrument's latest known price on its main market; unless such price is not representative.

2.2.3 In as much as transferable securities in the portfolio on the Valuation Day are neither officially listed nor dealt on a regulated, regularly operating, recognised market, or in the case or in the case where, for securities officially listed or dealt on a stock exchange or another regulated market, the price as determined is not representative of the true value of those securities, the valuation is made on the basis of their likely value of realisation estimated with due care and in good faith.

2.2.4 Where, as a result of special circumstances, a valuation on the basis of the aforesaid rules becomes impracticable or inaccurate, other generally accepted and verifiable valuation criteria are applied in order to obtain an equitable valuation and the Board of Directors may adjust the value of any investment or permit some other method of valuation to be used for the assets of the Fund if it considers that the circumstances justify that such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investments.

#### **2.3 Acquisition cost of securities in the portfolio**

The acquisition cost of the securities held by the 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.

#### **2.4 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 changes in net assets.

#### **2.5 Dividend income**

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

## Notes to the financial statements as at August 31, 2021 (continued)

### Note 2 – Significant accounting policies (continued)

#### 2.6 Commission income

Redemption fees are reflected in the caption commission in the statement of operations and changes in net assets.

Commission are as follow:

Share Classes	R-Class	I-Class	PI- Class
Redemption Fee	Max. 1.5%	Max.0,5%	N/A

#### 2.7 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 Fund and of fees relating to liquidation of transactions paid to the depositary.

#### 2.8 Formation expenses

The organisation expenses of the Fund are amortised over the first five (5) accounting years. In case where further Sub-Funds are created in the future, these Sub-Funds will bear their own formation expenses.

#### 2.9 Other expenses

The caption "Other expenses" is mainly composed by any reasonable disbursements and out-of-pocket expenses (including without limitation telephone, e-mail, website, cable and postage expenses) incurred by the Depositary, paying agent, registrar and transfer agent and any depositary charges of banks and financial institutions to which custody of assets of a Sub-Fund is entrusted.

#### 2.10 Foreign currency translation

The reference currency of the Fund is EUR and the financial statements are expressed in that currency.

The net assets as well as the market value of the investments in securities expressed in currencies other than EUR are converted into EUR at the exchange rate prevailing at the balance sheet date.

Income and expenses expressed in currencies other than EUR are converted into EUR at the prevailing exchange rate at payment date.

The cost of securities denominated in currencies other than EUR is converted at the exchange rate prevailing at the date of acquisition.

The exchange rates prevailing as at August 31, 2021 are as following:

1 EUR = 1.487725 CAD

1 EUR = 1.081355 CHF

1 EUR = 7.435900 DKK

1 EUR = 0.857655 GBP

1 EUR = 129.660000 JPY

1 EUR = 10.172750 SEK

1 EUR = 1.179750 USD

### Note 3 – Subscription tax ("Taxe d'abonnement")

Under legislation and regulations prevailing in Luxembourg, the Fund is subject to the subscription tax ("taxe d'abonnement") at the rate of 0,05% per annum, except for the sub-funds share classes which benefit from a reduced tax rate of 0,01%, like money market Sub-Funds and the class of shares dedicated to institutional investors (The I-Class and PI-Class benefit from a reduced "taxe d'abonnement" of 0.01% of the net assets which is dedicated to that type of shares).

A Sub-Fund or share class may be exempted of "taxe d'abonnement" to the extent that: its shares are reserved for institutional investors, it is investing solely in money market instruments and deposits with credit institutions, and it has obtained the highest possible rating from a recognized rating agency.

The "taxe d'abonnement" is calculated on the basis of the NAV of each Sub-Fund on the last day of the quarter and payable quarterly to Luxembourg authorities.

## **Notes to the financial statements as at August 31, 2021 (continued)**

### **Note 3 – Subscription tax (“Taxe d’abonnement”) (continued)**

Pursuant to Art 175(a) of the amended Law of December 17, 2010, the net assets invested in UCI already subject to the “taxe d’abonnement” are exempt from this tax.

### **Note 4 – Management Company, Portfolio Management, Domiciliation, Administration Fees and Risk Management fees**

The Management Company is entitled to receive from each Sub-Fund a management company fee of max 0.075% per year, based on the net assets of the Sub-Fund with a minimum of EUR 15,000 per Sub-Fund per year. The fee will be calculated on the monthly average of the total assets under management of the previous month. The fee will be payable monthly in arrears.

The Management Company is entitled to receive a maximum portfolio management fee 0.075% per year, based on the net assets of the Sub-Fund with a minimum of EUR 20,000 per Sub-Fund per year. This fee will be payable monthly in arrears.

The Management Company is also entitled to receive from each Sub-Fund a domiciliation fee amounting of EUR 3,500 per year. This fee will be payable yearly.

The Management Company is further entitled to receive from each Sub-Fund an administration maximum fee of 0.06% based on the net assets of the Sub-Fund with a minimum of EUR 24,000 per Sub-Fund per year. This fee will be payable monthly in arrears.

The Management Company is entitled to receive from each Sub-Fund a Risk Management fee amounting of EUR 9,000 per year. This fee will be payable monthly in arrears.

### **Note 5 – Investment Advisor Fee**

The Investment Advisor is entitled to receive from the Fund a maximum fee of 0.05% based on the net assets of the Sub-Fund per year per share class.

### **Note 6 – Placement agent fees**

The Placement Agent is entitled to receive the following fee based on the net assets of the Sub-Fund per year for:

- 1.2% for R and I share classes; and
- 0.8% for PI share class.

### **Note 7 – Depositary Fees and Paying Agency Fees**

The Depositary will receive a depositary fee of maximum 0.05% calculated on the basis of the Net Asset Value of the Fund at the end of each month and payable each month, plus a fixed commission per transaction.

Further the Depositary will receive an additional supervisory UCITS V fee of 0.005% calculated on the basis of the Net Asset Value of the Fund at the end of each month and payable each month with a minimum of EUR 2,500 per year and per Sub-Fund.

Furthermore, the Depositary charges a fee per transaction on securities. In addition, the Depositary is entitled to be reimbursed by the Company its reasonable out-of-pocket expenses and the fees charged to it by any correspondent bank or other agent (including any clearing system).

### **Note 8 – Registrar and Transfer Agent Fees**

EFA is entitled to receive from each Sub-Fund a registrar and transfer agency flat fee of EUR 6,000 per year and an additional fee per share class (starting from the second share class) of EUR 500.

EFA is further entitled to receive transaction-based fees.

### **Note 9 – Directors**

Each Director is entitled to an annual remuneration of 15,000 EUR + VAT per annum.

## Notes to the financial statements as at August 31, 2021(continued)

### Note 10 – Performance fees

The Performance Fee is payable for all share classes and is based on the last NAV per share calculated at the end of each calendar quarter (the Last Quarterly NAV).

If the NAV per share appreciates during the quarter by more than 1.25%, or by the Euribor (12 month) rate Bloomberg (BBG) code EUR012M applicable at the beginning of the quarter for the quarter, whichever is higher (the Hurdle Rate), relative to the latest All Time High NAV per share, the Management Company is entitled to receive 15 % of the increase of appreciation of the NAV per share in excess of the Hurdle Rate.

The All Time High NAV per share is always the latest NAV per share based on which a Performance Fee has been paid.

The performance fee will only be payable if the Last Quarterly NAV per share has reached the latest All Time High NAV per share and has surpassed it by the Hurdle Rate (High Water Mark system).

The performance fees will be payable on the outstanding shares at the end of the relevant quarter and become due for payment after the end of the quarter.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. This adjustment is applied to the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during such period.

If any shares are redeemed or converted into shares of another Sub-Fund during the calculation period, the cumulative performance fee accrued during the calculation period in respect of those shares shall be crystallized and become payable to the Management Company, even if no accrual for performance fees is otherwise due, after the end of the relevant quarter.

For distribution shares, if a dividend was distributed during the relevant financial period, this dividend per share is added to the current NAV per share in order to determine the variation of NAV to be taken into account.

At the end of the year, a performance fee was recorded for the Sub-Fund as follows:

Sub-Funds	Performance Fees	Amount of performance fee charged	% on share class NAV of performance fee charged
SIFTER FUND - Global	Class I - 15%	EUR 694,944.81	3.268%
	Class PI - 15%	EUR 3,669,054.79	3.290%
	Class R - 15%	EUR 1,011,267.84	2.898%

At the end of the year, outstanding performance recorded for the Sub-Fund is as follows:

Sub-Funds	Performance Fees	Amount of performance fee outstanding	% on share class NAV of performance fee outstanding
SIFTER FUND - Global	Class I - 15%	EUR 528,463.62	2.484%
	Class PI - 15%	EUR 2,865,067.84	2.569%
	Class R - 15%	EUR 800,349.74	2.294%

### Note 11 – Distribution of dividends

There are no distributions of dividends for the year.

### Note 12 – Changes in portfolio composition

Details of purchases and sales of investments for the year are available free of charge at the registered office of the Fund or Management Company.

### Note 13 – Subsequent event

There are no subsequent events to disclose.

## Unaudited appendix

### Method used to calculate global risk exposure

The method retained by the Management Company for the determination of the global risk exposure of the active Sub-Funds is the Commitment Approach.

### Total Expense Ratio (TER)

The TER is defined as the ratio between the total operating expenses (excluding performance fees and transaction fees) and the relevant Sub-Fund's / share class' average NAV (calculated on the basis of the average of the total net assets for the relevant period) expressed in its reference currency.

For the year ended **August 31, 2021**, the TER of each of the share class of SIFTER FUND - Global is as follows:

Class I	1.67%	Class PI	1.27%	Class R	1.71%
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### Portfolio Turnover Ratio (PTR)

The PTR refers to the measure of trading activity within a Sub-Fund's portfolio.

The PTR is defined as the ratio between the difference of the sum of the purchases and sales and the sum of the subscriptions and redemptions and the average NAV (calculated on the basis of the average of the total net assets for the relevant period) of the Fund expressed in its reference currency.

For the year ended August 31, 2021 the PTR of the Sub-Fund is as follows:

SIFTER FUND - Global	28.94%
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### Securities Financing Transaction Regulation ("SFTR")

As at August 31, 2021, the Fund is in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions regulation ("SFTR"). Nevertheless, no corresponding transactions were carried out during the year referring to the financial statements.

### Remuneration Policy

The Management Company established a remuneration policy that is compatible with a sound and efficient management of risks, that encourages such management, and which does not encourage excessive risk-taking which would be inconsistent with the risk profiles, rules or instruments of incorporation of the Funds.

The remuneration policy is aligned with the business strategy, objectives, values and the interests of the Management Company, of the Funds and of the investors in such Funds; and includes measures to avoid conflict of interests.

The remuneration policy and practice applies to those categories of employees, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the management companies or of the funds that they manage.

The below represents the total fixed and variable remuneration of the staff of the Management Company attributable to all the funds it manages from September 01, 2020 to August, 31, 2021, taking into account UCITS and non-UCITS; as well as the figures proportionate to the total net assets of the Fund:

SIFTER FUND:

	Total for the Management Company	Proportionally to the total net assets of the Fund
Fixed remunerations	2,773,728 EUR	83,619 EUR
Variable remunerations	89,750 EUR	2,706 EUR
Number of beneficiaries (average headcount)	46	1
Amount paid directly by the Fund	0 EUR	0 EUR

## Unaudited appendix (continued)

### Remuneration Policy (continued)

The below represents the aggregate amount of remuneration broken down by executive and identified staff from September 01, 2020 August 31, 2021, whose actions have a material impact on the risk profile of the funds, taking into account UCITS and non-UCITS; as well as the figures proportionate to the total net assets of the Fund:

SIFTER FUND:

	Total for the Management Company	Proportionally to the total net assets of the Fund
Remuneration to executives	757,424 EUR	22,834 EUR
Identified staff	694,859 EUR	20,948 EUR

The fixed element represents a sufficiently large proportion of the total remuneration and allows the Management Company to operate a completely flexible bonus policy, including the possibility to pay no variable remuneration component. No remuneration includes a variable element commitment. Bonuses were awarded by combining the evaluation of each employee's own performance based on non-financial criteria with that of the relevant operational department concerned and the results of the Management Company.

The Board of Directors establishes the general principles governing the Management Company's remuneration policy and supervises its implementation. This process is governed by the non-executive directors. In establishing this policy, the Board of Directors of the Management Company takes into account all elements pertaining to the Management Company's strategy, the risk-taking strategy, and the nature, scale and complexity of the activities. The Board of Directors of the Management Company is reviewing the remuneration policy on a yearly basis.

## Additional information for investors in Switzerland

### Representative in Switzerland

Oligo Swiss Fund Services S.A., Av. Villamont 17, CH-1005 Lausanne, Switzerland.

### Paying agent in Switzerland

Banque Cantonale de Genève, Case Postale 2251, CH-1211 Genève 2, Switzerland.

### Location where the relevant documents may be obtained

Copies of the Articles of incorporation, the Prospectus, the Key Investor Information Documents (KIID), the annual and semi-annual reports of the Company, as well as a list presenting all acquisitions and disposals carried out during the period considered may be obtained free of charge from the Swiss Representative.

### Total Expense Ratios (for the 12 months ending August 31, 2021)

Sub-fund	Share Class	TER including performance fee (for the 12 months ending 31.08.2021)
Sifter Fund - Global	I	5.39%
Sifter Fund - Global	PI	5.10%
Sifter Fund - Global	R	5.39%

### Performance Data

Sub-fund	Share Class	01/09/2020 31/08/2021	01/09/2019 31/08/2020	01/09/2018 31/08/2019
Sifter Fund - Global	I	30.53%	10.85%	8.91%
	PI	30.97%	11.23%	9.28%
	R	30.52%	10.77%	8.86%

Past performance is no indicator of current or future performance. The information and figures contained in this report are historical and are not necessarily indicative of future performance.