

**Annual report including audited financial statements
as at 31st December 2020**

FIMARGE FUND

A mutual fund (Fonds Commun de Placement)
under the laws of the Grand Duchy of Luxembourg

R.C.S. Luxembourg K1867

Management Company: KREDIETRUST LUXEMBOURG S.A.
R.C.S. Luxembourg B65896

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") supplemented by the latest annual report including audited financial statements and the most recent semi-annual report, if published thereafter.

FIMARGE FUND

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FIMARGE FUND

Organisation

Management Company	KREDIETRUST LUXEMBOURG S.A. 88, Grand-Rue L-1660 LUXEMBOURG
Board of Directors of the Management Company	
Chairman	Vincent DECALF
Director	Clemens LANSING (since 27th January 2021) Olivier de JAMBLINNE de MEUX (until 27th January 2021)
Managing Director	Aurélien BARON (since 18th February 2020) Kristel COOLS (from 18th February 2020 to 30th June 2020) Stefan VAN GEYT (until 18th February 2020)
Conducting officers of the Management Company	Aurélien BARON Kristel COOLS (until 25th August 2020) Antoine LEGROS SAINT-JALM (from 18th February 2020 to 25th August 2020) Cyril THIEBAUT (since 25th August 2020) Stefan VAN GEYT (until 18th February 2020)
Administration Agent and Registrar and Transfer Agent	KREDIETRUST LUXEMBOURG S.A. 88, Grand-Rue L-1660 LUXEMBOURG
Delegated Administration Agent and Registrar and Transfer Agent	EUROPEAN FUND ADMINISTRATION 2, Rue d'Alsace L-1122 LUXEMBOURG
Investment Manager	FIMARGE, SOCIETAT FINANCERA D'INVERSIO Bonaventura Armengol n°10, Bâtiment 1, 5ème étage AD500 ANDORRA LA VELLA ANDORRA
Depository and Paying Agent	QUINTET PRIVATE BANK (EUROPE) S.A (formerly KBL European Private Bankers S.A.) 43, Boulevard Royal L-2955 LUXEMBOURG

FIMARGE FUND

Organisation (continued)

Cabinet de révision agréé

KPMG Luxembourg, Société coopérative
39, Avenue John F. Kennedy
L-1855 LUXEMBOURG

FIMARGE FUND

Report on activities of the Board of Directors of the Management Company

Once the year is over, it is a good time to take stock of how the portfolio has been managed. It is a photo of the last twelve months, of the evolution of its financial assets. A photo that in the long investment horizon that requires management, only serves to see the trend, to correct errors, to take advantage of opportunities but above all to reaffirm with the process and the philosophy of investment.

Fimarge Fund Class I has obtained a return of 4,1% and Class A 3,5%. Yield is mainly explained by the good selection of shares and emerging debt funds. Unfortunately, currencies and corporate fixed income have not contributed performance.

We started the year knowing that the economic cycle and markets were very stretched. Global economic growth gave signs of fatigue and more cyclical sectors such as raw materials or the automobile were already suffering from a certain slowdown. In financial markets, an environment of extremely low interest rates on sovereign and corporate bonds reflected the maturity of the fixed-income market cycle. The stock markets, recovered from the falls of 2018, were once again attempting an assault on highs.

The portfolios were invested in 4 themes: liquidity, short sovereign and corporate debt, emerging debt and quality stock market. Without knowing what could revive the economic cycle or slow it down more and without the ability to anticipate a health crisis that was already roaming us, we faced the year with resilient portfolios.

In March 2020, the health crisis became a capital reality and markets reacted with the volatility we have seen in previous crises. Russia's default, the Asian crisis of '97, Lehman's bankruptcy in 2008 or the European crisis of 2012 are good examples.

On March 15, 2020 and seeing the evolution of the different asset classes, we decided to sell "treasuries" and dollar. We also decided to take advantage of the corrections to give more quality to the stock market portfolio, maintaining the highest stock markets, following our investment philosophy. We started buying quality stocks and that previously seemed too demanding in price, reducing those with lower revaluation potential or lower quality. We believed that the portfolio would be able to go through this crisis and continue to grow in the future.

On March 25, 2020, we already believed that the health crisis would lead to an economic crisis. We did not know and do not know the future economic impact or the duration of this, but the strong liquidity offered by central banks and governments to protect the economy gave us even more confidence in the composition of the portfolio.

Persisting and being patient with a successful investment philosophy has been the key to recovering losses in March 2020 and ending the year with portfolios with positive returns.

Again, the market has shown us that the worst thing you can do is think you can predict the markets. It is many years seeing the performance of the markets, their flows, the fears of investors, the interventions of governments. In the end, what is necessary is to be well invested in quality financial assets, with the ability to withstand crisis situations and that over time provide performance.

FIMARGE FUND

Report on activities of the Board of Directors of the Management Company (continued)

Portfolio activity

During the year we have taken advantage of this year's volatility to re-build a corporate fixed-income portfolio with more potential and good issuers at maturity. We have purchased bonds from Intercontinental Hotels, Repsol, Sika, Diageo, Amadeus, BMW, Coca Cola European Partners, Galp, among others.

We have also increased the weight on emerging debt. The investment thesis remains intact. Emerging economies are less indebted, have lower fiscal deficits, grow more and their real rates are positive.

On the stock market, portfolio quality stocks have done very well, both in absolute terms and in relative terms. Once the first wave remitted, their business models have proved resilient and in some cases even benefited (PayPal, Fox Factory or Avon Rubber are good examples).

During the year, we have incorporated new ideas such as ADP, Siemens Healthineers, Allegion, Assa Abloy, SAP, Intercontinental, Diploma and Dermapharm. High quality companies that have been punished by the market at times of greater uncertainty.

We have sold companies of less quality like Freenet, Barrick Gold, Viscofan, Groupe Guillin, Premium Brands, Corticeira, Neurones or that already were too stretched as the case of Avon Rubber, Reckitt Benckiser, or Atlas Copco.

What will happen?

Hardly anyone can anticipate either the cause or the timing of an economic crisis. This time it has been the health crisis that induced this global recession. How we will get out of this economic crisis depends on the future evolution of the markets.

We believe we are at the beginning of the end of the health crisis. The beginning of vaccinations and their effectiveness make us think so. If the limitations to movement are reduced over the months, we must expect a recovery in economic normality. The support of expansionary monetary and fiscal policies will be crucial to improving economies but are not a guarantee of their care.

In the short term the recovery may not be so fast and the current economic weakness will persist in 2021. We are already seeing a third wave. The economic recovery in 2021 will depend on its evolution. In the medium term, we do believe that economies will behave better.

The OECD expects many economies to suffer limitations until the end of 2021 and global growth will stand at 5.5% by 2022 if vaccines can be distributed efficiently. If not, its growth estimate is 2.2%. The International Monetary Fund estimates a 4.4% drop in world GDP in 2020 and a rise from 5.2% in 2021. For the United States it expects a fall of 4.3% and 8.3% for the Eurozone.

Market rotation?

Markets tend to anticipate economic recoveries. Depending on the expectations of improved economic growth, there will be winners and losers in both asset classes and sectors of the economy.

For now, the market is betting on a lack of inflation and a moderate economic recovery. If the recovery ends up being stronger, there is a risk of an increase in inflation expectations and the consequent rise in interest rates. In this case, raw materials and more cyclical sectors would be the clear winners, along with emerging markets and their currencies. These should benefit from the rotation towards more cyclical and value assets. The loser would be the dollar that usually depreciates when the global economy recovers.

FIMARGE FUND

Report on activities of the Board of Directors of the Management Company (continued)

The greater risk of the desired economic recovery is a high inflation expectation, explained by a recovery in demand greater than supply, contained by lower investment by employers. If so, apart from the sharp interest rate hike, stocks and the real estate sector would be penalised. For now, the low use of capacity and imports keeps us in control.

We believe that this scenario of higher inflation is not the most likely in the short term, but it needs to be taken into account.

How will the markets react?

Our scenario for next year is economic growth, weak, but stimulated by tax aid and low interest rates. A macroeconomic environment favoured by risk assets. If this dreaded third wave is contained, stock exchanges, corporate bonds, high yields, and emerging markets would be the winners.

On the stock market, higher-growth stocks could do worse than cyclical or so-called value. We talk about value companies when they have strong discounts between price and value. By sector, the ones that would do best would be the big ones affected by the pandemic (raw materials, industrial, transport, tourism, leisure and bins) against the beneficiaries (technology, health, electrical and non-discretionary consumption).

How is the portfolio positioned?

In recent months, without losing the investment philosophy, we have been completing the portfolio in more cyclical quality companies. Companies that will benefit from the economic recovery and have suffered corrections in their prices. Examples of current positions are Allegion, Rotork and Assa Abloy in the industrial sector, Amadeus and Intercontinental in the tourism sector or Victrex in the raw materials sector.

The strong volatility in corporate credit has allowed us to enter quite attractive issuers that must be benefited by economic improvement and the low interest rate environment.

We remain invested with emerging debt. The dollar's depreciation in recent months and expectations of global economic recovery and commodities should strengthen emerging economies and their currencies. Emerging debt becomes a very interesting asset class for this coming year with interest rates in local currencies around 5% plus the potential appreciation of its currencies.

The economic crisis has penalized cyclical currencies such as the Norwegian Crown, the Swedish Krona or the Canadian Dollar. We believe that as the economic cycle recovers, these currencies will be appreciated against the Euro. For this reason, we remain invested in sovereign bonds of these currencies.

How should the medium-term portfolio be positioned?

We prefer the stock market to fixed income for years to come. Managers like to buy assets that have little to lose and with a lot of optionality to gain. In the case of fixed income, understood as a refuge and conservative asset, it is quite the opposite. In the coming years there is little to gain and much to lose.

The yield on traditional fixed income over the next few years can be very frustrating. In an environment of low interest rates, performance expectations are low. It only makes sense to expose yourself to a traditional fixed income if you expect a strong economic depression in the coming year. In this case, the bonds would enjoy an appreciation in price. It is not our main scenario and that is why we do not see fixed income as a refuge asset.

FIMARGE FUND

Report on activities of the Board of Directors of the Management Company (continued)

In the medium term, we may encounter an overly stimulated economy and risk an expectation of excessive inflation penalising markets. We believe that inflation may be higher in the coming years, given the strong measures of quantitative and fiscal easing, which will lead to a rebound in interest rates and a significant loss in bond prices arising from the concept of duration.

The stock market portfolio has been invested following Fimarge's investment philosophy. We have prioritized the quality of each of the actions at the discount. We have bought quality companies understood as those with structural growth, solid balance sheet (almost without debt), with competitive advantages and high margins that allow you to reinvest your cash generation in businesses with high returns on the capital used. At present, we are not concerned about the solvency or liquidity of portfolio stocks. They will suffer the consequences of these confinements, but when normality recovers, they will recover their rate of growth, income and results.

Luxembourg, 9th February 2021

The Board of Directors of the Management Company

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



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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NEF and each of its sub-funds (“the Fund”), which comprise the statement of net assets and the securities portfolio as at 31 December 2020 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of NEF and each of its sub-funds as at 31 December 2020, 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.

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 “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 Fund’s Management Company is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the “réviseur d’entreprises agréé” thereon.

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



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

Responsibilities of the Board of Directors of the Fund's Management Company for the financial statements

The Board of Directors of the Fund's Management Company 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's Management Company 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's Management Company 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's Management Company either intends to liquidate the Fund or any of its sub-funds 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

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 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's Management Company.
- Conclude on the appropriateness of the Board of Directors of the Fund's Management Company'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 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 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.

Luxembourg, 23 April 2021

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'P. Perichon'.

Patrice Perichon
Partner

FIMARGE FUND - FIMARGE BALANCED PORTFOLIO FUND

Statement of net assets (in EUR)

as at 31st December 2020

Assets

Securities portfolio at market value	60,412,657.20
Cash at banks	9,046,540.53
Formation expenses, net	11,004.04
Income receivable on portfolio	301,736.77
Prepaid expenses	96.04
Total assets	69,772,034.58

Liabilities

Bank overdrafts	270.34
Expenses payable	254,813.89
Total liabilities	255,084.23
Net assets at the end of the year	69,516,950.35

Breakdown of net assets per unit class

Unit class	Number of units	Currency of unit class	NAV per unit in currency of unit class	Net assets per unit class (in EUR)
A	241,059.49	EUR	103.14	24,862,767.33
I	427,980.81	EUR	104.34	44,654,183.02
				69,516,950.35

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

FIMARGE FUND - FIMARGE BALANCED PORTFOLIO FUND

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

from 1st January 2020 to 31st December 2020

Income

Dividends, net	216,788.68
Interest on bonds and other debt securities, net	731,145.15
Total income	947,933.83

Expenses

Management fees	821,994.00
Depository fees	30,630.60
Banking charges and other fees	15,878.74
Transaction fees	57,131.14
Central administration costs	51,628.54
Professional fees	19,765.50
Other administration costs	48,896.08
Subscription duty ("taxe d'abonnement")	14,531.47
Bank interest paid	46,133.09
Other expenses	15,590.60
Total expenses	1,122,179.76

Net investment loss	-174,245.93
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Net realised gain/(loss)

- on securities portfolio	3,378,198.49
- on forward foreign exchange contracts	-222,143.58
- on foreign exchange	-99,948.54
Realised result	2,881,860.44

Net variation of the unrealised gain/(loss)

- on securities portfolio	-437,800.12
- on forward foreign exchange contracts	-24,746.69
Result of operations	2,419,313.63

Subscriptions	3,012,125.17
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Redemptions	-5,432,147.36
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Total changes in net assets	-708.56
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Total net assets at the beginning of the year	69,517,658.91
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Total net assets at the end of the year	69,516,950.35
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The accompanying notes are an integral part of these financial statements.

FIMARGE FUND - FIMARGE BALANCED PORTFOLIO FUND

Statistical information (in EUR)
as at 31st December 2020

Total net assets	Currency	31.12.2018	31.12.2019	31.12.2020
	EUR	60,055,378.43	69,517,658.91	69,516,950.35

Net asset value per unit class	Currency	31.12.2018	31.12.2019	31.12.2020
A	EUR	93.03	99.62	103.14
I	EUR	93.06	100.24	104.34

Number of units	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A	237,285.75	19,429.06	-15,655.32	241,059.49
I	457,689.95	10,895.00	-40,604.14	427,980.81

FIMARGE FUND - FIMARGE BALANCED PORTFOLIO FUND

Statement of investments and other net assets (in EUR)

as at 31st December 2020

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
Investments in securities					
Transferable securities admitted to an official stock exchange listing					
Shares					
CHF	213,024	Aryzta Ltd	318,193.62	134,329.16	0.19
CHF	4,115	Kardex Holding Reg	541,940.26	736,601.49	1.06
			860,133.88	870,930.65	1.25
DKK	13,767	Novo Nordisk AS B	583,780.19	789,087.60	1.13
EUR	11,508	Amadeus IT Group SA A	656,487.95	685,416.48	0.99
EUR	16,883	Anheuser-Busch InBev SA	1,082,188.80	962,499.83	1.38
EUR	81,710	Applus Services SA	792,216.65	737,024.20	1.06
EUR	14,780	Dermapharm Holding SE Bearer	672,738.57	841,868.80	1.21
EUR	185,485	Gestamp Automocion Bearer	739,079.08	731,923.81	1.05
EUR	38,788	Grifols SA B B	639,567.09	598,110.96	0.86
EUR	8,026	Henkel AG & Co KGaA Pref	788,925.90	740,799.80	1.07
EUR	19,408	Interpump Group SpA	527,676.56	782,918.72	1.13
EUR	207,885	Navigator (The) Co SA Reg	597,488.66	519,296.73	0.75
EUR	6,720	SAP SE	630,693.71	720,518.40	1.04
EUR	17,663	Siemens Healthineers AG Reg	678,319.25	741,492.74	1.07
EUR	5,303	Vetoquinol SA	317,146.40	443,330.80	0.64
			8,122,528.62	8,505,201.27	12.25
GBP	22,376	Diploma Plc Reg	521,733.52	547,903.90	0.79
GBP	87,599	Howden Joinery Group Plc	483,382.44	674,804.22	0.97
GBP	13,729	InterContinental Hotels Gr Plc Reg	692,925.97	719,271.97	1.03
GBP	259,047	Rotork Plc	793,162.31	920,210.27	1.32
GBP	13,667	Victrex Plc	310,957.84	358,164.54	0.51
			2,802,162.08	3,220,354.90	4.62
SEK	35,664	Assa Abloy AB B	635,864.07	718,136.83	1.03
USD	9,945	Allegion PLC	888,258.36	945,896.62	1.36
USD	518	Alphabet Inc C	500,262.62	741,642.56	1.07
USD	5,545	Automatic Data Processing Inc	659,290.71	798,487.25	1.15
USD	44,669	Cameco Corp	412,944.20	489,183.23	0.70
USD	8,368	Fox Factory Hg Corp Reg	437,163.51	722,933.38	1.04
USD	4,768	Johnson & Johnson	556,640.09	613,262.37	0.88
USD	2,656	Microsoft Corp	237,719.34	482,794.64	0.69
USD	2,845	PayPal Holdings Inc	206,464.68	544,539.88	0.78
USD	86,301	Teva Pharma Ind Ltd ADR repr 1 Share	1,001,770.21	680,618.38	0.98
			4,900,513.72	6,019,358.31	8.65
Total shares			17,904,982.56	20,123,069.56	28.93
Bonds					
CAD	5,103,000	Canada 0.75% Ser F585 Sen 16/01.09.21	3,376,323.19	3,287,531.83	4.73
EUR	300,000	Amadeus IT Group SA 0.875% EMTN Sen Reg S 18/18.09.23	287,289.00	306,426.00	0.44
EUR	671,000	Anheuser-Busch InBev SA FRN EMTN Sen Reg S 18/15.04.24	662,075.70	675,264.21	0.97
EUR	672,000	Avantor Funding Inc 2.625% 20/01.11.25	692,771.52	689,502.24	0.99
EUR	600,000	Banco Bilbao Vizcaya Argent SA 0.75% EMTN Sen 17/11.09.22	581,088.00	609,933.00	0.88
EUR	300,000	Banco Santander SA VAR Reg S 14/11.12.Perpetual	318,300.00	307,951.50	0.44
EUR	700,000	Bankia SA 1% EMTN Sen 19/25.06.24	705,670.00	721,882.00	1.04
EUR	320,000	BMW Finance NV 0.5% EMTN Sen Reg S 18/22.11.22	310,220.80	324,515.20	0.47
EUR	700,000	Caixabank SA VAR EMTN Reg S Sen Sub 17/15.02.27	732,641.70	722,029.00	1.04
EUR	317,000	Coca-Cola Eur Partners PLC 0.75% Reg S Sen 16/24.02.22	317,789.33	320,407.75	0.46
EUR	650,000	Dometic Group AB 3% EMTN Sen Reg S 18/13.09.23	691,860.00	678,834.00	0.98
EUR	700,000	Galp Energia SGPS SA 1% EMTN Sen Reg S 7/15.02.23	689,395.00	707,315.00	1.02
EUR	677,000	Gestamp Funding Luxembourg SA 3.5% Reg S Sen 16/15.05.23	680,243.55	683,113.31	0.98
EUR	666,000	Grifols SA 3.2% Sen Reg S /01.05.25	665,338.32	673,945.38	0.97

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

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

FIMARGE FUND - FIMARGE BALANCED PORTFOLIO FUND

Statement of investments and other net assets (in EUR) (continued) as at 31st December 2020

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
EUR	326,000	InterContinental Hotels Gr Plc 2.125% EMTN SER05 18/15.05.27	298,889.84	345,398.63	0.50
EUR	300,000	Legrand SA 3.375% EMTN Sen 12/19.04.22	316,500.00	313,873.50	0.45
EUR	300,000	Liberbank SA VAR Sen Sub 17/14.03.27	315,617.00	318,532.50	0.46
EUR	630,000	NetFlix Inc 3.625% Sen Reg S 17/15.05.27	629,777.18	704,025.00	1.01
EUR	685,000	Nomad Foods BondCo Plc 3.25% Sen Reg S 17/15.05.24	688,420.87	694,970.18	1.00
EUR	332,000	Primo Water Holdings Inc 3.875% Sen Reg S 20/31.10.28	334,257.60	341,486.90	0.49
EUR	670,000	Quintiles IMS Inc 2.25% Sen Reg S 19/15.01.28	679,078.50	678,016.55	0.98
EUR	710,000	RCI Banque SA FRN EMTN Sen 17/04.11.24	685,150.00	694,749.20	1.00
EUR	300,000	Repsol Intl Finance BV 2% Reg S Sen 20/15.12.25	306,510.00	328,693.50	0.47
EUR	700,000	Schaeffler AG 2.75% EMTN Sen 20/12.10.25	702,310.00	743,498.00	1.07
EUR	314,000	Telecom Italia SpA 3.25% EMTN Sen 15/16.01.23	327,021.48	331,309.25	0.48
EUR	300,000	Telefonica Europe BV VAR Sub 14/31.03.Perpetual	346,290.00	338,082.00	0.49
EUR	847,000	Teva Pharmaceutical Fin II BV 1.125% Reg S Sen 16/15.10.24	727,372.15	788,802.63	1.13
EUR	653,000	Verisure Holding AB 3.5% Sen Reg S 18/15.05.23	683,886.90	663,500.24	0.95
			14,375,764.44	14,706,056.67	21.16
GBP	401,000	Informa Plc 3.125% EMTN Ser 2 18/05.07.26	478,427.84	478,715.52	0.69
GBP	2,125,000	United Kingdom 1.5% T-Stock Sen 15/22.01.21	2,354,916.46	2,375,678.24	3.42
			2,833,344.30	2,854,393.76	4.11
MXN	154,301	Mexico 6.5% Bonos Ser M 11/09.06.22	687,939.66	652,378.30	0.94
NOK	35,202,000	Norway 3.75% 10/25.05.21	3,684,751.91	3,404,359.37	4.90
SEK	23,615,000	Sweden 3.5% Ser 1054 10/01.06.22	2,380,860.45	2,476,569.31	3.56
USD	6,505,000	US T-Notes 1.375% Ser Z2021 16/31.05.21	5,702,267.45	5,344,003.44	7.69
Total bonds			33,041,251.40	32,725,292.68	47.09
Bonds in default of payment					
GBP	914,000	Celine Group Hgs Ltd 5.25% Sen 14/15.07.21	747,793.80	17,954.36	0.03
Total bonds in default of payment			747,793.80	17,954.36	0.03
<u>Transferable securities dealt in on another regulated market</u>					
Bonds					
EUR	400,000	Banco Bilbao Vizcaya Argent SA VAR Conv 19/29.06.Perpetual	423,944.00	430,088.00	0.62
EUR	300,000	Mapfre SA VAR Sub 17/31.03.47	309,672.00	349,777.50	0.50
Total bonds			733,616.00	779,865.50	1.12
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
EUR	16,263	Pictet Fds (LUX) Emerging Local Currency Debt HI Cap	1,708,909.31	1,845,850.50	2.65
EUR	11,580	Pictet Global Emerging Debt HI EUR Cap	3,097,219.43	3,511,519.20	5.05
EUR	10,590	TREA SICAV Em Mkts Cred Opp E C	1,300,981.50	1,409,105.40	2.03
Total investment funds (UCITS)			6,107,110.24	6,766,475.10	9.73
Total investments in securities			58,534,754.00	60,412,657.20	86.90
Cash at banks				9,046,540.53	13.01
Bank overdrafts				-270.34	0.00
Other net assets/(liabilities)				58,022.96	0.09
Total				69,516,950.35	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.

FIMARGE FUND - FIMARGE BALANCED PORTFOLIO FUND

Industrial and geographical classification of investments

as at 31st December 2020

Industrial classification

(in percentage of net assets)

Countries and governments	25.24 %
Financials	9.94 %
Healthcare	9.86 %
Investment funds	9.73 %
Technologies	9.51 %
Industrials	7.71 %
Cyclical consumer goods	6.38 %
Non-cyclical consumer goods	4.00 %
Raw materials	2.33 %
Energy	1.02 %
Utilities	0.70 %
Telecommunications services	0.48 %
Total	<u>86.90 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	16.77 %
United Kingdom	10.72 %
Luxembourg	10.71 %
Spain	10.35 %
Sweden	6.52 %
Germany	5.46 %
Canada	5.43 %
Norway	4.90 %
The Netherlands	2.56 %
Belgium	2.35 %
France	2.09 %
Portugal	1.77 %
Italy	1.61 %
Ireland	1.36 %
Switzerland	1.25 %
Denmark	1.13 %
Israel	0.98 %
Mexico	0.94 %
Total	<u>86.90 %</u>

FIMARGE FUND

Notes to the financial statements

as at 31st December 2020

Note 1 - General information

FIMARGE FUND (hereinafter the "Fund") is a mutual fund ("*fonds commun de placement*") under Part I of the Luxembourg law of 17th December 2010 on undertakings for collective investment, as amended (the "2010 Law"). The Fund was organised pursuant to "Management Regulations" entered into force on 8th January 2018.

The financial year-end is 31st December of each year. The Fund publishes an annual report including audited financial statements on 31st December and an unaudited semi-annual report on 30th June.

The accounts and the financial statements of the Fund are expressed in EUR and correspond to the financial statements of the sole sub-fund open.

Copies of the following documents may be inspected free of charge during normal business hours on any Luxembourg Business Day at the registered office of the Management Company:

- the Management Regulations;
- the Prospectus,
- the KIIDs;
- the Depositary Agreement;
- the Paying Agency Agreement;
- the Investment Management Agreement, if any;
- the Investment Advisory Agreement, if any;
- the latest annual and half-yearly financial statements;

Note 2 - Significant accounting and valuation policies

a) Presentation of the financial statements

The financial statements of the Fund are prepared in accordance with Luxembourg legal and regulatory requirements concerning undertakings for collective investment and with generally accepted accounting principles in Luxembourg.

The financial statements of the Fund have been prepared on a going concern basis.

b) Valuation of assets

- 1) The value of any cash in 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 is arrived at after making such discount as the Board of Directors of the Management Company ("the Board of Directors") may consider appropriate in such case to reflect the true value thereof.
- 2) The value of all securities and/or money market instruments which are listed or traded on an official stock exchange or traded on any other regulated market are valued on the basis of the last available prices on the Valuation Day or on the basis of the last available prices on the main market on which the investments of the Sub-Fund are principally traded. The Board of Directors approves a provider of securities prices which supply the above prices. If, in the opinion of the Board of Directors, such prices do not truly reflect the fair market value of the relevant securities, the value of such securities is determined in good faith by the Board of Directors either by reference to any other publicly available source or by reference to such other sources as it deems in its discretion appropriate.

FIMARGE FUND

Notes to the financial statements (continued)

as at 31st December 2020

- 3) Securities not listed or traded on a stock exchange or a regulated market are valued on the basis of the probable sales price determined prudently and in good faith by the Board of Directors.
- 4) Securities issued by open-ended investment funds are valued at their last available Net Asset Value ("NAV") or in accordance with item (2) above where such securities are listed.
- 5) The liquidating value of futures, forward or options contracts that are not traded on exchanges or on other organised markets are determined pursuant to the policies established by the Board of Directors, on a basis consistently applied. The liquidating value of futures, forward or options contracts traded on exchanges or on other organised markets are based upon the last available settlement prices of these contracts on exchanges and organised markets on which the particular futures, forward or options contracts are traded; provided that if a futures, forward or options contract could not be liquidated on such Valuation Day with respect to which a NAV is being determined, then the basis for determining the liquidating value of such contract is such value as the Board of Directors may deem fair and reasonable.
- 6) All other securities and other permissible assets as well as any of the above mentioned assets for which the valuation in accordance with the above sub-paragraphs would not be possible or practicable, or would not be representative of their fair value, are valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors.

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 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.

c) 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.

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.

Interest income accrued is recorded, net of any withholding tax.

f) Valuation of forward foreign exchange contracts

Forward foreign exchange contracts are valued at forward market rates for the remaining period from valuation date to the maturity of the contracts. Net unrealised gains or losses 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.

FIMARGE FUND

Notes to the financial statements (continued)

as at 31st December 2020

g) Formation expenses

Formation expenses are 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 Fund, the formation expenses related to the launch of the new Sub-Fund is charged to such Sub-Fund alone and may be amortised over a maximum of five years with effect as from the Sub-Fund's launch date.

h) Conversion of foreign currencies

Cash at banks, bank overdrafts, other net assets, 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 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 transaction.

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 Fund relating to securities, of fees relating to transactions paid to the depositary.

Note 3 - Management fees

The item "Management fees" in the statement of operations and other changes in net assets are composed of Management Company fees and Investment Management fees.

Management Company fees

As remuneration for the services of Management Company, the Management Company is entitled to receive an annual fee of 0.05% of the average of the net assets of the Sub-Fund with a minimum of EUR 6,250 per Sub-Fund to be paid at the end of each quarter.

Investment Management fees

For its investment management services, the Investment Manager is entitled to receive an investment management fee accrued on each Valuation Day and payable quarterly in arrears, of a maximum of 1.50% per annum of the average of net assets of the Sub-Fund attributable to each unit class. The effective rate currently applied for the unit class A is 1.5% and for the unit class I is 1%.

Note 4 - Depositary fees

The remuneration for depositary services are included in the item "Depositary fees" disclosed in the statement of operations and other changes in net assets.

Note 5 - Central administration costs

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

FIMARGE FUND

Notes to the financial statements (continued)

as at 31st December 2020

Note 6 - Subscription duty ("*taxe d'abonnement*")

The Fund is governed by Luxembourg Law.

Pursuant to the legislation and regulations in force, the Fund is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter. The rate of this tax is reduced to 0.01% for the share classes reserved to institutional investors.

Pursuant to Article 175 (a) of the amended 2010 Law, the net assets invested in undertakings for collective investment already subject to the "*taxe d'abonnement*" are exempt from this tax.

Note 7 - Changes in investments

The statement of changes in investments for the reporting period is available free of charge at the registered office of the Management Company.

Note 8 - Forward foreign exchange contracts

At the date of the financial statements, the Sub-Fund is not committed in any forward foreign exchange contract.

Note 9 - Events

With effect from 16th January 2020, KBL EUROPEAN PRIVATE BANKERS S.A. changed its name to QUINTET PRIVATE BANK (EUROPE) S.A..

During the year the COVID-19 epidemic has caused great instability in the financial markets and the global economy. As a result, we have seen an unprecedented stimulus packages from governments and Central Banks. More than 12 billion vaccine doses have been announced by all manufacturers for release in 2021 in case all vaccine candidates succeed in clinical trials. Multiples vaccines are authorized and new ones should be in the first quarter of 2021.

The Board of Directors of the Management Company will closely follow these exceptional events and will continue to watch the efforts done by the governments to contain the spread of the virus and monitor the economic impact.

All efforts will be taken by the Board of Directors of the Management Company to ensure that the interests of the investors are protected and to minimise any negative impact on the future returns and performance of the Fund.

Note 10 - Subsequent events

Unfortunately, the 3rd wave of COVID-19 is active.

The efficacy of vaccines against new variants of Covid-19 that have been identified in Brazil, South Africa, The United Kingdom, and other regions are vital.

The efficient distribution of safe vaccines is also crucial for re-establishing economic recovery and protecting lives as well as ensure sufficient vaccination coverage to reach immunity. This efficient coverage would be between 60 and 70 percent of population.

FIMARGE FUND

Notes to the financial statements (continued)

as at 31st December 2020

We are not yet out of this extraordinary situation but financial markets have recovered part of the recent falls. Equities are buffeted between supportive policies on one hand and demanding valuations and COVID-19 headlines.

FIMARGE FUND

Additional information (unaudited)

as at 31st December 2020

1 - Risk management

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

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

2 – Remuneration

Total KTL staff member remuneration is split into a fixed and a variable remuneration:

-Fixed	EUR 2,953,977.00
-Variable	EUR 225,099.00

Number of employees:

-30 headcount

Aggregated remuneration of the conducting officers remuneration is EUR 332,279.00.

Details of the management company's updated remuneration policy, including a description of how remuneration and benefits are calculated, are available on the website <https://www.kbl.lu/en/what-we-do/institutional-clients/regulatory-affairs/>.

The Investment Manager's remuneration is split into a fixed and a variable remuneration:

-Fixed	EUR 1,069,211.72
-Variable	EUR 44,681.43

Number of employees: 20.67

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 Fund 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.