

# MONOCLE FUND SICAV

Investment company with variable capital and multiple sub-funds under Luxembourg law

R.C.S. Luxembourg B189329

Annual report including audited financial statements as at 2021.12.31

**DISCLAIMER** The official language of the Annual Report is French. The translation of this Annual Report is a free translation. In the event of any discrepancies between the French text and the English into which the Annual Report is translated, the French text shall prevail. The French version of the Annual Report was reviewed and audited by Grant Thornton Luxembourg.

Table of contents

---

<b>Management and administration</b>	<b>3</b>
<b>Audit report</b>	<b>4</b>
<b>Combined financial statements</b>	<b>7</b>
<b>Notes</b>	<b>9</b>
<b>Activity report (unaudited)</b>	<b>12</b>
<b>Report by compartment</b>	
MONOCLE FUND SICAV - Monocle Fund	13
<b>Unaudited information</b>	<b>17</b>

Management and administration

---

**Head Office**

---

MONOCLE FUND SICAV  
5, rue Jean Monnet, L-2180 Luxembourg  
R.C.S. Luxembourg B189329

**Board of Directors**

---

Charles Monot,  
Chairman, Monocle Asset Management  
France

Jean-Bernard Quillon,  
Manager, Agama Advisors  
Grand Duchy of Luxembourg

Sandrine Dubois  
Independent Director  
Grand Duchy of Luxembourg

**Management company**

---

Carne Global Fund Managers (Luxembourg) S.A. (until 2021.06.30)  
3, rue Jean Piret  
L-2350 Luxembourg

MONOCLE ASSET MANAGEMENT (since 2021.07.01)  
15, rue Monsigny  
75002 Paris, France

**Financial Manager**

---

Thornbridge Investment Management LLP (until 2021.06.30)  
13, Austin Friars  
London EC2N 2HE

MONOCLE ASSET MANAGEMENT (since 2021.07.01)  
15, rue Monsigny  
75002 Paris, France

**Custodian bank**

---

Credit Suisse (Luxembourg) S.A.  
5, rue Jean Monnet  
L-2180 Grand Duchy of Luxembourg

**Domiciliary Agent, Administrative Agent,  
Transfer Agent and Registrar**

---

Credit Suisse Fund Services (Luxembourg) S.A.  
5, rue Jean Monnet  
L-2180 Grand Duchy of Luxembourg

**Chartered Accountant**

---

Grant Thornton Audit & Assurance, S.A.  
13, rue de Bitbourg  
L-1273 Grand Duchy of Luxembourg

**Additional information for qualified investors in Switzerland**

---

Representative in Switzerland:  
The representative in Switzerland is Carnegie Fund Services S.A., 11, rue du Général Dufour, 1204 Geneva, Switzerland.

Paying agent in Switzerland:  
The paying agent in Switzerland is Banque Cantonale de Genève, 17, quai de l'île, 1204 Geneva, Switzerland.

No subscriptions can be received on the basis of financial reports. Subscriptions are only received on the basis of the current issue prospectus together with the latest annual report and the most recent semi-annual report.

The issue and redemption prices are made public in Luxembourg at the registered office of the Company.

Investors may obtain the prospectus, the simplified prospectus, the latest annual and semi-annual reports (and changes in the composition of the securities portfolio for the reporting period) and copies of the Articles of Association free of charge from the registered office of the Company and from the local representatives in the countries where the Fund is registered.

**To the shareholders of  
MONOCLE FUND SICAV  
5, Rue Jean Monnet  
L-2180 Luxembourg**

---

**Grant Thornton Luxembourg**

Grant Thornton Audit &  
Assurance  
Société anonyme  
13, rue de Bitbourg  
L-1273 Luxembourg  
T +352 40 12 99 1  
F +352 40 05 98

**REPORT OF THE STATUTORY AUDITOR****Opinion**

We have audited the accompanying financial statements of MONOCLE FUND SICAV (the "Fund"), which comprise the statement of net assets and the statement of investment portfolio as at 31 December 2021 and the statement of operations / 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 December 2021, and of the results of its operations and the changes in its net assets for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements

**Basis of opinion**

We conducted our audit in accordance with the law of 23 July 2016 on the audit profession ("la loi du 23 juillet 2016") and 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 the ISAs are described in more detail in the section "Responsibilities of the Chartered Accountant for the audit of the financial statements" of this report. We are also independent of the Fund in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants ("the IESBA Code") as adopted for Luxembourg by the CSSF and with the ethical rules applicable to the audit of the financial statements, and we have fulfilled our other responsibilities under these rules. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Other information**

The other information is the responsibility of the Board of Directors of the Fund. The other information consists of the information presented in the annual report but does not include the financial statements and our audit report on those statements.

Our opinion on the financial statements does not extend to the other information and we do not express any form of assurance on this information.

---

**Chartered Accountants & Réviseurs d'Entreprises Agréés**

Grant Thornton Audit & Assurance

VAT reg: LU26666925. Registered in Luxembourg. Company number: B183652

Grant Thornton Luxembourg is the Luxembourg member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered independently by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

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

#### **Board of Directors' responsibility for the financial statements**

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as it 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, it is the responsibility of the Board of Directors to assess the Fund's ability to continue as a going concern, to disclose going concern issues as appropriate and to apply the going concern accounting principle unless the Board of Directors intends to liquidate the Fund or its sub-funds or to cease trading, or if no other realistic alternative is available to it.

#### **Responsibilities of the Chartered Accountant for the audit of financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue Chartered Accountant report containing our opinion. Reasonable assurance corresponds to a high level of assurance, which does not guarantee that an audit performed in accordance with the law of 23 July 2016 and the ISAs as adopted for Luxembourg by the CSSF will always detect any material misstatement that may exist. Misstatements may arise from fraud or error and are considered material when it is reasonable to expect that, individually or in aggregate, they could affect the economic decisions that users of the financial statements make in reliance on them.

In the context of an audit performed in accordance with the law of 23 July 2016 and the ISAs as adopted for Luxembourg by the CSSF, we exercise our professional judgment and apply critical thinking throughout the audit. In addition:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain sufficient appropriate audit evidence on which to base our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, falsification, intentional omissions, misrepresentation or circumvention of internal control;
- We obtain an understanding of the elements 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;
- We assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Board of Directors of the Fund, as well as the related disclosures made by the Board;

- We conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the evidence obtained, whether there is material uncertainty about events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. Our conclusions are based on the evidence obtained up to the date of our report;
- We evaluate the overall presentation, form and content of the financial statements, including the disclosures in the notes, and whether the financial statements present the underlying transactions and events fairly.

We communicate to those charged with governance, among other things, the scope and planned timing of the audit work and our significant findings, including any material weaknesses in internal control that we have identified during our audit.

Luxembourg, 15 April 2022

French version signed by  
Mehdi MANSOURY  
Registered Auditor Grant  
Thornton Audit & Assurance

**Statement of net assets (in EUR)**

	2021.12.31
<b>Assets</b>	
Securities portfolio at market value	104.303.048,24
Assets in the bank	8.085.791,56
Interest receivable	347.350,44
Prepaid expenses	7.994,27
	<b>112.744.184,51</b>
<b>Liabilities</b>	
Provisions for accrued expenses	145.252,80
Unrealised net loss on financial futures	950.878,47
	<b>1.096.131,27</b>
<b>Net assets</b>	<b>111.648.053,24</b>

**Statement of Operations / Changes in Net Assets (in EUR)**For the financial year from  
2021.01.01 to 2021.12.31

<b>Net assets, beginning of fiscal year</b>	<b>106.649.993,50</b>
<b>Revenues</b>	
Interest on securities portfolio (net)	1.112.658,59
Dividends (net)	1.469.830,39
	<b>2.582.488,98</b>
<b>Fees</b>	
Management commission	1.053.096,17
Performance fee	480,50
Custodian bank commission and custody fees	58.925,27
Administration costs	61.622,48
Printing and publication costs	345,00
Interest and bank charges	34.415,80
Review, audit, legal, representative and other fees	111.260,99
Subscription fee	55.066,62
	<b>1.375.212,83</b>
<b>Net income (loss)</b>	<b>1.207.276,15</b>
<b>Realized net income (loss)</b>	
Net realised profit (loss) on sales of securities	5.400.104,31
Net realised profit (loss) on financial futures	-9.610.017,55
Net realised profit (loss) on foreign exchange	204.095,48
	<b>-4.005.817,76</b>
<b>Net realised profit (loss)</b>	<b>-2.798.541,61</b>
<b>Change in net unrealized appreciation (depreciation)</b>	
Change in net unrealised appreciation (depreciation) on securities portfolio	7.934.679,39
Change in net unrealised appreciation (depreciation) on financial futures	-610.462,21
	<b>7.324.217,18</b>
<b>Net increase (decrease) in net assets from operations</b>	<b>4.525.675,57</b>
<b>Subscriptions / Acquisitions</b>	
Subscriptions	4.227.963,19
Acquisitions	-3.755.579,02
	<b>472.384,17</b>
<b>Net assets, end of fiscal year</b>	<b>111.648.053,24</b>

## General

MONOCLE FUND SICAV (hereinafter the "SICAV") is an open-ended investment company with variable capital incorporated in Luxembourg on 4 August 2014 for an unlimited period of time in the form of a Société Anonyme.

The Fund is subject in particular to the provisions of Part I of the 2010 Law, as well as to the Law of 10 August 1915 on commercial companies, as amended.

The Articles of Association of the SICAV (hereinafter the "Articles") were published in the Mémorial C, Recueil des Sociétés et Associations (hereinafter the "Mémorial") on 29 September 2014 and have been filed with the Registrar of the District Court of and in Luxembourg. They can be consulted electronically on the website of the Luxembourg Trade and Companies Registry ([www.rcls.lu](http://www.rcls.lu)). A copy of the Articles is also available, upon request and free of charge, at the registered office of the SICAV and can be consulted on the website [www.fundsquare.net](http://www.fundsquare.net).

The SICAV has been registered with the Luxembourg Trade and Companies Registry under number B189329.

The registered office of the SICAV is located at 5, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. Any questions regarding the general structure and policy of the SICAV should be addressed to the SICAV at its registered office.

At the date of this report, one sub-fund is available to investors:  
- MONOCLE FUND SICAV - Monocle Fund.

## Principal accounting policies

The financial statements of the SICAV are prepared in accordance with Luxembourg regulations governing Undertakings for Collective Investment.

a) Calculation of the net asset value of each sub-fund  
The calculation of the net asset value per share of each sub-fund, and where applicable of each share class/category of the SICAV, is carried out in Luxembourg by the Central Administration under the responsibility of the Board of Directors of the SICAV.

The net asset value is determined on each Valuation Day as defined below for each sub-fund on the basis of the latest closing prices, as published by the relevant stock exchanges, and by reference to the value of the assets held on behalf of the sub-fund concerned.

Since 2021.07.01, the MONOCLE FUND SICAV - Monocle Fund has been calculated daily. Previously, it was calculated weekly.

b) Valuation of the securities portfolio of each sub-fund  
(1) the shares/units of UCIs will be valued on the basis of their last official net asset value available on the Valuation Day, or unofficial if this is more recent (in this case on the basis of a probable net asset value, estimated prudently and in good faith by the Board of Directors, or on the basis of other sources such as information from the manager of the UCI);

(2) the value of cash on hand or on deposit, bills and demand notes and accounts receivable, dividends and interest accruing but not yet received, shall be the nominal value of such assets, except where it is unlikely that such value can be received. In the latter case, the value shall be determined by deducting such amount as may appear adequate to reflect the real value of such assets;

(3) the valuation of securities (i) listed or traded on a regulated market within the meaning of the 2010 Law as amended or (ii) traded on another market in an EU Member State which is regulated, operates regularly, is recognised and open to the public or (iii) admitted to official listing on a stock exchange in a non-EU Member State or traded on another market in a non-EU Member State, If the securities are traded on more than one market, the last known closing price on the Valuation Day of the main market for these securities is used. If the last known closing price on the given Valuation Day is not representative, the valuation will be based on the probable realisation value estimated with prudence and good faith;

(4) securities not listed or traded on a Regulated Market will be valued on the basis of the probable realisation value estimated with prudence and good faith.

(5) the liquidation value of financial futures and options contracts which are not traded on Regulated Markets shall be their net liquidation value determined in accordance with policies established by the Board of Directors, on a basis applied consistently to each type of contract. The liquidation value of futures or options contracts traded on Regulated Markets shall be based on the last available settlement price of such contracts on the Regulated Markets on which such futures or options contracts are traded by the SICAV; provided that if a futures or options contract cannot be liquidated on the day on which the net assets are valued, the basis for determining the liquidation value of such contract shall be determined by the Board of Directors in a fair and reasonable manner;

(6) forward exchange contracts are valued on the basis of the forward exchange rates applicable on the Valuation Day.

c) Net realised profit/loss on sales of securities of each sub-fund. Realised profits or losses on sales of securities are calculated on the basis of the average acquisition cost.

d) Foreign currency conversion

The financial statements are expressed in the reference currency of each sub-fund and the combined financial statements are prepared in EUR.

Bank balances, other net assets and the valuation of securities in the portfolio expressed in currencies other than the reference currency of the various sub-funds are converted into the reference currency at the exchange rate applicable on the valuation date.

Income and expenses expressed in currencies other than the reference currency of the various sub-funds are converted into the reference currency at the exchange rate applicable on the date of occurrence.

Exchange gains or losses are recorded in the statement of operations.

The acquisition cost of securities denominated in currencies other than the reference currency of the various sub-funds is converted into that reference currency at the exchange rate prevailing on the day of purchase.

## Management commission

As remuneration for management and distribution services, an annual fee is charged by the Fund at the rate of :

Sub-fund	Share classes	Annual rate
MONOCLE FUND SICAV - Monocle Fund	A	0,95%
	B	1,50%
	M	0,95%

This fee is payable monthly and calculated on the basis of the average net assets of the sub-funds during the month under review.

Until 2021.06.30, as remuneration for its activity as management company, the Management Company received a share of the management and distribution fee described above. This share was calculated monthly on the average net asset value of the assets of the various sub-funds of the SICAV for the month in question, at a maximum rate of 0.07% per annum, with a minimum of EUR 84,000.

The balance of the management and distribution fees was paid to the Investment Manager as remuneration for its activity as investment manager and for its activity as distributor, the principal distributor will receive a share of the management and distribution fee, set at EUR 500 per month.

From 2021.07.01, Monocle Asset Management will receive the full management fee.

**Performance fee**

The Management Company will receive, for each class of shares, with the exception of class M, of the MONOCLE FUND SICAV - Monocle Fund sub-fund, in their respective currencies, an annual performance fee of 10% calculated from the time when the threshold of 1% + the reference index: Eurozone HICP ex Tobacco, which is the reference index measuring inflation in the Eurozone, is exceeded.

Variable commissions paid in full to the Financial Manager at the end of the financial year.

Between two financial years, the provision for variable commissions is adjusted at each value by means of an allocation/reversal of provisions. Reversals of provisions are capped at the level of the allocations. Allocations are incremented only if the performance has exceeded the annual threshold (1% + Eurozone HICP ex Tobacco), and the last financial year end where a variable commission was paid (or since the launch of the SICAV). In this way, the variable fees follow the "High Water Mark" principle.

In the event of redemption, a proportion of the provision for variable management fees on the outstanding amount recorded in the accounts at the time of the last valuation is, in proportion to the number of shares redeemed, definitively allocated to a specific third party account. This proportion of variable management fees is acquired by the Management Company upon redemption.

MONOCLE FUND SICAV - Monocle Fund:

Class of action	Currency	Commission performance	Amount of the performance fee charged for the year	% on the NAV of the share class performance fees for the year
A	EUR	10%	479.89	0,00%
B	EUR	10%	0,61	0,00%

The performance fee charged in the year under review was EUR 480.50.

**Custodian and paying agent fee**

As remuneration for its activity as custodian for the SICAV, the Custodian shall receive from the SICAV a monthly fee, calculated on the average of the net asset values of the assets of the various sub-funds of the SICAV for the month in question, of a maximum of 0.045% per year, with a minimum annual fee of EUR 25,000, to which transaction costs shall be added. In addition, all reasonable expenses and advanced costs, including but not limited to telephone, telex, fax, electronic transmission and postage costs incurred by the Custodian in the performance of its duties, as well as the costs of correspondents, shall be borne by the relevant sub-fund of the SICAV. As paying agent, the Custodian may deduct the fee customary in the Grand Duchy of Luxembourg.

**Domiciliary agent, administrative agent, transfer agent and registrar fees**

As remuneration for its activities as domiciliary agent, administrative agent, transfer agent and registrar for the SICAV, the Central Administration will receive from the SICAV a monthly fee, calculated on the average net asset value of the assets of the SICAV's various sub-funds for the month in question, of a maximum of 0.05% per year, with an annual minimum of EUR 36,000, plus transaction costs and costs specific to the role of domiciliary agent. In addition, all reasonable expenses and advanced costs, including, but not limited to, telephone, telex, fax, electronic transmission and postage costs incurred by the Central Administration in the course of its duties, as well as the costs of correspondents, shall be borne by the relevant sub-fund of the SICAV.

**Subscription fee**

The SICAV is subject to a tax in Luxembourg of 0.05% per year of its net assets. This tax is reduced to 0.01% per year of the net assets attributable to the share classes reserved for institutional investors. This tax is payable quarterly and is based on the net assets of the SICAV at the end of the quarter concerned. The subscription tax is not payable on units of assets invested in UCIs already subject to this tax. No stamp duty or tax will be payable in Luxembourg on the issue of shares in the SICAV.

No tax is payable in Luxembourg in respect of realised or unrealised gains on the SICAV's assets. Investment income received by the SICAV may be subject to varying rates of withholding tax in the countries concerned. Such withholding taxes are in principle not recoverable. The above information is based on current law and practice and may be subject to change.

**Global exposure**

The global exposure of the sub-funds will be calculated on the basis of commitments.

**Exchange rates**

As at 2021.12.31, the conversion of the financial assets into EUR was done at the following exchange rate:

1 EUR =	1.036150 CHF
1 EUR =	7.437600 DKK
1 EUR =	0.839600 GBP
1 EUR =	10.296000 SEK
1 EUR =	1.137200 USD

**Transaction fees**

For the financial year ending 31.12.2021, the SICAV charged the following transaction fees in connection with the purchase or sale of securities and similar instruments (including financial derivatives or other suitable investments):

Fees for compartment	Currency	Sub-transaction
MONOCLE FUND SICAV - Monocle Fund	EUR	155.008,16

Not all transaction costs can be separately identified. For investments in fixed income securities, forward foreign exchange contracts and other derivative instruments, transaction costs will be included in the purchase and sale price of the investment. Even if they cannot be separately identified, these transaction costs will be captured in the SICAV's performance.

**Changes in the composition of the securities portfolio**

Changes in the composition of the securities portfolio for the reporting period are available to investors on request at the registered office of the Company or at the registered office of the local representatives in the country where the SICAV is registered.

### Remuneration

---

The Management Company has defined and implemented a remuneration policy (the "Remuneration Policy") in line with the remuneration provision defined by the European Directive 2009/65/EC ("UCITS Directive"), and amended by Directive 2014/91/EU ("UCITS V Directive") as implemented in the Luxembourg Law of 10 May 2016 (the "Loi de 2016").

The Management Company has defined and implemented a remuneration policy that is in line with and promotes sound risk management of the SICAV, and does not encourage risk-taking that would be inconsistent with the risk profile of the SICAV, and does not contradict the role of the Management Company to act in the best interests of the SICAV and investors.

The Board of Directors of the Management Company is responsible for the design, implementation and regular review of the Remuneration Policy. During the review of the Remuneration Policy, the Board of Directors of the Management Company will consider whether the remuneration framework adequately reflects the risk profile, long-term objectives and purpose of the SICAV. No material changes or irregularities were detected during the period under review.

### Information on risk measurement

---

The method used to calculate the global exposure of each sub-fund of the SICAV is the commitment method. The commitment method consists of converting positions in derivative financial instruments into equivalent positions in the underlying assets and then aggregating the market value of these equivalent positions. Each sub-fund of the SICAV shall ensure that its overall risk relating to derivatives does not exceed the total net value of its portfolio.

### Total Expense Ratio (TER)

---

The TER (Total Expense Ratio) shows the total commissions and costs charged periodically to the fund's assets. It is expressed as a percentage of the fund's assets.

If a sub-fund invests at least 10% of its net assets in funds of funds, the TER is the sum of the pro rata TER of the individual target funds, weighted according to their share in the total assets of the fund of funds at the closing date, and the TER of the fund of funds, minus the retroactive fees received from the target funds during the period under review.

The TER is calculated according to AMAS rules.

### Fund performance

---

The calculation of performance is based on the change in net asset value on the first business day of each calendar year, using market prices on the last business day of the previous calendar year.

Historical performance is not an indicator of current or future performance.

For share classes launched more than 3 years ago, no performance since launch is presented.

### Post balance sheet events

---

The Board of Directors of the SICAV notes the recent developments in Ukraine and the sanctions imposed on Russia by a large number of countries as a result.

Given the lack of exposure to the region, the Board's position is that the recent developments in Ukraine and the sanctions imposed on Russia are unlikely to have a direct and significant negative impact on the SICAV.

However, as the situation continues to evolve, it remains difficult at this stage to estimate the full range of direct and indirect impacts that may arise from these emerging developments.

The Board of Directors of the SICAV continues to monitor these developments closely and to take any necessary action.

There are no other significant events that occurred between the balance sheet date and the date on which the annual report was approved by the Board of Directors of the SICAV.

---

## MONOCLE FUND SICAV - Monocle Fund

---

### Environment and markets

The year 2021 has seen a continued rise in markets, reaching record levels and far exceeding pre-pandemic levels.

On the economic front, inflation has picked up, supported by the recovery in consumption, supply chain bottlenecks and historically low interest rates.

The indices closed sharply higher. The CAC40 rose by 29% and the US SP 500 index by 27%, both supported by the maintenance of interest rates at historically low levels and by the stimulus plans of central banks and governments.

At the beginning of 2022, investors' attention is focused on inflation and the war in Ukraine. Several interest rate hikes by the Federal Reserve are anticipated by investors, in a context where valuation levels are still particularly high.

### Management of the fund

At 31 December, Monocle (A share) is at +4.23% over 2021 and +3.08% annualised over 5 years.

We have started 2021 with a measured net equity and corporate bond exposure. In the current state of the market, we believe it is difficult to find stocks that offer significant return potential with reasonable risk.

As at 31 December 2021, our gross equity exposure is 37% of NAV, consisting of stocks where we believe the risk taken is particularly measured. To protect ourselves from the risk of the bubble bursting, we hold a short position on the US S&P 500 index for approximately 31% of NAV.

The government bond portfolio represents approximately 52% of the portfolio. It is composed of short bonds (Germany, France, Netherlands, US) offering little interest rate risk in a context of probable short-term rate hikes. Corporate bonds represent 5% of the NAV.

Finally, the fund maintains a foreign currency exposure of around 16%, split between USD, GBP, SEK and CHF.

**Technical data (unaudited) and notes****Technical data (unaudited)**

		Valoren	ISIN	Commission of management	Total Expense Ratio
A - Capitalisation	EUR	26071666	LU1116040533	0,95%	1,20%
B - Capitalisation	EUR	34149243	LU1500599094	1,50%	1,75%
M - Capitalisation	EUR	26073254	LU1116043040	0,95%	1,20%

The TER without performance fees is 1.20% for the -A- EUR class and 1.75% for the -B- EUR class.

**Fund performance (unaudited)**

		YTD	Since launch	2020	2019	2018
A - Capitalisation	EUR	4,23%	/	6,44%	6,09%	0,12%
B - Capitalisation	EUR	3,63%	/	5,82%	5,48%	-0,44%
M - Capitalisation	EUR	4,22%	/	6,87%	6,09%	0,11%

**Notes****Financial futures**

Description Counterparty	Currency	Quantity	Commitment (in currency)	Not achieved in EUR
EUR / USD FX 14/03/2022	USD	117	16.676.156,25	144.037,99
OMX INDEX 21/01/2022	SEK	-126	-30.482.550,00	-157.867,13
S&P E-MINI 500 STOCK INDEX 18/03/2022	USD	-163	-38.781.775,00	-937.049,33
<b>Net unrealised gain on financial futures</b>				<b>-950.878,47</b>

Counterparty: *Crédit Suisse SA-Luxembourg*

**Statement of net assets (in EUR) and fund development**

		2021.12.31		
<b>Assets</b>				
Securities portfolio at market value		104.303.048,24		
Assets in the bank		8.085.791,56		
Interest receivable		347.350,44		
Prepaid expenses		7.994,27		
		<b>112.744.184,51</b>		
<b>Liabilities</b>				
Provisions for accrued expenses		145.252,80		
Unrealised net loss on forward contracts financial		950.878,47		
		<b>1.096.131,27</b>		
<b>Net assets</b>		<b>111.648.053,24</b>		
<b>Evolution of the fund</b>				
		2021.12.31	2020.12.31	2019.12.31
<b>Net assets</b>	EUR	<b>111.648.053,24</b>	<b>106.649.993,50</b>	<b>104.732.851,76</b>
<b>Net asset value per share</b>				
A - Capitalisation	EUR	1.806,15	1.732,87	1.628,03
B - Capitalisation	EUR	1.127,07	1.087,64	1.027,80
M - Capitalisation	EUR	1.242,29	1.191,95	1.115,32
<b>Number of shares outstanding</b>				
		at the end of the year	at the beginning of the year	Number of shares issued
A - Capitalisation	EUR	43.594,677	44.509,029	1.011,365
B - Capitalisation	EUR	3.747,143	1.690,659	2.080,484
M - Capitalisation	EUR	23.091,474	23.224,788	99,000
				Number of shares redeemed
				1.925,717
				24,000
				232,314

**Statement of Operations / Changes in Net Assets (in EUR)**For the exercise of the  
2021.01.01 to 2021.12.31

<b>Net assets, beginning of fiscal year</b>	<b>106.649.993,50</b>
<b>Revenues</b>	
Interest on securities portfolio (net)	1.112.658,59
Dividends (net)	1.469.830,39
	<b>2.582.488,98</b>
<b>Fees</b>	
Management commission	1.053.096,17
Performance fee	480,50
Custodian bank commission and custody fees	58.925,27
Administration costs	61.622,48
Printing and publication costs	345,00
Interest and bank charges	34.415,80
Review, audit, legal, representative and other fees	111.260,99
Subscription fee	55.066,62
	<b>1.375.212,83</b>
<b>Net income (loss)</b>	<b>1.207.276,15</b>
<b>Net realised profit (loss)</b>	
Net realised profit (loss) on sales of securities	5.400.104,31
Net realised profit (loss) on financial futures	-9.610.017,55
Net realised profit (loss) on foreign exchange	204.095,48
	<b>-4.005.817,76</b>
<b>Net realised profit (loss)</b>	<b>-2.798.541,61</b>
<b>Change in net unrealized appreciation (depreciation)</b>	
Change in net unrealized appreciation (depreciation) on securities portfolio	7.934.679,39
Change in net unrealized appreciation (depreciation) on financial futures	-610.462,21
	<b>7.324.217,18</b>
<b>Net increase (decrease) in net assets from operations</b>	<b>4.525.675,57</b>
<b>Subscriptions / Acquisitions</b>	
Subscriptions	4.227.963,19
Acquisitions	-3.755.579,02
	<b>472.384,17</b>
<b>Net assets, end of fiscal year</b>	<b>111.648.053,24</b>

**Statement of securities portfolio****Geographical distribution**

France	33,57
Germany	18,83
United States	18,65
Netherlands	17,02
Suede	3,65
Jersey	1,70
Bermuda	0,00
<b>Total</b>	<b>93,42</b>

**Economic distribution**

Countries and central governments	51,69
Telecommunications	11,98
Pharmaceutical, cosmetic and medical products	8,37
Electronics and semiconductors	5,76
Food and non-alcoholic drinks	4,94
Traffic and transport	3,65
Internet and Internet services	2,94
Mining, coal and steel	1,70
Miscellaneous services	1,10
Vehicles	1,11
Photography and optics	0,18
Finance, investment and other companies	0,00
<b>Total</b>	<b>93,42</b>

**Status of the securities portfolio**

Description	Quantity / Nominal	Valuation (in EUR)	% of net asset
<b>Securities listed on stock exchanges or other organised markets</b>			
<b>Shares</b>			
EUR DANONE	101.000	5.513.590,00	4,94
EUR GAUMONT SA	1.962	196.200,00	0,18
EUR GAZTRANSPORT ET TECHNIGAZ	15.000	1.233.750,00	1,11
USD INTEL	142.000	6.430.707,00	5,76
USD MCDERMOTT INTERNATIONAL LTD	9.010	3.248,42	0,00
USD META PLATFORM INC	11.100	3.283.050,47	2,94
EUR ORANGE	1.014.000	9.544.782,00	8,55
GBP PETROFAC	1.383.000	1.899.236,54	1,70
USD PFIZER	180.000	9.346.640,87	8,37
EUR TF1	439.233	3.832.307,93	3,43
<b>Total shares</b>		<b>41.283.513,23</b>	<b>36,98</b>
<b>Bonds</b>			
EUR FRANCE (GOVT OF) 0%/20-250223	15.800.000	15.926.400,00	14,26
EUR GERMANY 1.5%/13-150223	20.500.000	21.018.240,00	18,83
EUR NETHERLANDS 0%/16-150122	19.000.000	19.006.840,00	17,02
EUR RENAULT SA SUB FRN/83-PERPET	2.800	1.237.600,00	1,10
SEK SAS AB FRN/20-PERPET	66.000.000	4.070.512,82	3,65
USD US TREASURY N/B S AH-2022 2.5%/19-150122	2.000.000	1.759.942,19	1,58
<b>Total bonds</b>		<b>63.019.535,01</b>	<b>56,44</b>
<b>Total securities listed on stock exchanges or other organized markets</b>		<b>104.303.048,24</b>	<b>93,42</b>
<b>Unlisted securities</b>			
<b>Shares</b>			
USD MCDERMOTT INTERNATIONAL LTD WTS	20.042	0,00	0,00
USD MCDERMOTT INTERNATIONAL LTD WTS	18.038	0,00	0,00
<b>Total shares</b>		<b>0,00</b>	<b>0,00</b>
<b>Total unlisted securities</b>		<b>0,00</b>	<b>0,00</b>
<b>Total securities portfolio</b>		<b>104.303.048,24</b>	<b>93,42</b>
Assets in the bank		8.085.791,56	7,24
Other net liabilities		-740.786,56	-0,66
<b>Net assets</b>		<b>111.648.053,24</b>	<b>100,00</b>

## Unaudited information

**Remuneration**

The Management Company has defined and implemented a remuneration policy (the "Remuneration Policy") in line with the remuneration provision defined by the European Directive 2009/65/EC ("UCITS Directive"), and amended by Directive 2014/91/EU ("UCITS V Directive") as implemented in the Luxembourg Law of 10 May 2016 (the "Loi de 2016").

The Management Company has defined and implemented a remuneration policy that is in line with and promotes sound risk management of the Fund, and does not encourage risk-taking that is inconsistent with the risk profile of the Fund, nor does it contradict the role of the Management Company to act in the best interests of the Fund and the investors.

The Board of Directors of the management company is responsible for the design, implementation and regular review of the Remuneration Policy. During the review of the Remuneration Policy, the Board of Directors of the Management Company will consider whether the remuneration framework adequately reflects the risk profile, long-term objectives and purpose of the Fund. No material changes or irregularities were detected during the period under review.

**Proportion of the total remuneration of the Fund's employees allocated to MONOCLE FUND SICAV as at 2021.12.31**

The proportion of the total remuneration allocated to MONOCLE FUND SICAV has been calculated on a pro rata basis and on the basis of the total value of the assets under management of the UCITS managed by the management company.

	Number of beneficiaries	Total remuneration (EUR)	Fixed remuneration (as % of total)	Variable remuneration (as % of total)
Total remuneration paid to employees identified by the Management Company during the financial year	4	320.000,00*	85,00	0,00

\*Only half of this amount was paid to the employee, as Monocle AM is the management company of Monocle Fund since 1<sup>st</sup> July 2021.

**Regulation of securities financing transactions**

As at 2021.12.31, the Fund is subject to Regulation (EU) 2015/2365 on the transparency of securities financing transactions and re-use. However, no such transactions were carried out during the year covered by this annual report.

**Information on risk measurement**

The method used to calculate the global exposure of each sub-fund of the SICAV is the commitment method. The commitment method consists of converting positions in derivative financial instruments into equivalent positions in the underlying assets and then aggregating the market value of these equivalent positions. Each sub-fund of the SICAV shall ensure that its overall exposure to derivatives does not exceed the total net value of its portfolio.

**Total Expense Ratio (TER)**

The TER (Total Expense Ratio) shows the total commissions and costs charged periodically to the fund's assets. It is expressed as a percentage of the fund's assets.

If a sub-fund invests at least 10% of its net assets in funds of funds, the TER is the sum of the pro rata TER of the individual target funds, weighted according to their share in the total assets of the fund of funds at the closing date, and the TER of the fund of funds, minus the retroactive fees received from the target funds during the period under review.

The TER is calculated according to AMAS rules.

**Fund performance**

The calculation of performance is based on the change in net asset value on the first business day of each calendar year, using market prices on the last business day of the previous calendar year.

Historical performance is not an indicator of current or future performance.

For share classes launched more than 3 years ago, no performance since launch is presented.

**Information on Regulation (EU) 2020/852 on Taxonomy**

The Taxonomy Regulation (EU) 2020/852 aims to establish a framework for classifying economic activities as environmentally sustainable, while amending certain SFDR reporting requirements. It sets out harmonised criteria for determining whether an economic activity qualifies as environmentally sustainable and describes a series of disclosure requirements aimed at improving transparency and enabling an objective comparison of financial products with regard to the proportion of their investments that contribute to environmentally sustainable economic activities.

In view of its investment objective, MONOCLE FUND SICAV does not take into account Regulation (EU) 2020/852 on Taxonomy.

The investments underlying this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities.

---

**MONOCLE FUND SICAV**

Investment company with variable capital and multiple sub-funds governed by Luxembourg law  
Annual report including audited financial statements as at 2021.12.31