

# BUY & HOLD LUXEMBOURG

An undertaking for collective investment in transferable securities (UCITS) in the form of an open-ended common investment fund  
R.C.S.K 1983

Unaudited Semi-annual Report for the period from 19.08.2019 (date of incorporation) to 30.06.2020

No subscription may be accepted on the basis of the financial reports. Subscriptions are accepted only on the basis of the current sales prospectus, the latest annual report and the latest semi-annual report. The issue and redemption prices are published in Luxembourg at the registered office of the Central Administration.

An audited annual report is prepared and made available to unitholders in respect of each financial year. Copies of the financial reports, as well as purchases and sales reports may be obtained free of charge by any person at the registered office of the Central Administration. The financial year of the Company ends on 31 December each year.

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## **Management and Administration**

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### **Management Company**

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Buy & Hold Capital SGIIIC S.A.  
Calle de la Cultura 1-1  
46002 Valencia

### **Board of Directors of the Management Company**

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Julian Pascual Huerta  
President, Buy & Hold Capital SGIIIC S.A.  
Chief of Internal Audit

Rafael Valera Vargas  
CEO, Buy & Hold Capital SGIIIC S.A.  
Chief of Risk Management

Antonio Aspas Romano  
Secretary, Buy & Hold Capital SGIIIC S.A.  
Chief of Compliance

### **Auditor of the Management Company**

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Ernst & Young, Société anonyme  
35E, avenue John F. Kennedy  
L -1855 Luxembourg

### **Depository and Paying Agent**

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

### **Legal Advisors**

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Eversheds Sutherland (Luxembourg)  
42-44 Avenue de la Gare  
L- 1610 Luxembourg

### **Global Distributor**

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Buy & Hold Capital SGIIIC S.A.  
Calle de la Cultura 1-1  
46002 Valencia

### **Central Administration**

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

**Statement of Net Assets**

**30.06.2020**

**EUR**

**Total net assets**

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**0.00**

The notes are an integral part of the financial statements.

**Statement of Operations / Changes in Net Assets**

**For the period from 19.08.2019  
(date of incorporation) to  
30.06.2020**

**EUR**

<b>Net assets at the beginning of the period</b>	<b>0.00</b>
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<b>Net increase/decrease in net assets as a result of operations</b>	<b>0.00</b>
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<b>Subscriptions / Redemptions</b>	
Subscriptions	0.00
Redemptions	0.00
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<b>Net assets at the end of the period</b>	<b>0.00</b>

The notes are an integral part of the financial statements.

## Notes

### General

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**Buy & Hold Luxembourg** (the "Fund") is an undertaking for collective investment in transferable securities in the form of a common fund ("*fonds commun de placement*") established under the laws of the Grand Duchy of Luxembourg for an indefinite period of time. The Fund is subject to Part I of the Law of December 17, 2010 relating to undertakings for collective investment, as amended from time to time (the "2010 Law") transposing Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

The Fund has been set up at the initiative of Buy & Hold Capital SGIIC, S.A (the "Management Company"). The Fund is managed by the Management Company in the exclusive interest of the Unitholders in accordance with the provisions of the 2010 Law, the management regulations as well as the Fund's Prospectus. The Fund's assets shall be separate from the assets of the Management Company and hence shall not be liable for the obligations of the Management Company.

The Fund is an umbrella structure and therefore consists of at least one Subfund (each referred to as a Subfund). As of the date of this report, the Fund is consists of the following three Subfunds, which are not launched yet:

Buy & Hold Luxembourg – B&H Bonds;  
Buy & Hold Luxembourg – B&H Equity; and  
Buy & Hold Luxembourg – B&H Flexible.

### Summary of significant accounting policies

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a) Presentation of financial statements

The financial statements of the Fund are established in accordance with the Luxembourg legal and regulatory requirements.

b) Computation of the net asset value

The net asset value ("NAV") of each Subfund shall be calculated in the Reference Currency of the respective Subfund and shall be determined by the Management Company in Luxembourg on each Banking Day.

c) The valuation of the assets

Securities which are listed or regularly traded on a stock exchange shall be valued at the last available traded price. If such a price is not available for a particular trading day, the closing mid-price (the mean of the closing bid and ask prices), or alternatively the closing bid price, may be taken as a basis for the valuation.

If a security is traded on several stock exchanges, the valuation shall be made by reference to the exchange which is the main market for this security.

In the case of securities for which trading on a stock exchange is not significant but which are traded on a secondary market with regulated trading among securities dealers (with the effect that the price reflects market conditions), the valuation may be based on this secondary market.

Securities traded on a regulated market shall be valued in the same way as those listed on a stock exchange.

Securities that are not listed on a stock exchange and are not traded on a regulated market shall be valued at their last available market price. If no such price is available, the Management Company shall value these securities in accordance with other criteria to be established by the Management Company and on the basis of the probable sales price, the value of which shall be estimated with due care and in good faith.

Derivatives shall be treated in accordance with the above. OTC swap transactions will be valued on a consistent basis on bid, offer or mid prices as determined in good faith pursuant to procedures established by the Management Company on behalf of the Fund. When deciding whether to use the bid, offer or mid prices the Management Company will take into consideration the anticipated subscription or redemption flows, among other parameters.

## Notes (continued)

### Summary of significant accounting policies (continued)

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If, in the opinion of the Management Company, such values do not reflect the fair market value of the relevant OTC swap transactions, the value of such OTC swap transactions will be determined in good faith by the Management Company, or by such offer method as it deems in its discretion appropriate.

The valuation price of a money market instrument which has a maturity or remaining term to maturity of less than 12 months and does not have any specific sensitivity to market parameters, including credit risk, shall, based on the net acquisition price or on the price at the time when the investment's remaining term to maturity falls below 12 months, be progressively adjusted to the repayment price while keeping the resulting investment return constant. In the event of a significant change in market conditions, the basis for the valuation of different investments shall be brought into line with the new market yields.

Units or shares of UCITS or UCI shall be valued on the basis of their most recently calculated net asset value, where necessary by taking due account of the redemption fee. Where no net asset value and only buy and sell prices are available for units or shares of UCITS or other UCI, the units or shares of such UCITS or other UCIs may be valued at the mean of such buy and sell prices.

Liquid assets, fiduciary and fixed-term deposits shall be valued at their respective nominal value plus accrued interest.

d) Realised gain/loss on sales of investments

The realised gains or losses on the sales of securities are determined on the basis of the average acquisition cost.

e) Cash at bank

Cash at bank includes cash in hand, margin calls and deposits held at call with bank.

f) Foreign exchange conversion

The financial statements are kept in the reference currency of the Fund which is EUR.

Cash at banks, other net assets and the value of portfolio securities in currencies other than reference currency of each Subfund are converted into the reference currency at the foreign exchange rate prevailing on the date of valuation.

Income and expenses in currencies other than reference currency of each Subfund are converted into the reference currency at the foreign exchange rate applicable at the date they accrue to the Subfund.

Realised gains or losses on foreign currencies are accounted for in the Statement of Operations / Changes in Net Assets.

The acquisition cost of securities in currencies other than the reference currency of each Subfund is converted into the reference currency at the foreign exchange rate valid at the date of acquisition.

g) Allocation of accrued expenses

Accrued expenses which can be allocated directly to a Subfund are charged to this Subfund. Accrued expenses which cannot be allocated directly are divided among the Subfunds in proportion to the net assets of each Subfund.

h) Income recognition

Dividend income is recorded at the ex-date, net of any withholding tax. Interest income is accrued on a prorata temporis basis, net of any withholding tax.

### Management Fee

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A monthly management fee (the Management Fee) which includes the Management Company fees and the Distributors fees. The Management Fee is payable at the beginning of each following month, based on the average Net Asset Value of the relevant Class of Units during that month. The Management Fee rate for the Subfund Buy & Hold Luxembourg – B&H Equity is 0.81% p.a, for the Subfund Buy & Hold Luxembourg – B&H Flexible 0.66% p.a. and for the Subfund Buy & Hold Luxembourg – B&H Bond 0.56%.

As of 30.06.2020, no Subfund was active yet, and thus, no fees have been accrued.

## Notes (continued)

### Performance Fee

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The Management Company is entitled to a performance fee which is calculated every Valuation Day on the basis of the Net Asset Value of the Class of Units concerned. A detailed calculation method of the performance fees can be found in the Prospectus of the Fund.

### Depositary fees

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Fees payable to the Depositary, which are charged at rates agreed from time to time with the Management Company on the basis of usual market rates prevailing in Luxembourg, and which are based on the net assets of the respective Subfund and/or the value of transferable securities and other assets held or determined as a fixed sum; the fees are payable to the Depositary on a monthly basis and may not exceed the pre-determined percentage amount although in certain cases the transaction fees and the fees of the Depositary's correspondents may be charged additionally.

As of 30.06.2020, no Subfund was active yet and no fees have been incurred from the Depositary.

### Administration fees

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A monthly central administration fee for the Central Administration, calculated on the average Net Asset Value of the relevant Class of Units during that month and payable at the beginning of the next following month. In addition to the monthly central administration fee, the Central Administration is entitled to an annual fee to be paid out of the net assets of the relevant Subfund for its services as registrar and transfer agent.

As of 30.06.2020, no Subfund was active yet and no fees have been incurred from the Central Administration.

### Taxation of the Fund

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The Fund is liable in Luxembourg to an annual subscription tax (taxe d'abonnement) of 0.05 per cent per annum on the Fund's net asset value that is calculated on the last day of each quarter and payable in quarterly instalments. The aforementioned tax is not applicable to the portion of the assets of the Fund invested in other Luxembourg collective investment undertakings.

As of 30.06.2020, no Subfund was active yet and no taxe d'abonnement has been accrued.

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

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At the date of the financial statements, the Fund is not in the scope of the publication requirements of SFTR. No corresponding transactions were carried out during the reporting period.

### Risk management

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The global exposure of the Subfunds will be calculated on the basis of the commitment approach.

### Subsequent event

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The first NAV for the Subfunds were calculated on 24.07.2020, the effective date of the merger from Rex Royal Blue, SICAV S.A., Pigmanort SICAV and BH Renta Fija Europa SICAV.

The NAV of each Subfund as at 24.07.2020 were as follows:

Buy & Hold Luxembourg – B&H Bonds: EUR 14,274,763

Buy & Hold Luxembourg – B&H Equity: EUR 57,312,016

Buy & Hold Luxembourg – B&H Flexible: EUR 14,704,024