

**Unaudited semi-annual report
as at 31st December 2018**

THE STRALEM FUND

Société d'Investissement à Capital Variable
organised under the laws of Luxembourg

R.C.S. Luxembourg B 140 180

No subscription can be received on the basis of this annual 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.

THE STRALEM FUND

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THE STRALEM FUND

Organisation

Registered office

11, rue Aldringen
L-1118 LUXEMBOURG

Board of Directors

Chairman

Stéphane RIES
Head of Business Development
KBL EUROPEAN PRIVATE BANKERS S.A.
43, boulevard Royal
L-2955 LUXEMBOURG

Directors

Adam S. ABELSON
Chief Investment Officer & Senior Portfolio Manager
STRALEM & COMPANY INCORPORATED
551 Madison Avenue
NEW YORK, NY 10022
USA

Andrea BAUMANN LUSTIG
President & Director, Private Client Asset Management
STRALEM & COMPANY INCORPORATED
551 Madison Avenue
NEW YORK, NY 10022
USA

Management Company

KREDIETRUST LUXEMBOURG S.A.
11, rue Aldringen
L-2960 LUXEMBOURG

Board of Directors of the Management Company

Chairman

Vincent DECALF

Director

Olivier de JAMBLINNE de MEUX

Managing Director

Stefan VAN GEYT

Conducting officers of the Management Company

Aurélien BARON
Kristel COOLS
Stefan VAN GEYT

Depositary and principal paying agent

KBL EUROPEAN PRIVATE BANKERS S.A.
43, boulevard Royal
L-2955 LUXEMBOURG

Delegated administrator, registrar and transfer agent

EUROPEAN FUND ADMINISTRATION S.A.
2, rue d'Alsace
L-1122 LUXEMBOURG

THE STRALEM FUND
Organisation (continued)

Investment manager	STRALEM & COMPANY INCORPORATED 551 Madison Avenue NEW YORK, NY 10022 USA
Cabinet de révision agréé	DELOITTE Audit Société à responsabilité limitée 560, rue de Neudorf L-2220 LUXEMBOURG
General distributor	CARNEGIE FUND SERVICES S.A. 11, rue du Général-Dufour CH-1204 GENEVA
Swiss representative	CARNEGIE FUND SERVICES S.A. 11, rue du Général-Dufour CH-1204 GENEVA
Paying agent in Switzerland	BANQUE CANTONALE DE GENÈVE 17, quai de l'Île CH-1204 GENEVA
Marketing coordinators	IPA INVESTMENT PRODUCTS ADVISORY S.A. 107 Kantonstrasse CH-8807 FREIENBACH AMIRA-CAPITAL GmbH 26, Goethestrasse D-63263 NEU-ISENBURG
Information and paying agent in Austria	ERSTE BANK DER OESTERREICHISCHEN SPARKASSEN AG Graben 21 A-1010 VIENNA
Information and paying agent in Belgium	PUILAETCO DEWAAY PRIVATE BANKERS S.A. 46, avenue Herrmann Debroux B-1160 BRUSSELS
Centralising Correspondent in France	CM-CIC MARKET SOLUTIONS 6, avenue de la Provence F-75009 PARIS
Information and paying agent in Germany	MERCK FINCK & CO, PRIVATBANKIERS Neuer Wall, 77 D-20354 HAMBURG

THE STRALEM FUND

Organisation (continued)

Facilities agent in the United Kingdom

FINANCIAL EXPRESS LIMITED (formerly GLOBAL FUNDS REGISTRATION LIMITED)
3rd Floor, Hollywood House, Church Street East
UK-GU21 6HJ WOKING, SURREY

THE STRALEM FUND

General information

THE STRALEM FUND (the "Company"), incorporated on 8th July 2008 for an unlimited period, is organised as a "*société d'investissement à capital variable*" in Luxembourg under the amended law of 10th August 1915 (the "1915 Law") and pursuant to Part I of the amended Law of 17th December 2010 (the "2010 Law") relating to Undertakings for Collective Investment. The Company qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS) under the Council Directive 2009/65/EC as amended. The Directive 2014/91/EU of the European Parliament and of the Council of 23rd July 2014 amending the Directive 2009/65/EC had been transposed by the law of 10th May 2016 coming into force on 1st June 2016 and amending the 2010 Law.

The Company is an "umbrella fund".

At the date of the financial statements, the following Sub-Fund is offered:

- THE STRALEM FUND - US EQUITY expressed in USD

The Sub-Fund offers two different categories of shares: capitalisation shares and distribution shares.

The capitalisation shares offer the following share categories:

- Category A shares, open to any investor;
- Category I shares, open to institutional investors.

The distribution shares offer the following share categories:

- Category DA shares, open to any investor;
- Category DI shares, open to institutional investors.

At the date of the financial statements, Category A, I and DI shares are issued.

The Company's financial year begins on 1st July and ends on 30th June of the next year.

Copies of the Articles of Incorporation of the Company, the current Prospectus, the Key Investor Information Documents ("KIID"), the latest annual including audited financial statements and semi-annual reports may be obtained free of charge during normal office hours at the registered office of the Company in Luxembourg.

Additional information for investors in Austria:

1. The Company has appointed ERSTE BANK DER OESTERREICHISCHEN SPARKASSEN AG, Graben 21, A-1010 VIENNA, as paying and information agent of the Company in Austria in the sense of § 141 InvFG 2011.
2. Requests for redemption of shares can be submitted to the Austrian paying agent and redemptions as well as the payment of redemption proceeds to Shareholders can be settled through the Austrian paying agent.
3. Copies of the Articles of Incorporation of the Company, the current Prospectus, the Key Investor Information Documents ("KIID"), the latest annual reports including audited financial statements and semi-annual reports may be obtained free from the Austrian paying agent at the above-mentioned address.
4. Subscription and redemption prices for the shares of the Sub-Fund are published daily on www.fundsquare.net.
5. Please note that taxation according to Austrian Tax Law may differ significantly from the tax situation described in the prospectus. Shareholders and interested persons should consult their tax advisor with regard to the tax consequences arising from holding shares in the Sub-Fund.

THE STRALEM FUND

General information (continued)

Additional information for investors in Belgium:

The Company's financial service is provided in Belgium by PUILAETCO DEWAAY PRIVATE BANKERS S.A., 46, avenue Herrmann Debroux, B-1160 BRUSSELS.

In Belgium the Company publishes all the information published in the Company's country of origin.

Copies of the Articles of Incorporation of the Company, the current Prospectus, the Key Investor Information Documents ("KIID"), the financial service agreement, the latest annual reports including audited financial statements and semi-annual reports including the list of changes in the securities portfolio during the period of the report are available to the public at the premises of the Company's financial service.

Additional information for investors in France:

CM-CIC MARKET SOLUTIONS, 6, avenue de la Provence, F-75009 PARIS assumes the function of the central correspondent in France.

Additional information for investors in Germany:

1. The paying and information agent in Germany is MERCK FINCK & CO, PRIVATBANKIERS, Neuer Wall, 77, D-20354 HAMBURG.
2. Redemptions of shares will be in the currency of the Sub-Fund. Redemption and conversion orders for shares may be submitted to the German paying agent. Redemption and conversion orders, if they are addressed to the Company or the paying agent in Germany, must arrive no later than 5.00 p.m. Luxembourg time on the Transaction Day preceding the Valuation Day. Copies of the Articles of Incorporation of the Company, the current Prospectus, the Key Investor Information Documents ("KIID"), the latest annual reports including audited financial statements and semi-annual reports, as well as the subscription, conversion and redemption prices may be obtained by Shareholders free of charge at MERCK FINCK & CO, PRIVATBANKIERS. In addition, the Depositary and Paying Agent Agreements with KBL EUROPEAN PRIVATE BANKERS S.A., LUXEMBOURG, the Domiciliary Agreement, the Administrative Agent Agreement, the Registrar & Transfer Agent Agreement with KREDIETRUST LUXEMBOURG S.A. and the Investment Management Agreement with STRALEM & COMPANY INCORPORATED may be inspected there.
3. All payments made by the Company to Shareholders in Germany (proceeds of redemptions, any distributions and other payments) may be transferred via the paying agent MERCK FINCK & CO, PRIVATBANKIERS. Publication in Germany of subscription and redemption prices and any other important information to Shareholders will be in the "*Handelsblatt*".
4. THE STRALEM FUND intends to fulfil its obligations to provide information which is included in the requirements for taxation of Shareholders subject to taxation in Germany pursuant to Section 5 of the German Investment Tax Act (InvStG) but assumes no liability for doing so. The prospectus does not provide any information on the German taxation of Shareholders in respect of shares in THE STRALEM FUND. It should, however, be noted that distributions by the Company, income allocated for tax purposes but not distributed (including profits) in the Company, and the proceeds from the sale, conversion or redemption of shares and from the assignment of claims arising from the shares and equivalent cases are subject in Germany to taxation at the legally prescribed rates and may also be subject to a deduction of tax (investment income tax plus solidarity surcharge). Moreover, any other (German or non-German) taxation must be observed.

Investors are recommended to contact their tax advisor in respect of taxation details relating to shares in THE STRALEM FUND.

THE STRALEM FUND

General information (continued)

Additional information for investors in Switzerland:

1. CARNEGIE FUND SERVICES S.A., GENEVA has been appointed as the representative of the Company in Switzerland. Copies of the Articles of Incorporation of the Company, the current Prospectus, the Key Investor Information Documents ("KIID"), the latest annual reports including audited financial statements and semi-annual reports including the list of changes in the securities portfolio during the period of the report, can be obtained free of charge from the representative in Switzerland. For the shares of the Company distributed to non-qualified investors in and from Switzerland and for the shares of the Company distributed to qualified investors in Switzerland, the place of jurisdiction is Geneva. Performance data does not take account of the commissions and costs incurred on the issue and redemption of shares.
2. BANQUE CANTONALE DE GENEVE has been appointed as the Swiss paying agent for and by the Company.
3. All the publications of the Company in Switzerland, whether mandatory or not, will be made on www.swissfunddata.ch. The issue and redemption prices of the shares of the Sub-Fund authorized for public distribution in and from Switzerland will be published daily on www.swissfunddata.ch. The published prices will be exclusive of commissions.

Additional information for investors in the United Kingdom:

FINANCIAL EXPRESS LIMITED (formerly Global Funds Registration Limited), 3rd Floor, Hollywood House, Church Street East, UK-GU21 6HJ WOKING, SURREY, assumes the function of the facilities agent in the United Kingdom.

THE STRALEM FUND

Combined statement of net assets (in USD) as at 31st December 2018

Assets

Securities portfolio at market value	6,225,314.70
Cash at banks	258,073.20
Income receivable on portfolio	2,424.40
Other receivables	78,701.47
Prepaid expenses	7,927.57
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Total assets	6,572,441.34
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Liabilities

Bank overdrafts	1,114.92
Expenses payable	36,653.85
Other liabilities	59,144.68
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Total liabilities	96,913.45
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Net assets at the end of the period	6,475,527.89
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The accompanying notes are an integral part of these financial statements.

THE STRALEM FUND

Combined statement of operations and other changes in net assets (in USD)

from 1st July 2018 to 31st December 2018

<u>Income</u>	
Dividends, net	160,180.50
Total income	160,180.50
<u>Expenses</u>	
Management Company and Investment Management fees	37,618.71
Depository fees	8,678.58
Banking charges and other fees	4,404.34
Transaction fees	8,647.31
Administration costs	35,189.84
Professional fees	12,266.77
General Distribution and Marketing fees	33,037.57
Publication and database expenses	11,372.08
National authorities costs (of the distribution countries) and agent fees	21,860.16
Subscription duty ("taxe d'abonnement")	1,694.85
Bank interest paid	20.66
Other expenses	16,433.32
Total expenses	191,224.19
Net investment loss	-31,043.69
<u>Net realised gain/(loss)</u>	
- on securities portfolio	8,422,020.81
- on foreign exchange	320.69
Realised result	8,391,297.81
<u>Net variation of the unrealised gain/(loss)</u>	
- on securities portfolio	-7,905,198.85
Result of operations	486,098.96
Subscriptions	-
Redemptions	-30,044,283.08
Total changes in net assets	-29,558,184.12
Total net assets at the beginning of the period	36,033,712.01
Total net assets at the end of the period	6,475,527.89

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

THE STRALEM FUND - US EQUITY

Statement of net assets (in USD)

as at 31st December 2018

Assets

Securities portfolio at market value	6,225,314.70
Cash at banks	258,073.20
Income receivable on portfolio	2,424.40
Other receivables	78,701.47
Prepaid expenses	7,927.57
Total assets	6,572,441.34

Liabilities

Bank overdrafts	1,114.92
Expenses payable	36,653.85
Other liabilities	59,144.68
Total liabilities	96,913.45
Net assets at the end of the period	6,475,527.89

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in USD)
Category A	29,653.345	USD	158.06	4,686,941.09
Category I	10,614.382	USD	168.51	1,788,586.80
				6,475,527.89

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

THE STRALEM FUND - US EQUITY

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

from 1st July 2018 to 31st December 2018

Income	
Dividends, net	160,180.50
Total income	160,180.50
Expenses	
Management Company and Investment Management fees	37,618.71
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Total net assets at the beginning of the period	36,033,712.01
Total net assets at the end of the period	6,475,527.89

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

THE STRALEM FUND - US EQUITY

Statistical information (in USD)

as at 31st December 2018

Total net assets	Currency	30.06.2017	30.06.2018	31.12.2018
	USD	54,522,339.91	36,033,712.01	6,475,527.89
Net asset value per share	Currency	30.06.2017	30.06.2018	31.12.2018
Category A	USD	160.39	167.45	158.06
Category DI	USD	169.37	177.99	-
Category I	USD	169.34	177.95	168.51
Number of shares	outstanding at the beginning of the period	issued	redeemed	outstanding at the end of the period
Category A	46,838.345	-	-17,185.000	29,653.345
Category DI	59,251.398	-	-59,251.398	-
Category I	99,153.697	-	-88,539.315	10,614.382
TER per share as at 31.12.2018 (see note 7)				(in %)
Category A				2.14
Category I				1.50

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

THE STRALEM FUND - US EQUITY

Statement of investments and other net assets (in USD) as at 31st December 2018

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					
USD	2,450	Abbott Laboratories	88,558.95	177,208.50	2.74
USD	2,350	AbbVie Inc	231,825.38	216,646.50	3.35
USD	850	Adobe Inc Reg	67,501.24	192,304.00	2.97
USD	1,450	Alexion Pharmaceuticals Inc	175,761.46	141,172.00	2.18
USD	220	Alphabet Inc A	119,746.89	229,891.20	3.55
USD	2,700	American Electric Power Co Inc	179,812.98	201,798.00	3.12
USD	3,000	Aptiv Plc Reg	249,502.20	184,710.00	2.85
USD	6,800	AT&T Inc	213,193.68	194,072.00	3.00
USD	3,150	Bank of New York Mellon Corp	175,178.43	148,270.50	2.29
USD	650	Boeing Co (The)	233,807.01	209,625.00	3.24
USD	900	Broadcom Inc Reg	196,461.72	228,852.00	3.53
USD	3,850	Carnival Corp	240,577.26	189,805.00	2.93
USD	2,450	Celgene Corp	165,993.99	157,020.50	2.42
USD	1,300	Chevron Corp	123,366.60	141,427.00	2.18
USD	1,200	Chubb Ltd N	136,558.96	155,016.00	2.39
USD	2,250	Danaher Corp	93,291.22	232,020.00	3.58
USD	2,800	Dominion Energy Inc	148,030.82	200,088.00	3.09
USD	3,950	DowDuPont Inc Reg	126,001.65	211,246.00	3.26
USD	6,550	Dr Horton Inc	277,926.32	227,023.00	3.51
USD	2,400	Duke Energy Corp	179,675.42	207,120.00	3.20
USD	1,550	EOG Resources Inc	156,729.18	135,175.50	2.09
USD	1,450	Facebook Inc A	179,634.12	190,080.50	2.94
USD	1,000	Fedex Corp	98,086.17	161,330.00	2.49
USD	2,850	Intercontinental Exchang Inc	136,267.23	214,690.50	3.32
USD	1,200	Johnson & Johnson	133,597.80	154,860.00	2.39
USD	8,800	Kinder Morgan Inc	166,549.42	135,344.00	2.09
USD	2,750	Merck & Co Inc	112,182.54	210,127.50	3.25
USD	1,900	Microsoft Corp	52,946.11	192,983.00	2.98
USD	4,150	Oracle Corp	134,470.77	187,372.50	2.89
USD	4,750	Pfizer Inc	95,216.94	207,337.50	3.20
USD	750	Thermo Fisher Scientific Inc	62,047.57	167,842.50	2.59
USD	850	United Health Group Inc	106,267.23	211,752.00	3.27
USD	1,600	Visa Inc A	70,865.23	211,104.00	3.26
Total investments in securities			4,927,632.49	6,225,314.70	96.14
Cash at banks				258,073.20	3.99
Bank overdrafts				-1,114.92	-0.02
Other net assets/(liabilities)				-6,745.09	-0.11
Total				6,475,527.89	100.00

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

THE STRALEM FUND - US EQUITY

Industrial and geographical classification of investments as at 31st December 2018

Industrial classification

(in percentage of net assets)

Healthcare	25.39 %
Technologies	18.86 %
Industrials	12.82 %
Financials	11.26 %
Utilities	9.41 %
Energy	6.36 %
Cyclical consumer goods	5.78 %
Raw materials	3.26 %
Telecommunications services	3.00 %
Total	<u>96.14 %</u>

Geographical classification

(by domicile of the issuer)
(in percentage of net assets)

United States of America	87.97 %
Panama	2.93 %
Jersey	2.85 %
Switzerland	2.39 %
Total	<u>96.14 %</u>

THE STRALEM FUND - US EQUITY

Statement of changes in investments from 1st July 2018 to 31st December 2018

Currency	Description	Purchases	Sales
Shares			
USD	Abbott Laboratories	0	12,550
USD	AbbVie Inc	0	9,150
USD	Adobe Inc Reg	0	3,500
USD	Alexion Pharmaceuticals Inc	0	6,550
USD	Alphabet Inc A	0	730
USD	American Electric Power Co Inc	0	13,350
USD	Aptiv Plc Reg	0	9,250
USD	AT&T Inc	0	27,500
USD	Bank of New York Mellon Corp	0	11,450
USD	Boeing Co (The)	0	2,700
USD	Broadcom Inc Reg	0	3,600
USD	Carnival Corp	0	15,250
USD	Celgene Corp	0	9,300
USD	Chevron Corp	0	5,350
USD	Chubb Ltd N	0	4,950
USD	Danaher Corp	0	9,650
USD	Dominion Energy Inc	0	14,900
USD	DowDuPont Inc Reg	0	14,550
USD	Dr Horton Inc	0	21,550
USD	Duke Energy Corp	0	11,350
USD	EOG Resources Inc	0	5,300
USD	Facebook Inc A	0	4,300
USD	Fedex Corp	0	3,950
USD	Intercontinental Exchang Inc	0	13,400
USD	Johnson & Johnson	0	5,650
USD	Kinder Morgan Inc	0	39,100
USD	Merck & Co Inc	0	16,850
USD	Microsoft Corp	0	9,000
USD	Oracle Corp	0	19,350
USD	Pfizer Inc	0	24,850
USD	Thermo Fisher Scientific Inc	0	3,500
USD	United Health Group Inc	0	4,300
USD	Visa Inc A	0	7,550

THE STRALEM FUND

Notes to the financial statements

From 1st July 2018 to 31st December 2018

Note 1 - Significant accounting policies

a) Presentation of the financial statements

The financial statements of the Company are prepared in accordance with Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment and with generally accepted accounting principles in Luxembourg (Luxembourg GAAP).

b) Valuation of assets

- 1) The valuation of any transferable securities traded or listed on a stock exchange is made on the basis of the closing price as at the Valuation Day unless such price is not representative.
- 2) The value of any transferable securities traded on another regulated market is determined on the basis of the closing price as at the Valuation Day.
- 3) If transferable securities on a dedicated Valuation Day are neither officially traded nor listed on an exchange or regulated market, or in the case where, for securities officially listed or traded on a stock exchange or another regulated market, the price as determined pursuant to paragraphs 1 and 2 here above is not representative of the true value of such transferable securities, the valuation is made on the basis of their likely value of realisation, estimated with due care and good faith by the Board of Directors of the Company.

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 sales of securities

The realised gains and losses on sales of securities 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 are recorded at the ex-date, net of any withholding tax.

f) Conversion of foreign currencies

Cash at banks, 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. Net realised gains or losses on foreign exchange are disclosed in the statement of operations and other changes in net assets.

g) Combined financial statements

The combined financial statements of the Company are expressed in USD and are equal to the corresponding items in the financial statements of the Sub-Fund.

THE STRALEM FUND

Notes to the financial statements (continued)

From 1st July 2018 to 31st December 2018

h) 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 Company and of fees relating to liquidation of transactions paid to the depositary.

Note 2 - Management Company and Investment Management fees

The Board of Directors of the Company has appointed KREDIETRUST LUXEMBOURG S.A. as the Management Company to provide management and administration services.

In consideration of its services, the Management Company is entitled to a Management Company fee payable monthly and calculated on the basis of the average net assets of the Sub-Fund at the annual rate of 0.03% with an annual minimum of EUR 20,000.

The Management Company has appointed STRALEM & COMPANY INCORPORATED as the Investment Manager of the assets of the Company.

The Investment Manager is entitled to an Investment Management fee payable monthly and calculated on the basis of the average net assets of the Sub-Fund at an effective annual rate of 1.3% for Category A shares and 0.8% for Category I and Category DI shares.

The Investment Management fee is disclosed in the statement of operations and other changes in net assets under the item "Management Company and Investment Management fees" together with the Management Company fee.

The Board of Directors of the Company decided to implement a limitation of the fees borne by the Company through the use of a Total Expense Ratio Cap ("TER Cap"). Further information is provided in Note 7.

Note 3 - Marketing coordinator fee

The Company and the Management Company have appointed two Marketing Coordinators (IPA INVESTMENT PRODUCTS ADVISORY S.A., and AMIRA-CAPITAL GmbH), who, acting under the oversight of the Management Company and under direction of the Board of Directors of the Company, assist in the development of the Company by proposing new marketing initiatives and ideas for entry into new markets. The Marketing Coordinators also help produce and maintain marketing support materials such as product literature and technical guides for Distributors.

For their services, the Marketing Coordinators receive an incentive fee of 0.2% on the contributed net assets p.a. for Category A shares and 0.144% on the contributed net assets p.a. for Category I and Category DI shares.

This fee is disclosed in the statement of operations and other changes in net assets under the item "General Distribution and Marketing fees".

Note 4 - General distributor fee

The Management Company has appointed CARNEGIE FUND SERVICES S.A. as the General Distributor of the shares of the Company.

THE STRALEM FUND

Notes to the financial statements (continued)

From 1st July 2018 to 31st December 2018

The General Distributor is entitled to an annual fee payable monthly and calculated on the basis of the average net assets of the Sub-Fund at the annual rates of 0.08% for Category A shares and 0.055% for Category I and Category DI shares.

This fee is disclosed in the statement of operations and other changes in net assets under the item "General Distribution and Marketing fees".

Note 5 - Administration costs

The item "Administration costs" disclosed in the statement of operations and other changes in net assets is mainly composed by the fees incurred for the administration of the Company.

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

The Company is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the Company is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% for Category A shares and 0.01% for Category I and Category DI shares (reserved to Institutional Investors) which is payable quarterly and calculated on the basis of the net assets of each category of shares on the last day of each quarter.

Note 7 - Total expense ratio ("*TER*")

The TER disclosed under "Statistical information" of this report is calculated in accordance with the "Guidelines on the calculation and disclosure of the TER of collective investment schemes" issued by the Swiss Funds & Asset Management Association "SFAMA" on 16th May 2008 as modified on 20th April 2015.

The TER is calculated for the last 12 months preceding the date of these financial statements.

Transaction fees are not taken into account in the calculation of the TER.

By way of a circular resolution taken by the Board of Directors on 7th June 2011, the Board of Directors of the Company decided to implement a limitation of the fees borne by the Company through the use of a Total Expense Ratio Cap ("*TER Cap*").

By way of a circular resolution taken by the Board of Directors on 7th September 2018, the TER Cap percentages are fixed for the accounting year 1st July 2018 - 30th June 2019 as follows:

TER Cap Category A shares: 2.19%,
TER Cap Category I and DI shares: 1.53%.

The TER Cap is expressed as a percentage of the Net Asset Value for each Category of shares. The defined TER Cap includes any and all fees paid by the Company with respect to each Category of shares (notably the Investment Management fees, the General Distribution and Marketing fees, the Management Company, Depositary and Administrative Agent fees, as well as all other costs and expenses borne by the Company) excluding the transaction costs relating to purchases on sales of securities.

THE STRALEM FUND

Notes to the financial statements (continued)

From 1st July 2018 to 31st December 2018

The Sponsor has agreed to bear the risk of any Category of shares exceeding its defined TER Cap. If the TER actually incurred for a given Category of share exceeds its TER Cap, the Sponsor will reimburse the difference to the Company. In the event that the TER actually incurred for a given Category of shares falls below its TER Cap, the residual amount of the TER after deduction of all fees paid by the Company and costs and expenses borne by the Company shall be used to reimburse any outlays made by the Sponsor during the fiscal year. Any residual amount not used to reimburse the actual outlays of the Sponsor shall remain in favour of the Company. The TER of a given Category of shares will in no event exceed such Category of share' TER Cap.

During the period ended 31st December 2018, the effective TER exceeded the "TER Cap" for an amount of USD 78,701.48. This amount is recorded under the caption "Management Company and Investment Management fees" in the statement of operations and other changes in net assets.

Note 8 - Subsequent event

Please note that following massive redemptions at the end of 2018, the assets of THE STRALEM FUND have decreased considerably leading to the Board's decision to start the liquidation process of the only Sub-Fund that will result in the dissolution of the UCITS.

THE STRALEM FUND

Additional information
as at 31st December 2018

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 Company 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.