

**EASTERNMED EQUITIES FUND, A SUB-
FUND OF EASTERNMED FUNDS VCIC PLC**
INTERIM UNAUDITED FINANCIAL
STATEMENTS
FOR THE PERIOD FROM 19 APRIL 2016 TO 30
JUNE 2016

EASTERNMED EQUITIES FUND, A SUB-FUND OF EASTERNMED FUNDS VCIC PLC

INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 19 APRIL TO 30 JUNE 2016

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EASTERNMED EQUITIES FUND, A SUB-FUND OF EASTERNMED FUNDS VCIC PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Athanasios J. Martinos (appointed on 19 April 2016) Andreas Theophanous (appointed on 19 April 2016) Ioannis Papaioannou (appointed on 19 April 2016) Stavros A. Karides (appointed on 19 April 2016) Maria Panayi Drakos (appointed on 19 April 2016)
Company Secretary:	K and K Secretarial Limited
Registered office:	48 Themistokli Dervi Avenue Athienitis Centennial Building, Office 104 1066 Nicosia Cyprus
Management Company:	Easternmed Asset Management Services Ltd 11 Kyriakou Matsi Street, Nikis Center, 8th floor 1082 Nicosia Cyprus
Depositary:	Bank of Cyprus Public Company Ltd
Sub Custodian:	Clearstream Banking S.A.
Fund Administration:	Fiducitrust Services Limited 66 Acropolis Avenue, Acropolis Tower, 2nd floor 2012 Nicosia Cyprus
External Legal Advisers:	Karides & Karides LLC 11 Kyriakou Matsi Street, Nikis Center, 8th floor 1082 Nicosia Cyprus

EASTERNMED EQUITIES FUND, A SUB-FUND OF EASTERNMED FUNDS VCIC PLC

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 19 APRIL TO 30 JUNE 2016

	Note	19/04/2016 - 30/06/2016 €
Revenue		
Net change in unrealized gains on financial assets at fair value through profit or loss	6	<u>19.152</u>
Total revenue		<u>19.152</u>
Management fees		110
Depositary fees		11
Administration fees		11
Directors' fees		276
Transaction costs		5.655
Auditors' remuneration		245
Secretarial fees		123
Licenses and taxes		128
Sundry expenses		<u>51</u>
Total operating expenses		<u>6.610</u>
Operating profit		<u>12.542</u>
Increase in net assets attributable to holders of investor shares for the period		<u>12.542</u>

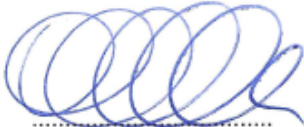
The notes on pages 6 to 8 form an integral part of these financial statements.

EASTERNMED EQUITIES FUND, A SUB-FUND OF EASTERNMED FUNDS VCIC PLC


UNAUDITED STATEMENT OF FINANCIAL POSITION
30 JUNE 2016

	Note	2016 €
ASSETS		
Current assets		
Cash and cash equivalents	7	100.923
Financial assets at fair value through profit or loss	6	<u>912.523</u>
		<u>1.013.446</u>
Total assets		<u>1.013.446</u>
Current liabilities		
Accrued expenses		<u>904</u>
		<u>904</u>
Total liabilities (excluding net assets attributable to holders of investor shares)		<u>904</u>
Net assets attributable to holders of investor shares		<u>1.012.542</u>
		<u>1.012.542</u>

On 31 August 2016 the Board of Directors of Easternmed Funds VCIC Plc authorised these interim financial statements for issue.



.....
 Athanasios J. Martinos
 Director



.....
 Andreas Theophanous
 Director

The notes on pages 6 to 8 form an integral part of these financial statements.

EASTERNMED EQUITIES FUND, A SUB-FUND OF EASTERNMED FUNDS VCIC PLC

UNAUDITED STATEMENT OF NET ASSETS ATTRIBUTABLE TO HOLDERS OF INVESTOR SHARES FOR THE PERIOD FROM 19 APRIL TO 30 JUNE 2016

	2016
	€
Balance at 19 April	-
Increase in net assets attributable to holders of investor shares	<u>12.542</u>
Contributions and redemptions by holders of investor shares:	
Subscription for Class A investor shares during the period	<u>1.000.000</u>
Total contributions and redemptions by holders of investor shares	<u>1.000.000</u>
Balance at 30 June	<u><u>1.012.542</u></u>

The notes on pages 6 to 8 form an integral part of these financial statements.

EASTERNMED EQUITIES FUND, A SUB-FUND OF EASTERNMED FUNDS VCIC PLC

UNAUDITED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 19 APRIL TO 30 JUNE 2016

	19/04/2016 - 30/06/2016
	€
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets attributable to holders of investor shares before tax	12.542
Adjustments for:	
Fair value gains on financial assets at fair value through profit or loss	<u>(19.152)</u>
	(6.610)
Changes in working capital:	
Increase in financial assets at fair value through profit or loss	(893.371)
Increase in accrued expenses	<u>904</u>
Cash used in operations	<u>(899.077)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from subscription of Class A investor shares	<u>1.000.000</u>
Net cash generated from financing activities	<u>1.000.000</u>
Net increase in cash and cash equivalents	<u>100.923</u>
Cash and cash equivalents at end of the period	7 <u><u>100.923</u></u>

The notes on pages 6 to 8 form an integral part of these financial statements.

EASTERNMED EQUITIES FUND, A SUB-FUND OF EASTERNMED FUNDS VCIC PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 19 APRIL TO 30 JUNE 2016

1. Incorporation and principal activities

Country of incorporation

Easternmed Equities Fund (the "Fund") has been established as a Sub-Fund by the Variable Capital Investment Company Easternmed Funds VCIC Plc (the "Company") which was incorporated in Cyprus on 19 April 2016 as a public limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 48 Themistokli Dervi Avenue, Athienitis Centennial Building, Office 104, 1066 Nicosia, Cyprus.

Easternmed Funds VCIC Plc was granted UCITS license No. UCITS 07/78 by the Cyprus Securities and Exchange Commission on 22/03/2016.

2. Unaudited financial statements

The financial statements for the period from 19 April 2016 to 30 June 2016, have not been audited by the external auditors of the Company.

3. Significant accounting policies

The financial statements, which are presented in Euro, have been prepared in accordance with international Financial Reporting Standards (IFRSs), including International Accounting Standard 34 "Interim Financial Reporting". These interim financial statements do not include all the information required for the full annual financial statements prepared in accordance with IFRSs.

Costs that are incurred during the financial year are anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year.

4. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Fund's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Fair value of financial assets**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Fund uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

5. Fair value measurement

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

EASTERNMED EQUITIES FUND, A SUB-FUND OF EASTERNMED FUNDS VCIC PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 19 APRIL TO 30 JUNE 2016

5. Fair value measurement (continued)

30 June 2016	Level 1 €	Level 2	Level 3 €	Total
Assets measured at fair value				
Financial assets at fair value through profit or loss				
	912.523	-	-	912.523
Total	912.523	-	-	912.523

Transfers between levels

There have been no transfers between different levels during period.

Valuation techniques

Listed investments

The fair values of investments traded on active liquid markets are determined with reference to quoted market prices. These investments are included within Level 1 of the hierarchy.

6. Financial assets at fair value through profit or loss

Financial assets	2016 €
Balance at 19 April	-
Additions	893.371
Change in fair value	<u>19.152</u>
Balance at 30 June	912.523
Less non-current portion	<u>-</u>
Current portion	<u>912.523</u>

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 30 June by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the statement of cash flows, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

7. Cash and cash equivalents

Cash balances are analysed as follows:

	2016 €
Cash at bank	<u>100.923</u>
	<u>100.923</u>

8. Net assets attributable to holders of investor shares

The Company was set up with authorized share capital of 500.000.000 investor shares, no fractions of a share are recognized and each share represents the same percentage holding in the overall assets. The price of each investor share in the Fund, at the time of incorporation, was set at €100, with euro as reference currency.

EASTERNMED EQUITIES FUND, A SUB-FUND OF EASTERNMED FUNDS VCIC PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 19 APRIL TO 30 JUNE 2016

8. Net assets attributable to holders of investor shares (continued)

The initial issued share capital of the Company is 2.000 investor shares issued at the price of €100 each.

Investor shares are classified into Class A investor shares and Class B investor shares. The rights and obligations of the two share classes are identical, with the exemption of the subscription, redemption and management fee charge.

The Minimum Holding and Minimum Initial Subscription required for Class A investor shares is €800.000 and the Minimum Additional Subscription required for Class A investor shares is €500.000. The Minimum Holding, Minimum Initial Subscription and Minimum Additional Subscription required for Class B investor shares is €5.000. These minimum initial and additional subscription amounts may be reduced or increased, at the discretion of the Company, whenever the Company considers it reasonable or appropriate, taking into consideration the diversification of shareholders and other factors and subject to the provisions for amendment to the instruments of incorporation of the Company.

	2016 Class A Number of shares	2016 Class A €
Issued and fully paid		
Increase in net assets attributable to holders of investor shares	-	12.542
Issue of investor shares during the period	<u>100</u>	<u>1.000.000</u>
Balance at 30 June	<u><u>100</u></u>	<u><u>1.012.542</u></u>