

EASTERNMED FUNDS VCIC PLC  
INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2017

# EASTERNMED FUNDS VCIC PLC

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## INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

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# EASTERNMED FUNDS VCIC PLC

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Athanasios J. Martinos  
Andreas Theophanous  
Ioannis Papaioannou  
Stavros A. Karides  
Maria Panayi Drakos

**Secretary:**

K and K Secretarial Limited  
11 Kyriakou Matsi Street, Nikis Center, 8th floor  
1082 Nicosia  
Cyprus

**Management Company:**

Easternmed Asset Management Services Ltd  
11 Kyriakou Matsi Street, Nikis Center, 8th floor  
1082 Nicosia  
Cyprus

**Fund Administration:**

Fiducitrust Services Limited  
66 Acropolis Avenue, Acropolis Tower, 2nd floor  
2012 Nicosia  
Cyprus

**External Auditors:**

KPMG Limited  
14 Esperidon Street  
1087 Nicosia  
Cyprus

**External Legal Advisers:**

Karides & Karides LLC  
11 Kyriakou Matsi Street, Nikis Center, 8th floor  
1082 Nicosia  
Cyprus

**Registered office:**

48 Themistokli Dervi Avenue  
Athienitis Centennial Building, Office 104  
1066 Nicosia  
Cyprus

**Depository:**

Bank of Cyprus Public Company Ltd  
51 Stasinou Street  
1398 Nicosia  
Cyprus

**Registration number:**

HE354779

# EASTERNMED FUNDS VCIC PLC

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2017

|   | Note | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2016<br>€ |
|---|------|--|--|
| <b>Revenue</b>  |      |  |  |
| Dividend income   |      | 896.138  | -  |
| Interest income   | 6    | 135.982  | -  |
| Net realised gains on financial assets at fair value through profit or loss             | 8    | 77.530   | -  |
| Net fair value (losses)/gains on financial assets at fair value through profit or loss  | 7,13 | <u>(154.575)</u>   | 19.152   |
| <b>Total revenue</b>  |      | <b><u>955.075</u></b>  | <b><u>19.152</u></b>   |
| Management fees   |      | (106.754)  | (110)  |
| Depositary fees   |      | (11.022)   | (11)   |
| Administration fees   |      | (10.665)   | (11)   |
| Directors' fees   |      | (4.785)  | (276)  |
| Transaction costs   |      | (29.729)   | (5.655)  |
| Auditors' remuneration  |      | (4.249)  | (245)  |
| Secretarial fees  |      | (5.980)  | (123)  |
| Licences and annual contributions   |      | (892)  | -  |
| Other expenses  |      | <u>(411)</u>   | <u>(179)</u>   |
| <b>Total operating expenses</b>   |      | <b><u>(174.487)</u></b>  | <b><u>(6.610)</u></b>  |
| <b>Operating profit before finance costs</b>  |      | <b>780.588</b>   | 12.542   |
| Finance income  | 9    | <u>66</u>  | -  |
| <b>Increase in net assets attributable to holders of investor shares before tax</b>     |      | <b>780.654</b>   | 12.542   |
| Tax   | 10   | <u>(59.630)</u>  | -  |
| <b>Increase in net assets attributable to holders of investor shares for the period</b> |      | <b><u>721.024</u></b>  | <b><u>12.542</u></b>   |

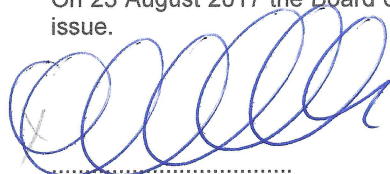
The notes on pages 6 to 14 form an integral part of these financial statements.

# EASTERNMED FUNDS VCIC PLC

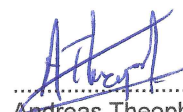
## UNAUDITED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017

|  | Note | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>31 December<br>2016<br>€ |
|--|------|--|--|
| <b>ASSETS</b>  |      |  |  |
| Financial assets at fair value through profit or loss                                      | 13   | 41.225.041   | 31.371.620   |
| Cash and cash equivalents  | 14   | 4.469.350  | 10.354.741   |
| Other receivables  | 12   | 21.411   | -  |
| <b>Total assets</b>  |      | <b>45.715.802</b>  | <b>41.726.361</b>  |
| <b>LIABILITIES</b>   |      |  |  |
| Balances due to brokers  | 11   | -  | 1.747.327  |
| Other payables   | 16   | 44.738   | 28.838   |
| Current tax liabilities  | 17   | 1.355  | 1.511  |
|  |      | <b>46.093</b>  | <b>1.777.676</b>   |
| <b>Total liabilities (excluding net assets attributable to holders of investor shares)</b> |      | <b>46.093</b>  | <b>1.777.676</b>   |
| <b>Net assets attributable to holders of investor shares</b>                               |      | <b>45.669.709</b>  | <b>39.948.685</b>  |
|  |      | <b>45.669.709</b>  | <b>39.948.685</b>  |

On 23 August 2017 the Board of Directors of Easternmed Funds VCIC Plc authorised these financial statements for issue.



.....  
Athanasios J. Martinos  
Director



.....  
Andreas Theophanous  
Director

The notes on pages 6 to 14 form an integral part of these financial statements.

## EASTERNMED FUNDS VCIC PLC

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### UNAUDITED STATEMENT OF NET ASSETS ATTRIBUTABLE TO HOLDERS OF INVESTOR SHARES FOR THE SIX MONTHS ENDED 30 JUNE 2017

|  | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2016<br>€ |
|--|--|--|
| Balance at 1 January/19 April  | 39.948.685   | -  |
| Increase in net assets attributable to holders of investor shares        | <u>721.024</u>   | <u>12.542</u>  |
| <b>Contributions and redemptions by holders of investor shares:</b>      |  |  |
| Subscription for Class A investor shares during the period               | <u>5.000.000</u>   | <u>1.000.000</u>   |
| <b>Total contributions and redemptions by holders of investor shares</b> | <u>5.000.000</u>   | <u>1.000.000</u>   |
| <b>Balance at 30 June</b>  | <u><u>45.669.707</u></u>                                       | <u><u>1.012.542</u></u>  |

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The notes on pages 6 to 14 form an integral part of these financial statements.

# EASTERNMED FUNDS VCIC PLC

## UNAUDITED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2017

|  | Note | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2016<br>€ |
|--|------|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |      |  |  |
| <b>Increase in net assets attributable to holders of investor shares before tax</b>    |      | <b>780.654</b>   | 12.542   |
| Adjustments for:   |      |  |  |
| Net realised gains on financial assets at fair value through profit or loss            | 8    | <b>(77.530)</b>  | -  |
| Net fair value losses/(gains) on financial assets at fair value through profit or loss | 7    | <b>154.575</b>   | (19.152)   |
| Dividend income  |      | <b>(896.138)</b>   | -  |
| Interest income  | 6    | <b>(135.982)</b>   | -  |
|  |      | <b>(174.421)</b>   | (6.610)  |
| <b>Changes in working capital:</b>   |      |  |  |
| Decrease in balances due to brokers  |      | <b>(1.747.327)</b>   | -  |
| Increase in other payables   |      | <b>15.900</b>  | 904  |
| <b>Cash used in operations</b>   |      | <b>(1.905.848)</b>   | (5.706)  |
| Interest received  |      | <b>132.071</b>   | -  |
| Dividends received   |      | <b>878.638</b>   | -  |
| Proceeds from sale of financial assets at fair value through profit or loss            |      | <b>2.998.130</b>   | -  |
| Payments for acquisition of financial assets at fair value through profit or loss      |      | <b>(12.928.596)</b>  | (893.371)  |
| Tax paid   |      | <b>(59.786)</b>  | -  |
| <b>Net cash used in operating activities</b>   |      | <b>(10.885.391)</b>  | (899.077)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |      |  |  |
| Proceeds from issue of investor shares   | 15   | <b>5.000.000</b>   | 1.000.000  |
| <b>Net cash generated from financing activities</b>                                    |      | <b>5.000.000</b>   | 1.000.000  |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                            |      | <b>(5.885.391)</b>   | 100.923  |
| Cash and cash equivalents at beginning of the period                                   |      | <b>10.354.741</b>  | -  |
| <b>Cash and cash equivalents at end of the period</b>                                  | 14   | <b>4.469.350</b>   | 100.923  |

The notes on pages 6 to 14 form an integral part of these financial statements.

# EASTERNMED FUNDS VCIC PLC

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## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

### 1. Incorporation and principal activities

#### Country of incorporation

Easternmed Funds VCIC Plc (the "Fund") was incorporated in Cyprus on 19 April 2016 as a public company limited by shares under the provisions of the Cyprus Companies Law, Cap. 113. The Fund was granted a UCITS license No. UCITS 07/78 by the Cyprus Securities and Exchange Commission on 22 March 2016. Its registered office is at 48 Themistokli Dervi Avenue, Athienitis Centennial Building, Office 104, 1066 Nicosia, Cyprus.

The Fund as an umbrella investment company comprises various sub-funds each relating to a separate investment portfolio of securities, cash and other assets. Separate classes of shares are issued in relation to the sub-funds. The Board of Directors of the Fund may authorise the creation of additional sub-funds/share classes in the future. As of 30 June 2017, there was one active sub-fund, namely the Easternmed Equities Fund Class A (the 'Sub-Fund').

The Fund is primarily involved in investing in a highly diversified portfolio of equity securities issued by companies listed on major European stock exchanges and on the New York Stock Exchange (NYSE), investment funds and corporate debt securities, with the objective of providing shareholders with a long-term capital growth subject to moderate volatility.

The Fund's investment activities are managed by Easternmed Asset Management Services Ltd (the 'Management Company'), with the administration delegated to Fiducitrust Services Limited (the 'Fund Administrator').

### 2. Unaudited financial statements

The financial statements for the period ended 19 April 2016 to 30 June 2016 and for the six months ended on 30 June 2017, have not been audited by the external auditors of the Company.

### 3. Significant accounting policies

The financial statements, which are presented in Euros, 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.

The accounting policies used in the preparation of the financial statements are in accordance with those used in the annual financial statements for the period from 19 April 2016 to 31 December 2016.

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.

Corporation tax is calculated based on the expected tax rates for the whole financial year.

These financial statements must be read in conjunction with the annual financial statements for the year ended 31 December 2016.

### 4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement 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.



# EASTERNMED FUNDS VCIC PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

### 4. Critical accounting estimates and judgments (continued)

#### Judgments

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:

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **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 Company 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).

| 30 June 2017  | Level 1<br>€      | Level 2<br>€     | Level 3<br>€ | Total<br>€        |
|---|-------------------|------------------|--------------|-------------------|
| <b>Assets measured at fair value</b>  |                   |                  |              |                   |
| <b>Financial assets designated at fair value through profit or loss at inception:</b> |                   |                  |              |                   |
| Equity securities   | 33.446.643        | -                | -            | 33.446.643        |
| Listed open-ended investment funds  | 1.055.174         | -                | -            | 1.055.174         |
| Unlisted open-ended investment funds  | -                 | 2.109.937        | -            | 2.109.937         |
| Debt securities   | 4.613.287         | -                | -            | 4.613.287         |
| <b>Total</b>  | <b>39.115.104</b> | <b>2.109.937</b> | <b>-</b>     | <b>41.225.041</b> |
| <br>  |                   |                  |              |                   |
| 31 December 2016  | Level 1<br>€      | Level 2<br>€     | Level 3<br>€ | Total<br>€        |
| <b>Assets measured at fair value</b>  |                   |                  |              |                   |
| <b>Financial assets designated at fair value through profit or loss at inception:</b> |                   |                  |              |                   |
| Equity securities   | 23.506.079        | -                | -            | 23.506.079        |
| Listed open-ended investment funds  | 969.960           | -                | -            | 969.960           |
| Unlisted open-ended investment funds  | -                 | 1.065.630        | -            | 1.065.630         |
| Debt securities   | 5.829.951         | -                | -            | 5.829.951         |
| <b>Total</b>  | <b>30.305.990</b> | <b>1.065.630</b> | <b>-</b>     | <b>31.371.620</b> |

# EASTERNMED FUNDS VCIC PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

### 5. Fair value measurement (continued)

Valuation techniques and the inputs used for the fair value measurements categorised within Level 2 of the fair value hierarchy is given below:

#### Unlisted open-ended investment funds

The Fund invests in managed funds, which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets. The Fund's investment manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the NAV of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, and other specific factors of the fund and fund manager. In measuring fair value, consideration is also given to any transactions in the shares of the fund. Depending on the nature and level of adjustments needed to the NAV and the level of trading in the fund, the Fund classifies these funds as either Level 2 or Level 3.

There were no transfers between Level 1 and Level 2 in the period.

### 6. Interest income

Interest income is analysed as follows:

|   | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2016<br>€ |
|---|--|--|
| Cash and cash equivalents   | 3.911  | -  |
| Listed debt securities designated as at fair value through profit or loss | 132.071  | -  |
|   | <u>135.982</u>   | <u>-</u>   |

### 7. Net fair value (losses)/gains on financial assets at fair value through profit or loss

Net fair value (losses)/gains on financial assets at fair value through profit or loss is analysed as follows:

|                                      | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2016<br>€ |
|--------------------------------------|--|--|
| Equity securities                    | 116.921  | 19.152   |
| Listed open-ended investment funds   | (130.890)  | -  |
| Unlisted open-ended investment funds | (52.123)   | -  |
| Debt securities                      | (88.483)   | -  |
|                                      | <u>(154.575)</u>   | <u>19.152</u>  |

The fair value gains and losses on financial assets at fair value through profit or loss represents the difference between the carrying amount of a financial asset at the beginning of the reporting period and its carrying amount at the end of the reporting period.

# EASTERNMED FUNDS VCIC PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

### 8. Net realised gains on financial assets at fair value through profit or loss

Net realised gains on financial assets at fair value through profit or loss is analysed as follows:

|                   | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2016<br>€ |
|-------------------|--|--|
| Equity securities | 91.930   | -  |
| Debt securities   | (14.400)   | -  |
|                   | <u>77.530</u>  | <u>-</u>   |

The realised gains on financial assets at fair value through profit or loss represents the difference between the carrying amount of a financial asset at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

### 9. Finance income

|                       | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2016<br>€ |
|-----------------------|--|--|
| Sundry finance income | 66   | -  |
|                       | <u>66</u>  | <u>-</u>   |

### 10. Tax

|                                  | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2016<br>€ |
|----------------------------------|--|--|
| Corporation tax - current period | 1.355  | -  |
| Withholding tax                  | 58.275   | -  |
| <b>Charge for the period</b>     | <u>59.630</u>  | <u>-</u>   |

The total charge for the year can be reconciled to the accounting profit as follows:

|  | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2016<br>€ |
|--|--|--|
| Increase in net assets attributable to holders of investor shares before tax | <u>780.654</u>   | <u>12.542</u>  |
| Tax calculated at the applicable tax rates                                   | 97.582   | 1.568  |
| Tax effect of expenses not deductible for tax purposes                       | 123.569  | 2  |
| Tax effect of allowances and income not subject to tax                       | (219.796)  | (2.394)  |
| Tax effect of tax loss for the period  | -  | 824  |
| Withholding tax  | 58.275   | -  |
| <b>Tax charge</b>  | <u>59.630</u>  | <u>-</u>   |

# EASTERNMED FUNDS VCIC PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

### 10. Tax (continued)

The Fund is subject to corporation tax on taxable profits at the rate of 12,5%.

Under certain conditions interest income may be subject to defense contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defense contribution at the rate of 17%.

### 11. Balances due to brokers

|                               | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>31 December<br>2016<br>€ |
|-------------------------------|--|--|
| Balances due to brokers       | -  | 1.747.327  |
| Purchases awaiting settlement | -  | 1.747.327  |
|                               | <u>-</u>   | <u>1.747.327</u>   |

During 2016, two acquisitions of equity securities took place which were not settled prior to the year end. Both acquisitions were settled in January 2017.

### 12. Other receivables

|  | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>31 December<br>2016<br>€ |
|--|--|--|
| Accrued interest on bank current account | 3.911  | -  |
| Dividend receivable                      | 17.500   | -  |
|  | <u>21.411</u>  | <u>-</u>   |

### 13. Financial assets at fair value through profit or loss

|                               | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2016<br>€ |
|-------------------------------|--|--|
| Balance at 1 January/19 April | 31.371.620   | -  |
| Additions                     | 12.928.596   | 29.432.470   |
| Disposals                     | (2.920.600)  | -  |
| Net fair value losses/(gains) | (154.575)  | 1.939.150  |
| <b>Balance at 30 June</b>     | <u><b>41.225.041</b></u>                                       | <u><b>31.371.620</b></u>                                       |

# EASTERNMED FUNDS VCIC PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

### 13. Financial assets at fair value through profit or loss (continued)

Financial assets designated as at fair value through profit or loss are analysed as follows:

|  | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>31 December<br>2016<br>€ |
|--|--|--|
| <b>Financial assets at fair value through profit or loss</b> |  |  |
| Equity securities  | 33.446.643   | 23.506.079   |
| Listed open-ended investment funds                           | 1.055.174  | 969.960  |
| Unlisted open-ended investment funds                         | 2.109.937  | 1.065.630  |
| Debt securities  | 4.613.287  | 5.829.951  |
|  | <u>41.225.041</u>  | <u>31.371.620</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 or over the counter prices. The fair value estimation of the financial assets at fair value through profit or loss is disclosed in notes 4 and 5.

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.

### 14. Cash and cash equivalents

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

|              | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>31 December<br>2016<br>€ |
|--------------|--|--|
| Cash at bank | 4.469.350  | 10.354.741   |
|              | <u>4.469.350</u>   | <u>10.354.741</u>  |

### Cash and cash equivalents by currency:

|                       | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>31 December<br>2016<br>€ |
|-----------------------|--|--|
| United States Dollars | 152.206  | 55.311   |
| Euro                  | 4.085.099  | 9.425.373  |
| British Pounds        | 119.881  | 23.756   |
| Norwegian Krone       | 22.893   | 850.301  |
| Swedish Krona         | 16.370   | -  |
| Swiss Franc           | 72.901   | -  |
|                       | <u>4.469.350</u>   | <u>10.354.741</u>  |

# EASTERNMED FUNDS VCIC PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

### 15. Net assets attributable to holders of investor shares

#### 15.1 Investor shares

The Fund was set up with authorised share capital of 500.000.000 investor shares, no fractions of a share are recognised 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.

The initial issued share capital of the Fund 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 Fund, whenever the Fund 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 Fund.

|   | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>Number of<br>shares | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2016<br>Number of<br>shares | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2016<br>€ |
|---|--|--|--|--|
| <b>Issued and fully paid</b>                                      |  |  |  |  |
| Balance at 1 January/19 April                                     | 359.442  | 39.948.685   | -  | -  |
| Increase in net assets attributable to holders of investor shares | -  | 721.024  | -  | 1.948.685  |
| Issue of investor shares during the period                        | 43.311   | 5.000.000  | 359.442  | 38.000.000   |
| <b>Balance at 30 June</b>   | <b>402.753</b>   | <b>45.669.707</b>  | <b>359.442</b>   | <b>39.948.685</b>  |

The rights attaching to the investor shares are as follows:

- The shares may be redeemed daily at the net asset value per share of the respective class.
- The shares carry a right to receive notice of, attend and vote at general meetings.
- The holders of investor shares are entitled to receive all dividends declared and paid by the Fund. On winding-up, the holders are entitled to a return of capital based on the net asset value per share of their respective classes and if applicable to the class the subscription, and redemption fee.

### 16. Other payables

|   | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017<br>€ | Easternmed<br>Equities Fund<br>Class A<br>31 December<br>2016<br>€ |
|---|--|--|
| Accruals                                  | 34.441   | 27.352   |
| Other creditors                           | 10.237   | 1.076  |
| Payables to related companies (Note 18.3) | 60   | 410  |
|   | <b>44.738</b>  | <b>28.838</b>  |

# EASTERNMED FUNDS VCIC PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

### 17. Current tax liabilities

|                 | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017 | Easternmed<br>Equities Fund<br>Class A<br>31 December<br>2016 |
|-----------------|---|---|
| Corporation tax | €<br><u>1.355</u>   | €<br><u>1.511</u>   |
|                 | <u>1.355</u>  | <u>1.511</u>  |

### 18. Related party balances and transactions

The related party balances and transactions are as follows:

#### 18.1 Investment manager

The Fund has appointed Management Company to provide management services pursuant to a management agreement dated 9 June 2016. Under the terms of the agreement the Fund pays the investment manager 0,50% per annum for Class A investor shares and 1% per annum for Class B investor shares of the average net asset value of the Fund for the relevant fiscal year, for managing the Fund. The management fee is computed daily on the daily value of the Fund's net assets and is paid by debiting it from the Fund at the end of each month. The management fee includes fees to enable the Management Company to perform its tasks and functions, or to provide services, irrespective of whether those functions is carried out by the Management Company itself or have been outsourced to third parties.

The management fees for the six months ended 30 June 2017 totaled €106.754 (30 June 2016: €110) and are presented in the statement of comprehensive income. The amount outstanding at the period end is €19.003 (31 December 2016: €12.233) and it is included in accruals in other payables.

At 30 June 2017, 10.000 (31 December 2016: 10.000) Class A investor shares were held by the investment manager.

#### 18.2 Directors' remuneration

The directors' fees for the six months ended 30 June 2017 totaled €4.785 (30 June 2016: €276) and are presented in the statement of comprehensive income. The amount outstanding at the period end is €1.500 (31 December 2016: €2.143) and it is included in accruals in other payables. Directors' remuneration consisted of only fixed directors' fees and no other staff costs are paid by the Fund.

#### 18.3 Payables to related parties (Note 16)

| <u>Name</u>                              | <u>Nature of transactions</u> | Easternmed<br>Equities Fund<br>Class A<br>30 June<br>2017 | Easternmed<br>Equities Fund<br>Class A<br>31 December<br>2016 |
|--|-------------------------------|---|---|
| Easternmed Asset Management Services Ltd | Other                         | €<br><u>60</u>  | €<br><u>410</u>   |
|  |                               | <u>60</u>   | <u>410</u>  |

The payables to related parties were provided interest free, and there was no specified repayment date.

# EASTERNMED FUNDS VCIC PLC

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## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

### 19. Other key contracts

The Fund has appointed the Administrator to provide administrative services pursuant to an administration agreement dated 9 June 2016. Under the terms of the agreement the Fund pays the Administrator 0,05% per annum of the average net asset value of the Fund for the relevant fiscal year, with a floor of €12.500 and a ceiling of €50.000 per annum. The administration fee is computed daily on the daily value of the Fund's net assets and is billed at the end of each month. The administrative fees for the six months ended 30 June 2017 totaled €10.665 (30 June 2016: €11) and are presented in the statement of comprehensive income. The amount outstanding at the period end is €1.900 (31 December 2016: €1.223) and it is included in accruals in other payables.

The Fund has appointed the Depositary to provide depositary services pursuant to a depositary agreement dated 9 June 2016. Under the terms of the agreement the Fund pays the depositary 0,05% per annum of the average net value of the Fund's assets held by the Depositary during the relevant fiscal year with a minimum fee of €2.500 per quarter. The Depositary's fee is computed daily on the daily valuation of the net assets held by the Depositary and billed at the end of each quarter. This fee includes Depositary fees which may be payable to third parties who undertake to safeguard all or part of the assets of the Fund on the basis of outsourcing arrangements. The Depositary fees for the six months ended 30 June 2017 totaled €11.022 (30 June 2016: €11) and are presented in the statement of comprehensive income. The amount outstanding at the period end is €5.838 (31 December 2016: €3.211) and it is included in accruals in other payables.