

**3K MUTUAL FUND ANAGENISIS (AIF)**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2021

## **3K MUTUAL FUND ANAGENNISIS (AIF)**

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### **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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## 3K MUTUAL FUND ANAGENISIS (AIF)

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### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY AND OTHER OFFICERS

**Board of Directors of the Management Company:**

Georgios Koufopoulos (Chairman and CEO)  
Gerasimos Vasileiou (Vice Chairman, Executive Member)  
Theodoros Lizardos (Vice Chairman, Executive Member)  
Anna Margariti (Executive Member and Deputy CEO)  
Nikolaos Campanis (Non-Executive Member)  
Panagiotis Mitropoulos (Executive Member appointed on 20 April 2022)  
Panagiotis-Christos Karachristos (Executive Member appointed on 20 April 2022)

**Management Company:**

3K Investment Partners Mutual Fund Management Co. Single Member S.A.  
25-27-29 Karneadou Street  
GR 106 75 Athens  
Greece

**Fund Administrator:**

3K Investment Partners Mutual Fund Management Co. Single Member S.A.  
25-27-29 Karneadou Street  
GR 106 75 Athens  
Greece

**External Auditors:**

Deloitte Limited  
Certified Public Accountants and Registered Auditors  
24 Spyrou Kyprianou Avenue  
1075 Nicosia  
Cyprus

**Depositary:**

Eurobank Cyprus Ltd  
41 Arch. Makarios III Avenue  
1065 Nicosia  
Cyprus

# 3K MUTUAL FUND ANAGENISIS (AIF)

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## FUND BACKGROUND

### Background

3K Mutual Fund Anagennisis (AIF) (the "Fund") was established in Cyprus as an open-ended alternative investment fund in the form of a common fund under the provisions of the Alternative Investment Fund Law of 2014 (subsequently replaced by the Law which provides for the Alternative Investment Funds and other related matters) (the "AIF Law" of 2018) and commenced operations on 18 June 2018 when the minimum required assets of €125.000 were raised. The Fund was granted AIF license No. AIF32/2014 by the Cyprus Securities and Exchange Commission on 16 April 2018 and is managed by the mutual fund management company, 3K Investment Partners Mutual Fund Management Co. Single Member S.A. (the "Management Company" or the "Investment Manager"), the registered offices of which are at 25-27-29 Karneadou Street, GR 106 75 Athens, Greece.

Being a common fund, the Fund is not a legal entity and its unitholders are represented both in and out of court in their legal relations arising from management of the Fund and their rights to its assets, by the Management Company. The Fund currently only has one investment compartment in operation.

The Management Company is a UCITS manager and an Alternative Investment Fund Manager ("AIFM") which is authorized and supervised by the Hellenic Capital Market Commission in Greece. The Management Company manages the Fund in compliance with the provisions of the AIF Law, the Greek Law 4209/2013 and Regulation (EU) No 231/2013.

As of 1 January 2020, the Fund's administration services (other than the responsibility for reporting to competent authorities) are performed by the Management Company (the "Administrator"). Eurobank Cyprus Ltd acts as the Fund's depositary (the "Depositary").

### Investment objective

The Fund's investment objective is to achieve capital appreciation by investing primarily in equities of companies listed on exchanges (regulated or other secondary markets).

### Investment strategy

The Management Company has formulated the following investment strategy to achieve the stated investment objective:

- The Fund shall invest at least 60% of its assets in equities in companies listed on exchanges worldwide. The Fund may also invest in other transferable securities, money market instruments, bank deposits, and units or shares in collective investment undertakings (UCITS and/or AIF) worldwide. It may also, to a lesser degree, hold liquid cash assets.
- The Management Company will actively manage the Fund. Equities will be chosen having analyzed and evaluated factors such as: the prospects of growth, the investee company's value, the quality of management, dividend policy and other qualitative and quantitative criteria. In addition, emphasis is also placed on the financials for the sectors to which the companies belong, and the risks and opportunities entailed.
- The Fund cannot invest in derivative financial instruments nor can it make use of such for hedging purposes.

The Fund is considered to have a high investment risk since the portfolio is primarily invested in equities whose prices may fluctuate significantly. The Fund's benchmark reference for performance purposes is the Eurostoxx 600 index.

### Changes in the composition of the portfolio

During the year ended 31 December 2021, the Fund raised €854.259 from subscriptions, it had redemptions of unitholders' units of €1.070.049 and has a net position of €4.240.622 as at the year end.

## 3K MUTUAL FUND ANAGENISIS (AIF)

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### FUND BACKGROUND (continued)

#### Portfolio overview

| Period (Ref date 31/12/2021) | 3K Anagennisis Fund | Benchmark |
|------------------------------|---------------------|-----------|
| 1 Y                          | 23,52%              | 12,69%    |
| 3 Y                          | 56,28%              | 44,47%    |

The above results are cumulative and after all costs.

The main tool we use to value companies is the future cash flows we expect them to deliver. We calculate the intrinsic value of a company and compare it with the price presented on the stock exchange. If the intrinsic value is much higher than the market prices then we expect to have appreciation of our holdings in the long run. Our job is to create portfolios of companies that have enough space of price increases. Of course, this does not mean that the portfolio will increase every year. On the contrary, there will be periods of strong fluctuations that will test our / your endurance. But if our calculations are correct, we expect our portfolio to be quite profitable in a sufficient time horizon.

It is important that our estimates are of good predictive quality. For this reason, we seek to hold companies with excellent managements. The core of the portfolio, over 75%, consists of this category. These people are either founders or have a sufficient period of time at the helm of the companies we invest in, they are "tested", predictable and often have their interests harmonized with ours. The remaining 25% of the portfolios consist of companies whose management does not have sufficient history at the helm. In these cases the "discount" we require to have is very important as we consider that the probability of falling out of our estimates is increased compared with the other holdings.

The price that we pay to buy stakes of companies is an important parameter of the return. However, as the investment horizon lengthens, price plays a secondary role comparing with the rate that the intrinsic value appreciates (hence its share price).

**3K Investment Partners Mutual Fund Management Co. Single Member S.A.**  
**7 June 2022**

George Koufopoulos  
Chief Executive Officer &  
Chief Investment Officer



Gerasimos Vasiliou  
Chief Financial Officer



## Independent Auditor's Report

### To the Unitholders of 3K Mutual Fund Anagennisis (AIF)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of 3K Mutual Fund Anagennisis (AIF) (the "Fund") which are presented on pages 7 to 31, and comprise the statement of financial position as at 31 December 2021, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and 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 the results of its operations, the changes in equity and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the AIF Law.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Offices: Nicosia, Limassol

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**Independent Auditor's Report (continued)****To the Unitholders of 3K Mutual Fund Anagennis (AIF)****Other information**

The Board of Directors of the Management Company is responsible for the other information. The other information comprises the information included in the Fund Background and Schedule of Investments but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

**Responsibility of the Board of Directors of the Management Company for the Financial Statements**

The Board of Directors of the Management Company is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management 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, the Board of Directors of the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Independent Auditor's Report (continued)****To the Unitholders of 3K Mutual Fund Anagennisis (AIF)**

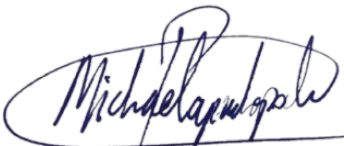
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Management Company.
- Conclude on the appropriateness of the Board of Directors of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Other Matter**

This report, including the opinion, has been prepared for and only for the Fund's unitholders as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Michalis Papadopoulos  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**Deloitte Limited**  
**Certified Public Accountants and Registered Auditors**

Nicosia, 7 June 2022



### 3K MUTUAL FUND ANAGENISIS (AIF)

#### STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

|   | Note | 2021<br>€          | 2020<br>€         |
|---|------|--------------------|-------------------|
| <b>ASSETS</b>   |      |                    |                   |
| Financial assets at fair value through profit or loss               | 9    | 3.760.646          | 3.372.113         |
| Dividends receivable  |      | 1.956              | 3.334             |
| Accrued interest receivable   |      | 5.048              | 8.908             |
| Cash and cash equivalents   | 11   | 494.972            | 229.884           |
| <b>Total Assets</b>   |      | <b>4.262.622</b>   | <b>3.614.239</b>  |
| <b>EQUITY</b>   |      |                    |                   |
| <b>Capital and reserves attributable to unitholders of the Fund</b> |      |                    |                   |
| Capital   | 12   | 3.019.436          | 3.235.226         |
| Retained earnings   |      | 1.221.186          | 360.614           |
| <b>Total equity</b>   |      | <b>4.240.622</b>   | <b>3.595.840</b>  |
| <b>LIABILITIES</b>  |      |                    |                   |
| Accruals and other payables   | 13   | 22.000             | 18.399            |
| <b>Total liabilities</b>  |      | <b>22.000</b>      | <b>18.399</b>     |
| <b>Total equity and liabilities</b>                                 |      | <b>4.262.622</b>   | <b>3.614.239</b>  |
|   |      | <b>31/12/2021</b>  | <b>31/12/2020</b> |
| <b>Historic Table</b>   |      | <b>€</b>           | <b>€</b>          |
| <b>Total Net Asset Value</b>  |      | <b>4.240.622</b>   | <b>3.595.840</b>  |
| <b>Net Asset Value per Unit</b>                                     |      | <b>7,4872</b>      | <b>6,0616</b>     |
| <b>Total Units in issue</b>   |      | <b>566.386,062</b> | <b>593.214,19</b> |

On 7 June 2022 the Board of Directors of 3K Investment Partners Mutual Fund Management Co. Single Member S.A. authorised these financial statements for issue.



.....  
Georgios Koufopoulos  
Chairman, CEO



.....  
Gerasimos Vasileiou  
Vice Chairman, Executive  
Member

The notes on pages 11 to 31 form an integral part of these financial statements

### 3K MUTUAL FUND ANAGENNISIS (AIF)

#### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

|   | Note | 2021<br>€       | 2020<br>€        |
|---|------|-----------------|------------------|
| <b>Income</b>   |      |                 |                  |
| Interest income from cash and cash equivalents  | 5    | 48              | 13               |
| Interest income from debt securities at fair value through profit or loss               | 5    | 13.076          | 18.204           |
| Dividend income   |      | 93.085          | 79.718           |
| Net foreign currency losses on cash and cash equivalents                                |      | (2.392)         | (4.290)          |
| Net fair value gains /(losses) on financial assets at fair value through profit or loss | 6    | 830.426         | (254.883)        |
| <b>Total net income/(expense)</b>   |      | <b>934.242</b>  | <b>(161.238)</b> |
| <b>Expenses</b>   |      |                 |                  |
| Management fees   | 14   | (41.138)        | (31.536)         |
| Depositary fees   | 15   | (5.398)         | (5.400)          |
| Transaction costs   |      | (1.911)         | (2.813)          |
| Auditors' remuneration  |      | (6.741)         | (5.000)          |
| Other expenses  |      | (5.691)         | (7.621)          |
| <b>Total operating expenses</b>   |      | <b>(60.879)</b> | <b>(52.370)</b>  |
| <b>Operating profit/ (loss) before finance costs</b>                                    |      | <b>873.363</b>  | <b>(213.608)</b> |
| <b>Finance costs</b>  |      |                 |                  |
| Other finance costs   | 7    | (1.176)         | -                |
| <b>Gain/(loss) before tax</b>   |      | <b>872.187</b>  | <b>(213.608)</b> |
| Withholding taxes   | 8    | (11.615)        | (8.571)          |
| <b>Profit/(loss) for the year</b>   |      | <b>860.572</b>  | <b>(222.179)</b> |

The notes on pages 11 to 31 form an integral part of these financial statements

### 3K MUTUAL FUND ANAGENISIS (AIF)

#### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

|   | Note      | Capital<br>€     | Retained<br>Earnings<br>€ | Total<br>€       |
|---|-----------|------------------|---------------------------|------------------|
| <b>At 1 January 2020</b>                  |           | <b>3.367.518</b> | <b>582.793</b>            | <b>3.950.311</b> |
| Total comprehensive loss for the year     |           | -                | (222.179)                 | (222.179)        |
| Issue of units                            |           | 632.921          | -                         | 632.921          |
| Withdrawal of units                       |           | (765.213)        | -                         | (765.213)        |
| <b>At 31 December 2020/1 January 2021</b> | <b>12</b> | <b>3.235.226</b> | <b>360.614</b>            | <b>3.595.840</b> |
| Total comprehensive income for the year   |           | -                | 860.572                   | 860.572          |
| Issue of units                            |           | 854.259          | -                         | 854.259          |
| Withdrawal of units                       |           | (1.070.049)      | -                         | (1.070.049)      |
| <b>At 31 December 2021</b>                | <b>12</b> | <b>3.019.436</b> | <b>1.221.186</b>          | <b>4.240.622</b> |

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The notes on pages 11 to 31 form an integral part of these financial statements

### 3K MUTUAL FUND ANAGENISIS (AIF)

#### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

|   | Note | 2021<br>€        | 2020<br>€ |
|---|------|------------------|-----------|
| <b>Cash flows from operating activities</b>                                   |      |                  |           |
| <b>Profit/(loss) before tax</b>   |      | <b>872.187</b>   | (213.608) |
| Adjustments for:  |      |                  |           |
| Interest income from cash and cash equivalents                                | 5    | (48)             | (13)      |
| Interest income from debt securities at fair value through profit or loss     | 5    | (13.076)         | (18.204)  |
| Dividend income   |      | (93.085)         | (79.718)  |
|   |      | <b>765.978</b>   | (311.543) |
| <b>Changes in working capital:</b>  |      |                  |           |
| (Increase)/ decrease in financial assets at fair value through profit or loss |      | (388.534)        | 158.417   |
| Decrease in dividend and bond receivable                                      |      | 5.238            | -         |
| Increase in accruals and other payables                                       |      | 3.602            | 2.187     |
| <b>Cash generated from /(used in) operations</b>                              |      | <b>386.284</b>   | (150.939) |
| Interest received   |      | 13.124           | 18.169    |
| Dividend received, net of withholding taxes                                   |      | 83.087           | 67.861    |
| Taxes paid  |      | (1.617)          | -         |
| <b>Net cash provided by/(used in) operating activities</b>                    |      | <b>480.878</b>   | (64.909)  |
| <b>Cash flows from financing activities</b>                                   |      |                  |           |
| Proceeds from issue of units  | 12   | 854.259          | 632.921   |
| Payments for withdrawal of units  | 12   | (1.070.049)      | (765.213) |
| <b>Net cash (used in)/generated from financing activities</b>                 |      | <b>(215.790)</b> | (132.292) |
| <b>Net increase /(decrease) in cash and cash equivalents</b>                  |      | <b>265.088</b>   | (197.201) |
| Cash and cash equivalents at beginning of the year                            |      | 229.884          | 427.085   |
| <b>Cash and cash equivalents, end of the year</b>                             | 11   | <b>494.972</b>   | 229.884   |

The notes on pages 11 to 31 form an integral part of these financial statements

# 3K MUTUAL FUND ANAGENISIS (AIF)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 1. Incorporation and principal activities

3K Mutual Fund Anagennis (AIF) (the "Fund") was established in Cyprus as an open-ended alternative investment fund in the form of a common fund under the provisions of the Alternative Investment Fund Law of 2014 (subsequently replaced by the Law which provides for the Alternative Investment Funds and other related matters) (the "AIF Law" of 2018) and commenced operations on 18 June 2018 when the minimum required assets of €125.000 were raised. The Fund was granted AIF license No. AIF32/2014 by the Cyprus Securities and Exchange Commission on 16 April 2018 and is managed by the mutual fund management company, 3K Investment Partners Mutual Fund Management Co. Single Member S.A. (the "Management Company" or the "Investment Manager"), the registered offices of which are at 25-27-29 Karneadou Street, GR 106 75 Athens, Greece.

The Fund's investment objective is to achieve capital appreciation by investing primarily in equities of companies listed on exchanges (regulated or other secondary markets).

Being a common fund, the Fund is not a legal entity and its unitholders are represented both in and out of court in their legal relations arising from management of the Fund and their rights to its assets, by the Management Company. The Fund currently only has one investment compartment in operation.

The Management Company is a UCITS manager and an Alternative Investment Fund Manager ("AIFM") which is authorized and supervised by the Hellenic Capital Market Commission in Greece. The Management Company manages the Fund in compliance with the provisions of the AIF Law, the Greek Law 4209/2013 and Regulation (EU) No 231/2013.

As of 1 January 2020, the Fund's administration services (other than the responsibility for reporting to competent authorities) are performed by the Management Company (the "Administrator"). Eurobank Cyprus Ltd acts as the Fund's depositary (the "Depositary").

### 2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### Basis of preparation

The financial statements of 3K Mutual Fund Anagennis (AIF) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the AIF Law. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors of the Management Company to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

#### Adoption of new and revised IFRS

During the current year the Fund adopted all the new and revised IFRSs as adopted by the EU that are relevant to its operations and are effective for accounting periods beginning on 1 January 2021. This adoption did not have a material effect on the accounting policies of the Fund.

#### New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board, which were not yet effective. Some of them were adopted by the EU and others not yet. The Board of Directors of the Management Company expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Fund.

## 3K MUTUAL FUND ANAGENISIS (AIF)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2. Significant accounting policies (continued)

##### Foreign currency translation

###### a) Functional and presentation currency

The Fund's investors are from the Eurozone, with the subscriptions and redemptions of units denominated in Euro. The Fund primarily invests in Euro-denominated equity securities and money market instruments. The performance of the Fund is measured and reported to investors in Euro. The Board of Directors of the Management Company considers the Euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Euro, which is the Fund's functional and presentation currency.

###### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within 'net foreign currency gains/losses on cash and cash equivalents'.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within 'net fair value gains/losses on financial assets and financial liabilities at fair value through profit or loss'.

##### Interest income

Interest on debt securities at fair value through profit or loss, if any, is accrued on a time-proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition. Interest income is recognized gross of withholding tax, if any. Also, interest income from cash and cash equivalents is recognized on a time-proportionate basis using the effective interest method.

##### Dividend income

Dividend income is recognized in the statement of comprehensive income when the right to receive payment is established. For quoted equity securities this is usually the ex-dividend date. Dividend income is recognized gross of withholding tax, if any.

##### Expenses

All expenses are recognized in the statement of comprehensive income on an accrual basis.

##### Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognized in profit or loss as an expense.

##### Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Income from investments held by the Fund may be subject to withholding taxes in jurisdictions other than that of the Fund's as imposed by the country of origin. Withholding taxes, if any, are presented as a separate line item in the statement of comprehensive income.

## 3K MUTUAL FUND ANAGENISIS (AIF)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2. Significant accounting policies (continued)

##### Financial assets and financial liabilities at fair value through profit or loss

###### *(a) Classification*

The Fund classifies its entire investment portfolio as financial assets or financial liabilities at fair value through profit or loss.

###### *(i) Assets*

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and its performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund's policy requires the Management Company and its Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

###### *(b) Recognition, derecognition and measurement*

Financial assets and liabilities at fair value through profit or loss are recognized when the Fund becomes party to the contractual provisions of the instrument. Recognition takes place on the trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Financial assets are derecognized when the contractual rights to the cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities at fair value through profit or loss are derecognized when the obligation specified in the contract is discharged, cancelled or expired. Realized gains and realized losses on derecognition are determined using the weighted average cost method and are included in profit or loss for the period in which they arise.

At initial recognition financial assets and liabilities are measured at fair value. Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net fair value gains/losses of financial assets and liabilities at fair value through profit or loss in the period in which they arise. Interest earned on financial assets at fair value through profit or loss is disclosed as a separate line item in the statement of comprehensive income.

Dividend income from financial assets at fair value through profit or loss is recognized in the statement of comprehensive income when the Fund's right to receive payments is established.

###### *(c) Reclassifications*

Financial assets are not reclassified subsequently to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

###### *(d) Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and

## 3K MUTUAL FUND ANAGENNISIS (AIF)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2. Significant accounting policies (continued)

##### Financial assets and financial liabilities at fair value through profit or loss (continued)

###### *(d) Fair value estimation (continued)*

liabilities traded in active markets (such as publicly traded securities) are based on quoted market prices at the close of trading on the reporting date. The Fund utilizes BGN bid prices from Bloomberg for the valuation of investments in bonds, insofar as these prices do not differ materially to the prices the debt securities may trade on organized exchanges. The fair value of investments in unlisted open-ended investment funds that are not quoted in an active market is determined primarily by reference to the latest available redemption price of such units for each unlisted open-ended investment fund, as determined by the administrator of such investee.

###### *(e) Transfers between levels of the fair value hierarchy*

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

##### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts. Bank overdrafts (if any) are shown in current liabilities in the statement of financial position.

##### Due from and due to brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

##### Receivables

Receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method less loss allowance.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Trade receivables are subject to the impairment requirements of IFRS 9.

##### Payables

Payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.



## **3K MUTUAL FUND ANAGENISIS (AIF)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. Significant accounting policies (continued)**

##### **Accrued expenses**

Accrued expenses are recognized initially at fair value and subsequently stated at amortized cost using the effective interest method.

##### **Capital**

All units in the Fund have the same value and rights. They represent the most subordinate class of units in issue and entitle the unitholder to a pro rata share of the Fund's net assets at liquidation. No other financial instruments are in issue that have total cash flows based substantially on the profit or loss, the changes in the recognized net assets or the changes in the fair value of the recognized and unrecognized net assets of the Fund. The units in the Fund have no other contractual obligation than the obligation to redeem the puttable instrument. Accordingly, these instruments meet the definition of puttable financial instruments to be classified as equity in accordance with IAS 32.

Units can be put back into the Fund at any time for cash equal to the proportionate unit of the Fund's Net Asset Value ("NAV") attributable to such units. The units are classified as equity and are measured at the redemption amounts.

Units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets with the total number of outstanding units. In accordance with the provisions of the Fund's regulations, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for subscriptions and redemptions.

##### **Comparatives**

Where necessary, comparative amounts have been updated to conform to current year presentation.

#### **3. Financial risk management**

##### **Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk), credit risk and liquidity risk.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's overall risk management program seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. All securities investments present a risk of loss of capital.

The monitoring of these risks is carried out by the Administrator under policies approved by the Board of Directors of the Management Company and in accordance with the provisions of the AIF Law. The Management Company ensures that the overall risk to which the portfolio of the Fund is exposed does not exceed its net assets.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

The Management Company will use a risk-management process that enables them to monitor and measure at any time the value of the Funds' portfolio positions and their contribution to the overall risk profile of the Fund. The Fund does not invest in derivative financial instruments nor can it make use of such for hedging purposes. The Management Company ensures that the Fund's portfolio is suitably

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. Financial risk management (continued)

##### Financial risk factors (continued)

diversified and is not dependent to a large degree of one specific securities issuer. The method the Management Company uses to measure risks and to compute the overall exposure to risk of the Fund's portfolio is the commitment approach.

##### 3.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. The Fund is exposed to credit risk from its operating activities, primarily from its investing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The main concentration to which the Fund is exposed at the statement of financial position arises from investments in debt securities, cash and cash equivalents and other receivable balances. It is the opinion of the Board of Directors of the Management Company that the carrying amounts of these financial assets represent the maximum credit risk exposure at the reporting date. The following table summarizes the credit rating of the debt instruments in the portfolio, as rated by well-known rating agencies such as Standard & Poor's, Fitch Ratings and Moody's approved by the Board of Directors of the Management Company.

| Source: S&P, Fitch and Moody's       | 2021<br>€      | 2021<br>%    | 2020<br>€ | 2020<br>% |
|--------------------------------------|----------------|--------------|-----------|-----------|
| <i>Debt and similar instruments:</i> |                |              |           |           |
| BB- to BB+                           | -              | -            | 5.069     | 0,14%     |
| B- to B+                             | -              | -            | -         | -         |
| CCC                                  | <b>107.832</b> | <b>2,53%</b> | 196.133   | 5,45%     |
|                                      | <b>107.832</b> | <b>2,53%</b> | 201.202   | 5,59%     |

Management continuously monitors the Fund's exposure and the credit ratings of its counterparties.

Cash at bank are held by parties with a Moody's credit rating of B2 and B3 (Note 11). The cash held is accessible on demand.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fall if either party fails to meet its obligation.

The maximum exposure to credit risk before any credit enhancements at 31 December is the carrying amount of the financial assets as set out below:

|                             | 2021<br>€      | 2020<br>€ |
|-----------------------------|----------------|-----------|
| Debt securities             | <b>107.832</b> | 201.202   |
| Accrued interest receivable | <b>5.048</b>   | 8.908     |
| Dividend receivable         | <b>1.956</b>   | 3.334     |
| Cash and cash equivalents   | <b>494.972</b> | 229.884   |
|                             | <b>609.808</b> | 443.328   |

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward-looking information in determining any expected credit loss for financial assets carried at amortized cost. At 31 December 2021 and 31 December 2020, cash and cash equivalents are held with counterparties with a credit rating of B2 and B3 or higher and accessible on demand. Management consider the probability of default to be insignificant due to the nature and timing of contractual obligations. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. Financial risk management (continued)

##### 3.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to liquidity risk in relation to any hard-to-sell investments and the settlement of cash redemption of units upon unitholders' request. Its policy is therefore to invest the majority of its assets in marketable securities that are traded in an active market and can be readily disposed. The Fund's marketable securities and other financial instruments are considered readily realizable, as they are listed on international stock exchanges or dealt in other regulated markets. In addition, the Fund's policy is to maintain sufficient cash to meet normal operating requirements and expected redemption requests.

The Fund does not employ funding from external borrowing.

In order to manage the Fund's overall liquidity, the Fund also, under extraordinary circumstances, has the ability to suspend redemptions where it is required under the circumstances or if this is deemed to be in the best interest of all unitholders. The Fund did not implement any suspension of redemptions during 2021 or 2020.

In accordance with the Fund's policy, the Administrator monitors the Fund's liquidity position on a weekly basis.

The table below analyses the Fund's financial liabilities into relevant maturity groups based on the remaining period at the reporting date to the contractual maturity date. The amounts included in the table are the contractual undiscounted cash flows.

|                             | Carrying<br>amounts<br>€ | Contractual<br>cash flows<br>€ | 3 months or<br>less<br>€ | 3-12<br>months<br>€ |
|-----------------------------|--------------------------|--------------------------------|--------------------------|---------------------|
| <b>31 December 2021</b>     |                          |                                |                          |                     |
| <b>Liabilities</b>          |                          |                                |                          |                     |
| Payables to related parties | 11.074                   | 10.574                         | 10.574                   | -                   |
| Other payables              | 1.361                    | 1.861                          | 1.861                    | -                   |
|                             | <b>12.435</b>            | <b>12.435</b>                  | <b>12.435</b>            | <b>-</b>            |
| <br>                        |                          |                                |                          |                     |
|                             | Carrying<br>amounts<br>€ | Contractual<br>cash flows<br>€ | 3 months or<br>less<br>€ | 3-12<br>months<br>€ |
| <b>31 December 2020</b>     |                          |                                |                          |                     |
| <b>Liabilities</b>          |                          |                                |                          |                     |
| Payables to related parties | 8.266                    | 8.266                          | 8.266                    | -                   |
| Other payables              | 1.359                    | 1.359                          | 1.359                    | -                   |
|                             | <b>9.625</b>             | <b>9.625</b>                   | <b>9.625</b>             | <b>-</b>            |

##### 3.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Fund's income or the value of its holdings in financial instruments.

The Fund's market risk is monitored by the Administrator and reports to the Management Company on a daily basis in accordance with the policies and procedures in place and through diversification of the investment portfolio. The Fund's market positions are monitored on a quarterly basis by the Board of Directors of the Investment Manager.

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. Financial risk management (continued)

##### 3.3 Market risk (continued)

##### 3.3.1 Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund also holds floating rate debt instruments and cash and cash equivalents that expose the Fund to cash flow interest rate risk. The Investment Manager manages the Fund's exposure to interest rate risk on a monthly basis in accordance with the Fund's investment objectives and policies. The Fund's overall exposure to interest rate risk is monitored on a quarterly basis by the Board of Directors of the Management Company.

The following table details the Fund's exposure to interest rate risk at 31 December 2021 and 31 December 2020 by the earlier of contractual maturities or re-pricing:

|   | Non-<br>interest<br>bearing<br>€ | Within one<br>year<br>€ | Within<br>1-5<br>years<br>€ | More than 5<br>years<br>€ | Total<br>€       |
|---|----------------------------------|-------------------------|-----------------------------|---------------------------|------------------|
| <b>31 December 2021</b>                                     |                                  |                         |                             |                           |                  |
| <b>Assets</b>   |                                  |                         |                             |                           |                  |
| Non-interest bearing  | 3.654.770                        | -                       | -                           | -                         | 3.654.770        |
| Fixed interest rate debt securities and accrued interest    | -                                | -                       | -                           | -                         | -                |
| Variable interest rate debt securities and accrued interest | -                                | 5.022                   | 107.858                     | -                         | 112.880          |
| Cash and bank balances                                      | -                                | 494.972                 | -                           | -                         | 494.972          |
| <b>Total assets</b>   | <b>3.654.770</b>                 | <b>499.994</b>          | <b>107.858</b>              | <b>-</b>                  | <b>4.262.622</b> |
| <b>Liabilities</b>  |                                  |                         |                             |                           |                  |
| Non-interest bearing  | 22.000                           | -                       | -                           | -                         | 22.000           |
| <b>Total liabilities</b>                                    | <b>22.000</b>                    | <b>-</b>                | <b>-</b>                    | <b>-</b>                  | <b>22.000</b>    |
|   | Non-<br>interest<br>bearing<br>€ | Within one<br>year<br>€ | Within<br>1-5<br>years<br>€ | More than 5<br>years<br>€ | Total<br>€       |
| <b>31 December 2020</b>                                     |                                  |                         |                             |                           |                  |
| <b>Assets</b>   |                                  |                         |                             |                           |                  |
| Non-interest bearing  | 3.174.229                        | -                       | -                           | -                         | 3.174.229        |
| Fixed interest rate debt securities and accrued interest    | -                                | 124                     | -                           | 5.069                     | 5.193            |
| Variable interest rate debt securities and accrued interest | -                                | 8.800                   | 196.133                     | -                         | 204.933          |
| Cash and bank balances                                      | -                                | 229.884                 | -                           | -                         | 229.884          |
| <b>Total assets</b>   | <b>3.174.229</b>                 | <b>238.808</b>          | <b>-</b>                    | <b>5.069</b>              | <b>3.614.239</b> |
| <b>Liabilities</b>  |                                  |                         |                             |                           |                  |
| Non-interest bearing  | 18.399                           | -                       | -                           | -                         | 18.399           |
| <b>Total liabilities</b>                                    | <b>18.399</b>                    | <b>-</b>                | <b>-</b>                    | <b>-</b>                  | <b>18.399</b>    |

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. Financial risk management (continued)

##### 3.3 Market risk (continued)

##### 3.3.1 Interest rate risk (continued)

In accordance with the Fund's policies, the Administrator monitors the Fund's overall interest sensitivity on a daily basis and the Board of Directors of the Management Company reviews it on a quarterly basis.

##### 3.3.2 Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Euro, the functional currency. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognized monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates, IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk, not foreign currency risk.

However, management monitors the exposure on all foreign currency denominated assets and liabilities. The table below provides an analysis of monetary and non-monetary items to meet the requirements of IFRS 7.

The Fund does not enter into any foreign exchange hedging transactions for the purpose of managing its exposure to foreign exchange movements (both monetary and non-monetary).

The carrying amounts of the Fund's foreign currency denominated monetary assets at the reporting date are as follows (there were no monetary liabilities in foreign currency):

|                 | 2021<br>€        | 2020<br>€        |
|-----------------|------------------|------------------|
| <b>Assets</b>   |                  |                  |
| U.S. Dollar     | 2.014            | 280.400          |
| British Pound   | 1.042.350        | 829.865          |
| Norwegian Krone | 43.734           | 36.523           |
| Swedish Krone   | 121.997          | 74.740           |
| Swiss Franc     | 117.969          | 100.534          |
|                 | <b>1.328.064</b> | <b>1.322.062</b> |

##### Sensitivity analysis

A 10% strengthening of the Euro against the following currencies at 31 December 2021 would have decreased profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on profit or loss.

|                 | 2021<br>€      | 2020<br>€      |
|-----------------|----------------|----------------|
| <b>Assets</b>   |                |                |
| U.S. Dollar     | 201            | 28.040         |
| British Pound   | 104.235        | 82.987         |
| Norwegian Krone | 4.373          | 3.652          |
| Swedish Krone   | 12.200         | 7.474          |
| Swiss Franc     | 11.797         | 10.053         |
|                 | <b>132.806</b> | <b>132.206</b> |

## 3K MUTUAL FUND ANAGENISIS (AIF)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. Financial risk management (continued)

##### 3.3 Market risk (continued)

###### 3.3.3 Price risk

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than the Euro, the price initially expressed in foreign currency and then converted into Euro will also fluctuate because of changes in foreign exchange rates. Paragraph 3.3.2 'Foreign exchange risk' above sets out how this component of price risk is managed and measured.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Board of Directors of the Management Company. In addition, the Investment Manager and the risk department measure, monitor and control market risk through the analysis of market exposures and sensitivities to risk factors.

The main method of calculating risk is the composite risk and return index which takes into account weekly historical returns achieved by the Fund over the last 5 years or earlier, as applicable.

The Management Company also sets internal limits on different types of exposures as a way to limit risks.

The following features were set out by the Management Company as part of the Fund's Risk Management and Investment policy:

- The Fund shall not invest more than 20% of its assets in transferable securities that are not listed on or are not traded on a regulated market, which operates regularly and is recognized and open to the public.
- The Fund shall not invest more than 20% of its assets in transferable securities issued by the same issuer, except with permission from the Cyprus Securities and Exchange Commission ("CySEC"), provided they are transferable securities issued or guaranteed by a state, federal state, local government authority, or by public international bodies which one or more states are a member of.
- The Fund shall not invest more than 10% of its assets in deposits from the same organisation. That limit may rise to 30% maximum provided they are deposits held: (a) with a credit institution which has obtained authorisation from a Member State and (b) at the custodian or at a credit institution associated with the custodian.
- The Fund shall not invest in closed-ended collective investment undertakings but may invest up to 10% of its assets in open-ended collective investment undertakings which are subject to prudential supervision, provided the collective investment undertakings in which the Fund invests are prohibited from investing more than 20% of their assets in other collective investment undertakings.
- The Fund is not permitted to invest more than 10% of its assets in collective investment undertakings which are not subject to prudential supervision and to rules equivalent to those which apply in the laws of the Republic of Cyprus to protect retail investors.
- Where the Fund invests in units of other collective investment undertakings which are managed directly or by delegating management, the Management Company or other company associated with the Management Company in the context of joint management or joint control or qualifying holding, shall ensure that the Management Company or other company does not apply sale, redemption or surrender commission for investments in mutual funds to units in those other collective investment undertakings.

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. Financial risk management (continued)

##### 3.3 Market risk (continued)

##### 3.3.3 Price risk (continued)

- It shall not acquire shares with voting rights which allow it to exercise significant influence over management of an issuer. This restriction does not apply to mutual fund investments in collective investment undertakings (UCITS and/or AIF).
- It shall not acquire funds from investors via bond issues.
- It shall not issue loans or provide guarantees for third parties. This restriction shall not prevent the Fund from acquiring transferable securities that are not fully paid up.

Equity investments include publicly traded in the Athens Stock Exchange or other international exchanges and the holding in one unlisted open-ended investment fund managed by the same Management Company. The Fund's policy requires that the overall market position is monitored and reported by the Management Company on a daily basis.

At 31 December, the fair value of equities exposed to price risk were as follows:

|                                      | Fair value<br>2021<br>€ | Fair value<br>2020<br>€ |
|--------------------------------------|-------------------------|-------------------------|
| Equity securities                    | 3.652.814               | 3.076.809               |
| Unlisted open-ended investment funds | -                       | 94.102                  |
| <b>Total</b>                         | <b>3.652.814</b>        | <b>3.170.911</b>        |

##### *Sensitivity analysis*

IFRS 7 requires the Fund to disclose a sensitivity analysis for each type of significant market risk to which the Fund is exposed at the reporting date, showing how profit would have been affected by changes in the relevant risk variable that were reasonably possible at that date.

An increase in the price of equity investments by 5% at 31 December 2021 would have increased profit or loss by €182.641 (2020: increase in profit or loss by €158.546). The analysis assumes that all other variables, in particular interest rates, remain constant. For a decrease of 5% there would be an equal and opposite impact on profit or loss.

##### 3.4 Capital risk management

The capital of the Fund is represented by its net assets. The amount of net asset attributable to unitholders can change significantly on a fortnightly basis, as the Fund is subject to subscriptions and redemptions at the discretion of unitholders at each NAV dealing date, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain the capital structure, the Fund's policy is to perform the following:

- Monitor the level of subscriptions and redemptions at each NAV dealing date relative to the assets it expects to be able to liquidate within the NAV dealing period and not to distribute profits from operations.
- Redeem and issue new units in accordance with the constitutional documents of the Fund, which include the ability to restrict redemptions

The Board of Directors of the Management Company monitor capital on the basis of the value of net assets.

## 3K MUTUAL FUND ANAGENISIS (AIF)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. Financial risk management (continued)

##### 3.5 Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded securities) are based on quoted market prices at the close of trading on the year end date.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The carrying value less loss allowance of other receivables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

##### **Fair value measurements recognized in the statement of financial position**

The level of the fair value hierarchy of an instrument is determined considering the inputs that are significant to the entire measurement of such instrument and the level of the fair value hierarchy within which those inputs are categorized.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The following table analyses the fair value hierarchy the Fund's assets and liabilities (by class) measured at fair value at 31 December 2021.

All fair value measurements disclosed are recurring fair value measurements.



## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. Financial risk management (continued)

##### 3.5 Fair value estimation (continued)

##### Fair value measurements recognized in the statement of financial position (continued)

Analysis by industry and geography:

|   | Level 1          | Level 2        | Level 3  | Total            |
|---|------------------|----------------|----------|------------------|
|   | €                | €              | €        | €                |
| <b>31 December 2021</b>                                       |                  |                |          |                  |
| <b>Financial assets at fair value through profit or loss:</b> |                  |                |          |                  |
| <b>Debt securities</b>  |                  |                |          |                  |
| <b>Emerging Market Europe</b>                                 |                  |                |          |                  |
| Financial   | -                | 107.832        | -        | 107.832          |
| <b>Total – Debt securities</b>                                | -                | 107.832        | -        | 107.832          |
| <b>Equity instruments</b>                                     |                  |                |          |                  |
| <b>Developed Market Europe</b>                                |                  |                |          |                  |
| Consumer, Cyclical  | 625.983          | -              | -        | 625.983          |
| Consumer, Non-cyclical  | 701.810          | -              | -        | 701.810          |
| Energy  | 103.788          | -              | -        | 103.788          |
| Financial   | 252.936          | -              | -        | 252.936          |
| Industrial  | 140.839          | -              | -        | 140.839          |
| Technology  | 125.200          | -              | -        | 125.200          |
| <b>Developed Market Pacific</b>                               |                  |                |          |                  |
| Utilities   | 73.440           | -              | -        | 73.440           |
| <b>Developed Market Americas</b>                              |                  |                |          |                  |
| Communications  | -                | -              | -        | -                |
| Consumer, Non-cyclical  | -                | -              | -        | -                |
| Financial   | -                | -              | -        | -                |
| Technology  | -                | -              | -        | -                |
| <b>Emerging Market Europe</b>                                 |                  |                |          |                  |
| Basic Materials   | 78.320           | -              | -        | 78.320           |
| Consumer, Cyclical  | 97.530           | -              | -        | 97.530           |
| Consumer, Non-cyclical  | 329.668          | -              | -        | 329.668          |
| Energy  | 522.413          | -              | -        | 522.413          |
| Financial   | 149.709          | -              | -        | 149.709          |
| Industrial  | 304.584          | -              | -        | 304.584          |
| Utilities   | 146.593          | -              | -        | 146.593          |
| <b>Total – Equity securities</b>                              | 3.652.814        | -              | -        | 3.652.814        |
| <b>Total – Financial assets at fair value</b>                 | <b>3.672.814</b> | <b>107.832</b> | <b>-</b> | <b>3.760.646</b> |

There were no transfers between levels during the years ended 31 December 2021 and 2020.

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. Financial risk management (continued)

##### 3.5 Fair value estimation (continued)

###### Fair value measurements recognized in the statement of financial position (continued)

The following table analyses the fair value hierarchy the Fund's assets and liabilities (by class) measured at fair value at 31 December 2020.

Analysis by industry and geography:

|   | Level 1          | Level 2        | Level 3 | Total            |
|---|------------------|----------------|---------|------------------|
|   | €                | €              | €       | €                |
| <b>31 December 2020</b>                                       |                  |                |         |                  |
| <b>Financial assets at fair value through profit or loss:</b> |                  |                |         |                  |
| <b>Debt securities</b>  |                  |                |         |                  |
| Emerging Market Europe  |                  |                |         |                  |
| Financial   | -                | 196.133        | -       | 196.133          |
| Government  | -                | 5.069          | -       | 5.069            |
| <b>Total – Debt securities</b>                                | -                | <b>201.202</b> | -       | <b>201.202</b>   |
| <b>Equity instruments</b>                                     |                  |                |         |                  |
| <b>Developed Market Europe</b>                                |                  |                |         |                  |
| Consumer, Cyclical  | 467.265          | -              | -       | 467.265          |
| Consumer, Non-cyclical  | 662.772          | -              | -       | 662.772          |
| Energy  | 99.153           | -              | -       | 99.153           |
| Financial   | 211.312          | -              | -       | 211.312          |
| Industrial  | 129.817          | -              | -       | 129.817          |
| Technology  | 101.194          | -              | -       | 101.194          |
| <b>Developed Market Pacific</b>                               |                  |                |         |                  |
| Utilities   | 63.122           | -              | -       | 63.122           |
| <b>Developed Market Americas</b>                              |                  |                |         |                  |
| Communications  | 33.391           | -              | -       | 33.391           |
| Consumer, Non-cyclical  | 74.829           | -              | -       | 74.829           |
| Financial   | 101.427          | -              | -       | 101.427          |
| Technology  | 34.916           | -              | -       | 34.916           |
| <b>Emerging Market Europe</b>                                 |                  |                |         |                  |
| Basic Materials   | 66.220           | -              | -       | 66.220           |
| Consumer, Cyclical  | 201.911          | -              | -       | 201.911          |
| Consumer, Non-cyclical  | 264.302          | -              | -       | 264.302          |
| Energy  | 75.412           | -              | -       | 75.412           |
| Financial   | 121.641          | -              | -       | 121.641          |
| Industrial  | 71.230           | -              | -       | 71.230           |
| Utilities   | 296.895          | -              | -       | 296.895          |
| <b>Total – Equity securities</b>                              | <b>3.076.809</b> | -              | -       | <b>3.076.809</b> |
| <b>Unlisted open-ended funds</b>                              |                  |                |         |                  |
| <b>Emerging Market Europe</b>                                 |                  |                |         |                  |
| Funds   | -                | 94.102         | -       | 94.102           |
| <b>Total – Unlisted open-ended funds</b>                      | -                | <b>94.102</b>  | -       | <b>94.102</b>    |
| <b>Total – Financial assets at fair value</b>                 | <b>3.076.809</b> | <b>295.304</b> | -       | <b>3.372.113</b> |

### 3K MUTUAL FUND ANAGENISIS (AIF)

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 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 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.

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:

*(a) Fair value of securities not quoted in an active market*

The fair value of debt securities not quoted in an active market may be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund would exercise judgement and estimates on the quantity and quality of pricing sources used.

The fair value of investments in unlisted open-ended investment funds that are not quoted in an active market is determined primarily by reference to the latest available redemption price of such units for each unlisted open-ended investment fund, as determined by the administrator of such investee.

The composition of the Fund's investment portfolio in the future and the inputs used for fair value measurement purposes will have an impact on disclosures around financial instruments measured at fair value.

#### 5. Interest income

Interest income is analyzed as follows:

|   | 2021          | 2020          |
|---|---------------|---------------|
|   | €             | €             |
| Interest income from cash and cash equivalents                            | 48            | 13            |
| Interest income from debt securities at fair value through profit or loss | 13.076        | 18.204        |
| <b>Total</b>  | <b>13.124</b> | <b>18.217</b> |

#### 6. Net fair value gains/(losses) from financial instruments at fair value through profit or loss

Net gains /(losses) from financial assets at fair value through profit or loss are analyzed as follows:

|   | 2021           | 2020             |
|---|----------------|------------------|
|   | €              | €                |
| Equity securities   | 804.278        | (232.070)        |
| Debt securities   | 24.042         | (21.915)         |
| Unlisted open-ended investment funds  | 2.106          | (898)            |
| <b>Total net gains/ (losses) on financial assets at fair value through profit or loss</b> | <b>830.426</b> | <b>(254.883)</b> |

#### 7. Other finance costs

|                         | 2021         | 2020     |
|-------------------------|--------------|----------|
|                         | €            | €        |
| Sundry finance expenses | 1.176        | -        |
|                         | <b>1.176</b> | <b>-</b> |

### 3K MUTUAL FUND ANAGENISIS (AIF)

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

##### 8. Tax

|                   | 2021          | 2020         |
|-------------------|---------------|--------------|
|                   | €             | €            |
| Withholding taxes | 11.615        | 8.571        |
|                   | <u>11.615</u> | <u>8.571</u> |

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

|                               | 2021                    | 2020                    |
|-------------------------------|-------------------------|-------------------------|
|                               | €                       | €                       |
| Balance at 1 January 2021     | 3.372.113               | 3.530.531               |
| Additions                     | 974.095                 | 1.389.199               |
| Disposals                     | (1.415.988)             | (1.292.734)             |
| Net gains/(losses)            | 830.426                 | (254.883)               |
| <b>Balance at 31 December</b> | <b><u>3.760.646</u></b> | <b><u>3.372.113</u></b> |

Financial assets at fair value through profit or loss by type are analyzed as follows:

|                                      | % of net      | 2021             | % of net      | 2020             |
|--------------------------------------|---------------|------------------|---------------|------------------|
|                                      | assets        | €                | assets        | €                |
| Equity securities                    | 86,16%        | 3.652.814        | 85,56%        | 3.076.809        |
| Debt securities                      | 2,54%         | 107.832          | 5,60%         | 201.202          |
| Unlisted open-ended investment funds | -             | -                | 2,62%         | 94.102           |
| <b>Total</b>                         | <b>88,70%</b> | <b>3.760.646</b> | <b>93,78%</b> | <b>3.372.113</b> |

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 31 December by reference to last-market prices obtained from the primary exchanges in which the securities are traded for equity securities, and at bid prices obtained from Bloomberg sources for debt securities.

Investments in unlisted open-ended investment funds are valued at the unadjusted Net Asset Value (NAV) as provided by the administrators/investment managers of the investee funds.

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 earnings at Total Income/ (Expense).

The exposure of the Fund to market risk in relation to financial assets is reported in note 3 of the financial statements.

##### 10. Financial assets and liabilities by category

The table below provides a reconciliation of the line items in the Fund's statement of financial position as of 31 December 2021 to the categories of financial instruments:

|   | Fair value<br>through profit or<br>loss | Amortized<br>Cost     | Total                   |
|---|---|-----------------------|-------------------------|
|   | €                                       | €                     | €                       |
| <b>31 December 2021</b>                               |   |                       |                         |
| <b>Assets</b>   |   |                       |                         |
| Financial assets at fair value through profit or loss | 3.760.646                               | -                     | 3.760.646               |
| Accrued interest receivable                           | -                                       | 5.048                 | 5.048                   |
| Dividend income                                       | -                                       | 1.956                 | 1.956                   |
| Cash and cash equivalents                             | -                                       | 494.972               | 494.972                 |
| <b>Total</b>  | <b><u>3.760.646</u></b>                 | <b><u>501.976</u></b> | <b><u>4.262.622</u></b> |
| <b>Liabilities</b>                                    |   |                       |                         |
| Accruals and other payables                           |   | 22.000                | 22.000                  |
| <b>Total</b>  |   | <b><u>22.000</u></b>  | <b><u>22.000</u></b>    |

### 3K MUTUAL FUND ANAGENNISIS (AIF)

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

##### 10. Financial assets and liabilities by category (continued)

The table below provides a reconciliation of the line items in the Fund's statement of financial position as of 31 December 2020 to the categories of financial instruments:

|   | Fair value<br>through profit or<br>loss<br>€ | Amortized<br>Cost<br>€ | Total<br>€       |
|---|--|------------------------|------------------|
| <b>31 December 2020</b>                               |  |                        |                  |
| <b>Assets</b>   |  |                        |                  |
| Financial assets at fair value through profit or loss | 3.372.113                                    | -                      | 3.372.113        |
| Accrued interest receivable                           | -  | 8.908                  | 8.908            |
| Dividend income                                       | -  | 3.334                  | 3.334            |
| Cash and cash equivalents                             | -  | 229.884                | 229.884          |
| <b>Total</b>  | <b>3.372.113</b>                             | <b>242.126</b>         | <b>3.614.239</b> |

|                             | Amortized<br>Cost<br>€ | Total<br>€    |
|-----------------------------|------------------------|---------------|
| <b>31 December 2020</b>     |                        |               |
| <b>Liabilities</b>          |                        |               |
| Accruals and other payables | 18.399                 | 18.399        |
| <b>Total</b>                | <b>18.399</b>          | <b>18.399</b> |

##### 11. Cash and cash equivalents

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

|                               | 2021<br>€      | 2020<br>€      |
|-------------------------------|----------------|----------------|
| Cash at bank (sight accounts) | 494.972        | 229.884        |
|                               | <b>494.972</b> | <b>229.884</b> |

##### Cash and cash equivalents by currency:

|                 | 2021<br>€      | 2020<br>€      |
|-----------------|----------------|----------------|
| Euro            | 422.026        | 217.397        |
| U.S. Dollar     | 2.014          | 3.343          |
| British Pound   | 68.341         | 6.304          |
| Swedish Krone   | -              | 1.809          |
| Norwegian Krone | 931            | 662            |
| Swiss Franc     | 1.660          | 369            |
|                 | <b>494.972</b> | <b>229.884</b> |

At 31 December, the fair value of cash and cash equivalents in the statement of financial position is grouped as follows:

| Rating | Moody's<br>2021<br>€ | Moody's<br>2020<br>€ |
|--------|----------------------|----------------------|
| B2     | 468.382              | 224.917              |
| B3     | 26.590               | 4.967                |
|        | <b>494.972</b>       | <b>229.884</b>       |

The exposure of the Fund to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 12. Capital

The initial assets of the Fund were €125.000, which constituted the minimum required assets at the time of its establishment and which will amount to €500.000 within twelve (12) months of the formation of the Fund, through the raising of funds by investors. Units in the Fund were offered at a unit price of €5 each, and thereafter at the Net Asset Value as determined by the Fund's Administrator.

Units in the Fund entitle the unitholders to a pro rata share of the Fund's net assets at liquidation and have no other contractual obligation than the obligation to redeem the puttable instrument.

The sale price of units shall be calculated based on the net price for units on the date the application is processed, namely the date immediately after the one on which the application for valuation is submitted, provided the application has been submitted within the cut-off times stated in the application form, and the price required to acquire units in the Fund plus the relevant sale commission have been paid within those times.

Units in the Fund will only be redeemed at the request of a unitholder and such redemptions will be paid in cash no later than 30 calendar days from the date on which the redemption application is submitted. The redemption price per unit shall be based on the valuation on the day after submission of the redemption application, provided this has been submitted within the cut-off times specified in the redemption application, less any redemption commission. Valuation of units is performed on the first working day of each calendar fortnight.

The subscription and redemption price for Units may exceed or be less than the unit net price respectively by a figure corresponding to the sales or redemption commission.

The actual applicable subscription and redemption commission rates based on the latest Fund's Information Memorandum are listed below.

| Redemption commission | Subscription commission |                        |                         |                         |
|-----------------------|-------------------------|------------------------|-------------------------|-------------------------|
|                       | €0,01-<br>€10.000       | €10.000,01-<br>€25.000 | €25.000,01-<br>€100.000 | €100.000,01<br>and over |
| 0%                    | 2%                      | 1,5%                   | 1%                      | 0,50%                   |

Transactions in capital, units outstanding and the Net Asset Value ("NAV") per unit as at 31 December 2021, for each unit are as follows:

|       | Beginning<br>Units | Units issued   | Units redeemed   | Units Outstanding |
|-------|--------------------|----------------|------------------|-------------------|
| Units | 593.214            | 129.861        | (156.689)        | 566.386           |
|       | <b>593.214</b>     | <b>129.861</b> | <b>(156.689)</b> | <b>566.386</b>    |

|     | Beginning<br>Net Assets<br>€ | Subscriptions<br>€ | Redemptions<br>€   | Change in<br>Net Assets<br>€ | Ending Net<br>Assets<br>€ | Ending<br>NAV Per<br>Unit<br>€ |
|-----|------------------------------|--------------------|--------------------|------------------------------|---------------------------|--------------------------------|
| NAV | 3.595.840                    | 854.259            | (1.070.049)        | 860.572                      | 4.240.622                 | 7,4872                         |
|     | <b>3.595.840</b>             | <b>854.259</b>     | <b>(1.070.049)</b> | <b>860.572</b>               | <b>4.240.622</b>          |                                |

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 12. Capital (continued)

Transactions in capital, units outstanding and the Net Asset Value ("NAV") per unit as at 31 December 2020, for each unit are as follows:

|       | Beginning<br>Units | Units issued      | Units redeemed      | Units Outstanding |
|-------|--------------------|-------------------|---------------------|-------------------|
| Units | 625.611,94         | 114.778,43        | (147.176,18)        | 593.214,19        |
|       | <b>625.611,94</b>  | <b>114.778,43</b> | <b>(147.176,18)</b> | <b>593.214,19</b> |

|     | Beginning<br>Net Assets<br>€ | Subscriptions<br>€ | Redemptions<br>€ | Change in<br>Net Assets<br>€ | Ending Net<br>Assets<br>€ | Ending<br>NAV Per<br>Unit<br>€ |
|-----|------------------------------|--------------------|------------------|------------------------------|---------------------------|--------------------------------|
| NAV | 3.950.311                    | 632.921            | (765.213)        | (222.179)                    | 3.595.840                 | 6,0616                         |
|     | <b>3.950.311</b>             | <b>632.921</b>     | <b>(765.213)</b> | <b>(222.179)</b>             | <b>3.595.840</b>          |                                |

#### 13. Accruals and other payables

|                                       | 2021<br>€     | 2020<br>€     |
|---------------------------------------|---------------|---------------|
| Accruals                              | 9.565         | 8.774         |
| Other payables                        | 1.361         | 1.359         |
| Payables to related parties (Note 14) | 11.074        | 8.266         |
|                                       | <b>22.000</b> | <b>18.399</b> |

The exposure of the Fund to liquidity risk in relation to financial instruments is reported in note 3 of the financial statements.

#### 14. Related party balances and transactions

The related party balances and transactions are as follows:

##### 14.1 Management Company

3K Investment Partners Mutual Funds Management Co. Single Member S.A. provides management services to the Fund. According to the Fund's Information Memorandum, the Fund pays the Management Company:

- a Management fee up to 2% per annum calculated and accrued on each valuation day and payable monthly in arrears. During 2021, Management fees were accrued at 1% per annum. 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 are carried out by the Management Company itself or have been outsourced to third parties, and
- a Performance Fee up to 15% of any positive difference between the net unit price yield and the yield of the Euribor 3M index augmented by 400 bps. Yield must be computed on an annual basis and the reference period must be a financial year. The initial comparator period for the yield on units of the Fund using the Euribor 3M index augmented by 400 bps is 2018. Where the net unit price under-performs the Euribor 3M index augmented by 400 bps for one or more years, the success fee shall be calculated only where (a) any accumulated under-performance is first eliminated (i.e. the under-performance noted during a previous year/previous years has been made up) and (b) the yield on the net price for the units exceeds the overall performance for the Euribor 3M index augmented by 400 bps for the entire calendar year.

The performance on the net unit price shall be the quotient of the difference between the net unit price on each day and that at the end of the previous calendar year divided by the net unit price at the end of the previous calendar year.

Management fees for the year ended 31 December 2021 totaled €41.138 (2020: €31.536) and are presented in the statement of comprehensive income. The amount outstanding as of 31 December 2021 is €10.574 (2020: €8.266) and it is included in payables to related parties in 'accruals and other payables'.

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 14. Related party balances and transactions (continued)

##### 14.1 Management Company (continued)

During 2021 and 2020, the Management Company waived its entitlement to any performance fees from the Fund. No performance fees were charged during the years ended 31 December 2021 or 2020.

| <b>Payables to related parties (Note 13)</b>                            |                               | <b>2021</b>   | <b>2020</b>  |
|---|-------------------------------|---------------|--------------|
|   |                               | €             | €            |
| <u>Name</u>   | <u>Nature of transactions</u> |               |              |
| 3K Investment Partners Mutual Fund<br>Management Co. Single Member S.A. | Management fees               | <b>10.574</b> | 8.266        |
| 3K Investment Partners Mutual Fund<br>Management Co. Single Member S.A. | Other expenses                | <b>500</b>    | -            |
|   |                               | <b>11.074</b> | <b>8.266</b> |

| <b>Management fees</b>  |  | <b>2021</b>   | <b>2020</b>   |
|---|--|---------------|---------------|
|   |  | €             | €             |
| <u>Name</u>   |  |               |               |
| 3K Investment Partners Mutual Fund<br>Management Co. Single Member S.A. |  | <b>41.138</b> | 31.536        |
|   |  | <b>41.138</b> | <b>31.536</b> |

| <b>Capital transactions with related entities</b> |  | <b>2021</b>      | <b>2020</b>      |
|---|--|------------------|------------------|
|   |  | €                | €                |
| <u>Name</u>                                       |  |                  |                  |
| Subscriptions by related parties                  |  | -                | 34.000           |
| Redemptions by related parties                    |  | <b>(396.186)</b> | (293.144)        |
|   |  | <b>(396.186)</b> | <b>(259.144)</b> |

As of 31 December 2021, no units in the Fund were held by the Management Company, key management members and managed funds of the Management Company (2020: 136.004,30 units).

#### 15. Other significant contractual arrangements

##### 15.1 Administrator

The Management Company had appointed BOC Asset Management Ltd as the Administrator to provide administrative, risk management and registrar and transfer agency services to the Fund pursuant to an administration agreement dated 23 May 2018. From 4 December 2018 onwards, Administration fees are borne by the Management Company with no recharge to the Fund.

As of 1 January 2020, the Management Company has undertaken the role of Administrator, with the exception of the reporting function (reporting to competent authorities).

As a result of the aforementioned arrangements, no administration fees were levied to the Fund for the years ended 31 December 2021 or 2020.

##### 15.2 Depositary

The Management Company has appointed Eurobank Cyprus Ltd as the Fund's Depositary to provide depositary services to the Fund pursuant to an agreement dated 2 May 2018. Under the terms of the depositary agreement the Fund pays the depositary an annual fee of 0,10% for Net Asset Value up to €15million, 0,08% for Net Asset Value between €15-€25million and 0,07% per annum for Net Asset Value above €25million. The Depositary's fee is computed daily on the Net Asset Value and billed at the end of each month. There is a minimum monthly fee of €450 after the 13th month and onwards.

Depositary fees for the year ended 31 December 2021 totaled €5.398 (2020: €5.400) and are presented in the statement of comprehensive income. The amount outstanding as of 31 December 2021 is €1.361 (2020: €1.359) and is included in other payables.



## **3K MUTUAL FUND ANAGENISIS (AIF)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **16. Contingent liabilities**

The Fund has no contingent liabilities as at 31 December 2021 or 2020.

#### **17. Commitments**

The Fund has no capital or other commitments as at 31 December 2021 or 2020.

#### **18. Significant events during the reporting period**

Economic uncertainty has been amplified since February 2022, due to the initiation and continuance of the Russia-Ukraine conflict. The latter has exerted, and continues to do so, pressures to global commodity and energy prices, leading to expectations of a rise in global inflation. Political turmoil has also led to several measures (including sanctions) targeting the Russian State, the Central Bank of Russia and certain individuals and businesses. As a result of these events, the world economy and consequently global financial markets are in a state of turmoil with the eventual results of this crisis still remaining unknown up to this day. These events are non-adjusting events, the impact of which is not reflected in the carrying amounts of the Fund's assets. However, an indirect impact of these events is not precluded, and while Management monitors the ongoing situation regularly, it is unable to accurately predict the final outcome.

From 1 January 2022 and up to 31 May 2022, the total subscription/redemption requests processed by the Fund amounted to:

- Subscription requests: €17.428,62 in respect of 2.383,508 units
- Redemption requests: €151.106,44 in respect of 21.551,479 units

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

## 3K MUTUAL FUND ANAGENISIS (AIF)

SCHEDULE OF INVESTMENTS – UNAUDITED  
FOR THE YEAR ENDED 31 DECEMBER 2021

| Debt securities   | Cost           | Fair value     | Percentage   |
|---|----------------|----------------|--------------|
|   | 31/12/2021     | 31/12/2021     | of net       |
|   | €              | €              | assets       |
|   |                |                | 31/12/2021   |
|   |                |                | %            |
| <b>NYSE and European exchange-traded debt securities:</b>   |                |                |              |
| TPEIR 9,75% 26/06/29  | 100.870        | 107.832        | 2,54%        |
| <b>Total debt securities</b>                                | <b>100.870</b> | <b>107.832</b> | <b>2,54%</b> |
| <b>Equity securities</b>                                    |                |                |              |
| <b>NYSE and European exchange-traded equity securities:</b> |                |                |              |
| ABO WIND AG   | 27.517         | 103.788        | 2,45%        |
| AMUNDI  | 43.107         | 43.530         | 1,03%        |
| AUBAY   | 62.547         | 125.200        | 2,95%        |
| AUTOHELLAS TOPIZTIKH EMPORIKH ETA                           | 137.564        | 197.795        | 4,66%        |
| BRITISH AMERICAN TOBACC                                     | 61.790         | 66.688         | 1,57%        |
| BURELLE SA  | 66.617         | 52.000         | 1,23%        |
| CREIGHTONS PLC  | 103.974        | 104.132        | 2,46%        |
| EPSILON NET   | 86.313         | 304.584        | 7,18%        |
| G5 ENTERTAINMENT AB   | 63.230         | 58.067         | 1,37%        |
| GLAXOSMITHKLINE PLC   | 28.361         | 28.680         | 0,68%        |
| GROUPE CRIT   | 35.011         | 40.920         | 0,96%        |
| HEXAOM  | 61.824         | 63.899         | 1,51%        |
| INTERLIFE GENERAL INS GR                                    | 31.792         | 64.119         | 1,51%        |
| JD SPORTS FASHION PLC                                       | 89.162         | 181.440        | 4,28%        |
| JET2 PLC  | 63.625         | 85.588         | 2,02%        |
| JUMBO A.E.  | 196.154        | 161.545        | 3,81%        |
| KOPPAPBERGS BRYGGERI AB-B                                   | 63.450         | 63.930         | 1,51%        |
| LEROY SEAFOOD GROUP ASA                                     | 38.030         | 42.803         | 1,01%        |
| LINSELL TRAIN INV TRUST                                     | 90.895         | 69.661         | 1,64%        |
| NESTLE  | 42.370         | 51.810         | 1,22%        |
| NEXT PLC  | 105.548        | 164.886        | 3,89%        |
| NN GROUP NV   | 86.780         | 95.220         | 2,25%        |
| OLVI OYJ-A SHARES   | 70.273         | 97.280         | 2,29%        |
| OTE A.E. (KO)   | 77.165         | 97.530         | 2,30%        |
| PLUS500 LTD   | 40.455         | 44.525         | 1,05%        |
| ROBERT WALTERS PLC  | 58.855         | 82.867         | 1,95%        |
| ROCHE HOLDINGS AG-BR  | 52.335         | 64.499         | 1,52%        |
| SAFESTORE HOLDINGS PLC                                      | 29.907         | 72.103         | 1,70%        |
| SOCIETE BIC SA  | 61.401         | 58.204         | 1,37%        |
| TITAN CEMENT INTERNATIONAL                                  | 21.385         | 15.249         | 0,36%        |
| TITAN CEMENT INTERNATIONAL SA                               | 78.990         | 73.590         | 1,74%        |
| XP POWER LTD  | 33.572         | 73.440         | 1,73%        |

### 3K MUTUAL FUND ANAGENISIS (AIF)

#### SCHEDULE OF INVESTMENTS – UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2021

|   |                  |                  |               |
|---|------------------|------------------|---------------|
| ΓΕΚ Α.Ε.  | 61.222           | 85.590           | 2,02%         |
| ΔΕΗ Α.Ε. (ΚΟ)   | 125.144          | 146.593          | 3,46%         |
| ΕΜΠΟΡΙΚΗ ΕΙΣ. ΑΥΤΟΚΙΝ., ΔΙΤΡ. ΚΑΙ<br>ΚΡΙ ΚΡΙ ΒΙΟΜΗΧΑΝΙΑ ΓΑΛΑΚΤΟΣ ΑΒΕΕ | 25.215           | 76.905           | 1,81%         |
| ΟΠΑΠ Α.Ε. (ΚΟ)  | 69.479           | 91.218           | 2,15%         |
| ΠΑΠΟΥΤΣΑΝΗΣ Α.Ε.  | 77.820           | 107.783          | 2,54%         |
| ΠΛΑΣΤΙΚΑ ΚΡΗΤΗΣ(ΚΟ)   | 52.521           | 78.320           | 1,85%         |
| <b>Total equity securities</b>  | <b>2.672.319</b> | <b>3.652.814</b> | <b>86.14%</b> |
| <b>Total financial assets</b>   | <b>2.773.189</b> | <b>3.760.646</b> | <b>88.68%</b> |
| Cash and cash equivalents   |                  | 494.972          | 11,67%        |
| Dividends receivable  |                  | 1.956            | 0,05%         |
| Bond interest income receivable                                       |                  | 5.048            | 0,12%         |
| Total liabilities   |                  | (22.000)         | (0,52%)       |
| <b>Total net assets</b>   |                  | <b>4.240.622</b> | <b>100%</b>   |