

**3K MUTUAL FUND ANAGENISIS (AIF)**  
**FINANCIAL STATEMENTS**  
FOR THE PERIOD FROM 01 JANUARY 2019 TO  
30 JUNE 2019

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

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## **FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019**

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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)  
Ioannis Zannas (Non-Executive Member)  
Georgios Tachtalidis (Non-Executive Member)

**Management Company:**

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

**Fund Administrator:**

BOC Asset Management Ltd  
154 Limassol Avenue  
2025 Nicosia  
Cyprus

**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 of 2018) (the "AIF Law") 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. S.A. (the "Management Company" or the "Investment Manager"), whose registered offices are at 25-27-29 Karneadou Street, GR 106 75 Athens, Greece.

As 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 has only 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.

The Fund's administration services have been delegated by the Management Company to BOC Asset Management Ltd (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, noting that a significant proportion of the Fund's assets will be invested in equity securities of companies listed on organized or other secondary markets in Europe. 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 analysed and evaluated factors such as: the prospects of growth, the 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

The Fund officially launched on 18 June 2018 when the initial minimum capital was raised. As of 30 June 2019, the Fund raised €2.925.618 from subscriptions and has a net position of €2.872.097.

## 3K MUTUAL FUND ANAGENISIS (AIF)

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### FUND BACKGROUND (continued)

#### Portfolio overview

The return of the fund in the first half of 2019 amounted to 16.99%, while its yield since its inception has been increased by 12.09%. Note that at the beginning of the year we created one of the pillars of our portfolio amid a 21% investment in 9 UK companies (the largest positions in Lindsell Train, Next, JD Sports and Dart PLC) which are profitable, highly growth and managed by excellent executive managers.

In addition, some European companies were added, most of which are active in the Food & Beverage industry. More specifically, Leroy Seafood has a vertically integrated activity in the field of fish farming, fishing as well as in the distribution and sale of seafood. Noted, that from 1997 until today it presents profitable financial results contributing to the increase of shareholder value. Its expansion policy is both organic and through acquisitions.

Olvi Oyz has been active in the production and sale of alcoholic and non-alcoholic beverages since 1878 and is based in Finland. Led by CEO Lasse Aho, (who has held the position for the past 15 years) turnover and profits have been multiplied.

Kopparbergs Bryggeri is based in Sweden and is active in the production and sale of mainly alcoholic beverages. After the acquisition of the company by the Bronsman brothers (1994), annual fundamental (book value, earning power, dividend) annual returns grow with double digit. It is of no surprise that stock performance is rising at a double digit growth too.

In general, we add in our portfolio small pieces of this kind of companies that systematically increase their value at a fast pace and rarely produce negative results. The liquidity of the fund remains high, however, it does not reflect our view for the market. We strive to make careful and step-by-step investments that meet our criteria.

Another one that we added in the fund was Motodynamics. It proceeded with share capital increase in order to acquire SIXT Hellas. We know the company and the management very well, we strongly support this acquisition and we took this opportunity to buy a stake in the company. Due to some technicalities we participated in the share capital increase at a price less than half of its current valuation. This could not be achieved if our liquidity was not high. Although the stock price appreciated sharply in a short period of time, we did not change our position.

Currently we hold 50 securities and we will continue adding more of those that fulfill our standards. The average dividend yield of the companies we own exceeds 2% and represents a nice yield, higher than the returns of several bonds and deposits.

3K Investment Partners Mutual Fund Management Co. S.A.  
July 2019

## 3K MUTUAL FUND ANAGENISIS (AIF)

### STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

	Note	30/06/2019 €	31/12/2018 €	30/06/2018 €
<b>ASSETS</b>				
Financial assets at fair value through profit or loss	8,9	2.110.580	332.266	288.945
Cash and cash equivalents	10	770.870	211.447	156.350
Dividends receivable		4.985	-	432
<b>Total Assets</b>		<b>2.886.435</b>	543.713	445.727
<b>EQUITY</b>				
<b>Capital and reserves attributable to unitholders of the Fund</b>				
Capital		2.714.000	550.000	450.000
Retained earnings		158.097	(19.016)	(5.664)
<b>Total equity</b>		<b>2.872.097</b>	530.984	444.336
<b>LIABILITIES</b>				
Accruals and other payables	12	14.338	12.729	1.391
<b>Total liabilities</b>		<b>14.338</b>	12.729	1.391
<b>Total equity and liabilities</b>		<b>2.886.435</b>	543.713	445.727
<b>Historic Table</b>				
		30/06/2019 €	31/12/2018 €	30/06/2018 €
<b>Total Net Asset Value</b>		<b>2.872.097</b>	530.984	444.336
<b>Net Asset Value per Unit</b>		<b>5,6047</b>	4,7908	4,9371
<b>Total Units in issue</b>		<b>512.445,22</b>	110.834,20	90.000

On 30 July 2019 the Board of Directors of 3K Investment Partners Mutual Fund Management Co. S.A. authorised these financial statements for issue.

.....  
Georgios Koufopoulos  
Chairman, CEO

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

The notes on pages 11 to 28 form an integral part of these financial statements

### 3K MUTUAL FUND ANAGENNISIS (AIF)

#### STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

	Note	01/01/2019- 30/06/2019 €	18/06/2018- 30/06/2018 €
<b>Income</b>			
Dividend income		15.055	508
Net fair value gains/(losses) on financial assets at fair value through profit or loss	5	181.803	(3.795)
<b>Total net income/(loss)</b>		<b>196.858</b>	<b>(3.287)</b>
<b>Expenses</b>			
Management fees	13	(589)	(308)
Depositary fees	14	(1.814)	(138)
Administration fees	14	-	(269)
Transaction costs		(10.737)	(910)
Auditors' remuneration		(3.802)	(592)
Other expenses		(360)	(84)
<b>Total operating expenses</b>		<b>(17.302)</b>	<b>(2.301)</b>
<b>Operating profit/(loss) before finance costs</b>		<b>179.556</b>	<b>(5.588)</b>
<b>Finance costs</b>			
Other finance costs	6	(542)	-
<b>Profit/(loss) before tax</b>		<b>179.014</b>	<b>(5.588)</b>
Withholding taxes	7	(1.901)	(76)
<b>Profit/(loss) for the period</b>		<b>177.113</b>	<b>(5.664)</b>

The notes on pages 11 to 28 form an integral part of these financial statements

### 3K MUTUAL FUND ANAGENNISIS (AIF)

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#### STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

	Note	Capital €	Retained earnings €	Total €
<b>At 18 June 2018 (commencement of operations)</b>		-	-	-
Total comprehensive loss for the period		-	(5.664)	(5.664)
Issue of units		450.000	-	450.000
<b>At 30 June 2018</b>	<b>11</b>	<b>450.000</b>	<b>(5.664)</b>	<b>444.336</b>
<b>At 01 January 2019</b>		<b>550.000</b>	<b>(19.016)</b>	<b>530.984</b>
Total comprehensive profit for the period		-	177.113	177.113
Issue of units		2.164.000	-	2.164.000
<b>At 30 June 2019</b>	<b>11</b>	<b>2.714.000</b>	<b>158.097</b>	<b>2.872.097</b>

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The notes on pages 11 to 28 form an integral part of these financial statements

### 3K MUTUAL FUND ANAGENISIS (AIF)

#### STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

	Note	01/01/2019- 30/06/2019 €	18/06/2018- 30/06/2018 €
<b>Cash flows from operating activities</b>			
<b>Profit/(loss) before tax</b>		179.014	(5.588)
Adjustments for:			
Dividend income		(15.055)	(508)
		<u>163.959</u>	<u>(6.096)</u>
<b>Changes in working capital:</b>			
Increase in financial assets at fair value through profit or loss		(1.778.314)	(288.945)
Increase in accruals and other payables		1.609	1.391
		<u>(1.612.746)</u>	<u>(293.650)</u>
<b>Cash used in operations</b>		<b>(1.612.746)</b>	<b>(293.650)</b>
Dividend received		10.070	-
Tax paid		(1.901)	-
		<u>(1.604.577)</u>	<u>(293.650)</u>
<b>Net cash used in operating activities</b>			
<b>Cash flows from financing activities</b>			
Net proceeds from issue of units	11	2.164.000	450.000
		<u>2.164.000</u>	<u>450.000</u>
<b>Net cash generated from financing activities</b>			
<b>Net increase in cash and cash equivalents</b>		<b>559.423</b>	<b>156.350</b>
Cash and cash equivalents at beginning of the period		<u>211.447</u>	-
<b>Cash and cash equivalents, end of the period</b>	10	<u><u>770.870</u></u>	<u><u>156.350</u></u>

The notes on pages 11 to 28 form an integral part of these financial statements

# 3K MUTUAL FUND ANAGENISIS (AIF)

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

### 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 of 2018) (the "AIF Law") 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. S.A. (the "Management Company" or the "Investment Manager"), whose registered offices 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).

As 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 has only 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.

The Fund's administration services have been delegated by the Management Company to BOC Asset Management Ltd (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.

These condensed financial statements for 30 June 2019 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. The comparative period is from 18 June 2018 (commencement of operations) to 30 June 2018 therefore it is not fully comparable to the current period results, 1 January 2019 to 30 June 2019.

#### Adoption of new and revised IFRS

During the current period 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 18 June 2018, including IFRS 9 "Financial Instruments".

IFRS 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting. Details of the requirements of IFRS 9 as well as their impact applicable to the Fund's financial statements are described below.

## 3K MUTUAL FUND ANAGENISIS (AIF)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

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

##### Adoption of new and revised IFRS (continued)

###### Classification and measurement of financial assets

The date of initial application is 18 June 2018. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments from the commencement of the Fund's operations and as such no restatement to its financial instruments was required.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost;
- debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income (FVOCI);
- all other debt investments and equity investments are subsequently measured at fair value through profit or loss (FVTPL).

Despite the foregoing, the Fund could make the following irrevocable election/designation at initial recognition of a financial asset:

- the Fund could irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies in other comprehensive income; and
- the Fund could irrevocably designate a debt investment that meets the amortised cost or FVOCI criteria as measured at fair value through profit or loss ('FVTPL') if doing so eliminates or significantly reduces an accounting mismatch.

The Fund's investments, including debt instruments (if any) is monitored by Management on a portfolio level and is evaluated on a fair value basis. Accordingly all of the Fund's investments are reflected at fair value through profit or loss.

###### Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires the Fund to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Fund to recognise a loss allowance for expected credit losses on i) debt investments subsequently measured at amortised cost or at FVOCI, ii) lease receivables, iii) trade receivables and contract assets and iv) financial guarantee contracts to which the impairment requirements of IFRS 9 apply. In particular, IFRS 9 requires the Fund to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses ('ECL') if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset.

## 3K MUTUAL FUND ANAGENISIS (AIF)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

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

##### Adoption of new and revised IFRS (continued)

However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Fund is required to measure the loss allowance for that financial instrument at an amount equal to 12m ECL. IFRS 9 also provides a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

##### 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.

##### Foreign currency translation

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

The Fund's investors are from the Eurozone, with the subscriptions and redemptions of the 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 recognised gross of withholding tax, if any. Also, interest income from cash and cash equivalents is recognised on a time-proportionate basis using the effective interest method.

##### Dividend income

Dividend income is recognised 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.

## 3K MUTUAL FUND ANAGENISIS (AIF)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

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

##### Expenses

All expenses are recognised 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 recognised 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.

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

##### *(a) Classification*

The Fund classifies all of its 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 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 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 derecognised 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 derecognised when the obligation specified in the contract is discharged, cancelled or expired. Realised gains and realised 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.

## 3K MUTUAL FUND ANAGENISIS (AIF)

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### NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

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

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

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.

##### *(c) 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 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.

##### *(d) 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 includes 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 reporting date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from brokers. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

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.

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

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019**

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

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

##### **Payables**

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

##### **Accrued expenses**

Accrued expenses are recognised initially at fair value and subsequently stated at amortised 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.

#### **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 programme 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.

# 3K MUTUAL FUND ANAGENISIS (AIF)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

### 3. Financial risk management (continued)

#### Financial risk factors (continued)

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 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 financing 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 cash and cash equivalents. 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 credit risk that the Fund may be exposed in relation to its investing activities is low since the Fund does not invest in debt securities.

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

Cash and short-term deposits are held by parties with a Moody's credit rating of Caa1 and Caa2 (Note 10).

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 30 June/31 December is the carrying amount of the financial assets as set out below:

	30/06/2019	31/12/2018	30/06/2018
	€	€	€
Cash and cash equivalents	770.870	211.447	156.350
	<u>770.870</u>	<u>211.447</u>	<u>156.350</u>

#### 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.

# 3K MUTUAL FUND ANAGENISIS (AIF)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

### 3. Financial risk management (continued)

#### 3.2 Liquidity risk (continued)

The Fund does not employ 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 withhold any redemptions or implement any suspension of redemptions during 2018 and up to 30 June 2019.

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.

	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €
<b>30 June 2019</b>				
<b>Liabilities</b>				
Accruals and other payables	14.338	14.338	14.338	-
	<u>14.338</u>	<u>14.338</u>	<u>14.338</u>	<u>-</u>

	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €
<b>31 December 2018</b>				
<b>Liabilities</b>				
Accruals and other payables	12.729	12.729	12.729	-
	<u>12.729</u>	<u>12.729</u>	<u>12.729</u>	<u>-</u>

	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €
<b>30 June 2018</b>				
<b>Liabilities</b>				
Accruals and other payables	1.391	1.391	1.391	-
	<u>1.391</u>	<u>1.391</u>	<u>1.391</u>	<u>-</u>

#### 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 PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

#### 3. Financial risk management

##### 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 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 30 June 2019, 31 December 2018 and 30 June 2018 by the earlier of contractual maturities or re-pricing:

	Non-interest bearing	Within one year	Total
	€	€	€
<b>30 June 2019</b>			
<b>Assets</b>			
Non-interest bearing	2.115.565	-	2.115.565
Cash and bank balances	-	770.870	770.870
<b>Total assets</b>	<b>2.115.565</b>	<b>770.870</b>	<b>2.886.435</b>
<b>Liabilities</b>			
Non-interest bearing	14.338	-	14.338
<b>Total liabilities</b>	<b>14.338</b>	<b>-</b>	<b>14.338</b>
	Non-interest bearing	Within one year	Total
	€	€	€
<b>31 December 2018</b>			
<b>Assets</b>			
Non-interest bearing	332.266	-	332.266
Cash and bank balances	-	211.447	211.447
<b>Total assets</b>	<b>332.266</b>	<b>211.447</b>	<b>543.713</b>
<b>Liabilities</b>			
Non-interest bearing	12.729	-	12.729
<b>Total liabilities</b>	<b>12.729</b>	<b>-</b>	<b>12.729</b>

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

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

##### 3.3 Market risk (continued)

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

	Non-interest bearing	Within one year	Total
	€	€	€
<b>30 June 2018</b>			
<b>Assets</b>			
Non-interest bearing	289.377	-	289.377
Cash and bank balances	-	156.350	156.350
<b>Total assets</b>	<b>289.377</b>	<b>156.350</b>	<b>445.727</b>
<b>Liabilities</b>			
Non-interest bearing	1.391	-	1.391
<b>Total liabilities</b>	<b>1.391</b>	<b>-</b>	<b>1.391</b>

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 analysis between 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 and monetary liabilities at the reporting date are as follows:

	30/06/2019	31/12/2018	30/06/2018
	€	€	€
<b>Assets</b>			
United States Dollar	45	9.075	-
British Pound	-	4.488	-
	<b>45</b>	<b>13.563</b>	<b>-</b>

##### Sensitivity analysis

A 10% strengthening of the Euro against the following currencies at 30 June 2019, 31 December 2018 and 30 June 2018 would have decreased net assets 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 net assets.

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

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

##### 3.3 Market risk (continued)

##### 3.3.2 Foreign exchange risk (continued)

	30/06/2019	31/12/2018	30/06/2018
	€	€	€
<b>Assets</b>			
United States Dollar	5	908	-
British Pound	-	449	-
	<u>5</u>	<u>1.357</u>	<u>-</u>

##### 3.3.3 Price risk

The Fund is exposed to equity and bond 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 and bonds 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.

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

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

##### 3.3 Market risk (continued)

##### 3.3.3 Price risk (continued)

- 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.
- 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.

All equity investments are publicly traded in the Athens Stock Exchange or other international exchanges. The Fund's policy requires that the overall market position is monitored and reported by the Administrator to the Management Company on a daily basis.

At 30 June 2019, 31 December 2018 and 30 June 2018, the fair value of equities and related derivatives exposed to price risk were as follows:

	Fair value 30/06/2019	Fair value 31/12/2018	Fair value 30/06/2018
	€	€	€
Equity securities	2.106.087	332.266	288.945
Bond securities	4.493	-	-
<b>Total</b>	<b>2.110.580</b>	332.266	288.945

#### **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 equity prices by 5% at 30 June 2019 would have increased profit by €105.304 (31 December 2018: €16.613 and 30 June 2018: €14.447). 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 the profit/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, which occurs every 15 days, as well as changes resulting from the Fund's performance.

## 3K MUTUAL FUND ANAGENISIS (AIF)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

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

##### 3.4 Capital risk management (continued)

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 daily subscriptions and redemptions relative to the assets it expects to be able to liquidate within 1 day 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 Investment Manager monitor capital on the basis of the value of net assets.

##### 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 impairment provision of other receivables and payables 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.

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

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

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

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

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 Fund's assets and liabilities are measured at fair value at 30 June 2019, 31 December 2018 and 30 June 2018. All of the Fund's equity and bond instruments are classified as Level 1.

All fair value measurements disclosed are recurring fair value measurements.

There were no transfers between levels during the periods ended 30 June 2019, 31 December 2018 and 30 June 2018.

#### 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) *Observable data*

The determination of what constitutes 'observable' information for fair value measurement may require significant judgement by the Fund. The Fund considers observable data to be 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.

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. Net gain/(loss) from financial instruments at fair value through profit or loss

Net gain from financial assets at fair value through profit or loss is analysed as follows:

	01/01/2019- 30/06/2019	18/06/2018- 30/06/2018
	€	€
Equity securities	181.302	(3.795)
Bond securities	501	-
<b>Total net gain/(loss) on financial assets at fair value through profit or loss</b>	<b>181.803</b>	<b>(3.795)</b>

### 3K MUTUAL FUND ANAGENISIS (AIF)

#### NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

#### 5. Net gain/(loss) from financial instruments at fair value through profit or loss (continued)

Net changes in fair value on financial assets at fair value through profit or loss:

	01/01/2019- 30/06/2019	18/06/2018- 30/06/2018
	€	€
Realised gain/(loss)	5.022	-
Unrealised gain/(loss)	176.781	(3.795)
<b>Total net gain/(loss) on financial assets at fair value through profit or loss</b>	<b>181.803</b>	<b>(3.795)</b>

#### 6. Other finance costs

	01/01/2019- 30/06/2019	18/06/2018- 30/06/2018
	€	€
Sundry finance expenses	542	-
	<b>542</b>	<b>-</b>

#### 7. Tax

	01/01/2019- 30/06/2019	18/06/2018- 30/06/2018
	€	€
Withholding taxes	1.901	76
	<b>1.901</b>	<b>76</b>

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

	30/06/2019	30/06/2018
	€	€
Balance at 01 January 2019/18 June 2018	332.266	-
Additions	1.772.413	292.740
Disposals	(175.902)	-
Net gain/(loss) on financial assets at fair value through profit or loss	181.803	(3.795)
<b>Balance at 30 June 2019/2018</b>	<b>2.110.580</b>	<b>288.945</b>

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

	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	% of net assets	% of net assets	€	€
Equity and bond securities	73%	65%	2.110.580	288.945
<b>Total</b>	<b>73%</b>	<b>65%</b>	<b>2.110.580</b>	<b>288.945</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 30 June/31 December by reference to last-market prices obtained from the primary exchanges in which the securities are traded.

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

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

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

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

#### 9. 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 30 June 2019 and 2018 to the categories of financial instruments:

	Fair value through profit or loss €	Amortised Cost €	Total €
<b>30 June 2019</b>			
<b>Assets</b>			
Financial assets at fair value through profit or loss	2.110.580	-	2.110.580
Cash and cash equivalents	-	770.870	770.870
Receivables	-	4.985	4.985
<b>Total</b>	<b>2.110.580</b>	<b>775.855</b>	<b>2.886.435</b>

	Amortised Cost €	Total €
<b>30 June 2019</b>		
<b>Liabilities</b>		
Accruals and other payables	14.338	14.338
<b>Total</b>	<b>14.338</b>	<b>14.338</b>

	Fair value through profit or loss €	Amortised Cost €	Total €
<b>31 December 2018</b>			
<b>Assets</b>			
Financial assets at fair value through profit or loss	332.266	-	332.266
Cash and cash equivalents	-	211.447	211.447
<b>Total</b>	<b>332.266</b>	<b>211.447</b>	<b>543.713</b>

	Amortised Cost €	Total €
<b>31 December 2018</b>		
<b>Liabilities</b>		
Accruals and other payables	12.729	12.729
<b>Total</b>	<b>12.729</b>	<b>12.729</b>

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

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

	Fair value through profit or loss €	Amortised Cost €	Total €
<b>30 June 2018</b>			
<b>Assets</b>			
Financial assets at fair value through profit or loss	288.945	-	288.945
Cash and cash equivalents	-	156.350	156.350
Receivables	-	432	432
<b>Total</b>	<b>288.945</b>	<b>156.782</b>	<b>445.727</b>

	Amortised Cost €	Total €
<b>30 June 2018</b>		
<b>Liabilities</b>		
Accruals and other payables	1.391	1.391
<b>Total</b>	<b>1.391</b>	<b>1.391</b>

#### 10. Cash and cash equivalents

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

	30/06/2019 €	31/12/2018 €	30/06/2018 €
Cash at bank	770.870	211.447	156.350
	<b>770.870</b>	<b>211.447</b>	<b>156.350</b>

#### Cash and cash equivalents by currency:

	30/06/2019 €	31/12/2018 €	30/06/2018 €
Euro	770.825	211.447	156.350
United States Dollar	45	-	-
British Pound	-	-	-
	<b>770.870</b>	<b>211.447</b>	<b>156.350</b>

At 30 June 2019, the fair value of cash and cash equivalents in the statement of financial position is grouped as follows:

	Moody's 30/06/2019 €
Cash at bank	
Caa1	470.880
Caa2	299.990
	<b>770.870</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 PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

#### 11. 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 shall be 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 rate 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.

Transactions in capital, units outstanding and the Net Asset Value ("NAV") per unit as at 30 June 2019, for each unit are as follows:

	<b>Beginning Units</b>	<b>Units issued</b>	<b>Units redeemed</b>	<b>Units Outstanding</b>
Units	110.834,20	401.611.02	-	512.445,22
	<b>110.834,20</b>	<b>401.611.02</b>	<b>-</b>	<b>512.445,22</b>

	<b>Beginning Net Assets</b>	<b>Subscriptions</b>	<b>Redemptions</b>	<b>Change in Net Assets</b>	<b>Ending Net Assets</b>	<b>Ending NAV Per Unit</b>
	€	€	€	€	€	€
Units	530.984	2.164.000	-	177.113	2.872.097	<b>5,6047</b>
	<b>530.984</b>	<b>2.164.000</b>	<b>-</b>	<b>177.113</b>	<b>2.872.097</b>	

Transactions in capital, units outstanding and the Net Asset Value ("NAV") per unit as at 30 June 2018, for each unit are as follows:

	<b>Beginning Units</b>	<b>Units issued</b>	<b>Units redeemed</b>	<b>Units Outstanding</b>
Units	-	90.000	-	90.000
	<b>-</b>	<b>90.000</b>	<b>-</b>	<b>90.000</b>

	<b>Beginning Net Assets</b>	<b>Subscriptio ns</b>	<b>Redemptio ns</b>	<b>Change in Net Assets</b>	<b>Ending Net Assets</b>	<b>Ending NAV Per Unit</b>
	€	€	€	€	€	€
Units	-	450.000	-	(5.664)	444.336	<b>4,9371</b>
	<b>-</b>	<b>450.000</b>	<b>-</b>	<b>(5.664)</b>	<b>444.336</b>	

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

#### 12. Accruals and other payables

	30/06/2019	31/12/2018	30/06/2018
	€	€	€
Accruals and other payables	13.947	11.976	814
Payables to related parties (Note 13)	391	753	577
	<u>14.338</u>	<u>12.729</u>	<u>1.391</u>

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

#### 13. Related party balances and transactions

The related party balances and transactions are as follows:

##### 13.1 Management Company

3K Investment Partners Mutual Funds Management Co. 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. 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 period ended 30 June 2019 totalled €589 (30 June 2018: €308) and are presented in the statement of comprehensive income. The amount outstanding as of 30 June 2019 is €391 (30 June 2018: €308) and it is included in payables to related parties.

Administration fees for the period ended 30 June 2019 totalled €Nil (30 June 2018: €269) and are presented in the statement of comprehensive income. The amount outstanding as of 30 June 2019 is €Nil (30 June 2018: €269) and it is included in payables to related parties.

Performance fees earned by the Investment Manager during the period ended 30 June 2019 amounted to €Nil (30 June 2018: €Nil).

#### Payables to related parties (Note 12)

		30/06/2019	30/06/2018
		€	€
<u>Name</u>	<u>Nature of transactions</u>		
3K Investment Partners Mutual Fund Management Co. S.A	Management fees	391	308
3K Investment Partners Mutual Fund Management Co. S.A (Note 14.1)	Administration fees	-	269
		<u>391</u>	<u>577</u>

## 3K MUTUAL FUND ANAGENISIS (AIF)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019

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

##### 13.1 Management Company (continued)

Management and administration fees	30/06/2019	30/06/2018
	€	€
<u>Name</u>		
3K Investment Partners Mutual Fund Management fees Management Co. S.A.	589	308
3K Investment Partners Mutual Fund Administration fees Management Co. S.A. (Note 14.1)	-	269
	<u>589</u>	<u>577</u>

  

Subscriptions by related entities	30/06/2019	30/06/2018
	€	€
<u>Name</u>		
Related party	590.000	100.000
	<u>590.000</u>	<u>100.000</u>

#### 14. Other key contracts

##### 14.1 Administrator

The Management Company has 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. Under the terms of the agreement, up to 3 December 2018 the Fund pays the Administrator an annual fee of 0,23% of the Net Asset Value plus VAT (if applicable). The administration fee is computed and accrued on the bi-weekly average value of the assets of the Fund. There is a minimum annual fee of €10.500 for the first 18 months following the inception of the Fund and a minimum annual fee of €22.000 after the 18 months or at anytime the Fund's assets exceed €10million, whichever comes first.

From 4 December 2018 onwards Administration fees are borne by the Management Company. The Administrative fees for the period ended 30 June 2019 is €Nil (30 June 2018 €269) and are presented in the statement of comprehensive income. The amount outstanding as of 30 June 2019 is €Nil (30 June 2018 €269) and it is included in accruals and other payables.

##### 14.2 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 €300 for the first 12 months following the inception of the Fund and a minimum fee of €450 after the 13<sup>th</sup> month and onwards. Depositary fees for the period ended 30 June 2019 totaled €1.814 (30 June 2018 €138) and are presented in the statement of comprehensive income. The amount outstanding as of 30 June 2019 is €907 (30 June 2018 €138) and it is included in accruals and other payables.

#### 15. Contingent liabilities

The Fund has no contingent liabilities as at 30 June 2019 (30 June 2018: none).

#### 16. Commitments

The Fund has no capital or other commitments as at 30 June 2019 (30 June 2018: none).

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

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019**

#### **17. Events after the reporting period**

From 1 July 2019 and up to the date of authorisation of these financial statements, the total subscription requests processed by the Fund amounted to:

-Subscription requests: €211.618 in respect of 37.805 units.

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

#### **18. Basis of financial statement presentation**

The Fund's total net asset value presented in these financial statements is as issued by the Fund on 28/06/2019 whereas the financial statements are prepared for the 6-month period ending on 30/06/2019. Neither the total net asset value nor the net asset value per unit are materially different between the two dates therefore no reconciliation is needed.