



WEALTH FUND SERVICES

PHOEBUS RAIF V.C.I.C PLC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2025

PHOEBUS RAIF V.C.I.C. PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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PHOEBUS RAIF V.C.I.C. PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Evangelos Grivas
Georgios Dimitriou
Grigorios Karagiannopoulos
Nicolaios Kefallinaios
Aggelos Spyropoulos

Company Secretary:

Cypcosecretarial Limited (resigned on 31 December 2024)
Primeway Secretarial Limited (appointed on 31 December 2024)

Management Company:

Wealth Fund Services Ltd
12-14 Kennedy Avenue, Flat/Office 305
1087 Nicosia
Cyprus

Fund Administrator:

Wealth Fund Services Limited.
12-14 Kennedy Avenue, Flat/Office 305
1087 Nicosia
Cyprus

External Auditors:

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

Registered office:

12-14 Kennedy Avenue
Flat/Office 305
1087, Nicosia
Cyprus

Depository:

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

Registration number:

HE 454636

FUND BACKGROUND AND GENERAL INFORMATION

Background

Phoebus RAIF V.C.I.C. Plc (the "Fund", the "Company") was incorporated in Cyprus on 18 December 2023 as a public limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. The Fund was granted RAIF license No. RAIF173 by the Cyprus Securities and Exchange Commission on 7 February 2024. Its registered office is at 12-14 Kennedy Avenue, Office 305, 1087, Nicosia, Cyprus.

Although the Company is a single legal entity, it operates as an open-ended umbrella fund which may comprise of several independent investment compartments (i.e. Sub-Funds), each of which constitutes a separate pool of assets and is governed by the provisions of the Alternative Investment Funds Law of 2014 (subsequently replaced by the Law which provides for the Alternative Investment Funds and other related matters of 2018) (the "AIF Law") as a separate AIF. Each Sub-Fund issues Investor Shares corresponding to the assets constituting its respective pool of assets. The rights of Investors and of creditors created by the constitution, operation or dissolution of a particular Sub-Fund are limited to the assets of this Sub-Fund. The Board of Directors of the Company may authorise the creation of additional sub-funds/share classes in the future.

As of 31 December 2025, there were two sub-fund active, Novelty Multi-Asset Balanced Fund (the 'Sub-Fund') and Sword Multi-Asset Fund (the 'Sub-Fund'). The Funds' investment activities and Funds' administration are managed by and delegated to Wealth Fund Services Limited (the 'Management Company'), (the 'Fund Administrator').

Investment objective

The Sub-Funds seek to achieve a medium to long term capital growth for its Unit holders by investing in equities and fixed income securities. In particular, the Sub-Funds will invest in stocks and bonds, in line with a value strategy targeting undervalued securities, based on fundamental analysis and a concentrated portfolio.

Investment strategy

In order for the Compartments to achieve their respective investment objectives, the External Manager has established structured and efficient investment strategies. The Compartments of the Company do not have a predominant investment strategy. To this end, the investment strategies of the Compartments of the Company are best described as fixed income strategies and equity investment strategies.

More precisely, the External Manager will invest in a diversified portfolio with various asset classes, including but not limited to deposits, stocks, bonds, transferable equity and fixed income securities and alternative assets (including, but not limited to commodities and equities, including private equity) based on fundamental analyses to be performed by the External Manager. The External Manager may gain exposure to these asset classes directly or indirectly through investing in funds and in other collective investment schemes. The External Manager has the discretion to amend the composition of each Compartment's Portfolio.

The External Manager may use derivative instruments for hedging (reducing risks) as an efficient portfolio management technique in accordance with the investment strategies of each Compartment as depicted in the relevant Offering Supplements.

In order to enhance capital gain, the External Manager from time to time will use leverage subject to limits described in each Offering Supplement. Each Compartment may gain exposure to a diverse global allocation of asset classes and may invest directly or indirectly in sovereign and corporate bonds, equities and commodities, property, direct credit, private equity, hedge funds, derivative instruments. The External Manager may use a Prime Broker with regards to the Portfolio of each Compartment of the Company, if deemed necessary.

The directions and concentrations of each Compartment are formulated and disclosed in its respective Offering Supplement. The contents of each Offering Supplement are also disclosed to CySEC prior to the strategy implementation of each Compartment's Portfolio. Such disclosure to CySEC forms part of the process pertaining to the Company's registration with the CySEC RAIF Register pursuant to section 138 of the AIF Law. The strategy of each Compartment is implemented in order to fit the attractiveness of the investment, the know-how and synergies spotting, the outlook for the specific investments and the matching of the investment in the Compartment's Portfolio.

PHOEBUS RAIF V.C.I.C. PLC

FUND BACKGROUND AND GENERAL INFORMATION (continued)

Changes in the composition of the portfolio

Sub-Fund Novelty had cumulative subscriptions of €4.030.000 and redemptions of €279.856 during 2025, and as of 31 December 2025, has a net position of €3.707.252. The Sub-Fund generated a loss of €22.830 during 2025.

Sub-Fund Sword had subscriptions of €500.000 during 2025 and as of 31 December 2025 has a net position of €474.017. The Sub-Fund generated a loss of €25.983 during 2025.

Significant changes in the Offering Memorandum

There were no significant changes in the Offering Memorandum of the Fund during the year ended 31 December 2025.

Yearly Returns per share class

The annual return on the Net Asset Value of each respective share class is provided below:

Sub-Fund Novelty

Annual Returns per share class

Share Classes	2024	2025
Novelty Class A – Initial Serie March 2024	1,67%	2,44%
Novelty Class A – Serie May 2024	1,83%	-
Novelty Class A – Serie June 2024	1,83%	-
Novelty Class A – Serie July 2024	1,37%	-
Novelty Class A – Serie September 2024	1,35%	-
Novelty Class A – Serie November 2024	1,08%	-
Novelty Class A – Serie November 2025	-	(0,66%)

Note:

Cash dividends declared on 30/6/2025, €19,35/share, with an equivalent decrease in NAV per share for all classes of shares.

Cash dividend declared on 31/12/2025, €11,5046/share, with an equivalent decrease in NAV per share for all classes of shares.

Sub-Fund Sword

Annual Returns per share class

Share Classes	2025
Participation	(5,48%)

FUND BACKGROUND AND GENERAL INFORMATION (continued)

Market Commentary

In 2025, various asset classes exhibited solidly positive performance:

ASSET RETURNS IN CALENDAR YEAR 2025

Calendar year 2025 delivered another year of robust gains across major asset classes, marking the third consecutive year of double-digit returns for global equities. Despite significant volatility triggered by trade policy uncertainties, demanding valuations, and intermittent recession fears, markets demonstrated remarkable resilience. The Global Market Index rose close to 19,5%, extending its impressive multi-year run.

U.S. Equities: Still Dominate at the Margin Amid Volatility

U.S. equity markets maintained their leadership position in 2025, though performance was accompanied by notable volatility. The S&P 500 Index delivered a total return of 17,88% (including dividends), representing a strong absolute gain despite periodic sell-offs driven by valuation concerns and trade policy uncertainty. The technology-heavy Nasdaq Composite Index outpaced broader markets with a return of 21,14%, benefiting from continued enthusiasm around artificial intelligence and technology innovation. U.S. small-cap stocks, as measured by the Russell 2000 Index, delivered a respectable 12,8% return, lagging large-caps by approximately 5 percentage points but still achieving impressive double-digit gains. The small-cap underperformance reflected heightened sensitivity to interest rate policy and credit conditions.

Volatility spiked multiple times throughout the year, with the VIX (volatility index) experiencing sharp increases during periods of trade policy uncertainty and Federal Reserve communication shifts. Despite these periodic disruptions, the market's ability to recover and post new highs demonstrated underlying strength in corporate earnings and investor confidence.

International Equities: Divergent Regional Performance Yet on the Rise

International equity markets exhibited mixed performance in 2025, with notable divergence across regions. European equities showed resilience, with developed Europe delivering solid returns in December and maintaining positive territory throughout the year. The Euro Stoxx 50 Price Index +18,29% Year-on-Year, though it continued to lag U.S. equity performance. More attractive valuations and expectations of monetary policy easing provided support for European markets.

Asia Pacific ex-Japan markets appreciated by 25,59%, particularly in the latter part of the year. Chinese equities experienced a notable resurgence, driven by the government's ongoing stimulus measures and efforts to stabilize the financial system. The Shanghai Composite and other Chinese indices benefited from foreign capital inflows and a gradual re-rating as investor confidence improved. However, the nature of China's stimulus—focused more on financial system stabilization than traditional infrastructure investment—tempered the broader regional impact.

The MSCI Emerging Markets Index appreciated by 8,71%, though performance remained mixed across individual countries. Asian emerging markets generally outperformed, while Latin American and other emerging market regions faced headwinds from commodity price volatility and currency fluctuations.

Fixed Income: Attractive Returns in a Complex Environment

The bond market experienced its best year since 2020, delivering attractive returns across multiple segments. The Bloomberg U.S. Aggregate Bond Index, representing the broad investment-grade bond market, appreciated by 7,30% as price volatility in the first quarter of the year created opportunities for total return. High-yield bonds performed particularly well, benefiting from tight credit spreads and strong corporate fundamentals, though concerns about potential credit defaults began emerging late in the year.

Interest rate dynamics remained complex throughout 2025. While the Federal Reserve maintained a cautious stance, market expectations for rate cuts fluctuated based on inflation data and economic growth

FUND BACKGROUND AND GENERAL INFORMATION (Continued)

Market Commentary (Continued)

Fixed Income: Attractive Returns in a Complex Environment (Continued)

indicators. The yield curve experienced periods of both steepening and flattening, reflecting uncertainty about the economic outlook and monetary policy trajectory.

Short-term, high-quality bonds around the BB credit rating range (Bloomberg Credit Rating Scale) provided attractive risk-adjusted returns, offering meaningful income while maintaining relative price stability. Long-term Treasury securities faced increased volatility due to fiscal concerns and changing rate expectations, though they served their traditional role as portfolio diversifiers during equity market stress periods.

Commodities: Precious Metals Leadership

Commodities appreciated by approximately +11% in 2025 based on Bloomberg Commodity Index, driven by Precious and Base Metals and marking one of the strongest years for the asset class in recent history. This performance was driven by multiple factors, including inflation hedging demand, supply constraints in key markets, and geopolitical tensions affecting global supply chains.

Gold emerged as a standout performer, soaring approximately 65% and extending its strong run from 2024. The precious metal benefited from its safe-haven status amid geopolitical uncertainties, concerns about fiat currency stability, and central bank buying. Silver also rallied significantly, extending 2025 gains before experiencing sharp volatility at year-end.

Energy commodities presented a mixed picture. Crude oil prices retreated by approximately 20% Year-on-Year, experiencing significant volatility throughout the year, influenced by OPEC+ production decisions, and fluctuating demand forecasts. Natural gas prices remained volatile, particularly in Europe, where energy security concerns continued following the disruptions from previous years.

Industrial metals showed strength in line with infrastructure investment themes and supply constraints. Copper appreciated by 40,69% Year-on-Year while other metals essential for the energy transition and technology manufacturing caught also a bid, although they experienced periodic corrections based on growth concerns.

Alternative Assets: Cryptocurrencies and Real Estate

The cryptocurrency market experienced a challenging year in 2025, with Bitcoin [Ticker: XBTUSD] retreating by 6,45% and slumping thereafter within Q1 2026. This represented a reversal from previous years' gains and reflected increased regulatory scrutiny, concerns about the sustainability of crypto business models, and a shift in investor risk appetite away from highly speculative assets.

Global real estate, as represented by the FT Wilshire Global Real Estate Index appreciated by nearly 11%. The sector benefited from economic recovery dynamics and stabilizing interest rates across the World, though it continued to face challenges from elevated property values and concerns about commercial real estate fundamentals, particularly in the office sector in key markets such as the US and Europe.

RISK OUTLOOK FOR 2026: KEY ISSUES IMPACTING GLOBAL MARKETS

Tariffs and Trade Policy: Evolving Dynamics

The tariff landscape has continued to evolve into 2026, with trade policy remaining a central concern for global markets. While some anticipated tariff implementations were delayed or modified, the overall direction points toward a more fragmented global trading system. The inflationary impact of tariffs has become more evident, with persistent upward pressure on prices in affected sectors.

Industries such as U.S. auto manufacturing, construction, and food production continue to face headwinds from higher input costs. The auto sector has seen vehicle prices remain elevated, impacting consumer demand and forcing manufacturers to accelerate automation and supply chain restructuring. Construction

FUND BACKGROUND AND GENERAL INFORMATION (Continued)

Market Commentary (Continued)

Tariffs and Trade Policy: Evolving Dynamics (Continued)

costs have risen due to tariffs on steel, aluminum, and lumber, contributing to housing affordability challenges. Food prices have experienced upward pressure from agricultural tariffs and trade restrictions.

The broader consumption impact has been mixed. While some price increases have been absorbed by businesses, others have been passed through to consumers, contributing to persistent inflation in specific categories. Corporate profit margins in trade-sensitive sectors have faced compression, though many companies have adapted through operational efficiencies and strategic sourcing adjustments.

Monetary Policy and Interest Rate Uncertainty

Interest rate policy has emerged as a more significant risk factor in early 2026 than initially anticipated. The Federal Reserve maintained its federal funds rate target range at 3.50%-3.75% at its January 2026 meeting, with two dissenting votes in favor of a 25-basis point cut. This decision reflected the complex balancing act between supporting economic growth and managing inflation expectations.

The Fed's cautious stance has created uncertainty in fixed income markets. While the general expectation entering 2025 was for a continued easing cycle, inflation has proven more persistent than anticipated, complicating the policy outlook. Core inflation measures have remained above the Fed's 2% target, driven by services inflation, housing costs, and tariff-related price hike expectations.

Bond market volatility has increased as investors reassess the trajectory of monetary policy. The risk of a policy error—either tightening too much and triggering a recession, or easing too quickly and allowing inflation to re-accelerate—has heightened market sensitivity to economic data releases and Fed communications. Longer-term Treasury yields have experienced increased volatility, reflecting uncertainty about the neutral rate of interest and the long-term inflation outlook.

Credit Risk: Rising Default Concerns

The credit environment deteriorated modestly in early 2026, with bankruptcy filings continuing to rise and credit spreads widening in certain segments. U.S. bankruptcy filings have remained elevated, running more than 70% above the interim trough reached in early 2022. This trend reflects the cumulative impact of higher interest rates on highly leveraged companies, particularly in the small and mid-cap segments.

European credit markets have also shown signs of stress, with strategists from major international dealer-brokers warning of potential default waves in sectors exposed to energy costs and weak economic growth. The divergence in credit performance has widened, with high-quality investment-grade credits maintaining strong fundamentals while lower-rated segments face increasing pressure.

Emerging market credit risk remains elevated, particularly for countries with significant foreign currency denominated debt. The combination of a stronger U.S. dollar, higher global interest rates, and domestic inflation challenges has created refinancing difficulties for some emerging market borrowers. Currency depreciation in several emerging markets has exacerbated debt burdens and raised concerns about potential sovereign defaults or restructurings.

Artificial Intelligence: From Boom to Sustainable Growth

The artificial intelligence sector has continued to evolve in early 2026, with the initial euphoria giving way to a more measured assessment of near-term impacts and long-term potential. While AI investment remains robust, there has been increased scrutiny of return on investment and practical implementation challenges.

Market valuations for AI-related companies have experienced volatility as investors reassess growth expectations and profitability timelines. Some concerns have emerged about potential overinvestment in AI infrastructure relative to near-term revenue generation, leading to periodic corrections in high-flying AI

FUND BACKGROUND AND GENERAL INFORMATION (Continued)

Market Commentary (Continued)

Artificial Intelligence: From Boom to Sustainable Growth (Continued)

stocks. However, the underlying trend toward AI adoption across industries remains intact, with companies continuing to invest in AI capabilities for productivity enhancement and competitive advantage.

Regulatory attention on AI has intensified, with governments and regulatory bodies around the world developing frameworks for AI governance, data privacy, and algorithmic transparency. This regulatory evolution adds complexity for companies deploying AI solutions but also provides clearer guidelines for sustainable development.

Commodity and Energy Price Risks

Energy and commodity price volatility has remained a significant risk factor in early 2026. Oil prices have fluctuated based on OPEC+ production decisions, geopolitical developments, and demand forecasts. The ongoing transition to renewable energy sources continues to influence long-term price expectations, but near-term volatility remains elevated.

Supply constraints for critical minerals and metals essential for the energy transition and technology manufacturing have intensified. Copper, lithium, rare earth elements, and other materials face structural supply-demand imbalances as extraction complexity increases and reserves are depleted in easily accessible locations. These dynamics have supported elevated prices and created input cost pressures for manufacturers.

Agricultural commodity markets have experienced volatility due to climate-related disruptions, geopolitical tensions affecting major producing regions, and changing trade patterns. Food security concerns have risen in several regions, contributing to inflationary pressures and social stability risks in vulnerable countries.

Climate Risk: Intensifying Physical and Transition Risks

Climate-related risks have continued to intensify in early 2026, with both physical risks from extreme weather events and transition risks from policy changes affecting markets. The frequency and severity of natural disasters—including wildfires, floods, hurricanes, and droughts—have increased, causing significant economic damage and disrupting supply chains.

The insurance sector has faced mounting challenges from climate-related losses, with some insurers withdrawing from high-risk markets or significantly increasing premiums. This has created affordability and availability concerns for property insurance in vulnerable regions, with potential spillover effects on real estate values and mortgage markets.

Transition risks from climate policy have also increased as governments implement more aggressive emissions reduction targets and carbon pricing mechanisms. Industries with high carbon intensity face mounting pressure to decarbonize, requiring significant capital investment and potentially stranding assets in fossil fuel-dependent sectors.

The financial sector has seen increased regulatory focus on climate risk disclosure and stress testing. Investors are demanding greater transparency about climate-related risks and opportunities, influencing capital allocation decisions and corporate strategies. Companies demonstrating robust climate risk management and credible transition plans have generally attracted more favorable investor sentiment.

FUND BACKGROUND AND GENERAL INFORMATION (Continued)

Market Commentary (Continued)

ADDITIONAL MARKET OUTLOOK AND EMERGING MARKET RISKS FOR 2025

Equity Market Outlook: Walking a Tightrope

As we progress through 2026, equity markets face a complex environment characterized by elevated valuations, robust earnings expectations, and significant downside risks. Wall Street optimism remains high, but with expectations stretched, the market may be walking a tightrope between continued gains and a meaningful correction.

U.S. equity valuations remain demanding by historical standards, with price-to-earnings ratios above long-term averages. This creates vulnerability to negative surprises, whether from earnings disappointments, policy shocks, or macroeconomic deterioration. The concentration of market gains in a narrow group of mega-cap technology companies has created additional vulnerability, as any significant rotation or reassessment of these leaders could trigger broader market weakness.

International equity markets, particularly in Europe and emerging Asia, continue to trade at more reasonable valuations, providing potential opportunities for investors seeking better risk-reward profiles. The valuation discount for non-U.S. equities has widened, creating a cushion against downside risks while offering upside potential if economic conditions improve or if there is a rotation away from U.S. market concentration.

Global Economic Growth: Steady but Divergent

The global economic outlook for 2026 remains steady but characterized by significant regional divergence. According to the IMF's January 2026 World Economic Outlook Update, global growth is projected to remain resilient at 3,3% in 2026 and 3,2% in 2027. However, this aggregate figure masks substantial variation across countries and regions.

The U.S. economy is expected to gather momentum in 2026, supported by favorable policy tailwinds and durable investment trends, particularly in AI and infrastructure. However, risks remain from potential policy missteps, trade tensions, and the lagged effects of previous monetary tightening. The probability of a U.S. recession, while reduced from earlier estimates, remains non-negligible at approximately 15% according to some forecasters.

The Eurozone faces a more challenging outlook, with near-term growth catalysts limited despite monetary policy easing. Structural challenges, including demographic headwinds, energy transition costs, and competitiveness concerns, continue to weigh on the region's growth potential. However, more reasonable valuations and policy support provide some offset to these challenges.

China's economic trajectory remains critical for global growth and commodity markets. The government's stimulus measures have provided support, but the focus on financial system stabilization rather than traditional infrastructure investment has limited the broader impact. The property sector continues to face significant challenges, and demographic trends pose long-term headwinds. However, technological advancement and efforts to shift toward consumption-driven growth provide potential upside.

Inflationary Dynamics: Persistent due to currency debasement/high debts, commodity supply shortages and geopolitical uncertainties

Inflation is expected to continue its gradual decline in 2026, but the path back to central bank targets remains uncertain and uneven across regions. U.S. inflation is projected to return to the Fed's 2% target more gradually than previously anticipated, with core measures remaining sticky due to services inflation and housing costs.

The risk of a secondary inflation wave has not been eliminated and is facing upward pressure by elevated geopolitical friction. Factors such as tariff implementation, wage pressures, commodity price shocks, or geopolitical disruptions and a combination thereof, tend to reignite inflationary pressures.

FUND BACKGROUND AND GENERAL INFORMATION (Continued)

Market Commentary (Continued)

Inflationary Dynamics: Persistent due to currency debasement/high debts, commodity supply shortages and geopolitical uncertainties (Continued)

This creates a challenging environment for central banks, which must balance the need to support growth against the risk of allowing inflation expectations to become unanchored.

Regional inflation dynamics vary significantly. Until the US/Israel – Iran open conflict, European inflation moderated more than in the U.S., providing more scope for monetary policy easing but post-Iran, central bank action requires re-planning. Emerging market inflation remains elevated in many countries, particularly those facing currency depreciation or domestic supply constraints.

Technology Sector: Re-evaluation and Opportunities

The technology sector faces a period of reevaluation in 2026 as investors assess the sustainability of elevated valuations and the timeline for AI monetization. While the long-term potential of artificial intelligence and other emerging technologies remains substantial, near-term expectations may have outpaced realistic implementation timelines.

Key downside risks include the potential for a re-evaluation of technology valuations if AI-driven productivity gains fail to materialize as quickly as anticipated, or if regulatory constraints limit the deployment of AI technologies. Competition in the AI space has intensified, potentially compressing margins and limiting the concentration of benefits among a few dominant players.

However, opportunities also exist. The semiconductor sector continues to benefit from strong structural demand driven by AI, data centers, and the broader digitalization trend. Cybersecurity remains a critical growth area as digital threats evolve. Cloud computing and enterprise software continue to see robust adoption as companies digitalize operations and leverage data analytics.

Geopolitical Risks: Intensifying Complexity

Geopolitical risks have intensified in early 2026, with multiple flashpoints requiring close monitoring.

The conflict between US/Israel and Iran has escalated into a regional war, profoundly impacting global stability and markets. This active confrontation, which has seen military actions and significant casualties on all sides, extends beyond the immediate Middle East, triggering widespread geopolitical and economic turmoil. Reports indicate devastating implications for Iran's economy and heightened nuclear risks, as the conflict is partly driven by efforts to prevent Iran from acquiring nuclear weapons. The broader repercussions include increased refugee flows, severe economic disruption across various sectors, including the supply of various commodities and a potential reordering of global energy and financial systems. This escalation necessitates vigilant monitoring due to its capacity to drive further volatility in oil prices, disrupt critical shipping lanes, commodity and product supply deliveries, and strain international relations, posing an acute risk to the already complex global outlook.

At the same time, the Middle Eastern conflict scene has negative repercussions on other key geopolitical factors adding another stress factor on US-China relations while tensions between the two countries remain elevated, with technology competition, trade disputes, and security concerns over Asia-Pacific territories generally and Taiwan specifically, creating ongoing uncertainty. Any significant deterioration in this relationship could trigger further market volatility and disrupt global supply chains.

The situation in Ukraine continues to influence energy markets and European security dynamics. While the conflict has become somewhat less prominent in market focus, the risk of escalation or spillover remains. European defense spending has increased significantly, with implications for fiscal policy and industrial production.

FUND BACKGROUND AND GENERAL INFORMATION (Continued)

Market Commentary (Continued)

Geopolitical Risks: Intensifying Complexity (Continued)

Middle East instability continues to pose risks to energy markets and global security. Tensions involving Iran, conflicts in various countries, and the security of critical energy shipping lanes like the Strait of Hormuz remain potential triggers for energy price spikes and market volatility.

The upcoming U.S. midterm elections in November 2026 add political uncertainty, with potential implications for fiscal policy, regulatory approaches, and international relations. Market sensitivity to political developments has increased, and election outcomes could trigger significant policy shifts.

Fiscal Policy and Sovereign Debt Concerns

Fiscal sustainability has emerged as a growing concern in early 2026, particularly for major developed economies. Government debt levels remain elevated and within G7 they remain at a historic all-time high, while following pandemic-era stimulus and ongoing spending pressures. The combination of higher interest rates and large debt stocks has increased debt servicing costs, constraining fiscal flexibility. Governments need also to heed any further private sector debt level increase considering they themselves are excessively leveraged, with the World's Public Debt-to-GDP levels close to 100%. In the United States, fiscal policy debates have intensified around spending priorities, tax policy, and debt ceiling concerns. The trajectory of the federal deficit and debt-to-GDP ratio has raised concerns among some investors about long-term fiscal sustainability, though these concerns have not yet triggered a significant repricing of U.S. Treasury securities.

European countries face similar fiscal challenges, complicated by the need to fund energy transition investments, defense spending increases, and aging-related expenditures. The EU's fiscal framework is under review, with debates about the appropriate balance between fiscal discipline and growth-supporting investment.

Emerging market fiscal positions vary widely, with some countries maintaining sound fiscal frameworks while others face significant challenges. The combination of higher global interest rates, currency pressures, and domestic spending needs has strained fiscal capacity in vulnerable countries, raising concerns about debt sustainability.

Labor Market Dynamics and Wage Pressures

Labor markets have remained relatively tight in early 2026, though signs of gradual cooling have emerged. The U.S. unemployment rate stood at 4.3% as of January 2026, slightly elevated from earlier lows but still consistent with a healthy labor market. Payroll gains have moderated to approximately 130,000 per month, reflecting a more balanced supply-demand dynamic.

Wage growth has remained elevated, particularly in service sectors and for skilled workers. This creates ongoing pressure on corporate margins and contributes to services inflation persistence. However, productivity gains from technology adoption and AI implementation may help offset some wage pressures over time.

Structural labor market changes continue to evolve, including increased remote work adoption, skill mismatches, and demographic shifts. These dynamics influence corporate location decisions, real estate demand, and regional economic performance.

Real Estate Market: Divergent Sector Performance

The real estate sector continues to show divergent performance across segments in 2026. Residential real estate faces challenges from elevated prices, higher mortgage rates, and affordability constraints, though supply shortages in many markets provide some support for prices. The outlook varies significantly by region, with some markets experiencing corrections while others remain tight.

FUND BACKGROUND AND GENERAL INFORMATION (Continued)

Market Commentary (Continued)

Real Estate Market: Divergent Sector Performance (Continued)

Commercial real estate presents a more challenging picture, particularly in the office sector. The structural shift toward remote and hybrid work has reduced demand for office space in many markets, leading to elevated vacancy rates and downward pressure on rents. This has created stress for property owners, particularly those with significant leverage, and raised concerns about potential losses for lenders.

Industrial and logistics real estate has remained relatively strong, supported by e-commerce growth and supply chain reconfiguration efforts. Data center demand has surged driven by AI and cloud computing growth, creating opportunities in this specialized segment.

Financial Sector: Navigating a Complex Environment

The Financial Sector faces a complex operating environment in 2026, balancing profitability opportunities from higher interest rates against credit quality concerns and regulatory pressures. Net interest margins have remained elevated, supporting bank earnings, but the lagged impact of higher rates on loan performance has begun to emerge.

Credit quality has deteriorated modestly, with increases in non-performing loans and charge-offs, particularly in commercial real estate and consumer credit segments. Banks have increased loan loss provisions in anticipation of further deterioration, weighing on reported earnings.

Regulatory scrutiny has intensified, with focus on capital adequacy, stress testing, and climate risk management. The implementation of Basel III endgame rules and other regulatory changes will influence bank capital allocation and business models.

Regional bank stress, which emerged as a concern in previous years, has largely stabilized but remains an area of vigilance. Deposit competition has increased as customers seek higher yields, affecting funding costs and potentially compressing margins.

To the Members of Phoebus RAIF V.C.I.C. Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Phoebus RAIF V.C.I.C. Plc (the "Company", the "Fund") which are presented in pages 15 to 54, and comprise the statement of financial position as at 31 December 2025, and the statements of comprehensive income, changes in net assets attributable to holders of investor and management shares and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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 Company 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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Fund Background and General Information, 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.

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To the Members of Phoebus RAIF V.C.I.C. Plc

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors 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 is responsible for assessing the Company'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 either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company'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 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.

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 Company'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.
- Conclude on the appropriateness of the Board of Directors' 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 Company'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 Company 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.

To the Members of Phoebus RAIF V.C.I.C. Plc

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Board of Directors 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 members 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.



Nicos Pittas

Certified Public Accountant and Registered Auditor
for and on behalf of

Deloitte Limited

Certified Public Accountants and Registered Auditors

Nicosia, 08 July 2026

PHOEBUS RAIF V.C.I.C. PLC

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2025

	Note	Phoebus RAIF V.C.I.C. Plc	Sub-Fund Novelty	Sub-Fund Sword
		2025 €	2025 €	2025 €
ASSETS				
Financial assets at fair value through profit or loss	9	3.328.092	3.108.807	219.614
Trade and other receivables	11	122.273	120.950	1.323
Cash and cash equivalents	12	812.129	535.024	277.105
Total assets		4.262.494	3.764.781	498.042
LIABILITIES				
Trade and other payables	15	37.401	13.705	23.696
Financial liabilities at fair value through profit or loss	9	329	-	329
Dividend Payable	14	43.141	43.141	-
Income tax	16	683	683	-
Total liabilities (excluding net assets attributable to holders of investor and management shares)		81.225	57.529	24.025
Net assets attributable to holders of investor and management shares	13	4.181.269	3.707.252	474.017
		4.262.494	3.764.781	498.042

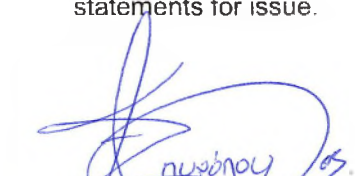
Sub-fund Novelty

	Total Net Asset Value €	Net Asset Value per Unit €	Total Units in Issue
Historic Table			
Total Net Asset Value			
Participating Shares – Class A – Investment Shares	3.414.185,09	988,4977	3.453,913
Participating Shares – Class A – Serie November 2025	293.067,36	990,3455	295,924

Sub-fund Novelty

	Total Net Asset Value €	Net Asset Value per Unit €	Total Units in Issue
Historic Table			
Total Net Asset Value			
Participating Shares – Investment Shares	474.017,47	948,0340	500,000

On 08 July 2026 the Board of Directors of Phoebus RAIF V.C.I.C. Plc authorised these financial statements for issue.


.....
Angelos Spyropoulos
Director


.....
Grigorios Karagiannopoulos
Director

The notes on pages 23 to 54 form an integral part of these financial statement

PHOEBUS RAIF V.C.I.C. PLC

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2024

	Note	PHOEBUS RAIF V.C.I.C. Plc	Sub-Fund Novelty
		2024 €	2024 €
ASSETS			
Financial assets at fair value through profit or loss	9	3.483.450	3.483.450
Trade and other receivables	11	57.264	57.264
Cash and cash equivalents	12	266.951	266.951
Total assets		3.807.665	3.807.665
LIABILITIES			
Trade and other payables	15	20.762	20.762
Dividend Payable	16	71.195	71.195
Income tax	8	770	770
Total liabilities (excluding net assets attributable to holders of investor and management shares)		92.727	92.727
Net assets attributable to holders of investor and management shares		3.714.938	3.714.938
Total equity and liabilities		3.807.665	3.807.665

Historic Table	Total Net Asset Value €	Net Asset Value per Unit €	Total Units in Issue
Total Net Asset Value			
Participating Shares – Class A – Initial Serie March 2024	2.761.372,30	993,2291	2.780,000
Participating Shares – Class A – Serie May 2024	100.160,90	999,6057	100,100
Participating Shares – Class A – Serie June 2024	320.523,45	999,6047	320,650
Participating Shares – Class A – Serie July 2024	283.990,68	999,4142	284,156
Participating Shares – Class A – Serie September 2024	199.234,84	999,3476	199,364
Participating Shares – Class A – Serie November 2024	49.659,51	998,9935	49,709

The notes on pages 23 to 54 form an integral part of these financial statements

PHOEBUS RAIF V.C.I.C. PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

		Phoebus RAIF V.C.I.C. Plc	Sub-Fund Novelty	Sub-Fund Sword
	Note	01/01/2025 – 31/12/2025 €	01/01/2025 – 31/12/2025 €	28/03/2025 – 31/12/2025 €
Income				
Net fair value gains on financial assets at fair value through profit or loss	6,9	90.718	91.491	(773)
Interest income from debt securities at fair value through profit or loss	5	142.709	142.265	444
Net foreign currency gains/(losses) on cash and cash equivalents and other receivables		(73)	(84)	11
Dividend income from equity securities at fair value through profit or loss		21.426	21.426	-
Total net income		254.780	255.098	(318)
Expenses				
Management fees	16	(49.136)	(48.754)	(382)
Depositary Fees	17.2	(5.821)	(5.371)	(450)
Transaction Fees		(83.789)	(82.554)	(1.235)
Legal Fees		(8.194)	(4.993)	(3.201)
Auditors remuneration		(5.981)	(5.484)	(497)
Performance Fees		(2.234)	(2.234)	-
Set-up costs		(18.894)	-	(18.894)
Other Expenses		(5.018)	(4.750)	(268)
Total operating expenses		(179.067)	(154.140)	(24.927)
Operating income/(loss) before finance costs		75.713	100.958	(25.245)
Finance costs				
Distributions to holders of redeemable shares	14	(113.940)	(113.940)	-
Other finance costs	7	(2.673)	(1.935)	(738)
Decrease in net assets attributable to holders of investor shares before tax		(40.900)	(14.917)	(25.983)
Withholding taxes	8	(6.150)	(6.150)	-
Income tax	8	(1.763)	(1.763)	-
Decrease in net assets attributable to holders of investor shares		(48.813)	(22.830)	(25.983)

The notes on pages 23 to 54 form an integral part of these financial statements

PHOEBUS RAIF V.C.I.C. PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

		Phoebus RAIF V.C.I.C. Plc	Sub-Fund Novelty
	Note	13/12/2023 – 31/12/2024 €	13/12/2023 – 31/12/2024 €
Income			
Net fair value gains on financial assets at fair value through profit or loss	6,9	104.438	104.438
Interest income from debt securities at fair value through profit or loss	5	81.459	81.459
Net foreign currency losses on cash and cash equivalents		(1.290)	(1.290)
Dividend income from equity securities at fair value through profit or loss		13.481	13.481
Total net income		<u>198.088</u>	<u>198.088</u>
Expenses			
Management fees	16	(33.939)	(33.939)
Depository fees	17.2	(2.924)	(2.924)
Transaction costs		(66.485)	(66.485)
Legal Fees		(1.897)	(1.897)
Auditors' remuneration		(4.175)	(4.175)
Performance	16	(7.396)	(7.396)
Set-up costs		(18.050)	(18.050)
Other expenses		(6.143)	(6.143)
Total operating expenses		<u>(141.009)</u>	<u>(141.009)</u>
Operating profit before finance costs		<u>57.079</u>	<u>57.079</u>
Finance costs			
Distributions to holders of redeemable shares	14	(71.195)	(71.195)
Other finance costs	7	(455)	(455)
Decrease in net assets attributable to holders of investor shares before tax		<u>(14.571)</u>	<u>(14.571)</u>
Withholding taxes	8	(4.721)	(4.721)
Income tax	8	(770)	(770)
Decrease in net assets attributable to holders of investor shares		<u>(20.062)</u>	<u>(20.062)</u>

The notes on pages 23 to 54 form an integral part of these financial statements

PHOEBUS RAIF V.C.I.C. PLC

STATEMENT OF NET ASSETS ATTRIBUTABLE TO HOLDERS OF INVESTOR SHARES FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Phoebus RAIF V.C.I.C Plc	Sub-Fund Novelty	Sub-Fund Sword
		2025 €	2025 €	2025 €
Net assets attributable to holders of investor and management shares at 1 January		3.714.938	3.714.938	-
Contributions and redemptions by holders of investor shares				
Subscriptions during the year	13			
Participating shares		795.000	295.000	500.000
Redemptions during the year	13			
Participating shares		(279.855)	(279.856)	-
Total contributions and redemptions by holders of investor shares		515.144	15.144	500.000
Decrease in net assets attributable to holders of investor shares for the year		(48.813)	(22.830)	(25.983)
Net assets attributable to holders of investor and management shares at 31 December	13	4.181.269	3.707.252	474.017

The notes on pages 23 to 54 form an integral part of these financial statements

PHOEBUS RAIF V.C.I.C. PLC

STATEMENT OF NET ASSETS ATTRIBUTABLE TO HOLDERS OF INVESTOR SHARES FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Phoebus RAIF V.C.I.C. Plc 2024 €	Sub-Fund Novelty 2024 €
Net assets attributable to holders of investor and management shares at 1 January		-	-
Contributions and redemptions by holders of investor shares			
Subscriptions during the year	13		
Participating shares – Class A		3.735.000	3.735.000
Redemptions during the year	13		
Participating shares – Class A		-	-
Total contributions and redemptions by holders of investor shares		<u>3.735.000</u>	<u>3.735.000</u>
Decrease in net assets attributable to holders of investor shares for the year		<u>(20.062)</u>	<u>(20.062)</u>
Net assets attributable to holders of investor and management shares at 31 December	13	<u><u>3.714.938</u></u>	<u><u>3.714.938</u></u>

The notes on pages 23 to 54 form an integral part of these financial statements

PHOEBUS RAIF V.C.I.C. PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

		Phoebus RAIF V.C.I.C. Plc	Sub-Fund Novelty	Sub-Fund Sword
	Note	01/01/2025 – 31/12/2025 €	01/01/2025 – 31/12/2025 €	28/03/2025 – 31/12/2025 €
Cash flows from operating activities				
Decrease in net assets attributable to holders of investor shares before tax		(40.900)	(14.917)	(25.983)
Adjustments for:				
Interest income	5	(142.709)	(142.265)	(444)
Dividend income		(21.426)	(21.426)	-
Net foreign currency losses/(gains) on cash and cash equivalents and other receivables		73	84	(11)
		(204.962)	(178.524)	(26.438)
Changes in working capital:				
Decrease/(increase) in financial assets at fair value through profit or loss		155.029	374.643	(219.614)
Increase in financial liabilities at fair value through profit or loss		329	-	329
Increase in trade and other receivables		(65.009)	(63.686)	(1.323)
(Decrease)/increase in trade and other payables		(11.502)	(35.111)	23.696
Cash used in operations		(126.115)	97.235	(223.350)
Interest received		142.709	142.265	444
Dividends Received		21.426	21.426	-
Tax paid		(8.000)	(8.000)	-
Net cash generated/(used in) from in operating activities		30.107	253.013	(222.906)
Cash flows from financing activities				
Net proceeds from issue of investor shares	13	795.000	295.000	500.000
Net payments on redemption of investor shares	13	(279.856)	(279.856)	-
Net cash generated from financing activities		515.144	15.144	500.000
Net increase in cash and cash equivalents		545.251	268.157	277.094
Cash and cash equivalents at beginning of the year		266.951	266.951	-
Net foreign currency (losses)/gains on cash and cash equivalents and other receivables		(73)	(84)	11
Cash and cash equivalents at end of the year	12	812.129	535.024	277.105

The notes on pages 23 to 54 form an integral part of these financial statements

PHOEBUS RAIF V.C.I.C. PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

		Phoebus RAIF V.C.I.C. Plc	Sub-Fund Novelty
	Note	13/12/2023 – 31/12/2024 €	13/12/2023 – 31/12/2024 €
Cashflows from operating activities			
Decrease in net assets attributable to holders of investor shares before tax		(14.571)	(14.571)
Adjustments for:			
Interest income	5	(81.459)	(81.459)
Dividend income		(13.481)	(13.481)
Net foreign currency (gains) on cash and cash equivalent and other receivables		(1.290)	(1.290)
		<u>(110.801)</u>	<u>(110.801)</u>
Changes in working capital:			
Net increase in financial assets at fair value through profit or loss		(3.483.450)	(3.483.450)
Increase in trade and other receivables		(57.264)	(57.264)
Increase in trade and other payables		91.957	91.957
Cash used in operations		<u>(3.559.558)</u>	<u>(3.559.558)</u>
Interest received		81.459	81.459
Dividend received		13.481	13.481
Tax paid		(4.721)	(4.721)
Net cash used in operating activities		<u>(3.469.339)</u>	<u>(3.469.339)</u>
Cash flows from financing activities			
Net proceeds from issue of investor shares	13	3.735.000	3.735.000
Net cash generated from financing activities		<u>3.735.000</u>	<u>3.735.000</u>
Net increase in cash and cash equivalents		265.661	265.661
Cash and cash equivalents at beginning of the year		1.290	1.290
Cash and cash equivalents at end of the year	12	<u>266.951</u>	<u>266.951</u>

The notes on pages 23 to 54 form an integral part of these financial statement

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. Incorporation and principal activities

Phoebus RAIF V.C.I.C. PLC (the "Fund", the "Company") was incorporated in Cyprus on 18 December 2023 as a public limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. The Fund was granted UCITS license No. MC UCITS 6/78/2012 by the Cyprus Securities and Exchange Commission on 07 February 2024. Its registered office is at 12-14 Kennedy, Flat/Office 305, 1087, Nicosia, Cyprus.

Although the Company is a single legal entity, it operates as an open-ended umbrella fund which may comprise of several independent investment compartments (i.e Sub-Funds), each of which constitutes a separate pool of assets and is governed by the provisions of the Undertaking for Collective Investments Law of 2012 (the "UCI Law") as such. Each Sub-Fund issues Investor Shares corresponding to the assets constituting its respective pool of assets. The rights of Investors and of creditors created by the constitution, operation or dissolution of a particular Sub-Fund are limited to the assets of this Sub-Fund. The Board of Directors of the Company may authorise the creation of additional sub-funds/share classes in the future. As of 31 December 2025, there were two sub-funds active, Novelty Multi – Asset Balanced Fund (the 'Sub-Fund') and Sword Multi – Asset Fund (the 'Sub-Fund').

The main objective of the Company is to provide its Investors with an opportunity of investment in professionally managed Compartments aiming to provide to Investors attractive returns from the capital invested. The Company will seek to achieve its objective, in accordance with the policies and guidelines set by the External Manager.

The Fund's investment activities are managed by Wealth Fund Services Limited (the 'Management Company'), with the administration delegated in-house to Wealth Fund Services Limited (the 'Fund Administrator').

2. Material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Management seeks not to reduce the understandability of these financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

Basis of preparation

The financial statements of Phoebus RAIF V.C.I.C. Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. 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 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 or revised standards and interpretations

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2025. This adoption did not have a material effect on the accounting policies of the Fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

2. Material accounting policies (continued)

Going concern

The financial statements of the Company have been prepared on a going concern basis.

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 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 mainly from the Eurozone, with the subscriptions and redemptions of the investor shares denominated in Euro. The Fund primarily invests in Euro denominated corporate and sovereign fixed income securities and equity securities. The performance of the Fund is measured and reported to investors in Euro. The Board of Directors 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 is recognised on a time-proportionate basis using the effective interest method. The effective interest rate 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. Interest income includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss includes interest from debt securities.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Expenses

Expenses are recognised in the statement of comprehensive income on an accrual basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

2. Material accounting policies (continued)

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 profit or loss and other 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 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 portfolio currently comprises of listed equity securities and derivatives, and accordingly all investments are measured at fair value through profit or loss.

The Fund's policy requires the Investment Manager and the Board of Directors to evaluate the information about these financial assets 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 recognised 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 year 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

2. Material accounting policies (continued)

(b) Recognition, derecognition and measurement (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 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 at fair value through profit or loss in the year 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 recognised in the statement of comprehensive income when the Fund's right to receive payments is established.

(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 derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date.

The Fund utilises mid-market prices from Bloomberg's evaluated pricing service, BVAL, for the valuation of investments in bonds, save to the extent these may also trade on organized exchanges with sufficient liquidity to provide reliable fair value information, in which case such prices are utilized for fair value purposes.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

The application by the Fund of fair value measurement considerations is detailed in Note 3.5.

(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.

Derivatives

Derivative financial instruments including forward exchange contract, futures, currency swaps and other derivative financial instruments are initially recognized at fair value (including transaction costs) on the date the derivative contract is entered into and subsequently are measured at their fair value. Fair values are obtained from quoted market prices, discounted cash flow models and options pricing models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative financial instruments for trading are included in the net trading income.

The use of derivatives by the Company, while providing effective economic hedging under the Company's Financial Risk Management directions, does not qualify for "hedge accounting" under the specific rules of IFRS9. Therefore, any fair value increases or decreases are included in the income statement and not in reserves.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025****2. Material accounting policies (continued)****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 are shown in current liabilities in the statement of financial position.

Amount due from and 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 cleared as of 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. Trade receivables are subject to the impairment requirements of IFRS.

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.

Investor shares and net assets attributable to holders of investor shares

The Fund has two classes of investor shares in issue: Participating shares and Management shares. Both are the most subordinate classes of financial instruments in the Fund and rank pari passu in the event of liquidation after the repayment of initial capital. These share classes have different terms and conditions in terms of voting rights and management fees. As the share classes do not have identical features, these instruments do not meet the definition of puttable financial instruments to be classified as equity in accordance with IAS 32.

Investor shares can be put back into the Fund at any time for cash equal to the proportionate share of the Fund's Net Asset Value ("NAV") attributable to the share class. The investor shares are classified as financial liabilities and are measured at the redemption amounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

2. Material accounting policies (continued)

Investor shares and net assets attributable to holders of investor shares (continued)

Investor shares are issued and redeemed at the holder's option at prices based on the Fund's net asset value per share at the time of issue or redemption. The Fund's net asset value per share is calculated by dividing the net assets attributable to the holders of each class of investor shares with the total number of outstanding investor shares of each respective class. In accordance with the provisions of the Fund's regulations, investment positions are valued based on the last traded market price (bonds are valued at mid prices using BVAL) for the purpose of determining the net asset value per share for subscriptions and redemptions.

Proposed distributions to holders of investor shares are recognized in the statement of comprehensive income when they are appropriately authorised and no longer at the discretion of the Fund. This typically occurs when proposed distribution is ratified by the Annual General Meeting. The distribution on the investor shares is recognised as a finance cost in the statement of comprehensive income.

Income not distributed is included in the net assets attributable to holders of investor shares. Movements in net assets attributable to holders of investor shares are recognized in the statement of comprehensive income as finance costs.

3. Financial risk management

Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and 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 maximum loss of capital on equity and debt securities and investment funds is limited to the fair value of those positions.

The management of these risks is carried out by the investment manager under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity.

The Fund's use of leverage and borrowings can increase the Fund's exposure to these risks, which in turn can also increase the potential returns the Fund can achieve. The Fund does not intend to employ leverage to implement its investment strategy.

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 Sub-Funds' portfolio positions and their contribution to the overall risk profile of the Sub-Fund. The risk-management process is performed by the Management Company with a frequency and methodology appropriate to the risk profile of each Sub-Fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Financial risk management (continued)

Financial risk factors (continued)

The risk-management process shall include the calculation of the global exposure of the Company and each Sub-Fund. Such calculation may be performed using either the commitment approach, the relative or absolute Valued-at-Risk ("VaR") approach, or any other advanced risk measurement methodologies as may be appropriate, and which shall be applied in accordance with the most recent applicable guidelines of the European Securities and Markets Authority ("ESMA").

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 in debt instruments and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

At the reporting date, the main concentration to which the Fund is exposed arises from the Fund's investment in debt securities. The Fund is also exposed to counterparty credit risk on cash and cash equivalents, amounts due from brokers and other receivable balances. It is the opinion of the Board of Directors that the carrying amounts of these financial assets represent the maximum credit risk exposure at the reporting date.

The Board of Directors has a policy in place of spreading the aggregate value of transactions concluded amongst approved counterparties with an appropriate credit quality. Management continuously monitors the Fund's exposure and the credit ratings of its counterparties. 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 and Moody's approved by the Board of Directors.

Source: Moody's, S&P and Fitch

	2025	2025	2024	2024
<u>Sub-Fund Novelty</u>				
	€	%	€	%
<u>Debt and similar instruments</u>				
B1 to B3	705.505	19,03%	521.740	14,01%
Ba1 to Ba3	1.210.242	32,65%	1.327.397	35,63%
Baa1 to Baa3	403.698	10,89%	799.224	21,46%
Caa1 to Caa2	210.048	5,67%	210.718	5,66%
Not Rated	-	0,00%	407.230	10,93%
Total	2.529.493	68,24%	3.266.309	87,69%

Source: Moody's, S&P and Fitch

	2025	2025
<u>Sub-Fund Sword</u>		
	€	%
<u>Debt and similar instruments</u>		
B1 to B3	96.660	20,39%
Ba1 to Ba3	100.699	21,24%
Total	197.359	41,63%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management (continued)**3.1 Credit risk (continued)**

The table below shows an analysis of each sub-fund's cash balances and short-term time deposits by the credit rating of the bank in which they are held, based on Moody's credit ratings as of 31 December:

<u>Sub-Fund Novelty</u>	No. of Banks	Moody's 2025 €	Moody's 2024 €
Cash at bank			
Not rated	2	535.024	266.951
		535.024	266.951

<u>Sub-Fund Sword</u>	No. of Banks	Moody's 2025 €
Cash at bank		
Not rated	2	277.105
		277.105

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:

<u>Sub-Fund Novelty</u>	2025 €	2024 €
Debt securities	2.529.493	3.266.309
Accrued interest and other receivables	120.950	57.264
Cash and cash equivalents	535.024	266.951
Total	3.185.467	3.590.524

<u>Sub-Fund Sword</u>	2025 €
Debt securities	197.359
Accrued interest and other receivables	1.323
Cash and cash equivalents	277.105
Total	457.787

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management (continued)

3.1 Credit risk (continued)

The Fund Manager monitors on a continuous basis the Fund's exposure and credit ratings of the counterparties together with concentration of credit risk, ensuring proper classification of the portfolio managed. The Fund uses the general approach in relating to credit risk that derives from cash held with banking institutions by taking into account probability of default, exposure of default and loss given default of the counterparties. At 31 December 2025 and 31 December 2024, all amounts due from brokers and cash and short-term deposits are held with highly reputable counterparties and are due to be settled within one week. In addition, all other debt instruments are mainly held with counterparties with credit rating of B1 or higher and most of them are traded in a listed active market. Management considers the probability of default to be close to zero as the counterparties have strong capacity to meet their contractual obligations in the near future. As a result, no loss allowance has been recognized based on 12 month expected credit losses as any such impairment would be insignificant to the Fund. Applying the requirements of IFRS9, the expected credit loss is considered low and immaterial for the Fund and, as such, no ECL has been recognised within the financial statements.

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 the monthly settlement of cash redemption of investor shares. Its policy is therefore to invest the majority of its assets in marketable securities that are traded in an active, liquid market and can be readily disposed. The Fund's marketable securities and other financial instruments are considered readily realizable, as the majority are listed on international stock exchanges or dealt in other regulated markets. In addition, the Fund's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

The Fund has the ability to borrow in the short term on certain limited instances, but its policy is not to obtain external lending and no such borrowings have arisen during the year.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold individual or aggregate redemption requests of over 10% of the total NAV value on any single dealing date. Under extraordinary circumstances, the Fund also has the ability to suspend redemptions if this is deemed to be in the best interest of all shareholders. The Fund did not withhold any redemptions or implement any suspension during 2025.

In accordance with the Fund's policy, the Management Company monitors the Fund's liquidity position on a monthly basis; the Board of Directors reviews it on a monthly basis.

The table below analyses the Fund's financial liabilities into relevant maturity groups based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows and are based on the assumption that the Fund exercises its ability to withhold weekly redemptions to a maximum of 10% of the total NAV.

Sub-Fund Novelty

	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €
31 December 2025				
Liabilities				
Trade and other payables	6.642	6.642	6.642	-
Payables to related parties	7.063	7.063	7.063	-
Dividends Payable	43.141	43.141	43.141	-
Net assets attributable to holders of investor and management shares	3.707.252	3.707.252	3.707.252	-
	3.764.099	3.764.099	3.764.099	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Financial risk management (continued)

3.2 Liquidity risk (continued)

Sub-Fund Sword

	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €
31 December 2025				
Liabilities				
Trade and other payables	1.445	1.445	1.445	-
Payables to related parties	22.251	22.251	22.251	-
Net assets attributable to holders of investor and management shares	474.017	474.017	474.017	-
	497.713	497.713	497.713	-

Sub-Fund Novelty

	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €
31 December 2024				
Liabilities				
Trade and other payables	8.684	8.684	8.684	-
Payables to related parties	12.078	12.078	12.078	-
Dividend Payable	71.195	71.195	71.195	-
Net assets attributable to holders of investor and management shares	3.714.938	3.714.938	3.714.938	-
	3.806.895	3.806.895	3.806.895	-

Investor shares are redeemed on demand at the holder's option. However, the Board of Directors does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

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 managed on a monthly basis by the Management Company 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.

The following table demonstrates market risk (value at risk - "VaR") as of 31 December 2025 and 31 December 2024 as well as average VaR, minimum and maximum VaR. The method is Historical 1 Year Simulation VaR with confidence level 99%, 250 observations and holding period 20 days.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Financial risk management (continued)

3.3 Market risk (continued)

Sub-Fund Novelty

	2025	2024
Current VaR	0,52%	7,94%
Average VaR	6,94%	2,74%
Maximum VaR	14,66%	7,94%
Minimum VaR	1,06%	0,07%

Sub-Fund Sword

	2025
Current VaR	0,00%
Average VaR	0,00%
Maximum VaR	0,00%
Minimum VaR	0,00%

3.3.1 Cash flow and fair value 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 a limited amount of floating rate debt, cash and cash equivalents that expose the Fund to cash flow interest rate risk.

The following table details the Fund's exposure to interest rate risk at 31 December 2025 by the earlier of contractual maturities or re-pricing:

Sub-Fund Novelty	Non-interest bearing	Within one year	1-5 years	More than 5 years	No fixed maturity	Total
	€	€	€	€	€	€
31 December 2025						
Assets						
Interest rate debt securities	-	2.529.493	-	-	-	2.529.493
Non-interest rate instruments	579.314	-	-	-	-	579.314
Cash and bank balances	535.024	-	-	-	-	535.024
Total assets	1.114.338	2.529.493	-	-	-	643.831
Liabilities						
Non-interest bearing	56.846	-	-	-	-	56.846
Tax Payable	683	-	-	-	-	683
Net assets attributable to holders of investor and management shares	3.707.252	-	-	-	-	3.707.252
Total liabilities	3.764.781	-	-	-	-	3.764.781

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Financial risk management (continued)

3.3.1 Cash flow and fair value interest rate risk (continued)

<u>Sub-Fund Sword</u>	Non-interest bearing	Within one year	1-5 years	More than 5 years	No fixed maturity	Total
	€	€	€	€	€	€
31 December 2025						
Assets						
Interest rate debt securities	-	197.359	-	-	-	197.357
Non-interest rate instruments	22.255	-	-	-	-	22.255
Cash and bank balances	277.105	-	-	-	-	277.105
Total assets	299.360	197.359	-	-	-	496.719
Liabilities						
Non-interest bearing	23.696	-	-	-	-	23.696
Derivatives	329	-	-	-	-	329
Net assets attributable to holders of investor and management shares	474.017	-	-	-	-	474.017
Total liabilities	498.042	-	-	-	-	498.042

<u>Sub-Fund Novelty</u>	Non-interest bearing	Within one year	1-5 years	More than 5 years	No fixed maturity	Total
	€	€	€	€	€	€
31 December 2024						
Assets						
Interest rate debt securities	-	3.266.309	-	-	-	3.266.309
Non-interest rate instruments	217.141	-	-	-	-	217.141
Cash and bank balances	266.951	-	-	-	-	266.951
Total assets	484.092	3.266.309	-	-	-	3.750.401
Liabilities						
Non-interest bearing	91.957	-	-	-	-	91.957
Tax payable	770	-	-	-	-	770
Net Assets attributable to holders of investor shares	3.714.938	-	-	-	-	3.714.938
Total liabilities	3.807.665	-	-	-	-	3.807.665

In accordance with the Fund's policies, the Investment Manager monitors the Fund's overall interest sensitivity on a monthly basis and the Board of Directors reviews it on a quarterly basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Financial Risk Management (Continued)

3.3 Market Risk (Continued)

3.3.2 Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the functional currency of each sub-fund. 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:

<u>Sub-Fund Novelty</u>	2025	2024
	€	€
Assets		
United States Dollar	171.305	38.887
Total	171.305	38.887

<u>Sub-Fund Sword</u>	2025	2024
	€	€
Liabilities		
United States Dollar	(1.011)	-
Total	(1.011)	-

Sensitivity analysis

A 10% strengthening of the functional currency of each sub-fund against the following currency at 31 December 2025 would have decreased net assets attributable to holders of investor shares by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the functional currency of each sub-fund against the relevant currency, there would be an equal and opposite impact on net assets attributable to holders of investor shares.

<u>Sub-Fund Novelty</u>	2025	2024
	€	€
Assets		
United States Dollar	(17.313)	(3.889)
Total	(17.313)	(3.889)

<u>Sub-Fund Sword</u>	2025	2024
	€	€
Assets		
United States Dollar	101	-
Total	101	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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 which is initially expressed in foreign currency and then converted into Euro will also fluctuate because of changes in foreign exchange rates.

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. A summary analysis of investments by nature and geography is presented in Note 3.5. The Fund's policy limits individual equity securities to no more than 10% of net assets attributable to holders of redeemable shares.

The Fund's policy requires that the overall market position is monitored on a monthly basis by the Fund's Risk Manager and is reviewed on an annual basis by the Board of Directors. Compliance with the Fund's investment policies are reported to the Board on a frequent basis.

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

<u>Sub-Fund Novelty</u>	2025	2024
	€	€
Debt securities	2.529.493	3.266.309
Equities	579.314	217.141
	3.108.807	3.483.450

Sensitivity analysis

An increase in the prices of financial instruments by 5% at 31 December 2025 would have increased profit or loss by €155.440 (2024: €174.173). For a decrease of 5% there would be equal and opposite impact on profit or loss.

<u>Sub-Fund Sword</u>	2025	2024
	€	€
Debt securities	197.359	-
Equities	22.255	-
Derivatives	(329)	-
	219.285	-

Sensitivity analysis

An increase in the prices of financial instruments by 5% at 31 December 2025 would have increased profit or loss by €10.964. For a decrease of 5% there would be equal and opposite impact on profit or loss.

3.4 Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of investor shares. The amount of net asset attributable to holders of investor shares can change significantly on a monthly basis, as the Fund is subject to monthly subscriptions and redemptions at the discretion of shareholders, 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 shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management (continued)

3.4 Capital risk management (continued)

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

- Monitor the level of monthly subscriptions and redemptions relative to the assets it expects to be able to liquidate within 7 days and not to distribute profits from operations.
- Redeem and issue new shares in accordance with the constitutional documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Board of Directors and Investment Manager monitor capital on the basis of the value of net assets attributable to redeemable shareholders.

3.5 Fair value estimation

The fair value of financial assets traded in active markets (such as publicly trading securities) are based on quoted market prices at the close of trading on the period 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 fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each period-end date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value debt securities and other debt instruments for which markets were or have been inactive during the financial period. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Financial risk management (continued)

3.5 Fair value estimation (continued)

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 by reference to 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 2025.

All fair value measurements disclosed are recurring fair value measurements.

Sub-Fund Novelty

	Level 1	Level 2	Level 3	Total
	€	€	€	€
31 December 2025				
Financial assets at fair value through profit or loss:				
Debt Securities				
Developed Market Europe & Middle East				
Communications	203.840	-	-	203.840
Financial	713.405	-	-	713.405
Logistics	193.320	-	-	193.320
Pharmaceuticals	405.882	-	-	405.882
Sovereign	204.788	-	-	204.788
Developed Market Asian Pacific				
Automotive Manufacturer	206.178	-	-	206.178
Communications	203.252	-	-	203.252
Emerging Market Europe, Middle East & Africa				
Energy	199.918	-	-	199.918
Financial	198.910	-	-	198.910
Equity Securities				
Developed Market Americas				
Financial	43.877	-	-	43.877
Information/ Data Technology	44.183	-	-	44.183
Developed Market Europe & Middle East				
Consumer, Cyclical	80.299	-	-	80.299
Information/ Data Technology	50.005	-	-	50.005

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Financial risk management (continued)

3.5 Fair value estimation (continued)

Sub-Fund Novelty (continued)

31 December 2025

Financial assets at fair value through profit or loss:

Equity Securities (continued)

Emerging Market Europe, Middle East & Africa

Casino & Gaming

105.800 - - 105.800

Energy

50.160 - - 50.160

Financial

204.991 - - 204.991

Total

3.108.807 - - 3.108.807

Sub-Fund Sword

31 December 2025

Financial assets at fair value through profit or loss:

Debt securities

Developed Market Europe & Middle East

Financial

100.699 - - 100.699

Logistics

96.660 - - 96.660

Equity Securities

Developed Market Americas

Industrial

22.255 - - 22.255

Total

219.614 - - 219.614

Financial liabilities at fair value through profit or loss:

Derivatives

Developed Market Americas

Derivatives

309 - - 309

309 - - 309

The following table analyzes the fair value hierarchy the Fund's assets and liabilities (by class) measured at fair value at 31 December 2025.

Analysis by industry and geography:

Sub-Fund Novelty

31 December 2024

Financial assets at fair value through profit or loss:

Debt securities

Financial

210.044 - - 210.044

Developed Markets Asian Pacific

Communications

198.322 - - 198.322

Developed Market Europe & Middle East & Africa

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Financial risk management (continued)

3.5 Fair value estimation (continued)

Sub Fund Novelty (continued)

	Level 1	Level 2	Level 3	Total
	€	€	€	€
31 December 2024				
Financial assets at fair value through profit or loss:				
Developed Market Europe & Middle East & Africa				
Pharmaceuticals	101.242	-	-	101.242
Financial	823.898	-	-	823.898
Communications	203.984	-	-	203.984
Consumer, cyclical	310.845	-	-	310.845
Consumer, non-cyclical	204.314	-	-	204.314
Emerging Markets Europe, Middle East & Africa				
Financial	609.728	-	-	609.728
Energy	408.296	-	-	408.296
Frontier Markets Europe & Middle East				
Government	195.636	-	-	195.636
Equity Securities				
Developed Markets Americas				
Communications	36.228	-	-	36.228
Developed Market Europe & Middle East				
Consumer, cyclical	32.584	-	-	32.584
Emerging Market Europe, Middle East & Africa				
Financial	96.250	-	-	96.250
Communications	52.080	-	-	52.080
Total	3.483.450	-	-	3.483.450

There were no transfers between levels during the year ended 31 December 2024.

3.6 Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non compliance with laws and regulations of the state.

The external Manager of the Fund is required to communicate to CySEC and available to the investors the annual and half yearly withing six months from the end of the fiscal year of the annual report and two month period for the half yearly reports. The External Manager is taking steps to ensure the Fund is compliant with all its reporting obligations.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

4. Critical accounting estimates and judgments (continued)

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 such securities not quoted in an active market may be determined by the Fund using reputable pricing sources (such as pricing agencies and trading platforms) 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.

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

Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The determination of what constitutes 'observable' requires 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.

5. Interest income

Interest income is analysed as follows:

<u>Sub-Fund Novelty</u>	2025	18/12/2023 – 31/12/2024
	€	€
Interest income from debt securities at fair value through profit or loss	142.265	81.459
Total	142.265	81.459

<u>Sub-Fund Sword</u>	28/03/2025 – 31/12/2025
	€
Interest income from debt securities at fair value through profit or loss	444
Total	444

PHOEBUS RAIF V.C.I.C. PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

<u>Sub-Fund Novelty</u>	2025	18/12/2023 – 31/12/2024
	€	€
Debt securities		
Sovereign debt	9.152	(349)
Corporate debt	(19.354)	113.845
Equity securities		
Equity investments	101.513	(9.058)
Listed open-ended investment funds		
Exchange traded equity funds (ETF's)	180	-
Total net gain on financial assets at fair value through profit or loss	91.491	104.438

<u>Sub-Fund Sword</u>	28/03/2025 – 31/12/2025
	€
Debt securities	
Corporate debt	(191)
Equity securities	
Equity investments	(3.567)
Derivatives	
Derivatives	2.985
Total net loss on financial assets at fair value through profit or loss	(733)

7. Other finance costs

<u>Sub-Fund Novelty</u>	2025	18/12/2023 – 31/12/2024
	€	€
Sundry finance expenses	1.935	455
	1.935	455
<u>Sub-Fund Sword</u>		28/03/2025 – 31/12/2025
		€
Sundry finance expenses		738
		738

PHOEBUS RAIF V.C.I.C. PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

8. Tax

	Phoebus RAIF V.C.I.C. Plc 2025 €	Sub-Fund Novelty 2025 €	Sub-Fund Sword 28/03/2025 – 31/12/2025 €
Overseas withholding tax	6.150	6.150	-
Corporation tax – current year	1.763	1.763	-
Total charge for the year	7.913	7.913	-

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

	Phoebus RAIF V.C.I.C. Plc 2025 €	Sub-Fund Novelty 2025 €	Sub-Fund Sword 28/03/2025 – 31/12/2025 €
Increase / (Decrease) in net assets attributable to holders of investor shares before tax	(40.900)	(14.917)	(25.983)
Applicable tax rates %	12,5%	12,5%	12.5%
Tax calculated at the applicable tax rates	(5.113)	(1.865)	(3.248)
Tax effect of expenses not deductible for tax purposes	27.871	24.936	2.925
Tax effect of allowances and income not subject to tax	(21.310)	(21.308)	(2)
Tax effect of tax losses	315	-	315
Overseas withholding tax paid at source	6.150	6.150	-
Tax charge	7.913	7.913	-

	Phoebus RAIF V.C.I.C. Plc 18/12/2023 – 31/12/2024 €	Sub-Fund Novelty 18/12/2023 – 31/12/2024 €
Overseas withholding tax	4.721	4.721
Corporation tax – current year	770	770
Total charge for the year	5.491	5.491

	Phoebus RAIF V.C.I.C. Plc 18/12/2023 – 31/12/2024 €	Sub-Fund Novelty 18/12/2023 – 31/12/2024 €
Decrease in net assets attributable to holders of investor shares before tax	(14.571)	(14.571)
Applicable tax rates %	12,5%	12,5%
Tax calculated at the applicable tax rates	(1.821)	(1.821)
Tax effect of expenses not deductible for tax purposes	(19.031)	(19.031)
Tax effect of allowances and income not subject to tax	(16.440)	(16.440)
Tax effect of tax losses carried forward	-	-
Overseas withholding tax paid at source	4.721	4.721
Tax charge	5.491	5.491

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

8. Tax (continued)

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

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

Gains of disposal of qualifying titles (including shares, bonds, debentures, right thereon etc) are exempt from Cyprus income tax

9. Financial assets and liabilities at fair value through profit or loss

<u>Sub-Fund Novelty</u>	2025	2024
	€	€
Balance at 1 January	3.483.450	-
Additions	8.426.976	9.159.982
Disposals	(8.756.216)	(5.713.050)
Net (loss)/gain on financial assets at fair value through profit or loss	(45.403)	36.608
Balance at 31 December	3.108.807	3.483.450

<u>Sub-Fund Sword</u>	2025
	€
Balance at 1 January	-
Additions	223.384
Disposals	(3.326)
Net loss on financial assets and liabilities at fair value through profit or loss	(733)
Balance at 31 December	219.285

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

<u>Sub-Fund Novelty</u>	% of net assets	2025	% of net assets	2024
		€		€
<u>Financial Assets</u>				
Debt Securities				
Corporate debt	62,71%	2.324.705	82,83%	3.070.673
Sovereign debt	5,52%	204.788	5,28%	195.636
Equity securities				
Equity investments	15,63%	579.314	5,86%	217.141
Total	83,86%	3.108.807	93,97%	3.483.450

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

9. Financial assets and liabilities at fair value through profit or loss (continued)

<u>Sub-Fund Sword</u>	% of net assets	2025 €
<u>Financial Assets</u>		
<u>Debt securities</u>		
Corporate debt	39,83%	197.359
<u>Equity securities</u>		
Equity investments	4,49%	22.255
	46,34%	219.614
<u>Financial Liabilities</u>		
<u>Derivatives</u>		
Derivatives	(0,07%)	(329)
	(0,07%)	(329)
Total	46,27%	219.285

The financial assets at fair value through profit or loss are marketable debt and equity securities and are valued at fair value at the close of business on 31 December primarily by reference to mid-market prices obtained from trading platform (Bloomberg's evaluated pricing service) for debt securities, and at closing market prices for equity securities.

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.

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 Fund's statement of financial position to the categories of financial instruments, for each of its investment compartments as of 31 December 2025:

<u>Sub-Fund Novelty</u>	Fair value through profit or loss €	Amortised cost €	Total €
31 December 2025			
Assets			
Financial assets at fair value through profit or loss	3.108.807	-	3.108.807
Trade and other receivables	-	120.950	120.950
Cash and cash equivalents	-	535.024	535.024
Total	3.108.807	655.974	3.764.781

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

10. Financial assets and liabilities by category (continued)

Sub-Fund Novelty (continued)

	Amortised cost	Total
	€	€
31 December 2025		
Liabilities		
Trade and other payables	13.705	13.705
Dividend payable	43.141	43.141
Current tax liabilities	683	683
Net assets attributable to holders of investor and management shares	3.707.252	3.707.252
Total	3.764.781	3.764.781

Sub-Fund Sword

	Fair value through profit or loss	Amortised cost	Total
	€	€	€
31 December 2025			
Assets			
Financial assets at fair value through profit or loss	219.614	-	219.614
Trade and other receivables	-	1.323	1.323
Cash and cash equivalents	-	277.105	277.105
Total	219.614	278.428	498.042

Sub-Fund Sword (continued)

	Amortised cost	Total
	€	€
31 December 2025		
Liabilities		
Trade other payables	23.696	23.696
Derivatives	329	329
Net assets attributable to holders of investor and management shares	474.017	474.017
Total	498.042	498.042

The table below provides a reconciliation of the line items in Fund's statement of financial position to the categories of financial instruments, for each of its investment compartments as of 31 December 2024:

Sub-Fund Novelty

	Fair value through profit or loss	Amortised cost	Total
	€	€	€
31 December 2024			
Assets			
Financial assets at fair value through profit or loss	3.483.450	-	3.483.450
Trade and other receivables	-	57.264	57.264
Cash and cash equivalents	-	266.951	266.951
Total	3.483.450	324.215	3.807.665

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

10. Financial assets and liabilities by category (continued)

Sub-Fund Novelty (continued)

	Amortised cost €	Total €
31 December 2024		
Liabilities		
Trade and other payables	20.762	20.762
Dividend payable	71.195	71.195
Current tax liability	770	770
Net assets attributable to holders of investor and management shares	3.714.938	3.714.938
Total	3.807.665	3.807.665

11. Trade and other receivables

Sub-Fund Novelty

	2025 €	2024 €
Accrued interest	40.068	40.371
Receivables from related parties (note 16.1)	29.788	16.893
Balances due from brokers	51.094	-
	120.950	57.264

Sub-Fund Sword

	2025 €
Accrued interest	1.323
	1.323

12. Cash and cash equivalents

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

Sub-Fund Novelty

	2025 €	2024 €
Cash at bank	535.068	266.951
Cash and cash equivalents	(44)	-
	535.024	266.951

Cash and cash equivalents represent cash with brokers.

Cash and cash equivalents by currency:

	2025 €	2024 €
Euro	451.823	264.291
United States Dollar	83.201	2.660
	535.024	266.951

Sub-Fund Sword

	2025 €
Cash at bank	270.107
Cash and cash equivalents	6.998
	277.105

Cash and cash equivalents represent cash with brokers.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025****12. Cash and cash equivalents (continued)****Cash and cash equivalents by currency:**

	2025
	€
Euro	300.039
United States Dollar	(22.934)
	<u>277.105</u>

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.

13. Net assets attributable to holders of investor and management shares

The Company was initially registered with an authorised share capital of 1.000 Management Share of no par value and 500.000 Participating Shares of no par value.

The issued and paid share capital of the Fund is fluctuant and equal to the Net Asset Value and the Fund's capital is divided into shares having no nominal, but fluctuant value.

Investor shares are classified into Management Shares and Participating Shares. The rights and obligations of the two share classes differ in terms of voting rights and management fee charge.

Management Shares

According to the Fund's Offering Memorandum, Management Shares shall only be offered during the Initial Offering Period on a first come first serve basis and for which no Management Fee should be payable. The 1.000 Management Shares issued are held equally by four individuals.

The rights attaching to Management Shares are as follows:

- carry voting rights in respect of all matters to be resolved in a general meeting of the Company no right entitled to participate in any distributions to be made out of the profits of the Company
- be redeemable
- on return of capital on winding up or otherwise have the right only for repayment of their capital after any payment to the Participating Shareholders of the amount paid up on the Participating Shares held by them, including any premium

Participating Shares

Participating Shares will be available to all Investors other than Ineligible Investors and are sold during the Initial Offering Period at the Initial Offering Price and thereafter at the prevailing Net Asset Value. There is no limit to number of Participating Shares in the Sub-Fund which may be issued.

The rights attaching to Participating Shares are as follows:

- no voting rights whatsoever, including no right to receive notice of attend, or vote at any such general meeting, except in the event of any such general meeting which explicitly requires their attendance and vote.
- right to redemption at the request of any of its holders, but subject to the restrictions included in the Articles of Incorporation of the Company and the Offering Memorandum and the relevant Supplement.
- to participate in any distributions to be made out of the profits of the Company.
- on winding-up or other return of capital, to repayment, in priority of any payment to the Management shareholders of the Company, of the amounts paid up on the Participating Shares held by them including any premium.

The Minimum Initial Subscription required for Participating Shares and Management Shares is €1.000. The Minimum Subsequent Subscription required for Participating Shares is €1.000 and for Management Shares is nil. These minimum initial and subsequent subscription amounts may be reduced or increased, at the discretion of the Directors, whenever they consider it reasonable or appropriate.

PHOEBUS RAIF V.C.I.C. PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

13. Net assets attributable to holders of investor and management shares (continued)

Transactions in share capital, shares outstanding and the Net Asset Value ("NAV") per share as at 31 December 2025, for each class of shares are as follows:

Sub-Fund Novelty	Beginning Shares	Shares issued	Shares redeemed	Share Allocation	Shares outstanding
Participating Shares					
Class A – Investment shares	2.780,000		(280,000)	953,913	3.453,913
Class A – Serie May 2024	100,200	-	-	(100,200)	-
Class A – Serie June 2024	320,650	-	-	(320,650)	-
Class A – Serie July 2024	284,156	-	-	(284,156)	-
Class A – Serie September 2024	199,364	-	-	(199,364)	-
Class A – Serie November 2024	49,709	-	-	(49,709)	-
Class A – Serie November 2025	-	295,924	-	-	295,924
	3.734,079	295,924	(280,000)	(0,166)	3.749,837

	Beginning Net Assets	Subscriptions	Redemptions	Allocation	Change in Net Assets	Ending Net Assets	Ending NAV Per Share
	€	€	€	€	€	€	€
Class A – Investment shares	2.761.372	-	(279.856)	953.566	(20.897)	3.414.185	988,4977
Class A – Serie May 2024	100.160	-	-	(100.160)	-	-	-
Class A – Serie June 2024	320.523	-	-	(320.523)	-	-	-
Class A – Serie July 2024	283.990	-	-	(283.990)	-	-	-
Class A – Serie September 2024	199.234	-	-	(199.234)	-	-	-
Class A – Serie November 2024	49.659	-	-	(49.659)	-	-	-
Class A – Series November 2025	-	295.000	-	-	(1.933)	293.067	990,3455
	3.714.938	295.000	(279.856)		(22.830)	3.707.252	

Sub-Fund Sword

	Beginning Shares	Shares issued	Shares redeemed	Shares Outstanding
Participating shares	-	500,000	-	500,000
	-	500,000	-	500,000

Sub-Fund Sword

	Beginning Net Assets	Subscriptions	Redemptions	Change in Net Assets	Ending Net Assets	Ending NAV Per Share
	€	€	€	€	€	€
Participating shares	-	500.000	-	(25.983)	474.017	948,0340
	-	500.000	-	(25.983)	474.017	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

13. Net assets attributable to holders of investor and management shares (continued)

Transactions in share capital, shares outstanding and the Net Asset Value ("NAV") per share as at 31 December 2024, for each class of shares are as follows:

Sub-Fund Novelty	Beginning Shares	Shares issued	Shares redeemed	Shares Outstanding
Participating shares				
Class A –Initial Serie March 2024	-	2.780,000	-	2.780,000
Class A – Serie May 2024	-	100,200	-	100,200
Class A – Serie June 2024	-	320,650	-	320,650
Class A – Serie July 2024	-	284,156	-	284,156
Class A – Serie September 2024	-	199,364	-	199,364
Class A –Serie November 2024	-	49,709	-	49,709
Total	-	3.734,079	-	3.734,079

	Beginning Net Assets	Subscriptions	Redemptions	Change in Net Assets	Ending Net Assets	Ending NAV Per Share
	€	€	€	€	€	€
Participating shares						
Class A –Initial Serie March 2024	-	2.780.000	-	(18.628)	2.761.372	993,2991
Class A – Serie May 2024	-	100.000	-	160	100.160	999,6057
Class A – Serie June 2024	-	320.000	-	523	320.523	999,6047
Class A – Serie July 2024	-	285.000	-	(1.010)	283.990	999,4142
Class A – Serie September 2024	-	200.000	-	(766)	199.234	999,3476
Class A –Serie November 2024	-	50.000	-	(341)	49.659	998,9935
	-	3.735.000	-	(20.062)	3.714.938	-

14. Dividends

Sub-Fund Novelty

	2025	2024
	€	€
Dividend Declared	113.940	71.195
	113.940	71.195

As per the Fund's Offering Memorandum, the Sub-Fund is expected to declare dividends to the holders of Participating shares out of the interest income and dividends received (net of any related expenses) for the first three quarters, and for the last quarter declare dividends both out of the interest income and dividends received (net of any related expenses) and any capital gains made. Dividends remaining unclaimed for two (2) years after their declaration will be forfeited and revert to the relevant Sub-Fund of the relevant Class.

During the period, the Fund declared total dividends amounting to €113.940 (2024: € 71.195) out of which an amount of €43.141 was due as at 31 December 2025. Dividends payable were settled during January 2026.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

15. Trade and other payables

<u>Sub-Fund Novelty</u>	2025	2024
	€	€
Accrued expenses	6.161	8.351
Other Payables	481	333
Payables to related parties (Note 17.1)	7.063	12.078
	13.705	20.762

<u>Sub-Fund Sword</u>	2025	2024
	€	€
Accrued expenses	1.445	-
Payables to related parties (Note 17.1)	22.251	-
	23.696	-

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

16. Current tax liabilities

<u>Sub-Fund Novelty</u>	2025	2024
	€	€
Corporation tax	683	770
	683	770

17. Related party balances and transactions

The related party balances and transactions are as follows:

17.1 Investment Manager

The Fund has appointed Wealth Fund Services Limited to provide management services pursuant to a management agreement dated 1 July 2023. Under the terms of the management agreement the Fund pays the Management Company a management fee of 1,35% per annum for the year ended 2025 on assets under management or a minimum annual fixed fee of €20.000, whichever is higher.

Management fee shall be calculated and accrued on each Valuation Day and shall be 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.

In addition to the management fee, the Management Company is also entitled to receive a performance fee on a share by share basis so that each investment share issued is charged a Performance Fee which equates its performance. The Management Company receives from Phoebus RAIF V.C.I.C. a 10% high watermark related to the performance of the Net asset value per share during the relevant period using a hurdle rate of 0%.

The management and performance fees for the year and the amount payable to the Investment Manager are presented below:

<u>Sub-Fund Novelty</u>		2025	2024
		€	€
Receivables to related parties			
Name	Nature of transactions		
Phoebus RAIF V.C.I.C Plc –			
Compartment Sword	Financing to Sub-Fund Sword	21.869	16.893
Wealth Fund Services Ltd	Payment of expenses	7.919	-
		29.788	16.893

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

17 Related party balances and transactions (continued)

17.1 Investment Manager (continued)

<u>Sub-Fund Novelty</u>		2025	2024
		€	€
Payables to related parties			
<u>Name</u>	<u>Nature of transactions</u>		
Wealth Fund Services Limited	Management fees	4.829	4.682
Wealth Fund Services Limited	Performance fees	2.234	7.396
		7.063	12.078

Transactions with related parties		2025	18/12/2023 – 31/12/2024
		€	€
<u>Name</u>	<u>Nature of transactions</u>		
Wealth Fund Services Limited	Management fees	48.754	33.939
Wealth Fund Services Limited	Performance fees	2.234	7.396
		50.988	41.335

<u>Sub-Fund Sword</u>		2025
		€
Payables to related parties		
<u>Name</u>	<u>Nature of transactions</u>	
Wealth Fund Services Limited	Management fees	382
Phoebus RAIF V.C.I.C Plc – Compartment Novelty	Financing provided by Sub-Fund Novelty	21.869
		22.251

Transactions with related parties		28/03/2025 – 31/12/2025
		€
<u>Name</u>	<u>Nature of transactions</u>	
Wealth Fund Services Limited	Management fees	382
		382

18. Other significant contractual arrangements

18.1 Administration Company

The Management Company is responsible for the administration of the fund. The administration fees is included in the management fees.

18.2 Depositary Company

The Management Company has appointed Eurobank Cyprus Ltd as the Depositary to provide depositary services to the Fund pursuant to a depositary agreement dated 7 February 2024. Under the terms of the agreement the Fund pays the depositary an annual fee of 0,10% for Net Asset Value up to €10million and 0,08% from €10 - €20million. The Depositary's fee is computed daily on the Net Asset Value of each compartment and billed at the end of each month. There is a minimum monthly fee of €450.

Depositary fees for the Sub-Fund Novelty for the year ended 31 December 2025 totaled €5.371 (2024: €2.924) and are presented in the statement of comprehensive income. The amount outstanding at the period-end is €451 (2024: €333) and it is included in other creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

18. Other significant contractual arrangements (continued)

18.2 Depositary Company (continued)

Depositary fees for the Sub-Fund Novelty for the period from 28 March 2025 to 31 December 2025 totaled €450 and are presented in the statement of comprehensive income. The amount outstanding at the period-end is €450 and it is included in other creditors.

19. Contingent liabilities

The Fund has no contingent liabilities as at 31 December 2025.

20. Commitments

The Fund has no capital or other commitments as at 31 December 2025.

21. Events after the reporting period

Geopolitical situation in Middle East

The geopolitical situation in Middle East escalated on 28 February 2026 due to the armed conflict. As of the date of authorisation of the financial statements, the conflict continues to evolve in Middle East as military activity persists.

The conflict has caused significant volatility in global energy markets and disruptions to the supply of oil and gas, contributing to increased uncertainty in commodity prices and potential inflationary pressures. Broader consequences have also been observed in financial markets and global supply chains, particularly affecting energy and transportation sectors, as heightened geopolitical tensions around key shipping routes add to market uncertainty.

The impact on the Company largely depends on the nature and duration of uncertain and unpredictable events, such as further military action and reactions to ongoing developments by global financial markets. The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict is evolving and the high level of uncertainties arising from the inability to reliably predict the outcome.

Although the Company has no direct exposure, the conflict may still create negative effects on the Cyprus economy which might indirectly affect the Company's performance through the volatility of the prices of the financial instruments.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that the main impact on the Company's operations, financial performance and cash flows may arise from the volatility in prices on the financial instruments at fair value through profit or loss. The Management of the Company monitors the situation on a continuous basis.

There are events that are indicative of conditions that arose after the reporting period. Therefore, these are considered as a non-adjusting event and thus, are not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2025.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

21. Events after the reporting period (continued)

Cyprus tax reform

On 22 December 2025, Cyprus's parliament voted into law several bills amending various tax laws with the changes being effective as from 1 January 2026. The key tax changes that are relevant for the Company are the below:

- The Deemed Dividend Distribution provisions on corporate profits earned after 1 January 2026 are abolished.
- The carry forward of tax losses is extended from 5 to 7 years.
- The special defence contribution (SDC) rate applicable on dividends earned by Cyprus tax residents Cyprus domiciled individuals is reduced from 17% to 5%. Dividends paid to Cyprus tax residents Cyprus domiciled individuals out of corporate profits earned up to 31 December 2025 will be taxed with an SDC rate of 17%.

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