

**WEALTH FUND VARIABLE CAPITAL
INVESTMENT COMPANY PLC**

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

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

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WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Constantinos Vourganas Panayiotis Poulis
Company Secretary:	Charis Kynigou
Management Company:	Wealth Fund Services Limited 12-14 Kennedy Avenue, Flat/Office 305 1087 Nicosia Cyprus
Fund Administrator:	Eurobank Ergasias S.A. 8 Othonos Street 103 57 Athens Greece
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-372634

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

FUND BACKGROUND

Background

Wealth Fund Variable Capital Investment Company Plc (the "Fund", the "Company") was incorporated in Cyprus on 8 August 2017 as a public limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. The Fund was granted UCITS license No. UCITS 10/78 by the Cyprus Securities and Exchange Commission on 19 June 2017. 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 30 June 2019, there was one sub-fund active, Wealth Global Bond Fund (the 'Sub-Fund'). The Fund's investment activities are managed by Wealth Fund Services Limited (the 'Management Company'), with the administration delegated to Eurobank Ergasias S.A. (the 'Fund Administrator').

Investment objective

The aim of the UCITS is to preserve capital and seek to achieve a total return from a diversified portfolio of bond and other debt securities. To achieve this objective, the assets of the Fund are invested with the principle of risk diversification predominantly in debt securities although holdings in money market instruments, deposits, including but not limited to, fixed-term deposits at financial institutions, certificates of deposit, commercial paper, medium-term notes, short-term treasury bills and call and notice accounts. Cash and cash equivalents may be held on an ancillary basis.

Investment strategy

Within the constraints of the regional and stage focus of the UCITS, the Investment Strategy is generalist and opportunistic with respect to sectors, though there is a range of preferred sectors to be targeted.

The Fund is to enter into long-only positions with the objective to achieve medium – to long term capital management appreciation of the assets under management through a well-diversified portfolio.

The first stage of the investment decision process will involve extensive quantitative screening on the basis of a number of key parameters and proprietary valuation models.

This method will allow the UCITS to examine and filter a large number of companies and quickly identify potential investment targets, which will then be thoroughly researched and analysed to determine whether they meet the UCITS' value criteria.

Although global economic conditions and the state of financial markets internationally may impact all markets and regions to some extent, some markets react differently to the same set of conditions. The External Manager's chooses to focus on the developed markets but will also consider investing in emerging markets that can present various opportunities even at difficult economic conditions.

Changes in the composition of the portfolio

The Sub-Fund officially launched on 14 September 2017 when the initial minimum capital was raised. For the period from 01 January to 30 June 2019, the Sub-Fund raised €1.315.000,00 from subscriptions and paid €1.548.849,02 for redemptions. The Fund has a net position of €22.501.619,02 (2018: 20.953.414,46).

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

Significant changes in the Offering Memorandum during the year

On 19 October 2018, the Management Company introduced the following changes to the Private Offering Memorandum ("Prospectus") of the Fund as well as its Supplement in relation to the Sub-Fund:

- Appointment of Mr. George W. Sams in the Board of Directors of the External Manager
- Definition of "Distributing Class of Shares": means a Class or Classes of Shares available in a Sub-Fund of the Company which may distribute *the interest income and dividends received (net of any related expenses) and/or any capital gains* attributable to such Shares as more particularly described in the relevant Supplement.
- Distribution Policy of UCITS describing the dividend policy in respect of each "Distributing Class" of Units in the Fund. Dividends shall be declared for the first three quarters on the Shares of the Distributing Share Classes of the relevant Sub-Fund out of the interest income and dividends received (net of any related expenses) and for the last quarter, the Company shall declare dividends on the Shares of the Distributing Share Classes of the relevant Sub-Fund both out of the interest income and dividends received (net of any related expenses) and any capital gains made. Relevant amendments were made in the Supplement in relation to the Sub-Fund.
- Risk Disclosure section was amended to incorporate the ability to use derivatives for hedging purposes
- Fees and Expenses section of the Sub-Fund were amended to reflect the addition of the following professional expenses to be over and above the management fee: Audit fees and Legal fees.

The Key Investor Information Document ("KIID") was updated accordingly.

Market Commentary

In June, the central banks came to the rescue. Confronted by weaker economic data, risks to the trade outlook and still low inflation, the Federal Reserve (the Fed) and the European Central Bank (ECB) indicated that the cavalry is coming in the form of further monetary stimulus. So bad economic news was good news for markets. Risk assets, such as equities and credit, rallied along with traditional safe haven assets, such as developed market government bonds, gold and the yen. Reversing the weakness in risk assets in May, June's strong performance has made it a good quarter and certainly a good start to the year, almost irrespective of what you were invested in. Developed market equities were up nearly 4% over the quarter and 17% year to date. Credit has also had a good quarter and start to the year. Most government bond indices are also up about 5% year to date, having rallied this quarter.

One risk is that this weakness in the manufacturing sector could lead to job cuts and falling consumer confidence. May's rise in German unemployment would therefore have been a concern to the ECB. Data in early June also showed a slowdown in the pace of hiring in the US and the conference board's measure of US consumer confidence declined. It is this rising risk to the employment and consumer outlook that has probably been a key driver of the shift towards further stimulus from the Fed and ECB. The market's attention is therefore likely to be focused even more sharply than usual on the labour market data in the coming weeks and months.

Faced with greater downside risks to the economic outlook and falling long-term inflation expectations, the Fed backed up the dovish rhetoric that has been emanating from various members in recent months by indicating that eight out of seventeen members think rate cuts are warranted this year. Helped along by Fed chair Jerome Powell's comment that "an ounce of prevention is worth a pound of cure", the market now expects more than 0.5% worth of rate cuts by the end of this year, in sharp contrast to the 0.5% increase in interest rates it was expecting for 2019 back in of September. US 10 year yields have fallen to about 2%.

In short, the market has been willing to ignore the bad economic data in the hope that central bank stimulus will help avoid a recession. If the data remains weak, delivery of the hoped for stimulus seems highly likely. Whether the stimulus will be enough to extend what is now the longest economic expansion in history, only time will tell.

Next quarter, earnings releases in both Europe and US and ECB and Fed meetings in July will be crucial factors for credit and equity markets.

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

Fund Return

Cumulative Returns per share class

Share Classes	YTD	2018	2017*	3 Y	5 Y
Participation	9,23%	(6,90%)	0,76%	-	-

* From 14/9/2017

Note:

Cash dividend 02/10/2018, Net Amount 0,74083 EUR

Cash dividend 31/12/2018, Net Amount 0,71150 EUR

Cash dividend 02/04/2019, Net Amount 0,62651 EUR

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

	Note	2019 €	31/12/2018 €
ASSETS			
Financial assets at fair value through profit or loss	9	17.494.430,77	19.668.633,85
Balances due from brokers	15	7.956,18	9.979,50
Accrued interest and other receivables	11	224.375,00	376.037,38
Cash and cash equivalents	12	4.871.551,96	1.415.098,98
Total Assets		22.598.313,91	21.469.749,71
LIABILITIES			
Balances due to brokers	15	-	294.133,65
Accruals and other payables	16	87.644,90	60.011,52
Dividends payable	14	-	161.499,44
Current tax liabilities	17	9.049,99	690,64
		96.694,89	516.335,25
Total liabilities (excluding net assets attributable to holders of investor shares)		96.694,89	516.335,25
Net assets attributable to holders of investor shares		22.501.619,02	20.953.414,46

Historic Table	30/06/2019 €	31/12/2018 €	31/12/2017 €
Total Net Asset Value			
Participating Shares	22.491.049,36	20.943.856,11	18.862.819,88
Management Shares	10.569,66	9.558,35	10.162,53
Net Asset Value per Unit			
Participating Shares	100,2456	92,2700	100,7676
Management Shares	105,6966	95,5835	101,6253
Total Units in issue			
Participating Shares	224.359,367	226.984,46	187.191,226
Management Shares	100,00	100,00	100,000

On 30 August 2019 the Board of Directors of Wealth Fund Variable Capital Investment Company Plc authorised these financial statements for issue.


.....
Constantinos Vourganas
Director


.....
Panayiotis Poulis
Director

The notes on pages 12 to 35 form an integral part of these financial statements

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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

	Note	2019 €	30/06/2018 €
Income			
Interest income from cash and cash equivalents	5	2.429,29	2.014,08
Interest income from debt securities at fair value through profit or loss	5	408.743,30	423.176,32
Other income		17.255,00	11.4084,48
Net foreign currency losses on cash and cash equivalents		(303,92)	110,86
Net foreign currency gains/(losses) on other receivables		-	-
Net fair value (losses)/gains on financial assets at fair value through profit or loss	9	1.699.395,53	(1.201.838,53)
Total net (loss)/income		2.127.519,20	(765.128,79)
Expenses			
Management fees	18	(134.642,14)	(137.425,23)
Depositary fees	19	(10.846,78)	(10.868,88)
Administration fees	19	(10.864,01)	(11.076,06)
Transaction costs		(16.113,88)	(2.077,41)
Auditors' remuneration		-	-
Legal fees		-	-
Other expenses		(4.921,81)	(10.185,35)
Total operating expenses		(177.388,62)	(171.632,93)
Operating (loss)/profit before finance costs		1.950.130,58	(936.761,72)
Finance costs			
Other finance costs	7	-	(160,00)
Distributions to holders of redeemable shares	14	(140.103,83)	-
(Decrease)/increase in net assets attributable to holders of investor shares before tax		1.810.026,75	(936.601,72)
Withholding taxes	8	(19.613,82)	(13.769,98)
Income tax, net	8	(8.359,35)	(9.315,23)
(Decrease)/increase in net assets attributable to holders of investor shares for the year/period		1.782.053,58	(959.686,93)

The notes on pages 12 to 35 form an integral part of these financial statements

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

STATEMENT OF NET ASSETS ATTRIBUTABLE TO HOLDERS OF INVESTOR SHARES FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2019

	Note	2019 €	31/12/2018 €
Net assets attributable to holders of investor shares at 1 January		20.953.414,46	18.872.982,41
Contributions and redemptions by holders of investor shares			
Subscriptions during the year/period			
Participating shares		1.315.000,00	5.837.223,75
Management shares		-	-
		5.837.223,75	5.837.223,75
Redemptions during the year/period			
Participating shares		(1.548.849,02)	(1.772.793,01)
Management shares		-	-
Total contributions and redemptions by holders of investor shares		(233.849,02)	4.064.430,74
(Decrease)/increase in net assets attributable to holders of investor shares for the year/period		1.782.053,58	(1.983.998,69)
Net assets attributable to holders of investor shares at 30 June	13	22.501.619,02	20.953.414,46

The notes on pages 12 to 35 form an integral part of these financial statements

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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

	Note	2019 €	31/12/2018 €
Cash flows from operating activities			
(Decrease)/Increase in net assets attributable to holders of investor shares before tax		1.810.026,75	(1.941.849,20)
Adjustments for:			
Interest income	5	(411.172,59)	(863.293,80)
Distributions to holders of redeemable shares	14	140.103,83	335.396,48
Net foreign currency gains/(losses) on cash and cash equivalents		303,92	1.676,43
		(1.539.261,91)	(2.468.070,09)
Changes in working capital:			
(Decrease)/increase in balances due to brokers		(294.133,65)	(3.856,99)
Increase in financial assets at fair value through profit or loss		2.174.203,13	(1.856.377,25)
Increase in balances due from brokers		2.023,32	(9.979,50)
Increase in accrued interest and other receivables		151.687,24	(103.561,32)
Increase in accruals and other payables		7.994,65	33.086,58
Cash used in operations		3.581.036,60	(4.408.758,57)
Interest received		411.172,59	863.293,80
Tax paid		-	(50.514,58)
Net cash used in operating activities		(3.992.209,19)	(3.595.979,35)
Cash flows from financing activities			
Net proceeds from issue of investor shares	13	1.315.000,00	5.837.223,75
Net payments on redemption of investor shares	13	(1.548.849,02)	(1.772.793,01)
Dividends paid to holders of redeemable shares	14	(301.603,27)	(173.897,04)
Net cash generated from financing activities		(535.452,29)	3.890.533,70
Net increase in cash and cash equivalents		3.456.756,90	294.554,35
Cash and cash equivalents at beginning of the year/period		1.415.098,98	1.122.221,06
Net foreign currency gains/(losses) on cash and cash equivalents		(303,92)	(1.676,43)
Cash and cash equivalents, end of the year/period	12	4.871.551,96	1.415.098,98

The notes on pages 12 to 35 form an integral part of these financial statements

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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

1. Incorporation and principal activities

Wealth Fund Variable Capital Investment Company Plc (the "Fund", the "Company") was incorporated in Cyprus on 8 August 2017 as a public limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. The Fund was granted UCITS license No. UCITS 10/78 by the Cyprus Securities and Exchange Commission on 19 June 2017. 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 30 June 2019, there was one sub-fund active, Wealth Global Bond Fund (the 'Sub-Fund').

The main objective of the Company is to provide its Investors with a choice of professionally managed Sub-funds investing in a wide range of fixed income securities and money market instruments over the globe and other eligible assets in order to achieve an optimum return from capital invested, while reducing investment risk through diversification.

The Fund's investment activities are managed by Wealth Fund Services Limited (the 'Management Company'), with the administration delegated to Eurobank Ergasias S.A. (the 'Fund Administrator').

2. Significant accounting policies

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

Basis of preparation

The financial statements of Wealth Fund Variable Capital Investment Company 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 and revised IFRS

During the current period the Fund adopted all the new and revised IFRSs as adopted by the EU that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018.

IFRS 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities. It replaces the multiple classification and measurement models in IAS 39 and is effective for reporting periods beginning on or after 1 January 2018.

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2019

2. Significant accounting policies (continued)

Adoption of new and revised IFRS (continued)

Classification and measurement of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss (ECL) impairment model.

IFRS 9 has been applied retrospectively by the Fund and did not result in a change to the classification or measurement of financial instruments as outlined in note 2. The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model. As a result, the adoption of IFRS 9 did not have a material impact on the Fund's financial statements.

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 Director 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 money market instruments. 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'.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2019

2. Significant accounting policies (continued)

Interest income

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

if any. Also, interest income from cash and cash equivalents is recognised on a time-proportionate basis using the effective interest method.

Expenses

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

Transaction costs

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

Tax

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

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

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

(a) Classification

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

(i) Assets

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

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

(ii) Investments in financial assets previously designated at fair value through profit or loss

The Fund holds debt securities of €17.293.689,64 (2018: €19.668.633,85) and Listed Funds (ETFs) 200.741,13 which had previously been designated at fair value through profit or loss. On adoption of IFRS 9 these securities are mandatorily classified as fair value through profit or loss.

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2019

2. Significant accounting policies (continued)

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

(b) Recognition, derecognition and measurement

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

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

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

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

(c) Fair value estimation

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

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.

(d) Transfers between levels of the fair value hierarchy

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

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2019

2. Significant accounting policies (continued)

Due from and due to brokers

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from brokers. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in

payments are considered indicators that the amount due from brokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

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

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 PERIOD FROM 01 JANUARY TO 30 JUNE 2019

2. Significant 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.

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

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 programme seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. All securities investments present a risk of loss of capital. The maximum loss of capital on debt securities 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 as a UCITS is generally not allowed to use borrowings, unless this is done on a temporary basis and represents no more than 10% of the net assets of the UCITS.

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 PERIOD FROM 01 JANUARY TO 30 JUNE 2019

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 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 equivalent, 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 documented 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 summarises the credit rating of the debt instruments in the portfolio, as rated by well-known rating agencies such as Standard & Poor's approved by the Board of Directors.

Source: S&P, Fitch and Moody's	2019 €	2019 %	2018 €	2018 %
<i>Debt and similar instruments:</i>				
BBB- to BBB+	7.483.266,19	43,27%	5.576.854,28	28,36%
BB- to BB+	5.309.874,67	30,70%	7.410.734,52	37,68%
B- to B+	1.559.063,10	9,02%	2.925.580,83	14,87%
CCC+	262.360,91	1,52%	277.950,32	1,41%
CC+	-	0,00%	-	0,00%
C	23.397,19	0,13%	-	-
Not rated	2.655.727,58	15,36%	3.477.513,90	17,68%
Total	17.293.689,64	100,00%	19.668.633,85	100,00%

Cash and short-term deposits are held by parties with a credit rating of BBB-.

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.

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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

Financial risk management (continued)

3.1 Credit risk (continued)

The maximum exposure to credit risk before any credit enhancements at 30 June is the carrying amount of the financial assets as set out below:

	2019	2018
	€	€
Debt securities	17.293.689,64	19.668.633,85
Funds Listed	200.741,13	-
Balances due from broker	7.956,18	9.979,50
Accrued interest and other receivables	224.375,00	376.037,38
Cash and cash equivalents	4.871.551,96	1.415.098,98
	<u>22.598.313,91</u>	<u>21.469.749,71</u>

As of the reporting date, other receivables include a total amount equivalent to €7,208,50 in respect of accrued interest on two bonds which defaulted on the payment of the coupon on their due date. The pricing committee has suspended interest recognition on these bonds and closely monitors valuation of affected securities, whilst also taking legal steps to protect the interest of participating shareholders.

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 daily 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 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. Only a limited proportion of its assets in investments are not actively traded on a stock exchange. 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 2019.

In accordance with the Fund's policy, the Management Company monitors the Fund's liquidity position on a daily 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 daily redemptions to a maximum of 10% of the total NAV.

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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

Financial risk management (continued)

3.2 Liquidity risk (continued)

	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €
30 June 2019				
Liabilities				
Accruals	5.624,96	5.624,96	5.624,96	-
Redemptions payable	54.039,44	54.039,44	54.039,44	-
Other creditors	2.676,46	2.676,46	2.676,46	-
Payables to related parties	25.304,04	25.304,04	25.304,04	-
Dividends payable	-	-	-	-
Balances due to brokers	-	-	-	-
Current tax liabilities	9.049,99	9.049,99	9.049,99	-
Net assets attributable to holders of investor shares	<u>22.501.619,02</u>	<u>22.501.619,02</u>	<u>22.501.619,02</u>	<u>-</u>
	<u>22.598.313,91</u>	<u>22.598.313,91</u>	<u>22.598.313,91</u>	<u>-</u>

	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €
31 December 2018				
Liabilities				
Accruals	17.255,00	17.255,00	17.255,00	-
Redemptions payable	10.049,35	10.049,35	10.049,35	-
Other creditors	9.283,62	9.283,62	9.283,62	-
Payables to related parties	23.423,55	23.423,55	23.423,55	-
Dividends payable	161.499,44	161.499,44	161.499,44	-
Balances due to brokers	294.133,65	294.133,65	294.133,65	-
Current tax liabilities	690,64	690,64	690,64	-
Net assets attributable to holders of investor shares	<u>20.953.414,46</u>	<u>20.953.414,46</u>	<u>20.953.414,46</u>	<u>-</u>
	<u>21.469.749,71</u>	<u>21.469.749,71</u>	<u>21.469.749,71</u>	<u>-</u>

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. At 31 December 2018, no individual investor held more than 10% of the Fund's investor shares.

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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

3. Financial risk management (continued)

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 2018 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.

Wealth Global Bond Fund

	2018
Current VaR	7,64%
Average VaR	5,78%
Maximum VaR	7,80%
Minimum VaR	3,27%

3.3.1 Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Euro, the functional currency. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognized monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates, IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities. The table below provides analysis between monetary and non-monetary items to meet the requirements of IFRS 7.

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

The carrying amounts of the Fund's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2019 €	2018 €
Assets		
United States Dollar	3.355,97	2.420,72
	<u>3.355,97</u>	<u>2.420,72</u>

Sensitivity analysis

A 10% strengthening of the Euro against the following currency at 31 December 2018 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 Euro against the relevant currency, there would be an equal and opposite impact on net assets attributable to holders of investor shares.

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2019

3. Financial risk management (continued)

3.3 Market risk (continued)

3.3.1 Foreign exchange risk (continued)

	2019 €	2018 €
Assets		
United States Dollar	3.355,97	2.420,72
	<u>3.355,97</u>	<u>2.420,72</u>

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 daily basis, as the Fund is subject to daily 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.

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

- Monitor the level of daily subscriptions and redemptions relative to the assets it expects to be able to liquidate within 1 day and not to distribute profits from operations.
- Redeem and issue new 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.

4. Critical accounting estimates and judgments

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

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

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

The fair value of such securities not quoted in an active market may be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund would exercise judgement and estimates on the quantity and quality of pricing sources used. 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. The inputs into these models are primarily earning multiples and discounted cash flows. The models used for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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

4. Critical accounting estimates and judgments (continued)

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.

(b) Income taxes

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

5. Interest income

Interest income is analyzed as follows:

	2019 €	30/6/2018 €
Interest income from cash and cash equivalents	2.429,29	2.014,08
Interest income from debt securities at fair value through profit or loss	408.743,30	423.176,32
Total	411.172,59	426.190,40

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

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

	2019 €	31/12/2018 €
Debt securities		
Sovereign debt	362.888,61	740,46
Corporate debt	1.333.470,85	(2.116.348,49)
Listed open-ended investment funds	3.036,07	-
Exchange traded equity funds	3.036,07	-
Total net (loss)/gain on financial assets at fair value through profit or loss	1.699.395,53	(2.115.608,03)

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2019

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

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

	2019	31/12/2018
	€	€
Realised (loss)/gain	192.265,81	(680.512,17)
Unrealised (loss)	1.507.129,72	(1.435.095,86)
Total net (loss)/gain on financial assets at fair value through profit or loss	1.699.395,53	(2.115.608,03)

The net (loss)/gain from financial instruments at fair value through profit or loss represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period and its carrying amount at the end of the reporting period.

7. Other finance costs

	2019	30/06/2018
	€	€
Sundry finance expenses	-	160,00
	1.318,57	160,00

8. Tax

	2019	30/06/2018
	€	€
Overseas withholding tax	19.613,82	13.769,98
Corporation tax – current year	8.359,35	9.315,23
Total charge for the year/period	42.149,49	42.149,49

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 defence 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 defence contribution at the rate of 17%.

9. Financial assets at fair value through profit or loss

	2019	31/12/2018
	€	€
Balance at 1 January	19.668.633,85	17.812.256,60
Additions	8.984.629,35	25.366.381,93
Disposals	(12.858.227,96)	(21.394.396,65)
Net (loss)/gain on financial assets at fair value through profit or loss	1.699.395,53	(2.115.608,03)
Balance at 31 December	17.494.430,77	19.668.633,85

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2019

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

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

	% of net assets	2019 €	% of net assets	31/12/2018 €
Debt securities				
Sovereign debt	69,22%	15.574.903,55	84,20%	17.642.588,25
Corporate debt	7,64%	1.718.786,09	9,67%	2.026.045,60
Listed open-ended investment funds				
Exchange traded equity funds	0.89%	200.741,13		
Total	77.75%	17.494.430,77	93,87%	19.668.633,85

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to mid-market prices obtained from BVAL, Bloomberg's evaluated pricing service.

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 the Fund's statement of financial position as of 30 June 2019 to the categories of financial instruments:

	Fair value through profit or loss €	Amortised Cost €	Total €
30 June 2019			
Assets			
Financial assets at fair value through profit or loss	17.494.430,77	-	17.494.430,77
Due from brokers	-	7.956,18	7.956,18
Accrued interest and other receivables	-	224.375,00	224.375,00
Cash and cash equivalents	-	4.871.551,96	4.871.551,96
Total	17.494.430,77	5.103.883,14	22.598.313,91

	Amortised Cost €	Total €
30 June 2019		
Liabilities		
Due to brokers	-	-
Accruals and other payables	87.644,90	87.644,90
Dividends payable	-	-
Net assets attributable to holders of investor shares	22.501.619,02	22.501.619,02
Total	22.589.263,92	22.589.263,92

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2019

10. Financial assets and liabilities by category (continued)

The table below provides a reconciliation of the line items in the Fund's statement of financial position as of 31 December 2018 to the categories of financial instruments

	Fair value through profit or loss €	Amortised Cost €	Total €
31 December 2018			
Assets			
Financial assets at fair value through profit or loss	19.668.633,85	-	19.668.633,85
Due from brokers	-	9.979,50	9.979,50
Accrued interest and other receivables	-	376.037,38	376.037,38
Cash and cash equivalents	-	1.415.098,98	1.415.098,98
Total	19.668.633,85	1.801.115,86	21.469.749,71

	Amortised Cost €	Total €
31 December 2018		
Liabilities		
Due to brokers	294.133,65	294.133,65
Accruals and other payables	60.011,52	60.011,52
Dividends payable	161.499,44	161.499,44
Net assets attributable to holders of investor shares	20.953.414,46	20.953.414,46
Total	21.469.059,07	21.469.059,07

11. Accrued interest and other receivables

	2019 €	31/12/2018 €
Accrued interest and other receivables	224.375,00	376.037,38
	224.375,00	376.037,38

As of the reporting date, other receivables include a total amount equivalent to €7.208,50 in respect of accrued interest on two bonds which defaulted on the payment of the coupon on the due date. The pricing committee has suspended interest recognition on these bonds and closely monitors valuation of affected securities, whilst also taking legal steps to protect the interest of participating shareholders.

12. Cash and cash equivalents

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

	2019 €	31/12/2018 €
Cash at bank	4.871.551,96	1.415.098,98
	4.871.551,96	1.415.098,98

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2019

12. Cash and cash equivalents (continued)

Cash and cash equivalents by currency:

	2019	31/12/2018
	€	€
Euro	4.868.195,99	1.414.996,37
United States Dollar	3.355,97	102,61
	<u>4.871.551,96</u>	<u>1.415.098,98</u>

At 31 December 2019 and 31 December 2018, the fair value of cash and cash equivalents in the statement of financial position is grouped as follows:

	Moody's 2019	Moody's 31/12/2018
	€	€
Cash at bank	4.871.551,96	-
BBB-	-	1.415.098,98
Caa2	-	-
Caa3	-	-
	<u>4.871.551,96</u>	<u>1.415.098,98</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 shares

The Company was initially registered with an authorised share capital of 100 Management Shares of no par value and 2.000 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 Articles of Association, a minimum of ten (10) Management Shares would be issued to the Management Shareholder, which should be offered during the Initial Offering Period on a first come first serve basis and for which no Management Fee should be payable. The Investment Manager is the sole holder of the one hundred (100) Management Shares in issue.

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
- not be entitled to participate in any dividends of the Company and/or other distributions to be made out of the profits of the Company
- be redeemable
- on a return of capital on a winding up or otherwise
 - (i) have the right to repayment of capital after the return of capital paid up on the Participating Shareholders
 - (ii) after the return of capital, be entitled to the surplus of assets of the Fund pari passu with the Participating Shares.

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2019

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

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:

- do not carry voting rights
- may not confer upon the holders thereof the right to receive notices of or to attend and vote at any general meeting of the Company unless as otherwise stipulated in the Articles.
- shall at the request of any of the holders thereof, but subject to restrictions contained in these Regulations, be redeemed by the Company directly or indirectly out of the Company's assets.
- To participate in any dividend distribution and/or other distributions to be made out of the profits of the Company.
- On a 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.

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

	Beginning Shares	Shares issued	Shares redeemed	Shares Outstanding
Participating shares	226.984,455	13.241,168	(15.866,256)	224.359,367
Management shares	100,000	-	-	100,000
	227.084,455	13.241,168	(15.866,256)	224.459,367

	Beginning Net Assets €	Subscriptions €	Redemptions €	Change in Net Assets €	Ending Net Assets €	Ending NAV Per Share €
Participating shares	20.943.856,11	1.315.000,00	(1.548.849,02)	1.781.042,27	22.491.049,36	100,2456
Management shares	9.558,35	-	-	1.011,31	10.569,66	105,6966
	20.953.414,46	1.315.000,00	(1.548.849,02)	(1.782.053,58)	22.501.619,02	

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2019

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

Transactions in share capital, shares outstanding and the Net Asset Value ("NAV") per share as at 31 December 2018, for each class of shares are as follows:

	Beginning Shares	Shares issued	Shares redeemed	Shares Outstanding
Participating shares	187,191,226	58,283,340	(18,490,111)	226,984,455
Management shares	100,000	-	-	100,000
	187,291,226	58,283,340	(18,490,111)	227,084,455

	Beginning Net Assets €	Subscriptions €	Redemptions €	Change in Net Assets €	Ending Net Assets €	Ending NAV Per Share €
Participating shares	18,862,819,88	5,837,223,75	(1,772,793,01)	(1,983,394,51)	20,943,856,11	92,2700
Management shares	10,162,53	-	-	(604,18)	9,558,35	95,5835
	18,872,982,41	5,837,223,75	(1,772,793,01)	(1,983,998,69)	20,953,414,46	

14. Dividends

	2019 €	2018 €
Dividend declared	140.103,83	335.396,48
	140.103,83	335.396,48

As per the Fund's Offering Memorandum (as amended on 19 October 2018), 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 €140.103,83 out of which an amount of €0 (nil) was due as at 30 June 2019.

15. Balances (due to)/from brokers

	2019 €	31/12/2018 €
Balances due to brokers		
Purchases awaiting settlement	-	(294.133,65)
	(294.133,65)	(294.133,65)

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2019

15. Balances (due to)/from brokers (continued)

	2019 €	31/12/2018 €
Balances due from brokers		
Sales awaiting settlement	7.956,18	9.979,50
	<u>7.956,18</u>	<u>9.979,50</u>

During the period, certain transactions of debt securities were executed and not settled prior to the end period date. All open transactions were settled in July 2019.

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

16. Accruals and other payables

	2018 €	31/12/2018 €
Accruals	8.151,92	17.255,00
Redemptions payable	54.039,44	10.049,35
Other creditors	149,50	9.283,62
Payables to related parties (Note 18.1)	25.304,04	23.423,55
	<u>87.644,90</u>	<u>60.011,52</u>

Redemptions payable relate to redemption requests of participating shares close to year-end for which settlement did not occur by 31 December 2018. The amount was fully settled in January 2019.

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

17. Current tax liabilities

	2019 €	31/12/2018 €
Corporation tax	9.049,99	690,64
	<u>9.049,99</u>	<u>690,64</u>

18. Related party balances and transactions

The related party balances and transactions are as follows:

18.1 Investment Manager

The Fund has appointed Wealth Fund Services Limited to provide management services pursuant to a management agreement dated 4 September 2017. Under the terms of the management agreement the Fund pays the investment manager 1.5% per annum on assets under management and covers all on-going expenses (other than professional fees and legal fees) of the Fund. 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.

Management fees for the period ended 30 June 2019 totalled €134.642,14 (30 June 2018: €137.425,23) and are presented in the statement of comprehensive income. The amount outstanding at the year end is €25.304,04 (31 December 2018: €22.677,16) and it is included in payables to related parties.

At 30 June 2019 and 31 December 2018, 100 Management shares were held by the investment manager.

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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

18. Related party balances and transactions (continued)

18.1 Investment Manager (continued)

Payables to related parties (Note 16)

	2019	31/12/2018
	€	€
<u>Name</u>	<u>Nature of transactions</u>	
Wealth Fund Services Limited	Management fees	25.304,04
Wealth Fund Services Limited	Subscription commission	-
		22.677,16
		746,39
		<u>23.423,55</u>
		<u>25.304,04</u>

Management fees

	2019	30/6/2018
	€	€
<u>Name</u>		
Wealth Fund Services Limited	134.642,14	137.425,23
	<u>134.642,14</u>	<u>137.425,23</u>

18.2 Directors' remuneration

The Company shall pay to the Directors such annual remuneration for acting as Directors of the Company as may be agreed with the Directors from time to time, with such monthly aggregate remuneration. The Directors have waived their right to receive a remuneration.

19. Other key contracts

19.1 Administration Company

The Management Company has appointed Eurobank Ergasias S.A. as the Administrator to provide administrative services to the Fund pursuant to an administration agreement dated 10 August 2017. Under the terms of the agreement the Fund pays the administrative agent an annual fee of 0,10% for Total Assets up to €50million, 0,07% for Total Assets between €50-€100million, 0,06% for Total Assets between €100-€150million and 0,05% for Total Assets above €150million. The administration fee is computed daily on the daily value of the Fund's net assets and is billed at the end of each month. There is a minimum annual fee of €20.000. Administrative fees for the period ended 30 June 2019 totaled €10.864,01 (30, June 2018: €11.076,06) and are presented in the statement of comprehensive income. The amount outstanding at the end of the period is €0(nil) (2018: €1.812,80) and it is included in other creditors.

19.2 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 28 August 2017. Under the terms of the agreement the Fund pays the depositary an annual fee of 0,10% for Net Asset Value up to €20million, 0,08% for Net Asset Value between €20-€40million and 0,07% per annum for Net Asset Value above €40million. 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 €400. Depositary fees for the period ended 30 June 2019 totalled €10.846,78 (30, June 2018: €10.868,88) and are presented in the statement of comprehensive income. The amount outstanding at the end of the period is €149.50 (2018: €1.794,68) and it is included in other creditors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2019

21. Contingent liabilities

The Fund has no contingent liabilities as at 30 June 2019

22. Commitments

The Fund has no capital or other commitments as at 30 June 2019.

23. Events after the reporting period

During the second quarter of 2019, the Company declared dividends of €160.908,09 to participating shareholders.

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

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

SCHEDULE OF INVESTMENTS – UNAUDITED FOR THE PERIOD ENDED 30 JUNE 2019

	Cost	Fair value	Percentage of net assets
ASSETS	30/06/19	30/06/19	30/06/19
DEBT SECURITIES			
NYSE, Asia and European exchange-traded debt securities			
HELLENIC REPUBLIC 24/2/2023 3 STEP CPN	543.300,00	590.400,72	2,62%
HELLENIC REPUBLIC 24/2/2024 3 STEP CPN	95.450,00	109.581,00	0,49%
HELLENIC REPUBLIC 24/2/2033 3 STEP CPN	4.465,00	5.377,75	0,02%
HELLENIC REPUBLIC 24/2/2038 3 STEP CPN	21.375,58	21.344,60	0,09%
HELLENIC REPUBLIC 30/1/2037 4 FIXED	22.324,00	22.638,60	0,10%
BUONI POLIENALI DEL TES 1/9/2046 3,25 FIXED	222.190,80	235.540,80	1,05%
BUONI POLIENALI DEL TES 1/8/2029 3 FIXED	52.675,00	54.128,00	0,24%
BUONI POLIENALI DEL TES 1/3/2040 3,1 FIXED	333.313,00	336.364,80	1,49%
REPUBLIC OF TURKEY 14/6/2025 3,25 FIXED	192.585,60	186.094,00	0,83%
REPUBLIC OF ARGENTINA 31/12/2038 3,38 STEP CPN	86.892,50	77.147,10	0,34%
AMERICAN INTL GROUP 15/5/2058 8,175 VARIABLE	52.171,61	56.771,53	0,25%
REPUBLIC OF VENEZUELA 7/5/2028 9,25 DEFAULTED	29.409,29	23.397,19	0,10%
MYTILINEOS HOLDINGS SA 27/6/2022 3,1 FIXED	50.298,99	50.995,55	0,23%
DELTA TECHNIKI SA 22/12/2024 5,5 FIXED	350.982,48	350.649,00	1,56%
GEK TERNA HLD ESTATE 4/4/2025 3,95 FIXED	99.996,43	103.200,00	0,46%
SE EUROPE GAMING SA 9/7/2023 6 FIXED	136.000,00	138.747,20	0,62%
GOODYEAR EUROPE BV 15/12/2023 3,75 FIXED	100.200,00	102.288,00	0,45%
AEGEAN AIRLINES SA 12/3/2026 3,6 FIXED	387.000,00	400.597,63	1,78%
COTY INC 15/4/2023 4 FIXED	101.980,00	98.733,00	0,44%
DEUTSCHE BANK AG 30/4/2168 6 VARIABLE	613.028,57	535.650,00	2,38%
COMMERZBANK AG 23/3/2026 4 FIXED	10.390,00	11.449,20	0,05%
TELECOM ITALIA FIN SA 24/1/2033 7,75 FIXED	48.647,60	55.001,20	0,24%
FF GROUP FINANCE LX 3/7/2019 1,75 DEFAULTED	120.400,00	29.890,00	0,13%
TRAFIGURA FUNDING SA 27/4/2020 5 FIXED	103.200,00	100.464,00	0,45%
HELLENIC PETROLEUM FINAN 14/10/2021 4,875 FIXED	1.064.166,67	1.072.670,00	4,77%
MOTOR OIL FINANCE PLC 1/4/2022 3,25 FIXED	305.240,00	305.361,00	1,36%
JAGUAR LAND ROVER AUTOMO 15/1/2024 2,2 FIXED	282.135,00	258.300,00	1,15%
JAGUAR LAND ROVER AUTOMO 15/1/2026 4,5 FIXED	84.253,75	89.364,00	0,40%
PIRAEUS GROUP FINANCE 26/6/2029 9,75 VARIABLE	203.000,00	200.354,91	0,89%
BANCO SANTANDER SA 29/12/2167 5,25 VARIABLE	393.150,00	407.748,00	1,81%
STICHTING AK RABOBANK 29/3/2168 6,5 FIXED	48.593,00	49.025,20	0,22%
ABN AMRO BANK NV 22/3/2168 4,75 VARIABLE	212.500,00	206.482,00	0,92%
TELEFONICA EUROPE BV 22/9/2167 3,875 VARIABLE	288.690,00	311.823,00	1,39%
TELEFONICA EUROPE BV 4/12/2167 3 VARIABLE	97.750,00	102.516,00	0,46%
SOCIETE GENERALE 7/10/2167 6,75 VARIABLE	335.296,00	321.003,00	1,43%
CASINO GUICHARD PERRACH 20/1/2168 1,583 FLOATING	74.600,00	62.006,00	0,28%
CNP ASSURANCES 27/12/2167 4,75 VARIABLE	317.700,00	322.950,00	1,44%

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

SCHEDULE OF INVESTMENTS – UNAUDITED FOR THE PERIOD ENDED 30 JUNE 2019

TELECOM ITALIA SPA 17/3/2055 5,25 FIXED	210.725,00	212.604,00	0,94%
UNICREDIT SPA 3/12/2167 6,625 VARIABLE	659.700,00	598.602,00	2,66%
INTESA SANPAOLO SPA 16/11/2167 6,25 VARIABLE	430.586,67	412.304,00	1,83%
ASSICURAZIONI GENERALI 21/11/2167 4,596 VARIABLE	308.630,00	313.473,00	1,39%
SOC CATTOLICA ASSICURAZI 14/12/2047 4,25 VARIABLE	286.545,00	294.258,00	1,31%
INTER MEDIA COMMUNICATIO 31/12/2022 4,875 FIXED	101.488,74	102.217,80	0,45%
ENEL SPA 24/11/2081 3,375 VARIABLE	400.460,00	410.628,00	1,82%
UNIPOLSAI ASSICURAZIONI 1/3/2028 3,875 FIXED	346.650,00	384.148,00	1,71%
VITTORIA ASSICURAZIONI 11/7/2028 5,75 FIXED	103.320,00	107.991,00	0,48%
ENEL SPA 24/11/2078 2,5 VARIABLE	97.000,00	101.083,00	0,45%
UNIPOLSAI ASSICURAZIONI 28/7/2023 2,188 VARIABLE	45.725,00	49.660,00	0,22%
ASSICURAZIONI GENERALI 29/1/2029 3,875 FIXED	204.750,00	215.276,00	0,96%
SOFTBANK GROUP CORP 19/9/2029 4 FIXED	386.620,42	422.232,00	1,88%
TURKIYE VAKIFLAR BANKASI 4/5/2021 2,375 FIXED	94.375,00	99.280,00	0,44%
HOLCIM FINANCE LUX SA 5/7/2167 3 VARIABLE	198.900,00	207.192,00	0,92%
GENERAL ELECTRIC CO 17/5/2037 2,125 FIXED	194.900,00	189.036,00	0,84%
AMERICAN INTL GROUP 15/3/2037 1,412 VARIABLE	117.525,00	121.411,50	0,54%
BAYER AG 1/7/2074 3,75 VARIABLE	190.576,00	196.963,50	0,88%
BAYER AG 2/4/2075 2,375 VARIABLE	49.400,00	50.063,50	0,22%
HSBC HOLDINGS PLC 4/1/2168 4,75 VARIABLE	857.040,00	842.216,00	3,74%
VODAFONE GROUP PLC 3/10/2078 4,2 VARIABLE	188.875,00	211.896,00	0,94%
CENTRICA PLC 10/4/2076 3 VARIABLE	99.570,00	101.584,00	0,45%
VOLKSWAGEN INTL FIN NV 24/3/2168 4,625 VARIABLE	9.800,00	10.992,60	0,05%
VOLKSWAGEN INTL FIN NV 20/3/2168 3,5 VARIABLE	326.950,00	314.819,20	1,40%
TEVA PHARM FNC NL II 15/10/2028 1,625 FIXED	159.162,22	148.024,00	0,66%
NN GROUP NV 15/7/2167 4,5 VARIABLE	112.700,00	110.674,00	0,49%
VOLKSWAGEN INTL FIN NV 14/6/2168 3,875 VARIABLE	628.950,00	612.810,00	2,72%
TEVA PHARM FNC NL II 1/3/2025 4,5 FIXED	410.343,33	385.000,00	1,71%
VOLKSWAGEN INTL FIN NV 27/6/2168 4,625 VARIABLE	305.500,00	320.883,00	1,43%
ERSTE GROUP BANK AG 15/10/2167 6,5 VARIABLE	232.500,00	229.610,00	1,02%
ELECTRICITE DE FRANCE SA 22/1/2168 5 VARIABLE	649.250,00	674.472,00	3,00%
CAISSE NAT REASSURANCE 28/5/2168 6,375 VARIABLE	114.600,00	116.442,00	0,52%
ASSICURAZIONI GENERALI 8/6/2048 5 VARIABLE	777.048,97	831.405,00	3,69%
UNIPOL GRUPPO SPA 29/11/2027 3,5 FIXED	96.030,00	100.648,00	0,45%
PETROLEOS MEXICANOS 21/4/2027 2,75 FIXED	92.650,00	87.980,00	0,39%
PETROLEOS MEXICANOS 24/2/2025 5,5 FIXED	21.644,00	21.509,20	0,10%
KRAFT HEINZ FOODS CO 26/1/2039 6,875 FIXED	49.682,46	53.221,44	0,24%
FORD MOTOR COMPANY 15/1/2043 4,75 FIXED	34.345,90	38.228,03	0,17%
UBS GROUP FUNDING SWITZE 31/7/2167 7 VARIABLE	182.909,48	186.797,89	0,83%
Total debt securities	17.262.779,06	17.293.689,64	76,86%

WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

SCHEDULE OF INVESTMENTS – UNAUDITED FOR THE PERIOD ENDED 30 JUNE 2019

UCITS

NYSE, Asia and European exchange-traded Funds

LYXOR US INV CORP.GRADE ETF	97.775,12	100.170,00	0,45%
ISHARES MARKIT IBOXX EUR	99.929,94	100.571,13	0,45%
	197.705,06	200.741,13	0,89%

Total investments		17.494.430,77	77,75%
Balances due to brokers		7.956,18	0,04%
Accrued interest and other receivables		224.375,00	1,00%
Cash and cash equivalents		4.871.551,96	21,65%
Total liabilities (excl. net assets attributable to holders of investor shares)		-96.694,89	-0,43%
dividend distribution		-	-
Total net assets		22.501.619,02	100,00%