

**WEALTH FUND VARIABLE CAPITAL  
INVESTMENT COMPANY PLC**

**FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 01 JANUARY TO  
30 JUNE 2021**

**UNAUDITED**

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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## FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

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# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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## BOARD OF DIRECTORS AND OTHER OFFICERS

|                             |                                                                                                                                  |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <b>Board of Directors:</b>  | Constantinos Vourganas<br>Panayiotis Poulis                                                                                      |
| <b>Company Secretary:</b>   | Charis Kynigou                                                                                                                   |
| <b>Management Company:</b>  | Wealth Fund Services Limited<br>12-14 Kennedy Avenue, Flat/Office 305<br>1087 Nicosia<br>Cyprus                                  |
| <b>Fund Administrator:</b>  | Eurobank Ergasias S.A.<br>8 Othonos Street<br>103 57 Athens<br>Greece                                                            |
| <b>External Auditors:</b>   | Deloitte Limited<br>Certified Public Accountants and Registered Auditors<br>24 Spyrou Kyprianou Avenue<br>1075 Nicosia<br>Cyprus |
| <b>Registered office:</b>   | 12-14 Kennedy Avenue<br>Flat/Office 305<br>1087, Nicosia<br>Cyprus                                                               |
| <b>Depository:</b>          | Eurobank Cyprus Ltd<br>41 Arch. Makarios III Avenue<br>1065 Nicosia<br>Cyprus                                                    |
| <b>Registration number:</b> | HE-372634                                                                                                                        |

## 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 2021, 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 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, equities 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 will only accept subscriptions in Participating shares of its investment compartments by professional and/or well-informed investors, as defined in the AIF Law.

### Investment strategy

Within the constraints of the regional and stage focus of the AIF, 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 AIF 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 AIF's 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 Management Company 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 2021, the Sub-Fund raised €6,794,000.00 from subscriptions and paid €3,618,895.13 for redemptions. The Fund has a net position of €47,077,448.20 (2020: 43,532,050.67).

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## Significant changes in the Offering Memorandum during the year

There were no significant changes in the Offering Memorandum during the year ended 31 December 2020.

## Market Commentary

### United States

Gross domestic product (GDP) grew 6.5% in Q2 2021, below the Dow Jones estimate of 8.4%. The main factor for the increase was consumption which grew by 11.8%. PMI rose to a new record high of 62.1 in June. The Federal Reserve reported progress in reducing the COVID-19 spread due to vaccinations will play a major role in the path to economic growth. Interest rates have remained unchanged with the Federal Reserve foreseeing a potential increase in 2023. The U.S. consumer price inflation rate was recorded at 5.4% as of June, the largest year-over-year increase since August 2008. The second quarter resulted in strong gains for equities with the S&P 500 Index reaching new all-time highs in June. The technology sector reported a growth of 12.0% due to the strong earnings of large cap companies including Apple, Amazon, Microsoft, and Facebook. Technology, real estate, communication services, and the energy sector were the best industry performers in Q2 2021. The 10-year U.S. Treasury yield fell to 1.47% at the end of June vs 1.74% in March. Bloomberg Barclays U.S. Corporate Investment Grade Index increased 3.55% while Bloomberg Barclays U.S. Corporate High Yield Index increased 2.74%, indicating a rise for U.S. bonds in the second quarter.

### Eurozone

According to Eurostat, the seasonally adjusted gross domestic product grew by 2.0% in the euro area and by 1.9% in the EU. The service sector was the main driver of growth due to the reopening of euro area economies. The European Commission signed off on the first recovery plans totaling €800 billion to support EU countries hit by the pandemic. Inflation rose from 1.3% to 1.9% in the quarter while unemployment fell to 7.9% from 8.2%. Shares in the European market were on the rise mainly due to vaccines against COVID-19 which led to pandemic restrictions being eased. The MSCI Europe Index rose 5.42% and the Euro Stoxx 50 rose 3.70% resulting in a strong second quarter. The healthcare sector presented returns of 12.0% with AstraZeneca reporting strong earnings. The fixed income market performed well due to the decision of the European Central Bank to keep interest rates at the current level. The German 10-year note showed an increase in yields resulting in -0.21% at the end of June

## \ Fund Return

### Cumulative Returns per share class

| Share Classes | YTD    | 2020  | 2019   | 2018    | 2017* | 5 Y |
|---------------|--------|-------|--------|---------|-------|-----|
| Participation | 1.326% | 2,12% | 13,70% | (6,90%) | 0,77% | -   |

\* From 14/9/2017

### Note:

Cash dividend 02/04/2021, Net Amount 0,54544 EUR

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021



|                                                                                             | Note | 2021<br>€            | 31/12/2020<br>€      |
|---------------------------------------------------------------------------------------------|------|----------------------|----------------------|
| <b>Assets</b>                                                                               |      |                      |                      |
| Financial Assets at fair value through profit or loss                                       | 9    | 33,443,992.40        | 27,308,189.21        |
| Balances due from brokers                                                                   | 15   | -                    | -                    |
| Accrued interest and other receivables                                                      | 11   | 347,070.39           | 355,063.69           |
| Refundable taxes                                                                            | 17   | 4,387.06             | 7,144.00             |
| Cash and cash Equivalents                                                                   | 12   | 13,367,696.82        | 16,386,861.77        |
| <b>Total Assets</b>                                                                         |      | <b>47,163,146.67</b> | <b>44,057,258.67</b> |
| <b>Liabilities</b>                                                                          |      |                      |                      |
| Balances due to brokers                                                                     | 15   | -                    | 19,461.00            |
| Accruals and other payables                                                                 | 16   | 71,587.30            | 80,828.00            |
| Current Tax liabilities                                                                     | 17   | 14,111.17            | -                    |
| Dividends Payable                                                                           | 14   | -                    | 424,919.00           |
| <b>Total Liabilities (excluding net assets attributable to holders of investor shares )</b> |      | <b>85,698.47</b>     | <b>525,208.00</b>    |
| <b>Net asset attributable to holders of investor shares</b>                                 |      | <b>47,077,448.20</b> | <b>43,532,050.67</b> |
| <b>Net Assets attributable to holders of investor shares</b>                                |      | <b>47,163,146.67</b> | <b>44,057,258.67</b> |

|                                 |               |               |               |
|---------------------------------|---------------|---------------|---------------|
| Historic table                  | 30/6/2021     | 31/12/2020    | 31/12/2019    |
|                                 | €             | €             | €             |
| <b>Total Net Asset Value</b>    |               |               |               |
| Participating Shares            | 47,065,688.47 | 43,520,532.56 | 27,661,517.90 |
| Management Shares               | 11,759.73     | 11,518.11     | 11,093.97     |
| <b>Net Asset Value per Unit</b> |               |               |               |
| Participating Shares            | 102.2592      | 101.4592      | 102.0947      |
| Management Shares               | 117.5973      | 115.1811      | 110.9397      |
| <b>Total Units in issue</b>     |               |               |               |
| Participating Shares            | 460,258.63    | 428,945.97    | 270,939.72    |
| Management Shares               | 100.00        | 100.00        | 100.00        |

On 30 August 2020 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 9 to 33 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 2021**





|                                                                                                  | Note | 2021<br>€           | 2020<br>€           |
|--------------------------------------------------------------------------------------------------|------|---------------------|---------------------|
| <b>Income</b>                                                                                    |      |                     |                     |
| Interest Income from cash & cash equivalents                                                     | 5    | 58.05               | 5,277.00            |
| Interest Income from debt securities at fair value through profit or loss                        | 5    | 502,996.13          | 959,615.00          |
| Dividend income from equity securities at fair value through profit or loss                      |      | 27,925.93           | 45,273.00           |
| Net foreign (losses)/gains on cash & cash equivalents                                            |      | 16,046.88           | (70,228.84)         |
| Net foreign (losses)/gains on other receivables                                                  |      | -                   | (146.49)            |
| Net fair Value gains on financial assets at fair value through profit or loss                    | 9    | 452,480.62          | 721,222.30          |
| Other Income                                                                                     |      | -                   | -                   |
| <b>Total Net Income</b>                                                                          |      | <b>999,507.61</b>   | <b>1,661,011.97</b> |
| <b>Expenses</b>                                                                                  |      |                     |                     |
| Management fees                                                                                  | 18   | (298,529.73)        | (449,113.00)        |
| Depository fees                                                                                  | 19   | (19,673.53)         | (31,103.00)         |
| Administration fees                                                                              | 19   | (20,215.01)         | (31,782.00)         |
| Transaction costs                                                                                |      | (13,729.37)         | (28,472.00)         |
| Auditors' remuneration                                                                           |      | (5,500.00)          | (9,500.00)          |
| Legal fees                                                                                       |      | -                   | (5,000.00)          |
| Other expenses                                                                                   |      | (5,227.97)          | (21,118.00)         |
| <b>Total operating expenses</b>                                                                  |      | <b>(362,875.61)</b> | <b>(576,088.00)</b> |
| <b>Operating Profit / Loss before finance cost</b>                                               |      | <b>636,632.00</b>   | <b>1,084,923.97</b> |
| <b>Finance cost</b>                                                                              |      |                     |                     |
| Other finance costs                                                                              | 7    | -                   | (3,050.00)          |
| Distributions to holders of redeemable shares                                                    | 14   | (250,797.73)        | (1,065,031.00)      |
|                                                                                                  |      | (250,797.73)        | (1,068,081.00)      |
| <b>Increase in net assets attributable to holders of investor shares before tax</b>              |      | <b>385,834.27</b>   | <b>16,842.97</b>    |
| Withholding taxes                                                                                | 8    | (7,573.87)          | (27,203.00)         |
| Income tax, net                                                                                  | 8    | (7,967.74)          | (15,043.00)         |
| <b>(Decrease)/increase in net assets attributable to holders of investor shares for the year</b> |      | <b>370,292.66</b>   | <b>(50,806.62)</b>  |

The notes on pages 9 to 33 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 2021

|                                                                                            | Note      | 2021                 | 31/12/2020           |
|--------------------------------------------------------------------------------------------|-----------|----------------------|----------------------|
|                                                                                            |           | €                    | €                    |
| Net asset attributable to holders of investor shares at 1 January                          |           | 43,532,050.67        | 27,672,611.87        |
| <b>Contributions and redemptions by holders of investor shares</b>                         |           |                      |                      |
| <b>Subscriptions during the year/period</b>                                                |           |                      |                      |
| Participating shares                                                                       |           | 6,794,000.00         | 22,298,178.88        |
| Management shares                                                                          |           | -                    | -                    |
| <b>Redemptions during the year/period</b>                                                  |           |                      |                      |
| Participating shares                                                                       |           | (3,618,895.13)       | (6,413,337.05)       |
| Management shares                                                                          |           | -                    | -                    |
| <b>Total contributions and redemptions by holders of investor shares</b>                   |           | <b>3,175,104.87</b>  | <b>15,884,841.83</b> |
| (decrease)/ Increase in net assets attributable to holders of investor shares for the year |           | 370,292.66           | (25,403.03)          |
| <b>Net assets attributable to holders of investor shares at 30 June</b>                    | <b>13</b> | <b>47,077,448.20</b> | <b>43,532,050.67</b> |

The notes on pages 9 to 33 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 2021

|                                                                                                | Notes | 2021                  | 31/12/2021             |
|------------------------------------------------------------------------------------------------|-------|-----------------------|------------------------|
|                                                                                                |       | €                     | €                      |
| <b>Cash flows from operating activities</b>                                                    |       |                       |                        |
| <b>(Decrease)/Increase in net assets attributable to holders of investor shares before tax</b> |       | 385,834.27            | 16,842.97              |
| Adjustments for:                                                                               |       |                       |                        |
| Interest income                                                                                | 5     | (503,046.70)          | (964,892.00)           |
| Dividend income                                                                                |       | (27,925.93)           | (45,273.00)            |
| Exceptional Income                                                                             |       | -                     |                        |
| Dividend Distributions to holders of redeemable shares                                         | 14    | 250,797.73            | 1,065,031.00           |
| Net foreign currency gain losses on cash & cash equivalents                                    |       | (16,059.26)           | 70,375.33              |
|                                                                                                |       | <b>89,600.11</b>      | <b>142,084.30</b>      |
| <b>Changes in working capital :</b>                                                            |       |                       |                        |
| Increase/ (decrease) in balances due to brokers                                                |       | (19,461.00)           | 19,461.00              |
| (Increase)/decrease in accrued interest and other receivables                                  |       | 7,993.30              | (115,610.14)           |
| Increase/(decrease) in accruals and other payables                                             |       | (9,240.70)            | 24,206.28              |
| (Increase)/decrease in financial assets at fair value through profit or loss                   |       | (6,135,803.19)        | (11,920,128.98)        |
| <b>Cash used in/generated from operations</b>                                                  |       | <b>(6,066,911.48)</b> | <b>(11,849,987.54)</b> |
| <b>Cash flows from investing activities</b>                                                    |       |                       |                        |
| Interest Received                                                                              |       | 503,046.70            | 964,892.00             |
| Dividend Received                                                                              |       | 27,925.93             | 45,273.00              |
| Tax paid/ refund                                                                               |       | 1,346.72              | (46,975.01)            |
| <b>Net cash (used in)/generated from operating activities</b>                                  |       | <b>(5,534,592.13)</b> | <b>(10,886,797.55)</b> |
| <b>Cash flows from financing activities</b>                                                    |       |                       |                        |
| Net proceeds from issue of investor shares                                                     | 13    | 6,794,000.00          | 22,298,178.88          |
| Net payments on redemption of investor shares                                                  | 13    | (3,618,895.13)        | (6,413,337.05)         |
| Dividends paid to holders of redeemable shares                                                 | 14    | (675,736.95)          | (879,260.21)           |
| <b>Net cash generated from financing activities</b>                                            |       | <b>2,499,367.92</b>   | <b>15,005,581.62</b>   |
| <b>Net increase in cash and cash equivalents</b>                                               |       | <b>(3,035,224.21)</b> | <b>4,118,784.07</b>    |
| Cash and cash equivalents at the beginning of the period                                       |       | 16,386,861.77         | 12,338,453.03          |
| Net foreign currency (losses)/gains on cash and cash equivalents and other receivables         |       | 16,059.26             | (70,375.33)            |
| <b>Cash and cash equivalents at the end of the period</b>                                      | 12    | <b>13,367,696.82</b>  | <b>16,386,861.77</b>   |

The notes on pages 9 to 33 form an integral part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

### 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 2020, 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 or revised standards and interpretations

During the current year 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 2019. This adoption did not have a material effect on the accounting policies of the Fund.

#### New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board, which were not yet effective. Some of them were adopted by the EU and others not yet. The Board of 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

### 2. Significant accounting policies (continued)

#### 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'.

#### 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

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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021****2. Significant accounting policies (continued)****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 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 on a fair value basis together with other related financial information.

*(b) Recognition, derecognition and measurement*

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

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

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

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 period in which they arise. Interest earned on financial assets at fair value through profit or loss is disclosed as a separate line item in the statement of comprehensive income.

Dividend income from financial assets at fair value through profit or loss is 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

### 2. Significant accounting policies (continued)

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

##### (c) Fair value estimation (continued)

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.

#### 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.

#### 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. The due from brokers balance is held for collection.

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. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

### 2. Significant accounting policies (continued)

#### 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.

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 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 and equity 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.



# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

### 3. Financial risk management (continued)

#### Financial risk factors (continued)

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.

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 summarizes the credit rating of the debt instruments in the portfolio, as rated by well-known rating agencies such as Standard & Poor's, Fitch Ratings and Moody's approved by the Board of Directors.

| Source: S&P, Fitch and Moody's         | 2020<br>€            | 2020<br>%      | 2019<br>€            | 2019<br>%      |
|----------------------------------------|----------------------|----------------|----------------------|----------------|
| <i>Debt and similar instruments:</i>   |                      |                |                      |                |
| AA- to AAA                             | 420.976,00           | 1,54%          | -                    | -              |
| A- to A+                               | 728.309,00           | 2,67%          | -                    | -              |
| BBB- to BBB+                           | 9.854.990,32         | 36,09%         | 4.116.584,50         | 26,75%         |
| BB- to BB+                             | 10.175.864,00        | 37,26%         | 5.139.497,52         | 33,40%         |
| B- to B+                               | 2.050.808,23         | 7,51%          | 1.687.876,00         | 10,97%         |
| CCC+                                   | 50.903,86            | 0,19%          | -                    | -              |
| CCC                                    | 785.365,00           | 2,87%          | 126.927,00           | 0,82%          |
| C to CCC-                              | 91.574,21            | 0,34%          | 395.053,01           | 2,57%          |
| D                                      | 8.002,61             | 0,03%          | 10.549,23            | 0,07%          |
| Not rated                              | 2.347.228,68         | 8,59%          | 3.810.523,34         | 24,76%         |
| <b>Total</b>                           | <b>26.514.021,91</b> | <b>97,09%</b>  | <b>15.287.010,60</b> | <b>99,34%</b>  |
| <i>Equity and similar instruments:</i> |                      |                |                      |                |
| Not rated                              | 794.167,30           | 2,91%          | 101.049,63           | 0,66%          |
|                                        | <b>27.308.189,21</b> | <b>100,00%</b> | <b>15.388.060,23</b> | <b>100,00%</b> |

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

### 3. Financial risk management (continued)

#### 3.1 Credit risk (continued)

The table below shows an analysis of the 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:

| Cash at bank | Moody's<br>2020<br>€ | Moody's<br>2019<br>€ |
|--------------|----------------------|----------------------|
| Baa2         | -                    | 1.550.000,00         |
| Caa1         | 10.379.482,77        | 5.584.216,50         |
| Caa2         | 6.007.379,00         | 5.204.236,53         |
|              | <b>16.386.861,77</b> | <b>12.338.453,03</b> |

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:

|                                        | 2020<br>€            | 2019<br>€            |
|----------------------------------------|----------------------|----------------------|
| Debt securities                        | 26.514.021,91        | 15.287.010,60        |
| Equity securities and funds            | 794.167,30           | 101.049,63           |
| Accrued interest and other receivables | 355.063,69           | 239.453,55           |
| Refundable taxes                       | 7.144,00             | 2.414,99             |
| Cash and cash equivalents              | 16.386.861,77        | 12.338.453,03        |
|                                        | <b>44.057.258,67</b> | <b>27.968.381,80</b> |

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2020 and 31 December 2019, all other receivables, amounts due from brokers, cash and short-term deposits are held with counterparties with a credit rating of Caa2 or higher and are due to be settled within one month. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

As of 31 December 2019 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. In addition, the Fund's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

### 3. Financial risk management (continued)

#### 3.2 Liquidity risk (continued)

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 2020

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.

|                                                          | Carrying<br>amounts<br>€ | Contractual<br>cash flows<br>€ | 3 months or<br>less<br>€ |
|----------------------------------------------------------|--------------------------|--------------------------------|--------------------------|
| <b>31 December 2020</b>                                  |                          |                                |                          |
| <b>Liabilities</b>                                       |                          |                                |                          |
| Accrued expenses                                         | 11.305,00                | 11.305,00                      | 11.305,00                |
| Other creditors                                          | 7.350,56                 | 7.350,56                       | 7.350,56                 |
| Payables to related parties                              | 62.172,44                | 62.172,44                      | 62.172,44                |
| Dividends payable                                        | 424.919,00               | 424.919,00                     | 424.919,00               |
| Balances due to brokers                                  | 19.461,00                | 19.461,00                      | 19.461,00                |
| Net assets attributable to holders of<br>investor shares | 43.532.050,67            | 43.532.050,67                  | 43.532.050,67            |
|                                                          | <b>44.057.258,67</b>     | <b>44.057.258,67</b>           | <b>44.057.258,67</b>     |
| <b>31 December 2019</b>                                  |                          |                                |                          |
| <b>Liabilities</b>                                       |                          |                                |                          |
| Accrued expenses                                         | 11.305,00                | 11.305,00                      | 11.305,00                |
| Other creditors                                          | 6.267,76                 | 6.267,76                       | 6.267,76                 |
| Payables to related parties                              | 39.048,96                | 39.048,96                      | 39.048,96                |
| Dividends payable                                        | 239.148,21               | 239.148,21                     | 239.148,21               |
| Net assets attributable to holders of<br>investor shares | 27.672.611,87            | 27.672.611,87                  | 27.672.611,87            |
|                                                          | <b>27.968.381,80</b>     | <b>27.968.381,80</b>           | <b>27.968.381,80</b>     |

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 2020, no individual investor held more than 10% of the Fund's investor shares.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

### 3. Financial risk management (continued)

#### 3.3 Market risk (continued)

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 2020 and 31 December 2019 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

|             | 2020   | 2019  |
|-------------|--------|-------|
| Current VaR | 11.58% | 3.53% |
| Average VaR | 10.89% | 4.76% |
| Maximum VaR | 27.37% | 7.84% |
| Minimum VaR | 3.34%  | 3.20% |

#### 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 Investment Manager manages the Fund's exposure to interest rate risk on a monthly basis in accordance with the Fund's investment objectives and policies. The Fund's overall exposure to interest rate risk is monitored on a quarterly basis by the Board of Directors.

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

|                                        | Non-interest bearing | Within one year      | 1-5 years         | More than 5 years | No fixed maturity | Total                |
|----------------------------------------|----------------------|----------------------|-------------------|-------------------|-------------------|----------------------|
|                                        | €                    | €                    | €                 | €                 | €                 | €                    |
| <b>31 December 2020</b>                |                      |                      |                   |                   |                   |                      |
| <b>Assets</b>                          |                      |                      |                   |                   |                   |                      |
| Fixed interest rate debt securities    | -                    | 5.607.025,33         | -                 | -                 | -                 | 5.607.025,33         |
| Floating interest rate debt securities | -                    | 20.753.036,68        | 103.816,00        | -                 | -                 | 20.856.852,68        |
| Step interest rate debt securities     | -                    | 50.143,90            | -                 | -                 | -                 | 50.143,90            |
| Equity securities and funds            | 794.167,30           | -                    | -                 | -                 | -                 | 794.167,30           |
| Accrued interest and other receivables | 3.583,69             | 348.405,41           | 3.074,59          | -                 | -                 | 355.063,69           |
| Refundable taxes                       | 7.144,00             | -                    | -                 | -                 | -                 | 7.144,00             |
| Cash and bank balances                 | 16.386.861,77        | -                    | -                 | -                 | -                 | 16.386.861,77        |
| <b>Total assets</b>                    | <b>17.191.756,76</b> | <b>26.758.611,32</b> | <b>106.890,59</b> | <b>-</b>          | <b>-</b>          | <b>44.057.258,67</b> |

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

### 3. Financial risk management (continued)

#### 3.3 Market risk (continued)

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

|                                                       | Non-interest bearing | Within one year | 1-5 years | More than 5 years | No fixed maturity | Total                |
|-------------------------------------------------------|----------------------|-----------------|-----------|-------------------|-------------------|----------------------|
|                                                       | €                    | €               | €         | €                 | €                 | €                    |
| <b>31 December 2020</b>                               |                      |                 |           |                   |                   |                      |
| <b>Liabilities</b>                                    |                      |                 |           |                   |                   |                      |
| Non-interest bearing                                  | 525.208,00           | -               | -         | -                 | -                 | 525.208,00           |
| Net assets attributable to holders of investor shares | 43.532.050,67        | -               | -         | -                 | -                 | 43.532.050,67        |
| <b>Total Liabilities</b>                              | <b>44.057.258,67</b> | <b>-</b>        | <b>-</b>  | <b>-</b>          | <b>-</b>          | <b>44.057.258,67</b> |

The following table details the Fund's exposure to interest rate risk at 31 December 2019 by the earlier of contractual maturities or re-pricing:

|                                                       | Non-interest bearing | Within one year      | 1-5 years | More than 5 years | No fixed maturity | Total                |
|-------------------------------------------------------|----------------------|----------------------|-----------|-------------------|-------------------|----------------------|
|                                                       | €                    | €                    | €         | €                 | €                 | €                    |
| <b>31 December 2019</b>                               |                      |                      |           |                   |                   |                      |
| <b>Assets</b>                                         |                      |                      |           |                   |                   |                      |
| Fixed interest rate debt securities                   | -                    | 6.180.794,07         | -         | -                 | -                 | 6.180.794,07         |
| Floating interest rate debt securities                | -                    | 8.770.584,63         | -         | -                 | -                 | 8.770.584,63         |
| Step interest rate debt securities                    | -                    | 335.631,90           | -         | -                 | -                 | 335.631,90           |
| Equity securities                                     | 101.049,63           | -                    | -         | -                 | -                 | 101.049,63           |
| Accrued interest and other receivables                | 11.981,37            | 227.472,18           | -         | -                 | -                 | 239.453,55           |
| Refundable taxes                                      | 2.414,99             | -                    | -         | -                 | -                 | 2.414,99             |
| Cash and bank balances                                | -                    | 12.338.453,03        | -         | -                 | -                 | 12.338.453,03        |
| <b>Total assets</b>                                   | <b>115.445,99</b>    | <b>27.852.935,81</b> | <b>-</b>  | <b>-</b>          | <b>-</b>          | <b>27.968.381,80</b> |
| <b>Liabilities</b>                                    |                      |                      |           |                   |                   |                      |
| Non-interest bearing                                  | 295.769,33           | -                    | -         | -                 | -                 | 295.769,33           |
| Net assets attributable to holders of investor shares | 27.672.611,87        | -                    | -         | -                 | -                 | 27.672.611,87        |
| <b>Total liabilities</b>                              | <b>27.968.381,80</b> | <b>-</b>             | <b>-</b>  | <b>-</b>          | <b>-</b>          | <b>27.968.381,80</b> |

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 PERIOD FROM 01 JANUARY TO 30 JUNE 2021

**3. Financial risk management (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 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:

|                      | 2020<br>€           | 2019<br>€  |
|----------------------|---------------------|------------|
| <b>Assets</b>        |                     |            |
| United States Dollar | <b>1.702.042,19</b> | 468.249,19 |
| <b>Total</b>         | <b>1.702.042,19</b> | 468.249,19 |

Sensitivity analysis

A 10% strengthening of the Euro against the following currency at 31 December 2020 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.

|                      | 2020<br>€         | 2019<br>€ |
|----------------------|-------------------|-----------|
| <b>Assets</b>        |                   |           |
| United States Dollar | <b>170.204,22</b> | 46.824,92 |
| <b>Total</b>         | <b>170.204,22</b> | 46.824,92 |

**3.3.3 Price risk**

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than the euro, the price initially expressed in foreign currency and then converted into euros 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 5% of net assets attributable to holders of redeemable shares.

The Fund's policy requires that the overall market position is monitored on a daily 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021****3. Financial risk management (continued)****3.3.3 Price risk (continued)**

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

|                       | 2020<br>€         | 2019<br>€         |
|-----------------------|-------------------|-------------------|
| Equities              | 22.770,00         | -                 |
| Exchange traded funds | 771.397,30        | 101.049,63        |
| <b>Total</b>          | <b>794.167,30</b> | <b>101.049,63</b> |

**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.

**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 year end date.

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

The 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 year-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 recognized 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 year. 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.



**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021****3. Financial risk management (continued)****3.5 Fair value estimation (continued)**

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

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

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

The fair value hierarchy has the following levels:

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

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

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

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

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

All fair value measurements disclosed are recurring fair value measurements.

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

### 3. Financial risk management (continued)

#### 3.5 Fair value estimation (continued)

Analysis by industry and geography:

|                                                              | Level 1<br>€        | Level 2<br>€         | Level 3<br>€ | Total<br>€           |
|--------------------------------------------------------------|---------------------|----------------------|--------------|----------------------|
| <b>31 December 2020</b>                                      |                     |                      |              |                      |
| <b>Financial assets at fair value through profit or loss</b> |                     |                      |              |                      |
| <b>Debt securities</b>                                       |                     |                      |              |                      |
| <b>Developed Market Americas</b>                             |                     |                      |              |                      |
| Communications                                               | -                   | 706.552,00           | -            | 706.552,00           |
| Consumer, Cyclical                                           | -                   | 100.759,92           | -            | 100.759,92           |
| Energy                                                       | -                   | 420.976,00           | -            | 420.976,00           |
| Financial                                                    | -                   | 489.516,32           | -            | 489.516,32           |
| <b>Developed Market Europe &amp; Middle East</b>             |                     |                      |              |                      |
| Basic Materials                                              | -                   | 101.312,00           | -            | 101.312,00           |
| Communications                                               | -                   | 2.592.521,00         | -            | 2.592.521,00         |
| Consumer, Cyclical                                           | -                   | 1.131.855,36         | -            | 1.131.855,36         |
| Consumer, Non-cyclical                                       | -                   | 1.189.759,00         | -            | 1.189.759,00         |
| Energy                                                       | -                   | 2.821.767,00         | -            | 2.821.767,00         |
| Financial                                                    | -                   | 10.145.621,15        | -            | 10.145.621,15        |
| Industrial                                                   | -                   | 104.564,00           | -            | 104.564,00           |
| Utilities                                                    | -                   | 1.366.982,00         | -            | 1.366.982,00         |
| <b>Emerging Market Americas</b>                              |                     |                      |              |                      |
| Energy                                                       | -                   | 190.603,00           | -            | 190.603,00           |
| <b>Emerging Market Asia</b>                                  |                     |                      |              |                      |
| Consumer, Cyclical                                           | -                   | 203.390,00           | -            | 203.390,00           |
| <b>Emerging Market Europe, Middle East &amp; Africa</b>      |                     |                      |              |                      |
| Communications                                               | -                   | 70.800,00            | -            | 70.800,00            |
| Consumer, Cyclical                                           | 181.670,00          | -                    | -            | 181.670,00           |
| Energy                                                       | 335.360,00          | 2.107.170,23         | -            | 2.442.530,23         |
| Financial                                                    | -                   | 845.550,21           | -            | 845.550,21           |
| Government                                                   | -                   | 101.298,00           | -            | 101.298,00           |
| Industrial                                                   | 917.834,83          | 308.902,00           | -            | 1.226.736,83         |
| Utilities                                                    | 20.351,42           | -                    | -            | 20.351,42            |
| <b>Frontier Market Americas</b>                              |                     |                      |              |                      |
| Government                                                   | -                   | 58.906,47            | -            | 58.906,47            |
|                                                              | <b>1.455.216,25</b> | <b>25.058.805,66</b> | <b>-</b>     | <b>26.514.021,91</b> |

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021**

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

**3.5 Fair value estimation (continued)**

|                                                              | <b>Level 1</b>      | <b>Level 2</b>       | <b>Level 3</b> | <b>Total</b>         |
|--------------------------------------------------------------|---------------------|----------------------|----------------|----------------------|
|                                                              | <b>€</b>            | <b>€</b>             | <b>€</b>       | <b>€</b>             |
| <b>31 December 2020</b>                                      |                     |                      |                |                      |
| <b>Financial assets at fair value through profit or loss</b> |                     |                      |                |                      |
| <b>Equity securities</b>                                     |                     |                      |                |                      |
| <b>Emerging Market Asia</b>                                  |                     |                      |                |                      |
| Communications                                               | 22.770,00           | -                    | -              | 22.770,00            |
|                                                              | <b>22.770,00</b>    | <b>-</b>             | <b>-</b>       | <b>22.770,00</b>     |
| <b>Open-ended listed funds</b>                               |                     |                      |                |                      |
| <b>Developed Market Americas</b>                             |                     |                      |                |                      |
| Financial                                                    | 446.577,30          | -                    | -              | 446.577,30           |
| <b>Developed Market Europe &amp; Middle East</b>             |                     |                      |                |                      |
| Funds                                                        | 324.820,00          | -                    | -              | 324.820,00           |
|                                                              | <b>771.397,30</b>   | <b>-</b>             | <b>-</b>       | <b>771.397,30</b>    |
| <b>Total</b>                                                 | <b>2.249.383,55</b> | <b>25.058.805,66</b> | <b>-</b>       | <b>27.308.189,21</b> |

There were no transfers between levels during the year ended 31 December 2020

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

### 3. Financial risk management (continued)

#### 3.5 Fair value estimation (continued)

Analysis by industry and geography:

|                                                              | Level 1<br>€        | Level 2<br>€         | Level 3<br>€ | Total<br>€           |
|--------------------------------------------------------------|---------------------|----------------------|--------------|----------------------|
| <b>31 December 2019</b>                                      |                     |                      |              |                      |
| <b>Financial assets at fair value through profit or loss</b> |                     |                      |              |                      |
| <b>Debt securities</b>                                       |                     |                      |              |                      |
| <b>Developed Market Americas</b>                             |                     |                      |              |                      |
| Consumer, Cyclical                                           | -                   | 101.701,00           | -            | 101.701,00           |
| Financial                                                    | -                   | 255.033,00           | -            | 255.033,00           |
| <b>Developed Market Europe &amp; Middle East</b>             |                     |                      |              |                      |
| Basic Materials                                              | -                   | 72.370,90            | -            | 72.370,90            |
| Communications                                               | -                   | 457.242,00           | -            | 457.242,00           |
| Consumer, Cyclical                                           | -                   | 1.036.179,00         | -            | 1.036.179,00         |
| Consumer, Non-cyclical                                       | -                   | 863.458,00           | -            | 863.458,00           |
| Energy                                                       | -                   | 101.173,00           | -            | 101.173,00           |
| Financial                                                    | -                   | 6.996.914,40         | -            | 6.996.914,40         |
| Technology                                                   | -                   | 104.805,00           | -            | 104.805,00           |
| Utilities                                                    | -                   | 458.664,00           | -            | 458.664,00           |
| <b>Developed Market Pacific</b>                              |                     |                      |              |                      |
| Communications                                               | -                   | 103.975,00           | -            | 103.975,00           |
| <b>Emerging Market Americas</b>                              |                     |                      |              |                      |
| Energy                                                       | -                   | 196.307,00           | -            | 196.307,00           |
| <b>Emerging Market Europe, Middle East &amp; Africa</b>      |                     |                      |              |                      |
| Communications                                               | -                   | 138.692,80           | -            | 138.692,80           |
| Consumer, Cyclical                                           | 159.984,50          | 18.342,00            | -            | 178.326,50           |
| Energy                                                       | 419.502,00          | 809.969,00           | -            | 1.229.471,00         |
| Financial                                                    | 105.499,00          | 332.321,21           | -            | 437.820,21           |
| Government                                                   | -                   | 372.782,10           | -            | 372.782,10           |
| Industrial                                                   | 1.530.400,00        | -                    | -            | 1.530.400,00         |
| Utilities                                                    | 476.032,66          | -                    | -            | 476.032,66           |
| <b>Emerging markets Asia</b>                                 |                     |                      |              |                      |
| Consumer, Cyclical                                           | -                   | 102.382,00           | -            | 102.382,00           |
| <b>Frontier Market Americas</b>                              |                     |                      |              |                      |
| Government                                                   | -                   | 73.281,03            | -            | 73.281,03            |
|                                                              | <b>2.691.418,16</b> | <b>12.595.592,44</b> | <b>-</b>     | <b>15.287.010,60</b> |
| <b>Equity securities</b>                                     |                     |                      |              |                      |
| <b>Developed Market Europe &amp; Middle East</b>             |                     |                      |              |                      |
| Financial                                                    | 101.049,63          | -                    | -            | 101.049,63           |
|                                                              | <b>101.049,63</b>   | <b>-</b>             | <b>-</b>     | <b>15.388.060,23</b> |
| <b>Total</b>                                                 | <b>2.792.467,79</b> | <b>12.595.592,44</b> | <b>-</b>     | <b>15.388.060,23</b> |

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

**3. Financial risk management (continued)****3.5 Fair value estimation (continued)**

During the year ended 31 December 2019, transfers from Level 2 to Level 1 related to two debt securities, for which pricing was determined by reference to closing prices per the security's primary stock exchange.

**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.

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 analyzed as follows:

|                                                                           | <b>2020</b>       | <b>31/12/2020</b> |
|---------------------------------------------------------------------------|-------------------|-------------------|
|                                                                           | <b>€</b>          | <b>€</b>          |
| Interest income from cash and cash equivalents                            | <b>58,05</b>      | <b>5.277,00</b>   |
| Interest income from debt securities at fair value through profit or loss | <b>502.988,65</b> | <b>959.615,00</b> |
| <b>Total</b>                                                              | <b>457.909,73</b> | <b>964.892,00</b> |

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

### 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:

|                                                                                | 2021              | 2020              |
|--------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                | €                 | €                 |
| <b>Debt Securities</b>                                                         | <b>329,565.05</b> | <b>781,874.63</b> |
| Sovereign debt                                                                 | (3,138.35)        | (24,855.65)       |
| Corporate debt                                                                 | 332,703.40        | 806,730.28        |
| <b>Listed open - ended investment Funds</b>                                    |                   |                   |
| exchange traded equity funds                                                   | 123,692.67        | (62,990.73)       |
| <b>Stocks</b>                                                                  |                   |                   |
| Listed Stocks                                                                  | (782.00)          | 2,338.40          |
| <b>Total net gain on Financial Assets at fair Value through profit or loss</b> | <b>452,475.72</b> | <b>721,222.30</b> |

### 7. Other finance costs

|                         | 2021 | 2020     |
|-------------------------|------|----------|
|                         | €    | €        |
| Sundry finance expenses | -    | 3,050.00 |
|                         | -    | 3,050.00 |

### 8. Tax

|                                         | 2021             | 2020             |
|-----------------------------------------|------------------|------------------|
|                                         | €                | €                |
| Overseas withholding tax                | 7,573.87         | 27,203.00        |
| Corporation tax – current year          | 7,967.74         | 15,043.00        |
| <b>Total charge for the year/period</b> | <b>15,541.61</b> | <b>42,246.00</b> |

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%.



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

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

|                                                                   | 2021<br>€            | 2020<br>€            |
|-------------------------------------------------------------------|----------------------|----------------------|
| Balance at 31 December                                            | 27,308,189.21        | 15,388,060.23        |
| Additions                                                         | 15,995,986.60        | 35,166,871.08        |
| Disposals                                                         | (10,312,659.13)      | (23,967,964.40)      |
| Net gain on Financial Assets at fair Value through Profit or Loss | 452,475.72           | 721,222.30           |
| <b>Balance at end of period</b>                                   | <b>33,443,992.40</b> | <b>27,308,189.21</b> |

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

|                                                                   | 2021<br>€            | % of net<br>assets | 2020<br>€            | % of net<br>assets |
|-------------------------------------------------------------------|----------------------|--------------------|----------------------|--------------------|
| <b>Debt Securities</b>                                            |                      |                    |                      |                    |
| Sovereign debt                                                    | 155,202.72           | 0.33%              | 160,204.47           | 1.83%              |
| Corporate debt                                                    | 29,664,529.08        | 63.01%             | 26,353,817.44        | 53.41%             |
| <b>Total</b>                                                      | <b>29,819,731.80</b> | <b>63.34%</b>      | <b>26,514,021.91</b> | <b>55.24%</b>      |
| <b>Equity instruments</b>                                         |                      |                    |                      |                    |
| Common stock and other exchange traded equity Instruments (funds) | 3,624,260.6          | 7.70%              | 794,167.30           | 7.65%              |
| <b>Total</b>                                                      | <b>3,624,260.60</b>  | <b>7.70%</b>       | <b>3,602,272.60</b>  | <b>7.65%</b>       |
| <b>Total</b>                                                      |                      |                    |                      |                    |
| <b>Financial Assets at fair value through profit or loss</b>      | <b>33,443,992.40</b> | <b>71.04%</b>      | <b>33,443,992.40</b> | <b>71.04%</b>      |

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December 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 2021 to the categories of financial instruments:

|                                                       | Financial<br>assets at fair<br>value through<br>profit or loss<br>€ | Financial<br>assets at<br>amortised<br>cost<br>€ | Total<br>€           |
|-------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------|----------------------|
| <b>30 June 2021</b>                                   |                                                                     |                                                  |                      |
| <b>Assets</b>                                         |                                                                     |                                                  |                      |
| Financial assets at fair value through profit or loss | 33,443,992.40                                                       |                                                  | 33,443,992.40        |
| Accrued interest and other receivables                |                                                                     | 347,070.39                                       | 347,070.39           |
| Due from brokers                                      |                                                                     | 0.00                                             | 0.00                 |
| Refundable Taxes                                      |                                                                     | 4,387.06                                         | 4,387.06             |
| Cash and Cash equivalents                             |                                                                     | 13,367,696.82                                    | 13,367,696.82        |
| <b>Total</b>                                          | <b>33,443,992.40</b>                                                | <b>13,719,154.27</b>                             | <b>47,163,146.67</b> |

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

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

#### 30 June 2021

##### Liabilities

|                                                       | Financial liabilities at amortised cost<br>€ | Total<br>€            |
|-------------------------------------------------------|----------------------------------------------|-----------------------|
| Due to brokers                                        | 0.00                                         | 0.00                  |
| Accruals and other payables                           | 71,587.30                                    | 71,587.30             |
| dividends Payable                                     | 0.00                                         | 0.00                  |
| tax liabilities                                       | 14,111.17                                    | 14,111.17             |
| Net assets attributable to holders of investor shares | 47,077,448.20                                | 47,077,448.20         |
| <b>Total</b>                                          | <b>47,163,146.670</b>                        | <b>47,163,146.670</b> |

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

#### 31 December 2020

##### Assets

|                                                       | Financial assets at fair value through profit or loss<br>€ | Financial assets at amortised cost<br>€ | Total<br>€           |
|-------------------------------------------------------|------------------------------------------------------------|-----------------------------------------|----------------------|
| Financial assets at fair value through profit or loss | 27,308,189.21                                              |                                         | 27,308,189.21        |
| Accrued interest and other receivables                |                                                            | 355,063.69                              | 355,063.69           |
| Due to brokers                                        |                                                            | 7,144.00                                | 7,144.00             |
| Cash and Cash equivalents                             |                                                            | 16,386,861.77                           | 16,386,861.77        |
| <b>Total</b>                                          | <b>27,308,189.21</b>                                       | <b>16,749,069.46</b>                    | <b>44,057,258.67</b> |

#### 31 December 2020

##### Liabilities

|                                                       | Financial liabilities at amortised cost<br>€ | Total<br>€            |
|-------------------------------------------------------|----------------------------------------------|-----------------------|
| Due to brokers                                        | 19,461.00                                    | 19,461.00             |
| Accruals and other payables                           | 80,828.00                                    | 80,828.00             |
| Dividends Payable                                     | 424,919.00                                   | 424,919.00            |
| Net assets attributable to holders of investor shares | 43,532,050.67                                | 43,532,050.67         |
| <b>Total</b>                                          | <b>44,057,258.670</b>                        | <b>44,057,258.670</b> |

### 11. Accrued interest and other receivables

|                                        | 2021<br>€         | 2020<br>€         |
|----------------------------------------|-------------------|-------------------|
| Accrued interest and other receivables | 347,070.39        | 355,063.69        |
|                                        | <b>347,070.39</b> | <b>355,063.69</b> |

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021****12. Cash and cash equivalents**

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

|              | €                    | €                    |
|--------------|----------------------|----------------------|
| cash at bank | 13,367,696.82        | 16,386,861.77        |
|              | <b>13,367,696.82</b> | <b>16,386,861.77</b> |

**Cash and cash equivalents by currency:**

|                      | 2021                 | 2020                 |
|----------------------|----------------------|----------------------|
|                      | €                    | €                    |
| Euro                 | 12,921,878.43        | 15,721,026.00        |
| United States Dollar | 445,818.39           | 665,835.77           |
|                      | <b>13,367,696.82</b> | <b>16,386,861.77</b> |

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

**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.

**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.

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

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 2021, for each class of shares are as follows:

|                      | Beginning<br>Shares | Shares Issued | Shares Redeemed | Shares Outstanding |  |  |
|----------------------|---------------------|---------------|-----------------|--------------------|--|--|
| Participating Shares | 428,945.97          | 66,863.170    | (35,550.510)    | 460,258.634        |  |  |
| Management Shares    | 100.00              | -             | -               | 100.000            |  |  |
|                      | 429,045.97          | 66,863.170    | (35,550.510)    | 460,358.634        |  |  |

  

|                       | Beginning Net<br>assets<br>Euro | subscriptions<br>Euro | Redemptions<br>Euro | change in net assets<br>Euro | Ending net<br>assets<br>Euro | Ending NAV<br>Per share<br>Euro |
|-----------------------|---------------------------------|-----------------------|---------------------|------------------------------|------------------------------|---------------------------------|
| Participating Shares  | 43,520,532.56                   | 6,794,000.00          | (3,618,895.13)      | 620,769.21                   | 47,065,688.47                | 102.2592                        |
| Dividend Distribution |                                 |                       |                     | (250,718.17)                 |                              |                                 |
| Management Shares     | 11,518.11                       | -                     | -                   | 241.62                       | 11,759.73                    | 117.5973                        |
|                       | 43,532,050.67                   | 6,794,000.00          | (3,618,895.13)      | 370,292.66                   | 47,077,448.20                |                                 |

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

|                      | Beginning<br>Shares | Shares issued | Shares redeemed | Shares Outstanding |  |  |
|----------------------|---------------------|---------------|-----------------|--------------------|--|--|
| Participating shares | 270,939.724         | 221,641.891   | (63,635.641)    | 428,945.974        |  |  |
| Management shares    | 100.000             | -             | -               | 100.000            |  |  |
|                      | 271,039.724         | 221,641.891   | (63,635.641)    | 429,045.974        |  |  |

  

|                      | Beginning<br>Net Assets<br>€ | Subscriptions<br>€ | Redemptions<br>€ | Change in<br>Net Assets<br>€ | Ending Net<br>Assets<br>€ | Ending<br>NAV Per<br>Share<br>€ |
|----------------------|------------------------------|--------------------|------------------|------------------------------|---------------------------|---------------------------------|
| Participating shares | 27,661,517.90                | 22,298,178.88      | (6,413,337.05)   | (25,827.17)                  | 43,520,532.56             | 101.4592                        |
| Management shares    | 11,093.97                    | -                  | -                | 424.14                       | 11,518.11                 | 115.1811                        |
|                      | 27,672,611.87                | 22,298,178.88      | (6,413,337.05)   | (25,403.03)                  | 43,532,050.67             |                                 |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021****14. Dividends**

|                   | 2021              | 2020                |
|-------------------|-------------------|---------------------|
|                   | €                 | €                   |
| Dividend declared | <b>250,797.73</b> | <b>1,065,031.00</b> |
|                   | <b>250,797.73</b> | <b>1,065,031.00</b> |

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 €250,797.73 out of which an amount of €0 (nil) was due as at 30 June 2021.

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

|                                | 2021 | 2020        |
|--------------------------------|------|-------------|
|                                | €    | €           |
| Balances due to brokers        |      |             |
| Purchases awaiting settlements | -    | (19,461.00) |
|                                | -    | 19,461.00   |

**16. Accrued expenses and other payables**

|                                          | 2021             | 2020             |
|------------------------------------------|------------------|------------------|
|                                          | €                | €                |
| Accruals                                 | 9,520.00         | 11,305.00        |
| Other creditors                          | -                | 7,350.56         |
| Payable to relatives parties (Note 18.1) | 68,519.95        | 62,172.44        |
| Redemptions                              | 3,067.35         | -                |
|                                          | <b>81,107.30</b> | <b>80,828.00</b> |

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

**17.(Refundable taxes)/ current tax liabilities**

|                   | 2021            | 2020              |
|-------------------|-----------------|-------------------|
|                   | €               | €                 |
| Corporation tax   | 7,967.74        | (7,144.00)        |
| Previous year tax | 6,143.43        | -                 |
| Refundable tax    | (4,387.06)      | -                 |
|                   | <b>9,724.11</b> | <b>(7,144.00)</b> |

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021

### 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 2021 totalled €298,529.73 (2020: €449,113.00) and are presented in the statement of comprehensive income. The amount outstanding at the period end is €58,999.95 (2020: €47,322.44) and it is included in payables to related parties.

At 30 June 2021 and 31 December 2020, 100 Management shares were held by the investment manager.

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

#### 18.1 Investment Manager (continued)

##### Payables to related Parties (Note 16)

|                          |                               | 2021             | 2020             |
|--------------------------|-------------------------------|------------------|------------------|
|                          |                               | €                | €                |
| <u>Name</u>              | <u>Nature of transactions</u> |                  |                  |
| Wealth Fund Services Ltd | Management Fees               | 58,999.95        | 47,322.44        |
| Wealth Fund Services Ltd | payment of expenses           | 9,520.00         | 14,850.00        |
|                          |                               | <u>68,519.95</u> | <u>62,172.44</u> |

##### Management Fees

|                          | 2021                | 2020                |
|--------------------------|---------------------|---------------------|
|                          | €                   | €                   |
| <u>Name</u>              |                     |                     |
| Wealth Fund Services Ltd | (298,529.73)        | (449,113.00)        |
|                          | <u>(298,529.73)</u> | <u>(449,113.00)</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



**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM 01 JANUARY TO 30 JUNE 2021**

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 2021 totaled €20.215,00 (2020: €31.782,00) and are presented in the statement of comprehensive income. The amount outstanding at the end of the period is €3.231,02 (2019: €3.853,02) 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 2021 totalled €19.673,53 (2020: €31.103,00) and are presented in the statement of comprehensive income. The amount outstanding at the end of the period is €0(nil) (2020: €3.257,54 and it is included in other creditors.

**20. Contingent liabilities**

The Fund has no contingent liabilities as at 30 June 2021

**21. Commitments**

The Fund has no capital or other commitments as at 30 June 2021.

**22. Events after the reporting period**

During the second quarter of 2021, the Company declared dividends of €250.797,73 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 2021

|                                                 | Cost         | Fair value   | Percentage of<br>net assets |
|-------------------------------------------------|--------------|--------------|-----------------------------|
|                                                 | 30/06/21     | 30/06/21     | 30/06/21                    |
|                                                 | €            | €            | €                           |
| <b>ASSETS</b>                                   |              |              |                             |
| <b>DEBT securities</b>                          |              |              |                             |
| <b>NYSE, Asia and European debt securities:</b> |              |              |                             |
| AGEAS 61524 3.875 VARIABLE                      | 599,700.00   | 639,456.00   | 1.36%                       |
| SE EUROPE GAMING SA 45116 6 FIXED               | 236,000.00   | 70,800.00    | 0.15%                       |
| BAYER AG 63736 3.75 VARIABLE                    | 401,195.00   | 423,428.00   | 0.90%                       |
| ALLIANZ SE 98372 2.625 VARIABLE                 | 1,406,645.34 | 1,414,532.00 | 3.00%                       |
| COMMERZBANK AG 98716 4.25 VARIABLE              | 602,280.00   | 608,928.00   | 1.29%                       |
| DEUTSCHE BANK AG 98737 6 VARIABLE               | 1,519,808.57 | 1,531,665.00 | 3.25%                       |
| CASINO GUICHARD PERRACH 98272 1.083 FLOATING    | 37,300.00    | 45,321.00    | 0.10%                       |
| ELECTRICITE DE FRANCE SA 46044 5 VARIABLE       | 213,930.00   | 225,104.00   | 0.48%                       |
| CNP ASSURANCES 98613 4.75 VARIABLE              | 107,210.46   | 115,183.00   | 0.24%                       |
| RENAULT SA 46664 1.125 FIXED                    | 97,600.00    | 93,567.00    | 0.20%                       |
| LA MONDIALE 61477 4.375 VARIABLE                | 309,105.00   | 330,783.00   | 0.70%                       |
| RCI BANQUE SA 47532 2.625 VARIABLE              | 299,890.00   | 302,868.00   | 0.64%                       |
| ELECTRICITE DE FRANCE SA 61700 3 VARIABLE       | 197,903.33   | 207,260.00   | 0.44%                       |
| ELECTRICITE DE FRANCE SA 98510 3.375 VARIABLE   | 201,295.00   | 209,262.00   | 0.44%                       |
| ELECTRICITE DE FRANCE SA 98769 2.625 VARIABLE   | 199,580.00   | 201,458.00   | 0.43%                       |
| MUTUELLE ASSURANCE 98607 3.5 VARIABLE           | 1,006,500.00 | 1,007,580.00 | 2.14%                       |
| MOTOR OIL (HELLAS) SA 23/3/2028 1.9 FIXED       | 206,000.00   | 206,978.50   | 0.44%                       |
| COSTAMARE PARTICIPATIONS 25/5/2026 2.7 FIXED    | 585,000.00   | 597,988.17   | 1.27%                       |
| DELTA TECHNIKI SA 45648 5.5 FIXED               | 142,146.26   | 142,135.00   | 0.30%                       |
| BNP PARIBAS 98489 4.625 VARIABLE                | 165,582.01   | 175,200.27   | 0.37%                       |
| CREDIT SUISSE GROUP AG 98659 5.25 VARIABLE      | 170,831.56   | 178,328.85   | 0.38%                       |
| REPUBLIC OF VENEZUELA 46880 9.25 DEFAULTED      | 29,409.29    | 8,896.84     | 0.02%                       |
| AMERICAN INTL GROUP 57845 8.175 VARIABLE        | 52,171.61    | 60,753.11    | 0.13%                       |
| JPMORGAN CHASE & CO 61637 4 VARIABLE            | 92,724.75    | 85,352.57    | 0.18%                       |
| KRAFT HEINZ FOODS CO 50796 6.875 FIXED          | 57,792.74    | 60,497.73    | 0.13%                       |
| KRAFT HEINZ FOODS CO 53479 4.375 FIXED          | 42,275.33    | 47,715.84    | 0.10%                       |
| AEGEAN AIRLINES SA 12/3/2026 3.6 FIXED          | 181,948.21   | 183,150.00   | 0.39%                       |
| ALPHA SERV & HLDGS 13/2/2030 4.25 VARIABLE      | 1,087,260.00 | 1,079,397.00 | 2.29%                       |
| ATTICA HOLDINGS SA 26/7/2024 3.4 FIXED          | 1,009,000.00 | 993,024.50   | 2.11%                       |
| HELLENIC PETROLEUM FINAN 4/10/2024 2 FIXED      | 1,006,300.00 | 1,012,504.80 | 2.15%                       |
| MOTOR OIL FINANCE PLC 1/4/2022 3.25 FIXED       | 606,340.00   | 602,232.00   | 1.28%                       |
| CORAL AE OIL CHEMICALS 11/5/2023 3 FIXED        | 20,000.00    | 20,400.00    | 0.04%                       |
| JAGUAR LAND ROVER AUTOMO 45306 2.2 FIXED        | 282,135.00   | 299,937.00   | 0.64%                       |
| TELECOM ITALIA SPA 56690 5.25 FIXED             | 105,362.50   | 122,998.00   | 0.26%                       |
| AMERICAN INTL GROUP 50114 1.182 VARIABLE        | 117,525.00   | 140,701.50   | 0.30%                       |
| FF GROUP FINANCE LX 72869 1.75 DEFAULTED        | 51,600.00    | 22,479.00    | 0.05%                       |
| PETROLEOS MEXICANOS 46498 2.75 FIXED            | 92,650.00    | 93,561.00    | 0.20%                       |
| REPSOL INTL FINANCE 64003 4.5 VARIABLE          | 614,900.00   | 656,502.00   | 1.39%                       |
| BNP PARIBAS 44729 6.125 VARIABLE                | 210,750.00   | 210,500.00   | 0.45%                       |
| HSBC HOLDINGS PLC 98705 6 VARIABLE              | 658,520.00   | 658,896.00   | 1.40%                       |

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## SCHEDULE OF INVESTMENTS – UNAUDITED FOR THE PERIOD ENDED 30 JUNE 2021

|                                                   |            |              |       |
|---------------------------------------------------|------------|--------------|-------|
| ERSTE GROUP BANK AG 61651 6.5 VARIABLE            | 232,500.00 | 224,762.00   | 0.48% |
| INTESA SANPAOLO SPA 61683 6.25 VARIABLE           | 430,586.67 | 439,704.00   | 0.93% |
| UNICREDIT SPA 45080 6.625 VARIABLE                | 653,600.00 | 647,268.00   | 1.37% |
| REPUBLIC OF TURKEY 45822 3.25 FIXED               | 96,292.80  | 99,188.00    | 0.21% |
| INTRUM AB 45488 3.125 FIXED                       | 98,150.00  | 100,656.00   | 0.21% |
| HSBC HOLDINGS PLC 61732 4.75 VARIABLE             | 859,635.20 | 906,944.00   | 1.93% |
| TURKIYE PETROL RAFINERI 45583 4.5 FIXED           | 184,007.27 | 169,315.05   | 0.36% |
| BANCO SANTANDER SA 97154 5.25 VARIABLE            | 407,235.00 | 424,204.00   | 0.90% |
| INTER MEDIA COMMUNICATIO 44926 4.875 FIXED        | 98,255.41  | 93,451.09    | 0.20% |
| UNICREDIT SPA 98771 5.375 VARIABLE                | 204,750.00 | 212,548.00   | 0.45% |
| RAIFFEISEN BANK INTL 61529 4.5 VARIABLE           | 200,300.00 | 203,832.00   | 0.43% |
| TELEFONICA EUROPE BV 98590 3 VARIABLE             | 98,500.00  | 103,477.00   | 0.22% |
| TEVA PHARM FNC NL II 45717 4.5 FIXED              | 300,103.75 | 310,593.00   | 0.66% |
| PETROLEOS MEXICANOS 45162 1.855 FLOATING          | 95,170.00  | 99,985.00    | 0.21% |
| VITTORIA ASSICURAZIONI 46945 5.75 FIXED           | 103,320.00 | 113,884.00   | 0.24% |
| AEGON NV 98357 5.625 VARIABLE                     | 221,250.00 | 240,820.00   | 0.51% |
| VODAFONE GROUP PLC 65383 3.1 VARIABLE             | 309,300.00 | 312,801.00   | 0.66% |
| VODAFONE GROUP PLC 65291 4.2 VARIABLE             | 97,606.25  | 112,533.00   | 0.24% |
| PIRAEUS FINANCIAL HLDGS 26/6/2029 9.75 VARIABLE   | 108,010.47 | 111,851.82   | 0.24% |
| COMMERZBANK AG 45756 7 VARIABLE                   | 179,984.07 | 183,305.28   | 0.39% |
| COOPERATIEVE RABOBANK UA 61726 3.25 VARIABLE      | 189,875.00 | 207,352.00   | 0.44% |
| TELEFONICA EUROPE BV 61538 2.875 VARIABLE         | 956,195.00 | 1,028,220.00 | 2.18% |
| FORTUNE STAR BVI LTD 45052 4.35 FIXED             | 204,900.00 | 203,616.00   | 0.43% |
| BAYER AG 65696 3.125 VARIABLE                     | 508,966.67 | 521,250.00   | 1.11% |
| BANCO SANTANDER SA 61467 4.375 VARIABLE           | 203,900.00 | 207,130.00   | 0.44% |
| ERSTE GROUP BANK AG 61651 3.375 VARIABLE          | 561,988.89 | 591,756.00   | 1.26% |
| AT&T INC 61367 2.875 VARIABLE                     | 700,825.00 | 714,042.00   | 1.52% |
| BRITISH TELECOMMUNICATIO 65976 1.874 VARIABLE     | 761,064.29 | 780,744.00   | 1.66% |
| UNICREDIT SPA 61428 3.875 VARIABLE                | 199,360.00 | 192,040.00   | 0.41% |
| INTESA SANPAOLO SPA 61602 3.75 VARIABLE           | 241,625.00 | 249,865.00   | 0.53% |
| REPUBLIC OF ARGENTINA 51691 0.125 STEP CPN        | 90,392.50  | 46,397.10    | 0.10% |
| REPSOL INTL FINANCE 98232 4.247 VARIABLE          | 411,216.00 | 440,916.00   | 0.94% |
| COMMERZBANK AG 98716 6.125 VARIABLE               | 218,400.00 | 220,916.00   | 0.47% |
| REPUBLIC OF ARGENTINA 47308 0.5 FIXED             | 1,242.88   | 720.78       | 0.00% |
| OMV AG 98496 2.875 VARIABLE                       | 300,570.00 | 313,290.00   | 0.67% |
| TOTALENERGIES SE 98499 2 VARIABLE                 | 100,250.00 | 100,873.00   | 0.21% |
| VODAFONE GROUP PLC 65985 3 VARIABLE               | 804,360.00 | 823,728.00   | 1.75% |
| ENI SPA 98538 3.375 VARIABLE                      | 509,568.33 | 532,180.00   | 1.13% |
| GAZPROM PJSC (GAZ FN) 98551 3.897 VARIABLE        | 711,180.00 | 725,718.00   | 1.54% |
| DEUTSCHE LUFTHANSA AG 46794 3.75 FIXED            | 103,114.00 | 103,368.00   | 0.22% |
| PUBLIC POWER CORP 30/3/2026 3.875 FIXED           | 200,000.00 | 209,770.00   | 0.45% |
| RAKUTEN GROUP INC 98729 4.25 VARIABLE             | 204,000.00 | 206,394.00   | 0.44% |
| BANK OF CYPRUS HOLDINGS 23/10/2031 6.625 VARIABLE | 206,100.00 | 205,852.00   | 0.44% |
| MYTILINEOS SA 30/10/2026 2.25 FIXED               | 300,000.00 | 306,564.00   | 0.65% |
| BANK OF CYPRUS PCL 24/6/2027 2.5 VARIABLE         | 696,750.00 | 688,583.00   | 1.46% |

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## SCHEDULE OF INVESTMENTS – UNAUDITED FOR THE PERIOD ENDED 30 JUNE 2021

|                                                                                 |                      |                      |                |
|---------------------------------------------------------------------------------|----------------------|----------------------|----------------|
| <b>Total debt securities</b>                                                    | <b>29,388,567.41</b> | <b>29,819,731.80</b> | <b>63.34%</b>  |
| <b>Equities</b>                                                                 |                      |                      |                |
| <b>NYSE, Asia and European shares:</b>                                          |                      |                      |                |
| ALIBABA GROUP HOLDING -SP ADR                                                   | 20,431.60            | 21,988.00            | 0.05%          |
| <b>Total Shares</b>                                                             | <b>20,431.60</b>     | <b>21,988.00</b>     | <b>0.05%</b>   |
| <b>NYSE, Asia and European exchange-traded funds:</b>                           |                      |                      |                |
| ISHARES EURO DIVIDEND ETF                                                       | 49,972.56            | 50,454.02            | 0.11%          |
| ISHARES EURO HIGH YIELD CORP BOND ETF                                           | 1,295,048.58         | 1,304,563.75         | 2.77%          |
| SPY US (SPDR TRUST SERIES 1) ETF                                                | 122,049.22           | 136,875.46           | 0.29%          |
| LYXOR S&P 500-D-HEDGED ETF                                                      | 19,899.00            | 20,898.00            | 0.04%          |
| ISHARES EUROPE PRPRTY YIELD                                                     | 29,332.37            | 31,027.30            | 0.07%          |
| ISHARES S&P 500 EUR-H                                                           | 1,198,590.86         | 1,225,803.96         | 2.60%          |
| LYX IBEX35 DR ETF                                                               | 49,968.90            | 49,232.34            | 0.10%          |
| LYXOR FTSE 100-HDG- C-EUR                                                       | 149,513.34           | 151,450.00           | 0.32%          |
| PIMCO CORPORATE & INCOME OPP                                                    | 627,732.43           | 631,967.77           | 1.34%          |
|                                                                                 | <b>3,542,107.26</b>  | <b>3,602,272.60</b>  | <b>7.65%</b>   |
| <b>Total equity securities</b>                                                  | <b>3,562,538.86</b>  | <b>3,624,260.60</b>  | <b>7.70%</b>   |
| <b>TOTAL</b>                                                                    | <b>32,951,106.27</b> | <b>33,443,992.40</b> | <b>71.04%</b>  |
| Total investments                                                               |                      | 33,443,992.40        | 71.04%         |
| Accrued interest and other receivables                                          |                      | 347,070.39           | 0.74%          |
| Cash and cash equivalents                                                       |                      | 13,367,696.82        | 28.40%         |
| Total liabilities (excl. net assets attributable to holders of investor shares) |                      | -85,698.47           | -0.18%         |
| Tax refund                                                                      |                      | 4,387.06             | 0.01%          |
| <b>Total net assets</b>                                                         |                      | <b>47,077,448.20</b> | <b>100.00%</b> |

