

**FARRINGDON I**

**UNAUDITED SEMI-ANNUAL REPORT**

**FOR THE PERIOD ENDED 30 JUNE 2019**

R.C.S. Luxembourg B 121 761

Subscriptions are only valid if made on the basis of the current prospectus accompanied by the latest annual and the latest semi-annual report if published after the annual report.

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## MANAGEMENT AND ADMINISTRATION

### REGISTERED OFFICE

6, rue Lou Hemmer  
L-1748, Senningerberg, Luxembourg

### CUSTODIAN

(from 1 March 2019)  
Northern Trust Global Services SE  
6, rue Lou Hemmer  
L-1748, Senningerberg, Luxembourg

(until 28 February 2019)  
Northern Trust Global Services SE,  
Luxembourg Branch  
6, rue Lou Hemmer  
L-1748, Senningerberg, Luxembourg

### ADMINISTRATION AND TRANSFER AGENT

(from 1 March 2019)  
Northern Trust Global Services SE  
6, rue Lou Hemmer  
L-1748, Senningerberg, Luxembourg

(until 28 February 2019)  
Northern Trust Luxembourg  
Management Company S.A.  
6, rue Lou Hemmer  
L-1748, Senningerberg, Luxembourg

### AUDITOR

PricewaterhouseCoopers, Société coopérative  
2, rue Gerhard Mercator  
L-2182, Luxembourg, Luxembourg

### LEGAL COUNSEL

Bonn Steichen & Partners  
2, Rue Peternelchen - Immeuble C2  
L-2370, Howald, Luxembourg

### INVESTMENT MANAGER

Farringdon Netherlands BV  
Jan Luijkenstraat 5  
1071CJ, Amsterdam, The Netherlands

### AIFM

Carne Global Fund Managers  
(Luxembourg) S.A.  
European Bank and Business Center  
6B, route de Trèves  
L-2633, Senningerberg, Luxembourg

### ADVISORS

Valkendorf ApS  
Graabroedretorv 6  
DK-1154, Copenhagen, Denmark

Farringdon Operations BV  
Jan Luijkenstraat 5  
1071CJ, Amsterdam, The Netherlands

### PRIME BROKER

UBS AG  
Acting through its London Branch  
1 Finsbury Avenue  
London, EC2M 2PP, United Kingdom

## BOARD OF DIRECTORS

Vincent GRUSELLE  
Managing Director  
ALCYON S.A.  
Luxembourg

Dennis VAN WEES  
Managing Partner  
FARRINGDON OPERATIONS BV  
The Netherlands

Luc CURTOIS  
Attorney-at-law  
BONN STEICHEN & PARTNERS  
Luxembourg

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**STATEMENT OF NET ASSETS  
AS AT 30 JUNE 2019**

	FARRINGDON ALPHA ONE (EUR)
<b>ASSETS</b>	
Securities portfolio at market value (Note 2.1)	78,244,325.76
Cash at banks and liquidities	26,186,937.67
Dividend income receivable	30,702.68
<b>OTHER ASSETS</b>	
Securities sold receivable	41,635.39
Prepaid professional expenses	53,595.85
Prepaid directors' fees (Note 10)	33,321.98
Other receivables	11,584.63
Total Other Assets	140,137.85
Total Assets	104,602,103.96
<b>LIABILITIES</b>	
Short sales of securities (Note 2.2)	(39,626,303.92)
Bank borrowings (Note 5)	(23,378,054.65)
Securities purchased payable	(942,476.89)
Dividends payable on short sales	(31,069.95)
Taxe d'abonnement payable (Note 4)	(5,700.13)
Management fees payable (Note 7)	(65,058.96)
Custodian and administration fees payable (Note 6)	(9,895.91)
Commission payable to broker	(28,921.07)
Other payables	(123,727.93)
Total Liabilities	(64,211,209.41)
<b>NET ASSETS AT THE END OF THE PERIOD</b>	<b>40,390,894.55</b>

**NET ASSET VALUE PER SHARE  
AS AT 30 JUNE 2019**

	FARRINGDON ALPHA ONE (EUR)
Net asset value per share - Class A	148.73

The accompanying notes form an integral part of these financial statements.

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**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
FOR THE PERIOD ENDED 30 JUNE 2019**

	FARRINGDON ALPHA ONE (EUR)
<b>INCOME</b>	
Dividends, net (Note 2.5)	535,732.22
Bank interest	277,851.15
<b>Total Income</b>	<b>813,583.37</b>
<b>EXPENSES</b>	
Dividends paid on short sales (Note 2.5)	(646,698.66)
Management fees (Note 7)	(356,243.51)
Bank charges and commissions on securities borrowing	(340,606.56)
Amortisation of bond premium	(147,802.18)
Professional expenses	(37,940.03)
Directors' fees (Note 10)	(22,928.02)
Custodian and administration fees (Note 6)	(18,741.48)
Taxe d'abonnement (Note 4)	(11,345.36)
Performance fee (Note 8)	(1,724.18)
Other expenses	(116,788.00)
<b>Total Expenses</b>	<b>(1,700,817.98)</b>
<b>Net loss from investments</b>	<b>(887,234.61)</b>
Net realised loss on investments (Note 11)	(1,859,918.46)
Net realised profit on forward exchange currency contract	112,776.46
Net realised profit on foreign exchange	59,029.68
<b>Net realised loss</b>	<b>(2,575,346.93)</b>
Variation in net unrealised result on investments (Note 12)	1,075,368.43
Variation in net unrealised result on foreign exchange	8,617.60
<b>Decrease in net assets as a result of operations</b>	<b>(1,491,360.90)</b>
Subscriptions	151,811.60
Redemptions	(11,678,768.65)
<b>Decrease in net assets</b>	<b>(13,018,317.95)</b>
Net assets at the beginning of the period	53,409,212.50
<b>NET ASSETS AT THE END OF THE PERIOD</b>	<b>40,390,894.55</b>

The accompanying notes form an integral part of these financial statements.

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**STATEMENT OF CHANGES IN NUMBER OF SHARES OUTSTANDING  
FOR THE PERIOD ENDED 30 JUNE 2019**

	FARRINGDON ALPHA ONE CLASS A
Shares outstanding at 1 January 2019	346,836.8573
Shares issued	954.3098
Shares redeemed	(76,226.7826)
Shares outstanding at 30 June 2019	271,564.3845

**FINANCIAL DETAILS RELATING TO THE LAST THREE YEARS  
(EUR)**

	FARRINGDON ALPHA ONE CLASS A	FARRINGDON ALPHA ONE CLASS B*
30 June 2019		
Total net assets	40,390,894.55	-
Net asset value per share	148.73	-
31 December 2018		
Total net assets	53,409,212.50	-
Net asset value per share	153.99	-
31 December 2017		
Total net assets	150,678,199.97	75,177,091.65
Net asset value per share	174.67	174.77

\* Fully redeemed on 30 November 2018

FARRINGDON I - FARRINGDON ALPHA ONE

**SECURITIES PORTFOLIO  
AS AT 30 JUNE 2019**

<b>NOMINAL</b>	<b>SECURITY DESCRIPTION</b>	<b>MARKET VALUE (EUR)</b>	<b>% OF NET ASSETS</b>
<b>Transferable Securities Admitted To An Official Exchange Listing</b>			
<b>Bonds</b>			
	<u>Germany</u>		
40,000,000	Deutschland Bundesrepublik 0% 12/06/2020	40,259,032.00	99.67
		<u>40,259,032.00</u>	<u>99.67</u>
	<b>TOTAL BONDS</b>	<u>40,259,032.00</u>	<u>99.67</u>
<b>Shares and rights</b>			
	<u>Belgium</u>		
391,512	Balta Group NV	1,098,191.16	2.72
34,942	D'ieteren SA	1,411,656.80	3.49
15,605	Financiere de Tubize SA	959,707.50	2.38
50,622	KBC Ancora	1,989,444.60	4.93
		<u>5,459,000.06</u>	<u>13.52</u>
	<u>France</u>		
93,257	ALD SA	1,283,216.32	3.18
21,345	Sword Group	644,619.00	1.60
		<u>1,927,835.32</u>	<u>4.78</u>
	<u>Germany</u>		
38,699	Corestate Capital Holding SA	1,162,904.95	2.88
96,000	HelloFresh SE	803,520.00	1.99
21,134	Sixt SE Preference Shares	1,354,689.40	3.35
99,271	Zeal Network SE	1,961,594.96	4.86
		<u>5,282,709.31</u>	<u>13.08</u>
	<u>Ireland</u>		
33,846,560	Independent News & Media PLC	3,520,042.24	8.71
		<u>3,520,042.24</u>	<u>8.71</u>
	<u>Netherlands</u>		
344,427	BinckBank NV	2,173,334.37	5.38
76,608	GrandVision NV	1,565,867.52	3.88
516,577	Koninklijke BAM Groep NV	2,018,782.92	5.00
		<u>5,757,984.81</u>	<u>14.26</u>
	<u>Norway</u>		
336,440	Hoegh LNG Holdings Ltd	1,217,430.35	3.01
268,742	Skandiabanken ASA	2,016,955.46	4.99
		<u>3,234,385.81</u>	<u>8.00</u>

The accompanying notes form an integral part of these financial statements.

**SECURITIES PORTFOLIO  
AS AT 30 JUNE 2019**

<b>NOMINAL</b>	<b>SECURITY DESCRIPTION</b>	<b>MARKET VALUE (EUR)</b>	<b>% OF NET ASSETS</b>
<b>Transferable Securities Admitted To An Official Exchange Listing (continued)</b>			
<b>Shares and rights (continued)</b>			
	<u>Switzerland</u>		
27,231	Klingelberg AG	836,528.02	2.07
15,013	Rieter Holding AG	2,009,781.37	4.98
		<u>2,846,309.39</u>	<u>7.05</u>
	<u>United Kingdom</u>		
1,845,033	Firstgroup PLC	2,014,229.24	4.99
763,022	Gym Group PLC/The	2,087,810.77	5.17
3,927,711	Premier Foods PLC	1,480,475.73	3.67
6,332,829	Renewi PLC	2,044,012.72	5.06
		<u>7,626,528.46</u>	<u>18.89</u>
	<u>United States of America</u>		
402,538	GNC Holdings Inc - Class A	531,006.05	1.31
		<u>531,006.05</u>	<u>1.31</u>
	<b>TOTAL SHARES AND RIGHTS</b>	<u>36,185,801.45</u>	<u>89.59</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>	<u>76,444,833.45</u>	<u>189.26</u>
<b>Other Transferable Securities</b>			
<b>Shares and rights</b>			
	<u>Germany</u>		
779,001	Tom Tailor Holding NPV	1,799,492.31	4.46
		<u>1,799,492.31</u>	<u>4.46</u>
	<u>United Kingdom</u>		
3,378,678	Interserve PLC	-	-
		<u>-</u>	<u>-</u>
	<b>TOTAL SHARES AND RIGHTS</b>	<u>1,799,492.31</u>	<u>4.46</u>
	<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>	<u>1,799,492.31</u>	<u>4.46</u>
<b>TOTAL SECURITIES PORTFOLIO</b>		<u>78,244,325.76</u>	<u>193.72</u>

The accompanying notes form an integral part of these financial statements.



**SECURITIES PORTFOLIO  
AS AT 30 JUNE 2019**

<b>NOMINAL</b>	<b>SECURITY DESCRIPTION</b>	<b>MARKET VALUE (EUR)</b>	<b>% OF NET ASSETS</b>
<b>Short Sales of Transferable Securities Admitted To An Official Exchange Listing</b>			
<b>Short Sales of Shares</b>			
	<u>Belgium</u>		
(31,646)	KBC Group NV	(1,824,075.44)	(4.52)
(12,740)	UCB SA	(929,000.80)	(2.30)
		<u>(2,753,076.24)</u>	<u>(6.82)</u>
	<u>Canada</u>		
(36,799)	Alimentation Couche-Tard Inc - Class B	(2,036,550.44)	(5.04)
(5,555)	Canada Goose Holdings Inc	(189,097.42)	(0.47)
(58,055)	Stantec Inc	(1,225,358.74)	(3.03)
		<u>(3,451,006.60)</u>	<u>(8.54)</u>
	<u>Denmark</u>		
(48,758)	Novozymes A/S - Class B	(1,999,548.96)	(4.95)
		<u>(1,999,548.96)</u>	<u>(4.95)</u>
	<u>Germany</u>		
(26,385)	Fielmann AG	(1,683,363.00)	(4.17)
(18,816)	LEG Immobilien AG	(1,866,547.20)	(4.62)
(3,371)	Rational AG	(2,041,140.50)	(5.05)
(21,209)	Sixt SE	(1,997,887.80)	(4.95)
		<u>(7,588,938.50)</u>	<u>(18.79)</u>
	<u>Italy</u>		
(94,451)	Amplifon SpA	(1,941,912.56)	(4.81)
		<u>(1,941,912.56)</u>	<u>(4.81)</u>
	<u>Sweden</u>		
(97,161)	Castellum AB	(1,633,722.47)	(4.04)
(54,192)	ICA Gruppen AB	(2,048,761.21)	(5.07)
		<u>(3,682,483.68)</u>	<u>(9.11)</u>
	<u>Switzerland</u>		
(18,065)	Orior AG	(1,342,624.10)	(3.32)
		<u>(1,342,624.10)</u>	<u>(3.32)</u>

The accompanying notes form an integral part of these financial statements.

**SECURITIES PORTFOLIO  
AS AT 30 JUNE 2019**

<b>NOMINAL</b>	<b>SECURITY DESCRIPTION</b>	<b>MARKET VALUE (EUR)</b>	<b>% OF NET ASSETS</b>
<b>Short Sales of Transferable Securities Admitted To An Official Exchange Listing (continued)</b>			
<b>Short Sales of Shares (continued)</b>			
	<u>United States of America</u>		
(26,438)	Altria Group Inc	(1,100,905.16)	(2.73)
(36,972)	CyrusOne Inc	(1,876,724.80)	(4.65)
(19,921)	Digital Realty Trust Inc	(2,063,577.97)	(5.11)
(32,724)	Las Vegas Sands Corp	(1,700,519.83)	(4.21)
(12,742)	McCormick & Company Inc	(1,736,995.30)	(4.30)
(52,502)	SeaWorld Entertainment Inc	(1,431,327.01)	(3.54)
(28,889)	Shake Shack Inc - Class A	(1,834,302.81)	(4.54)
(8,835)	Sturm Ruger & Company Inc	(423,296.79)	(1.05)
(24,116)	Toro Company/The - Class C	(1,418,837.70)	(3.51)
(84,850)	Wendy's Company/The	(1,461,052.63)	(3.62)
(21,832)	Wingstop Inc	(1,819,173.28)	(4.50)
		<u>(16,866,713.28)</u>	<u>(41.76)</u>
	<b>TOTAL SHORT SALES OF SHARES</b>	<u>(39,626,303.92)</u>	<u>(98.11)</u>
	<b>TOTAL SHORT SALES OF TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>	<u>(39,626,303.92)</u>	<u>(98.11)</u>

The accompanying notes form an integral part of these financial statements.

**INDUSTRY SECTOR ANALYSIS  
AS AT 30 JUNE 2019**

	<b>% OF NET ASSETS</b>
Agriculture	(2.73)
Apparel	(0.47)
Banks	0.48
Chemicals	(4.95)
Commercial Services	1.58
Computers	1.60
Distribution	3.50
Diversified Finance Services	5.38
Engineering and Construction	1.96
Entertainment	1.31
Environmental Control	5.06
Food	(7.04)
Holding Companies	2.38
Home Furnishings	(5.05)
Housewares	(3.51)
Investment Companies	4.93
Leisure Time	5.17
Lodging	(4.21)
Machinery	7.05
Manufacturing	(1.05)
Media	8.71
Pharmaceuticals	(7.11)
Real Estate	(5.79)
Real Estate Investment Trusts	(9.75)
Retail	(12.23)
Sovereign	99.67
Textiles	2.72
Transportation	8.00
	<u>95.61</u>

A statement of changes in the composition of the portfolio is available to Shareholders free of charge on request from the Fund's registered office.

The accompanying notes form an integral part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

**1 GENERAL**

FARRINGDON I (hereafter the "Company") was incorporated as a "Société Anonyme" qualifying as a "Société d'Investissement à Capital Variable" ("SICAV") with multiple Sub-Funds on 22 November 2006, under Part II of the amended law of 17 December 2010 on Undertakings for Collective Investment (the "Law"), and does not qualify as an Undertakings for Collective Investment in Transferable Securities. It is established for an undetermined duration from the date of incorporation.

The Farringdon Alpha One Sub-Fund was launched on 8 December 2006. The Company which is considered as an Alternative Investment Fund ("AIF") is managed by Carne Global Fund Managers (Luxembourg) S.A., which was authorised as an Alternative Investment Fund Manager ("AIFM") by the CSSF on 22 June 2015.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are prepared in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment.

**2.1 Valuation of investments**

- (a) The value of any cash at hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, dividends and interests declared or due but not yet collected will be deemed to be the full value thereof, unless it is unlikely that such values are received in full, in which case the value thereof will be determined by deducting such amount the Board of Directors consider appropriate to reflect the true value thereof.
- (b) Securities listed on a stock exchange or traded on any other regulated market will be valued at the last available price on such stock exchange or market. If a security is listed on several stock exchanges or markets, the last available price on the stock exchange or market, which constitutes the main market for such securities, will be determining.
- (c) Securities not listed on any stock exchange or traded on any regulated market will be valued at their last available market price.
- (d) Securities for which no price quotation is available or for which the price referred to in (a), (b) and (c) is not representative of the fair market value, will be valued prudently, and in good faith by the Board of Directors on the basis of their reasonable foreseeable sales prices.
- (e) Contracts for differences are valued at fair value based on the last available price of the underlying security.
- (f) Investments in investment funds of the open-ended type are taken at their latest net asset values reported by the administrator of the relevant investment fund.
- (g) Financial futures contracts (on securities, interest rates and indices) are valued at the exchange quoted settlement price. While the contracts are open, unrealised gains and losses are recorded on "mark-to market" basis at the valuation date. When a contract is closed, the Company records a realised profit or loss equal to the difference between the proceeds from, or cost of, the closing transaction and the price at which the contract was originally written.
- (h) Options contracts (on securities, currencies, interest rates and indices) are valued on the basis of the last available trade price.
- (i) Forward foreign exchange contracts are valued by reference to the forward rate prevailing at the valuation date.
- (j) Contracts for which no price quotation is available or for which the price referred to in (g) and/or (h) is not representative of the fair market value, will be valued prudently, and in good faith by the Board of Directors on the basis of their reasonable foreseeable sales prices.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.2 Short sales of securities**

Short sales of securities are disclosed as negative amounts and valued marked-to-market in the securities portfolio as at 30 June 2019.

**2.3 Realised profit and loss on investments**

Profits and losses on sales of investments have been determined on the basis of first in, first out.

**2.4 Foreign exchange**

The financial statements of the Company are maintained in EUR.

The market value of the investments and other assets and liabilities expressed in currencies other than the base currency of the Sub-Fund has been converted at the rates of exchange ruling as at 30 June 2019. The cost of investments in currencies other than the base currency of the Sub-Fund is converted at the rates of exchange prevailing at the historical transaction date. Profits and losses arising from foreign exchange operations are taken to the Statement of Operations and Changes in Net Assets.

**2.5 Income/expense from investments**

Dividends are recognised as income (or expense in the case of short sales of securities) on the date securities are first quoted ex-dividend, to the extent information thereon is reasonably available to the Sub-Fund, net of any withholding taxes. Interest income is accrued on a daily basis.

**3 EXCHANGE RATES AT 30 JUNE 2019**

1 CAD	=	0.67155137 EUR	1 NOK	=	0.10309305 EUR
1 CHF	=	0.90087083 EUR	1 SEK	=	0.09470341 EUR
1 DKK	=	0.13397471 EUR	1 USD	=	0.87943010 EUR
1 GBP	=	1.11683236 EUR			

**4 TAX STATUS**

The Company is registered under the Luxembourg law as an investment company or SICAV. Accordingly, no Luxembourg income or capital gains tax is, at present, payable. It is subject, however, to an annual "taxe d'abonnement" calculated at the annual rate of 0.05% of the net asset value of the Company at the end of each quarter. This tax is payable quarterly. Pursuant to Article 175(a) of the amended law of 17 December 2010 on UCIs, the net assets invested in undertakings for collective investment already subject to the "taxe d'abonnement" are exempt from this tax.

**5 BANK BORROWINGS AND PLEDGES**

The Farringdon Alpha One Sub-Fund may borrow up to 30% of its total net assets for investment purposes. As at 30 June 2019, the Sub-Fund had borrowings totalling EUR 23.38 million, which when netted against cash in accordance with the netting agreement represents 6.95% of the total net assets of the Sub-Fund.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019****6 CUSTODIAN AND ADMINISTRATION FEES**

On 1 November 2018, Northern Trust Global Services SE, Luxembourg Branch was appointed as Depositary of the Company. The Depositary is entitled to an annual Depositary fee of 0.04% of the net asset value of the relevant Sub-Fund with a minimum fee of EUR 40,000 per sub-fund.

On 1 November 2018, Northern Trust Luxembourg Management Company S.A. was appointed as Administration Agent, Domiciliary Agent, Registrar and Transfer Agent and Paying Agent of the Company. The Administration Agent is entitled to an annual Administration fee of 0.08% of the net asset value of the relevant Sub-Fund with a minimum of EUR 100,000 for the first sub-fund and EUR 50,000 for each additional sub-fund.

Effective 1 March 2019, the custodian services of the Custodian Bank, Northern Trust Global Services SE, Luxembourg Branch and the fund administration services of the Administration Agent, Northern Trust Luxembourg Management Company S.A., were transferred to Northern Trust Global Services SE.

**7 AIFM AND MANAGEMENT FEES**

Carne Global Fund Managers (Luxembourg) S.A. has been appointed as AIFM under an Alternative Investment Fund Management Agreement entered into on 22 June 2015. The AIFM is entitled to an AIFM fee up to a maximum 5 basis points per annum with a minimum fee as further described in the alternative investment fund management agreement between the Company and Carne Global Fund Managers (Luxembourg) S.A.

Farringdon Netherlands BV has been appointed as Investment Manager pursuant to an Investment Management Agreement effective from 22 June 2015. A fixed monthly management fee (the "Management Fee") equal to the annual rate of 1.5% of the Net Asset Value of the relevant Sub-Fund is computed as of the last Luxembourg business day of each month and paid monthly. This fee comprises the remuneration of the Investment Manager, the Advisers and the Distributor.

**8 PERFORMANCE FEE**

The Performance Fee is accrued daily and due from the relevant Sub-Fund's assets as of the end of each Fiscal Year or Calendar Quarter in the case of Farringdon Alpha One. The performance fee is split between the Investment Manager, the Advisers and the Distributor. The Performance Fee for any Fiscal Year or Calendar Quarter is an amount equal to 20% of the net realised and unrealised appreciation, if any, in the Net Asset Value of the shares (adjusted for the sale and redemption of shares) during each Fiscal Year or Calendar Quarter of the relevant Sub-Fund, but only in the event the relevant Sub-Fund's Net Asset Value has increased for that Fiscal Year or Calendar Quarter and cumulatively since the issuance of the shares. The value is calculated after taking into account the annual Management Fee.

If a share has a Net Loss allocable to it during any Fiscal Year or Calendar Quarter and during a subsequent Fiscal Year or Calendar Quarter there is a Net Profit allocable to the share there will be no Performance Fee payable with respect to the share until the amount of the Net Loss previously allocated to the share has been recouped (also called High Water Mark principle).

"Net Profit" means, the excess of (i) the aggregate revenue, income and gains (realised and unrealised) earned on an accrual basis by the relevant Sub-Fund during the Fiscal Year or Calendar Quarter from all sources and (ii) any reserves released during the Fiscal Year or Calendar Quarter over (a) the expenses and losses (realised and unrealised) incurred on an accrual basis by the relevant Sub-Fund during the Fiscal Year or Calendar Quarter and (b) any reserves established by the relevant Sub-Fund during the Fiscal Year or Calendar Quarter.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019****8 PERFORMANCE FEE (continued)**

"Net Losses" means, the excess of (i) the expenses and losses (realised and unrealised) incurred on an accrual basis by the relevant Sub-Fund during the Fiscal Year or Calendar Quarter and (ii) any reserves established by the relevant Sub-Fund during the Fiscal Year or Calendar Quarter over (a) the aggregate revenue, income and gains (realised and unrealised) earned on an accrual basis by the relevant Sub-Fund during the Fiscal Year or Calendar Quarter from all sources and (b) any reserves released during the Fiscal Year or Calendar Quarter.

If shares are redeemed on a date other than the last Valuation Date of a year, a Performance Fee calculation with respect to the redeemed shares will be made on the Valuation Date and if a Performance Fee has accrued, it will be payable from the relevant Sub-Fund's assets. The calculation of the Performance Fee will be made as if the Valuation Date was the end of the Fiscal Year, in other words the performance fee will still be 20%. Any equalisation credits applicable to the shares redeemed that are not used on redemption will be lost.

However, when Shares are subscribed for during the course of a Fiscal Year or at the beginning of the Fiscal Year when there is a Loss Carryover<sup>1</sup>, certain adjustments are necessary. This is done so that (i) the Performance Fee paid to the Investment Manager and advisors is charged only to those Shares which have appreciated in value since their acquisition, (ii) all Shareholders will have the same amount per Share at risk and (iii) all Shares will have the same Net Asset Value.

When the Net Asset Value per Share is more than the Year or Quarter Beginning Value, the Offering Price is the sum of the Net Asset Value per Share and the "Equalization Factor".

The Equalization Factor is an amount which the Shares outstanding since Year or Quarter Beginning should be charged (that is, 20% of the increase in Net Asset Value since Year or Quarter Beginning), and which the Shares subscribed for at the date of the Interim Purchase should not be charged. To the extent that the increase in value of the Shares that cause the payment of the Equalization Factor is not lost in the current year or quarter, the Equalization Factor attributable to such increase becomes payable to the Shareholder at the end of the current year or quarter. To the extent that the increase in value of the Shares that cause the payment of the Equalization Factor is lost in the year or quarter the Shares are purchased but is recovered in a subsequent year or quarter, the Equalization Factor attributable to such recovery will become payable to the Shareholder at the end of the year or quarter in which the recovery occurs. Upon redemption by a Shareholder of his Share, the same amount of the Equalization Factor will be paid to him as if the date of redemption were the last day of the Fiscal Year or Calendar Quarter in which the Shares are redeemed. Any Equalization Factor, or portion thereof, which is due to a Shareholder not redeeming his Shares will be used to purchase additional full Shares on behalf of such Shareholder as of the first day of the next succeeding Fiscal Year or Calendar Quarter.

Certain adjustments are required at the end of the Fiscal Year or Calendar Quarter if Shares are purchased during a Fiscal Year or Calendar Quarter at a time when the Net Asset Value per Share is less than the Beginning Value or if Shares are purchased at the beginning of the Fiscal Year or Calendar Quarter when there is a Loss Carryover so that the purchasers of those Shares will be charged a Performance Fee equal to 20% of the net profits allocable to those Shares. These adjustments will be effected by redeeming a sufficient number of those Shares at the end of the Fiscal Year or Calendar Quarter so that the particular Shareholder will be charged the appropriate Performance Fee.

Performance fee amounting to EUR 1,724.18 was paid for the period ended 30 June 2019.

<sup>1</sup> The Loss Carryover per unit at the beginning of any year or quarter shall be the Loss Carryover per unit at the beginning of the preceding year or quarter plus an amount equal to the decrease in the Net Asset Value per unit during the preceding year or quarter or minus an amount equal to the increase in Net Asset Value during the preceding year or quarter.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

**9 TRANSACTION COSTS**

For the period ended 30 June 2019, the Company incurred transaction costs which have been defined as the commissions paid by the Company to the intermediary relating to purchases or sales of transferable securities, money market instruments, derivatives or other eligible assets, as follows:

Farringdon Alpha One	EUR 65,089.36
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Transaction costs are included in the transaction price used to calculate the realised and unrealised gain/loss on securities.

**10 DIRECTORS' FEES**

Each of the Directors is entitled to remuneration for his services at the rate determined by the general meeting of shareholders.

The total amount paid to the Directors for the period was EUR 56,250.00 of which EUR 22,928.02 is presented as Directors' fees in the Statement of Operations and Changes in Net Assets and EUR 33,321.98 is presented as Prepaid Directors' fees in the Statement of Net Assets.

**11 PROFIT AND LOSS ON INVESTMENTS**

	Amounts in EUR
Profit on investments	5,689,472.38
Loss on investments	<u>(7,549,390.84)</u>
Net realised loss on investments	<u><u>(1,859,918.46)</u></u>

**12 VARIATION IN UNREALISED GAIN/LOSS ON INVESTMENTS**

	Amounts in EUR
Variation in unrealised gain on investments	16,346,547.66
Variation in unrealised loss on investments	<u>(15,271,179.23)</u>
Variation in net unrealised result on investments	<u><u>1,075,368.43</u></u>

**13 SUBSEQUENT EVENTS**

There were no material subsequent events that required adjustment or disclosure in the Notes to the Financial Statements.