



30 June 2017

THE CAPITAL HOLDINGS FUNDS PLC
2017 SEMI-ANNUAL REPORT

Contents

	Page
THE CAPITAL HOLDINGS FUNDS PLC	
Boards of Directors	4
Members of the Investment Advisory Committees	5
Advisors and Organisation	5
Directors' Report and Statements of Directors' Responsibilities in respect of the Financial Statements	6
Statement of Financial Position	7
Statement of Comprehensive Income	15
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	19
Statement of Cash Flows	23
Notes to the Financial Statements	27
 ASIAN CAPITAL HOLDINGS	
Profile	41
Performance Since Inception	42
Statement of Financial Position	44
Statement of Comprehensive Income	45
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	46
Statement of Cash Flows	47
Notes to the Financial Statements	48

Copies of this report may be obtained from the Administrator or from www.capitalholdings.com or from:

Edmond de Rothschild Capital Holdings Limited (Authorised and regulated by the FCA)
4 Carlton Gardens, London SW1Y 5AA
Tel: +44 20 7240 3000 Fax: +44 20 7240 3020 Email: lcfram@lcfcr.co.uk

THE CAPITAL HOLDINGS FUNDS PLC
2017 SEMI-ANNUAL REPORT

Contents

	Page
DISCOVERY CAPITAL HOLDINGS	
Profile	54
Performance Since Inception	55
Statement of Financial Position	56
Statement of Comprehensive Income	57
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	58
Statement of Cash Flows	59
Notes to the Financial Statements	60
EUROPEAN CAPITAL HOLDINGS	
Profile	68
Performance Since Inception	69
Statement of Financial Position	70
Statement of Comprehensive Income	71
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	72
Statement of Cash Flows	73
Notes to the Financial Statements	74
LEVERAGED CAPITAL HOLDINGS	
Profile	83
Performance Since Inception	84
Statement of Financial Position	86
Statement of Comprehensive Income	87
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	88
Statement of Cash Flows	89
Notes to the Financial Statements	90

THE CAPITAL HOLDINGS FUNDS PLC
2017 SEMI-ANNUAL REPORT

Contents

	Page
TRADING CAPITAL HOLDINGS	
Profile	99
Performance Since Inception	100
Statement of Financial Position	101
Statement of Comprehensive Income	102
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	103
Statement of Cash Flows	104
Notes to the Financial Statements	105
 LEVERAGED CAPITAL HOLDINGS (GOLD)	
Profile	114
Performance Since Inception	115
Statement of Financial Position	116
Statement of Comprehensive Income	117
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	118
Statement of Cash Flows	119
Notes to the Financial Statements	120
 TRADING CAPITAL HOLDINGS (GOLD)	
Profile	126
Performance Since Inception	127
Statement of Financial Position	128
Statement of Comprehensive Income	129
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	130
Statement of Cash Flows	131
Notes to the Financial Statements	132

BOARD OF DIRECTORS OF
THE CAPITAL HOLDINGS FUNDS PLC

Lord Kestenbaum of Foxcote, Chairman

Chief Operating Officer
RIT Capital Partners plc
London

Dick van Duijn

Chief Operating Officer
Edmond de Rothschild Capital Holdings Limited
London

Antonio Foglia

Director
Banca del Ceresio
Lugano

Thomas Glynn

Senior Consultant
KB Associates
Dublin

Francesco Goedhuis

Head of Strategic Investments
RIT Capital Partners plc
London

Richard Katz*(to 15 June 2017)

Banker and Investment Advisor

Mike Kirby

Managing Principal
KB Associates
Dublin

Miki Kliger

Chief Executive Officer
Edmond de Rothschild (Israel) Limited
Tel Aviv

Michel Lusa

Member of the Executive Committee
Edmond de Rothschild (Suisse) SA
Geneva

Nicola Meaden Grenham*

Chief Executive Officer
Dumas Capital Limited
Dublin

Maurice Murphy (to 25 July 2017)

Senior Consultant
KB Associates
Dublin

Pietro Soldini

Chief Executive Officer
Londinium Limited
Dublin

Rick Sopher

Chief Executive Officer
Edmond de Rothschild Capital Holdings Limited
London

Barbara Vannotti – Holzrichter (to 15 June 2017)

Head of Investments OASIS
Rothschild Bank AG
Zürich

Abbas Zuaiter*

Managing Member
Zuaiter Capital Holdings, LLC
Greenwich, CT

HONORARY PRESIDENT OF
THE CAPITAL HOLDINGS FUNDS PLC

Baroness Ariane de Rothschild

Vice President
Edmond de Rothschild Holding SA
Geneva

BOARD OF DIRECTORS OF
LCH INVESTMENTS NV

Rick Sopher, Chairman

Chief Executive Officer
Edmond de Rothschild Capital Holdings Limited
London

Brad Amice

Head of Research
LCH Investments NV

Richard Katz

Banker and Investment Advisor

Gary Powell

Head of Group Strategy & Corporate Development
Rothschild Bank AG
London

Maurizio Solaro del Borgo

Member of the Board
Banca del Ceresio
Lugano

BOARD OF DIRECTORS OF
ACH INVESTMENT ADVISORS SA

Rick Sopher, Chairman

Chief Executive Officer
Edmond de Rothschild Capital Holdings Limited
London

Umberto Boccato

Senior Vice President
Mirabaud Asset Management (Suisse) SA

Pierre Mirabaud

Independent adviser

*Independent directors

MEMBERS OF THE
INVESTMENT ADVISORY COMMITTEES

ADVISORS AND ORGANISATION

LEVERAGED CAPITAL HOLDINGS

Rick Sopher, Chairman
Chief Executive Officer
Edmond de Rothschild Capital Holdings Limited
London

Antonio Foglia
Director
Banca del Ceresio
Lugano

Richard Katz
Banker and Investment Advisor

EUROPEAN CAPITAL HOLDINGS

Rick Sopher, Chairman
Chief Executive Officer
Edmond de Rothschild Capital Holdings Limited
London

David Erskine
Investment Consultant
London

Martin Taylor
Investment Consultant
London

TRADING CAPITAL HOLDINGS

Rick Sopher, Chairman
Chief Executive Officer
Edmond de Rothschild Capital Holdings Limited
London

David Erskine
Investment Consultant
London

Antonio Foglia
Director
Banca del Ceresio
Lugano

Abbas Zuaier
Managing Member
Zuaier Capital Holdings, LLC
Greenwich

DISCOVERY CAPITAL HOLDINGS

Rick Sopher, Chairman
Chief Executive Officer
Edmond de Rothschild Capital Holdings Limited
London

Brad Amiee
Head of Research
LCH Investments NV

Antonio Foglia
Director
Banca del Ceresio
Lugano

General

This document does not constitute an offer of any investment or an invitation or solicitation to subscribe for or purchase any investment. Subscriptions are valid only if made on the basis of the current prospectus, supplemented by the latest annual report and the most recent semi-annual report if published thereafter.

INVESTMENT ADVISORS

LCH Investments NV
Kaya W.F.G. (Jombi) Mensing 14
Willemstad
Curaçao

ACH INVESTMENT ADVISORS SA
20, boulevard Emmanuel Servais
L-2535 Luxembourg

REGISTERED OFFICE
The Anchorage
17/19 Sir John Rogerson's Quay
Dublin 2
Ireland

GENERAL COUNSEL
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019
USA

IRELAND LEGAL COUNSEL
Walkers
The Anchorage
17/19 Sir John Rogerson's Quay
Dublin 2
Ireland

NETHERLANDS LEGAL COUNSEL
De Brauw Blackstone Westbroek NV
Claude Debussylaan 80
1082 MD Amsterdam
The Netherlands

ADMINISTRATOR
BNP Paribas Fund Administration Services (Ireland) Limited
Trinity Point
10-11 Leinster Street South
Dublin 2
Ireland

DEPOSITARY
BNP Paribas Securities Services, Dublin Branch
Trinity Point
10-11 Leinster Street South
Dublin 2
Ireland

INDEPENDENT AUDITOR
PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

COMPANY SECRETARY
KB Associates
Ground Floor
5 George's Dock
Dublin 1
Ireland

Irish Authorisation

The Capital Holdings Funds plc is authorised as a Retail Investor AIF by the Central Bank of Ireland.

Unaudited Information

The financial information contained in this semi-annual report has not been audited. Audited financial statements are contained in the annual report.

DIRECTORS' REPORT AND STATEMENTS OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE FINANCIAL STATEMENTS

We are pleased to submit to our shareholders the semi-annual report of The Capital Holdings Funds plc for the six month period to 30 June 2017.

Activities and business review

The Capital Holdings Funds plc (the "Company") was incorporated in Ireland on 13 March 2014 with registration number 541001 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014. The Company is an umbrella fund which is comprised of sub-funds, each one with one or more classes of Shares.

As of the date of this report the Company consisted of the following 7 sub-funds:

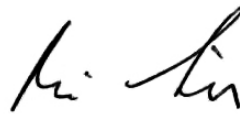
- Asian Capital Holdings
- Discovery Capital Holdings
- European Capital Holdings
- Leveraged Capital Holdings
- Trading Capital Holdings
- Leveraged Capital Holdings (Gold)
- Trading Capital Holdings (Gold)

For the six month period to 30 June 2017, net assets increased by US\$0.04bn to US\$1.31bn from US\$1.27bn. Of the increase an amount of (US\$0.02bn) was attributable to share transactions and an amount of US\$0.06bn was attributable to investment operations.

The detailed results for the period are set out in the statement of comprehensive income on page 15 as well as in the financial statements of the various sub-funds.

The 2017 semi-annual report of the Company has been published on the website www.capitalholdings.com.

On behalf of the Board of Directors



M. Kirby



D. van Duijn

31 August 2017

STATEMENT OF FINANCIAL POSITION

At 30 June 2017	Notes	ACH US\$000	DCH US\$000	ECH €000	LCH US\$000	TCH US\$000	LCH (Gold) US\$000	TCH (Gold) US\$000	Total US\$000 ¹
Assets									
Current assets									
Financial assets at fair value through profit or loss	2.4, 5	246,501	163,609	190,938	511,302	369,336	20,859	7,564	1,297,629
Due from investment companies and brokers	2.7	-	213	-	1,620	14	-	-	1,847
Prepayments on investments	2.8	-	3,000	-	10,000	5,000	-	-	18,000
Other accounts receivable	2.9	539	10	91	654	7	54	20	1,388
Cash and cash equivalents	2.5	13,608	7,409	2,535	48,595	9,231	813	304	82,852
Total assets		260,648	174,241	193,564	572,171	383,588	21,726	7,888	1,401,716
Liabilities									
Non-current liabilities									
Borrowings from bank	2.10	-	-	-	(75,000)	-	-	-	(75,000)
		-	-	-	(75,000)	-	-	-	(75,000)
Current liabilities									
Financial liabilities at fair value through profit or loss	2.4, 5	-	-	-	-	-	(567)	(206)	(773)
Due to investment companies and brokers		(1,047)	-	-	-	-	-	-	(1,047)
Subscriptions received in advance		-	(5,323)	-	-	(273)	-	-	(5,596)
Shareholder redemptions payable		-	-	-	(549)	(391)	-	-	(940)
Proceeds from sale of investment companies received in advance		-	-	(257)	-	-	-	-	(293)
Advisory and performance fees payable		(4,040)	(579)	(505)	(1,268)	(918)	(55)	(20)	(7,456)
Other accounts payable and accrued expenses	2.11	(152)	(62)	(47)	(281)	(88)	(17)	(10)	(664)
		(5,239)	(5,964)	(809)	(2,098)	(1,670)	(639)	(236)	(16,769)
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		(5,239)	(5,964)	(809)	(77,098)	(1,670)	(639)	(236)	(91,769)
Net assets attributable to holders of redeemable participating shares	2.12	(255,409)	(168,277)	(192,755)	(495,073)	(381,918)	(21,087)	(7,652)	(1,309,947)
Total liabilities		(260,648)	(174,241)	(193,564)	(572,171)	(383,588)	(21,726)	(7,888)	(1,401,716)

¹ All amounts relating to ECH, which is denominated in Euro, have been converted at a FX rate of €1.00 = US\$1.1409. In the total column all transactions between the various sub-funds have been eliminated.

STATEMENT OF FINANCIAL POSITION

At 30 June 2017	ACH	DCH	ECH	LCH	TCH	LCH (Gold)	TCH (Gold)
Net asset value per Class A redeemable participating share US\$	141.70	191.32	-	288.99	\$192.93	-	-
Number of Class A redeemable participating shares in issue	1,770,030	879,562	-	1,423,516	994,839	-	-
Net asset value per Class B redeemable participating share €	99.02	-	275.71	209.11	154.30	-	-
Number of Class B redeemable participating shares in issue	31,238	-	686,310	253,659	497,616	-	-
Net asset value per Class C redeemable participating share US\$	-	-	-	292.34	195.82	-	-
Number of Class C redeemable participating shares in issue	-	-	-	79,053	514,534	-	-
Net asset value per Class G redeemable participating share US\$	-	-	-	-	-	308.41	132.18
Number of Class G redeemable participating shares in issue	-	-	-	-	-	68,371	57,889
Net asset value per Class X redeemable participating share US\$	142.14	-	-	-	193.74	-	-
Number of Class X redeemable participating shares in issue	7,500	-	-	-	7,654	-	-
Net asset value per Class Y redeemable participating share €	-	-	278.30	-	155.03	-	-
Number of Class Y redeemable participating shares in issue	-	-	12,698	-	330	-	-

STATEMENT OF FINANCIAL POSITION

At 31 December 2016		DCH US\$000	ECH €000	LCH US\$000	TCH US\$000	LCH (Gold) US\$000	TCH(Gold) US\$000	Total US\$000 ¹
	Notes							
Assets								
Current assets								
Financial assets at fair value through profit or loss	2.4, 5	155,854	236,409	569,023	429,776	19,430	7,324	1,165,916
Due from investment companies and brokers	2.7	5,811	13,000	91,987	47,488	2,159	814	161,945
Prepayments on investments	2.8	-	-	-	-	-	-	-
Other accounts receivable	2.9	-	71	594	5	57	22	753
Cash and cash equivalents	2.5	15,142	10,571	14,157	5,267	119	155	45,969
Total assets		176,807	260,051	675,761	482,536	21,765	8,315	1,374,583
Liabilities								
Non-current liabilities								
Borrowings from bank	2.10	-	-	(75,000)	-	-	-	(75,000)
		-	-	(75,000)	-	-	-	(75,000)
Current liabilities								
Financial liabilities at fair value through profit or loss	2.4, 5	-	(194)	(1,173)	(1,874)	(126)	(48)	(3,425)
Short term borrowings	2.10	-	-	-	(20,000)	(2,157)	(797)	(22,954)
Subscriptions received in advance		(250)	-	-	-	-	-	(250)
Shareholder redemptions payable		-	-	(2,095)	(177)	-	-	(2,272)
Advisory and performance fees payable		(449)	(633)	(1,525)	(1,072)	(53)	(19)	(3,784)
Other accounts payable and accrued expenses	2.11	(53)	(53)	(323)	(99)	(16)	(16)	(563)
		(752)	(880)	(5,116)	(23,222)	(2,352)	(880)	(33,248)
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		(752)	(880)	(80,116)	(23,222)	(2,352)	(880)	(108,248)
Net assets attributable to holders of redeemable participating shares	2.12	(176,055)	(259,171)	(595,645)	(459,314)	(19,413)	(7,435)	(1,266,335)
Total liabilities		(176,807)	(260,051)	(675,761)	(482,536)	(21,765)	(8,315)	(1,374,583)

¹ All amounts relating to ECH, which is denominated in Euro, have been converted at a FX rate of €1.00 = US\$1.0528. In the total column all transactions between the various sub-funds have been eliminated.

STATEMENT OF FINANCIAL POSITION

At 31 December 2016	DCH	ECH	LCH	TCH	LCH (Gold)	TCH (Gold)
Net asset value per Class A redeemable participating share US\$	184.02	-	281.51	200.43	-	-
Number of Class A redeemable participating shares in issue	956,696	-	1,724,737	1,127,345	-	-
Net asset value per Class B redeemable participating share €	-	270.60	205.60	161.75	-	-
Number of Class B redeemable participating shares in issue	-	945,007	301,207	615,770	-	-
Net asset value per Class C redeemable participating share US\$	-	-	284.07	202.92	-	-
Number of Class C redeemable participating shares in issue	-	-	158,109	633,298	-	-
Net asset value per Class G redeemable participating share US\$	-	-	-	-	281.72	128.44
Number of Class G redeemable participating shares in issue	-	-	-	-	68,911	57,889
Net asset value per Class Y redeemable participating share €	-	271.46	-	-	-	-
Number of Class Y redeemable participating shares in issue	-	12,698	-	-	-	-

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2017	Notes	ACH US\$000	DCH US\$000	ECH €000	LCH US\$000	TCH US\$000	LCH (Gold) US\$000	TCH (Gold) US\$000	Total US\$000 ¹
Income									
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:									
- Realised gains/(losses)	2.4	6,477	577	8,194	(7,837)	2,964	1,909	705	13,095
- Change in unrealised gains/(losses)	2.4	17,630	7,724	(2,329)	29,780	(8,673)	(44)	(475)	44,749
Interest income	2.13	-	12	-	39	14	-	-	65
Dividend income	2.14	594	-	-	-	-	-	-	594
Fee rebate	7	-	-	227	1,630	-	152	56	2,087
Surplus on repurchase of own shares		-	-	95	706	404	-	-	1,214
Other income		136	-	60	9	-	-	-	210
Total income		24,837	8,313	6,247	24,327	(5,291)	2,017	286	62,014
Operating expenses									
Advisory and performance fees		(2,725)	(1,436)	(1,624)	(3,883)	(2,812)	(158)	(58)	(12,853)
Administration fees		(94)	(88)	(81)	(131)	(121)	-	-	(523)
Audit fees	6	(16)	(12)	(15)	(100)	(33)	(5)	(5)	(187)
Other operating expenses		(95)	(65)	(104)	(209)	(181)	(4)	(1)	(669)
Total operating expenses		(2,930)	(1,601)	(1,824)	(4,323)	(3,147)	(167)	(64)	(14,232)
Operating profit/(loss)		21,907	6,712	4,423	20,004	(8,438)	1,850	222	47,782
Finance costs									
Commitment fee relating to short term borrowings		(11)	(37)	(42)	(111)	(207)	(6)	(2)	(439)
Interest expense short term borrowings	2.13	(14)	-	(59)	(1)	(9)	(4)	(3)	(77)
Bank charges		-	-	-	-	-	-	-	1
Interest expense loan	2.13	-	-	-	(1,141)	-	-	-	(1,141)
Total finance costs		(25)	(37)	(101)	(1,253)	(216)	(10)	(5)	(1,656)
Profit/(loss) before taxation		21,882	6,675	4,322	18,751	(8,654)	1,840	217	46,126
Taxation	2.17	-	-	-	-	-	-	-	-
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		21,882	6,675	4,322	18,751	(8,654)	1,840	217	46,126

¹ All amounts relating to ECH, which is denominated in Euro, have been converted at a FX rate of €1.00 = US\$1.1409. In the total column all transactions between the various sub-funds have been eliminated.

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2016		DCH	ECH	LCH	TCH	LCH (Gold)	TCH (Gold)	Total
Notes		US\$000	€000	US\$000	US\$000	US\$000	US\$000	US\$000 ¹
Income								
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:								
- Realised gains/(losses)	2.4	(5,244)	(1,241)	(13,905)	(5,859)	2,456	900	(19,346)
- Change in unrealised gains/(losses)	2.4	1,549	(13,081)	(30,474)	(374)	1,208	639	(38,699)
Interest income	2.13	-	-	-	1	1	-	2
Fee rebate	7	-	225	1,795	578	153	55	2,828
Other income		-	28	1,127	479	-	-	1,637
Total income		(3,695)	(14,069)	(41,457)	(5,175)	3,818	1,594	(53,578)
Operating expenses								
Advisory and performance fees		(1,482)	(2,374)	(6,620)	(4,803)	(159)	(58)	(15,729)
Administration fees		(99)	(109)	(220)	(183)	-	-	(622)
Audit fees	6	(10)	(15)	(40)	(25)	(5)	(5)	(101)
Other operating expenses		(57)	(143)	(373)	(436)	(32)	(21)	(1,076)
Total operating expenses		(1,648)	(2,641)	(7,253)	(5,447)	(196)	(84)	(17,528)
Operating profit/(loss)		(5,343)	(16,710)	(48,710)	(10,622)	3,622	1,510	(71,106)
Finance costs								
Commitment fee relating to short term borrowings		(59)	(101)	(253)	(235)	(11)	(4)	(673)
Interest expense short term borrowings	2.13	(15)	(10)	(1)	(61)	(21)	(8)	(117)
Bank charges		-	(15)	-	-	(1)	-	(17)
Interest expense loan	2.13	-	-	(1,147)	-	-	-	(1,147)
Total finance costs		(74)	(126)	(1,401)	(296)	(33)	(12)	(1,954)
Profit/(loss) before taxation		(5,417)	(16,836)	(50,111)	(10,918)	3,589	1,498	(73,060)
Taxation	2.17	-	(2)	(8)	(6)	(6)	(6)	(28)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		(5,417)	(16,838)	(50,119)	(10,924)	3,583	1,492	(73,088)

¹ All amounts relating to ECH, which is denominated in Euro, have been converted at a FX rate of €1.00 = US\$1.0980.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the period ended 30 June 2017	ACH US\$000	DCH US\$000	ECH €000 ¹	LCH US\$000	TCH US\$000	LCH (Gold) US\$000	TCH (Gold) US\$000	Total US\$000 ¹
Net assets attributable to holders of redeemable participating shares at 1 January	-	176,055	259,171	595,645	459,314	19,413	7,435	1,266,335
Increase from transferred sub-fund	247,084	-	-	-	-	-	-	247,084
Increase from redeemable participating shares issued	1,666	905	128	1,080	4,323	-	-	6,686
Decrease due to redeemable participating shares repurchased	(14,764)	(15,358)	(70,866)	(120,403)	(73,065)	(166)	-	(276,634)
Net increase/(decrease) from share transactions	233,986	(14,453)	(70,738)	(119,323)	(68,742)	(166)	-	(22,864)
Distributions to shareholders	(459)	-	-	-	-	-	-	(459)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	21,882	6,675	4,322	18,751	(8,654)	1,840	217	46,126
Foreign currency translation adjustment	-	-	-	-	-	-	-	20,809
Net assets attributable to holders of redeemable participating shares at 31 December	255,409	168,277	192,755	495,073	381,918	21,087	7,652	1,309,947

¹ All amounts relating to ECH, which is denominated in Euro, at 1 January have been converted at a FX rate of €1.00 = US\$1.05280. The amounts in the Statement of comprehensive income relating to ECH as well as the proceeds from subscriptions and redemptions relating to ECH have been converted at the average FX rate of €1.00 = US\$1.09685. The method of conversion has no effect on the net asset value per redeemable participating share of the individual sub-funds. The amount of (US\$20,809) above reflects the notional foreign exchange adjustment as a result of the method of conversion. This adjustment is not for the benefit of any shareholder. In the total column all transactions between the various sub-funds have been eliminated.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the period ended 30 June 2016	DCH US\$000	ECH €000 ¹	LCH US\$000	TCH US\$000	LCH (Gold) US\$000	TCH (Gold) US\$000	Total US\$000 ¹
Net assets attributable to holders of redeemable participating shares at 1 January	220,363	333,388	1,086,665	873,941	19,322	6,805	2,216,547
Increase from transferred sub-fund	-	-	-	-	-	-	-
Increase from redeemable participating shares issued	-	18,881	10,378	5,054	-	-	30,484
Decrease due to redeemable participating shares repurchased	(27,918)	(30,418)	(202,815)	(257,632)	(43)	-	(455,033)
Net increase/(decrease) from share transactions	(27,918)	(11,537)	(192,437)	(252,578)	(43)	-	(424,549)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	(5,417)	(16,838)	(50,119)	(10,924)	3,583	1,492	(73,088)
Foreign currency translation adjustment	-	-	-	-	-	-	6,603
Net assets attributable to holders of redeemable participating shares at 31 December	187,028	305,013	844,109	610,439	22,862	8,297	1,725,513

¹ All amounts relating to ECH, which is denominated in Euro, at 1 January have been converted at a FX rate of €1.00 = US\$1.0980.

STATEMENT OF CASH FLOWS

For the period ended 30 June 2017	Notes	ACH US\$000	DCH US\$000	ECH €000	LCH US\$000	TCH US\$000	LCH (Gold) US\$000	TCH (Gold) US\$000	Total US\$000 ¹
Cash flows from operating activities									
Profit/(loss) before taxation		21,882	6,675	4,322	18,751	(8,654)	1,840	217	46,126
Adjustments for:									
Interest income		-	-	-	(39)	(14)	-	-	(53)
Other income		(136)	-	(60)	(9)	(404)	-	-	(614)
Finance costs		25	37	101	1,253	216	10	5	1,656
Exchange (gains)/losses on cash		-	-	-	(4,337)	2,265	-	-	(2,072)
Net changes in:									
Due from investments companies and brokers		-	5,598	13,000	90,367	47,474	2,159	814	160,098
Other accounts receivable		(539)	(10)	(20)	(60)	(2)	3	2	(635)
Prepayments on investments		-	(3,000)	-	-	(5,000)	-	-	(8,000)
Advisory and performance fees payable		4,040	130	(128)	(257)	(154)	2	1	3,672
Other accounts payable and accrued expenses		151	9	(6)	(42)	(11)	1	(6)	100
Increase in financial assets at fair value through profit or loss		583	(7,755)	45,471	47,721	60,440	(1,429)	(240)	105,371
Increase in financial liabilities at fair value through profit or loss		-	-	(194)	3,164	(4,139)	441	158	(580)
Increase in financial net assets due to transfer from sub-fund		(247,084)	-	-	-	-	-	-	(247,084)
Proceeds from sale of investment companies received in advance		-	-	257	-	-	-	-	293
Due to investment companies and brokers		1,047	-	-	-	-	-	-	1,047
Interest income received		-	-	-	39	14	-	-	53
Other income received		136	-	60	9	404	-	-	614
Finance costs paid		(25)	(37)	(101)	(1,253)	(216)	(10)	(5)	(1,656)
Net cash from operating activities		(219,920)	1,647	62,702	155,307	92,219	3,017	946	58,336
Cash flows from financing activities									
Short term borrowings		-	-	-	-	(20,000)	-	-	(20,000)
Proceeds from redeemable participating shares issued		248,750	5,978	128	1,080	4,596	-	-	259,116
Paid on redeemable participating shares paid		(14,764)	(15,358)	(70,866)	(121,949)	(72,851)	(166)	-	(277,966)
Distributions paid		(458)	-	-	-	-	-	-	(458)
Net cash from financing activities		233,528	(9,380)	(70,738)	(120,869)	(88,255)	(166)	-	(39,308)
Net increase/(decrease) in cash and cash equivalents		13,608	(7,733)	(8,036)	34,438	3,964	2,851	946	19,028
Foreign currency translation adjustment		-	-	-	-	-	-	-	20,809
Cash and cash equivalents at 1 January		-	15,142	10,571	14,157	5,267	(2,038)	(642)	43,015
Cash and cash equivalents at 31 December	2.5	13,608	7,409	2,535	48,595	9,231	813	304	82,852

¹ All amounts relating to ECH, which is denominated in Euro, have been converted at a FX rate of €1.00 = US\$1.1409

STATEMENT OF CASH FLOWS

For the period ended 30 June 2016		DCH US\$000	ECH €000	LCH US\$000	TCH US\$000	LCH (Gold) US\$000	TCH (Gold) US\$000	Total US\$000 ¹
	Notes							
Cash flows from operating activities								
Profit/(loss) before taxation		(5,417)	(16,386)	(50,111)	(10,918)	3,589	1,498	(73,060)
Adjustments for:								
Interest income		-	-	-	(1)	(1)	-	(2)
Taxes		-	(2)	(8)	(6)	(6)	(6)	(28)
Other income		-	(28)	(1,127)	(479)	-	-	(1,637)
Finance costs		74	126	1,401	296	33	12	1,954
Exchange (gains)/losses on cash		-	-	(19)	83	-	-	64
Net changes in:								
Due from investments companies and brokers		1,339	610	660	400	-	-	3,062
Other accounts receivable		-	11	113	(8)	-	(1)	115
Prepayments on investments		-	-	-	10,000	-	-	10,000
Margin accounts		-	-	-	-	1,059	441	1,500
Advisory and performance fees payable		(84)	(772)	(331)	(368)	2	1	(1,611)
Other accounts payable and accrued expenses		(76)	(87)	(87)	(288)	4	8	(532)
Increase in financial assets at fair value through profit or loss		39,310	36,761	194,000	253,885	(4,493)	(1,830)	447,272
Increase in financial liabilities at fair value through profit or loss		-	94	(512)	(1,132)	(201)	(72)	(1,813)
Interest income received		-	-	-	1	1	-	2
Other income received		-	28	1,127	479	-	-	1,637
Finance costs paid		(74)	(126)	(1,401)	(296)	(33)	(12)	(1,954)
Net cash from operating activities		35,072	19,779	143,705	251,648	(46)	39	384,969
Cash flows from financing activities								
Proceeds from redeemable participating shares issued		-	18,881	10,378	5,054	-	-	30,484
Paid on redeemable participating shares paid		(27,918)	(30,418)	(202,705)	(257,185)	(43)	-	(454,476)
Net cash from financing activities		(27,918)	(11,537)	(192,327)	(252,131)	(43)	-	(423,992)
Net increase/(decrease) in cash and cash equivalents		7,154	(8,242)	(48,622)	(483)	(89)	39	(39,023)
Foreign currency translation adjustment		-	-	-	-	-	-	6,603
Cash and cash equivalents at 1 January		(7,807)	19,193	111,749	10,728	(569)	(267)	134,689
Cash and cash equivalents at 31 December	2.5	(653)	27,435	63,127	10,245	(658)	(228)	102,269

¹ All amounts relating to ECH, which is denominated in Euro, have been converted at a FX rate of €1.00 = US\$1.0980

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

The Company is an umbrella fund with segregated liability between its sub-funds. The active sub-funds are currently:

- Asian Capital Holdings (“ACH”)
- Discovery Capital Holdings (“DCH”)
- European Capital Holdings (“ECH”)
- Leveraged Capital Holdings (“LCH”)
- Trading Capital Holdings (“TCH”)
- Leveraged Capital Holdings (Gold) (“LCH (Gold)”)
- Trading Capital Holdings (Gold) (“TCH (Gold)”)

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated in the following text.

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS and IFRS Interpretations Committee interpretations as adopted by the European Union (“IFRS”) and those parts of the Companies Act 2014 applicable to companies reporting under IFRS, and art 115y of the Netherlands Decree on Conduct of Business Supervision of Financial Undertakings under the Netherlands Financial Supervision Act.

These financial statements have been prepared on the going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) 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 management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the entity’s financial statements are disclosed in note 5.

The following interpretations are mandatory for the Company’s accounting years beginning on or after 1 January 2016 or later years:

Standards and amendments to published standards that are mandatory for the financial year beginning on or after 1 January 2016

There are no IFRS or IFRIC interpretations that are effective for the first time for the financial period beginning on or after

1 January 2016 that would be expected to have a material impact on the Company.

Standards, amendments and interpretations that are in issue but not effective for the financial year beginning January 1, 2017 and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company’s financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective, subject to the EU endorsement.

IFRS 9 ‘Financial Instruments’

In July 2014, the IASB issued the final version of IFRS 9 ‘Financial Instruments’ (“IFRS 9”) which reflects all phases of the financial instruments project and replaces IAS 39 ‘Financial Instruments Recognition and Measurement’ (“IAS 39”) and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Company will quantify the effect, when they become effective, subject to EU endorsement.

Disclosure Initiative (Amendments to IAS 7, ‘Statement of Cash Flows’)

Effective for annual periods beginning on or after January 1, 2017, specifies that an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment responds to the needs of users of financial statements by providing investors with the required information necessary to perform a net debt reconciliation through utilising the definition of financing activities as provided within IAS 7. The amendment is not expected to have a significant impact on the Company’s financial position or performance as this relates purely to additional disclosures surrounding the Company’s activities during the reporting period.

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the Board of Directors and is prepared on a basis consistent with the measurement and recognition principles of IFRS.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

A structured entity often has some or all of the following features or attributes:

- a) restricted activities;
- b) a narrow and well-defined objective, such as to

NOTES TO THE FINANCIAL STATEMENTS

- provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors;
- c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
 - d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Company considers all of its investments in other funds (“Investee Funds”) to be investments in unconsolidated structured entities. The Company generally invests in Investee Funds whose objectives range from achieving medium to long term capital growth and whose investment strategy may include the use of leverage. The Investee Funds are managed by unrelated asset managers and apply various investment strategies to accomplish their respective investment objectives. The Investee Funds finance their operations by issuing redeemable shares which are generally puttable at the holder’s option and entitle the holder to a proportional stake in the respective fund’s net assets. The Company holds redeemable shares in each of its Investee Funds.

2.3 Foreign currency translation

Functional and presentational currency:

Items included in the Company’s financial statements are presented in US dollar for all sub-funds (apart from ECH) for which the items included in its financial statements are presented in Euro. The US dollar is considered the presentation and functional currency for all sub-funds (apart from ECH) because it is the currency of the primary economic environment in which the Company operates. It reflects the Company’s main activity of investing in US equities and or US dollar denominated investment companies as well as the currency in which the majority of the Company’s redeemable participating shares are issued.

For ECH the Euro is considered the presentation and functional currency because it is the currency of the primary economic environment in which ECH operates. It reflects ECH’s main activity of investing in European equities and Euro denominated investment companies as well as the currency in which ECH’s redeemable participating shares are issued.

Transactions and balances:

The values of monetary assets and liabilities which are denominated in a foreign currency are translated using the exchange rate at the balance sheet date. Transactions during the year are translated at the rate of exchange prevailing on the date of the transaction. Realised and unrealised gains and losses resulting from the translation of investments, cash and cash equivalents are reflected in the income statements within net gain/(loss) on financial assets and liabilities at fair value through profit or loss.

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

Classification:

Investments in investment companies have been designated as financial assets at fair value through profit or loss. All other investments are held for trading and are acquired principally for the purpose of selling or repurchasing in the short term. Investments sold short are liabilities held for trading and as such are considered financial liabilities at fair value through profit or loss.

Recognition, derecognition and measurement:

Investment transactions are recorded on the trade date. Financial assets and financial liabilities at fair value through profit and loss are initially recognized at fair value. Transaction costs are accounted for as expenses in the statement of comprehensive income. Realised and unrealised gains and losses are determined on an average cost basis.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the ‘financial assets or financial liabilities at fair value through profit or loss’ category are presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Investments held by the Company are carried at fair value, determined as follows:

Investments in investment companies are initially recognised as financial assets at fair value through profit or loss and are valued on the basis of net asset value per share as reported by the administrators or investment managers of those entities as at the end of the reporting period in accordance with industry practice. Such values may be adjusted by the Board of Directors in its judgment to reflect market movements since the report date and to better reflect the fair valuation of such investment.

For investments other than investment companies, traded on a securities exchange, fair value is generally determined by reference to last traded prices on the exchange, without adjustment for transaction costs necessary to realise the asset or discharge the liability. If traded in over-the-counter markets, instruments are stated by reference to prices obtained from dealers or counterparties.

Forward foreign exchange contracts are considered financial assets or financial liabilities at fair value through profit or loss and are recorded on the trade date and are valued at the applicable foreign exchange rates.

Gold swap index contracts are considered financial assets or liabilities at fair value through profit or loss and are recorded on the trade date and are valued based on the underlying index.

Future contracts are considered financial assets or liabilities at fair value through profit or loss and are recorded on the trade date. Fair value is generally determined by reference to last traded prices on the exchange, without adjustment for transaction costs necessary to realise the asset or extinguish the liability.

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 balance sheet 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 Company utilizes the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

Transfers between levels of the fair value hierarchy:

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

Investments in investment funds:

When investing in investments funds, the Company typically invests in funds that are not regulated.

Underlying investment managers charge additional fees, namely investment management fees and performance fees. These are estimated to range from 0% to 4% per annum (with the majority currently set at 1.5%) and from 0% to 40% (with the majority currently set at 20%) respectively.

A copy of the full portfolio of each sub-fund at the end of the reporting period, including a statement of changes made to the portfolio of each sub-fund during the period, can be obtained on request by investors free of charge at the office of the Administrator.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash at current bank accounts, cash held on deposit, money market instruments, and bank overdrafts. Borrowing costs are recognised immediately as an expense.

The statement of cash flows is presented using the indirect method.

2.6 Margin accounts

Margin accounts represent margin deposits held in respect of financial derivative instruments.

2.7 Due from and due to investment companies and brokers

Amounts due from and due to investment companies and

brokers represent receivables for securities sold and payables for securities purchased that have been contracted but not yet settled or delivered at the end of the reporting period, respectively.

2.8 Prepayments on investments

Investments are recognised and derecognised on the trade date where a purchase or sale is made under a contract whose terms require delivery within the timeframe established by the market concerned, are initially measured at cost, including transactions costs.

2.9 Other accounts receivable

Other accounts receivable are measured at their nominal value.

2.10 Borrowings from bank

Borrowings from bank are recognised at fair value net of transaction costs incurred. Borrowing costs are recognised immediately as an expense.

2.11 Other accounts payable and accrued expenses

Other accounts payable and accrued expenses are measured at their nominal value.

2.12 Redeemable participating shares

Redeemable participating shares are redeemable at the shareholders' option at either the end of the month or the end of the calendar quarter (depending on the sub-fund) on giving a certain number of days notice (depending on the sub-fund as specified in the prospectus) and are classified as financial liabilities. The cost of distributions on these shares, if applicable, is recognised in the statements of comprehensive income as a finance cost. Redemptions are paid at the NAV of the respective class of shares as of the close of business of such date of redemption. Payment shall be made as soon as practicable but in any event no later than 30 days following the applicable redemption date. Redemptions are normally paid in cash but, at the sole discretion of the Company, the Company may elect to distribute securities in kind.

The Company from time to time repurchases its own shares at a discount to the then prevailing net asset value per share. The surplus on repurchases of own shares, over and above the redemption fee and the commission paid to the Company's Agent, are recognised in the statement of comprehensive income.

2.13 Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income for all debt instruments using their nominal values.

2.14 Dividends

Dividend income and expense are recognised on the ex-dividend date and when the right to receive payment is established. Dividend income is shown gross of withholding taxes. The withholding taxes are shown separately in the statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

2.15 Expenses

Expenses are charged to the statements of comprehensive income on an accrual basis. Expenses charged at the Company level are allocated to the various sub-funds and the individual classes based on the classes' relative net asset values.

2.16 Soft commissions

The Company or its Investment Advisor does not receive any soft commissions.

2.17 Taxation

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended (the "TCA"). On that basis, it is not chargeable to Irish tax on its income or gains. However, Irish tax may arise on the occurrence of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment redemption, transfer or cancellation of shares and any deemed disposal of shares for Irish tax purposes arising as a result of holding shares for a period of eight years or more.

No Irish tax will arise in respect of chargeable events in respect of a shareholder who is an Exempt Irish Investor (as defined in Section 739D of the TCA) or who is neither Irish resident nor ordinarily resident in Ireland for tax purposes at the time of the chargeable event, provided, in each case, that an appropriate valid declaration in accordance with Schedule 2B of the TCA is held by the Company or where the Company has been authorised by Irish Revenue to make gross payments in absence of appropriate declarations.

Distributions, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its shareholders.

3. CAPITAL MANAGEMENT POLICES AND PROCEDURES

The Company is established as an umbrella investment company and the investment objectives and policies for each sub-fund are formulated by the Company at the time of creation of each sub-fund and are specified in the relevant Annex to the Prospectus.

Under its two tier system, the Company does not invest directly, but operates through a variety of investment vehicles. Generally, each such investment vehicle is advised by a principal portfolio manager and its team, allowing the Company to benefit from the diversity and experience of professional portfolio managers (the "Managers"). The investment activities of the Company include a wide range of specialised approaches and techniques used by several Managers, who are allowed to operate within their area of expertise with minimal exposed limitations. The Company does not supervise or control the decisions of the Managers, but adds or withdraws capital according to its strategy and its judgment of their performance.

The Board of Directors monitors and reviews compliance of the investment activities with the principal objectives stated in the prospectus. The Company's objectives, policies and processes for managing capital are unchanged from the preceding reporting period and the Company has complied with them.

The amount of redemptions that the Company may accept at each redemption date is not limited by a gate. The Company endeavors to manage the liquidity profile of its assets with the aim of being able to meet envisaged redemption or repurchase requests and pay redemption or repurchase proceeds, provided that redemption or repurchase of shares and payment of redemption or repurchase proceeds may be delayed or suspended as a result of limitations and/or emergencies described in the prospectus.

Under certain circumstances, as described in the prospectus, the Company has the power to suspend the right of the holders of shares to require the Company to redeem shares and/or to pay redemption proceeds.

The Company may seek to hedge against currency fluctuations of any class of shares, provided that hedging instruments are available on a timely basis and on acceptable terms.

4. DETERMINATION OF NET ASSET VALUE FOR SUBSCRIPTIONS AND REDEMPTIONS

Net Asset Value (NAV)

The following note sets out the basis of determination of the NAV used for subscriptions and redemptions during the year which may differ from the basis used in the preparation of these financial statements. The NAV of the Company at the close of any business day is the then aggregate fair market value of the Company's total assets minus its liabilities, other than those attributable to holders of redeemable participating shares, divided by the number of shares then outstanding. In particular (a) listed securities are taken at the last reported bid price (for financial assets) or the last traded ask price (for financial liabilities) on the principal exchange on which they are traded (b) unlisted investments are valued with reference to an independent pricing source, taking into account quotes obtained from dealers and/or market makers, or else the fair-market value as determined by the Board of Directors, and (c) investments in sub-funds are taken at their latest reported net asset values, which may be adjusted by the Board of Directors in its judgment to reflect market movements since the report date, by reference to a recognised market index.

Estimation

Because of the nature and scope of the Company's assets, the complexity of their valuation in certain cases, and the inevitable delays in reporting by portfolio managers, the daily calculations of the NAV, if applicable, of each class of shares by the Administrator are estimates according to its best judgment (following the method described before and set out in detail

NOTES TO THE FINANCIAL STATEMENTS

in the Prospectus and the Memorandum and Articles of Incorporation) which may not necessarily correspond with the actual NAV on the relevant date. However, the Company does not make retroactive adjustments in the NAVs previously used for subscriptions and redemptions. Therefore, such transactions are final and binding when made notwithstanding any different later determination. Additionally, the investment companies partly or wholly owned by the Company are typically not publicly traded and management's determination of valuation is considered a fair value estimate. The ultimate amount to be received upon a sale of these investments may differ from the estimates.

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. 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 such as net asset values reported by the administrators of the investment companies in which the Company has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by the Company's Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model's results have historically aligned most closely to actual market transactions.

The following is a summary of the financial assets at fair value through profit or loss as at 30 June 2017:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Asian Capital Holdings				
Investment companies:				
Asia	-	72,792	-	72,792
Diversified Asian Strategies	-	32,588	-	32,588
Greater China	-	73,510	-	73,510
Japan	-	3,361	-	3,361
	<u>-</u>	<u>182,251</u>	<u>-</u>	<u>182,251</u>
Common stock	47,725	-	-	47,725
Corporate debt	938	-	-	938
Forward foreign exchange contracts	-	208	-	208
Warrants	15,379	-	-	15,379
	<u>64,042</u>	<u>182,459</u>	<u>-</u>	<u>246,501</u>
Total financial assets at fair value through profit or loss	64,042	182,459	-	246,501
Discovery Capital Holdings				
Investment companies:				
Emerging Managers	-	163,257	352	163,609
	<u>-</u>	<u>163,257</u>	<u>352</u>	<u>163,609</u>
Total financial assets at fair value through profit or loss	-	163,257	352	163,609

NOTES TO THE FINANCIAL STATEMENTS

European Capital Holdings	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Investment companies:				
Equity Long	4,883	11,264	368	16,515
Equity Long/Short	-	143,885	-	143,885
Macro	-	28,573	-	28,573
Investment companies in run-off	-	-	1,649	1,649
	<u>-</u>	<u>183,722</u>	<u>2,017</u>	<u>190,622</u>
Forward foreign exchange contracts	<u>-</u>	<u>316</u>	<u>-</u>	<u>316</u>
Total financial assets at fair value through profit or loss	<u>4,883</u>	<u>184,038</u>	<u>2,017</u>	<u>190,938</u>

Leveraged Capital Holdings	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Equity Long Biased	7,634	258,722	-	266,356
Equity Opportunistic	-	30,997	-	30,997
Event Driven	-	69,327	5,332	74,659
Macro and Other	-	135,427	-	135,427
	<u>7,634</u>	<u>494,473</u>	<u>5,332</u>	<u>507,439</u>
Forward foreign exchange contracts	<u>-</u>	<u>3,863</u>	<u>-</u>	<u>3,863</u>
Total financial assets at fair value through profit or loss	<u>7,634</u>	<u>498,336</u>	<u>5,332</u>	<u>511,302</u>

Trading Capital Holdings	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Commodities	-	46,370	-	46,370
Concentrated strategies	-	78,372	-	78,372
Credit	-	44,356	691	45,047
Diversified macro	-	70,007	502	70,509
Emerging markets	-	97,012	-	97,012
Sovereign debt	-	25,907	-	25,907
Investment companies in run-off	-	-	235	235
	<u>-</u>	<u>362,024</u>	<u>1,428</u>	<u>363,452</u>
Forward foreign exchange contracts	<u>-</u>	<u>5,884</u>	<u>-</u>	<u>5,884</u>
Total financial assets at fair value through profit or loss	<u>-</u>	<u>367,908</u>	<u>1,428</u>	<u>369,336</u>

Leveraged Capital Holdings (Gold)	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment in LCH	<u>-</u>	<u>20,859</u>	<u>-</u>	<u>20,859</u>
Total financial assets at fair value through profit or loss	<u>-</u>	<u>20,859</u>	<u>-</u>	<u>20,859</u>

NOTES TO THE FINANCIAL STATEMENTS

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Trading Capital Holdings (Gold)				
Investment in TCH	-	7,564	-	7,564
Total financial assets at fair value through profit or loss	-	7,564	-	7,564

The following is a summary of the financial liabilities at fair value through profit or loss at 30 June 2017:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Leveraged Capital Holdings (Gold)				
LCH (Gold) – Gold index swap	-	(567)	-	(567)
Total financial liabilities at fair value through profit or loss	-	(567)	-	(567)

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Trading Capital Holdings (Gold)				
TCH (Gold) – Gold index swap	-	(206)	-	(206)
Total financial liabilities at fair value through profit or loss	-	(206)	-	(206)

The following table analyses within the fair value hierarchy the Company's assets and liabilities (by class) not measured at fair value at 30 June 2017 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Prepayment on investments	-	18,000	-	18,000
Due from investment companies and brokers	-	1,847	-	1,847
Other accounts receivable	-	1,388	-	1,388
Cash and cash equivalents	82,852	-	-	82,852
Total	82,852	21,235	-	104,087
Liabilities				
Due to investment companies and brokers	-	(1,047)	-	(1,047)
Subscriptions received in advance	-	(5,596)	-	(5,596)
Shareholder redemptions payable	-	(940)	-	(940)
Proceeds from sale of investment companies received in advance	-	(293)	-	(293)
Advisory and performance fees payable	-	(7,456)	-	(7,456)
Other accounts payable and accrued	-	(664)	-	(664)
Total	-	(15,996)	-	(15,996)

NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2016:

Discovery Capital Holdings	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Emerging Managers	-	155,575	279	155,854
Total financial assets at fair value through profit or loss	-	155,575	279	155,854

European Capital Holdings	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Investment companies:				
Equity Long	-	15,063	398	15,461
Equity Long/Short	-	187,194	-	187,194
Macro	-	31,839	-	31,839
Investment companies in run-off	-	-	1,915	1,915
Total financial assets at fair value through profit or loss	-	234,096	2,313	236,409

Leveraged Capital Holdings	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Equity Long Biased	2,895	268,456	-	271,351
Equity Opportunistic	-	55,045	-	55,045
Event Driven	-	76,718	11,945	88,663
Macro and Other	-	153,957	7	153,964
Total financial assets at fair value through profit or loss	2,895	554,176	11,952	569,023

Trading Capital Holdings	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Commodities	-	59,427	-	59,427
Concentrated strategies	-	81,494	-	81,494
Credit	-	43,278	700	43,978
Diversified macro	-	87,100	493	87,593
Emerging markets	-	106,739	-	106,793
Sovereign debt	-	50,304	-	50,304
Investment companies in run-off	-	-	241	241
Total financial assets at fair value through profit or loss	-	428,342	1,434	429,776

NOTES TO THE FINANCIAL STATEMENTS

Leveraged Capital Holdings (Gold)	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment in LCH	-	19,430	-	19,430
Total financial assets at fair value through profit or loss	-	19,430	-	19,430

Trading Capital Holdings (Gold)	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment in TCH	-	7,324	-	7,324
Total financial assets at fair value through profit or loss	-	7,324	-	7,324

The following is a summary of the financial liabilities at fair value through profit or loss at 31 December 2016:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
ECH - Forward FX contracts	-	(204)	-	(204)
LCH – Forward FX contracts	-	(1,173)	-	(1,173)
TCH – Forward FX contracts	-	(1,874)	-	(1,874)
LCH (Gold) - Gold index swap	-	(126)	-	(126)
TCH (Gold) - Gold index swap	-	(48)	-	(48)
Total financial liabilities at fair value through profit or loss	-	(3,425)	-	(3,425)

The following table analyses within the fair value hierarchy the Company's assets and liabilities (by class) not measured at fair value at 31 December 2016 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	161,945	-	161,945
Other accounts receivable	-	753	-	753
Cash and cash equivalents	45,969	-	-	45,969
Total	45,969	162,698	-	208,667
Liabilities				
Short term borrowings	(22,954)	-	-	(22,954)
Subscriptions received in advance	-	(250)	-	(250)
Shareholder redemptions payable	-	(2,272)	-	(2,272)
Advisory and incentive fees payable	-	(3,784)	-	(3,784)
Other accounts payable and accrued	-	(563)	-	(563)
Total	(22,954)	(6,869)	-	(29,823)

NOTES TO THE FINANCIAL STATEMENTS

5.b. Investments over 5% of net assets of the Company

Investments over 5% of net assets of the Company as at 30 June 2017 were:

	30/06/17 US\$000	% of NAV
TCH	95,232	7.3
DCH	95,301	7.3
Third Point Ultra Ltd	69,327	5.3

Investments over 5% of net assets of the Company as at 31 December 2016 were:

	31/12/16 US\$000	% of NAV
TCH	128,310	10.1
DCH	106,345	8.4

5.c. Investments in sub-funds of the Company

The Company has adopted the policy to fully disclose all cross-investments in sub-funds of the Company.

Investments in sub-funds of the Company as at 30 June 2017 were:

	Invested in	30/06/17 €/US\$000	% of NAV
ECH (€)	TCH	24,534	2.1
LCH (US\$)	DCH	95,301	7.3
LCH (US\$)	TCH	87,668	6.7
LCH (Gold) (US\$)	LCH	20,859	1.6
TCH (Gold) (US\$)	TCH	7,564	0.6

Investments in sub-funds of the Company as at 31 December 2016 were:

	Invested in	31/12/16 €/US\$000	% of NAV
ECH (€)	TCH	25,719	2.1
LCH (US\$)	DCH	106,345	8.4
LCH (US\$)	TCH	101,233	8.0
LCH (Gold) (US\$)	LCH	21,589	1.7
TCH (Gold) (US\$)	TCH	8,138	0.6

In order to avoid double charging of fees on cross investments in sub-funds, the investment advisors have agreed to rebate the full amount of advisory fees and performance fees charged on cross investments in any of the sub-funds. The rebate amount is shown in the statement of comprehensive income under Fee rebate.

5.d. Exposure to gold investments relating to gold sub-funds

As at	30/06/17 US\$000	31/12/16 US\$000
Leveraged Capital Holdings (Gold):		
Gold index swap – notional amount	21,605	19,700
Gold index swap – unrealised gain/(loss)	(567)	(126)
Total gold holdings relating to Gold share class	21,038	19,574
Trading Capital Holdings (Gold):		
Gold index swap – notional amount	7,960	7,500
Gold index swap – unrealised gain/(loss)	(206)	(48)
Total gold holdings relating to Gold share class	7,754	7,452

5.e. Forward foreign exchange contracts

The Company enters into forward foreign exchange transactions for the Euro Class B shares and/or ECH, normally with the aim of seeking to hedge the US Dollar exposure back to the Euro. Forward foreign exchange contracts are held for trading and are valued at the forward rate and are marked to market on the valuation date.

Included under financial liabilities at fair value through profit or loss at 30 June 2017 are the following forward foreign exchange contracts that were outstanding with BNP Paribas Securities Services:

	Purchases €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
ECH	4,781	(5,096)	10/07/2017	316
LCH	53,180	(56,902)	10/07/2017	3,863
TCH	77,100	(82,213)	10/07/2017	5,884
Total				10,063

Included under financial liabilities at fair value through profit or loss at 31 December 2016 are the following forward foreign exchange contracts that were outstanding with BNP Paribas Securities Services:

	Purchases €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
ECH	6,509	(7,087)	31/01/2017	(204)
LCH	62,750	(67,280)	09/01/2017	(1,173)
TCH	99,860	(107,076)	09/01/2017	(1,874)
Total				(3,251)

NOTES TO THE FINANCIAL STATEMENTS

6. AUDIT FEES

The audit fees disclosed in the financial statements do not only relate to the Company's statutory audit. The auditors' remuneration comprises:

	30/06/17 US\$000	31/12/16 US\$000
Statutory audit	(174)	(160)
Tax advisory services	-	(10)
Other assurance services	(13)	(4)
Total auditors' remuneration	(187)	(174)

7. RELATED PARTY TRANSACTIONS

The following parties should be considered related parties because together they ultimately control the Company: the members of the Board of Directors, LCH Investments NV (including its Board of Directors) in its capacity as Investment Advisor and ACH Investment Advisors SA (including its Board of Directors) in its capacity as Investment Advisor.

Additionally, the following parties, having transactions with the Company, are related because they are affiliated to one of the sponsoring institutions or one of the Directors of the Company:

- Edmond de Rothschild Securities (UK) Ltd: in its capacity as Agent of the Company;
- Edmond de Rothschild (Suisse) SA: in its capacity as Swiss Paying Agent (annual fee €10,000; 2016: €10,000) and Agent of the Company;
- Edmond de Rothschild Asset Management (Suisse) SA: in its capacity as Swiss Representative of the Company (annual fee €3,000; 2016: €3,000);
- KB Associates: as service provider to the Company (annual fee €164,000; 2016: €164,000);
- Londinium Ltd: as service provider to the Company (annual fee €75,000; 2016: €75,000).

Additionally, transactions with any of the sub-funds could be considered related party transactions, since all sub-funds share the same Board of Directors. The Company is satisfied it has arrangements in place to ensure that transactions with related parties are done on terms that are considered to be in conformity with market rates and are considered to be in the best interest of shareholders.

The total compensation payable to the Agent of the Company in respect of services performed during the period to 30 June 2017 amounted to US\$121,382 (31 December 2016: US\$1,175,528).

As detailed in the prospectus some directors are entitled to receive a fixed annual fee for their services. The total fees payable to these directors on an annual basis amount to €585,000 (2016: €585,000).

In order to avoid double charging of fees on cross investments in sub-funds, the investment advisors have agreed to rebate the full amount of advisory fees and performance fees charged on cross investments in any of the sub-funds. The rebate amount is shown in the statement of comprehensive income under Fee rebate.

Details of any fees payable to the investment advisors to the Company and the Agent are detailed in the respective related party disclosures of each individual sub-fund. No fees were outstanding at the end of the period with respect to any of the other related parties listed above.

8. EXCHANGE RATE

The following exchange rate prevailing at 30 June 2017 was used: €1.00 = US\$1.1409 (31 December 2016: US\$1.0528).

9. DESCRIPTION OF MATERIAL CHANGES TO THE PROSPECTUS DURING THE REPORTING PERIOD

A new sub-fund of the Company called Asian Capital Holdings ("ACH") was launched as of 28 February 2017. As of that date, the assets and liabilities of a Luxembourg domiciled entity Asian Capital Holdings Fund - ACH were transferred to ACH. The prospectus of the Company can be found on the Company's website www.capitalholdings.com.

10. SEGREGATION OF LIABILITY

Under the provisions of the Companies Act, the directors shall maintain for each sub-fund a separate portfolio of assets. As between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant sub-fund. The Shareholders shall only be entitled to the assets and profits of that sub-fund in which they participate. The Company shall be considered one single legal entity. With regard to third parties, in particular towards the Company's creditors, the Company shall be responsible for all liabilities incurred by a sub-fund exclusively based on the assets of this relevant sub-fund. Among the Shareholders, the liabilities of each sub-fund shall only be incurred to the respective sub-fund. As at the date of the Financial Statements, the Directors are not aware of any existing or contingent liability of any sub-fund of the Company.

11. SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

There were no significant events after the end of the period.



ASIAN CAPITAL HOLDINGS
PROFILE

The principal objective of ACH is the appreciation in capital.

ACH predominantly invests indirectly through offshore funds which are wholly or partly owned by ACH. Generally each offshore fund is advised by a single portfolio manager and its team. The investment activities of the funds thereby comprise a wide range of specialised approaches and techniques used by the managers.

Hence ACH benefits from the collective services of a group of highly skilled investment managers who are allowed to operate within their area of expertise without imposed limitations. Moreover, due to its two tier system, ACH is highly flexible in engaging and, when necessary, disengaging the services of investment managers, while at the same time limiting the financial and legal exposure to the size of its investment in an offshore fund.

A portion of the assets of ACH are invested directly, as described in the prospectus.

ACH Investment Advisors SA is the Investment Advisor of ACH and advises the fund on the selection of the investment managers. Its Investment Advisory Committee meets regularly to review and select managers in order to position ACH optimally in changing markets.

ACH started operating on 31 March 1993 in Luxembourg and transferred its assets and liabilities to a sub-fund of the Company on 1 March 2017.

The financial year end of ACH is 31 December. In addition to the annual report, which contains audited financial statements, an unaudited interim report for the six month period to 30 June is also published.

ACH normally issues shares daily, at net asset value per share (NAV).

Shares may be redeemed to ACH on the last valuation day of each month, provided that a redemption request must be received no later than the 25th calendar day of the month preceding the month for which the redemption is requested.

For the convenience of investors, Class A and Class B shares of ACH are listed on Eurolist of Euronext Amsterdam NV and are also traded over the counter. However, ACH is not a party to and is not responsible for such secondary market transactions. Investors may purchase and sell through banks and brokers throughout the world.

ASIAN CAPITAL HOLDINGS
PERFORMANCE SINCE INCEPTION¹

Date	NAV per share Class A – US\$	NAV per share Class B - € ²	Performance % ³
31/03/93*	49.52	-	-
31/12/93	67.93	-	37.2
31/12/94	57.38	-	(15.5)
31/12/95	57.21	-	(0.3)
31/12/96	60.25	-	5.3
31/12/97**	51.65	-	(14.3)
31/12/98**	43.64	-	(15.5)
31/12/99**	85.13	-	95.1
31/12/00**	64.80	-	(23.9)
31/12/01**	69.81	-	7.7
31/12/02**	68.53	-	(1.8)
31/12/03**	88.21	-	28.7
31/12/04**	94.38	-	7.0
31/12/05**	107.39	-	13.8
31/12/06**	118.62	-	10.5
31/12/07**	145.80	106.49	22.9
31/12/08**	90.17	65.98	(38.2)
31/12/09**	108.93	79.41	20.8
31/12/10**	117.92	85.55	8.3
31/12/11**	100.99	73.02	(14.4)
31/12/12**	107.84	77.35	6.8
31/12/13**	118.80	84.81	10.2
31/12/14**	127.54	91.15	7.4
31/12/15**	129.21	92.23	1.3
31/12/16**	124.27	87.37	(3.8)
30/06/17**	141.70	99.02	14.0

* First valuation date

** A dividend of US\$0.25 per Class A share and the equivalent amount in Euro per Class B (based on the then prevailing FX rate per Class B and for the first time in 2008) was paid during each year referred to in respect of the preceding year.

² Launched at €100.00 on 27 September 2007

³ Of Class A shares

Past performance is not necessarily a guide to future performance.

¹ Any data or information relating to periods prior to the transfer date of 1 March 2017 relates to the period that ACH was incorporated in Luxembourg. Furthermore, the data on this page has not been audited since this information does not form part of the audited financial statements.

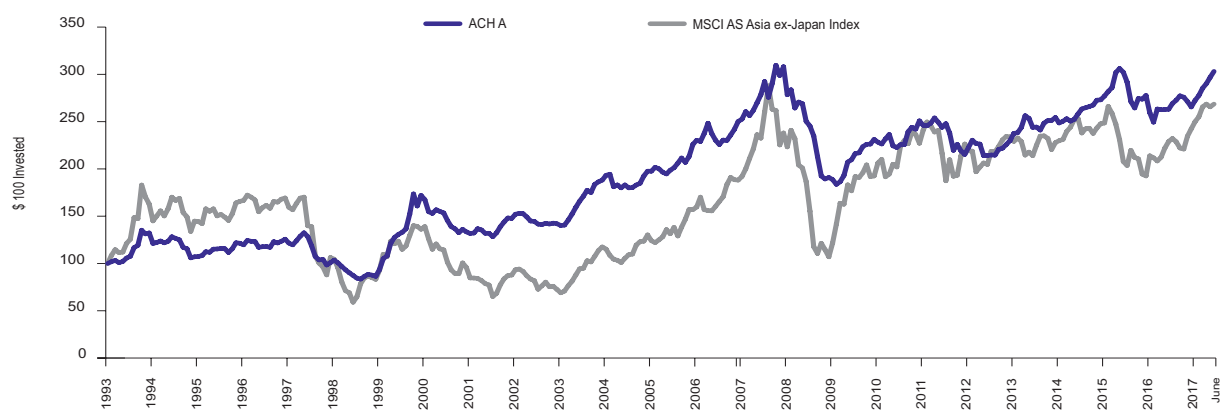
ASIAN CAPITAL HOLDINGS
PERFORMANCE SINCE INCEPTION¹

	ACH % ⁴	Index % ⁵
6 months	14.0	14.5
1 year p.a.	15.9	19.9
3 years p.a.	5.7	2.0
5 years p.a.	7.3	5.7
Since Inception p.a.	4.7	2.1

⁴ Of Class A shares, adjusted for dividend payments

⁵ MSCI AC Asia Pacific Free

Value of US\$100 Invested



ASIAN CAPITAL HOLDINGS
STATEMENT OF FINANCIAL POSITION

As at	Notes	30/06/17 US\$000
Assets		
Current assets		
Financial assets at fair value through profit or loss	2, 4	246,501
Other accounts receivable	2	539
Cash and cash equivalents	2, 3	<u>13,608</u>
Total assets		<u>260,648</u>
Liabilities		
Current liabilities		
Advisory and performance fees payable	2	(4,040)
Due to investment companies and brokers		(1,047)
Other accounts payable and accrued expenses	2, 6	<u>(152)</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>(5,239)</u>
Net assets attributable to holders of redeemable participating shares	2, 5	<u>(255,409)</u>
Total liabilities		<u>(260,648)</u>
Net asset value per Class A redeemable participating share		US\$141.70
Net asset value per Class B redeemable participating share		€99.02
Net asset value per Class X redeemable participating share		US\$142.14

ASIAN CAPITAL HOLDINGS
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June	Notes	2017 US\$000
Income		
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:		
- Realised gains/(losses)	7	6,477
- Change in unrealised gains/(losses)	7	17,630
Dividend income		594
Other income		136
Total income		24,837
Operating expenses		
Advisory and performance fees	8	(2,725)
Administration fees	9	(94)
Audit fees		(16)
Other operating expenses	10	(95)
Total operating expenses		(2,930)
Operating profit/(loss)		21,907
Finance costs		
Commitment fee relating to short term borrowings	3	(11)
Interest expense	2, 3	(14)
Total finance costs		(25)
Profit/(loss) before tax		21,882
Taxation	2	-
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		21,882

The notes on pages 48 to 52 are an integral part of these financial statements

ASIAN CAPITAL HOLDINGS
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the period ended 30 June	Notes	2017 US\$000
Net assets attributable to holders of redeemable participating shares at 1 January		-
Increase from transferred sub-fund		247,084
Increase from redeemable participating shares issued	5	1,666
Decrease due to redeemable participating shares repurchased	5	<u>(14,764)</u>
Net increase/(decrease) from share transactions		233,986
Distributions to shareholders		(459)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>21,882</u>
Net assets attributable to holders of redeemable participating shares at 30 June		<u>255,409</u>

ASIAN CAPITAL HOLDINGS
STATEMENT OF CASH FLOWS

For the period ended 30 June	Notes	2017 US\$000
Cash flows from operating activities		
Profit/(loss) before tax		21,882
Adjustments for:		
Other income		(136)
Finance costs		25
Net changes in:		
Other accounts receivable		(539)
Due to investment companies and brokers		1,047
Advisory and performance fees payable		4,040
Other accounts payable and accrued expenses		151
Increase in financial net assets due to transfer from transferred sub-fund		(247,084)
Increase in financial assets at fair value through profit or loss		583
Other income received		136
Finance costs paid		(25)
Net cash from operating activities		(219,920)
Cash flows from financing activities		
Proceeds from redeemable participating shares issued		248,750
Paid on redeemable participating shares repurchased		(14,764)
Distributions paid		(458)
Net cash from financing activities		233,528
Net increase/(decrease) in cash and cash equivalents		13,608
Cash and cash equivalents at 1 January		-
Cash and cash equivalents at 30 June	2, 3	13,608

The notes on pages 48 to 52 are an integral part of these financial statements

ASIAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out in note 2 to the financial statements of The Capital Holdings Funds plc.

3. CASH AND CASH EQUIVALENTS

As at	30/06/17 US\$000
Cash at bank:	
Cash US\$	8,875
Cash €	221
Cash HK\$	4,389
Cash SG\$	123
Total cash and cash equivalents	<u>13,608</u>

For purposes of the statement of cash flows, cash and cash equivalents comprise cash at current bank accounts, cash held on deposit and bank overdrafts.

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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

ACH classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. 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 such as net asset values reported by the administrators of the investment companies in which ACH has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by ACH’s Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the Level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model’s results have historically aligned most closely to actual market transactions.

ASIAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 30 June 2017:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Asia	-	72,792	-	72,792
Diversified Asian Strategies	-	32,588	-	32,588
Greater China	-	73,510	-	73,510
Japan	-	3,361	-	3,361
Total investment companies	-	182,251	-	182,251
Common stock	47,725	-	-	47,725
Corporate debt	938	-	-	938
Forward FX contracts	-	208	-	208
Warrants	15,379	-	-	15,379
Total financial assets at fair value through profit or loss	64,042	182,459	-	246,501

The following table analyses within the fair value hierarchy ACH's assets and liabilities (by class) not measured at fair value at 30 June 2017 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Other accounts receivable	-	539	-	539
Cash and cash equivalents	13,608	-	-	13,608
Total	13,608	539	-	14,147
Liabilities				
Advisory and performance fees payable	-	(4,040)	-	(4,040)
Due to investment companies and brokers	-	(1,047)	-	(1,047)
Other accounts payable and accrued expenses	-	(152)	-	(152)
Total	-	(5,239)	-	(5,239)

4.b. Condensed schedule of investments

A condensed schedule of investments of ACH as at 30 June 2017 was:

	30/06/17 US\$000	% of NAV
Tree Line Asia	45,572	17.8
Hdh Master-C-S1-Fd	32,588	12.8
Golden China Fund	17,617	6.9
SPQ Asia Opp	16,889	6.6
China Alpha II	15,550	6.1
Other investments	118,285	46.3
Total financial assets at fair value through profit or loss	246,501	

ASIAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

4.c. Forward foreign exchange contracts

ACH enters into forward foreign exchange transactions for the Euro Class B shares, normally with the aim of seeking to hedge the US Dollar exposure back to the Euro. Forward foreign exchange contracts are held for trading and are valued at the forward rate and are marked to market on the valuation date.

Included under financial assets at fair value through profit or loss at 30 June 2017 are the following forward foreign exchange contracts that were outstanding with BNP Paribas Securities Services, an affiliate of the Administrator:

	Purchase €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
	3,063	(3,285)	10/07/17	208
Total				208

5. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

ACH has no share capital for accounting purposes as all of ACH's shares are redeemable participating shares. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The data relating to the net asset value of redeemable participating shares of ACH and the number of shares in issue during the period to 30 June 2017 is summarised below:

US\$000	Class A	Class B	Class X	Total
Redeemable participating shares at 1 January 2017	-	-	-	-
Increase from transferred sub-fund	241,355	4,114	-	245,469
Subscriptions	611	53	1,002	1,666
Redemptions	(13,738)	(1,026)	-	(14,764)
Distributions	(449)	(8)	(2)	(459)
Net increase in redeemable participating shares resulting from operations	23,037	394	66	23,497
Redeemable participating shares at 30 June 2017 – US\$	250,816	3,527	1,066	255,409
Redeemable participating shares at 30 June 2017 – €	-	3,093	-	-

Shares	Class A	Class B	Class X	Total
Shares outstanding at 1 January 2017	-	-	-	-
Increase from transferred sub-fund	1,867,861	41,013	-	1,908,874
Subscriptions	4,685	520	7,500	12,705
Redemptions	(102,516)	(10,295)	-	(112,811)
Shares outstanding at 30 June 2017	1,770,030	31,238	7,500	1,808,768
Net asset value per redeemable participating share at 30 June 2017	US\$141.70	€ 99.02	US\$142.14	-

ASIAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

6. OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As at	30/06/17 US\$000
Payable to the Administrator	(83)
Audit fees payable	(16)
Depository servicing fees payable	(13)
Withholding tax payable	(39)
Distributions payable	(1)
Total	(152)

7. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the period ended 30 June	2017 US\$000
Realised gain on financial assets and liabilities at fair value through profit or loss	6,558
Realised loss on financial assets and liabilities at fair value through profit or loss	(81)
Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss	6,477
Change in unrealised gain on financial assets and liabilities at fair value through profit or loss	17,630
Change in unrealised loss on financial assets and liabilities at fair value through profit or loss	-
Net change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss	17,630
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	24,107

In respect of the ACH Class B Euro denominated shares, ACH seeks to hedge against currency fluctuations in non-Euro denominated portfolio investments. The profit or loss on such hedging is shown above.

8. ADVISORY AND PERFORMANCE FEES

For the period ended 30 June	2017 US\$000
Advisory fees	(1,416)
Performance fees	(1,309)
Total	(2,725)

ACH Investment Advisors SA is entitled to an amount in cash of 1.5% per annum of the net asset value of Class A Shares and Class B Shares and 0.25% per annum of the net asset value of Class X Shares. Such fees accruing on the basis of the net asset value at the close of each business day prior to taking into account any accrued performance fees as described below and payable monthly.

The Investment Advisor is entitled to a performance fee calculated in respect of each calendar year payable in cash of 5% of the net realized and unrealized appreciation in the NAV of Class A Shares and Class B Shares (taking into account realized and unrealized gains and losses, and expenses) subject to a "high water mark" provision and adjusted to exclude the portion of the performance that is attributable to the sub-account. This means that no performance fee is accrued or paid until the Net Asset Value per Share on which the performance fee was previously accrued and paid has been surpassed. This fee will accrue daily and be payable at the end of the financial year to which such fee relates (or upon a redemption with respect to redeemed Shares).

ASIAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

9. ADMINISTRATION FEES

The Administrator fees are calculated based on the net assets of ACH at the last business day of each month. The per annum fee rates were as follows: 0.075% on the first US\$200 million, 0.06% on the next US\$200 million and 0.05% on net assets in excess of US\$400 million. The net assets of ACH for this purpose shall exclude the amount of ACH's investment in its sub-account.

10. OTHER OPERATING EXPENSES

For the period ended 30 June	2017 US\$000
Directors fees	(14)
Depositary fees	(15)
Legal fees	(9)
Regulatory fees	(1)
Miscellaneous expenses	(56)
Total	(95)

11. EXCHANGE RATE

The following exchange rate prevailing at 30 June 2017 was used: €1.00 = US\$1.1403.



DISCOVERY CAPITAL HOLDINGS
PROFILE

Discovery Capital Holdings (DCH) is a two tier open-end investment company based in Ireland.

The principal objective of DCH is the appreciation in capital through gaining exposure to underlying funds who are in a development phase and in underlying funds with limited history and to managers of underlying funds with small amounts of assets under management. DCH has not paid any dividend since its inception.

Under its two tier system DCH does not invest directly but operates through offshore funds which are wholly or partly owned by DCH. Generally each offshore fund is advised by a single portfolio manager and its team. The investment activities of the funds thereby comprise a wide range of specialised approaches and techniques used by the managers.

Hence DCH benefits from the collective services of a group of highly skilled investment managers who are allowed to operate within their area of expertise without imposed limitations.

Moreover, due to its two tier system, DCH is highly flexible in engaging and, when necessary, disengaging the services of investment managers, while at the same time limiting the financial and legal exposure to the size of its investment in an offshore fund.

LCH Investments NV is the Investment Advisor of DCH and advises the Fund on the selection of the investment managers. Its Investment Advisory Committee meets regularly to review and select managers in order to position DCH optimally in changing markets.

DCH started operating on 1 February 2000 in Curaçao (as Galilei Fund NV and was renamed into Discovery Capital Holdings NV on 10 April 2013) and merged with a sub-fund of the Company on 1 January 2015.

The financial year end of DCH is 31 December. In addition to the annual report, which contains audited financial statements, an unaudited interim report for the six month period to 30 June is also published.

Shares are issued by DCH monthly, on the basis of net asset value. Shares are issued in US dollar. Shares may be redeemed at the end of each quarter with 45 business days' notice at net asset value. The redemption of shares may be postponed under certain circumstances, as described in the prospectus.

For the convenience of investors, the shares of DCH may be traded over the counter. However, DCH is not a party to and is not responsible for such secondary market transactions. Investors may purchase and sell through banks and brokers throughout the world.

DISCOVERY CAPITAL HOLDINGS
PERFORMANCE SINCE INCEPTION¹

Date	NAV per share Class A - US\$	Performance %
31/01/00†	500.00	
31/12/00	641.18	28.2
31/12/01	708.40	10.5
31/12/02	713.43	0.7
31/12/03	832.33	16.7
31/12/04	1,072.03	28.8
31/12/05	1,244.88	16.1
31/12/06	1,352.46	8.6
31/12/07	1,681.60	24.3
31/12/08	1,370.74	(18.5)
31/12/09	1,271.57	(7.2)
31/12/10	1,363.49	7.2
31/12/11	1,368.98	0.4
31/12/12	1,594.03	16.4
31/12/13††	188.16	18.0
31/12/14	185.60	(1.4)
31/12/15	177.17	(4.5)
31/12/16	184.02	3.9
30/06/17	191.32	4.0

	DCH %	S&P500 ² %
6 months	4.0	9.0
1 year p.a.	10.4	17.1
3 years p.a.	0.1	8.9
5 years p.a.	6.6	13.9
Since Inception p.a.	8.0	4.6

² S&P500 (70% dividend reinvested)

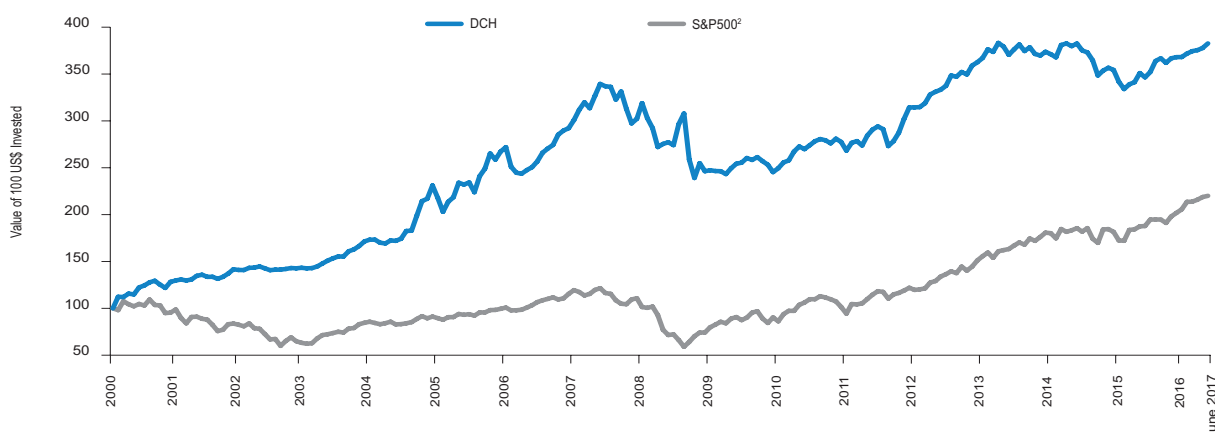
† Inception at 31 January 2000

†† Split of 10 for 1 on 30 June 2013

Important note: The performance of DCH up to 30 June 2013 represents the investment return actually achieved by Leveraged Capital Holdings NV (LCH) in its portfolio of smaller emerging managers. DCH became available to investors other than to LCH on 1 July 2013.

Past performance is not necessarily a guide to future performance.

Value of US\$100 Invested



¹ Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that DCH was incorporated in Curaçao.

DISCOVERY CAPITAL HOLDINGS
STATEMENT OF FINANCIAL POSITION

As at	Notes	30/06/2017 US\$000	31/12/2016 US\$000
Assets			
Current assets			
Financial assets at fair value through profit or loss	2, 4	163,609	155,854
Due from investment companies and brokers	2	213	5,811
Prepayments on investments		3,000	-
Other accounts receivable		10	-
Cash and cash equivalents	2, 5	<u>7,409</u>	<u>15,142</u>
Total assets		<u>174,241</u>	<u>176,807</u>
Liabilities			
Current liabilities			
Subscriptions received in advance		(5,323)	(250)
Advisory and performance fees payable	2	(579)	(449)
Other accounts payable and accrued expenses	2	<u>(62)</u>	<u>(53)</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>(5,964)</u>	<u>(752)</u>
Net assets attributable to holders of redeemable participating shares	2, 5	<u>(168,277)</u>	<u>(176,055)</u>
Total liabilities		<u>(174,241)</u>	<u>(176,807)</u>
Net asset value per redeemable participating share		US\$191.32	US\$184.02

DISCOVERY CAPITAL HOLDINGS
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Income			
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:			
- Realised gains/(losses)	7	577	(5,244)
- Change in unrealised gains/(losses)	7	7,724	1,549
Interest income		12	-
Total income/(loss)		8,313	(3,695)
Operating expenses			
Advisory and performance fees	8	(1,436)	(1,482)
Administrator fees	9	(88)	(99)
Auditor's fees		(12)	(10)
Other operating expenses	10	(65)	(57)
Total operating expenses		(1,601)	(1,648)
Operating profit/(loss)		6,712	(5,343)
Finance costs			
Commitment fee relating to short term borrowings		(37)	(59)
Bank charges		-	(15)
Total finance costs		(37)	(74)
Profit/(loss) before tax		6,675	(5,417)
Taxation	2	-	-
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		6,675	(5,417)

The notes on pages 60 to 66 are an integral part of these financial statements

DISCOVERY CAPITAL HOLDINGS
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Net assets attributable to holders of redeemable participating shares at 1 January		176,055	220,363
Increase from redeemable participating shares issued	5	905	-
Decrease due to redeemable participating shares repurchased	5	<u>(15,358)</u>	<u>(27,918)</u>
Net increase/(decrease) from share transactions		(14,453)	(27,918)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>6,675</u>	<u>(5,417)</u>
Net assets attributable to holders of redeemable participating shares at 30 June		<u>168,277</u>	<u>187,028</u>

DISCOVERY CAPITAL HOLDINGS
STATEMENT OF CASH FLOWS

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Cash flows from operating activities			
Profit/(loss) before tax		6,675	(5,417)
Adjustments for:			
Finance costs		37	74
Net changes in:			
Other accounts receivable		(10)	-
Due from investment companies		5,598	1,339
Prepayments on investments		(3,000)	-
Advisory and performance fees payable		130	(84)
Other accounts payable and accrued expenses		9	(76)
Increase in financial assets at fair value through profit or loss		(7,755)	39,310
Finance costs paid		(37)	(74)
Net cash from operating activities		1,647	35,072
Cash flows from financing activities			
Proceeds from redeemable participating shares issued		5,978	-
Paid on redeemable participating shares repurchased		(15,358)	(27,918)
Net cash from financing activities		(9,380)	(27,918)
Net increase/(decrease) in cash and cash equivalents		(7,733)	7,154
Cash and cash equivalents at 1 January		15,142	(7,807)
Cash and cash equivalents at 30 June	2, 3	7,409	(653)

The notes on pages 60 to 66 are an integral part of these financial statements

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out in note 2 to the financial statements of The Capital Holdings Funds plc.

3. CASH AND CASH EQUIVALENTS

At	30/06/17 US\$000	31/12/16 US\$000
Cash at bank:		
Cash US\$	7,409	15,142
Total cash and cash equivalents	7,409	15,142

For purposes of the statement of cash flows, cash and cash equivalents comprise cash at current bank accounts, cash held on deposit and bank overdrafts.

During the reporting period DCH maintained a total line of credit in the amount of US\$25 million with BNP Paribas, Dublin Branch, on which DCH pays an interest rate of Libor plus 1.30% per annum on amounts drawn down and a commitment fee of 0.50% per annum on the un-drawn portion of the credit line.

DCH has pledged all of its investments as collateral. The sale of such pledged assets requires the release of these assets by the Depositary. At the end of the reporting period DCH had drawn an amount of nil (31 December 2016: nil).

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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

DCH classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. 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 such as net asset values reported by the administrators of the investment companies in which DCH has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by DCH’s Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the Level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model’s results have historically aligned most closely to actual market transactions.

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 30 June 2017:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Emerging Managers	-	163,257	352	163,609
Total financial assets at fair value through profit or loss	-	163,257	352	163,609

As at 30 June 2017, the Board of Directors made fair value adjustments, as noted in note 2.4 on page 28 and taken into account in the table above, which reduced the fair value of investments representing approximately 0.21% (31 December 2016: 0.16%) of the net asset value, by US\$0.12 million (31 December 2016: US\$0.09 million) or 0.07% (31 December 2016: 0.05%) of net asset value at the year end. A sensitivity analysis on the fair value of Level 3 investments has not been performed as the write down provision amounts are immaterial.

The following table presents the movement of Level 3 investments by category of investment:

For the period ended	30/06/2017 Emerging Managers US\$000
Opening balance	279
Purchases	-
Sales	-
Gains/(losses) recognised	73
Closing balance	352

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2016:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Emerging Managers	-	155,575	279	155,854
Total financial assets at fair value through profit or loss	-	155,575	279	155,854

The following table presents the movement of Level 3 investments for the period ended 31 December 2016 by category of investment:

For the year ended	31/12/2016 Emerging Managers US\$000
Opening balance	393
Purchases	-
Sales	-
Gains/(losses) recognised	(114)
Closing balance	279

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following table analyses within the fair value hierarchy DCH's assets and liabilities (by class) not measured at fair value at 30 June 2017 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	213	-	213
Prepayments on investments	-	3,000	-	3,000
Other accounts receivable	-	10	-	10
Cash and cash equivalents	7,409	-	-	7,409
Total	7,409	3,223	-	10,632
Liabilities				
Subscriptions received in advance	-	(5,323)	-	(5,323)
Advisory and performance fees payable	-	(579)	-	(579)
Other accounts payable and accrued expenses	-	(62)	-	(62)
Total	-	(5,964)	-	(5,964)

The following table analyses within the fair value hierarchy DCH's assets and liabilities (by class) not measured at fair value at 31 December 2016 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	5,811	-	5,811
Cash and cash equivalents	15,142	-	-	15,142
Total	15,142	5,811	-	20,953
Liabilities				
Subscription received in advance	-	(250)	-	(250)
Advisory and performance fees payable	-	(449)	-	(449)
Other accounts payable and accrued expenses	-	(53)	-	(53)
Total	-	(752)	-	(752)

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

4.b. Condensed schedule of investments

A condensed schedule of investments of DCH as at 30 June 2017 was:

	30/06/17 US\$000	% of NAV
Armistice Capital Offshore Fund Ltd	29,964	17.8
Indaba Capital Partners (Cayman) LP	22,669	13.5
TBC Offshore Ltd	19,889	11.8
Two Creeks Capital Offshore Fund Ltd	15,218	9.0
Latimer Light International	14,460	8.6
Altimeter Offshore Ltd	11,797	7.0
Clearfield Offshore Fund Ltd	10,356	6.2
Castle Hook Offshore Fund Ltd	10,292	6.1
Blockhouse Partners Offshore Fund Ltd	9,905	5.9
Other investments	19,059	11.3
Total financial assets at fair value through profit or loss	163,609	

A condensed schedule of investments of DCH as at 31 December 2016 was:

	31/12/16 US\$000	% of NAV
Armistice Capital Offshore Fund Ltd	24,776	14.1
Indaba Capital Partners (Cayman) LP	21,794	12.4
TBC Offshore Ltd	19,198	10.9
Two Creeks Capital Offshore Fund Ltd	15,582	8.9
Latimer Light International	13,990	7.9
Castle Hook Offshore Fund Ltd	10,905	6.2
Altimeter Offshore Ltd	10,685	6.1
Blockhouse Partners Offshore Fund, Ltd	10,466	5.9
Clearfield Offshore Fund Ltd	10,044	5.7
Other investments	18,414	10.5
Total financial assets at fair value through profit or loss	155,854	

5. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

DCH has no share capital for accounting purposes as all of DCH's shares are redeemable participating shares. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The data relating to the net asset value of redeemable participating shares of DCH and the number of shares in issue during the period to 30 June 2017 is summarised below:

	US\$000
Redeemable participating shares at 1 January 2017	176,055
Subscriptions	905
Redemptions	(15,358)
Net increase in redeemable participating shares resulting from operations	6,675
Redeemable participating shares at 30 June 2017	168,277

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

	Shares
Shares outstanding at 1 January 2017	956,696
Subscriptions	4,918
Redemptions	<u>(82,052)</u>
Shares outstanding at 30 June 2017	<u>879,562</u>
Net asset value per redeemable participating share at 30 June 2017	191.32

The data relating to the net asset value of redeemable participating shares of LCH and the number of shares in issue during the period to 30 June 2016 is summarised below:

	US\$000
Redeemable participating shares at 1 January 2016	220,363
Subscriptions	-
Redemptions	<u>(27,918)</u>
Net increase in redeemable participating shares resulting from operations	<u>5,417</u>
Redeemable participating shares at 30 June 2016	<u>187,028</u>

	Shares
Shares outstanding at 1 January 2016	1,243,763
Subscriptions	-
Redemptions	<u>(164,284)</u>
Shares outstanding at 30 June 2016	<u>1,079,479</u>
Net asset value per redeemable participating share at 30 June 2016	173.26

6. OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As at	30/06/17	31/12/16
	US\$000	US\$000
Payable to the Administrator	(42)	(29)
Audit fees payable	(11)	(18)
Depository servicing fees payable	<u>(9)</u>	<u>(6)</u>
Total	<u>(62)</u>	<u>(53)</u>

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

7. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the period ended 30 June	2017 US\$000	2016 US\$000
Realised gain on financial assets and liabilities at fair value through profit or loss	577	-
Realised loss on financial assets and liabilities at fair value through profit or loss	<u>-</u>	<u>(5,244)</u>
Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss	577	(5,244)
Change in unrealised gain on financial assets and liabilities at fair value through profit or loss	7,724	1,549
Change in unrealised loss on financial assets and liabilities at fair value through profit or loss	<u>-</u>	<u>-</u>
Net change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss	<u>7,724</u>	<u>(1,549)</u>
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	<u>8,301</u>	<u>(3,695)</u>

8. ADVISORY AND PERFORMANCE FEES

For the period ended 30 June	2017 US\$000	2016 US\$000
Advisory fees	(1,291)	(1,482)
Performance fees	<u>(145)</u>	<u>-</u>
Total	<u>(1,436)</u>	<u>(1,482)</u>

LCH Investments NV is entitled to an amount in cash of 1.5% per annum of the net asset value of Class A Shares. Such fees accruing on the basis of the net asset value at the close of each business day prior to taking into account any accrued performance fees as described below and payable monthly.

The Investment Advisor is entitled to a performance fee calculated in respect of each calendar year payable in cash of 5% of the net realized and unrealized appreciation in the NAV of Class A Shares (taking into account realized and unrealized gains and losses, and expenses) subject to a “high water mark” provision. This means that no performance fee is accrued or paid until the Net Asset Value per Share on which the performance fee was previously accrued and paid has been surpassed. This fee will accrue daily and be payable at the end of the financial year to which such fee relates (or upon a redemption with respect to redeemed Shares).

9. ADMINISTRATION FEES

The Administrator fees are calculated based on the net assets of DCH at the last business day of each month. The per annum fee rates were as follows: 0.10% on the first US\$250 million, 0.09% on the next US\$250 million and 0.08% on net assets in excess of US\$500 million.

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

10. OTHER OPERATING EXPENSES

For the period ended 30 June	2017 US\$000	2016 US\$000
Directors fees	(8)	(17)
Depositary fees	(19)	(22)
Legal fees	(4)	(4)
Regulatory fees	(2)	(3)
Miscellaneous expenses	(32)	(11)
Total	(65)	(57)

11. EXCHANGE RATE

The following exchange rate prevailing at 30 June 2017 was used: €1.00 = US\$1.1409 (31 December 2016: US\$1.0528).



EUROPEAN CAPITAL HOLDINGS
PROFILE

The principal objective of European Capital Holdings (“ECH”) is the appreciation in capital through investments in equities, both long and short, principally in Europe, and to a lesser extent in other strategies, including global macro. ECH has not paid any dividend since its inception.

Under its two-tier system, ECH does not invest directly, but operates through a variety of investment vehicles. Generally, each such investment vehicle is advised by a principal portfolio manager and its team, allowing ECH to benefit from the diversity and experience of professional portfolio managers. The investment activities of ECH include a wide range of specialised approaches and techniques used by the several managers.

The recommendation of investment managers is entrusted to the Investment Advisory Committee of the Advisory Company, whose members meet regularly to review and select managers in order to position ECH optimally in changing markets. The managers will generally be based or have an operation conducting investment research in Europe.

ECH started operating on 2 November 1998 in Luxembourg (as European Capital Holdings Sicav) and transferred its assets and liabilities to a sub-fund of the Company on 23 December 2014.

ECH normally issues shares daily, at net asset value per share (NAV).

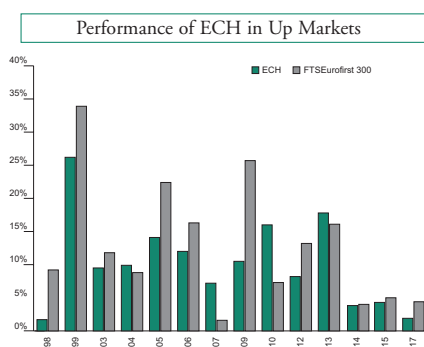
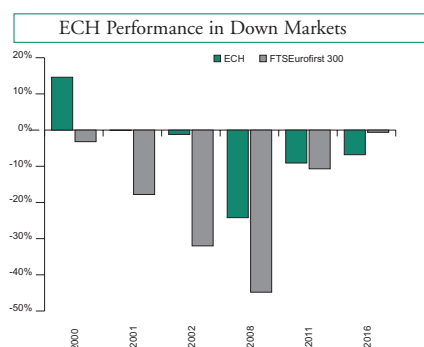
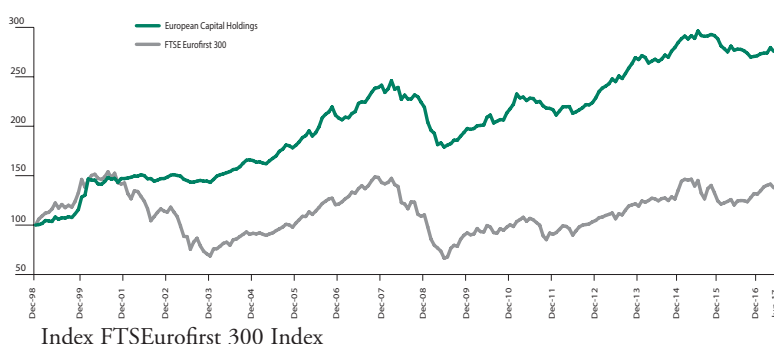
Shares may be redeemed to ECH on the last valuation day of each month, with 45 calendar days’ notice at net asset value. The redemption of shares by ECH may be suspended under certain circumstances, as described in the prospectus.

For the convenience of investors, and on the basis set out in ECH’s prospectus, the shares of ECH are listed on the Euronext Amsterdam Stock Market and are traded daily. However, ECH is not normally a party to and is not responsible for such secondary market transactions. Investors may purchase and sell through banks and brokers throughout the world.

EUROPEAN CAPITAL HOLDINGS
PERFORMANCE SINCE INCEPTION¹

Date	NAV per share Class B - €	Performance %
02/11/98*	100.00	-
31/12/98	101.61	1.6
31/12/99	128.32	26.3
31/12/00	147.11	14.6
31/12/01	147.02	(0.1)
31/12/02	145.20	(1.2)
31/12/03	158.98	9.5
31/12/04	174.69	9.9
31/12/05	199.30	14.1
31/12/06	223.12	12.0
31/12/07	239.27	7.2
31/12/08	181.36	(24.2)
31/12/09	200.44	10.5
31/12/10	232.59	16.0
31/12/11	211.35	(9.1)
31/12/12	228.72	8.2
31/12/13	269.37	17.8
31/12/14	279.56	3.8
31/12/15	291.69	4.3
31/12/16	270.60	(7.2)
30/06/17	275.71	1.9

	ECH %	Index %
6 months	1.9	4.4
1 year p.a.	(0.4)	14.4
3 years p.a.	1.0	2.9
5 years p.a.	5.1	7.9
Since Inception p.a.	5.6	1.7



¹ Any data or information relating to periods prior to the transfer date of 23 December 2014 relates to the period that ECH was incorporated in Luxembourg.

EUROPEAN CAPITAL HOLDINGS
STATEMENT OF FINANCIAL POSITION

As at	Notes	30/06/17 €000	31/12/16 €000
Assets			
Current assets			
Financial assets at fair value through profit or loss	2, 4	190,938	236,409
Due from investment companies and brokers	2	-	13,000
Other accounts receivable	2	91	71
Cash and cash equivalents	2, 3	<u>2,535</u>	<u>10,571</u>
Total assets		<u>193,564</u>	<u>260,051</u>
Liabilities			
Current liabilities			
Financial liabilities at fair value through profit or loss		-	(194)
Proceeds from sale of investment companies received in advance		(257)	-
Advisory and performance fees payable	2, 6	(505)	(633)
Other accounts payable and accrued expenses	2, 7	<u>(47)</u>	<u>(53)</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>(809)</u>	<u>(880)</u>
Net assets attributable to holders of redeemable participating shares	2, 5	<u>(192,755)</u>	<u>(259,171)</u>
Total liabilities		<u>(193,564)</u>	<u>(260,051)</u>
Net asset value per redeemable participating share Class B		€275.71	€270.60
Net asset value per redeemable participating share Class Y		€278.30	€271.46

EUROPEAN CAPITAL HOLDINGS
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June	Notes	2017 €000	2016 €000
Income			
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:			
- Realised gains/(losses)	8	8,194	(1,241)
- Change in unrealised gains/(losses)	8	(2,329)	(13,081)
Fee rebate		227	225
Surplus on repurchase of own shares		95	-
Other income		60	28
Total income/(loss)		6,247	(14,069)
Operating expenses			
Advisory and performance fees	9	(1,624)	(2,374)
Administrator fees		(81)	(109)
Auditor's fees		(15)	(15)
Other operating expenses	10	(104)	(143)
Total operating expenses		(1,824)	(2,641)
Operating profit/(loss)		4,423	(16,710)
Finance costs			
Commitment fee relating to short term borrowings		(42)	(101)
Interest expense - short term borrowings		(59)	(10)
Bank charges		-	(15)
Total finance costs		(101)	(126)
Profit/(loss) before tax		4,322	(16,836)
Taxation	2	-	(2)
Increase/(decrease) in net assets attributable to holders of redeemable shares from operations		4,322	(16,838)

The notes on pages 74 to 81 are an integral part of these financial statements

EUROPEAN CAPITAL HOLDINGS
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the period ended 30 June	Notes	2017 €000	2016 €000
Net assets attributable to holders of redeemable participating shares at 1 January		259,171	333,388
Increase from redeemable participating shares issued	5	128	18,881
Decrease due to redeemable participating shares repurchased	5	<u>(70,866)</u>	<u>(30,418)</u>
Net increase/(decrease) from share transactions		(70,738)	(11,537)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>4,322</u>	<u>(16,838)</u>
Net assets attributable to holders of redeemable participating shares at 30 June		<u>192,755</u>	<u>305,013</u>

EUROPEAN CAPITAL HOLDINGS
STATEMENT OF CASH FLOWS

For the period ended 30 June	Notes	2017 €000	2016 €000
Cash flows from operating activities			
Profit/(loss) before taxation		4,322	(16,836)
Adjustments for:			
Taxation		-	(2)
Other income		(60)	(28)
Finance costs		101	126
Net changes in:			
Due from investment companies		13,000	610
Other accounts receivable		(20)	11
Redemptions received in advance		257	-
Advisory and performance fees payable		(128)	(772)
Other accounts payable and accrued expenses		(6)	(87)
Financial assets at fair value through profit or loss		45,471	36,761
Financial liabilities at fair value through profit or loss		(194)	94
Other income received		60	28
Finance costs paid		(101)	(126)
Net cash from operating activities		62,702	19,779
Cash flows from financing activities			
Proceeds from redeemable participating shares issued		128	18,881
Paid on redeemable participating shares repurchased		(70,866)	(30,418)
Net cash from financing activities		(70,738)	(11,537)
Net increase/(decrease) in cash and cash equivalents		(8,036)	8,242
Cash and cash equivalents at 1 January		10,571	19,193
Cash and cash equivalents at 30 June	2, 3	2,535	27,435

The notes on pages 74 to 81 are an integral part of these financial statements

EUROPEAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out in note 2 to the financial statements of The Capital Holdings Funds plc.

3. CASH AND CASH EQUIVALENTS

As at	30/06/17 €000	31/12/16 €000
Cash at bank:		
Cash €	2,535	10,571
Net cash and cash equivalents	2,535	10,571

For purposes of the statement of cash flows, cash and cash equivalents comprise cash at current bank accounts, cash held on deposit and bank overdrafts.

During the reporting period ECH maintained a total line of credit in the amount of €35 million with BNP Paribas, Dublin Branch, on which ECH pays an interest rate of Euribor plus 1.30% per annum on amounts drawn down and a commitment fee of 0.50% per annum on the un-drawn portion of the credit line.

ECH has pledged all of its investments as collateral. The sale of such pledged assets requires the release of these assets by the Depositary. At the end of the reporting period ECH had drawn an amount of nil (31 December 2016: nil).

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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

ECH classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. 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 such as net asset values reported by the administrators of the investment companies in which ECH has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by ECH’s Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the Level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model’s results have historically aligned most closely to actual market transactions.

EUROPEAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 30 June 2017:

	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Investment companies:				
Equity Long	4,883	11,264	368	16,515
Equity Long/Short	-	143,885	-	143,885
Macro	-	28,573	-	28,573
Investment companies in run-off	-	-	1,649	1,649
Total investment companies	4,883	183,722	2,017	190,622
Forward foreign exchange contracts	-	316	-	316
Total financial assets at fair value through profit or loss	4,883	184,038	2,017	190,938

As at 30 June 2017, the Board of Directors made fair value adjustments, as noted in note 2.4 on page 28 and taken into account in the table above, which reduced the fair value of investments representing approximately 2.1% (31 December 2016: 1.8%) of the net asset value, by €2.0 million (31 December 2016: €2.3 million) or 1.0% (31 December 2016: 0.9%) of net asset value at year end. The fair value adjustments made by the Board of Directors amounted to 50% (31 December 2016: 50%) of the net asset value of the Level 3 investments. A sensitivity analysis on the fair value of Level 3 investments has not been performed as the write down provision amounts are immaterial.

The following table presents the movement of Level 3 investments for the period ended 30 June 2017 by category of investment:

	Equity Long €000	Investment companies in run-off €000	Total €000
Opening balance	398	1,915	2,313
Purchases	-	-	-
Sales	-	(117)	(117)
Gains/(losses) recognised	(30)	(149)	(179)
Closing balance	368	1,649	2,017

During the period ended 30 June 2017 there were no transfers between the different levels of the hierarchy.

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2016:

	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Investment companies:				
Equity Long	-	15,063	398	15,461
Equity Long/Short	-	187,194	-	187,194
Macro	-	31,839	-	31,839
Investment companies in run-off	-	-	1,915	1,915
Total financial assets at fair value through profit or loss	-	234,096	2,313	236,409

EUROPEAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial liabilities at fair value through profit or loss as at 31 December 2016:

	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Forward FX contracts	-	(194)	-	(194)
Total financial liabilities at fair value through profit or loss	-	(194)	-	(194)

The following table presents the movement of Level 3 investments for the period ended 31 December 2016 by category of investment:

	Equity Long €000	Investment companies in run-off €000	Total €000
Opening balance	387	3,838	4,225
Purchases	-	-	-
Sales	-	(176)	(176)
Gains/(losses) recognised	11	(1,747)	(1,736)
Closing balance	398	1,915	2,313

During the financial year 2016 there were no transfers between the different levels of the hierarchy.

The following table analyses within the fair value hierarchy ECH's assets and liabilities (by class) not measured at fair value at 30 June 2017 but for which fair value is disclosed:

	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Assets				
Due from investment companies and brokers	-	-	-	-
Other accounts receivable	-	91	-	91
Cash and cash equivalents	2,535	-	-	2,535
Total	2,535	91	-	2,626
Liabilities				
Proceeds from sale of investment companies received in advance	-	(257)	-	(257)
Advisory and performance fees payable	-	(505)	-	(505)
Other accounts payable and accrued expenses	-	(47)	-	(47)
Total	-	(809)	-	(809)

EUROPEAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following table analyses within the fair value hierarchy ECH's assets and liabilities (by class) not measured at fair value at 31 December 2016 but for which fair value is disclosed:

	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Assets				
Due from investment companies and brokers	-	13,000	-	13,000
Other accounts receivable	-	71	-	71
Cash and cash equivalents	10,571	-	-	10,571
Total	10,571	13,071	-	23,642
Liabilities				
Advisory and performance fees payable	-	(633)	-	(633)
Other accounts payable and accrued expenses	-	(53)	-	(53)
Total	-	(686)	-	(686)

4.b. Condensed schedule of investments

A condensed schedule of investments of ECH as at 30 June 2017 was:

	30/06/17 €000	% of NAV
Trading Capital Holdings	24,534	12.7
The Adelphi Europe Fund	24,265	12.6
Egerton Long-Short Fund (EUR & GBP) Ltd	21,913	11.4
MW Eureka Fund	20,023	10.4
Lansdowne Developed Markets Fund Ltd	17,468	9.1
Perdurance Neutral Fund Ltd	16,276	8.4
Horseman Global Fund Ltd	13,921	7.2
Memnon European Fund	11,264	5.8
Ronit Global Opportunity Fund Ltd	11,147	5.8
Sand Grove Opportunities Fund	10,206	5.3
Other investments	19,921	10.3
Total financial assets at fair value through profit or loss	190,938	

A condensed schedule of investments of ECH as at 31 December 2016 was:

	31/12/16 €000	% of NAV
MW Eureka Fund	33,785	13.0
The Adelphi Europe Fund	27,730	10.7
Trading Capital Holdings	25,719	9.9
The Children's Investment Fund	24,597	9.5
Lansdowne Developed Markets Fund Ltd	21,192	8.2
Horseman Global Fund Ltd	20,598	7.9
Perdurance Neutral Fund Ltd	20,358	7.9
Egerton Long-Short Fund (EUR & GBP) Ltd	19,405	7.5
Memnon European Fund	15,063	5.8
Other investments	27,962	10.8
Total financial assets at fair value through profit or loss	236,409	

EUROPEAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

4.c. Forward foreign exchange contracts

ECH enters into forward foreign exchange transactions primarily to hedge the US Dollar exposure back to the Euro. Forward foreign exchange contracts are held for trading and are valued at the forward rate and are marked to market on the valuation date.

Included under financial assets at fair value through profit or loss at 30 June 2017 is the following forward foreign exchange contract that was outstanding with BNP Paribas Securities Services:

Purchase €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) €000
4,781	(5,096)	10/07/2017	<u>316</u>
Total			<u>316</u>

Included under financial assets at fair value through profit or loss at 31 December 2016 is the following forward foreign exchange contract that was outstanding with BNP Paribas Securities Services:

Purchase €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) €000
6,509	(7,087)	31/01/2017	<u>(194)</u>
Total			<u>(194)</u>

5. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

ECH has no share capital for accounting purposes as all of ECH's shares are redeemable participating shares. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The data relating to the net asset value of redeemable participating shares of ECH and the number of shares in issue during the period to 30 June 2017 is summarised below:

	€000 Class B	€000 Class Y	€000 Total
Redeemable participating shares at 1 January 2017	255,724	3,447	259,171
Subscriptions	128	-	128
Redemptions	(70,866)	-	(70,866)
Net increase in redeemable participating shares resulting from operations	<u>4,235</u>	<u>87</u>	<u>4,322</u>
Redeemable participating shares at 30 June 2017	<u>189,221</u>	<u>3,534</u>	<u>192,755</u>

EUROPEAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

Shares	Class B	Class Y	Shares
Shares outstanding at 1 January 2017	945,007	12,698	957,705
Subscriptions	470	-	470
Redemptions	(259,167)	-	(259,167)
Shares outstanding at 30 June 2017	686,310	12,698	699,008
Net asset value per redeemable participating share at 30 June 2017	€275.71	€278.30	

The data relating to the net asset value of redeemable participating shares of ECH and the number of shares in issue during the period to 30 June 2016 is summarised below:

	€000 Class B	€000 Total
Redeemable participating shares at 1 January 2016	333,388	333,388
Subscriptions	18,881	18,881
Redemptions	(30,418)	(30,418)
Net increase in redeemable participating shares resulting from operations	(16,838)	(16,838)
Redeemable participating shares at 30 June 2016	305,013	305,013

	Shares
Shares outstanding at 1 January 2016	1,142,937
Subscriptions	66,372
Redemptions	(107,553)
Shares outstanding at 30 June 2016	1,101,756
Net asset value per redeemable participating share at 30 June 2016	€276.84

6. ADVISORY AND PERFORMANCE FEE PAYABLE

As at	30/06/17 €000	31/12/16 €000
Advisory fees	(505)	(633)
Performance fees	-	-
Total	(505)	(633)

7. OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As at	30/06/17 €000	31/12/16 €000
Payable to the Administrator	(24)	(14)
Other accounts payable	(23)	(39)
Total	(47)	(53)

EUROPEAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

8. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the period ended 30 June	2017 €000	2016 €000
Realised gain on financial assets and liabilities at fair value through profit or loss	8,446	-
Realised loss on financial assets and liabilities at fair value through profit or loss	<u>(252)</u>	<u>(1,241)</u>
Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss	8,194	(1,241)
Change in unrealised gain on financial assets and liabilities at fair value through profit or loss	510	-
Change in unrealised loss on financial assets and liabilities at fair value through profit or loss	<u>(2,839)</u>	<u>(13,081)</u>
Net change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss	<u>(2,329)</u>	<u>(13,081)</u>
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	<u>5,865</u>	<u>(14,322)</u>

9. ADVISORY AND PERFORMANCE FEES

For the period ended 30 June	2017 €000	2016 €000
Advisory fees	<u>(1,624)</u>	<u>(2,374)</u>
Total	<u>(1,624)</u>	<u>(2,374)</u>

LCH Investments NV is entitled to an amount in cash of 1.5% per annum of the net asset value of class B Shares and 0.25% per annum of the net asset value of class Y Shares. Such fees accruing on the basis of the net asset value at the close of each business day prior to taking into account any accrued performance fees as described below and payable monthly.

The Investment Advisor is entitled to a performance fee calculated in respect of each calendar year payable in cash of 5% of the net realized and unrealized appreciation in the NAV of class B Shares (taking into account realized and unrealized gains and losses, and expenses) subject to a “high water mark” provision. This means that no performance fee is accrued or paid until the Net Asset Value per Share on which the performance fee was previously accrued and paid has been surpassed. This fee will accrue daily and be payable at the end of the financial year to which such fee relates (or upon a redemption with respect to redeemed Shares).

10. ADMINISTRATION FEES

The Administrator fees are calculated based on the net assets of ECH at the last business day of each month. The per annum fee rates were as follows: 0.075% on the first €185 million, 0.06% on the next €185 million, and 0.05% on net assets in excess of €370 million.

EUROPEAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

11. OTHER OPERATING EXPENSES

For the period ended 30 June	2017 €000	2016 €000
Directors fees	(40)	(38)
Depositary fees	(22)	(32)
Legal fees	(6)	(21)
Paying agent fees	(11)	(13)
Regulatory fees	(6)	(2)
Miscellaneous expenses	(19)	(37)
Total	(104)	(143)

12. EXCHANGE RATE

The following exchange rate prevailing at 30 June 2017 was used: €1.00 = US\$1.1409 (31 December 2016: US\$1.0528).



LEVERAGED CAPITAL HOLDINGS
PROFILE

The principal objective of Leveraged Capital Holdings (“LCH”) is the appreciation in capital through investment in equity strategies, both long and short, and to a lesser extent in other strategies, including global macro. LCH has not paid any dividend since its inception.

Under its two tier system LCH does not invest directly but operates through offshore funds which are wholly or partly owned by LCH. Generally each offshore fund is advised by a single portfolio manager and its team. The investment activities of the funds thereby comprise a wide range of specialised approaches and techniques used by the managers. Hence LCH benefits from the collective services of a group of highly skilled investment managers who are allowed to operate within their area of expertise without imposed limitations.

Moreover, due to its two tier system, LCH is highly flexible in engaging and, when necessary, disengaging the services of investment managers, while at the same time limiting the financial and legal exposure to the size of its investment in an offshore fund.

LCH Investments NV is the Investment Advisor of LCH and advises the Company on the selection of the investment managers. Its Investment Advisory Committee meets regularly to review and select managers in order to position LCH optimally in changing markets.

LCH started operating on 30 November 1969 in Curaçao (as Leveraged Capital Holdings NV) under the sponsorship of the Edmond de Rothschild Group and merged with a sub-fund of the Company on 1 January 2015.

Since its inception, LCH has been able to realise a considerable increase in the net asset value per share, substantially above US stockmarket indices and with limited downside fluctuation. However, past performance is not necessarily a guide to future performance.

The financial year end of LCH is 31 December. In addition to the annual report, which contains audited financial statements, an unaudited interim report for the six month period to 30 June is also published.

Shares are issued by LCH daily, on the basis of net asset value. Shares are issued in US\$ (Class A and Class C) and Euro (Class B).

LCH will seek to hedge against currency fluctuations of the Class B shares, provided that hedging instruments are available on a timely basis and on acceptable terms.

Shares may be redeemed at the end of each quarter with 45 business days’ notice at net asset value. The redemption of shares may be postponed under certain circumstances, as described in the prospectus.

For the convenience of investors, Class A shares and Class B shares of LCH are listed on Eurolist of Euronext Amsterdam NV and are also traded over the counter. However, LCH is not a party to and is not responsible for such secondary market transactions. Investors may purchase and sell through banks and brokers throughout the world.

LEVERAGED CAPITAL HOLDINGS
PERFORMANCE SINCE INCEPTION¹

	LCH		S&P 500		S&P 500 ²	
	NAV per share US\$	Performance ³ %	Index US\$	Performance %	Index US\$	Performance %
1969†	19.10	-	93.81	-	93.81	-
1969	19.70	-	92.06	-	92.26	-
1970	16.80	-15	92.15	-	94.79	+3
1971	20.28	+21	102.09	+11	107.29	+13
1972	22.99	+13	118.05	+16	126.55	+18
1973	22.48	-2	97.55	-17	106.95	-15
1974	23.82	+6	68.56	-30	77.71	-27
1975	27.25	+14	90.19	+32	105.25	+35
1976	34.30	+26	107.46	+19	128.82	+22
1977	36.46	+6	95.10	-12	117.93	-8
1978	45.09	+24	96.11	+1	123.70	+5
1979	65.72	+46	107.94	+12	144.33	+17
1980	107.79	+64	135.76	+26	188.23	+30
1981	96.44	-11	122.55	-10	176.20	-6
1982	129.90	+35	140.64	+15	210.51	+19
1983	159.10	+22	164.93	+17	254.59	+21
1984	153.79	-3	167.24	+1	266.79	+5
1985	202.63	+32	211.28	+26	347.05	+30
1986	231.06	+14	242.17	+15	407.58	+17
1987	239.52	+4	247.08	+2	425.00	+4
1988	267.66	+12	277.72	+12	489.98	+15
1989	350.38	+31	353.40	+27	638.47	+30
1990	340.53	-3	330.22	-7	611.99	-4
1991	462.90	+36	417.09	+26	790.48	+29
1992	543.15	+17	435.71	+4	843.29	+7
1993††	66.71	+23	466.45	+7	919.32	+9
1994	59.23	-11	459.27	-2	924.73	+1
1995	77.39	+31	615.93	+34	1,262.00	+36
1996	93.29	+21	740.74	+20	1,541.34	+22
1997	113.35	+22	970.43	+31	2,044.53	+33
1998	124.37	+10	1,229.23	+27	2,617.03	+28
1999	168.66	+36	1,469.25	+20	3,155.61	+21
2000	161.03	-5	1,320.28	-10	2,858.53	-9
2001	154.20	-4	1,148.08	-13	2,509.09	-12
2002	147.24	-5	879.72	-23	1,945.14	-22
2003	165.02	+12	1,111.92	+26	2,489.34	+28
2004	182.31	+10	1,211.92	+9	2,745.81	+10
2005	199.14	+9	1,248.29	+3	2,864.79	+4
2006	219.47	+10	1,418.30	+14	3,298.22	+15
2007	276.32	+26	1,468.36	+4	3,459.78	+5
2008	209.21	-24	903.25	-38	2,164.34	-37
2009	241.78	+16	1,115.10	+23	2,717.54	+26
2010	274.54	+14	1,257.64	+13	3,108.59	+14
2011	244.96	-11	1,257.60	-	3,153.86	+1
2012	266.13	+9	1,426.19	+13	3,633.48	+15
2013	306.07	+15	1,848.36	+30	4,779.04	+32
2014	316.54	+3	2,058.90	+11	5,398.91	+13
2015	295.89	-7	2,043.94	-1	5,439.21	+1
2016	281.51	-5	2,238.83	+10	6,048.70	+11
30/06/2017	288.99	+3	2,423.41	+8	6,593.47	+9

¹ Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that LCH was incorporated in Curaçao.

² 70% dividends reinvested

³ of Class A US\$ shares

† Inception at 30 November 1969

†† Split of 10 for 1 on 17 February 1993

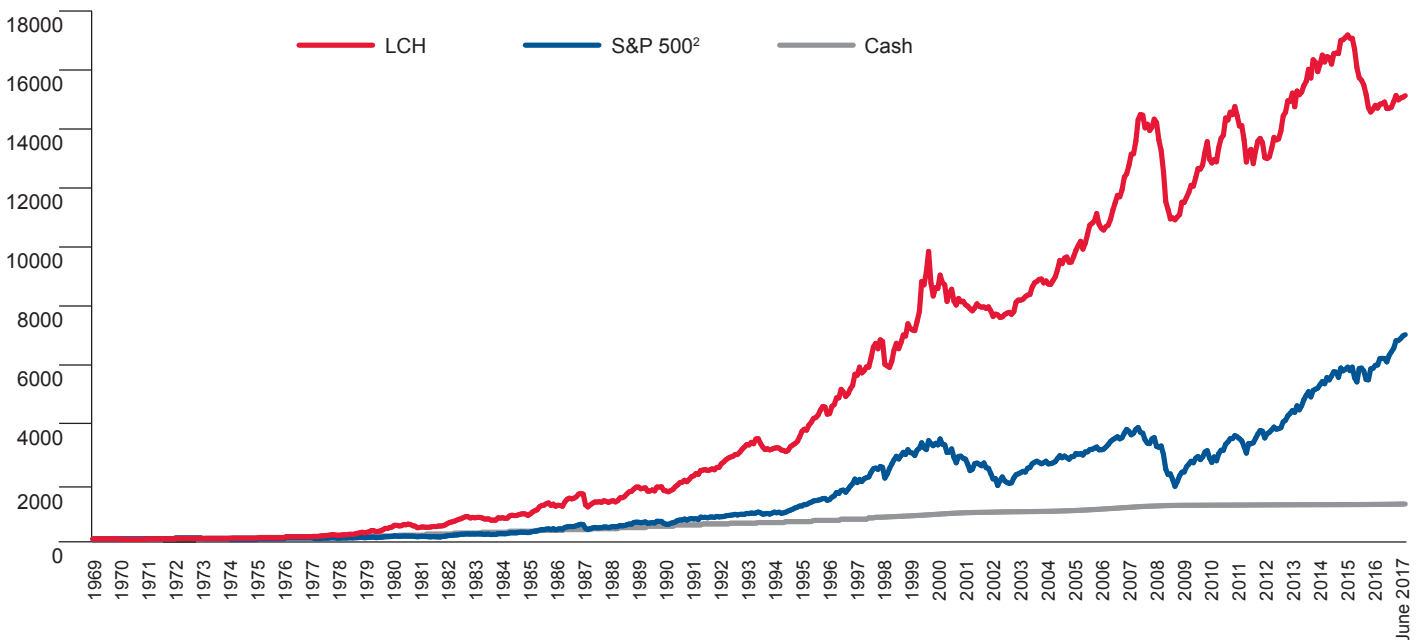
**LEVERAGED CAPITAL HOLDINGS
PERFORMANCE SINCE INCEPTION¹**

	LCH %	S&P500 ² %	Cash ³ %
6 months	2.7	9.0	0.6
1 year p.a.	2.9	17.1	1.0
3 years p.a.	(2.9)	8.9	0.6
5 years p.a.	3.1	13.9	0.5
Since Inception p.a.	11.1	9.3	5.5
Value of US\$100 since inception	US\$15,130	US\$7,029	US\$1,287

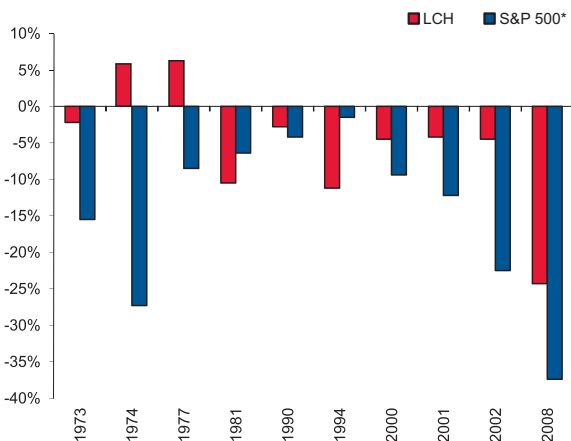
² S&P 500 (70% dividends reinvested)

³ 3 month US\$ Libor

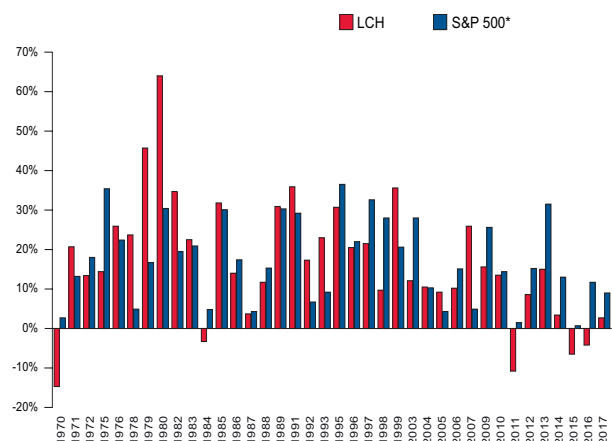
Value of US\$100 Invested at Inception



LCH Performance in Down Markets



LCH Performance in Up Markets



¹ Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that LCH was incorporated in Curaçao.

LEVERAGED CAPITAL HOLDINGS
STATEMENT OF FINANCIAL POSITION

As at	Notes	30/06/17 US\$000	31/12/16 US\$000
Assets			
Current assets			
Financial assets at fair value through profit or loss	2, 4	511,302	569,023
Due from investment companies and brokers	2	1,620	91,987
Prepayments on investments		10,000	-
Other accounts receivable	2	654	594
Cash and cash equivalents	2, 3	48,595	14,157
Total assets		572,171	675,761
Liabilities			
Non-current liabilities			
Borrowings from bank	2, 6	(75,000)	(75,000)
		(75,000)	(75,000)
Current liabilities			
Financial liabilities at fair value through profit or loss	2, 4	-	(1,173)
Shareholder redemptions payable		(549)	(2,095)
Advisory and performance fees payable	2	(1,268)	(1,525)
Other accounts payable and accrued expenses	2, 7	(281)	(323)
		(2,098)	(5,116)
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		(77,098)	(80,116)
Net assets attributable to holders of redeemable participating shares	2, 5	(495,073)	(595,645)
Total liabilities		(572,171)	(675,761)
Net asset value per Class A redeemable participating share		US\$288.99	US\$281.51
Net asset value per Class B redeemable participating share		€209.11	€205.60
Net asset value per Class C redeemable participating share		US\$292.34	US\$284.07

LEVERAGED CAPITAL HOLDINGS
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Income			
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:			
- Realised gains/(losses)	8	(7,837)	(13,905)
- Change in unrealised gains/(losses)	8	29,780	(30,474)
Interest income	2	39	-
Fee rebate	2, 15	1,630	1,795
Surplus on repurchase of own shares	5	706	-
Other income		9	1,127
Total income		24,327	(41,457)
Operating expenses			
Advisory and performance fees	9	(3,883)	(6,620)
Administration fees	10	(131)	(220)
Audit fees		(100)	(40)
Other operating expenses	11	(209)	(373)
Total operating expenses		(4,323)	(7,253)
Operating profit/(loss)		20,004	(48,710)
Finance costs			
Commitment fee relating to short term borrowings	3	(111)	(253)
Interest expense	2, 3	(1)	(1)
Loan interest expense	6	(1,141)	(1,147)
Total finance costs		(1,253)	(1,401)
Profit/(loss) before tax		18,751	(50,111)
Taxation	2	-	(8)
Increase in net assets attributable to holders of redeemable participating shares from operations		18,751	(50,119)

LEVERAGED CAPITAL HOLDINGS
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Net assets attributable to holders of redeemable participating shares at 1 January		595,645	1,086,665
Increase from redeemable participating shares issued	5	1,080	10,378
Decrease due to redeemable participating shares repurchased	5	<u>(120,403)</u>	<u>(202,815)</u>
Net increase/(decrease) from share transactions		(119,323)	(192,437)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>18,751</u>	<u>(50,119)</u>
Net assets attributable to holders of redeemable participating shares at 30 June		<u>495,073</u>	<u>844,109</u>

The notes on pages 90 to 97 are an integral part of these financial statements

LEVERAGED CAPITAL HOLDINGS
STATEMENT OF CASH FLOWS

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Cash flows from operating activities			
Profit/(loss) before tax		18,751	(50,111)
Adjustments for:			
Interest income		(39)	-
Taxation		-	(8)
Other income		(9)	(1,127)
Finance costs		1,253	1,401
Foreign exchange (gains)/losses on cash and cash equivalents		(4,337)	(19)
Net changes in:			
Due from investment companies and brokers		90,367	660
Other accounts receivable		(60)	113
Advisory and performance fees payable		(257)	(331)
Other accounts payable and accrued expenses		(42)	(87)
Increase in financial assets at fair value through profit or loss		47,721	194,000
Increase in financial liabilities at fair value through profit or loss		3,164	(512)
Interest income received		39	-
Other income received		9	1,127
Finance costs paid		(1,253)	(1,401)
Net cash from operating activities		155,307	143,705
Cash flows from financing activities			
Proceeds from redeemable participating shares issued		1,080	10,378
Paid on redeemable participating shares repurchased		(121,949)	(202,705)
Net cash from financing activities		(120,869)	(192,327)
Net increase/(decrease) in cash and cash equivalents		34,438	(48,622)
Cash and cash equivalents at 1 January		14,157	111,749
Cash and cash equivalents at 30 June	2, 3	48,595	63,127

The notes on pages 90 to 97 are an integral part of these financial statements

LEVERAGED CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out in note 2 to the financial statements of The Capital Holdings Funds plc.

3. CASH AND CASH EQUIVALENTS

As at	30/06/17 US\$000	31/12/16 US\$000
Cash at bank:		
Cash US\$	48,282	14,140
Cash €	310	15
Cash CHF	3	2
Net cash and cash equivalents	48,595	14,157

For purposes of the statement of cash flows, cash and cash equivalents comprise cash at current bank accounts, cash held on deposit and bank overdrafts.

During the reporting LCH maintained a total line of credit in the amount of US\$75 million with BNP Paribas, Dublin Branch, on which LCH pays an interest rate of Libor plus 1.30% per annum on amounts drawn down and a commitment fee of 0.50% per annum on the un-drawn portion of the credit line.

LCH has pledged all of its investments as collateral. The sale of such pledged assets requires the release of these assets by the Depositary. At the end of the reporting period LCH had drawn an amount of nil (31 December 2016: nil).

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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

LCH classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. 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 such as net asset values reported by the administrators of the investment companies in which LCH has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by LCH’s Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the Level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model’s results have historically aligned most closely to actual market transactions.

LEVERAGED CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 30 June 2017:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Equity Long Biased	7,634	258,722	-	266,356
Equity Opportunistic	-	30,997	-	30,997
Event Driven	-	69,327	5,332	74,659
Macro and Other	-	135,427	-	135,427
Total investment companies	7,634	494,473	5,332	507,439
Forward FX contracts	-	3,863	-	3,863
Total financial assets at fair value through profit or loss	7,634	498,336	5,332	511,302

As at 30 June 2017, the Board of Directors made fair value adjustments, as noted in note 2.4 on page 28 and taken into account in the table above, which reduced the fair value of investments representing approximately 1.4% (31 December 2016: 2.6%) of the net asset value, by US\$3.6 million (31 December 2016: US\$3.6 million) or 0.7% (31 December 2016: 0.6%) of net asset value at the year end. A sensitivity analysis on the fair value of Level 3 investments has not been performed as the write down provision amounts are immaterial.

The following table presents the movement of Level 3 investments for the period ended 30 June 2017 by category of investment:

	Event Driven US\$000	Equities Opportunistic US\$000	Total US\$000
Opening balance	11,945	7	11,952
Sales	(6,351)	(8)	(6,359)
Gains/(losses) recognised	(262)	1	(261)
Closing balance	5,332	-	5,332

During the period to 30 June 2017, transfers to Level 3 was the result of investment positions becoming subject to liquidity restrictions.

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2016:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Equity Long Biased	2,895	268,456	-	271,351
Equity Opportunistic	-	55,045	-	55,045
Event Driven	-	76,718	11,945	88,663
Macro and Other	-	153,957	7	153,964
Total financial assets at fair value through profit or loss	2,895	554,176	11,952	569,023

LEVERAGED CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the securities that are included in financial liabilities at fair value through profit or loss as at 31 December 2016:

	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Forward FX contracts	-	(1,173)	-	(1,173)
Total financial liabilities at fair value through profit or loss	-	(1,173)	-	(1,173)

The following table presents the movement of Level 3 investments for the year ended 31 December 2016 by category of investment:

	Event Driven US\$000	Equities Opportunistic US\$000	Total US\$000
Opening balance	1,437	24	1,461
Sales	(47)	(52)	(99)
Transfer into/(out of) Level 3	13,030	-	13,030
Gains/(losses) recognised	(2,475)	35	(2,440)
Closing balance	11,945	7	11,952

During the financial year 2016, transfers to level 3 were the result of investment positions becoming subject to liquidity restrictions.

The following table analyses within the fair value hierarchy LCH's assets and liabilities (by class) not measured at fair value at 30 June 2017 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	1,620	-	1,620
Prepayment on investments	-	10,000	-	10,000
Other accounts receivable	-	654	-	654
Cash and cash equivalents	48,595	-	-	48,595
Total	48,595	12,274	-	60,869
Liabilities				
Borrowings from bank	(75,000)	-	-	(75,000)
Shareholder redemptions payable	-	(549)	-	(549)
Advisory and performance fees payable	-	(1,268)	-	(1,268)
Other accounts payable and accrued expenses	-	(281)	-	(281)
Total	(75,000)	(2,098)	-	(77,098)

LEVERAGED CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following table analyses within the fair value hierarchy LCH's assets and liabilities (by class) not measured at fair value at 31 December 2016 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	91,987	-	91,987
Other accounts receivable	-	594	-	594
Cash and cash equivalents	14,157	-	-	14,157
Total	14,157	92,581	-	106,738
Liabilities				
Borrowings from bank	(75,000)	-	-	(75,000)
Shareholder redemptions payable	-	(2,095)	-	(2,095)
Advisory and performance fees payable	-	(1,525)	-	(1,525)
Other accounts payable and accrued expenses	-	(323)	-	(323)
Total	(75,000)	(3,943)	-	(78,943)

4.b. Condensed schedule of investments

A condensed schedule of investments of LCH as at 30 June 2017 was:

	30/06/17 US\$000	% of NAV
Discovery Capital Holdings	95,301	19.2
Trading Capital Holdings	87,668	17.7
Third Point Ultra Ltd	69,327	14.0
Greenlight Capital (Offshore) (Gold) Ltd	41,106	8.3
Glenview Capital Partners (Cayman) Ltd	37,778	7.6
Passport Special Opportunities Fund Ltd	30,997	6.3
Discovery Global Focus Fund	30,382	6.1
Maverick Levered Fund Limited	25,909	5.2
Other investments	92,834	18.8
Total financial assets at fair value through profit or loss	511,302	

A condensed schedule of investments of LCH as at 31 December 2016 was:

	31/12/16 US\$000	% of NAV
Discovery Capital Holdings	106,345	17.9
Trading Capital Holdings	101,233	17.0
Third Point Ultra Ltd	58,792	9.9
Greenlight Capital (Offshore) (Gold) Ltd	39,751	6.7
Maverick Levered Fund Limited	36,092	6.1
Discovery Global Focus Fund	34,089	5.7
Glenview Capital Partners (Cayman) Ltd	33,199	5.6
Passport Offshore Ltd	30,407	5.1
Other investments	129,115	21.7
Total financial assets at fair value through profit or loss	569,023	

LEVERAGED CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

4.c. Forward foreign exchange contracts

LCH enters into forward foreign exchange transactions for the Euro Class B shares, normally with the aim of seeking to hedge the US Dollar exposure back to the Euro. Forward foreign exchange contracts are held for trading and are valued at the forward rate and are marked to market on the valuation date.

Included under financial assets at fair value through profit or loss at 30 June 2017 are the following forward foreign exchange contracts that were outstanding with BNP Paribas Securities Services, an affiliate of the Administrator:

	Purchase €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
	53,180	(56,902)	10/07/2017	3,863
Total				3,863

Included under financial assets at fair value through profit or loss at 31 December 2016 are the following forward foreign exchange contracts that were outstanding with BNP Paribas Securities Services, an affiliate of the Administrator:

	Purchase €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
	62,750	(67,280)	09/01/17	(1,173)
Total				(1,173)

5. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

LCH has no share capital for accounting purposes as all of LCH's shares are redeemable participating shares. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The data relating to the net asset value of redeemable participating shares of LCH and the number of shares in issue during the period to 30 June 2017 is summarised below:

US\$000	Class A	Class B	Class C	Total
Redeemable participating shares at 1 January 2017	485,534	65,197	44,914	595,645
Subscriptions	1,073	7	-	1,080
Redemptions	(86,947)	(10,593)	(22,863)	(120,403)
Net increase in redeemable participating shares resulting from operations	11,726	5,966	1,059	18,751
Redeemable participating shares at 30 June 2017 - US\$	411,386	60,577	23,110	495,073
Redeemable participating shares at 30 June 2017 - €	-	53,043	-	-

LEVERAGED CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

Shares	Class A	Class B	Class C	Total
Shares outstanding at 1 January 2017	1,724,737	301,207	158,109	2,184,053
Subscriptions	3,734	30	-	3,764
Redemptions	(304,955)	(47,578)	(79,056)	(431,589)
Shares outstanding at 30 June 2017	1,423,516	253,659	79,053	1,756,228
Net asset value per redeemable participating share at 30 June 2017	US\$288.99	€209.11	US\$292.34	-

The data relating to the net asset value of redeemable participating shares of LCH and the number of shares in issue during the period to 30 June 2016 is summarised below:

US\$000	Class A	Class B	Class C	Total
Redeemable participating shares at 1 January 2016	891,839	100,821	94,005	1,086,665
Subscriptions	10,355	23	-	10,378
Redemptions	(184,811)	(18,004)	-	(202,815)
Net increase in redeemable participating shares resulting from operations	(42,163)	(3,359)	(4,597)	(50,119)
Redeemable participating shares at 30 June 2016 - US\$	675,220	79,481	89,408	844,109
Redeemable participating shares at 30 June 2016 - €	-	71,643	-	-

Shares	Class A	Class B	Class C	Total
Shares outstanding at 1 January 2016	3,014,075	423,281	316,221	3,753,577
Subscriptions	36,650	100	-	36,750
Redemptions	(646,939)	(77,001)	-	(723,940)
Shares outstanding at 30 June 2016	2,403,786	346,380	316,221	3,066,387
Net asset value per redeemable participating share at 30 June 2016	US\$280.90	€206.83	US\$282.74	-

6. BORROWINGS FROM BANK

Effective as of 14 November 2014, LCH has entered into a 3-year loan agreement with Credit Suisse International, based on which LCH has borrowed US\$75 million and on which LCH pays an interest rate of 3.025% per annum, fixed for three years.

LCH has pledged all of its investments in investment companies as collateral to Credit Suisse International. The sale of such pledged assets requires the release of these assets by Credit Suisse International. The carrying value of the borrowings approximates their fair value.

LEVERAGED CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

7. OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As at	30/06/17 US\$000	31/12/16 US\$000
Payable to the Administrator	(39)	(23)
Profit tax payable	(22)	(21)
Audit fees payable	(20)	(76)
Loan interest payable	(189)	(195)
Other accounts payable	(11)	(8)
Total	(281)	(323)

8. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the period ended 30 June	2017 US\$000	2016 US\$000
Realised gain on financial assets and liabilities at fair value through profit or loss	-	1,273
Realised loss on financial assets and liabilities at fair value through profit or loss	(7,837)	(15,178)
Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss	(7,837)	(13,905)
Change in unrealised gain on financial assets and liabilities at fair value through profit or loss	30,021	615
Change in unrealised loss on financial assets and liabilities at fair value through profit or loss	(241)	(31,089)
Net change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss	29,780	(30,474)
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	21,943	(44,379)

In respect of the LCH Class B Euro denominated shares, LCH seeks to hedge against currency fluctuations in non-Euro denominated portfolio investments. The profit or loss on such hedging is shown above.

9. ADVISORY AND PERFORMANCE FEES

For the period ended 30 June	2017 US\$000	2016 US\$000
Advisory fees	(3,883)	(6,620)
Total	(3,883)	(6,620)

LCH Investments NV is entitled to an amount in cash of 1.5% per annum of the net asset value of Class A Shares and Class B Shares and 1.0% per annum of the net asset value of Class C Shares. Such fees accruing on the basis of the net asset value at the close of each business day prior to taking into account any accrued performance fees as described below and payable monthly.

The Investment Advisor is entitled to a performance fee calculated in respect of each calendar year payable in cash of 3% of the net realized and unrealized appreciation in the NAV of Class A Shares, Class B Shares and Class C Shares (taking into account realized and unrealized gains and losses, and expenses) subject to a “high water mark” provision. This means that no performance fee is accrued or paid until the Net Asset Value per Share on which the performance fee was previously accrued and paid has been surpassed. This fee will accrue daily and be payable at the end of the financial year to which such fee relates (or upon a redemption with respect to redeemed Shares).

LEVERAGED CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

10. ADMINISTRATION FEES

The Administrator fees are calculated based on the net assets of LCH at the last business day of each month. The per annum fee rates were as follows: 0.075% on the first US\$250 million, 0.06% on the next US\$250 million and 0.05% on net assets in excess of US\$500 million. The net assets of LCH for this purpose shall exclude the amount of LCH's investment in TCH and DCH.

11. OTHER OPERATING EXPENSES

For the period ended 30 June	2017 US\$000	2016 US\$000
Directors fees	(121)	(141)
Depositary fees	(36)	(68)
Legal fees	(11)	(42)
Paying agent and related fees	(18)	(36)
Regulatory fees	(4)	(9)
Miscellaneous expenses	(19)	(77)
Total	(209)	(373)

12. EXCHANGE RATE

The following exchange rate prevailing at 30 June 2017 was used: €1.00 = US\$1.14205 (31 December 2016: US\$1.0528).



TRADING CAPITAL HOLDINGS PROFILE

The general investment objective of Trading Capital Holdings (“TCH”) is the realization of profit through investing in global macro, trading strategies in commodities, currencies, debt and equities. TCH has not paid any dividend since inception.

Under its two tier system TCH does not invest directly but operates through offshore funds which are wholly or partly owned by TCH. Generally each offshore fund is advised by a single portfolio manager and its team. The investment activities of the funds thereby comprise a wide range of specialised approaches and techniques used by the managers.

LCH Investments NV is the Investment Advisor of TCH and advises the Company on the selection of the investment managers. Its Investment Advisory Committee meets regularly to review and select managers in order to position TCH optimally in changing markets.

TCH started operating on 30 June 2003 in Curaçao (as Trading Capital Holdings NV) and merged with a sub-fund of the Company on 1 January 2015.

The financial year end of TCH is 31 December. In addition to the annual report, which contains audited financial statements, an unaudited interim report for the six month period to 30 June is also published.

Shares are issued by TCH daily, at net asset value per share. However, TCH has from time to time suspended the issuance of new shares. During the period of the closure to new subscriptions, the ability to redeem shares in TCH remains unaltered. Shares are issued in US\$(Class A and C) and Euro (Class B).

Shares may be redeemed at the end of each calendar quarter with 45 business days’ notice at net asset value. The redemption of shares may be postponed under certain circumstances, as described in the prospectus.

TCH will seek to hedge against currency fluctuations of the Class B shares, provided that hedging instruments are available on a timely basis and on acceptable terms.

For the convenience of investors, Class A shares and Class B shares of TCH are listed on Eurolist of Euronext Amsterdam NV and are also traded over the counter. However, TCH is not a party to and is not responsible for such secondary market transactions. Investors may purchase and sell TCH shares through banks and brokers throughout the world.

TRADING CAPITAL HOLDINGS
PERFORMANCE SINCE INCEPTION¹

Date	NAV per share Class A - US\$	NAV per share Class B - €	NAV per share Class C - US\$ ⁴	Performance ³ %
30/06/03	108.46	94.86	-	-
31/12/03	109.45	96.02	-	0.9
31/12/04	113.34	99.69	-	3.6
31/12/05	118.30	103.08	-	4.4
31/12/06	122.09	104.00	-	3.2
31/12/07	160.84	134.98	-	31.7
31/12/08	152.43	128.07	-	(5.2)
31/12/09	172.35	143.08	-	13.1
31/12/10	187.13	154.95	-	8.6
31/12/11	191.44	158.74	-	2.3
31/12/12	198.22	163.75	-	3.5
31/12/13	214.24	176.60	-	8.1
31/12/14	208.34	171.46	209.38	(2.8)
31/12/15	196.40	160.96	198.36	(5.7)
31/12/16	200.43	161.75	202.92	2.1
30/06/17	192.93	154.30	195.82	(3.7)

	TCH ³ %	Cash ² %
6 month	(3.7)	0.6
1 year p.a.	(0.2)	1.0
3 years p.a.	(1.8)	0.6
5 years p.a.	0.1	0.5
Since Inception p.a.	8.4	2.7

² 3 month US\$ Libor

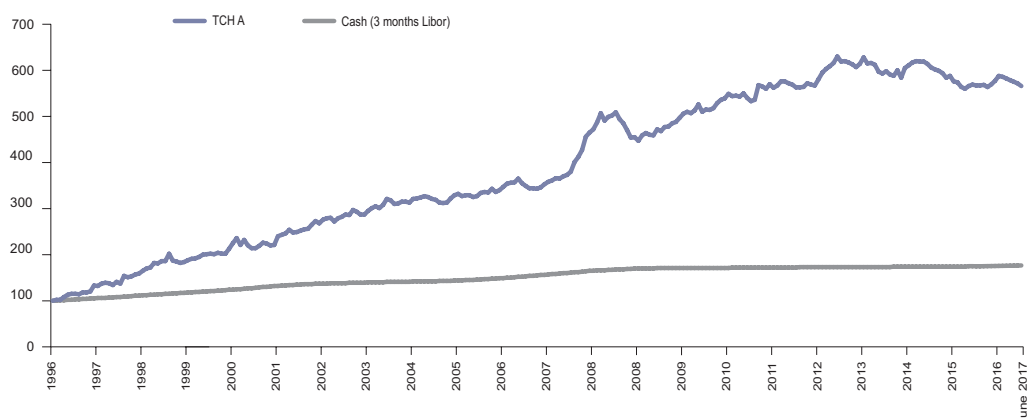
³ of Class A US\$ shares

⁴ launched at US\$214.24 per share on 1 January 2014

Important note: From inception up to 16 May 2003, the portfolio of TCH comprised the portfolio of Leveraged Capital Holdings (LCH) in traders and macro managers. TCH became available to investors other than LCH on 1 July 2003 and the record shown above commences on that date. The investment return actually achieved by LCH in its portfolio of traders and macro managers prior to that date is contained within the Annual Reports of LCH.

Past performance is not necessarily a guide to future performance.

Value of US\$100 Invested since Inception



¹ Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that TCH was incorporated in Curaçao.

TRADING CAPITAL HOLDINGS
STATEMENT OF FINANCIAL POSITION

As at	Notes	30/06/17 US\$000	31/12/16 US\$000
Assets			
Current assets			
Financial assets at fair value through profit or loss	2, 4	369,336	429,776
Due from investment companies and brokers	2	14	47,488
Prepayments on investments	2	5,000	-
Other accounts receivable	2	7	5
Cash and cash equivalents	2, 3	9,231	5,267
Total assets		<u>383,588</u>	<u>482,536</u>
Liabilities			
Current liabilities			
Financial liabilities at fair value through profit or loss	2, 4	-	(1,874)
Short term borrowings		-	(20,000)
Shareholder redemptions payable		(391)	(177)
Subscriptions received in advance		(273)	-
Advisory and performance fees payable	2	(918)	(1,072)
Other accounts payable and accrued expenses	2, 6	(88)	(99)
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>(1,670)</u>	<u>(23,222)</u>
Net assets attributable to holders of redeemable participating shares	2, 5	<u>(381,918)</u>	<u>(459,314)</u>
Total liabilities		<u>(383,588)</u>	<u>(482,536)</u>
Net asset value per Class A redeemable participating share		US\$192.93	US\$200.43
Net asset value per Class B redeemable participating share		€154.30	€161.75
Net asset value per Class C redeemable participating share		US\$195.82	US\$202.92
Net asset value per Class X redeemable participating share		US\$193.74	-
Net asset value per Class Y redeemable participating share		€155.03	-

TRADING CAPITAL HOLDINGS
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Income			
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:			
- Realised gains/(losses)	7	2,964	(5,859)
- Change in unrealised gains/(losses)	7	(8,673)	(374)
Interest income		14	1
Fee rebate		-	578
Surplus on repurchase of own shares ¹		404	479
Total income		(5,291)	(5,175)
Operating expenses			
Advisory and performance fees	8	(2,812)	(4,803)
Administration fees	9	(121)	(183)
Audit fees		(33)	(25)
Other operating expenses	10	(181)	(436)
Total operating expenses		(3,147)	(5,447)
Operating profit/(loss)		(8,438)	(10,622)
Finance costs			
Commitment fee relating to short term borrowings	3	(207)	(235)
Interest expense	2, 3	(9)	(61)
Total finance costs		(216)	(296)
Profit/(loss) before tax		(8,654)	(10,918)
Taxation		-	(6)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		(8,654)	(10,924)

¹ Certain prior period amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

TRADING CAPITAL HOLDINGS
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Net assets attributable to holders of redeemable participating shares at 1 January		459,314	873,941
Increase from redeemable participating shares issued	5	4,323	5,054
Decrease due to redeemable participating shares repurchased	5	<u>(73,065)</u>	<u>(257,632)</u>
Net increase/(decrease) from share transactions		(68,742)	(252,578)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>(8,654)</u>	<u>(10,924)</u>
Net assets attributable to holders of redeemable participating shares at 30 June		<u>381,918</u>	<u>610,439</u>

TRADING CAPITAL HOLDINGS
STATEMENT OF CASH FLOWS

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Cash flows from operating activities			
Profit/(loss) before tax		(8,654)	(10,918)
Adjustments for:			
Interest income		(14)	(1)
Taxation		-	(6)
Other income		(404)	(479)
Finance costs		216	296
Exchange (gains)/losses on cash and cash equivalent		2,265	83
Net changes in:			
Due from investment companies and brokers		47,474	400
Other accounts receivable		(2)	(8)
Prepayments on investments		(5,000)	10,000
Advisory and performance fees payable		(154)	(368)
Other accounts payable and accrued expenses		(11)	(288)
Increase in financial assets at fair value through profit or loss		60,440	253,885
Increase in financial liabilities at fair value through profit or loss		(4,139)	(1,132)
Interest income received		14	1
Other income received		404	479
Finance costs paid		(216)	(296)
Net cash from operating activities		92,219	251,648
Cash flows from financing activities			
Short term borrowings		(20,000)	-
Proceeds from redeemable participating shares issued		4,596	5,054
Paid on redeemable participating shares repurchased		(72,851)	(257,185)
Net cash from financing activities		(88,255)	(252,131)
Net increase/(decrease) in cash and cash equivalents		3,964	(483)
Cash and cash equivalents at 1 January		5,267	10,728
Cash and cash equivalents at 30 June	2, 3	9,231	10,245

The notes on pages 105 to 112 are an integral part of these financial statements

TRADING CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out in note 2 to the financial statements of The Capital Holdings Funds plc.

3. CASH AND CASH EQUIVALENTS

As at	30/06/17 US\$000	31/12/16 US\$000
Cash at bank:		
Cash US\$	8,475	5,267
Cash €	756	-
Net cash and cash equivalents	9,231	5,267

For purposes of the statement of cash flows, cash and cash equivalents comprise cash at current bank accounts, cash held on deposit and bank overdrafts.

During the reporting TCH maintained a total line of credit in the amount of US\$60 million with BNP Paribas, Dublin Branch, on which TCH pays an interest rate of Libor plus 1.30% per annum on amounts drawn down and a commitment fee of 0.50% per annum on the un-drawn portion of the credit line.

TCH has pledged all of its investments as collateral. The sale of such pledged assets requires the release of these assets by the Depositary. At the end of the reporting period TCH had drawn an amount of US\$nil (31 December 2016: US\$20 million).

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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

TCH classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. 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 such as net asset values reported by the administrators of the investment companies in which TCH has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by TCH’s Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the Level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model’s results have historically aligned most closely to actual market transactions.

TRADING CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 30 June 2017:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Commodities	-	46,370	-	46,370
Concentrated strategies	-	78,372	-	78,372
Credit	-	44,356	691	45,047
Diversified macro	-	70,007	502	70,509
Emerging markets	-	97,012	-	97,012
Sovereign debt	-	25,907	-	25,907
Investment companies in run-off	-	-	235	235
Total investment companies	-	362,024	1,428	363,452
Forward FX contracts	-	5,884	-	5,884
Total financial assets at fair value through profit or loss	-	367,908	1,428	369,336

As at 30 June 2017, the Board of Directors made fair value adjustments, as noted in note 2.4 on page 28 and taken into account in the table above, which reduced the fair value of investments representing approximately 0.6% (31 December 2016: 0.5%) of the net asset value, by US\$1.0 million (31 December 2016: US\$1.0 million) or 0.3% (31 December 2016: 0.2%) of net asset value at year end. A sensitivity analysis on the fair value of Level 3 investments has not been performed as the write down provision amounts are immaterial.

The following table presents the movement of Level 3 investments for the year ended 30 June 2017 by category of investment:

	Credit US\$000	Diversified Macro US\$000	Investment companies in run-off US\$000	Total US\$000
Opening balance	700	493	241	1,434
Sales	-	-	-	-
Gains/(losses) recognised	(9)	9	(6)	(6)
Closing balance	691	502	235	1,428

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2016:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Commodities	-	59,427	-	59,427
Concentrated strategies	-	81,494	-	81,494
Credit	-	43,278	700	43,978
Diversified macro	-	87,100	493	87,593
Emerging markets	-	106,739	-	106,739
Sovereign debt	-	50,304	-	50,304
Investment companies in run-off	-	-	241	241
Total financial assets at fair value through profit or loss	-	428,342	1,434	429,776

TRADING CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial liabilities at fair value through profit or loss at 31 December 2016::

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Forward FX contracts	-	(1,874)	-	(1,874)
Total financial liabilities at fair value through profit or loss	-	(1,874)	-	(1,874)

During the financial year 2016 there were no transfers between the different levels of the hierarchy.

The following table presents the movement of Level 3 investments for the year ended 31 December 2016 by category of investment:

	Credit US\$000	Diversified Macro US\$000	Investment companies in run-off US\$000	Total US\$000
Opening balance	684	848	246	1,778
Sales	-	(487)	-	(487)
Gains/(losses) recognised	16	132	(5)	143
Closing balance	700	493	241	1,434

The following table analyses within the fair value hierarchy TCH's assets and liabilities (by class) not measured at fair value at 30 June 2017 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	14	-	14
Prepayments on investments	-	5,000	-	5,000
Other accounts receivable	-	7	-	7
Cash and cash equivalents	9,231	-	-	9,231
Total	9,231	5,021	-	14,252
Liabilities				
Shareholder redemptions payable	-	(391)	-	(391)
Subscriptions received in advance	-	(273)	-	(273)
Advisory and performance fees payable	-	(918)	-	(918)
Other accounts payable and accrued expenses	-	(88)	-	(88)
Total	-	(1,670)	-	(1,670)

TRADING CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following table analyses within the fair value hierarchy TCH's assets and liabilities (by class) not measured at fair value at 31 December 2016 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	47,488	-	47,488
Prepayments on investments	-	-	-	-
Other accounts receivable	-	5	-	5
Cash and cash equivalents	5,267	-	-	5,267
Total	5,267	47,493	-	52,760
Liabilities				
Short term borrowings	(20,000)	-	-	(20,000)
Shareholder redemptions payable	-	(177)	-	(177)
Advisory and performance fees payable	-	(1,072)	-	(1,072)
Other accounts payable and accrued expenses	-	(99)	-	(99)
Total	(20,000)	(1,348)	-	(21,348)

4.b. Condensed schedule of investments

A condensed schedule of investments of TCH as at 30 June 2017 was:

	30/06/17 US\$000	% of NAV
Wexford Offshore Spectrum Fund	45,047	11.8
Moore Global Investments Ltd	36,033	9.4
Pharo Trading Fund Ltd	29,007	7.6
Discovery Global Opportunity Fund Ltd	26,004	6.8
The Tudor BVI Global Fund Ltd	25,147	6.6
Koppenberg Macro Commodity Fund Ltd	24,626	6.4
Other investments	183,472	48.0
Total financial assets at fair value through profit or loss	369,336	

A condensed schedule of investments of TCH as at 31 December 2016 was:

	31/12/16 US\$000	% of NAV
Wexford Offshore Spectrum Fund	43,978	9.6
Moore Global Investments Ltd	42,523	9.3
Rubicon Global Fund Ltd	42,049	9.2
Discovery Global Opportunity Fund Ltd	38,225	8.3
Koppenberg Macro Commodity Fund Ltd	29,592	6.4
The Tudor BVI Global Fund Ltd	25,767	5.6
Pharo Trading Fund Ltd	24,503	5.3
Other investments	183,139	39.9
Total financial assets at fair value through profit or loss	429,776	

TRADING CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

4.c. Forward foreign exchange contracts

TCH enters into forward foreign exchange transactions for the Euro Class B shares, normally with the aim of seeking to hedge the US Dollar exposure back to the Euro. Forward foreign exchange contracts are held for trading and are valued at the forward rate and are marked to market on the valuation date.

Included under financial assets at fair value through profit or loss at 30 June 2017 are the following forward foreign exchange contracts that were outstanding with BNP Paribas Securities Services, an affiliate of the Administrator:

Purchase €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
77,100	(82,213)	10/07/17	<u>5,884</u>
Total			<u>5,884</u>

Included under financial assets at fair value through profit or loss at 31 December 2016 are the following forward foreign exchange contracts that were outstanding with BNP Paribas Securities Services, an affiliate of the Administrator:

Purchase €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
99,860	(107,076)	09/01/2017	<u>(1,874)</u>
Total			<u>(1,874)</u>

5. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

TCH has no share capital for accounting purposes as all of TCH's shares are redeemable participating shares. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The data relating to the net asset value of redeemable participating shares of TCH and the number of shares in issue during the period to 30 June 2017 is summarised below:

US\$000	Class A	Class B	Class C	Class X	Class Y	Total
Redeemable participating shares at 1 January 2017	225,949	104,859	128,506	-	-	459,314
Subscriptions	2,659	88	-	1,520	56	4,323
Redemptions	(28,796)	(20,347)	(23,922)	-	-	(73,065)
Net increase in redeemable participating shares resulting from operations	<u>(7,878)</u>	<u>3,089</u>	<u>(3,830)</u>	<u>(37)</u>	<u>2</u>	<u>(8,654)</u>
Redeemable participating shares at 30 June 2017 - US\$	191,934	87,689	100,754	1,483	58	381,918
Redeemable participating shares at 30 June 2017 - €	<u>-</u>	<u>76,782</u>	<u>-</u>	<u>-</u>	<u>51</u>	<u>76,833</u>

TRADING CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

Shares	Class A	Class B	Class C	Class X	Class Y	Total
Redeemable participating shares at 1 January 2017	1,127,345	615,770	633,298	-	-	2,376,413
Subscriptions	13,365	515	-	7,654	330	21,864
Redemptions	(145,871)	(118,669)	(118,764)	-	-	(383,304)
Redeemable participating shares at 30 June 2017	994,839	497,616	514,534	7,654	330	2,014,973
Redeemable participating shares at 30 June 2017	US\$192.93	€154.30	US\$195.82	US\$193.74	€155.03	

The data relating to the net asset value of redeemable participating shares of LCH and the number of shares in issue during the period to 30 June 2016 is summarised below:

US\$000	Class A	Class B	Class C	Total
Redeemable participating shares at 1 January 2016	520,647	199,117	154,177	873,941
Subscriptions	5,015	39	-	5,054
Redemptions	(194,004)	(61,161)	(2,467)	(257,632)
Net increase in redeemable participating shares resulting from operations	(8,576)	46	(2,394)	(10,924)
Redeemable participating shares at 30 June 2016 - US\$	323,082	138,041	149,316	610,439
Redeemable participating shares at 30 June 2016 - €	-	124,428	-	-

Shares	Class A	Class B	Class C	Total
Shares outstanding at 1 January 2016	2,650,967	1,138,478	777,264	4,566,709
Subscriptions	25,894	221	-	26,115
Redemptions	(1,005,956)	(347,677)	(12,604)	(1,366,237)
Shares outstanding at 30 June 2016	1,670,905	791,022	764,660	3,226,587
Net asset value per redeemable participating share at 30 June 2016	US\$193.36	€157.30	US\$195.27	

6. OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As at	30/06/17 US\$000	31/12/16 US\$000
Audit fees payable	(14)	(47)
Other accounts payable	(74)	(52)
Total	(88)	(99)

TRADING CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

7. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the period ended 30 June	2017 US\$000	2016 US\$000
Realised gain on financial assets and liabilities at fair value through profit or loss	4,105	2,066
Realised loss on financial assets and liabilities at fair value through profit or loss	<u>(1,141)</u>	<u>(7,925)</u>
Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss	2,964	(5,859)
Change in unrealised gain on financial assets and liabilities at fair value through profit or loss	7,765	1,133
Change in unrealised loss on financial assets and liabilities at fair value through profit or loss	<u>(16,438)</u>	<u>(1,507)</u>
Net change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss	<u>(8,673)</u>	<u>(374)</u>
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	<u>(5,709)</u>	<u>(6,233)</u>

In respect of the Class B and Class Y Euro denominated shares, TCH seeks to hedge against currency fluctuations in non-Euro denominated portfolio investments. The profit or loss on such hedging is shown above.

8. ADVISORY AND PERFORMANCE FEES

For the period ended 30 June	2017 US\$000	2016 US\$000
Advisory fees	<u>2,812</u>	<u>(4,803)</u>
Total	<u>2,812</u>	<u>(4,803)</u>

LCH Investments NV is entitled to an amount in cash of 1.5% per annum of the net asset value of Class A Shares and Class B Shares, 1.0% per annum of the net asset value of Class C Shares and 0.25% per annum of the net asset value of Class X and Class Y Shares. Such fees accruing on the basis of the net asset value at the close of each business day prior to taking into account any accrued performance fees as described below and payable monthly.

The Investment Advisor is entitled to a performance fee calculated in respect of each calendar year payable in cash of 5% of the net realized and unrealized appreciation in the NAV of Class A Shares, Class B Shares and Class C Shares (taking into account realized and unrealized gains and losses, and expenses) subject to a “high water mark” provision. This means that no performance fee is accrued or paid until the Net Asset Value per Share on which the performance fee was previously accrued and paid has been surpassed. This fee will accrue daily and be payable at the end of the financial year to which such fee relates (or upon a redemption with respect to redeemed Shares).

9. ADMINISTRATION FEES

The Administrator fees are calculated based on the net assets of TCH at the last business day of each month. The per annum fee rates were as follows: 0.06% on the first US\$250 million, 0.05% on the next US\$250 million and 0.04% on net assets in excess of US\$500 million.

TRADING CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

10. OTHER OPERATING EXPENSES

For the period ended 30 June	2017 US\$000	2016 US\$000
Directors fees	(89)	(118)
Depository fees	(44)	(70)
Legal fees	(10)	(43)
Paying agent and related fees	(13)	(34)
Regulatory fees	(3)	(8)
Miscellaneous expenses	(22)	(163)
Total	(181)	(436)

11. EXCHANGE RATE

The following exchange rate prevailing at 30 June 2017 was used: €1.00 = US\$1.14205 (31 December 2016: US\$1.0528).



LEVERAGED CAPITAL HOLDINGS (GOLD) PROFILE

The principal objective of LCH (Gold) is the appreciation in capital. In addition to investments in gold and gold related instruments, LCH (Gold) may invest without limit in shares of Leveraged Capital Holdings (LCH).

LCH does not invest directly but operates through offshore funds which are wholly or partly owned by LCH. Generally each offshore fund is advised by a single portfolio manager and its team. The investment activities of the funds thereby comprise a wide range of specialised approaches and techniques used by the managers. Hence LCH benefits from the collective services of a group of highly skilled investment managers who are allowed to operate within their area of expertise without imposed limitations.

Moreover, due to its two tier system, LCH is highly flexible in engaging and, when necessary, disengaging the services of investment managers, while at the same time limiting the financial and legal exposure to the size of its investment in an offshore fund.

LCH Investments NV is the Investment Advisor of LCH (Gold) and advises the Company on the selection of the investment managers. Its Investment Advisory Committee meets regularly to review and select managers in order to position LCH (Gold) optimally in changing markets.

LCH (Gold) started operating on 23 July 2009 in Curaçao (as a separate share class of Leveraged Capital Holdings NV) and merged with a sub-fund of the Company on 1 January 2015.

The financial year end of LCH (Gold) is 31 December. In addition to the annual report, which contains audited financial statements, an unaudited interim report for the six month period to 30 June is also published.

Shares are issued by LCH (Gold) daily, on the basis of net asset value. Shares are issued in US\$ (Class G).

Shares may be redeemed at the end of each quarter with 45 business days' notice at net asset value. The redemption of shares may be postponed under certain circumstances, as described in the prospectus.

LCH (Gold) will seek to expose the Class G portfolio to the performance of gold by investing in gold or gold related instruments.

For the convenience of investors, the shares of LCH (Gold) are traded over the counter. However, LCH (Gold) is not a party to and is not responsible for such secondary market transactions. Investors may purchase and sell through banks and brokers throughout the world.

LEVERAGED CAPITAL HOLDINGS (GOLD)
PERFORMANCE SINCE INCEPTION¹

Date	NAV per share Class G - US\$	Performance %
23/07/09 †	222.56	
31/12/09	275.34	23.7
31/12/10	401.41	45.8
31/12/11	383.22	(4.5)
31/12/12	428.83	11.9
31/12/13	336.97	(21.4)
31/12/14	332.24	(1.4)
31/12/15	276.30	(16.8)
31/12/16	281.72	2.0
30/06/17	308.41	9.5

† Inception at 23 July 2009

	LCH (Gold) %	S&P500 ² %
6 months	9.5	9.0
1 year p.a.	(5.9)	17.1
3 years p.a.	(6.1)	8.9
5 years p.a.	(4.6)	13.9
Since Inception p.a.	4.2	13.7

² S&P500 (70% dividends reinvested)

¹ Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that LCH (Gold) was incorporated in Curaçao as a share class of LCH.

LEVERAGED CAPITAL HOLDINGS (GOLD)
STATEMENT OF FINANCIAL POSITION

As at	Notes	30/06/17 US\$000	31/12/16 US\$000
Assets			
Current assets			
Financial assets at fair value through profit or loss	2, 4	20,859	19,430
Due from investment companies and brokers	2	-	2,159
Other accounts receivable	2	54	57
Cash and cash equivalents	2, 3	813	119
Total assets		21,726	21,765
Liabilities			
Current liabilities			
Financial liabilities at fair value through profit or loss	2, 4	(567)	(126)
Short term borrowings		-	(2,157)
Advisory and performance fees payable	2	(55)	(53)
Other accounts payable and accrued expenses	2, 6	(17)	(16)
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		(639)	(2,352)
Net assets attributable to holders of redeemable participating shares	2, 5	(21,087)	(19,413)
Total liabilities		(21,726)	(21,765)
Net asset value per Class G redeemable participating share		US\$308.41	US\$281.72

The notes on pages 120 to 124 are an integral part of these financial statements

LEVERAGED CAPITAL HOLDINGS (GOLD)
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Income			
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:			
- Realised gains/(losses)	2, 7	1,909	2,456
- Change in unrealised gains/(losses)	2, 7	(44)	1,208
Interest income		-	1
Fee rebate		152	153
Total income		2,017	3,818
Operating expenses			
Advisory and performance fees	8	(158)	(159)
Audit fees		(5)	(5)
Other operating expenses	9	(4)	(32)
Total operating expenses		(167)	(196)
Operating profit/(loss)		1,850	3,622
Finance costs			
Commitment fee relating to short term borrowings	3	(6)	(11)
Interest expense	2, 3	(4)	(21)
Bank charges		-	(1)
Total finance costs		(10)	(33)
Profit/(loss) before tax		1,840	3,589
Taxation	2	-	(6)
Increase in net assets attributable to holders of redeemable participating shares from operations		1,840	3,583

The notes on pages 120 to 124 are an integral part of these financial statements

LEVERAGED CAPITAL HOLDINGS (GOLD)
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Net assets attributable to holders of redeemable participating shares at 1 January		19,413	19,322
Increase from redeemable participating shares issued	5	-	-
Decrease due to redeemable participating shares repurchased	5	<u>(166)</u>	<u>(43)</u>
Net increase/(decrease) from share transactions		(166)	(43)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>1,840</u>	<u>3,583</u>
Net assets attributable to holders of redeemable participating shares at 30 June		<u>21,087</u>	<u>22,862</u>

The notes on pages 120 to 124 are an integral part of these financial statements

LEVERAGED CAPITAL HOLDINGS (GOLD)
STATEMENT OF CASH FLOWS

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Cash flows from operating activities			
Profit/(loss) before tax		1,840	3,589
Adjustments for:			
Taxation		-	(6)
Finance costs		10	33
Interest income		-	(1)
Net changes in:			
Due from investment companies and brokers		2,159	-
Other accounts receivable		3	-
Margin accounts		-	1,059
Advisory and performance fees payable		2	2
Other accounts payable and accrued expenses		1	4
Increase in financial assets at fair value through profit or loss		(1,429)	(4,493)
Increase in financial liabilities at fair value through profit or loss		441	(201)
Interest income received		-	1
Finance costs paid		(10)	(33)
Net cash from operating activities		3,017	(46)
Cash flows from financing activities			
Paid on redeemable participating shares repurchased		(166)	(43)
Net cash from financing activities		(166)	(43)
Net increase/(decrease) in cash and cash equivalents		2,851	(89)
Cash and cash equivalents at 1 January		(2,038)	(569)
Cash and cash equivalents at 30 June	2, 3	813	(658)

The notes on pages 120 to 124 are an integral part of these financial statements

LEVERAGED CAPITAL HOLDINGS (GOLD)
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out in note 2 to the financial statements of The Capital Holdings Funds plc.

3. CASH AND CASH EQUIVALENTS

As at	30/06/17 US\$000	31/12/16 US\$000
Cash at bank:		
Cash US\$	813	119
Net cash and cash equivalents	813	119

For purposes of the statement of cash flows, cash and cash equivalents comprise cash at current bank accounts, cash held on deposit and bank overdrafts.

During the reporting period LCH (Gold) maintained a total line of credit in the amount of US\$5 million with BNP Paribas, Dublin Branch, on which LCH (Gold) pays an interest rate of Libor plus 1.30% per annum on amounts drawn down and a commitment fee of 0.50% per annum on the un-drawn portion of the credit line.

LCH (Gold) has pledged all of its investments as collateral. The sale of such pledged assets requires the release of these assets by the Depository. At the end of the reporting period LCH (Gold) had drawn an amount of nil (31 December 2016: US\$2.2 million).

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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

LCH (Gold) classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. 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 such as net asset values reported by the administrators of the investment companies in which LCH (Gold) has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by LCH (Gold’s) Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the Level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model’s results have historically aligned most closely to actual market transactions.

LEVERAGED CAPITAL HOLDINGS (GOLD)
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 30 June 2017:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment in LCH	-	20,859	-	20,859
Total financial assets at fair value through profit or loss	-	20,859	-	20,859

The following is a summary of the financial liabilities at fair value through profit or loss at 30 June 2017:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
LCH (Gold) – Gold index swap	-	(567)	-	(567)
Total financial liabilities at fair value through profit or loss	-	(567)	-	(567)

The following is During the financial period to 30 June 2017 there were no transfers between the different levels of the hierarchy.

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2016:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment in LCH	-	19,430	-	19,430
Total financial liabilities at fair value through profit or loss	-	19,430	-	19,430

The following is a summary of the financial liabilities at fair value through profit or loss at 31 December 2016:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
LCH (Gold) - Gold future contracts	-	(126)	-	(126)
Total financial liabilities at fair value through profit or loss	-	(126)	-	(126)

During the financial year 2016 there were no transfers between the different levels of the hierarchy.

LEVERAGED CAPITAL HOLDINGS (GOLD)
NOTES TO THE FINANCIAL STATEMENTS

The following table analyses within the fair value hierarchy LCH (Gold)'s assets and liabilities (by class) not measured at fair value at 30 June 2017 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Other accounts receivable	-	54	-	54
Cash and cash equivalents	813	-	-	813
Total	813	54	-	867
Liabilities				
Advisory and performance fees payable	-	(55)	-	(55)
Other accounts payable and accrued expenses	-	(17)	-	(17)
Total	-	(72)	-	(72)

The following table analyses within the fair value hierarchy LCH (Gold)'s assets and liabilities (by class) not measured at fair value at 31 December 2016 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	2,159	-	2,159
Other accounts receivable	-	57	-	57
Cash and cash equivalents	119	-	-	119
Total	119	2,216	-	2,335
Liabilities				
Short term borrowings	(2,157)	-	-	(2,157)
Advisory and performance fees payable	-	(53)	-	(53)
Other accounts payable and accrued expenses	-	(16)	-	(16)
Total	(2,157)	(69)	-	(2,226)

4.b. Exposure to gold investments

As at	30/06/17 US\$000	31/12/16 US\$000
Gold index swap – notional amount	21,605	19,700
Gold index swap – unrealised gain/(loss)	(567)	(126)
Total gold holdings	21,038	19,574

All gold index swaps are entered into with BNP Paribas.

5. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

LCH (Gold) has no share capital for accounting purposes as all of LCH (Gold)'s shares are redeemable participating shares. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

LEVERAGED CAPITAL HOLDINGS (GOLD)
NOTES TO THE FINANCIAL STATEMENTS

The data relating to the net asset value of redeemable participating shares of LCH (Gold) and the number of shares in issue during the period to 30 June 2017 and 30 June 2016 are summarised below:

	30/06/17 US\$000	30/06/16 US\$000
Redeemable participating shares at 1 January	19,413	19,322
Subscriptions	-	-
Redemptions	(166)	(43)
Net increase in redeemable participating shares resulting from operations	<u>1,840</u>	<u>3,583</u>
Redeemable participating shares at 30 June	<u>21,087</u>	<u>22,862</u>

	Shares 30/06/17	Shares 30/06/16
Shares outstanding at 1 January	68,911	69,932
Subscriptions	-	-
Redemptions	<u>(540)</u>	<u>(141)</u>
Shares outstanding at 30 June	<u>68,371</u>	<u>69,791</u>
Net asset value per redeemable participating share at 30 June	US\$308.41	US\$327.58

6. OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As at	30/06/17 US\$000	31/12/16 US\$000
Profit tax payable	(7)	(7)
Interest payable	(6)	-
Audit fee payable	<u>(4)</u>	<u>(9)</u>
Total	<u>(17)</u>	<u>(16)</u>

7. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the period ended 30 June	2017 US\$000	2016 US\$000
Realised gain on financial assets and liabilities at fair value through profit or loss	1,909	2,546
Realised loss on financial assets and liabilities at fair value through profit or loss	<u>-</u>	<u>(90)</u>
Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss	1,909	2,456
Change in unrealised gain on financial assets and liabilities at fair value through profit or loss	521	1,982
Change in unrealised loss on financial assets and liabilities at fair value through profit or loss	<u>(565)</u>	<u>(774)</u>
Net change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss	<u>(44)</u>	<u>1,208</u>
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	<u>1,865</u>	<u>3,664</u>

LEVERAGED CAPITAL HOLDINGS (GOLD)
NOTES TO THE FINANCIAL STATEMENTS

8. ADVISORY AND PERFORMANCE FEES

For the period ended 30 June	2017 US\$000	2016 US\$000
Advisory fee	<u>(158)</u>	<u>(159)</u>
Total	<u>(158)</u>	<u>(159)</u>

LCH Investments NV is entitled to an amount in cash of 1.5% per annum of the net asset value of Class G Shares. Such fees accruing on the basis of the net asset value at the close of each business day prior to taking into account any accrued performance fees as described below and payable monthly.

The Investment Advisor is entitled to a performance fee calculated in respect of each calendar year payable in cash of 3% of the net realized and unrealized appreciation in the NAV of Class G Shares (taking into account realized and unrealized gains and losses, and expenses) subject to a “high water mark” provision. This means that no performance fee is accrued or paid until the Net Asset Value per Share on which the performance fee was previously accrued and paid has been surpassed. This fee will accrue daily and be payable at the end of the financial year to which such fee relates (or upon a redemption with respect to redeemed Shares).

9. OTHER OPERATING EXPENSES

For the period ended 30 June	2017 US\$000	2016 US\$000
Regulatory fees	(1)	(2)
Professional fees	-	(13)
Miscellaneous expenses	<u>(3)</u>	<u>(17)</u>
Total	<u>(4)</u>	<u>(32)</u>

10. EXCHANGE RATE

The following exchange rate prevailing at 30 June 2017 was used: €1.00 = US\$1.14205 (31 December 2016: US\$1.0528).



(GOLD)

TRADING CAPITAL HOLDINGS (GOLD)
PROFILE

The general investment objective of TCH (Gold) is the realization of profit. In addition to investments in gold and gold related investments, TCH (Gold) may invest without limit in shares of Trading Capital Holdings (“TCH”).

TCH does not invest directly but operates through offshore funds which are wholly or partly owned by TCH (Gold). Generally each offshore fund is advised by a single portfolio manager and its team. The investment activities of the funds thereby comprise a wide range of specialised approaches and techniques used by the managers.

LCH Investments NV is the Investment Advisor of TCH and advises the Company on the selection of the investment managers. Its Investment Advisory Committee meets regularly to review and select managers in order to position TCH (Gold) optimally in changing markets.

TCH (Gold) started operating on 6 February 2012 in Curaçao (as a separate share class of Trading Capital Holdings NV) and merged with a sub-fund of the Company on 1 January 2015.

The financial year end of TCH (Gold) is 31 December. In addition to the annual report, which contains audited financial statements, an unaudited interim report for the six month period to 30 June is also published.

Shares are issued by TCH (Gold) daily, at net asset value per share. Shares are issued in US\$ (Class G).

Shares may be redeemed at the end of each calendar quarter with 45 business days’ notice at net asset value. The redemption of shares may be postponed under certain circumstances, as described in the prospectus.

TCH (Gold) will seek to expose the Class G portfolio to the performance of gold by investing in gold or gold related instruments.

For the convenience of investors, the shares of TCH (Gold) are traded over the counter. However, TCH (Gold) is not a party to and is not responsible for such secondary market transactions. Investors may purchase and sell TCH (Gold) shares through banks and brokers throughout the world.

TRADING CAPITAL HOLDINGS (GOLD)
PERFORMANCE SINCE INCEPTION¹

Date	NAV per share Class G - US\$	Performance %
06/02/12 †	194.47	
31/12/12	190.18	(2.2)
31/12/13	147.46	(22.5)
31/12/14	140.02	(5.0)
31/12/15	117.56	(16.0)
31/12/16	128.44	9.3
30/06/17	132.18	2.9

† Inception at 6 February 2012

	TCH (Gold) %
6 months	2.9
1 year p.a.	(7.8)
3 years p.a.	(5.0)
5 years p.a.	(5.6)
Since inception p.a.	(6.9)

¹ Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that TCH (Gold) was incorporated in Curaçao as a share class of TCH.

TRADING CAPITAL HOLDINGS (GOLD)
STATEMENT OF FINANCIAL POSITION

As at	Notes	30/06/17 US\$000	31/12/16 US\$000
Assets			
Current assets			
Financial assets at fair value through profit or loss	2, 4	7,564	7,324
Due from investment companies and brokers	2	-	814
Other accounts receivable		20	22
Cash and cash equivalents	2, 3	304	155
Total assets		<u>7,888</u>	<u>8,315</u>
Liabilities			
Current liabilities			
Financial liabilities at fair value through profit or loss	2, 4	(206)	(48)
Short term borrowings		-	(797)
Advisory and performance fees payable	2	(20)	(19)
Other accounts payable and accrued expenses	2	(10)	(16)
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>(236)</u>	<u>(880)</u>
Net assets attributable to holders of redeemable participating shares	2, 5	<u>(7,652)</u>	<u>(7,435)</u>
Total liabilities		<u>(7,888)</u>	<u>(8,315)</u>
Net asset value per Class G redeemable participating share		US\$132.18	US\$128.44

TRADING CAPITAL HOLDINGS (GOLD)
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Income			
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:			
- Realised gains/(losses)	2, 6	705	900
- Change in unrealised gains/(losses)	2, 6	(475)	639
Fee rebate	2, 13	56	55
Total income		286	1,594
Operating expenses			
Advisory and performance fees	7	(58)	(58)
Audit fees		(5)	(5)
Other operating expenses	8	(1)	(21)
Total operating expenses		(64)	(84)
Operating profit/(loss)		222	1,510
Finance costs			
Commitment fee relating to short term borrowings	3	(2)	(4)
Interest expense	2, 3	(3)	(8)
Total finance costs		(5)	(12)
Profit/(loss) before tax		217	1,498
Taxation	2	-	(6)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		217	1,492

The notes on pages 132 to 136 are an integral part of these financial statements

TRADING CAPITAL HOLDINGS (GOLD)
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Net assets attributable to holders of redeemable participating shares at 1 January		7,435	6,805
Increase from redeemable participating shares issued	5	-	-
Decrease due to redeemable participating shares repurchased	5	-	-
Net increase/(decrease) from share transactions		-	-
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		217	1,492
Net assets attributable to holders of redeemable participating shares at 30 June		7,652	8,297

TRADING CAPITAL HOLDINGS (GOLD)
STATEMENT OF CASH FLOWS

For the period ended 30 June	Notes	2017 US\$000	2016 US\$000
Cash flows from operating activities			
Profit/(loss) before tax		217	1,498
Adjustments for:			
Taxation		-	(6)
Finance costs		5	12
Net changes in:			
Due from investment companies and brokers		814	-
Other accounts receivable		2	(1)
Margin accounts		-	441
Advisory and performance fees payable		1	1
Other accounts payable and accrued expenses		(6)	8
Increase in financial assets at fair value through profit or loss		(240)	(1,830)
Increase in financial liabilities at fair value through profit or loss		158	(72)
Finance costs paid		(5)	(12)
Net cash from operating activities		946	39
Cash flows from financing activities			
Proceeds from redeemable participating shares issued		-	-
Paid on redeemable participating shares repurchased		-	-
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		946	39
Cash and cash equivalents at 1 January		(642)	(267)
Cash and cash equivalents at 30 June	2, 3	304	(228)

The notes on pages 132 to 136 are an integral part of these financial statements

TRADING CAPITAL HOLDINGS (GOLD)
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out in note 2 to the financial statements of The Capital Holdings Funds plc.

3. CASH AND CASH EQUIVALENTS

As at	30/06/17 US\$000	31/12/16 US\$000
Cash at bank:		
Cash US\$	304	155
Net cash and cash equivalents	304	155

For purposes of the statement of cash flows, cash and cash equivalents comprise cash at current bank accounts, cash held on deposit and bank overdrafts.

During the reporting period TCH (Gold) maintained a total line of credit in the amount of US\$2 million with BNP Paribas, Dublin Branch, on which TCH (Gold) pays an interest rate of Libor plus 1.30% per annum on amounts drawn down and a commitment fee of 0.50% per annum on the un-drawn portion of the credit line.

TCH (Gold) has pledged all of its investments as collateral. The sale of such pledged assets requires the release of these assets by the Depository. At the end of the reporting period TCH (Gold) had drawn an amount of nil (31 December 2016: US\$0.8 million).

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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

TCH (Gold) classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. 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 such as net asset values reported by the administrators of the investment companies in which TCH (Gold) has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by TCH (Gold’s) Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the Level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model’s results have historically aligned most closely to actual market transactions.

TRADING CAPITAL HOLDINGS (GOLD)
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 30 June 2017:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment in TCH	-	7,564	-	7,564
Total financial liabilities at fair value through profit or loss	-	7,564	-	7,564

The following is a summary of the financial liabilities at fair value through profit or loss at 30 June 2017:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
TCH (Gold) – Gold index swap	-	(206)	-	(206)
Total financial liabilities at fair value through profit or loss	-	(206)	-	(206)

During the period to 30 June 2017 there were no transfers between the different levels of the hierarchy.

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2016:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment in TCH	-	7,324	-	7,324
Total financial liabilities at fair value through profit or loss	-	7,324	-	7,324

The following is a summary of the financial liabilities at fair value through profit or loss at 31 December 2016:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
TCH (Gold) - Gold index swap	-	(48)	-	(48)
Total financial liabilities at fair value through profit or loss	-	(48)	-	(48)

During the financial year 2016 there were no transfers between the different levels of the hierarchy.

TRADING CAPITAL HOLDINGS (GOLD)
NOTES TO THE FINANCIAL STATEMENTS

The following table analyses within the fair value hierarchy TCH (Gold)'s assets and liabilities (by class) not measured at fair value at 30 June 2017 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Other accounts receivable	-	20	-	20
Cash and cash equivalents	304	-	-	304
Total	304	20	-	324
Liabilities				
Advisory and performance fees payable	-	(20)	-	(20)
Other accounts payable and accrued expenses	-	(10)	-	(10)
Total	-	(30)	-	(30)

The following table analyses within the fair value hierarchy the TCH (Gold)'s assets and liabilities (by class) not measured at fair value at 31 December 2016 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Other accounts receivable	-	814	-	814
Margin accounts	-	22	-	22
Cash and cash equivalents	155	-	-	155
Total	155	836	-	991
Liabilities				
Short term borrowings	(797)	-	-	(797)
Advisory and performance fees payable	-	(19)	-	(19)
Other accounts payable and accrued expenses	-	(16)	-	(16)
Total	(797)	(35)	-	(832)

4.b. Exposure to gold investments

As at	30/06/17 US\$000	31/12/16 US\$000
Gold index swap – notional amount	7,960	7,500
Gold index swap – unrealised gain/(loss)	(206)	(48)
Total gold holdings	7,754	7,452

All gold index swaps are entered into with BNP Paribas.

TRADING CAPITAL HOLDINGS (GOLD)
NOTES TO THE FINANCIAL STATEMENTS

5. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

TCH (Gold) has no share capital for accounting purposes as all of TCH (Gold's) shares are redeemable participating shares. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The data relating to the net asset value of redeemable participating shares of TCH (Gold) and the number of shares in issue during the period to 30 June 2017 is summarised below:

	30/06/17 US\$000	30/06/16 US\$000
Redeemable participating shares at 1 January	7,435	6,805
Subscriptions	-	-
Redemptions	-	-
Net increase in redeemable participating shares resulting from operations	<u>217</u>	<u>1,492</u>
Redeemable participating shares at 30 June	<u>7,652</u>	<u>8,297</u>

	Shares	Shares
Shares outstanding at 1 January	57,889	57,889
Subscriptions	-	-
Redemptions	-	-
Shares outstanding at 30 June	<u>57,889</u>	<u>57,889</u>

Net asset value per redeemable participating share at 30 June	US\$132.18	US\$143.33
--	-------------------	-------------------

6. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the period ended 30 June	2017 US\$000	2016 US\$000
Realised gain on financial assets and liabilities at fair value through profit or loss	724	922
Realised loss on financial assets and liabilities at fair value through profit or loss	<u>(19)</u>	<u>(22)</u>
Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss	705	900
Change in unrealised gain on financial assets and liabilities at fair value through profit or loss	-	718
Change in unrealised loss on financial assets and liabilities at fair value through profit or loss	<u>(475)</u>	<u>(79)</u>
Net change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss	<u>(475)</u>	<u>639</u>
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	<u>230</u>	<u>1,539</u>

TRADING CAPITAL HOLDINGS (GOLD)
NOTES TO THE FINANCIAL STATEMENTS

7. ADVISORY AND PERFORMANCE FEES

For the period ended 30 June	2017 US\$000	2016 US\$000
Advisory fees	<u>(58)</u>	<u>(58)</u>
Total	<u>(58)</u>	<u>(58)</u>

LCH Investments NV is entitled to an amount in cash of 1.5% per annum of the net asset value of Class G Shares. Such fees accruing on the basis of the net asset value at the close of each business day prior to taking into account any accrued performance fees as described below and payable monthly.

The Investment Advisor is entitled to a performance fee calculated in respect of each calendar year payable in cash of 5% of the net realized and unrealized appreciation in the NAV of Class G Shares (taking into account realized and unrealized gains and losses, and expenses) subject to a “high water mark” provision. This means that no performance fee is accrued or paid until the Net Asset Value per Share on which the performance fee was previously accrued and paid has been surpassed. This fee will accrue daily and be payable at the end of the financial year to which such fee relates (or upon a redemption with respect to redeemed Shares).

8. OTHER OPERATING EXPENSES

For the period ended 30 June	2017 US\$000	2016 US\$000
Regulatory fees	(1)	(2)
Professional fees	-	(4)
Miscellaneous expenses	<u>-</u>	<u>(15)</u>
Total	<u>(1)</u>	<u>(21)</u>

9. EXCHANGE RATE

The following exchange rate prevailing at 30 June 2017 was used: €1.00 = US\$1.14205 (31 December 2016: US\$1.0528).