



# WEALTH FUND SERVICES

## **WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC**

**FINANCIAL STATEMENTS  
FOR THE PERIOD  
30 JUNE 2024  
UNAUDITED**

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

CONTENTS	PAGE
Board of Directors and other officers	1
Fund Background	2 – 4
Statement of financial position	5
Statement of comprehensive income	6
Statement of net assets attributable to holders of investor shares	7
Statement of cash flows	8
Notes to the financial statements	9-33
Schedule of investments - unaudited	34-35

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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## BOARD OF DIRECTORS AND OTHER OFFICERS

<b>Board of Directors:</b>	Constantinos Vourganas Panayiotis Poulis
<b>Company Secretary:</b>	Anastasios Kanelopoulos
<b>Management Company:</b>	Wealth Fund Services Limited 12-14 Kennedy Avenue, Flat/Office 305 1087 Nicosia Cyprus
<b>Fund Administrator:</b>	Wealth Fund Services Limited 12-14 Kennedy Avenue, Flat/Office 305 1087 Nicosia Cyprus
<b>External Auditors:</b>	Deloitte Limited Certified Public Accountants and Registered Auditors 24 Spyrou Kyprianou Avenue 1075 Nicosia Cyprus
<b>Registered office:</b>	12-14 Kennedy Avenue Flat/Office 305 1087, Nicosia Cyprus
<b>Depository:</b>	Eurobank Cyprus Ltd 41 Arch. Makarios III Avenue 1065 Nicosia Cyprus
<b>Registration number:</b>	HE 372634

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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## FUND BACKGROUND

### Background

Wealth Fund Variable Capital Investment Company Plc (the "Fund", the "Company") was incorporated in Cyprus on 8 August 2017 as a public limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. The Fund was granted UCITS license No. UCITS 10/78 by the Cyprus Securities and Exchange Commission on 19 June 2017. Its registered office is at 12-14 Kennedy, Flat/Office 305, 1087, Nicosia, Cyprus.

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

As of 30 JUNE 2024, there was one sub-fund active, Wealth Global Bond Fund (the 'Sub-Fund'). The Fund's investment activities and Fund's administration are managed by and delegated to Wealth Fund Services Limited (the 'Management Company'), (the 'Fund Administrator').

### Investment objective

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

### Investment strategy

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

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

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

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

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

### Changes in the composition of the portfolio

The Sub-Fund officially launched on 14 September 2017 when the initial minimum capital was raised. As of 30 June 2024, and since inception, the Sub-Fund raised € 69.518.984 from subscriptions and paid € 33.302.815. for redemptions. The Fund has a net position of € 36.232.538.

### Significant changes in the Offering Memorandum during the year

There were no significant changes in the Offering Memorandum during the period until 30 June 2024.

## WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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## Market Commentary

### Developments per Quarter

**Q1 2024:** In the first quarter Bond and Equity prices climbed higher with equities particularly recording strong gains across most of the Global Markets. The positive reaction is mostly attributed to the fact that headline inflation continued to ease in most regions, feeding optimism for the prospect of easier monetary policy by Central Banks. China's reopening has resulted to a strong turnaround and the good weather conditions have led to falling oil and energy prices. The turmoil in the banking sector at the end of the quarter, following the bankruptcy of Silicon Valley Bank in the US and the subsequent issues of Credit Suisse in Europe, initially led to a selloff in the sector, but was not enough to prevent positive equity returns. Specifically, the following capital market events took place:

**United States:** The FED indicated slower interest rate tightening announcing two rate hikes of 25bps each in the quarter, resulting to 4.75%, the highest level since 2007. The Tech Sector made some of the strongest returns in Q1, while the Healthcare and Energy Sector lagged. The Financial Sector large caps withheld in place after the SVB's failure, with investors weighing a contagious event to be least likely; the S&P 500 Index rose by 7.5% QoQ. Consumer Sentiment (Michigan Survey) and Investor Sentiment in the US showed improvement in market sentiment in Q1, while the events triggered by the banking sector turmoil resulted in a slight drag down in March. The Bloomberg Global Agg. Bonds Index price gained about 3% QoQ, while CRB Commodities Index price declined by 0.75% QoQ.

**Europe & Rest of World:** Most asset markets notched up in Q1, with Eurozone surprising on the upside, despite the ECB's more hawkish tone and the turmoil in the banking sector with Credit Suisse AT1 Bonds writedown at the end of the quarter. The major catalysts were declining inflation, a strong service sector, declining energy commodity prices due to good weather conditions in the EU and China's reopening economy. The IG bonds posted positive returns at the end of the quarter and GOVT bonds rallied sharply, yet high yields landed in negative territory affected by the Credit Suisse events. Eurozone's inflation rate overall declined to a one-year low in March at 6.9%, down 2.3pp QoQ bolstering Consumer Confidence gained throughout Q1.

**Portfolio Strategy:** Fund Management raised risk in Q1 by reducing cash to 2,1%, down 1.2pp QoQ. Yield-to-Maturity stands to 7,0%, +26bps versus Q4, with stable portfolio duration to ~3 calendar years. Eurozone Corporate Bonds are the main positions, standing at ~80% of NAV while the top-5 exposure countries are France, Greece, Italy, the UK and Germany.

**Q2 2024:** In Q2 2024 Equity prices climbed higher versus Q1, recording notable gains across most of the Global Markets, with the advance led by developed markets and especially the US. The positive reaction is mostly attributed to the enthusiasm over Artificial Intelligence (AI) which boosted technology stocks. Bonds prices are yet to recover meaningfully, with high yield outperforming investment grade as immediate recessionary concerns were postponed. The fact that headline inflation continued to ease in most regions, and the anticipated rise in developed world unemployment has not yet taken place, has feed optimism for the prospect of significantly moderated inflation without the need for a rise in unemployment. Specifically:

**United States:** The FED raised interest rates by 25bps in May, but proceeded to a "hawkish pause" afterwards and chose to stay on hold in June, with the rates at 5.25%. The IT Sector led the stock market advance in Q2, with gains driven almost entirely by Mega-Cap tech. Communication Services and Consumer Discretionary also made strong returns, while Energy Sector and Utilities underperformed. Overall, the S&P 500 Index rose by 7.9% QoQ. Consumer Sentiment (Michigan Survey) and Investor Sentiment in the US showed improvement in market sentiment in Q2, while there was some investor caution around US debt ceiling uncertainty at the beginning of the quarter. The Bloomberg Global Agg. Bonds Index price was down about 2% QoQ, and CRB Commodities Index price declined by 0.34% QoQ.

## Market Commentary (continued)

**Europe & Rest of World:** Most asset markets posted gains in Q2, with Eurozone's advance led by Financials and Technology Sectors. Emerging markets (EM) were just slightly up, mainly due to concerns about China's weaker-than-expected economic recovery and rising tension with the US. The ECB continued to hike interest rates, twice in the quarter, reaching 4.0%, while signaling they have more to do. The IG bonds posted negative total returns over the quarter, but outperformed Government bonds, yet high yields landed in positive territory. Eurozone's inflation rate has fallen significantly from the peak, resulting to 5.5% in June, down 1.4pp QoQ, which led to an improvement of Consumer Confidence throughout Q2.

**Portfolio Strategy:** Fund Management raised risk in Q2 by reducing cash further to 1%, another 1pp down QoQ, for a total 2.2pp in H1 2024. Yield-to-Maturity stands to 7,1%, +9bps versus Q4, with relatively stable portfolio duration to approximately 3 calendar years. Eurozone Corporate Bonds are the main positions, exceeding 90% of NAV with positions in Greek securities at the top rising notably by 5,6pp to nearly 20% of NAV.

In Calendar 2024 to the publication of this report, the key milestone events were the following:

In late February to early March, US Regional Banks came under spotlight in the United States when California State Regulators closed Silicon Valley Bank (SVB) which was the 16th largest bank in the US at the time of closure with a 40-year history. The bank's stock price tumbled by almost 90% in the two-day preceding the regulatory intervention. According to analysts, SVB was insufficiently capitalized to absorb fixed income security valuation losses from mark-to-market asset valuations on its trading book. The bank faced both financial losses because of rising interest rates and elevated cash burn levels by customers, according to its own filings. As the news spread, they triggered a run on the bank and a regulatory intervention followed by major sell offs across Regional US Bank asset prices.

In the second half of March, Credit Suisse AG, one of the two largest Swiss Banks in terms of Assets is to be acquired by the other largest Bank UBS AG in a mega merger supported by the Swiss Government and Financial Regulator under which Credit Suisse received emergency liquidity assistance loans secured by a federal default guarantee on 19 March 2024. The liquidity assistance line breached contractual clauses which triggered the Credit Suisse AT1 Bonds (subordinate unsecured bonds) full write-down. This decision upended the usual European hierarchy of restitution in the event of a bank failure under the post-financial crisis Basel III framework, which ordinarily places AT1 bondholders above stock investors. The event induced bond price volatility especially among high yield and junior issue prices worldwide with markets subsequently stabilizing within April.

Following the action from Central Banks after the above-mentioned events, capital markets stabilized in the second quarter to the date of the publication of this report. The underlying conditions therefore provided a tailwind for riskier asset prices such as high yield bonds and equities.

## Fund Return

### Returns per share class

Share Classes	2020	2021	2022	2023	2024
Participation	2,12%	1,63%	-7,31%	3,65%	4,28%

### Note:

Cash dividend 28/06/2024, €0,7241/share, with an equivalent decrease in NAV per share

Cash dividend 31/03/2024, €0,6813/share, with an equivalent decrease in NAV per share

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Note	2024 €	2023 €
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	9	34.617.152	35.014.504
Accrued interest and other receivables	11	480.188	835.105
Refundable taxes	17	-	1.853
Cash and cash equivalents	12	1.650.226	431.198
<b>Total Assets</b>		<b>36.747.566</b>	<b>36.282.660</b>
<b>LIABILITIES</b>			
Balances due to brokers	15	156.361	-
Accrued expenses and other payables	16	70.897	106.602
Payable Taxes	17	16.910	-
Dividends payable	14	270.860	260.493
		<b>515.028</b>	<b>367.095</b>
<b>Total liabilities (excluding net assets attributable to holders of investor shares)</b>		<b>515.028</b>	<b>367.095</b>
<b>Net assets attributable to holders of investor shares</b>		<b>36.232.538</b>	<b>35.915.565</b>
<b>Total equity and liabilities</b>		<b>36.747.566</b>	<b>36.282.660</b>

Historic Table	30/06/2024 €	31/12/2023 €	31/12/2021 €
<b>Total Net Asset Value</b>			
Participating Shares	36.219.557,85	35.903.188,99	33.933.692,64
Management Shares	12.980,06	12.376,11	11.017,72
<b>Net Asset Value per Unit</b>			
Participating Shares	96,8205	94,1979	87,5612
Management Shares	129,8006	123,7611	110,1772
<b>Total Units in issue</b>			
Participating Shares	374.089,668	381.146,39	387.542,48
Management Shares	100,00	100,00	100,00

On 29 August 2024 the Board of Directors of Wealth Fund Variable Capital Investment Company Plc authorised these financial statements for issue.

  
Constantinos Vourganos  
Director

  
Panayiotis Poulis  
Director

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

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD UNTIL 30 JUNE 2024

	Note	2024 €	June 2023 €
<b>Income / (expense)</b>			
Net fair value (losses)/gains on financial assets at fair value through profit or loss	6,9	994.302	776.222
Interest income from debt securities at fair value through profit or loss	5	828.742	766.606
Net foreign currency (losses)/gains on cash and cash equivalents		1.624	(515)
Interest expense from cash and cash equivalents	5	-	-
Dividend income from equity securities at fair value through profit or loss		3.104	-
Net foreign currency gains on other receivables		-	-
<b>Total net (loss) / income</b>		<b>1.827.772</b>	<b>(1.542.312)</b>
<b>Expenses</b>			
Management fees	18.1	(249.639)	(237.229)
Depositary fees	19.2	(16.507)	(15.621)
Administration fees	19.1	-	-
Transaction costs		(6.152)	(5.960)
Auditors' remuneration		(5.499)	(5.530)
Legal fees		(2.472)	(2.500)
Other expenses		(1.119)	(1.495)
<b>Total operating expenses</b>		<b>(281.388)</b>	<b>(268.336)</b>
<b>Operating profit/(loss) before finance costs</b>		<b>1.546.384</b>	<b>1.273.976</b>
<b>Finance costs</b>			
Distributions to holders of redeemable shares	14	(528.640)	(497.252)
Other finance costs	7	(3.282)	(4.332)
		<b>(531.922)</b>	<b>(501.584)</b>
<b>Increase/(Decrease) in net assets attributable to holders of investor shares before tax</b>		<b>772.392</b>	<b>772.392</b>
Withholding taxes	8	(3.359)	(6.085)
Income tax, net	8	(16.910)	(12.354)
<b>Increase/(Decrease) in net assets attributable to holders of investor shares for the year</b>		<b>994.193</b>	<b>753.953</b>

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



# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## STATEMENT OF NET ASSETS ATTRIBUTABLE TO HOLDERS OF INVESTOR SHARES

FOR THE PERIOD UNTIL 30 JUNE 2024

	Note	2024 €	2023 €
Net assets attributable to holders of investor shares at 1 January		<b>35.915.565</b>	33.944.710
<b>Contributions and redemptions by holders of investor shares</b>			
<b>Subscriptions during the year</b>			
Participating shares		<b>1.884.401</b>	2.573.015
<b>Redemptions during the year</b>			
Participating shares		<b>(2.561.621)</b>	(3.147.544)
<b>Total contributions and redemptions by holders of investor shares</b>		<b>(677.220)</b>	(574.529)
Decrease in net assets attributable to holders of investor shares for the year		<b>994.193</b>	2.545.384
<b>Net assets attributable to holders of investor shares at end of period</b>	<b>13</b>	<b>36.232.538</b>	35.915.565

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

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 €	2023 €
<b>Cash flows from operating activities</b>			
<b>(Decrease)/Increase in net assets attributable to holders of investor shares before tax</b>		<b>1.014.462</b>	2.576.574
Adjustments for:			
Interest income	5	(828.722)	(1.603.383)
Interest expense	5	-	-
Dividend income		(3.104)	(205)
Distributions to holders of redeemable shares	14	497.252	1.015.318
Net foreign currency losses/(gains) on cash and cash equivalents and other receivables		(1.624)	(10.585)
		<b>709.632</b>	(1.977.719)
<b>Changes in working capital:</b>			
Decrease in balances due to brokers		156.361	-
Increase in financial assets at fair value through profit or loss		397.352	(2.813.846)
Increase in accrued interest and other receivables		354.917	(183.218)
(Decrease)/ increase in accruals and other payables		(35.705)	7.894
<b>Cash used in operations</b>		<b>1.582.557</b>	(1.011.451)
Interest received		828.742	1.603.383
Interest paid		-	(-)
Dividend received		3.104	205
Tax paid/refund		8.861	(32.800)
<b>Net cash (used in)/generated from operating activities</b>		<b>2.423.264</b>	(4.690.678)
<b>Cash flows from financing activities</b>			
Net proceeds from issue of investor shares	13	1.884.401	2.573.015
Net payments on redemption of investor shares	13	(2.561.621)	(3.147.544)
Dividends paid to holders of redeemable shares		(528.640)	(1.002.332)
<b>Net cash (used in)/generated from financing activities</b>		<b>(1.205.860)</b>	(1.576.861)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>1.217.404</b>	(1.017.524)
Cash and cash equivalents at beginning of the year		431.198	1.438.137
Net foreign currency (losses)/gains on cash and cash equivalents and other receivables		1.624	10.585
<b>Cash and cash equivalents, end of period</b>	12	<b>1.650.226</b>	431.198

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

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1. Incorporation and principal activities

Wealth Fund Variable Capital Investment Company Plc (the "Fund", the "Company") was incorporated in Cyprus on 8 August 2017 as a public limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. The Fund was granted UCITS license No. UCITS 10/78 by the Cyprus Securities and Exchange Commission on 19 June 2017. Its registered office is at 12-14 Kennedy, Flat/Office 305, 1087, Nicosia, Cyprus.

Although the Company is a single legal entity, it operates as an open-ended umbrella fund which may comprise of several independent investment compartments (i.e Sub-Funds), each of which constitutes a separate pool of assets and is governed by the provisions of the Undertaking for Collective Investments Law of 2012 (the "UCI Law") as such. Each Sub-Fund issues Investor Shares corresponding to the assets constituting its respective pool of assets. The rights of Investors and of creditors created by the constitution, operation or dissolution of a particular Sub-Fund are limited to the assets of this Sub-Fund. The Board of Directors of the Company may authorise the creation of additional sub-funds/share classes in the future. As of 30 June 2024, there was one sub-fund active, Wealth Global Bond Fund (the 'Sub-Fund').

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

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

### 2. Significant accounting policies

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

#### Basis of preparation

The financial statements of Wealth Fund Variable Capital Investment Company Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

#### Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2023. This adoption did not have a material effect on the accounting policies of the Fund.

#### New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board, which were not yet effective. Some of them were adopted by the EU and others not yet. The Board of Director expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Fund.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 2. Significant accounting policies (continued)

#### Foreign currency translation

##### a) Functional and presentation currency

The Fund's investors are mainly from the Eurozone, with the subscriptions and redemptions of the investor shares denominated in Euro. The Fund primarily invests in Euro denominated corporate and sovereign fixed income securities and money market instruments. The performance of the Fund is measured and reported to investors in Euro. The Board of Directors considers the Euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Euro, which is the Fund's functional and presentation currency.

##### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within 'net foreign currency gains/losses on cash and cash equivalents'.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within 'net fair value gains/losses on financial assets and financial liabilities at fair value through profit or loss'.

#### Interest income

Interest is recognised on a time-proportionate basis using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition. Interest income is recognized gross of withholding tax, if any. Interest income includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss includes interest from debt securities.

#### Dividend income

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

#### Expenses

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

#### Transaction costs

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

#### Tax

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 2. Significant accounting policies (continued)

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

##### *(a) Classification*

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

##### *(i) Assets*

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

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

##### *(b) Recognition, derecognition and measurement*

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

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

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

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

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income when the Fund's right to receive payments is established.

##### *(c) Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Fund utilizes mid-market prices from Bloomberg's evaluated pricing service, BVAL, for the valuation of investments in bonds, save to the extent these may also trade on organized exchanges with sufficient liquidity to provide reliable fair value information, in which case such prices are utilized for fair value purposes.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 2. Significant accounting policies (continued)

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

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

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

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

##### (d) Transfers between levels of the fair value hierarchy

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

#### Cash and cash equivalents

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

#### Amount due from and to brokers

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

These amounts are recognised initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

#### Receivables

Receivables are measured at initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method less loss allowance. Trade receivables are subject to the impairment requirements of IFRS.

#### Payables

Payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

#### Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortized cost using the effective interest method.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 2. Significant accounting policies (continued)

#### Investor shares and net assets attributable to holders of investor shares

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

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

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

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

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

### 3. Financial risk management

#### Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's overall risk management programme seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance. All security investments present a risk of loss of capital. The maximum loss of capital on debt and equity securities is limited to the fair value of those positions.

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

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 3. Financial risk management (continued)

#### Financial risk factors (continued)

The Fund's use of leverage and borrowings can increase the Fund's exposure to these risks, which in turn can also increase the potential returns the Fund can achieve. The Fund as a UCITS is generally not allowed to use borrowings, unless this is done on a temporary basis and represents no more than 10% of the net assets of the UCITS.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

The Management Company will use a risk-management process that enables them to monitor and measure at any time the value of the Sub-Funds' portfolio positions and their contribution to the overall risk profile of the Sub-Fund. The risk-management process is performed by the Management Company with a frequency and methodology appropriate to the risk profile of each Sub-Fund.

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

#### 3.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. The Fund is exposed to credit risk from its operating activities, primarily from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

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

The Board of Directors has a documented policy in place of spreading the aggregate value of transactions concluded amongst approved counterparties with an appropriate credit quality. Management continuously monitors the Fund's exposure and the credit ratings of its counterparties. The following table summarizes the credit rating of the debt instruments in the portfolio, as rated by well-known rating agencies such as Standard & Poor's, Fitch Ratings and Moody's approved by the Board of Directors.

Source: Bloomberg Credit Rating (Average of Moody's, S&P and Fitch)	2024 €	2024 %	2023 €	2023 %
Debt and similar instruments:				
AA- to AAA	-	0,00%	622.055	1,78%
A- to A+	1.260.668 €	3,64%	150.492	0,43%
BBB- to BBB+	12.865.490 €	37,17%	11.384.235	32,51%
BB to BB-	9.646.296 €	27,87%	12.661.346	36,16%
B- to B+	2.493.314 €	7,20%	4.498.338	12,84%
CCC+	0 €	0,00%	-	-%
C to CCC-	0 €	0,00%	-	-%
CCC	0 €	0,00%	596	0,01%
D	19.488 €	0,06%	15.456	0,04%
Not rated	5.027.142 €	14,52%	2.477.767	7,08%
<b>Total</b>	<b>31.312.398</b>	<b>90,45%</b>	<b>31.810.285</b>	<b>90,85%</b>
Equity and similar instruments:				
Not rated	3.304.754	9,55%	3.204.219	9,15%
<b>Total</b>	<b>34.617.152</b>	<b>100,00%</b>	<b>35.014.504</b>	<b>100,00%</b>



# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 3. Financial risk management (continued)

#### 3.1 Credit risk (continued)

The table below shows an analysis of the Fund's cash balances and short-term time deposits by the credit rating of the bank in which they are held, for 2024 based on Bloomberg's (Average of S&P, Moody's and Fitch) and for 2023 based on Moody's credit ratings as of end of period:

	No. of Banks	Moody's 2024 €	Moody's 2023 €
Cash at bank			
BB-*	1	650.609	409.761
Ba1	2		21.437
		<b>650.609</b>	<b>431.198</b>

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fall if either party fails to meet its obligation.

The maximum exposure to credit risk before any credit enhancements at 30 June 2024 and 31 December 2023 is the carrying amount of the financial assets as set out below:

	2024 €	2023 €
Debt securities	31.312.398	31.810.285
Equity securities and funds	3.304.755	3.204.219
Accrued interest and other receivables	480.188	835.105
Refundable taxes	-	1.853
Cash and cash equivalents	1.650.226	431.198
	<b>36.747.566</b>	<b>36.282.660</b>

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. At 30 June 2024 and 31 December 2023, all other receivables, cash and short-term deposits are held with counterparties with a credit rating of B3 or higher and are due to be settled within one month. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

#### 3.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

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

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

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 3. Financial risk management (continued)

#### 3.2 Liquidity risk (continued)

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold individual or aggregate redemption requests of over 10% of the total NAV value on any single dealing date. Under extraordinary circumstances, the Fund also has the ability to suspend redemptions if this is deemed to be in the best interest of all shareholders. The Fund did not withhold any redemptions or implement any suspension during 2024.

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

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

	Carrying amounts €	Contractual cash flows €	3 months or less €
<b>30 JUNE 2024</b>			
<b>Liabilities</b>			
Accrued expenses	16.030	16.030	16.030
Redemptions payable	5.070	5.070	5.070
Other creditors	2.784	2.784	2.784
Balances due to brokers	156.361	156.361	156.361
Payables to related parties	47.013	47.013	47.013
Dividends payable	270.860	270.860	270.860
Tax liabilities	16.910	16.910	16.910
Net assets attributable to holders of investor shares	<b>36.232.538</b>	<b>36.232.538</b>	<b>36.232.538</b>
	<b>36.747.556</b>	<b>36.747.556</b>	<b>36.747.556</b>

	Carrying amounts €	Contractual cash flows €	3 months or less €
<b>31 December 2023</b>			
<b>Liabilities</b>			
Accrued expenses	14.075	14.075	14.075
Redemptions payable	50.041	50.041	50.041
Other creditors	-	-	-
Payables to related parties	42.486	42.486	42.486
Dividends payable	260.493	260.493	260.493
Net assets attributable to holders of investor shares	<b>35.915.565</b>	<b>35.915.565</b>	<b>35.915.565</b>
	<b>36.282.660</b>	<b>36.282.660</b>	<b>36.282.660</b>

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

#### 3.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Fund's income or the value of its holdings in financial instruments.

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 3. Financial risk management (continued)

#### 3.3 Market risk (continued)

The Fund's market risk is managed on a monthly basis by the Management Company in accordance with the policies and procedures in place and through diversification of the investment portfolio. The Fund's market positions are monitored on a quarterly basis by the Board of Directors.

The following table demonstrates market risk (value at risk - "VaR") as of 30 JUNE 2024 and 31 December 2023 as well as average VaR, minimum and maximum VaR. The method is Historical 1 Year Simulation VaR with confidence level 99%, 250 observations and holding period 20 days.

Wealth Global Bond Fund	2024	2023
Current VaR	3,43%	9,78%
Average VaR	7,52%	8,01%
Maximum VaR	15,26%	17,16%
Minimum VaR	3,33%	3,11%

#### 3.3.1 Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund also holds a limited amount of floating rate debt, cash and cash equivalents that expose the Fund to cash flow interest rate risk. The Investment Manager manages the Fund's exposure to interest rate risk on a monthly basis in accordance with the Fund's investment objectives and policies. The Fund's overall exposure to interest rate risk is monitored on a quarterly basis by the Board of Directors.

The following table details the Fund's exposure to interest rate risk at 30 June 2024 by the earlier of contractual maturities or re-pricing:

	Non-interest bearing	Within one year	1-5 years	More than 5 years	No fixed maturity	Total
	€	€	€	€	€	€
<b>30 JUNE 2024</b>						
<b>Assets</b>						
Fixed interest rate debt securities	-	976.600	1.116.268	1.548.722	318.353	3.958.943
Floating interest rate debt securities	-	-	977.898	5.026.850	21.295.102	27.299.850
Step interest rate debt securities	-	-	-	53.604	-	53.604
Equity securities and funds	3.304.755	-	-	-	-	3.304.755
Accrued interest and other receivables	-	462.757	17.431	-	-	480.188
Refundable taxes	-	-	-	-	-	-
Cash and bank balances	1.650.226	-	-	-	-	1.650.226
<b>Total assets</b>	<b>4.954.981</b>	<b>1.439.357</b>	<b>2.110.597</b>	<b>6.629.176</b>	<b>21.613.455</b>	<b>36.747.566</b>

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 3. Financial risk management (continued)

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

	Non-interest bearing	Within one year	1-5 years	More than 5 years	No fixed maturity	Total
	€	€	€	€	€	€
<b>30 JUNE 2024</b>						
<b>Liabilities</b>						
Non-interest bearing	515.028	-	-	-	-	515.028
Net assets attributable to holders of investor shares	36.232.538	-	-	-	-	36.232.538
<b>Total Liabilities</b>	<b>36.747.566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36.747.566</b>

The following table details the Fund's exposure to interest rate risk at 31 December 2023 by the earlier of contractual maturities or re-pricing:

	Non-interest bearing	Within one year	1-5 years	More than 5 years	No fixed maturity	Total
	€	€	€	€	€	€
<b>31 December 2023</b>						
<b>Assets</b>						
Fixed interest rate debt securities	-	2.413.773	-	-	-	2.413.773
Floating interest rate debt securities	-	29.354.053	-	-	-	29.354.053
Step interest rate debt securities	-	42.459	-	-	-	42.459
Equity securities and funds	3.204.219	-	-	-	-	3.204.219
Accrued interest and other receivables	-	817.587	17.518	-	-	835.105
Refundable taxes	1.853	-	-	-	-	1.853
Cash and bank balances	431.198	-	-	-	-	431.198
<b>Total assets</b>	<b>3.637.270</b>	<b>32.627.872</b>	<b>17.518</b>	<b>-</b>	<b>-</b>	<b>36.282.660</b>
	Non-interest bearing	Within one year	1-5 years	More than 5 years	No fixed maturity	Total
	€	€	€	€	€	€
<b>31 December 2023</b>						
<b>Liabilities</b>						
Non-interest bearing	367.095	-	-	-	-	367.095
Net assets attributable to holders of investor shares	35.915.565	-	-	-	-	35.915.565
<b>Total Liabilities</b>	<b>36.282.660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36.282.660</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

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

**3.3.2 Foreign exchange risk**

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

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

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

	2024 €	2023 €
<b>Assets</b>		
United States Dollar	44.732	1.079.511
<b>Total</b>	<u>44.732</u>	<u>1.079.511</u>

Sensitivity analysis

A 10% strengthening of the Euro against the following currency at 30 June 2024 would have decreased net assets attributable to holders of investor shares by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on net assets attributable to holders of investor shares.

	2024 €	2023 €
<b>Assets</b>		
United States Dollar	4.473	107.951
<b>Total</b>	<u>4.473</u>	<u>107.951</u>

**3.3.3 Price risk**

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments – for example, equity securities are denominated in currencies other than the euro, the price initially expressed in foreign currency and then converted into euros will also fluctuate because of changes in foreign exchange rates.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Board of Directors. A summary analysis of investments by nature and geography is presented in Note 3.5. The Fund's policy limits individual equity securities to no more than 5% of net assets attributable to holders of redeemable shares.

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

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 3. Financial risk management (continued)

#### 3.3.3 Price risk (continued)

At 30 June, the fair value of equity securities exposed to price risk were as follows:

	2024	2023
	€	€
Equities	154.109	57.793
Exchange traded funds	3.150.645	3.146.426
<b>Total</b>	<b>3.304.755</b>	<b>3.204.219</b>

#### 3.4 Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of investor shares. The amount of net asset attributable to holders of investor shares can change significantly on a daily basis, as the Fund is subject to daily subscriptions and redemptions at the discretion of shareholders, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

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

- Monitor the level of daily subscriptions and redemptions relative to the assets it expects to be able to liquidate within 1 day and not to distribute profits from operations.
- Redeem and issue new shares in accordance with the constitutional documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

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

#### 3.5 Fair value estimation

The fair value of financial assets traded in active markets (such as publicly trading securities) are based on quoted market prices at the close of trading on the year end date.

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 3. Financial risk management (continued)

#### 3.5 Fair value estimation (continued)

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

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

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

The fair value hierarchy has the following levels:

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

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

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

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

The following table analyses the fair value hierarchy the Fund's assets and liabilities (by class) measured at fair value at 30 June 2024.

All fair value measurements disclosed are recurring fair value measurements.

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 3. Financial risk management (continued)

#### 3.5 Fair value estimation (continued)

Analysis by industry and geography:

	Level 1 €	Level 2 €	Level 3 €	Total €
<b>30 JUNE 2024</b>				
<b>Financial assets at fair value through profit or loss</b>				
<b>Debt securities</b>				
<b>Developed Market Americas</b>				
Communications	-	294.573	-	294.573
Financials		99.397		99.397
<b>Developed Market Asia &amp; Pacific Rim</b>				
Communications		-	-	-
<b>Developed Market Europe</b>				
Communications	-		-	0
Consumer, Cyclical	-	2.525.513	-	2.525.513
Consumer, Non-cyclical	-	1.581.208	-	1.581.208
Energy	-	1.390.071	-	1.390.071
Financial	-	15.835.832	-	15.835.832
Government	-	1.238.962	-	1.238.962
Utilities	-	1.490.640	-	1.490.640
<b>Emerging Market Europe, Middle East &amp; Africa</b>				
Consumer, Cyclical		19.488	-	19.488
Consumer, Non Cyclical		680.619	-	680.619
Energy		4.082.617	-	4.082.617
Financial		755.525	-	755.525
Industrial		937.767	-	937.767
Utilities				
<b>Emerging Market Americas</b>				
Energy		309.761	-	309.761
Government		54.652	-	54.652
<b>Frontier Market Americas</b>				
Government		15.774	-	15.774
		<b>31.312.399</b>		<b>30.848.589</b>



# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 3. Financial risk management (continued)

#### 3.5 Fair value estimation (continued)

Analysis by industry and geography (continued):

	Level 1 €	Level 2 €	Level 3 €	Total €
<b>30 JUNE 2024</b>				
<b>Financial assets at fair value through profit or loss</b>				
<b>Equity Securities</b>				
<b>Developed Market Americas</b>				126.847
Consumer, Non- Cyclical	126.847			
<b>Developed Market Europe</b>				11.210
Consumer, Cyclical	11.210			
<b>Emerging Markets Asia</b>				16.052
Consumer, Cyclical	16.052			
<b>Open Ended Listed Funds</b>				
<b>Developed Market Europe</b>				
Funds	3.150.644			3.150.644
<b>Total</b>	<b>3.304.754</b>	<b>31.312.399</b>	<b>-</b>	<b>34.617.152</b>

There were no transfers between levels during the period ended 30 June 2024.

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 3. Financial risk management (continued)

#### 3.5 Fair value estimation (continued)

Analysis by industry and geography:

	Level 1 €	Level 2 €	Level 3 €	Total €
31 December 2023				
Financial assets at fair value through profit or loss				
Debt securities				
Developed Market Americas				
Communications	-	289.053	-	289.053
Developed Market Asia & Pacific Rim				
Communications		86.009		86.009
Developed Market Europe				
Communications	-	199.006	-	199.006
Consumer, Cyclical	-	2.227.874	-	2.227.874
Consumer, Non-cyclical	-	1.725.894	-	1.725.894
Energy	-	2.598.247	-	2.598.247
Financial	-	11.685.930	-	11.685.930
Government	-	633.126	-	633.126
Utilities	-	2.034.451	-	2.034.451
Emerging Market Europe, Middle East & Africa				
Consumer, Cyclical	74.049	-	-	74.049
Consumer, Non Cyclical	10.855	-	-	10.855
Energy	351.670	-	-	351.670
Financial	4.939.679	4.068.585	-	9.008.264
Industrial	336.458	84.237	-	420.695
Utilities	406.577	-	-	406.577
Frontier Market Americas				
Government	-	58.5853	-	58.585
	6.119.288	25.690.997	-	31.810.285

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 3. Financial risk management (continued)

#### 3.5 Fair value estimation (continued)

	Level 1	Level 2	Level 3	Total
	€	€	€	€
31 December 2023				
Financial assets at fair value through profit or loss				
Equity Securities				
Developed Market Europe & Middle East				
Communications	16.622			16.622
Consumer, Non Cyclical	41.171			41.171
Open Ended Listed Funds				
Emerging Market Europe, Middle East & Africa				
Consumer, Cyclical	19.488	-	-	19.488
Funds	627.261			627.261
Developed Market Americas				
Funds	2.499.677	-	-	2.499.677
Total	9.323.507	25.690.997	-	35.014.504

There were no transfers between levels during the year ended 31 December 2023.

#### 4. Critical accounting estimates and judgments

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

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

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

The fair value of such securities not quoted in an active market may be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The inputs into these models are primarily earning multiples and discounted cash flows. The models used for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 4. Critical accounting estimates and judgments (continued)

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

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

### 5. Interest income

Interest income is analyzed as follows:

	2024	30/6/2023
	€	€
Interest expense from cash and cash equivalents - net	-	-
Interest income from debt securities at fair value through profit or loss	828.742	766.606
<b>Total</b>	<b>828.742</b>	<b>766.606</b>

### 6. Net fair value (losses) / gains on financial assets at fair value through profit or loss

Net gain from financial assets at fair value through profit or loss is analyzed as follows:

	2024	30/6/2023
	€	€
<b>Equity securities</b>		
Common stock	(9.660)	2.761
<b>Debt securities</b>		
Sovereign debt	(45.976)	94.070
Corporate debt	624.653	266.580
<b>Listed open-ended investment funds</b>		
Exchange traded equity funds	425.285	412.811
<b>Total net (losses) / gains on financial assets at fair value through profit or loss</b>	<b>994.302</b>	<b>776.222</b>

### 7. Other finance costs

	2024	30/6/2023
	€	€
Sundry finance expenses	3.282	4.332
	<b>3.282</b>	<b>4.332</b>

### 8. Tax

	2024	30/6/2023
	€	€
Overseas withholding tax	3.359	6.085
Corporation tax – current year	16.910	12.354
<b>Total charge for the year</b>	<b>20.269</b>	<b>18.439</b>

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 8. Tax (continued)

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

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

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

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

	2024 €	31/12/2023 €
Balance at 1 January	35.014.504	32.200.658
Additions	12.411.425	18.220.174
Disposals	(13.803.079)	(17.928.652)
Net gain / (loss) on financial assets at fair value through profit or loss	994.302	2.522.324
<b>Balance at 30 June</b>	<b>34.617.152</b>	<b>35.014.504</b>

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

	% of net assets	2024 €	% of net assets	31/12/2023 €
<b>Equity instruments</b>				
Common stock and other exchange traded equity instruments (funds)	9,12%	3.304.754	8,92%	3.204.219
<b>Debt securities</b>				
Corporate debt	78,89%	28.582.621	85,30%	30.637.130
Sovereign debt	7,53%	2.729.777	3,27%	1.173.155
<b>Total</b>	<b>95,54%</b>	<b>34.617.152</b>	<b>97,49%</b>	<b>35.014.504</b>

The financial assets at fair value through profit or loss are marketable debt and equity securities and are valued at fair value at the close of business on 30 June primarily by reference to mid-market prices obtained from BVAL, Bloomberg's evaluated pricing service for debt securities, and at closing market prices for equity securities.

In the statement of cash flows, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

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

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 10. Financial assets and liabilities by category

The table below provides a reconciliation of the line items in the Fund's statement of financial position as of 30 June 2024 to the categories of financial instruments:

	Financial assets at fair value through profit or loss €	Financial assets at amortised cost €	Total €
<b>30 JUNE 2024</b>			
<b>Assets</b>			
Financial assets at fair value through profit or loss	34.617.152	-	34.617.152
Accrued interest and other receivables	-	480.188	480.188
Refundable taxes	-	-	-
Cash and cash equivalents	-	1.650.226	1.650.226
<b>Total</b>	<b>34.617.152</b>	<b>2.130.414</b>	<b>36.747.566</b>

	Financial liabilities at amortised cost €	Total €
<b>30 JUNE 2024</b>		
<b>Liabilities</b>		
Accrued expenses and other payables	70.897	70.897
Dividends payable	270.860	270.860
Balances due to brokers	156.361	156.361
Tax payable	16.910	16.910
Net assets attributable to holders of investor shares	36.232.538	36.232.538
<b>Total</b>	<b>36.747.566</b>	<b>36.747.566</b>

The table below provides a reconciliation of the line items in Fund's statement of financial position as of 31 December 2021 to the categories of financial instruments:

	Financial assets at fair value through profit or loss €	Financial assets at amortised cost €	Total €
<b>31 December 2023</b>			
<b>Assets</b>			
Financial assets at fair value through profit or loss	35.014.504	-	35.014.504
Accrued interest and other receivables	-	835.105	835.105
Refundable taxes	-	1.853	1.853
Cash and cash equivalents	-	431.198	431.198
<b>Total</b>	<b>35.014.504</b>	<b>1.268.156</b>	<b>36.282.660</b>

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

	Financial liabilities at amortised cost €	Total €
<b>31 December 2023</b>		
<b>Liabilities</b>		
Accrued expenses and other payables	106.602	106.602
Dividends payable	260.493	260.493
Net assets attributable to holders of investor shares	35.915.565	35.915.565
<b>Total</b>	<u>36.282.660</u>	<u>36.282.660</u>

### 11. Accrued interest and other receivables

	2024 €	2023 €
Accrued interest and other receivables	480.188	835.105
	<u>480.188</u>	<u>835.105</u>

### 12. Cash and cash equivalents

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

	2024 €	2023 €
Cash at bank	1.650.226	431.198
	<u>1.650.226</u>	<u>431.198</u>

### Cash and cash equivalents by currency:

	2024 €	2023 €
Euro	1.603.396	354.110
United States Dollar	44.732	77.088
Pound Sterling	2.098	-
	<u>657.988</u>	<u>431.198</u>

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

### 13. Net assets attributable to holders of investor shares

The Company was initially registered with an authorised share capital of 100 Management Shares of no par value and 2.000 Participating Shares of no par value.

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

#### Management Shares

According to the Fund's Articles of Association, a minimum of ten (10) Management Shares would be issued to the Management Shareholder, which should be offered during the Initial Offering Period on a first come first serve basis and for which no Management Fee should be payable. The Investment Manager is the sole holder of the one hundred (100) Management Shares in issue.

The rights attaching to Management Shares are as follows:

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

#### Participating Shares

Participating Shares will be available to all Investors other than Ineligible Investors and are sold during the Initial Offering Period at the Initial Offering Price and thereafter at the prevailing Net Asset Value.

There is no limit to number of Participating Shares in the Sub-Fund which may be issued.

The rights attaching to Participating Shares are as follows:

- do not carry voting rights
- may not confer upon the holders thereof the right to receive notices of or to attend and vote at any general meeting of the Company unless as otherwise stipulated in the Articles.
- shall at the request of any of the holders thereof, but subject to restrictions contained in these Regulations, be redeemed by the Company directly or indirectly out of the Company's assets.
- To participate in any dividend distribution and/or other distributions to be made out of the profits of the Company.
- On a winding-up or other return of capital, to repayment, in priority of any payment to the Management shareholders of the Company, of the amounts paid up on the Participating Shares held by them including any premium.

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



# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

#### Participating Shares (continued)

Transactions in share capital, shares outstanding and the Net Asset Value ("NAV") per share as at 30 June 2024, for each class of shares are as follows:

	Beginning Shares	Shares issued	Shares redeemed	Shares Outstanding
Participating shares	381.146,388	19.639,039	(27.424,003)	373.361,424
Management shares	100,00	-	-	100,00
	<b>381.246,388</b>	<b>19.639,039</b>	<b>(27.424,003)</b>	<b>373.461,424</b>

	Beginning Net Assets €	Subscriptions €	Redemptions €	Change in Net Assets €	Ending Net Assets €	Ending NAV Per Share €
Participating shares	35.903.189	1.884.401	(2.561.621)	993.589	36.219.558	96.8205
Management shares	12.376	-	-	604	12.980	129.8006
	<b>35.915.565</b>	<b>1.884.401</b>	<b>(2.561.621)</b>	<b>994.193</b>	<b>36.232.538</b>	

Transactions in share capital, shares outstanding and the Net Asset Value ("NAV") per share as at 31 December 2023, for each class of shares are as follows:

	Beginning Shares	Shares issued	Shares redeemed	Shares Outstanding
Participating shares	387.542,477	28.548,616	(34.944,705)	381.146,388
Management shares	100,00	-	-	100,00
	<b>387.642,477</b>	<b>28.548,616</b>	<b>(34.944,705)</b>	<b>381.246,388</b>

	Beginning Net Assets €	Subscriptions €	Redemptions €	Change in Net Assets €	Ending Net Assets €	Ending NAV Per Share €
Participating shares	33.933.692	2.573.015	(3.147.544)	(2.544.026)	35.903.189	94,1979
Management shares	11.018	-	-	1.358	12.376	123,7611
	<b>33.944.710</b>	<b>2.573.015</b>	<b>(3.147.544)</b>	<b>2.545.384</b>	<b>35.915.565</b>	

### 14. Dividends

	2024 €	2023 €
Dividend declared	<b>497.252</b>	<b>1.015.318</b>
	<b>497.252</b>	<b>1.015.318</b>

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

During the year, the Fund declared total dividends amounting to €497.252 out of which an amount of €270.860 was due as at 30 June 2024. Dividends payable were settled during July 2024 (2023: dividends declared: €991.651 out of which €247.507 were due as at 31 December 2023).

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

	2024 €	2023 €
Balances due to brokers		
Purchases awaiting settlement	156.361	-
	<u>156.361</u>	<u>-</u>

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

### 16. Accrued expenses and other payables

	2024 €	31/12/2023 €
Accrued expenses	16.030	11.302
Other payables	2.784	2.773
Redemptions payable	5.070	50.041
Payables to related parties (Note 18.1)	47.013	42.486
	<u>70.897</u>	<u>106.602</u>

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

### 17. Current tax liabilities/ (Refundable taxes)

	2024 €	31/12/2023 €
Corporation tax	16.910	(1.853)
	<u>16.910</u>	<u>(1.853)</u>

### 18. Related party balances and transactions

The related party balances and transactions are as follows:

#### 18.1 Investment Manager

The Fund has appointed Wealth Fund Services Limited to provide management services pursuant to a management agreement dated 4 September 2017. Under the terms of the management agreement the Fund pays the investment manager 1.5% per annum on assets under management and covers all on-going expenses (other than professional fees and legal fees) of the Fund. Management fee shall be calculated and accrued on each Valuation Day and shall be payable monthly in arrears. The management fee includes fees to enable the Management Company to perform its tasks and functions, or to provide services, irrespective of whether those functions are carried out by the Management Company itself or have been outsourced to third parties.

Management fees for the period until 30 June 2024 totalled €249.639 (31/12/2023: €502.707) and are presented in the statement of comprehensive income. The amount outstanding at 30 June is €42.468 (2023: €43.947) and it is included in payables to related parties.

At 30 June 2024 and 31 December 2023, 100 Management shares were held by the investment manager.

		2024 €	2023 €
<b>Payables to related parties (Note 16)</b>			
<u>Name</u>	<u>Nature of transactions</u>		
Wealth Fund Services Limited	Management fees	39.201	42.486
Wealth Fund Services Limited	Payment of expenses	7.812	-
		<u>47.013</u>	<u>42.486</u>

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

#### 18.1 Investment Manager (continued)

Management fees	2024 €	30/6/2023 €
<u>Name</u>		
Wealth Fund Services Limited	249.639	237.229
	<u>249.639</u>	<u>237.229</u>

#### 18.2 Directors' remuneration

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

### 19. Other key contracts

#### 19.1 Administration Company

From, 1 April 2023, the Management Company took over the administration of the fund. No administration fees are charged additionally to the management fees.

#### 19.2 Depositary Company

The Management Company has appointed Eurobank Cyprus Ltd as the Depositary to provide depositary services to the Fund pursuant to a depositary agreement dated 28 August 2017. Under the terms of the agreement the Fund pays the depositary an annual fee of 0,10% for Net Asset Value up to €20million, 0,08% for Net Asset Value between €20-€40million and 0,07% per annum for Net Asset Value above €40million. The Depositary's fee is computed daily on the Net Asset Value of each compartment and billed at the end of each month. There is a minimum monthly fee of €400. Depositary fees for the period ended 30 June 2024 totaled €16.507 (30 June 2023: €15.621) and are presented in the statement of comprehensive income. The amount outstanding at the year-end is 2.723 (2023: €0) and it is included in other creditors.

### 20. Contingent liabilities

The Fund has no contingent liabilities as at 30 June 2024.

### 21. Commitments

The Fund has no capital or other commitments as at 30 June 2024.

### 22. Events after the reporting period

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

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## SCHEDULE OF INVESTMENTS – UNAUDITED FOR THE YEAR ENDED 30 JUNE 2024

ASSETS	Cost	Fair Value	Percentage
	31/12/2024	31/12/2024	of net assets 31/12/2024
Debt securities	€	€	€
<b>NYSE, Asia and European debt securities:</b>			
AEGEAN AIRLINES 2026 3.6%	74.746	75.179	0,21%
AGEAS 3,875% PERP	886.650	851.710	2,35%
ALLIANZ SE 2,625% PERP	166.620	155.752	0,43%
ALLIANZ SE 4,851% 2054	308.698	308.487	0,85%
ALPHA BANK 5,5% 2031	297.750	297.966	0,82%
ALPHA BANK SA 7% 2025	299.100	303.336	0,84%
ALPHA SERV & HLDGS 13/09/2034 6%	440.492	442.897	1,22%
AT&T 2,875% PERP	284.891	294.573	0,81%
ATTICA ENTERPRISE 2024 3,4%	2.993	2.995	0,01%
AXA SA 07/11/2024 3,941% PERPETUAL	701.120	697.032	1,92%
AXA SA 6,375% PERP.	2.245.647	2.255.110	6,22%
BANCO SANTANDER 2024 PERPETUAL 1%	4.675	4.887	0,01%
BANCO SANTANDER PERP 4.375%	566.760	575.970	1,59%
BANCO SANTANDER SA 5% 2034	203.160	203.330	0,56%
BANK OF CYPRUS 2027 2,5%	696.750	674.562	1,86%
BANK OF CYPRUS HOLDINGS 2031 6,625%	305.150	304.677	0,84%
BARCLAYS PLC 31/05/2036 4,973%	99.950	100.453	0,28%
BNP 11/06/2030 7,375% PERP	1.215.328	1.249.356	3,45%
BNP PARIBAS 4,625% PERPETUAL	165.582	150.203	0,41%
BP CAPITAL MARKETS PLC 3,25% PERP.	376.957	391.492	1,08%
BRITISH AMERICAN TOBACCO 3% PERP.	598.475	566.634	1,56%
BRITISH AMERICAN TOBACCO 3,75% PERP	1.058.748	1.014.574	2,80%
BUONI POLIENNALI 01/10/2039 4,15%	794.491	781.144	2,16%
BUONI POLIENNALI DES 01/09/2040 5%	9.819	10.703	0,03%
CNP ASSURANCES 4,875% PERP	139.245	154.091	0,43%
CNP ASSURANCES 4.75 PERP	189.220	190.852	0,53%
COMMERZBANK 4,25% PERP	807.580	708.536	1,96%
COMMERZBANK 6,125% PERPETUAL	409.180	396.776	1,10%
COMMERZBANK 7% PERP CALL 2025	179.984	185.967	0,51%
CPLP SHIPING 2026 2,65%	90.000	85.500	0,24%
CREDIT AGRICOLE SA 4% PERP.	95.080	92.582	0,26%
CREDIT AGRICOLE SA 7,25% PERP	103.540	103.438	0,29%
DELTA TECHNIKI 2024 5,5%	580.980	580.888	1,60%
DEUTSCHE BANK 10% PERP	212.180	215.288	0,59%
DEUTSCHE BANK 6,75% PERP	201.650	192.744	0,53%
DEUTSCHE BANK AG 4,625% PERP	140.700	174.032	0,48%
DEUTSCHE BANK AG 5,625% 2031	400.240	405.328	1,12%
ELECTRICITE DE FRANCE 2026 5% PERP	1.509.281	1.490.640	4,11%
ERSTE GROUP PERP 3,375%	546.817	533.124	1,47%
EUROBANK SVCS HLDG 25/04/2034 6,25%	167.970	168.508	0,47%
FF GROUP 2019 1,75% CONVERTIBLE	51.600	19.488	0,05%
FRANCE (GOVT OF) 4% 2060	384.471	376.864	1,04%
GAZPROM PJSC 3,897% PERP	708.501	318.353	0,88%
GEK TERNA 2025 3,95%	10.846	10.962	0,03%
HELLENIC PETROLEUM 2024 2%	358.933	362.266	1,00%
HSBC 4,75% PERPETUAL	2.780.372	2.701.901	7,46%
HSBC HOLDINGS PLC 6,364% 2032	105.600	106.081	0,29%
INTESA SANPAOLO 3,75% PERP	735.619	733.238	2,02%
LA MONDIALE 4,375% PERP	283.250	281.259	0,78%
MACIFS 3.5 PERP CORP	1.005.409	821.050	2,27%

# WEALTH FUND VARIABLE CAPITAL INVESTMENT COMPANY PLC

## SCHEDULE OF INVESTMENTS – UNAUDITED FOR THE YEAR ENDED 30 JUNE 2024

MORGAN STANLEY 21/03/2035 3,955%	98.850	99.397	0,27%
NN GROUP NV 6.375% PERP. 12/09/2030	201.540	200.596	0,55%
OMV AG 09/12/2025 6,25%	105.500	102.594	0,28%
PETROBRAS GLOBAL FINANCE 6,75% 2050	320.710	309.761	0,85%
PIRAEUS BANK 5,5%	1.883.063	1.890.671	5,22%
PPC 4,375% 2026	523.395	525.483	1,45%
PUBLIC POWER CORP 3,375% 2028	433.934	412.284	1,14%
RABOBK 3.25% PERP	181.660	184.876	0,51%
REPSOL 2075 4,5%	712.628	699.055	1,93%
REPSOL PERP 4,247%	205.608	196.930	0,54%
REPUBLIC OF ARGENTINA 2029	1.245	1.048	0,00%
REPUBLIC OF ARGENTINA 3% 2041	90.572	53.604	0,15%
REPUBLIC OF VENEZUELA 2028 9,25%	29.409,29	15.773,94	0,04%
SANTAN 3.625% PERP	199.500,00	163.390,00	0,45%
UNICREDIT 3,875% PERP	517.440,00	540.000,00	1,49%
UNICREDIT SPA PERP	204.750	198.394	0,55%
UNITED KINGDOM GILT 0,5% 2061	68.146	70.250	0,19%
VOLKSWAGEN 7.875% PERP	550.100	565.940	1,56%
VOLKSWAGEN PERP 3,875%	1.864.713	1.959.573	5,41%
<b>Total debt securities</b>	<b>32.195.565</b>	<b>32.312.398</b>	<b>86,42%</b>
<b>Equities</b>			
<b>NYSE, Asia and European shares:</b>			
ALIBABA EQUITY EUR	30.379	14.000	0,04%
ALIBABA GROUP HOLDING-S	8.574	4.219	0,01%
ALPHABET INC-CL A EUR	99.950	126.847	0,35%
VOLKSWAGEN AG	19.778	15.290	0,05%
<b>Total Shares</b>	<b>158.681</b>	<b>154.109</b>	<b>0,43%</b>
<b>NYSE, Asia and European exchange-traded funds:</b>			
ISHARES NASDAQ 100 EUR-	519.551	616.472	1,70%
ISHARES S&P 500 EUR-HED	2.107.025	2.441.779	6,74%
ISHARES USD TREASURY BO	99.781	92.394	0,26%
<b>Total equity securities</b>	<b>2.726.357</b>	<b>3.150.645</b>	<b>8,70%</b>
Total investments		34.617.152	95,54%
Accrued interest and other receivables		480.188	1,33%
Cash and cash equivalents		1.650.226	4,55%
Total liabilities (excl. net assets attributable to holders of investor shares)		(515.028)	-1,42%
Tax refund		0,00	0,00%
<b>Total net assets</b>		<b>36.232.538</b>	<b>100,00%</b>