



WEALTH FUND SERVICES

**MI & SIGMA CAPITAL V.C.I.C. PLC**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2021

# **MI & SIGMA CAPITAL V.C.I.C. PLC**

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## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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# MI & SIGMA CAPITAL V.C.I.C. PLC

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Nikolaos Soulimiotis  
Panteleimon Mytilinios

**Company Secretary:**

Ahia Secretarial Services Limited

**Management Company:**

Wealth Fund Services Limited  
12-14 Kennedy Avenue, Flat/Office 305  
1087 Nicosia  
Cyprus

**Fund Administrator:**

Eurobank Ergasias S.A.  
8 Othonos Street  
103 57 Athens  
Greece

**External Auditors:**

Deloitte Limited  
Certified Public Accountants and Registered Auditors  
24 Spyrou Kyprianou Avenue  
1075 Nicosia  
Cyprus

**Registered office:**

11 Michail Paridi  
1095, Nicosia  
Cyprus

**Depositary:**

Eurobank (Cyprus) Ltd  
41 Arch. Makarios III Avenue  
1065 Nicosia  
Cyprus

**Registration number:**

HE-406442

# MI & SIGMA CAPITAL V.C.I.C. PLC

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## FUND BACKGROUND AND GENERAL INFORMATION

### Background

Mi & Sigma Capital V.C.I.C. Plc (the "Fund", the "Company") was incorporated in Cyprus on 27 January 2020 as a public limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. The Fund was granted UCITS license No. UCITS 15/78 by the Cyprus Securities and Exchange Commission on 11 March 2020 with effective date 16 December 2019. Its registered office is at 11 Michail Paridi, 1095, 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 31 December 2021, there was one sub-fund active, Hermes (the 'Sub-Fund'). The Fund's investment activities are managed by Wealth Fund Services Limited (the 'Management Company', the 'External Manager'), with the administration delegated to Eurobank Ergasias S.A. (the 'Fund Administrator').

### Investment objective

The Fund will seek income yield and capital appreciation by investing in a diversified portfolio of transferable securities, money market instruments and ETFs as well as using financial derivatives to a small extent (i.e. up to 10%) for hedging and efficient portfolio management purposes or as an investment in the context of the UCITS' investment policy within the applicable investment restrictions imposed by the UCITS Law.

The UCITS Fund will deploy a range of Sub-Funds each one pursuing a specific investment strategy and objective within the overall UCITS objective mentioned above.

### Investment strategy

The Sub-Fund will seek to preserve capital and achieve performance on a total return basis.

The Sub-Fund will be investing in equities listed on the Athens Stock Exchange or for which an application to be listed in the Athens Stock Exchange within one year from the date of issue has been made, which the External Manager of the Fund believes to experience capital appreciation and/or average or above average growth potential compared to the market over a medium to long term horizon as well as in Greek Corporate Bonds.

Furthermore, given the volatile nature of the Greek equity market, the External Manager will also invest in Equities, Fixed Income Securities (such as Corporate or Government Bonds), Money Market Instruments or Exchange Traded Funds listed in Greek or other foreign trading venues (in the European Economic Area or/and in non-Member States of the EU included among the markets stated in the list approved by the Minister of Finance in Cyprus) which the Manager believes that experience capital appreciation and/or average or above average growth potential compared to the market over a medium to long term horizon in order to diversify its portfolio. The weight of such positions relative to the overall portfolio will vary according to the Investment Committee's view on the Greek Stock Markets and Greek economy in general, e.g. where it is believed that returns on Greek markets are excessive and thus a correction should be expected, the relative exposure in the Greek market will be reduced and the weight of other securities will increase.

The investment strategy and individual potential targets will be formulated, identified and discussed during Investment Committee meetings. All investment decisions will be subject to the approval of the External Manager who holds the ultimate responsibility for the execution of the investment strategy of the Fund.

The allocation of assets will be implemented according to a sophisticated investment process based on fundamental research and selection procedure. For the purposes of this Fund, the Investment Committee shall consider an investment to be a primary selection choice if it offers value or growth potential that is not fully reflected in the price of the security.

# MI & SIGMA CAPITAL V.C.I.C. PLC

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## Changes in the composition of the portfolio

The Sub-Fund officially launched on 26 March 2020 when the initial minimum capital was raised. For the year ended 31 December 2021 and since inception, the Sub-Fund raised €5.342.613 from subscriptions and had paid €2.411.734 for redemptions. The Fund has a net position of €4.384.323.

## Market Commentary

FY2021 brought hope for global economic growth following 2020's Covid-19-caused downturn, largely tied to the development and widespread deployment of Covid-19 vaccines and despite the rise of new variants extending the duration of the pandemic and delaying the normalization process. The pandemic continued to reinforce the importance of environmental, social and governance engagement and the year makes an important year of regulatory focus on the path to net-zero emissions and action to tackle climate change side-effects. Excess liquidity injected by major country governments as a backstop to the pandemic-induced economic slowdown was supportive of most asset returns, but on the other hand increased the likelihood of higher future price index levels, all other things equal. Indeed, commodity prices climbed coupled with supply chain shortages worldwide spurred fast accelerating inflation at levels unseen in the last 40 years (last higher print in the US in early 1980s). Amid this situation key country policymakers (US, EZ, JP) around the world decided to commit on scaling down the emergency financial support for the pandemic and look into an interest rate tightening course. Inflationary pressures were exacerbated further by geopolitical trends, especially with respect to energy prices since Russia is a major energy producer and supplier worldwide. Geopolitical risks were on the rise throughout the year. On the European front, Russia reacted to Ukraine's decision to join NATO forcefully, first deploying troops around the border with Ukraine, then invading the country in February 2022. And while a big power outright conflict front emerged in Europe, the US and China continued the strategic positioning for higher influence in Asia and other non-European Emerging Markets through transactional diplomacy in their effort to consolidate power. Rising geopolitical tensions and higher inflation can result into an economic stagflationary environment which has an adverse impact on the value and liquidity of the Fund's investments, impacting performance and client positions accordingly.

## Hermes

### Fund Return

#### Cumulative Returns per share class

Share Classes	2021	2020	2019
Participation	35,90%	40,97%	-

## Independent Auditor's Report

To the Members of Mi & Sigma Capital V.C.I.C. Plc

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Mi & Sigma Capital V.C.I.C. Plc (the "Fund") with its investment compartment Hermes (the 'Sub-Fund') which are presented on pages 7 to 30, and comprise the statement of financial position as at 31 December 2021, and the statements of comprehensive income, changes in net assets attributable to holders of investor shares and cash flows for the year ended to 31 December 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2021, and of its financial performance and its cash flows for the year ended 31 December 2021, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Fund Background and General Information and Schedule of Investments, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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## Independent Auditor's Report (continued)

### To the Members of Mi & Sigma Capital V.C.I.C. Plc

#### *Responsibility of the Board of Directors for the Financial Statements*

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Fund's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

## Independent Auditor's Report (continued)

### To the Members of Mi & Sigma Capital V.C.I.C. Plc

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Other Matter

This report, including the opinion, has been prepared for and only for the Fund's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



**Yiannis Sophianos**

Certified Public Accountant and Registered Auditor  
for and on behalf of

**Deloitte Limited**

**Certified Public Accountants and Registered Auditors**

Nicosia, 29 April 2022

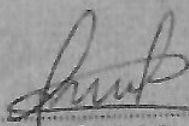


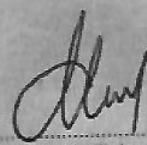
**MI & SIGMA CAPITAL V.C.I.C. PLC**

**STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2021**

	Note	2021 €	2020 €
<b>ASSETS</b>			
<b>Current Assets</b>			
Financial assets at fair value through profit or loss	8	3.105.968	1.775.282
Balances due from brokers	13	568	118.600
Prepayments	10	23.276	30.235
Cash and cash equivalents	11	1.517.137	77.694
<b>Total Assets</b>		<b>4.646.947</b>	<b>2.001.811</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Balances due to brokers	13	-	105.913
Accruals and other payables	14	262.624	80.799
<b>Total liabilities</b>		<b>262.624</b>	<b>186.712</b>
<b>EQUITY</b>			
Net assets attributable to holders of investor shares		4.384.323	1.815.099
<b>Total equity and liabilities</b>		<b>4.646.947</b>	<b>2.001.811</b>
<b>Historic Table</b>			
		31/12/2021 €	31/12/2020 €
<b>Total Net Asset Value</b>			
Participating Shares		4.384.323,18	1.815.098,67
<b>Net Asset Value per Unit</b>			
Participating Shares		1.915,7621	1.409,6945
<b>Total Units in issue</b>			
Participating Shares		2.288,55	1.287,58

On 29 April 2022 the Board of Directors of Mi & Sigma Capital V.C.I.C. Plc authorised these financial statements for issue.

  
Nikolaos Soulimiotis  
Director

  
Panteleimon Mytilinios  
Director

The notes on pages 11 to 30 form an integral part of these financial statements

## MI & SIGMA CAPITAL V.C.I.C. PLC

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	27/01/2020- 31/12/2020 €
<b>Income</b>			
Dividend income from equity securities at fair value through profit or loss		53.639	16.939
Net foreign currency gains/(losses)		14	(37)
Net fair value gains on financial assets at fair value through profit or loss	8	1.373.735	505.047
<b>Total net income</b>		<b>1.427.388</b>	<b>521.949</b>
<b>Expenses</b>			
Management fees	15	(44.159)	(5.047)
Depositary fees	16	(6.997)	(491)
Administration fees	16	(2.347)	(555)
Transaction costs		(43.194)	(25.740)
Performance fees	15	(256.945)	(78.401)
Other expenses		(7.404)	(4.592)
<b>Total operating expenses</b>		<b>(361.046)</b>	<b>(114.826)</b>
<b>Operating profit before finance costs</b>		<b>1.066.342</b>	<b>407.123</b>
<b>Finance costs</b>			
Other finance costs	6	(1.698)	(140)
<b>Increase in net assets attributable to holders of investor shares before tax</b>		<b>1.064.644</b>	<b>406.983</b>
Withholding taxes	7	(12.604)	(5.579)
<b>Increase in net assets attributable to holders of investor shares for the year/ period</b>		<b>1.052.040</b>	<b>401.404</b>

The notes on pages 11 to 30 form an integral part of these financial statements

## MI & SIGMA CAPITAL V.C.I.C. PLC

### STATEMENT OF NET ASSETS ATTRIBUTABLE TO HOLDERS OF INVESTOR SHARES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 €	2020 €
Net assets attributable to holders of investor shares at 1 January/27 January		1.815.099	-
<b>Contributions and redemptions by holders of investor shares</b>			
<b>Subscriptions during the year/ period</b>			
Participating shares		3.928.918	1.413.695
<b>Redemptions during the year/ period</b>			
Participating shares		(2.411.734)	-
<b>Total contributions and redemptions by holders of investor shares</b>		<b>1.517.184</b>	1.413.695
Increase in net assets attributable to holders of investor shares for the year/ period		1.052.040	401.404
<b>Net assets attributable to holders of investor shares at 31 December</b>	12	<b>4.384.323</b>	1.815.099

The notes on pages 11 to 30 form an integral part of these financial statements

## MI & SIGMA CAPITAL V.C.I.C. PLC

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 €	27/01/2020- 31/12/2020 €
<b>Cash flows from operating activities</b>			
<b>Increase in net assets attributable to holders of investor shares before tax</b>		<b>1.064.644</b>	406.983
Adjustments for:			
Dividend income		<b>(53.639)</b>	(16.939)
		<b>1.011.005</b>	390.044
<b>Changes in working capital:</b>			
Net increase in financial assets at fair value through profit or loss, net		<b>(1.330.686)</b>	(1.775.282)
Decrease/(increase) in balances due from brokers		<b>118.034</b>	(118.600)
Decrease/(increase) in prepayments		<b>6.959</b>	(30.235)
(Decrease)/increase in balances due to brokers		<b>(105.913)</b>	105.913
Increase in accruals and other payables		<b>181.825</b>	80.799
<b>Cash used in operations</b>		<b>(118.776)</b>	(1.347.361)
Dividend received		<b>53.639</b>	16.939
Tax paid		<b>(12.604)</b>	(5.579)
<b>Net cash used in operating activities</b>		<b>(77.741)</b>	(1.336.001)
<b>Cash flows from financing activities</b>			
Net proceeds from issue of investor shares	12	<b>3.928.918</b>	1.413.695
Net payments on redemption of investor shares		<b>(2.411.734)</b>	
<b>Net cash generated from financing activities</b>		<b>1.517.184</b>	1.413.695
<b>Net increase in cash and cash equivalents</b>		<b>1.439.443</b>	77.694
Cash and cash equivalents at beginning of the year/ period		<b>77.694</b>	-
<b>Cash and cash equivalents, end of the year/ period</b>	11	<b>1.517.137</b>	77.694

The notes on pages 11 to 30 form an integral part of these financial statements

# MI & SIGMA CAPITAL V.C.I.C. PLC

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 1. Incorporation and principal activities

Mi & Sigma Capital V.C.I.C. Plc (the "Fund", the "Company") was incorporated in Cyprus on 27 January 2020 as a public limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. The Fund was granted UCITS license No. UCITS 15/78 by the Cyprus Securities and Exchange Commission on 11 March 2020 with effective date 16 December 2019. Its registered office is at 11 Michail Paridi, 1095, 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 31 December 2021, there was one sub-fund active, Hermes (the 'Sub-Fund').

The main objective of the Company is to provide its Investors income yield and capital appreciation by investing in a diversified portfolio of transferable securities, money market instruments and ETFs as well as using financial derivatives to a small extent (i.e. up to 10%) for hedging and efficient portfolio management purposes or as an investment in the context of the UCITS' investment policy within the applicable investment restrictions imposed by the UCITS Law.

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

### 2. Significant accounting policies

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

#### Basis of preparation

The financial statements of Mi & Sigma Capital V.C.I.C. 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 2021. 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 31 DECEMBER 2021

### 2. Significant accounting policies (continued)

#### Foreign currency translation

##### a) Functional and presentation currency

The Fund's investors are mainly from the Eurozone, with the subscriptions and redemptions of the investor shares denominated in Euro. The Fund primarily invests in Euro denominated equity securities. 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 recognized 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

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 31 DECEMBER 2021

### 2. Significant accounting policies (continued)

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

##### *(a) Classification*

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

##### *(i) Assets*

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund's portfolio currently comprises of listed equity securities and derivatives, and accordingly all investments are measured at fair value through profit or loss.

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

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

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

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

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 2. Significant accounting policies (continued)

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

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

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

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

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

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

#### Cash and cash equivalents

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

#### Due from and due to brokers

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses.

Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

#### Receivables

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

#### Payables

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 2. Significant accounting policies (continued)

#### Accrued expenses

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

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

The Fund has one class of investor shares in issue which are classified as equity.

Investor shares can be put back into the Fund on each dealing day during the redemption period for cash equal to the proportionate share of the Fund's Net Asset Value ("NAV") attributable to the share class, provided that a two week notice has been granted.

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 for the purpose of determining the net asset value per share for subscriptions and redemptions.

The Fund is accumulating and reinvests its profits. Therefore, the Fund will not declare any dividends and distribute any interest income, dividends received or capital gains. It may however allow for extraordinary distributions as it necessitates following the approval of the Board of Directors. Income not distributed is included in the net assets attributable to holders of investor shares.

### 3. Financial risk management

#### Financial risk factors

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

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

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

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

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****3. Financial risk management (continued)****Financial risk factors (continued)**

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 cash and cash equivalents and amounts due from brokers. 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 for the selection of approved counterparties with an appropriate credit quality to ensure the credit risk associated with dealing with counterparties for its operations is minimized to the extent possible. Management continuously monitors the Fund's exposure and the credit ratings of its counterparties.

The table below shows an analysis of the Fund's cash balances (including non-restricted margin accounts) and short-term time deposits by the credit rating of the bank/broker in which they are held, based on Moody's credit ratings as of 31 December:

	<b>Moody's</b>	
	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Cash at bank and broker		
B2	<b>1.452.943</b>	42.650
No rating	<b>64.194</b>	35.044
	<b><u>1.517.137</u></b>	<u>77.694</u>

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

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

	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Balances due from brokers	<b>566</b>	118.600
Cash and cash equivalents	<b>1.517.137</b>	77.694
	<b><u>1.517.703</u></b>	<u>196.294</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 3. Financial risk management (continued)

#### 3.1 Credit risk (continued)

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2021, all amounts due from brokers and cash and short-term deposits are held with counterparties with a credit rating of B2 or higher and are due to be settled within one week. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

#### 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.

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 2021.

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

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

# MI & SIGMA CAPITAL V.C.I.C. PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 3. Financial risk management (continued)

#### 3.2 Liquidity risk (continued)

	Carrying amounts €	Contractual cash flows €	3 months or less €
<b>31 December 2021</b>			
<b>Liabilities</b>			
Accrued expenses	960	960	960
Payables to related parties	261.664	261.664	261.664
Net assets attributable to holders of investor shares	4.384.323	4.384.323	4.384.323
	<u>4.646.947</u>	<u>4.646.947</u>	<u>4.646.947</u>
	Carrying amounts €	Contractual cash flows €	3 months or less €
<b>31 December 2020</b>			
<b>Liabilities</b>			
Balances due to brokers	105.913	105.913	105.913
Accrued expenses	623	623	623
Payables to related parties	80.176	80.176	80.176
Net assets attributable to holders of investor shares	1.815.099	1.815.099	1.815.099
	<u>2.001.811</u>	<u>2.001.811</u>	<u>2.001.811</u>

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

#### 3.3 Market risk

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

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

The following table demonstrates market risk (value at risk - "VaR") as of 31 December 2021 as well as average VaR, minimum and maximum VaR. As the Fund was operational for part of the year ended 31 December 2021, the comparative information below relates to the period 1 July 2021 to 31 December 2021.

<b>Hermes</b>	<b>2021</b>	<b>2020</b>
Current VaR	<b>10,88%</b>	43,46%
Average VaR	<b>22,04%</b>	41,19%
Maximum VaR	<b>51,08%</b>	43,46%
Minimum VaR	<b>6,73%</b>	39,95%

# MI & SIGMA CAPITAL V.C.I.C. PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 3. Financial risk management (continued)

#### 3.3 Market risk (continued)

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

The following table details the Fund's exposure to interest rate risk at 31 December 2021 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 2021</b>						
<b>Assets</b>						
Equity securities	3.105.968	-	-	-	-	3.105.968
Prepayments	23.276	-	-	-	-	23.276
Balances due from brokers	566	-	-	-	-	566
Cash and bank balances	-	1.517.137	-	-	-	1.517.137
<b>Total assets</b>	<b>3.129.810</b>	<b>1.517.137</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.646.947</b>
<b>Liabilities</b>						
Non-interest bearing	262.624	-	-	-	-	262.624
<b>Total liabilities</b>	<b>262.624</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>262.624</b>

	Non-interest bearing	Within one year	1-5 years	More than 5 years	No fixed maturity	Total
	€	€	€	€	€	€
<b>31 December 2020</b>						
<b>Assets</b>						
Equity securities	1.775.282	-	-	-	-	1.775.282
Prepayments	30.235	-	-	-	-	30.235
Balances due from brokers	118.600	-	-	-	-	118.600
Cash and bank balances	-	77.694	-	-	-	77.694
<b>Total assets</b>	<b>1.924.117</b>	<b>77.694</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.001.811</b>
<b>Liabilities</b>						
Non-interest bearing	186.712	-	-	-	-	186.712
<b>Total liabilities</b>	<b>186.712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>186.712</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 3. Financial risk management (continued)

#### 3.3 Market risk (continued)

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

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.

##### 3.3.2 Foreign exchange risk

The Fund currently operates in Euro which is its functional and presentation 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 as needed.

The Fund does not hold any foreign currency denominated assets or liabilities at 31 December 2021, and accordingly is not subject to foreign exchange risk as of the reporting period.

##### 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 which is initially expressed in foreign currency and then converted into Euro 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.

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

	2021 €	2020 €
Exchange traded equity securities	<u>3.105.968</u>	<u>1.775.282</u>
<b>Total</b>	<b><u>3.105.968</u></b>	<b><u>1.775.282</u></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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 3. Financial risk management (continued)

#### 3.4 Capital risk management (continued)

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.

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.

# MI & SIGMA CAPITAL V.C.I.C. PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 3. Financial risk management (continued)

#### 3.5 Fair value estimation (continued)

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 are traded 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 (by class) measured at fair value at 31 December 2021.

All fair value measurements disclosed are recurring fair value measurements.

Analysis by industry and geography:

	Level 1	Level 2	Level 3	Total
	€	€	€	€
<b>31 December 2021</b>				
<b>Financial assets at fair value through profit or loss</b>				
<b>Equity securities</b>				
<b>Emerging Market Europe &amp; Middle East</b>				
Basic Materials	186.030	-	-	186.030
Consumer, Cyclical	386.955	-	-	386.955
Energy	244.440	-	-	244.440
Financial Real Estate	258.573	-	-	258.573
Financial, Investment Companies	62.000	-	-	62.000
Industrial	178.800	-	-	178.800
Technology	1.607.610	-	-	1.607.610
Utilities	181.560	-	-	181.560
<b>Total – Equity securities</b>	<b>3.105.968</b>	-	-	<b>3.105.968</b>



# MI & SIGMA CAPITAL V.C.I.C. PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 3. Financial risk management (continued)

#### 3.5 Fair value estimation (continued)

	Level 1	Level 2	Level 3	Total
	€	€	€	€
<b>31 December 2020</b>				
<b>Financial assets at fair value through profit or loss</b>				
<b>Equity securities</b>				
<b>Emerging Market Europe &amp; Middle East</b>				
Basic Materials	76.100	-	-	76.100
Communications	86.120	-	-	86.120
Consumer, Cyclical	200.829	-	-	200.829
Consumer, Non Cyclical	154.528	-	-	154.528
Energy	88.440	-	-	88.440
Financial	463.933	-	-	463.933
Industrial	166.600	-	-	166.600
Technology	360.972	-	-	360.972
Utilities	177.760	-	-	177.760
<b>Total – Equity securities</b>	<b>1.775.282</b>	-	-	<b>1.775.282</b>

### 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.

As at 31 December 2021, there were no 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.

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

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

	2021	27/01/2020- 31/12/2020
	€	€
Common stock	1.368.414	504.364
Derivatives	5.321	683
<b>Net fair value gains on financial assets at fair value through profit or loss</b>	<b>1.373.735</b>	<b>505.047</b>

### 6. Other finance costs

	2021	27/01/2020- 31/12/2020
	€	€
Sundry finance expenses	1.698	140
	<b>1.698</b>	<b>140</b>

# MI & SIGMA CAPITAL V.C.I.C. PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 7. Tax

	<b>2021</b>	27/01/2020- 31/12/2020
	€	€
Overseas withholding tax	<b>12.604</b>	5.579
Corporation tax – current year/period	-	-
<b>Total charge for the year/period</b>	<b>12.604</b>	<b>5.579</b>
	<b>2021</b>	27/01/2020- 31/12/2020
	€	€
Increase in net assets attributable to holders of investor shares before tax	<b>1.064.644</b>	406.983
Applicable tax rates	<b>12,5%</b>	12,5%
Tax calculated at the applicable tax rates	<b>133.081</b>	50.873
Tax effect of expenses not deductible for tax purposes	<b>45.037</b>	14.289
Tax effect of allowances and income not subject to tax	<b>(178.424)</b>	(65.248)
Tax effect of tax losses	<b>306</b>	87
Overseas withholding tax paid at source	<b>12.604</b>	5.579
<b>Tax charge</b>	<b>-</b>	<b>-</b>

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

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

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

	<b>2021</b>	2020
	€	€
Balance at 1 January/ 27 January	<b>1.775.282</b>	-
Additions	<b>5.122.278</b>	3.744.988
Disposals	<b>(5.165.327)</b>	(2.474.753)
Net gain on financial assets at fair value through profit or loss	<b>1.373.735</b>	505.047
Balance at 31 December	<b>3.105.968</b>	1.775.282

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

	<b>% of net assets</b>	<b>2021</b>	<b>% of net assets</b>	<b>2020</b>
		€		€
<b>Equity Instruments</b>				
Exchange traded equity instruments	<b>70,84%</b>	<b>3.105.968</b>	97,81%	1.775.282
<b>Total</b>	<b>70,84%</b>	<b>3.105.968</b>	97,81%	1.775.282

The financial assets at fair value through profit or loss are marketable securities and are valued at fair value at the close of business on 31 December by reference to last prices obtained by organised exchanges.

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 net in operating income.

The exposure of the Fund to market risk in relation to financial assets is reported in note 3.3 of the financial statements.

# MI & SIGMA CAPITAL V.C.I.C. PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 9. 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 31 December 2021 and 31 December 2020 to the categories of financial instruments:

	Financial assets at fair value through profit or loss €	Financial assets at amortised cost €	Total €
<b>31 December 2021</b>			
<b>Assets</b>			
Financial assets at fair value through profit or loss	3.105.968	-	3.105.968
Balances due from brokers	-	566	566
Prepayments	-	23.276	23.276
Cash and cash equivalents	-	1.517.137	1.517.137
<b>Total</b>	<b>3.105.968</b>	<b>1.540.979</b>	<b>4.646.947</b>

	Financial liabilities at amortised cost €	Total €
<b>31 December 2021</b>		
<b>Liabilities</b>		
Accruals and other payables	262.624	-
<b>Total</b>	<b>262.624</b>	<b>-</b>

	Financial assets at fair value through profit or loss €	Financial assets at amortised cost €	Total €
<b>31 December 2020</b>			
<b>Assets</b>			
Financial assets at fair value through profit or loss	1.775.282	-	1.775.282
Balances due from brokers	-	118.600	118.600
Prepayments	-	30.235	30.235
Cash and cash equivalents	-	77.694	77.694
<b>Total</b>	<b>1.775.282</b>	<b>226.529</b>	<b>2.001.811</b>

	Financial liabilities at amortised cost €	Total €
<b>31 December 2020</b>		
<b>Liabilities</b>		
Balances due to brokers	105.913	105.913
Accruals and other payables	80.799	80.799
<b>Total</b>	<b>186.712</b>	<b>186.712</b>

# MI & SIGMA CAPITAL V.C.I.C. PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 10. Prepayments

	2021 €	2020 €
Prepayments	<u>23.276</u>	30.235
	<u>23.276</u>	<u>30.235</u>

Prepayments relate to prepaid set up costs which will be amortized until 5 May 2025.

### 11. Cash and cash equivalents

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

	2021 €	2020 €
Cash at bank	1.452.943	42.650
Margin accounts	<u>64.194</u>	35.044
	<u>1.517.137</u>	<u>77.694</u>

Margin account balances with brokers are included within cash and cash equivalents as the entire amount was not restricted in its use as of 31 December 2021, since the Fund did not have any open derivative positions.

#### Cash and cash equivalents by currency:

	2021 €	2020 €
Euro	<u>1.517.137</u>	77.694
	<u>1.517.137</u>	<u>77.694</u>

The exposure of the Fund to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3.1 of the financial statements.

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

The Company was initially registered with an authorised share capital of 2 Management Shares of no par value and 200 Participating Shares of no par value.

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

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

#### Management Shares

According to the Fund's Offering Memorandum, Management Shares shall only 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 two (2) 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
- are not redeemable

# MI & SIGMA CAPITAL V.C.I.C. PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

#### Management Shares (continued)

- on return of capital on winding up or otherwise have the right only for repayment of their capital after any payment to the Participating Shareholders of the amounts paid up on the Participating Shares held by them, including any premium.

#### 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 in relation to a proposed variation in the rights of the class of units which they hold.
- right to redemption in accordance with the procedures provided in the Offering Memorandum and the relevant Supplement.
- to participate in any distributions to be made out of the profits of the Company.
- on winding-up or other return of capital, to repayment, in priority of any payment to the Management shareholders of the Company, of the amounts paid up on the Participating Shares held by them including any premium.

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

Transactions in share capital, shares outstanding and the Net Asset Value ("NAV") per share as at 31 December 2021, for each class of shares are as follows:

	<b>Beginning Shares</b>	<b>Shares issued</b>	<b>Shares redeemed</b>	<b>Shares Outstanding</b>
Participating shares	1.287,58	2.395,07	(1.394,10)	2.288,55
	<b>1.287,58</b>	<b>2.395,07</b>	<b>(1.394,10)</b>	<b>2.288,55</b>

	<b>Beginning Net Assets</b>	<b>Subscriptions</b>	<b>Redemptions</b>	<b>Change in Net Assets</b>	<b>Ending Net Assets</b>	<b>Ending NAV Per Share</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Participating shares	1.815.099	3.928.918	(2.411.734)	1.052.040	4.384.323	1.915,7621
	<b>1.815.099</b>	<b>3.928.918</b>	<b>(2.411.734)</b>	<b>1.052.040</b>	<b>4.384.323</b>	

# MI & SIGMA CAPITAL V.C.I.C. PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021 €	2020 €
<b>Balances due from brokers</b>		
Sales awaiting settlement	566	118.600
	<u>566</u>	<u>118.600</u>
	2021 €	2020 €
<b>Balances due to brokers</b>		
Purchases awaiting settlement	-	(105.913)
	<u>-</u>	<u>(105.913)</u>

During the year, certain transactions of equity securities were executed and not settled prior to the year end. All open transactions were settled shortly after the year end.

The exposure of the Fund to liquidity risk in relation to balances due to brokers is reported in note 3.2 of the financial statements.

### 14. Accruals and other payables

	2021 €	2020 €
Accrued expenses	960	623
Payables to related parties (Note 15.1)	261.664	80.176
	<u>262.624</u>	<u>80.799</u>

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

### 15. Related party balances and transactions

The related party balances and transactions are as follows:

#### 15.1 Investment Manager

The Fund has appointed Wealth Fund Services Limited to provide management services pursuant to a management agreement dated 29 January 2020. Under the terms of the management agreement the Fund pays the Management Company a management fee of 1,5% per annum for the year ended 2021 on assets under management. The Management fee covers all on-going expenses of the Fund; however, audit and legal fees for the year were borne by the Management Company.

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 year ended 31 December 2021 totalled €44.159 (2020: €5.047) and are presented in the statement of comprehensive income. The amount outstanding at the year end is €4.600 and it is included in payables to related parties.

In addition to the management fee, the Management Company is also entitled to receive from the Sub-Fund a performance fee of 20% related to the performance of the Net asset value per share during the relevant period, using a hurdle rate of 0%.

At 31 December 2021, two Management shares were held by the Management Company.

# MI & SIGMA CAPITAL V.C.I.C. PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

#### 15.1 Investment Manager (continued)

<b>Payables to related parties (Note 14)</b>		<b>2021</b>	<b>2020</b>
		<b>€</b>	<b>€</b>
<u>Name</u>	<u>Nature of transactions</u>		
Wealth Fund Services Limited	Management fees	<b>4.600</b>	1.425
Wealth Fund Services Limited	Performance fee	<b>256.945</b>	78.401
Wealth Fund Services Limited	Entry fees	<b>119</b>	350
		<b>261.664</b>	80.176

<b>Transactions with related parties</b>		<b>2021</b>	<b>2020</b>
		<b>€</b>	<b>€</b>
<u>Name</u>	<u>Nature of transactions</u>		
Wealth Fund Services Limited	Management fees	<b>44.159</b>	5.047
Wealth Fund Services Limited	Performance fee	<b>256.945</b>	78.401
Wealth Fund Services Limited	Entry fees	-	920

#### 15.2 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 for this year.

### 16. Other key contracts

#### 16.1 Administration Company

The Management Company has appointed Eurobank Ergasias S.A. as the Administrator to provide administrative services to its managed funds pursuant to an administration agreement dated 10 August 2017. Under the terms of the agreement the Fund pays the administrative agent an annual fee of 0,10% for Total Assets up to €50million, 0,07% for Total Assets between €50-€100million, 0,06% for Total Assets between €100-€150million and 0,05% for Total Assets above €150million. The administration fee is computed daily on the daily value of the Fund's net assets and is billed at the end of each month.

Administrative fees for the year ended 31 December 2021 totaled €2.347 (2020: €555) and are presented in the statement of comprehensive income. The amount of €388 is outstanding at the end of year.

#### 16.2 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 20 February 2020. Under the terms of the agreement the Fund pays the depositary an annual fee of 0,08% on Net Asset Value. 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 €416. Depositary fees for the year ended 31 December 2021 totaled €6.997 (2020: €491) and are presented in the statement of comprehensive income. The amount of €572 is outstanding at the end of the year.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **17. Contingent liabilities**

The Fund has no contingent liabilities as at 31 December 2021.

### **18. Commitments**

The Fund has no capital or other commitments as at 31 December 2021.

### **19. 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.



# MI & SIGMA CAPITAL V.C.I.C. PLC

## SCHEDULE OF INVESTMENTS – UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2021

	Cost 31/12/2021	Fair value 31/12/2021	Percentage of net assets 31/12/2021
	€	€	%
<b>ASSETS</b>			
<b>Equity securities</b>			
<b>European exchange-traded equity securities:</b>			
THRACE PLASTICS HOLDINGS CO SA. (CR)	117.156	186.030	4,24%
EVROFARMA (CR)	22.858	18.200	0,42%
FOURLIS SA HOLDINGS . (CR)	78.911	77.000	1,76%
CARS, MOTORS AND MARINE ENGINE TRADE AND IMP	24.076	27.525	0.63%
OPAP SA (CR)	101.664	112.230	2,56%
PETROS PETROPOULOS (CB)	120.512	152.000	3,47%
TERNA ENERGY S.A.	217.673	244.440	5,58%
GEKTERNA HOLDING REAL ESTATE CONSTRUCTION S.A (CR)	105.295	120.473	2,75%
LAMDA DEVELOPMENT (CR)	141.400	138.100	3,15%
GIRAKIAN L.PROFIL PIPE WORS S.A.	169.498	178.800	4,08%
BYTE COMPUTER S.A.	138.102	143.000	3,26%
QUEST HOLINGS S.A.	233.586	421.650	9,62%
SPACE HELLAS S.A. (CR)	228.568	294.500	6,72%
EPSILON NET S.A.	56.136	310.800	7,09%
ENTERSOFT S.A.	98.550	192.500	4,39%
PERFORMANCE TECHNOLOGIES IT SOLUTIONS	124.202	202.160	4,61%
REAL CONSULTING S.A.	43.745	43.000	0,98%
MYTILINEOS S.A. (CR)	143.213	181.560	4,14%
CENERGY HOLDINGS S.A.	46.404	62.000	1,41%
<b>Total equity securities</b>	<b>2.211.549</b>	<b>3.105.968</b>	<b>70.86%</b>
Total investments		3.105.968	70,86%
Other receivables		23.842	0,53%
Cash and cash equivalents		1.517.137	34,60%
Total liabilities		(262.624)	(5,99%)
<b>Total net assets</b>		<b>4.384.323</b>	<b>100,00%</b>