

Michel & Cortesi

ASSET MANAGEMENT



M&C Funds

Unaudited Interim Financial Statements
For the six months ended 30 June 2017

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General Information

Directors of the Manager	<p>Mr. Michael Bishop Mr. William Blackwell Mr. Neil Clifford Ms. Yvonne Connolly Mr. Teddy Otto Mr. John Skelly (resigned 31 January 2017) Ms. Elizabeth Beazley (appointed 31 January 2017)</p> <p>All Directors are independent of the Investment Manager</p>
Manager	<p>Carne Global Fund Managers (Ireland) Limited 2nd Floor, Block E, Iveagh Court Harcourt Road Dublin 2 Ireland</p>
Trustee	<p>BNP Paribas Securities Service, Dublin Branch Trinity Point 10-11 Leinster Street South Dublin 2 Ireland</p>
Investment Manager	<p><i>Swiss Equity Fund</i></p> <p>Michel & Cortesi Asset Management AG Breitingerstrasse 35 8002 Zurich Switzerland</p>
Investment Manager	<p><i>Conning US High Dividend Equity Fund</i></p> <p>Conning Asset Management Limited 24 Monument Street London EC3R 8AJ United Kingdom</p>
Administrator, Transfer Agent and Registrar	<p>BNP Paribas Fund Administration Services (Ireland) Limited Trinity Point 10-11 Leinster Street South Dublin 2 Ireland</p>
Independent Auditors	<p>PricewaterhouseCoopers Chartered Accountants and Registered Auditors One Spencer Dock North Wall Quay Dublin 1 Ireland</p>
Distributors	<p>Conning Asset Management Limited 24 Monument Street London EC4R 8AJ United Kingdom</p> <p>Michel & Cortesi Asset Management AG Breitingerstrasse 35 8002 Zurich Switzerland</p>

General Information (continued)

Facilities Agent	Conning Asset Management Limited 24 Monument Street London EC4R 8AJ United Kingdom
Legal Advisers (Austria)	Freshfields Bruckhaus Deringer LLP Sielergasse 16 Vienna 1010 Austria
Legal Advisers (Germany)	Simmons & Simmons MesseTurm Friedrich-Ebert-Anlage 49 60308 Frankfurt am Main Germany
Legal Advisers (Ireland)	McCann FitzGerald Solicitors Riverside One Sir John Rogerson's Quay Dublin 2 Ireland
Legal Advisers (Switzerland)	Niederer Kraft & Frey Limited Bahnhofstrasse 13 8001 Zurich Switzerland
Paying Agents & Representatives	<i>Austria</i> UniCredit Bank Austria AG Schottengasse 6-8 1010 Vienna Austria <i>Germany</i> Marcard, Stein & Co AG Ballindamm 36 20095 Hamburg Germany <i>Italy</i> RBC Investor Services Bank S.A. Milan Branch Via Vittor Pisani 26 20124 Milan Italy <i>Spain</i> Bancoval Securities Services, S.A. Fernando E1 Santo no 20 Madrid 28010 Spain <i>Switzerland – Swiss Paying Agent</i> Notenstein Privatbank AG Bohl 17 Postfach 9004 St. Gallen Switzerland <i>Switzerland – Swiss Representative</i> 1741 Fund Solutions AG Burggraben 16 9000 St. Gallen Switzerland

General Information (continued)

Sponsoring Broker	Davy Stockbrokers Davy House 49 Dawson Street Dublin 2 Ireland
Tax Representatives	Austria PricewaterhouseCoopers Wirtschaftsprüfung und Steuerberatung GmbH Erdbergstrasse 200 1030 Vienna, Austria

Fund Background

M&C Funds (the “Fund”) is an open-ended umbrella unit trust constituted on the 13 June 2000 under the laws of Ireland by the Trust Deed for the sole purpose of the collective investment of its assets in transferable securities with the aim of spreading investment risk and giving Unit Holders the benefit of the results of the management of its assets. The Fund is authorised by the Central Bank of Ireland (the “Central Bank”) as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2016 (as amended), (the “UCITS Regulations”). The Fund has been structured as an umbrella fund and is made up of Sub-Funds, each Sub-Fund being a single pool of assets (the “portfolio”). The Manager may whether on the establishment of Sub-Funds or from time to time, with the prior approval of the Central Bank, create different Classes of Units in a Sub-Fund. The Fund is not a separate legal entity and as such it is not liable as a whole to third parties for the liabilities of each Sub-Fund. The assets of each Sub-Fund will be invested separately in accordance with the investment objective and policies of that Sub-Fund. The Fund is managed by Carne Global Fund Managers (Ireland) Limited. Carne Global Fund Managers (Ireland) Limited is a limited liability company incorporated in Ireland.

All Unit Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Trust Deed which are binding on the Trustee, the Manager and the Unit Holders and all persons claiming through them respectively as if all such Unit Holders and persons had been party to the Trust Deed. Unit Holders shall not have any recourse to or claim against or right of action in respect of any of the assets of the Fund or any Sub-Funds or any part thereof other than the assets of the Sub-Funds in which they hold Units and in respect of which the claim arises.

Under the Trust Deed, the assets and liabilities attributable to each Sub-Fund established by the Manager shall belong exclusively to that Sub-Fund and shall be segregated by the Trustee and there will be no cross-liabilities between other Sub-Funds.

The assets of each Sub-Fund are invested separately in accordance with the investment objectives and policies of that Sub-Fund. The investment policy of M&C Funds is set out in more detail in the Prospectus relating to the Fund. At 30 June 2017, there were two active Sub-Funds in the Fund namely the Swiss Equity Fund and Conning US High Dividend Equity Fund.

Units are available in three Classes for each Sub-Fund; namely Income Class Units that may pay a dividend; Capital Class Units that are accumulating Units and do not pay dividends; and “B” Class Units that are accumulating Units and do not pay dividends. The Income Units, Capital Units, and “B” Units shall rank pari passu with each other except that:

- a different distribution policy applies to each Class as detailed in the Prospectus and
- the annual management fee payable to the Manager in relation to each Class shall be as set out in Note 9 to the financial statements.

The Manager may, whether on the establishment of Sub-Fund, or from time to time, create different Classes of Units in a Sub-Fund.

All Classes currently in issue of the Sub-Funds are listed on the Irish Stock Exchange.

The below Sub-Funds have been authorised by the Central Bank of Ireland but have not launched as at 30 June 2017.

Sub-Fund	Date of Authorisation
Conning International Opportunities Bond Fund – Short Duration – EUR	21 October 2014
Conning International Opportunities Bond Fund – Short Duration – GBP	21 October 2014
Conning International Opportunities Bond Fund – Short Duration – USD	21 October 2014
Conning Global High Dividend Equity Fund	28 May 2015

Unaudited Statement of Operations

	Notes	Swiss Equity Fund For the six month ended 30 June 2017 CHF	Conning US High Dividend Equity Fund For the six month ended 30 June 2017 USD
Income			
Dividend Income		1 341 538	323 339
Net Gain on Financial Assets at Fair Value through profit or loss	11	5 170 698	996 086
Total Net Gain		6 512 236	1 319 425
Expenses			
Management Fees	9	27 529	12 139
Investment Management Fees	9	105 118	48 831
Administration Fees	9	17 499	15 474
Depository Fees	9	18 692	20 017
Audit Fees	9	13 059	5 409
Legal Fee	9	21 096	8 004
Miscellaneous Expenses	9	85 660	7 256
Transaction Costs	9	-	902
Transfer Agency Fees	9	7 730	851
Central Bank of Ireland Fees		913	-
Total Operating Expenses		297 296	118 883
Operating Gain before Tax		6 214 940	1 200 542
Non-recoverable Dividend Withholding Tax		(371 575)	(92 794)
Profit After Tax		5 843 365	1 107 748
Increase in Net Assets Attributable to Redeemable Participating Unit Holders		5 843 365	1 107 748

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

There are no other profits or losses in the financial statements other than the increase in net assets resulting from operations attributable to the Redeemable Participating Unit Holders of the Fund.

All recognised gains and losses for the period arose solely from continuing operations.

The foreign exchange rates are in Note 7.

Unaudited Statement of Operations (continued)

	Notes	Swiss Equity Fund For the six month ended 30 June 2016 CHF	Conning US High Dividend Equity Fund* For the period from 11 February 2016 to 30 June 2016 USD
Income			
Dividend Income		1 249 958	342 084
Net (Loss)/Gain on Financial Assets at Fair Value through profit or loss	11	(4 750 749)	3 637 724
Other Income		18 533	-
Total Net (Loss)/Gain		(3 482 258)	3 979 808
Expenses			
Management Fees	9	27 588	9 513
Investment Management Fees	9	128 227	42 606
Administration Fees	9	23 792	16 480
Sub-Custodian Fees	9	7 527	7 972
Depositary Fees	9	11 827	10 263
Audit Fees	9	11 131	1 982
Legal Fee	9	20 942	9 542
Miscellaneous Expenses	9	91 930	11 704
Transaction Costs	9	-	76
Transfer Agency Fees	9	6 623	677
Central Bank of Ireland Fees		926	-
Total Operating Expenses		330 513	110 815
Operating (Loss)/Profit before Tax		(3 812 771)	3 868 993
Non-recoverable Dividend Withholding Tax		(445 188)	(100 824)
(Loss)/Profit After Tax		(4 257 959)	3 768 169
(Decrease)/Increase in Net Assets Attributable to Redeemable Participating Unit Holders			
		(4 257 959)	3 768 169

* Conning US High Dividend Equity Fund launched on 11 February 2016.

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

There are no other profits or losses in the financial statements other than the (decrease)/increase in net assets resulting from operations attributable to the Redeemable Participating Unit Holders of the Fund.

All recognised gains and losses for the period arose solely from continuing operations.

The foreign exchange rates are in Note 7.

Unaudited Statement of Assets and Liabilities

Swiss Equity Fund			
30 June 2017 31 December 2016			
	Notes	CHF	CHF
Current Assets			
Cash at Bank	8	1 401 189	2 855 302
Financial assets at fair value through profit or loss		50 548 712	47 158 387
Other Assets		10 244	8 578
		51 960 145	50 022 267
Current Liabilities (falling due within one year)			
Redemptions payable		13 132	11 726
Payable for securities purchased		-	1 287 420
Management Fees Payable	9	6 325	16 079
Investment Manager Fees Payable	9	53 847	46 196
Administration Fees Payable	9	32 542	18 056
Audit Fees Payable	9	3 976	10 343
Depositary Fees Payable	9	24 148	17 844
Other Fees Payable	9	96 450	94 529
		230 420	1 502 193
Net Assets attributable to Redeemable			
Participating Unit Holders		51 729 725	48 520 074
Units in Issue			
	3	Units	Units
Capital		27 247.88	28 649.88
"B"		491.11	563.40
Net Asset Value Per Unit			
		CHF	CHF
Capital		1 874.778	1 670.389
"B"		1 315.364	1 177.899

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

The foreign exchange rates are in Note 7.

Unaudited Statement of Assets and Liabilities (continued)

Conning US High Dividend Equity Fund			
		30 June 2017	31 December 2016*
	Notes	USD	USD
Assets			
Cash at Bank	8	16 670	88 867
Financial assets at fair value through profit or loss		21 552 116	20 359 900
Dividend Receivable		24 962	23 533
Other Assets		605	-
Total Assets		21 594 353	20 472 300
Equity			
Capital and Reserves Attributable To Equity Holders			
Share capital		15 000 000	15 000 000
Retained earnings		6 503 842	5 396 094
Total Equity		21 503 842	20 396 094
Liabilities (falling due within one year)			
Management Fees Payable	9	5 647	6 304
Investment Manager Fees Payable	9	21 207	16 325
Administration Fees Payable	9	15 358	10 534
Audit Fees Payable	9	1 640	4 459
Depositary Fees Payable	9	25 910	17 594
Other Fees Payable	9	20 749	20 990
Total Liabilities		90 511	76 206
Total Equity and Liabilities		21 594 353	20 472 300
Units in Issue			
	3	Units	Units
US HDE Accumulating Class		163 633.03	163 333.03
Net Asset Value Per Unit			
		USD	USD
US HDE Accumulating Class		131.415	124.645

* Conning US High Dividend Equity Fund launched on 11 February 2016.

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

The foreign exchange rates are in Note 7.

Unaudited Statement of Changes in Net Assets Attributable to Redeemable Participating Unit Holders

	Swiss Equity Fund	
	For the six month ended 30 June 2017 CHF	For the six month ended 30 June 2016 CHF
Net Assets Attributable to Redeemable		
Participating Unit Holders at beginning of period	48 520 074	73 107 777
Proceeds from Shares Issued	991 845	2 088 198
Shares Redeemed	(3 625 559)	(16 083 551)
Increase/(decrease) in Net Assets Attributable to Redeemable		
Participating Unit Holders	5 843 365	(4 257 959)
Net Assets Attributable to Redeemable		
Participating Unit Holders at end of period	51 729 725	54 854 465
Unit Transactions		
	Units	Units
Opening Units in issue		
Capital	28 649.88	43 616.71
"B"	563.40	581.87
Units issued		
Capital	544.00	1 362.81
"B"	-	-
Units redeemed		
Capital	(1 946.00)	(10 297.53)
"B"	(72.29)	(34.81)
Closing Units in issue		
Capital	27 247.88	34 681.99
"B"	491.11	547.06

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

The foreign exchange rates are in Note 7.

Unaudited Statement of Changes in Equity

Conning US High Dividend Equity Fund*
For the period from 11 February 2016 to 30 June 2016

	Share Capital USD	Retained Earnings USD	Total Equity USD
At beginning of period	-	-	-
Proceeds from Shares Issued	25 000 000	-	25 000 000
Increase in Net Assets Attributable to Redeemable Participating Unit Holders	-	3 768 169	3 768 169
At 30 June 2016	25 000 000	3 768 169	28 768 169

For the period from 1 January 2017 to 30 June 2017

At 1 January 2017	15 000 000	5 396 094	20 396 094
Increase in Net Assets Attributable to Redeemable Participating Unit Holders	-	1 107 748	1 107 748
At 30 June 2017	15 000 000	6 503 842	21 503 842

	30 June 2017 Units	30 June 2016 Units
Unit Transactions		
Opening Units in issue		
US HDE Accumulating Class	163 633.03	-
Units issued		
US HDE Accumulating Class	-	250 000.00
Units redeemed		
US HDE Accumulating Class	-	-
Closing Units in issue		
US HDE Accumulating Class	163 633.00	250 000.00

* Conning US High Dividend Equity Fund launched on 11 February 2016.

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

The foreign exchange rates are in Note 7.

Unaudited Notes to the Financial Statements

1. Basis of Preparation

These unaudited interim financial statements for the six month period ended 30 June 2017 have been prepared in compliance with Irish statute comprising the Companies Act 2014 and Irish Accounting Standards issued by the Financial Reporting Council, comprising Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and FRS 104 “Interim Financial Reporting” (“FRS 104”).

The financial statements of the individual Sub-Funds are prepared in the functional currency of the respective Sub-Fund which is also the presentation currency. The performance of the Fund is measured and reported in CHF.

The accounting policies applied in the preparation of interim Financial Statements are consistent with the accounting policies applied in the preparation of the audited annual Financial Statements.

The interim Financial Statements should be read in conjunction with the annual Financial Statements.

2. Significant Accounting Policies

The Fund has adopted FRS 102. FRS 102 is applicable for annual periods beginning on or after 1 January 2015.

3. Units in Issue

Issued Unit Capital

Swiss Equity Fund

Units issued at 30 June 2017 were available in two Classes as Capital Units or “B” Units to which a different distribution policy applies. Capital Units and “B” Units are accumulating Units and will not pay dividends.

Conning US High Dividend Equity Fund

Units issued at 30 June 2017 were available in one Class as US HDE Accumulating Class Units. US HDE Accumulating Class Units are accumulating Units and will not pay dividends.

During the period ended 30 June 2017, no dividends were declared or paid by Swiss Equity Fund or Conning US High Dividend Equity Fund.

4. Significant events during the period

Effective 31 January 2017 John Skelly resigned as Director of the Manager. Effective 27 January 2017 Elizabeth Beazley was appointed as Director of the Manager.

There have been no other significant events during the period.

5. Significant events since the period end

The Manager has been advised that the majority unitholder in the Swiss Equity Sub-Fund intends to redeem all of their units in Q4, 2017. This may impact the future viability of the Sub-Fund, at which time steps may be taken to terminate the Sub-Fund.

There have been no other significant events since the period end.

6. Soft Commission Arrangements

There were no soft commission arrangements during the period.

Unaudited Notes to the Financial Statements (continued)

7. Exchange Rates

Exchange rates used in the preparation of the financial statements as at 30 June 2017 were as follows:

Currency	30 June 2017	30 June 2016
CHF/USD	0.957652	0.974211
CHF/EUR	1.092250	1.086957
USD/EUR	1.140550	N/a

8. Cash at Bank

All of the cash shown in the Schedule of Investments at 30 June 2017 and 30 June 2016 was held with BNP Paribas Securities Services Luxembourg (PARBLU) on behalf of the Trustee, BNP Paribas Securities Services, Dublin Branch.

9. Fees

Management Fee and Investment Management Fee

The Manager is entitled to the following annual fees from the Sub-Funds. These management fees accrue at each dealing day and are paid monthly in arrears as follows:

Both Sub-Funds have the same management fees.

Sub-Funds	EUR	% of net asset value per annum
	EUR 0 – 300 million	0.020%
	> EUR 300 million	0.015%

These management fees accrue at each dealing day and are paid monthly in arrears. The Fund is charged a minimum fee of EUR 60 000 with an additional charge for each Sub-Fund.

The Manager is also entitled to recover any out-of-pocket expenses incurred by it out of the Sub-Funds.

Global Registration fees payable to Carne Financial Services Ltd, a parent Company of the Manager during the period, amounted to CHF 6 957.

The Investment Managers Fee rates are as follows:

Sub-Fund	Income and Capital Units	“B” Units
Swiss Equity Fund	0.40%	1.40%

Sub-Fund	Accumulating & Distribution Class	Seed Class	Conning Investor Class
Conning US High Dividend Equity Fund	0.40%	0.35%	0.30%

These Investment Management fees accrue daily and are paid quarterly in arrears. The Investment Manager will pay the fees of the Distributors from its fee and will be entitled to recover any out of pocket expenses incurred by it from the Sub-Funds.

The Investment Managers are also entitled to recover any out-of-pocket expenses incurred by it out of the Sub-Funds.

Unaudited Notes to the Financial Statements (continued)

9. Fees (continued)

Depository Fees

The Trustee is entitled to a depository fee out of the assets of the Fund, charged as a percentage per annum of the Net Asset Value (NAV) of each Sub-Fund, accrued as at each dealing day and calculated as at the last dealing day of each month.

BNP Paribas Securities Services, Dublin Branch fee is payable monthly in arrears and is subject to a minimum of EUR 25 000 per annum. The fee rate per Sub-Funds is as noted below:

Less than EUR150 million	2.5 basis points, per Sub-Fund
Over EUR300 million	2.0 basis points, per Sub-Fund

Administrator and Transfer Agency Fee

The Administrator is entitled to an administration fee from each Sub-Fund calculated as at the last dealing day of every month and payable monthly in arrears out of the Net Assets of each Sub-Fund.

BNP Paribas Fund Administration Services (Ireland) Limited as Administrator applied the fees listed below.

Less than EUR 150 million	6 basis points, per Sub-Fund
Between EUR 150 million to EUR 300 million	5 basis points, per Sub-Fund
Over EUR 300 million	3 basis points, per Sub-Fund

The above is subject to a minimum fee of EUR 30 000 per annum per Sub-Fund.

The Administrator is entitled to an annual Transfer Agency Fee of CHF 3 000 per class and CHF 50 per investor subscription or redemption.

In addition to the above, the Administrator is entitled to an annual fee of CHF 5 000 for the preparation of the financial statements.

Audit Fee

The fee is disclosed in the Statement of Operations. The audit fee relates entirely to the statutory audit.

Legal Fee

Legal fees are disclosed in the Statement of Operations.

Transaction Costs

The transaction costs are disclosed in the Statement of Operations.

Miscellaneous

The fee disclosed in the Statement of Operations includes the fees for translations and attribution analysis. The Sub-Funds pays out of its assets all fees, costs and expenses, including administration expenses, of or incurred by the Manager, the Administrator and the Trustee in connection with the on-going management, administration and operation of the Sub-Funds.

	Swiss Equity Fund	Conning US High Dividend Equity Fund
	30 June 2017	30 June 2017
	CHF	USD
Translation fees	1 362	-
Tax reporting fees	22 152	1 189
Other fees	62 146	6 067
	85 660	7 256

Unaudited Notes to the Financial Statements (continued)

9. Fees (continued)

Miscellaneous (continued)

	Swiss Equity Fund	Conning US High Dividend Equity Fund
	30 June 2016	30 June 2016
	CHF	USD
Translation fees	1 416	-
Tax reporting fees	19 027	710
Other fees	71 487	10 994
	91 930	11 704

Other Fees Payable

The fees disclosed in the Statement of Assets and Liabilities Attributable to Redeemable Participating Unit Holders comprise of the following:

	Swiss Equity Fund	Conning US High Dividend Equity Fund
	30 June 2017	30 June 2017
	CHF	USD
Legal fees	12 626	4 486
Translation fees	638	-
Tax reporting fees	41 865	2 401
Other fees	41 321	13 862
	96 450	20 749

	Swiss Equity Fund	Conning US High Dividend Equity Fund
	31 December 2016	31 December 2016
	CHF	USD
Legal fees	21 325	9 504
Translation fees	2 107	-
Tax reporting fees	35 043	1 213
Other fees	36 054	10 273
	94 529	20 990

Unaudited Notes to the Financial Statements (continued)

10. Related Parties

The Manager: Carne Global Fund Managers (Ireland) Limited, Carne Financial Services Ltd ("Carne"); a parent Company of the Manager, the Investment Managers: Michel & Cortesi Asset Management AG and Conning Asset Management Limited and the Trustee: BNP Paribas Securities Services, Dublin Branch are each a related party under FRS 102.

For Swiss Equity Fund, the management fees charged for the period ended 30 June 2017 amounted to CHF 27 529 (30 June 2016: CHF 27 588) of which CHF 6 325 (31 December 2016: CHF 16 079) remained payable at the period end.

For Swiss Equity Fund, the Investment Management fees charged for the period ended 30 June 2017 amounted to CHF 105 118 (30 June 2016: CHF 128 227) of which CHF 53 847 (31 December 2016: CHF 46 196) remained payable at the period end.

For Conning US High Dividend Equity Fund, the management fees charged for the period ended 30 June 2017 amounted to USD 12 139 (30 June 2016: USD 9 513) of which USD 5 647 (31 December 2016: USD 6 304) remained payable at the period end.

For Conning US High Dividend Equity Fund, Investment Management fees charged for the period ended 30 June 2017 amounted to USD 48 831 (30 June 2016: USD 42 606) of which USD 21 207 (31 December 2016: USD 16 325) remained payable at the period end.

For Swiss Equity Fund, the Trustee fees charged for the period ended 30 June 2017 amounted to CHF 18 692 (30 June 2016: CHF 19 354) of which CHF 24 148 (31 December 2016: CHF 17 844) remained payable at the period end.

For Conning US High Dividend Equity Fund, the Trustee fees charged for the period ended 30 June 2017 amounted to USD 20 017 (30 June 2016: USD 18 235) of which USD 25 910 (31 December 2016: USD 17 594) remained payable at the period end.

For Swiss Equity Fund, the VAT services fees charged by Carne Global Financial Services for the period ended 30 June 2017 amounted to CHF 2 684 (30 June 2016: CHF Nil) of which CHF 2 863 (31 December 2016: CHF 2 716) remained payable at the period end.

For Conning US High Dividend Equity Fund, the VAT services fees charged by Carne for the period ended 30 June 2017 amounted to USD 682 (30 June 2016: USD 545) of which USD 1 920 (31 December 2016: USD 1 238) remained payable at the period end.

For Swiss Equity Fund, the Global Registration services fees charged by Carne for the period ended 30 June 2017 amounted to CHF 22 948 (30 June 2016: CHF 20 995) of which CHF 1 191 (31 December 2016: CHF Nil) remained payable at the period end.

There were no Global Registration services fee charged to Conning US High Dividend Equity Fund by Carne in 2017 (2016 USD Nil).

The fee rates applicable are disclosed in Note 9 to the financial statements.

Unaudited Notes to the Financial Statements (continued)

10. Related Parties (continued)

Connected Person

Although not deemed to be related parties under Irish GAAP as they do not exercise "significant influence" over the activities of the Fund, UCITS Regulations also deems a "Depositary" and its "associated or group companies" to be "connected persons" to the Fund. As such, BNP Paribas Securities Services, Dublin Branch, as Trustee, and BNP Paribas Fund Administration Services (Ireland) Limited, the Administrator, Transfer Agent and Registrar, are connected persons to the Fund. The Manager is satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that any transaction carried out with the Fund by a promoter, Manager, Trustee, Investment Manager and/or associated or group companies of these ("connected persons") are carried out as if negotiated at arm's length and that all such transactions are carried out in the best interests of the Unit Holders. The Manager is satisfied that transactions with connected persons entered into during the period complied with the obligations set out in UCITS Regulations.

11. Investments

The analysis of Net gains on Financial Assets at fair value through profit or loss as stated in the Statement of Operations for the period ended 30 June 2017 is detailed in the following table, together with comparative information as at 30 June 2016.

	Swiss Equity Fund For the six months ended 30 June 2017 CHF	Conning US High Dividend Equity Fund For the six months ended 30 June 2017 USD
Net change in Unrealised Gains on Financial Assets at fair value through profit or loss	1 701 278	335 769
Net Realised Gains on Financial Assets at fair value through profit or loss	3 469 400	660 333
Gains/(Losses) on Foreign Exchange	20	(16)
Net Gains on Financial Assets at Fair Value through profit or loss	5 170 698	996 086

	Swiss Equity Fund For the six months ended 30 June 2016 CHF	Conning US High Dividend Equity Fund For the period from 11 February 2016 to 30 June 2016 USD
Net change in Unrealised (Losses)/Gains on Financial Assets/(Liabilities) at fair value through profit or loss	(7 613 753)	3 361 506
Net Realised Gains on Financial Assets at fair value through profit or loss	2 863 130	276 094
(Losses)/Gains on Foreign Exchange	(126)	124
Net (Losses)/Gains on Financial Assets/(Liabilities) at Fair Value through profit or loss	(4 750 749)	3 637 724

12. Contingent Liabilities

There were no contingent liabilities during the period.

13. Financial Statements

These financial statements were approved by the Board of Directors of the Manager on 29 August 2017.

Unaudited Notes to the Financial Statements (continued)

14. Material Changes to the Prospectus

There have been no material changes to the Prospectus during the period.

Unaudited Schedule of Investments

Swiss Equity Fund

As at 30 June 2017

	Holding Investment	Fair Value CHF	% of Net Assets
97.72%	Equities- CHF		
	Advertising Services		
9 800	DKSH Holding Ltd	762 930	1.47%
	Building Materials		
20 000	AFG Arbonia-Forster Holding AG	351 000	0.68%
100	Belimo Holding AG	413 200	0.80%
2 700	Geberit AG	1 207 440	2.33%
15 500	Lafargeholcim Ltd	850 950	1.64%
2 000	Walter Meier AG	86 300	0.17%
	Commercial Services		
430	SGS SA	998 460	1.93%
	Dental Supplies and Equipment		
3 424	Coltene Holding AG	338 462	0.65%
	Engineering and Construction		
82 000	ABB Limited	1 941 760	3.75%
25 000	Clariant AG	528 000	1.02%
150	Sika AG	924 000	1.79%
	Finance-Investment Banker		
104 000	Credit Suisse Group AG	1 441 440	2.79%
16 100	Julius Baer Group Limited	812 245	1.57%
12 000	Leonteq AG	639 000	1.24%
140 000	UBS AG	2 273 600	4.40%
	Food-Misc/Diversified		
170	Chocoladefabriken Lindt-PC	945 200	1.83%
60 600	Nestle SA	5 057 070	9.78%
	Health and Biotechnology		
15 400	Galenica AG	693 000	1.34%
570	Givaudan	1 093 260	2.11%
1 800	HBM Healthcare Investments AG	204 660	0.40%
5 100	Lonza Group AG	1 057 230	2.04%
	Human Resources		
8 100	Adecco SA	590 490	1.14%
	Investment Management/Advisory Services		
1 270	Partners Group Holding AG	755 015	1.46%
	Life/Health Insurance		
3 250	Swiss Life Holding AG	1 051 700	2.03%
	Machine Tools & Related Products		
1 700	Rieter Holding AG	372 130	0.72%
831	Schweiter Technologies AG	1 034 595	2.00%
	Machinery-Electrical		
5 000	Schindler Holding AG	994 000	1.92%
	Machinery-General		
1 750	Burckhardt Compression Holding AG	481 250	0.93%
560	Conzzeta AG	531 720	1.03%
67 000	OC Oerlikon Corporation AG	844 200	1.63%

Unaudited Schedule of Investments (continued)

Swiss Equity Fund

As at 30 June 2017

	Holding Investment	Fair Value CHF	% of Net Assets
Equities- CHF (continued)			
Machinery-Pumps			
1 100	Inficon Holding AG	519 750	1.00%
Medical-Biomedical			
14 000	Newron Pharmaceuticals SPA	271 600	0.53%
7 400	Vifor Pharma AG	782 180	1.51%
Medical-Drugs			
61 500	Novartis AG	4 907 700	9.49%
19 300	Roche Holding AG	4 713 060	9.11%
Metal Products-Fasteners			
6 000	SFS Group AG	652 800	1.26%
Multi-line Insurance			
7 000	Zurich Insurance Group AG	1 953 700	3.78%
Reinsurance			
12 500	Swiss Re AG	1 095 625	2.12%
Retail-Jewelry			
22 000	CIE Financiere Richemont SA	1 738 000	3.36%
16 800	Swatch Group AG	1 176 840	2.27%
Software Industry			
1 200	U-Blox Holding AG	215 760	0.42%
Telephone-Integrated			
2 500	Swisscom AG	1 156 750	2.24%
Transport-Services			
5 850	Kuehne + Nagel International AG	936 000	1.81%
Travel & Tourism			
3 000	Dufry AG	471 300	0.91%
Wire & Cable Products			
4 200	Daetwyler Holding AG	683 340	1.32%
Financial assets at fair value through profit or loss (Book cost CHF44 900 412)		50 548 712	97.72%
Cash at Bank		1 401 189	2.71%
Net current assets/(liabilities)		(220 176)	(0.43%)
Net assets attributable to Redeemable Participating Unit Holders		51 729 725	100.00%
Analysis of Total Assets			
(a) Transferable securities admitted to an official stock exchange listing			97.28%
(b) Other assets			2.72%
Total assets			100.00%

Unaudited Schedule of Investments (continued)

Conning US High Dividend Equity Fund

As at 30 June 2017

	Holding Investment	Fair Value USD	% of Net Assets
100.22%	Equities- USD		
	Advertising Services		
5 464	Omnicom Group Inc	452 966	2.11%
	Aerospace Industry		
2 458	Boeing Co	486 070	2.26%
1 625	Lockheed Martin Corp	451 116	2.10%
3 770	United Technologies Corp	460 355	2.14%
	Agriculture and Fishing Industry		
6 078	Altria Group Inc	452 629	2.10%
11 100	Archer Daniels Midland Co	459 318	2.14%
3 816	Philip Morris International Inc	448 189	2.08%
	Building materials		
2 991	Home Depot Inc	458 819	2.13%
	Finance-Investment Banker		
8 893	Wells Fargo & Co	492 761	2.29%
	Food-Misc/Diversified		
10 044	Coca Cola Co	450 473	2.09%
8 055	General Mills Inc	446 247	2.07%
3 911	Pepsico Inc.	451 681	2.10%
	Health and Biotechnology		
7 358	Dow Chemical Co	464 069	2.16%
	Human Resources		
4 450	Automatic Data Processing Inc.	455 947	2.12%
	Insurance		
3 663	Travelers Cos Inc/The	463 479	2.16%
	Investment Management/Advisory Services		
1 119	Blackrock Inc.	472 677	2.20%
	Machinery-Pumps		
2 890	Cummins Inc.	468 816	2.18%
	Medical-Biomedical		
8 450	Bristol-Myers Squibb Co	470 834	2.19%
	Medical-Drugs		
2 939	Amgen Inc.	506 184	2.35%
3 558	Johnson & Johnson	470 688	2.19%
7 009	Merck & Co Inc.	449 207	2.09%
13 960	Pfizer Inc.	468 916	2.18%
5 205	Procter & Gamble Co	453 616	2.11%
	Metal Products-Fasteners		
2 232	3M Co	464 680	2.16%
16 579	General Electric Co	447 799	2.08%
	Multi-Line Insurance		
7 289	Principal Financial Group Inc.	467 006	2.17%
	Petrol and Power		
8 706	Marathon Petroleum Corp	455 585	2.12%
	Retail-Clothing		
8 457	VF Corp	487 123	2.26%

Unaudited Schedule of Investments (continued)

Conning US High Dividend Equity Fund

As at 30 June 2017

	Holding Investment	Fair Value USD	% of Net Assets
Equities- USD (continued)			
Retail-Jewelry			
3 532	Kimberly Clark Corp	456 017	2.12%
3 032	Mcdonalds Corp	464 381	2.16%
8 294	Target Corp	433 693	2.02%
5 799	Wal-Mart Stores Inc.	438 868	2.04%
Software Industry			
2 993	International Business Machines Corp	460 413	2.14%
6 494	Microsoft Corp	447 631	2.08%
6 840	Xilinx Inc	439 949	2.05%
Steel-Producers			
7 880	Nucor Corp	456 016	2.12%
Telephone-Integrated			
11 828	AT&T Inc.	446 271	2.08%
14 478	Cisco Systems Inc.	453 161	2.11%
9 818	Verizon Communications Inc.	438 472	2.04%
Transport-Services			
4 132	Union Pacific Corp	450 016	2.09%
4 311	United Parcel Service Inc.	476 754	2.22%
Utilities Distribution			
3 443	Praxair Inc	456 370	2.12%
7 446	Valero Energy Corp	502 307	2.34%
Wire & Cable Products			
7 728	Emerson Electric Co	460 743	2.14%
12 682	Intel Corp	427 891	1.99%
7 938	Qualcomm Inc.	438 336	2.04%
5 558	Texas Instruments Inc.	427 577	1.99%
Financial assets at fair value through profit or loss (Book cost USD18 416 739)		21 552 116	100.22%
Cash at Bank		16 670	0.08%
Net current assets/(liabilities)		(64 944)	(0.30%)
Net assets attributable to Redeemable Participating Unit Holders		21 503 842	100.00%
Analysis of Total Assets			
(a) Transferable securities admitted to an official stock exchange listing			99.80%
(b) Other assets			0.20%
Total assets			100.00%

Unaudited Portfolio Changes

The portfolio changes listed below shows all purchases and sales for each security that exceeds 1% of the total purchases and sales during the year for each Sub-Fund.

Swiss Equity Fund

1 January 2017 to 30 June 2017

	Cost CHF
Largest Purchases	
Vifor Pharma AG	1 157 013
Lonza Group AG	984 913
Sika AG	925 622
Galenica AG	676 228
Clariant AG	524 066
Dufry AG	481 995
Chocoladefabriken Lindt-PC	446 895
Zurich Insurance Group AG	377 034
Kuehne & Nagel International AG	375 108
Rieter Holding AG	365 689
Givaudan	328 401
Novartis AG	323 569
Lafargeholcim Ltd	319 519
Swisscom AG	306 325
ABB Ltd	297 228
CIE Financiere Richemont SA	268 640
Roche Holding AG	208 052
Nestle SA	187 697
Schindler Holding AG	173 993
Julius Baer Group Ltd	152 387
Partners Group Holding AG	125 568
SGS SA	112 963

	Proceeds CHF
Largest Sales	
Syngenta AG	2 207 770
Actelion Ltd	1 609 115
Vifor Pharma AG	811 963
Nestle SA	575 365
Novartis AG	560 375
Walter Meier AG	541 281
Belimo Holding AG	532 011
Schweiter Technologies AG	530 814
Inficon Holding AG	526 264
HBM Healthcare Investments AG	520 001
Roche Holding AG	422 277
Schmolz & Bickenbach AG	305 533
Zurich Insurance Group AG	283 060
Coltene Holding AG	275 769
Ascom Holding AG	253 847
Conzzeta AG	249 266
Arbonia AG	228 089
SFS Group AG	215 667
Newron Pharmaceuticals SPA	168 116
Credit Suisse Group AG	162 975

Unaudited Portfolio Changes (continued)

Conning US High Dividend Equity Fund

1 January 2017 to 30 June 2017

	Cost USD
Largest Purchases	
Nucor Corp	462 959
Marathon Petroleum Corp	461 813
Wells Fargo & Co	460 603
Home Depot Inc	455 127
Target Corp	161 962
Qualcomm Inc	97 090
General Electric Co	81 154
Intl Business Machines Corp	74 094
United Parcel Service Inc	71 131
Archer Daniels Midland Co	63 023
General Mills Inc	62 277
Verizon Communications Inc	62 021
Amgen Inc	60 617
Exxon Mobil Corp	58 211
Valero Energy Corp	54 027
VF Corp	50 118
Omnicom Group Inc	49 484
Bristol-Myers Squibb Co	48 636
Cisco Systems Inc	39 970
At&T Inc	36 955
Praxair Inc	32 600

	Proceeds USD
Largest Sales	
Honeywell International Inc	498 887
Rockwell Automation Inc	486 290
International Paper Co	464 434
Exxon Mobil Corp	445 604
Philip Morris International Inc	115 051
Mcdonalds Corp	81 848
Amgen Inc	72 072
Xilinx Inc	67 144
Boeing Co	65 756
Altria Group Inc	48 416
Wal-Mart Stores Inc	47 351
3M Co	46 921
Praxair Inc	44 363
Microsoft Corp	40 207
Pepsico Inc	39 655
Cisco Systems Inc	36 940
Kimberly Clark Corp	36 908
Coca-Cola Co	34 656
Johnson & Johnson	31 736

Unaudited Information for Unit Holders

with respect to those funds registered in Switzerland

All Unit Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Trust Deed which are binding on the Trustee, the Manager and the Unit Holders and all persons claiming through them respectively as if all such Unit Holders and persons had been party to the Trust Deed. Unit Holders shall not have any recourse to or claim against or right of action in respect of any of the assets of the Fund or any Sub-Fund or any part thereof other than the assets of the Sub-Fund in which they hold units and in respect of which the claim arises.

Extract from the Prospectus

The Fund and Sub-Funds are registered for sale in a number of jurisdictions. Information relevant to investors in these jurisdictions is set out in the Prospectus, Appendix III - Additional Information for Investors but not all Sub-Funds are registered in all jurisdictions.

Prospective investors should inform themselves as to:

- (a) the legal requirements within their own jurisdictions for the purchase or holding of Units,
- (b) any foreign exchange restrictions which may affect them, and
- (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of Units.

Documents Available for Inspection

The following documents are available for inspection on any Business Day at the registered office of the Manager and at the offices of the appointed paying agents and representatives:

- (a) the Prospectus (and any Supplements or addenda attached thereto);
- (b) the Trust Deed and any instruments amending the aforesaid document;
- (c) the Key Investor Information Documentation;
- (d) the material contracts referred to in the Prospectus; and
- (e) annual reports, incorporating audited financial statements, and half-yearly reports, incorporating unaudited financial statements, when published.

Copies of each of the documents referred to above can, upon written request, be obtained by Unit Holders at the registered office of the Manager.

This document forms part of and should be read in conjunction with the general description of

- **the Fund and its management and administration**
- **its general management and fund charges**
- **the taxation of the Fund and of its Unit Holders and**
- **its risk factors**

which is contained in the Prospectus dated 29 January 2016 for the Fund and which is available from the Manager, Carne Global Fund Managers (Ireland) Limited, 2nd Floor, Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland.

For the Swiss Equity Fund, the Prospectus and the Key Investor Information Document (KIID) is available in English, German, Italian, Spanish and Swiss German and every effort has been made to keep the translations parallel. For Units distributed in Switzerland, the Prospectus and KIID in German are binding. For Units distributed in jurisdictions other than Switzerland, the Prospectus and KIID in English is binding. The Annual Report and Financial Statements are also available in German but these should be interpreted as best efforts translations of the English versions.

Please note a full list of purchases and sales during the reporting period might be obtained from the Swiss representative.