



**Mutual Fund**  
**«HELLAS - CYPRUS RECOVERY FUND»**

Collective Investments Scheme that has been  
established according to the Laws of the Republic of  
Cyprus  
(License Number UCITS 01/78 )  
**ISIN: CYF000000010**

**Semiannual Report**  
**(Non-Audited)**

**June 30, 2017**

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**«HELLAS - CYPRUS RECOVERY FUND »****Entities linked to the Mutual Fund****Management Company**

GMM Global Money Managers Ltd  
36 Stasinou Street  
Strovolos 2003, Nicosia  
Cyprus

**Custodian**

Eurobank Cyprus Ltd  
27 Pindarou Street  
Alpha Business Center, Block A  
Nicosia 1060  
Cyprus

**Fund Administration**

Eurobank Ergasias AE  
2-6 Pesmatzoglou Street  
Athens 10175, Greece

**Investment Manager**

GMM Global Money Managers Ltd  
36 Stasinou Street  
Strovolos 2003, Nicosia  
Cyprus

**External Auditor of the Mutual Fund**

C&N Auditors Ltd  
10 Gianni Kranidioti Street  
Nicosia 1065  
Cyprus

**Risk Management**

Vassiliki Dimitriadou (GMM Global Money Managers Ltd)

**Internal Auditor**

Kostas Savvides (member of F.C.C.A)

## Management Company Board of Directors GMM Global Money Managers Ltd

The Management Company is managed by the Board of Directors that consists of the following 6 members:

- |   |  |
|---|--|
| • <b>Ioanna Pouliassi</b>                 | Manager – Chairwoman of the Board  |
| • <b>Nikolaos – Ioannis Kaltsogiannis</b> | UCITS Chief Investment Officer (Executive Member)                          |
| • <b>Alexios Kartalis</b>                 | General Manager A' (Executive Member)                                      |
| • <b>Petros Morfopoulos</b>               | General Manager B' (Executive Member)                                      |
| • <b>Vassilios Maros</b>                  | Manager (Non– executive member)  |
| • <b>Maria Panagiotou</b>                 | Manager (Independent, Non– executive member)                               |
| • <b>Antonis Shiakallis</b>               | Manager (Independent, Non– executive member, Resigned on January 17, 2017) |
| • <b>Michalis Ioannides</b>               | Manager (Independent, Non– executive member). Resigned on January 17, 2017 |
| • <b>Constantinos Papadimas</b>           | Manager (Independent, Non– executive member). Resigned on January 17, 2017 |
| • <b>Ioannis Ninios</b>                   | Manager (Independent, Non– executive member). Resigned on January 17, 2017 |

## Activity report as of June 30, 2017 HELLAS - CYPRUS RECOVERY FUND

The Mutual Fund was licensed by the Cyprus Securities and Exchange Commission on August 6, 2013 and the deposit of the initial assets was performed on September 23, 2013.

The Mutual Fund's objective is to achieve high overall returns over the long term, by investing assets in a diversified portfolio of equities, corporate and treasury bonds, and deposits, primarily on the Greek and Cypriot markets (at least 55% will be invested there) and to a lesser degree in other international markets. For the 1<sup>st</sup> semester of 2017 the M/F recorded a positive return of 13,07%.

Its net asset value on 30/6/2017 was €1.959.828,99 recording during the 1<sup>st</sup> semester of 2016 an increase of 17,83%.

Note: The returns mentioned in the Annual Report are historical and are not necessarily indicative of the future returns of the M/F.

Nicosia, August 31, 2017

## **C & N Auditors Ltd**

### Auditor Confirmation

To the unitholders of “HELLAS- CYPRUS RECOVERY MUTUAL FUND”.

We confirm the technics and criteria used for the evaluation of the assets of the Mutual Fund comply with the directives in force, the legal and regulatory framework in Cyprus and the assets of the investment Compartments have been evaluated fairly.

Nicosia, August 8, 2017

C & N Auditors Ltd

## Assets - Liabilities statement for the period ending June 30, 2017

		HELLAS CYPRUS RECOVERY FUND
<b>Currency</b>		EUR
<b>Assets</b>		
Securities portfolio		1.836.092,76
Bank deposits		119.170,44
Receivables from coupons and dividends		10.106,45
<b>Total assets</b>		<b>1.966.364,81</b>
<b>Liabilities</b>		
Payments and other liabilities		6.405,82
Derivatives instruments: options, swaps and futures		130,00
		-
Dividend distribution		-
<b>Total liabilities</b>		<b>6.535,82</b>
<b>Total net assets</b>		<b>1.959.828,99</b>
<b>Information for the total number of active units and net value per unit</b>		
<b>Active units on 30/6/2017</b>		196.845,624
<b>Net asset value per unit after dividend distribution</b>		9,9562
<b>Historical table</b>		
Total assets as of	30/6/2017	1.959.828,99
	31/12/2016	1.663.307,93
	31/12/2015	1.845.825,51
Net unit price as of	30/6/2017	9,9562
	31/12/2016	8,8051
	31/12/2015	9,4141
Active units as of	30/6/2017	196.845,624
	31/12/2016	188.903,426
	31/12/2015	196.069,670
Dividend price as of	30/6/2017	-
	31/12/2016	-
	31/12/2015	0,3130

## HELLAS CYPRUS RECOVERY FUND

### Table of investments

as of June 30, 2017

(All prices in Euros)

Currency	Stocks/ Nominal value	Description	Cost Value	Current value	% on NAV
<b>Listed securities</b>					
<b>Bonds</b>					
EUR	1600	HELLENIC REPUBLIC 24/2/2027 3 STEP CPN	125.120,00	140.984,00	7,19%
EUR	1000	HELLENIC REPUBLIC 24/2/2037 3 STEP CPN	74.040,00	73.093,00	3,73%
EUR	650	MYTILINEOS HOLDINGS S.A. 27/6/2022 3,1 FIXED	65.000,00	65.201,50	3,33%
EUR	1000	HELLENIC PETROLEUM FINAN 14/10/2021 4,875 FIXED	99.453,00	105.216,00	5,37%
EUR	1000	BANK OF CYPRUS PCL 19/1/2027 9,25 VARIABLE	105.700,00	108.301,00	5,53%
EUR	750	QUALITY & RELIABILITY UK LTD 21/7/2020 6 FIXED	75.000,00	75.000,00	3,83%
			<b>544.313,00</b>	<b>567.795,50</b>	<b>28,97%</b>
<b>Total investments in</b>	<b>Bonds</b>		<b>544.313,00</b>	<b>567.795,50</b>	<b>28,97%</b>
<b>Stocks</b>					
EUR	1940	HELLENIC BANK PUBLIC CO LTD	9.147,10	1.746,00	0,09%
EUR	26209	CYPRUS CEMENT CO PLC	8.922,83	14.572,20	0,74%
EUR	8300	PETROLINA HOLDINGS LTD	9.960,00	9.711,00	0,50%
EUR	75000	ERMES DEPARTMENT STORES PLC	12.860,45	5.850,00	0,30%
EUR	95389	WOOLWORTH CYPRUS PROPERTIES	32.100,89	19.554,75	1,00%
EUR	177900	CCC TOURIST ENTERPRISES PLC	9.971,90	7.293,90	0,37%
EUR	25000	LORDOS HOTELS HOLDINGS PLC	9.908,00	12.325,00	0,63%
EUR	346000	LOUIS PLC	15.858,58	13.840,00	0,71%
EUR	466000	PIRAEUS BANK	101.736,08	100.190,00	5,11%
EUR	32000	ΤΡΑΠΕΖΑ ALPHA BANK	67.530,83	69.120,00	3,53%
EUR	191000	NATIONAL BANK OF GREECE	<b>57.300,00</b>	<b>63.603,00</b>	<b>3,25%</b>
EUR	73700	EUROBANK	60.191,34	72.226,00	3,69%
EUR	5450	HELLENIC TELECOM ORG	50.085,50	57.443,00	2,93%
EUR	5430	PIRAEUS PORT AUTHORITY SA	<b>73.794,75</b>	<b>83.784,90</b>	<b>4,28%</b>
EUR	3000	HELLENIC PETROLEUM	24.985,00	24.930,00	1,27%
EUR	8800	GREEK ORGN OF FOOTBALL.SA	74.920,78	87.120,00	4,45%
EUR	169484	QUALITY & RELIABILITY SA	39.585,87	32.201,96	1,64%
EUR	13700	MYTILINEOS HOLDINGS S.A.	89.021,62	113.162,00	5,77%
EUR	24000	PUBLIC POWER CORP.	<b>35.163,16</b>	<b>52.560,00</b>	<b>2,68%</b>
EUR	24000	A.D.M.H.E. Holdings S.A.	35.163,16	53.760,00	2,74%
EUR	15000	LAMDA DEVELOPMENT	70.120,57	99.450,00	5,07%
EUR	7550	HELLENIC EXCHANGES ATH	38.275,29	42.884,00	2,19%
EUR	4200	FOURLIS SA	25.032,00	24.654,00	1,26%
EUR	11000	BANK OF CYPRUS	34.980,00	35.640,00	1,82%
EUR	24000	TERNA ENERGY SA	66.611,60	95.760,00	4,89%
<b>Total investments in</b>	<b>Stocks</b>		<b>1.053.227,30</b>	<b>1.193.381,71</b>	<b>60,89%</b>
<b>Non listed securities</b>					
<b>Bonds</b>					
EUR	131	CELTONA LTD 15/12/2019	13.100,00	13.100,00	0,67%
EUR	1325,9449	GLOBO TECHNOLOGIES UK LT 20/6/2021 6 FIXED	132.594,49	61.815,55	3,15%
			145.694,49	74.915,55	3,82%
<b>Total investments in</b>	<b>Bonds</b>		<b>145.694,49</b>	<b>74.915,55</b>	<b>3,82%</b>
<b>Total investments</b>			<b>1.743.234,79</b>	<b>1.836.092,76</b>	<b>93,69%</b>
<b>Change in portfolio composition from 01/1/2017 until 30/06/2017</b>					
			<b>Cost value</b>	<b>Cost Value</b>	
			<b>01/01/2017</b>	<b>30/06/2017</b>	
(All prices in Euros)					
Securities listed in an organised market			1.009.112,34	1.053.227,30	4,37%
Bond loans listed in an organised market			494.973,00	544.313,00	9,97%
Exchange traded funds			0,00	0,00	0,00%
Other mutual funds			0,00	0,00	0,00%
Non listed securities			138.189,14	145.694,49	5,43%
Warrants			0,00	0,00	0,00%



## Changes in assets for the period ending June 30, 2017

	<b>HELLAS CYPRUS RECOVERY Fund Mutual Fund</b>
	-
	EUR
Assets as of December 31, 2016	<b>1,663,307.93</b>
<b>Capital as of December 31, 2016</b>	2,073,467.64
Previous years results	(253,015.91)
Appreciation / Depreciation of investments as of 31/12/2016	(157,143.80)
Increase / decrease of capital for the period	<b>83,599.94</b>
<b>Subscriptions</b>	<b>237,500.00</b>
Redemptions	(153,900.060)
Net result for the period (Profit / Loss)	<b>(37,079.97)</b>
<b>Appreciation / Depreciation of investments for the period</b>	<b>250,001.00</b>
<b>Total result for the period (Profit / Loss)</b>	<b>212,921.03</b>
<b>Distributed profits</b>	-
<b>Total Change in Assets</b>	<b>296,520.97</b>
<b>Total net assets</b>	<b>1,959,828.90</b>
<b>Active units</b>	
Active units as of 31/12/2016	188,903.426
<b>Active units as of 30/06/2017</b>	<b>196,845.624</b>

**Income Statement****for the period ending June 30, 2017**

	<b>HELLAS CYPRUS RECOVERY FUND</b>
<b>Currency</b>	<b>EUR</b>
<b>Previous years results</b>	<b>(253.015,91)</b>
<b>Income</b>	<b>41.780,30</b>
Income from bonds coupons and dividends	40.564,35
Income from current accounts	76,42
Other income	1.139,53
<b>Expenses</b>	<b>33.151,12</b>
Management fees	25.433,68
Performance fees	-
Custody fees	593,42
Fund adminostartion fees	661,59
Expenses and comissions from transactions	3.593,43
Set up costs	340,28
Other expenses	2.094,17
Other taxes	434,55
<b>Result for the period (Revenues - Expenses)</b>	<b>8.629,18</b>
<b>Profit / Loss from transactions</b>	<b>(45.709,15)</b>
- Equities	(61.148,06)
- Bonds	17.226,15
- Other portfolio	-
- Foreign exchange diffrencies from other currencies	(1.657,27)
- Forwards	-
- Derivatives	(129,97)
<b>Net Result for the period</b>	<b>(37.079,97)</b>
<b>Appreciation / Depreciation of investments as of 30/6/2017</b>	<b>250.001,09</b>
- Equities	263.992,78
- Bonds	(15.790,25)
- Other portfolio	-
- Foreign exchange diffrencies from other currencies	1.798,56
<b>Derivatives</b>	<b>-</b>
<b>Total result as of 30/6/2017 (Profit / Loss)</b>	<b>212.921,12</b>
<b>Profit distribution 2017</b>	<b>-</b>

## Notes on the Financial Statements of June 30, 2017

### 1. General

The Mutual Fund “**HELLAS–CYPRUS RECOVERY FUND**” was formed on August 6, 2013 as a single scheme fund organized according to the provisions of Law 78 (I) of the Republic of Cyprus that regulates the Collective Investment Schemes. The distribution of units started on 23/9/2013.

### 2. Summary of the basic accounting principles

The financial statements have been prepared according to the regulations prevailing in the Republic of Cyprus and refer to Collective Investment Schemes.

#### *a) Basis of presentation of financial statements*

The financial statements of the mutual fund are expressed in Euro.

#### *b) Evaluation of transferable securities*

The evaluation of the assets of the Mutual Fund is performed according to the following common and general rules:

(a) The value of securities and money market instruments listed in an organized market is evaluated according to the closing price of market transactions of the same day.

(b) For the evaluation of the assets that are expressed in other currencies the average fixing price (of that other currency versus Euro) of the previous day of the evaluation is taken into consideration.

(c) For the markets operating outside European Union, when the evaluation according to the above price is not possible due to the time difference, the evaluation is performed according to the published closing price of the previous working day.

(d) The evaluation of the listed derivatives instruments is performed according to the closing price, or in case this is not defined, according to the last transaction that the market publishes the same day. For markets operating outside European Union, when the evaluation according as above is not possible due to the time difference, the evaluation is performed according to the published closing price of the previous working day.

(e) In case no transaction has been executed the evaluation day, the price of the previous day of the market is taken into consideration and if even that day no transaction has been executed the last price of bid/offer is considered.

(f) In case in a market, where securities are listed, the uniform price system is in force, this price is taken into consideration for the evaluation.

For the evaluation of the assets of the mutual fund that are not listed in an organized market all the relevant information from the issuer are taken into consideration, as well as for the conditions in the market during the specific moment and the potential liquidation price of these assets.

### ***c) Foreign exchange transactions***

The expenses for the investments and the transactions during the said period that expressed in foreign currency, they are converted to the reference currency of the mutual fund according to the exchange rate of the day of the purchase, or the transaction.

The current value of the investments and other elements of the assets and liabilities that are expressed in foreign currency are converted to the reference currency of the mutual fund according to the exchange rate at the end of the period. Differences from the foreign currency conversion are offset with profit and losses.

The closing exchange rate of the foreign currencies versus Euro on June 30, 2016 was as follows:

1 GBP = 1.137229 EUR

1 USD = 0.876270 EUR

1 NOK = 0.104479 EUR

1 AUD = 0.673355 EUR

### ***d) Interest and income from dividends***

For the calculation of the interest income the accrued interest is taken into consideration after deducting withholding taxes. Dividends are calculated on a pre-dividend basis net from withholding taxes.

### ***e) Set-up costs***

The set-up cost of the mutual fund is amortized in five year period.

### f) Cash and time deposits

The mutual fund is also investing its assets in bank deposits and money market instruments, even if this is not its investment purpose. For more information regarding its cash and time deposits, please see below:

<b>GMM HELLAS CYPRUS RECOVERY FUND MUTUAL FUND</b>		
<b>Cash accounts and time deposits</b>	<b>Cash accounts and time deposits</b>	<b>Cash accounts and time deposits</b>
EUROBANK CYPRUS - CASH IN EUR	Current account	102.302,54
BETA - MARGIN IN EUR	Margin account	16.017,44
EUROBANK CYPRUS - CASH IN USD	Current account	6,40
NATIONAL BANK OF GREECE (CYPRUS) - CASH IN EUR	Current account	844,06
		<b>119.170,44</b>

### 3. Management fees and performance fees

The management fees that refer to the mutual fund are calculated on a daily basis on the average of the net value of the units during the month and have to be paid on a monthly basis.

The above mentioned management fees include compensation that relate to operations and activities carried out by the management company, or services that are performed either by the management company itself, or by external vendors, further to outsourcing agreements.

The following need to be clarified: a) the commissions and taxes in the transactions executed on behalf of the mutual fund are not related to the above management fees and burden the mutual fund according to the terms and conditions of the agreement of the mutual fund and the executing companies. b) the fund administration services are not included in the management fee when they have been outsourced and c) for other operations and activities of the management company that are included in the management fee, when they are outsourced, there is no other burden on the mutual fund for these outsourced activities.

On June 30, 2017 these figures were as follows:

<b>HELLAS – CYPRUS RECOVERY FUND</b>	<b>3,00%</b>
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On top of the management fee, the Management Company is entitled to receive from the mutual fund additional variable 20% performance fee, calculated on the potential positive difference between the positive percentage change of the net unit price of the Mutual

Fund during the reference year and the benchmark (35% Bloomberg Greece Sovereign Bond Index+ 30% FTSE / ASE Large Cap + 35% 3M Euribor)) for the same period, as defined in the Rules of the Fund.

The positive percentage difference of the net unit price that is taken into consideration for the calculation of that fee, is defined by dividing the difference between the net unit price at the end of the reference year from the net unit price at the end of the previous year with the net unit price at the end of the previous year. The value of the benchmark for the same period is taken into consideration accordingly.

Exceptionally for the first fiscal year, instead of the net unit price at the end of the previous year, the net unit price at inception date (10 Euros) will be taken into consideration, while the benchmark during the first fiscal year will also be considered.

There is a daily provision for this fee and the potential payment to the Management Company, after the final clearance at the end of the fiscal year, takes place within 10 calendar days from the end of the respective year. Basis for the calculation of the variable performance fee is the net unit price and the units in circulation that derive from previous day's evaluation.

The performance fee will be equal to the compensation that has been defined for the mutual fund multiplied with the difference between the net unit price before the benchmark and the targeted net unit price, as this derives from the return of the benchmark multiplied with the average number of units during the year.

#### **4. Compensation of the custodian**

As a return for the services provided the custodian is entitled to receive from the assets of the mutual fund compensation ("custodian fees"), paid at the end of each month, for the month elapsed, at an annual rate that does not exceed the one mentioned in the Prospectus. This percentage will be calculated on a daily basis on the net value of the unit that day for the entire period that the fee is calculated. The custodian can also receive a compensation that is related to the trades of the mutual fund.

#### **5. Statement of changes in the investments**

A list for the mutual fund that will specify for each investment the total number of subscriptions and redemptions that took place for the reference period can be received without any cost, after submitting an application at the Management Company offices.

#### **6. Brokerage commissions and commissions on transactions**

This element refers to the brokerage transaction expenses and the commissions on transactions that relate to securities and derivatives.

The amounts that refer to the commissions on transactions appear on the profit and loss statement and the statement of changes in investments, in the category “brokerage commissions and commissions on transactions”.

## 7. Exposure calculation and risk limits

The Risk Department of the Management Company calculates the total risk exposure of the mutual with the value at risk (VAR) method.

In case the mutual fund uses derivatives instruments, including repurchase agreements, or securities lending transactions in order that additional leverage or risk exposure is created, the Risk Department takes into consideration this activity during the calculation of the total exposure.

Unless there is another limitation from the investment policy, the absolute VAR should not exceed 20% of the net asset value of the mutual fund. The Management Company uses non-parametrical techniques for the NAV calculation, avoiding in such a way the normal distribution hypothesis on the portfolio.

The historical VAR methods as well the Montecarlo Simulation method are the ones chosen. Derivatives instruments are calculated with the method of delta/gamma pricing (duration/convexity) that describes in an acceptable way the risks for the derivatives instruments used. Given the fact using OTC derivatives (that have a non-linear and complicated profile) is not allowed, this approach is considered acceptable and accurate.

### Value At Risk – VaR

MUTUAL FUND	CALCULATION METHOD	LOWEST VAR	HIGHEST VAR	AVERAGE VAR	TYPE	CONFIDENCE INTERVAL	DETENTION PERIOD	HISTORICAL
HELLAS CYPRUS RECOVERY FUND	- Absolute VaR	9,18%	15,76%	11,54%	Historical Simulation	99%	20 ημέρες	250 figures

Finally, please note that the Risk Department is regularly performing stress tests and back tests for all Investment Compartments.

## 8. Exposure in derivatives

During the reference period for the mutual fund futures contracts were opened, for foreign currency risk hedging.

On June 30, 2017 the mutual fund had open positions in futures as follows:

HELLAS -CYPRUS RECOVERY FUND					
Derivatives product	Currency	Number of contracts	Cost value EUR	Current value EUR	Difference
EURO FX GBP CURR sep16	GBP	1	119.026,01	126.807,32	7.781,31
			<b>119.026,01</b>	<b>126.807,32</b>	<b>7.781,31</b>

Additionally, during the reference period for the Semi-Annual Report no derivatives were used from the Mutual Fund, including repurchase agreements, securities lending transactions, future exchange contracts, rights and futures so that further leverage or risk exposure is created.

## 9. Non listed assets

On June 30, 2017 the Mutual Fund “HELLAS- CYPRUS RECOVERY MUTUAL FUND” was holding the following non listed on an regulated market assets:

- GLOBO TECH, 9% 20/6/2018 (ISIN:GB00BBHXPS12)
- CELTONA LTD Bond

These securities are fully described in the Table of Investments.

## 10. Events that followed

The following events took place after June 30, 2017 and until the day this report was prepared.

The Pricing Committee of the Management Company has met on July 3, 2017 in order to follow up the events related to the non-payment of the 20/6/2017 coupon of the Bond GLOBO TECHNOLOGIES UK LTD (ISIN: GB00BBHXPS12) that is held in mutual fund’s portfolio, as well as the issuance of a Special Resolution from the Bondholders.

The Bondholders have decided with the Special Resolution, that since 10 days elapsed from the scheduled payment date (20/6/2017) and the interest has not been paid, to make use of clause 5 of the amended terms of the Bond, as announced to CSE on January



20, 2017 and decided the capitalization of the due interest, amending and increasing from now on the capital of each Bond.

The Pricing Committee taking into consideration the above and in order to protect the unitholders' rights decided that the new evaluation of the bond as of NAV day 30/6/2017 will be 46,62/100 and no interest will be accrued for the new interest-bearing period, meaning from 20/6/2017 and onwards.

It is also noted that the company GLOBO TECHNOLOGIES S.A. guarantor of the Bond and the parent entity of the Issuer has applied, at the beginning of July 2017, to the Greek courts for the issuance of proactive measures in the context of an effort for the Company's recovery with creditors' agreement.

The Management Company follows closely the case in order to protect unitholders' rights.

### **The Management Company**



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