

LSV Funds Plc

Unaudited Condensed Semi-Annual Financial Statements

For the six month period ended 30 June 2016

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DIRECTORY

Directors of the Company

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James Owens
Kevin Phelan
Victoria Parry ⁽¹⁾
Yvonne Connolly ⁽¹⁾

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Investment Manager, Distributor and Promoter

LSV Asset Management
155 N. Wacker Drive
Suite 4600
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Company Secretary

Matsack Trust Limited
70 Sir John Rogerson's Quay
Dublin 2
Ireland

Administrator

SEI Investments - Global Fund Services Limited
Styne House
Upper Hatch Street
Dublin 2
Ireland

Depository & Custodian

SEI Investments Trustee and Custodial Services
(Ireland) Limited
Styne House
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Independent Auditors

Deloitte
Chartered Accountants and Statutory Audit Firm
Deloitte House
Earlsfort Terrace
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Legal Advisers to the Company

Matheson
70 Sir John Rogerson's Quay
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⁽¹⁾ The Directors are independent and non-executive

INVESTMENT MANAGER'S REPORT
For the six month period ended 30 June 2016

Performance Commentary:

The U.S. market, as represented by the S&P 500, finished up 3.8% in the first half of 2016 and value stocks outperformed according to the return of the Russell 1000 Value which rose 6.3%. However, the portion of the 'value' index that performed well was the higher valuation component in which LSV is underweighted. Low volatility and low beta stocks have performed very well this year. Stocks in the Utility, Telecom and Staples sectors have performed extremely well and are not attractive in LSV's model. The other part of the market that has performed well is companies in the mining and energy exploration industries. Many of these stocks have negative earnings and cash flows but look attractive only on book value. LSV is also underweighted in these stocks. It is unusual to see both defensive and speculative segments of the market doing well at the same time. The portfolio's deep value orientation detracted from results despite the value index outperforming the broader market. Cheap stocks on either earnings or cash flow have underperformed the broader market. LSV is underweighted in low volatility stocks because they are expensive and have no expected earnings growth and we are also underweighted in speculative stocks because of their lack of earnings. So far in 2016, valuation has not mattered.

We have not seen a period like this before in our history. Clearly the search for yield in this low interest rate environment has shaken the traditional stock analysis model. We remain focused on ensuring strict adherence to our value discipline and working on research that will improve our process. We expect to be rewarded for this discipline over time and don't plan to change our strategy in this irrational environment.

Key Drivers for returns: First Half 2016

- | | |
|----------------------------|----------|
| 1) Style Bias (deep value) | negative |
| 2) Size Bias (smaller) | positive |
| 3) Stock Selection | negative |
| 4) Sector Selection | negative |

Investment Performance:

Year	Month	LSV U.S. Value Equity Fund (UCITS)				Russell 1000 Value				S&P 500			
		Monthly Return	Quarterly Return	Year to Date Return	Since Inception	Monthly Return	Quarterly Return	Year to Date Return	Since Inception	Monthly Return	Quarterly Return	Year to Date Return	Since Inception
2014	Oct 06-31	2.56		2.56	2.56	2.41		2.41	2.41	2.66		2.66	2.66
	Nov	1.8		4.41	4.41	2.05		4.51	4.51	2.69		5.42	5.42
	Dec	0.83	5.28	5.28	5.28	0.61	5.15	5.15	5.15	-0.25	5.16	5.16	5.16
2015	Jan	-4.48		-4.48	0.56	-4		-4	0.94	-3		-3	2
	Feb	5.53		0.8	6.12	4.84		0.65	5.83	5.75		2.57	7.86
	Mar	-1.52	-0.73	-0.73	4.51	-1.36	-0.72	-0.72	4.39	-1.58	0.95	0.95	6.15
	Apr	0.54		-0.2	5.07	0.93		0.21	5.36	0.96		1.92	7.17
	May	1.38		1.18	6.52	1.2		1.41	6.63	1.29		3.23	8.55
	Jun	-2.3	-0.42	-1.15	4.07	-2	0.11	-0.61	4.5	-1.94	0.28	1.23	6.45
	Jul	0.44		-0.71	4.53	0.44		-0.18	4.96	2.1		3.35	8.68
	Aug	-6.6		-7.27	-2.37	-5.96		-6.12	-1.29	-6.03		-2.88	2.12
	Sep	-3.61	-9.57	-10.61	-5.89	-3.02	-8.39	-8.96	-4.27	-2.47	-6.44	-5.29	-0.4
	Oct	6.52		-4.78	0.25	7.55		-2.09	2.95	8.44		2.7	8
	Nov	-0.12		-4.89	0.13	0.38		-1.71	3.35	0.3		3.01	8.32
	Dec	-3.1	3.1	-7.84	-2.97	-2.15	5.64	-3.83	1.12	-1.58	7.04	1.38	6.61
2016	Jan	-7.05		-7.05	-9.81	-5.17		-5.17	-4.1	-4.96		-4.96	1.32
	Feb	0.7		-6.4	-9.18	-0.03		-5.19	-4.13	-0.13		-5.09	1.18
	Mar	7.62	0.73	0.73	-2.26	7.2	1.64	1.64	2.78	6.78	1.35	1.35	8.05
	Apr	0.64		1.38	-1.63	2.1		3.77	4.94	0.39		1.74	8.47
	May	0.7		2.09	-0.94	1.55		5.39	6.57	1.8		3.57	10.41
	Jun	-1.62	-0.29	0.44	-2.54	0.86	4.58	6.3	7.49	0.26	2.46	3.84	10.7
		Annualized Return			-1.47				4.24				6.02

SCHEDULE OF INVESTMENTS**As at 30 June 2016****LSV US Value Equity Fund**

	Shares	US\$ Value	% NAV
Equities			
<u>Bermuda</u>			
Axis Capital Holdings Ltd	9,300	511,500	0.24%
Everest Re Group Ltd	9,900	1,808,433	0.86%
Total Bermuda (2015: US\$1,877,712 1.45%)		2,319,933	1.10%
<u>United Kingdom</u>			
EnSCO PLC	37,800	367,038	0.26%
Noble Corp plc	21,600	177,984	0.18%
Total United Kingdom (2015: US\$560,304 0.44%)		545,022	0.44%
<u>Ireland</u>			
XL Group Ltd	8,800	293,128	0.14%
Total Ireland (2015: US\$344,784, 0.64%)		293,128	0.14%
<u>Greece</u>			
Tsakos Energy Navigation Ltd	82,900	388,801	0.18%
Total Greece (2015: US\$381,744 0.30%)		388,801	0.18%
<u>Singapore</u>			
Kulicke & Soffa Industries Inc	31,700	385,789	0.18%
Total Singapore (2015 US\$208,893 0.16%)		385,789	0.18%
<u>United States</u>			
Abbvie Inc	20,100	1,244,391	0.59%
Aetna Inc	7,300	891,549	0.42%
Aflac Inc	11,500	829,840	0.39%
Aircastle Ltd	36,900	721,764	0.34%
Alaska Air Group Inc	9,100	530,439	0.25%
Allstate Corp	25,700	1,797,715	0.85%
American Eagle Outfitters Inc	57,000	908,010	0.43%
American Electric Power Co Inc	28,700	2,011,583	0.96%
American International Group Inc	13,900	735,171	0.35%
Ameriprise Financial Inc	16,300	1,464,555	0.70%
Amgen Inc	13,300	2,023,595	0.96%
Amkor Technology Inc	71,300	409,975	0.19%
Annaly Capital Management Inc	89,700	992,979	0.47%
Anthem Inc	7,000	919,380	0.44%
Apple Inc	15,600	1,491,360	0.71%
Archer-Daniels-Midland Co	23,500	1,007,915	0.48%
Arrow Electronics Inc	18,400	1,138,960	0.54%

SCHEDULE OF INVESTMENTS**As at 30 June 2016****LSV US Value Equity Fund**

	Shares	US\$ Value	% NAV
Equities			
<u>United States</u>			
Bank of America Corp	130,300	1,729,081	0.82%
Bloomin Brand Inc	32,000	571,840	0.27%
Boeing Co	13,000	1,688,310	0.80%
Briggs & Stratton Corp	39,700	840,846	0.40%
Brinker International Inc	11,700	532,701	0.25%
Bristow Group Inc	7,600	86,716	0.04%
Brocade Communications Systems Inc	66,500	610,470	0.29%
Bunge Ltd	10,700	632,905	0.30%
Cabot Corp	16,600	757,956	0.36%
Cal-Maine Foods Inc	18,200	806,624	0.38%
Capital One Financial Corp	24,800	1,575,048	0.75%
Cardinal Health Inc	27,100	2,114,071	1.00%
Celanese Corp	13,600	890,120	0.42%
CF Industries Holdings Inc	11,300	272,330	0.13%
Chevron Corp	25,100	2,631,233	1.25%
Cisco Systems Inc	159,400	4,573,186	2.17%
CIT Group Inc	9,700	309,527	0.15%
Citigroup Inc	79,400	3,365,766	1.60%
Corning Inc	68,700	1,406,976	0.67%
Cousins Properties Inc	92,100	957,840	0.45%
Cummins Inc	10,400	1,169,376	0.56%
Delta Air Lines Inc	25,100	914,393	0.43%
Deluxw Crop	15,300	1,015,461	0.48%
Discover Financial Services	34,900	1,870,291	0.89%
Domtar Corp	26,300	920,763	0.44%
Eastman Chemical Co	12,800	869,120	0.41%
Edison International	10,500	815,535	0.39%
EMC Corp	41,000	1,113,970	0.53%
Entergy Corp	29,000	2,359,150	1.12%
Exelon Corp	64,300	2,337,948	1.11%
Express Scripts Holding Co	11,900	902,020	0.43%
Exxon Mobil Corp	56,700	5,315,058	2.52%
FedEx Corp	12,100	1,836,538	0.87%
Fifth Third Bancorp	86,300	1,518,017	0.72%
Finish Line Inc	54,100	1,092,279	0.52%
FirstEnergy Corp	65,600	2,290,096	1.09%
Flextronics International Ltd	113,600	1,340,480	0.64%
Fluor Corp	21,800	1,074,304	0.51%
Ford Motor Co	126,500	1,590,105	0.76%

SCHEDULE OF INVESTMENTS**As at 30 June 2016****LSV US Value Equity Fund**

	Shares	US\$ Value	% NAV
Equities			
<u>United States</u>			
Freeport-McMoRan Inc	12,800	142,592	0.07%
GameStop Corp	15,700	417,306	0.20%
Gap Inc	15,500	328,910	0.16%
General Motors Co	55,900	1,581,970	0.75%
Gilead Sciences Inc	14,700	1,226,274	0.58%
Goldman Sachs Group Inc	5,900	876,622	0.42%
Goodyear Tire & Rubber Co	46,000	1,180,360	0.56%
Hancock Holding Co	10,700	279,377	0.13%
Harley-Davidson Inc	24,100	1,091,730	0.52%
Hartford Financial Services Group Inc	32,900	1,460,102	0.69%
HCA Holdings Inc	14,600	1,124,346	0.53%
Hewlett Packard Enterprise Co	41,500	758,205	0.36%
HollyFrontier Corp	47,500	1,129,075	0.54%
Hospitality Properties Trust	41,500	1,195,200	0.57%
HP Inc	59,400	745,470	0.35%
Huntington Bancshares Inc	109,900	982,506	0.47%
Huntsman Corp	49,300	663,085	0.31%
Ingevity Crop	1,800	61,272	0.03%
Ingles Market Inc	26,200	977,260	0.46%
Ingredion Inc	8,200	1,061,162	0.50%
Intel Corp	117,800	3,863,840	1.83%
International Bancshares Corp	35,300	920,977	0.44%
International Paper Co	39,600	1,678,248	0.80%
International Business Machines Corp	12,900	1,957,962	0.93%
ITT Inc	25,000	799,500	0.38%
Johnson & Johnson	54,300	6,586,590	3.13%
JPMorgan Chase & Co	81,100	5,039,554	2.39%
Juniper Networks Inc	34,500	775,905	0.37%
Key Crop	88,100	973,505	0.46%
Kindred Healthcare Inc	53,200	600,628	0.29%
Kohl's Corp	25,600	970,752	0.46%
Kroger Co	17,300	636,467	0.30%
Lear Corp	9,200	936,192	0.44%
Lexington Realty Trust	115,600	1,168,716	0.56%
Lincoln National Corp	29,100	1,128,207	0.54%
LyondellBasell Industries NV	24,100	1,793,522	0.85%
Mack-Cali Realty Corp	43,900	1,185,300	0.56%
Macy's Inc	14,600	490,706	0.23%
Marathon Petroleum Corp	45,900	1,742,364	0.83%
Matrix Service Co	41,500	684,335	0.32%
McGrath RentCorp	17,100	523,089	0.25%
Mentor Graphics Crop	52,000	1,105,520	0.53%

SCHEDULE OF INVESTMENTS
As at 30 June 2016
LSV US Value Equity Fund

	Shares	US\$ Value	% NAV
Equities			
<u>United States</u>			
Merck & Co Inc	55,200	3,180,072	1.51%
Meritor Inc	30,700	221,040	0.10%
MetLife Inc	22,100	880,243	0.42%
MGIC Investments Crop	81,600	485,520	0.23%
Moog Inc	9,300	501,456	0.24%
Murphy USA Inc	21,600	1,601,856	0.76%
National Oilwell Varco Inc	15,200	511,480	0.24%
NCR Crop	38,000	1,055,260	0.50%
NetApp Inc	20,900	513,931	0.24%
Northrop Grumman Corp	6,100	1,355,908	0.64%
Oracle Corp	26,500	1,084,645	0.52%
Packaging Corp. of America	16,300	1,090,959	0.52%
Pfizer Inc	173,900	6,123,019	2.91%
Phillips 66	18,400	1,459,856	0.69%
Piedmont Office Realty Trust Inc	45,900	988,686	0.47%
Pilgrim's Pride Crop	26,100	665,028	0.32%
Piper Jaffray Cos	13,857	522,409	0.25%
Pitney Bowes Inc	69,200	1,231,760	0.58%
PNC Financial Services Group Inc	21,000	1,709,190	0.81%
Prudential Financial Inc	20,100	1,433,934	0.68%
Public Service Enterprise Group Inc	60,600	2,824,566	1.34%
Qualcomm Inc	48,800	2,614,216	1.24%
Quest Diagnostics Inc	9,400	765,254	0.36%
Radian Group Inc	53,800	560,596	0.27%
Raytheon Co	2,900	394,255	0.19%
Regions Financial Corp	193,700	1,648,387	0.78%
RMR Group Inc	134	4,150	0.00%
Rowan Cos Plc	29,800	526,268	0.25%
RR Donnelley & Sons Co	36,500	617,580	0.29%
Sanderson Farms Inc	11,400	987,696	0.47%
Seagate Technology PLC	44,000	1,071,840	0.51%
Select Medical Holdings Corp	26,200	284,794	0.14%
Shire Pharm ADR	0	52	0.00%
Sonic Automotive Inc	26,600	455,126	0.22%
Spartannash Co	27,000	825,660	0.39%
Spirit Aerosystems Hold	29,500	1,268,500	0.60%
Starwood Property Trust Inc	46,100	955,192	0.45%
SunTrust Banks Inc	41,900	1,721,252	0.82%
Symantec Corp	32,900	675,766	0.32%
TAL International Group Inc	6,700	89,847	0.04%
Target Corp	31,400	2,192,348	1.04%
Teradata Corp	45,600	1,143,192	0.54%

SCHEDULE OF INVESTMENTS
As at 30 June 2016

	Shares	US\$ Value	% NAV
Equities			
<u>United States</u>			
Textron Inc	33,900	1,239,384	0.59%
Time Warner Inc	8,100	595,674	0.28%
Travelers Cos Inc	18,700	2,226,048	1.06%
Trinity Industries Inc	22,100	410,397	0.19%
Triumph Group Inc	8,800	312,400	0.15%
Tyson Foods Inc	25,800	1,723,182	0.82%
United Continental Holdings	28,600	1,173,744	0.56%
United Technologies Corp	22,900	2,348,395	1.12%
United Therapeutics Corp	5,100	540,192	0.26%
Unum Group	30,200	960,058	0.46%
Valero Energy Corp	37,800	1,927,800	0.92%
Verizon Communications Inc	54,000	3,015,360	1.43%
Viacom Inc	13,700	568,139	0.27%
Voya Financial Inc	20,600	510,056	0.23%
Wabash National Corp	65,100	826,770	0.39%
Wal-Mart Stores Inc	19,400	1,416,588	0.67%
Wells Fargo & Co	11,700	553,761	0.26%
Western Digital Corp	8,100	382,806	0.18%
Western Union Co	43,700	838,166	0.38%
WestRock Co	10,800	419,796	0.18%
Whirlpool Corp	6,500	1,083,160	0.49%
World Acceptance Corp	3,900	177,840	0.06%
Wyndham Worldwide Corp	16,900	1,203,787	0.55%
Xerox Corp	128,900	1,223,260	0.56%
Total United States (2015: US\$124,422,491 96.19%)		205,887,947	97.60%
Financial Assets At Fair Value Through Profit Or Loss		209,820,620	99.64%
Cash And Bank Balances		777,242	0.37%
Other Net Assets		(27,619)	(0.01%)
Adjustment to Write Back Prepaid Organisational Costs		-	-
Net Assets Attributable To Holders Of Participating			
Shares		210,570,243	100.00%

STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

	Note	30 June 2016 US\$	31 December 2015 US\$
Assets			
Financial assets at fair value through profit or loss	2, 11	209,820,620	127,795,928
Cash and cash equivalents		777,242	1,989,428
Securities sold receivable		112,882	10,213
Dividends receivable		175,017	102,720
Other assets		3,162	23,709
Total Assets		210,888,923	129,921,998
Liabilities			
Securities purchased payable	2, 11	58,814	379,615
Investment management fee payable	6	86,423	39,231
Audit fee payable		19,660	4,783
Administration fee payable	6	27,869	8,992
Depository/Custodian fees payable*	6	8,890	2,079
Directors' fee payable	8	10,700	16,271
Legal fee payable		6,765	-
Other accrued expenses		99,560	141,855
Total Liabilities		318,680	592,826
Net assets attributable to holders of participating shares		210,570,243	129,329,172
Number of outstanding shares			
Class A		16,073,262	13,327,962
Class D		5,366,075	-
Net Asset Value			
Class A		9.75	9.70
Class D		10.05	-

*Subject to the introduction of the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendments) Regulation 2016 (the "Amendment") on 21 March 2016, all the references to "Trustee" in the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulation 2011 (the "UCITS Regulation") have been replaced with "Depository". Prior to this, the term 'Custodian' within these Financial Statements and Notes to the Financial Statements referred to SEI Investments Trustee and Custodian Services (Ireland) Limited. With effect of the Amendment, the terms 'Custodian' and 'Depository' will both be applicable and imply the same meaning.

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

STATEMENT OF COMPREHENSIVE INCOME
For the six month period ended 30 June 2016

		1 January 2016 to 30 June 2016	1 January 2015 to 30 June 2015
	Note	US\$	US\$
Income			
Net gain/(loss) from financial assets at fair value through profit or loss		2,604,892	(1,639,136)
Dividend income		2,627,790	1,089,486
Total income/(loss)		5,232,682	(549,650)
Expenses			
Investments management fee	6	430,445	164,381
Administration fee	6	75,015	39,974
Depository/Custodian fee*	6	26,393	26,649
Directors fee	8	13,999	20,033
Directors support service fee	9	3,749	-
Legal fee		45,640	3,131
Audit fee	6	28,752	6,742
Other expenses		(33,615)	72,140
Total expenses		590,378	333,050
Finance Costs			
Withholding tax	4	(766,849)	(298,502)
Increase/(decrease) in net assets attributable to holders of participating shares		3,875,455	(584,198)

*Subject to the introduction of the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendments) Regulation 2016 (the "Amendment") on 21 March 2016, all the references to "Trustee" in the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulation 2011 (the "UCITS Regulation") have been replaced with "Depository". Prior to this, the term 'Custodian' within these Financial Statements and Notes to the Financial Statements referred to SEI Investments Trustee and Custodian Services (Ireland) Limited. With effect of the Amendment, the terms 'Custodian' and 'Depository' will both be applicable and imply the same meaning.

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING SHARES
For the six month period ended 30 June 2016

	1 January 2016 to 30 June 2016 US\$	1 January 2015 to 31 December 2015 US\$
Net assets attributable to holders of redeemable participating shares at the beginning of the period	129,329,172	89,972,605
Proceeds from redeemable participating shares issued	100,766,536	56,802,000
Cost of redeemable participating shares redeemed	(23,400,921)	(9,900,000)
Net increase/(decrease)in net assets resulting from operations	3,875,455	(7,545,433)
Net assets attributable to holders of participating shares at the end of the period	<u>210,570,243</u>	<u>129,329,172</u>

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

STATEMENT OF CASH FLOWS
For the six month period ended 30 June 2016

	1 January 2016 to 30 June 2016 US\$	1 January 2015 to 30 June 2015 US\$
<i>Cash flows from operating activities :</i>		
Increase/(decrease) in net assets resulting from operations	3,875,455	(1,181,202)
	<hr/>	<hr/>
Operating profit/(loss) before working capital charges	3,875,455	(1,181,202)
<i>Changes in operating assets and liabilities:</i>		
Net (increase)/decrease in financial assets at fair value through profit or loss	(82,024,692)	1,678,173
Net (increase)/decrease in securities sold receivable	(102,669)	201,202
Net increase in receivables and prepaid fees	(51,750)	(17,583)
Net decrease in securities purchased payable	(320,801)	(6,828)
Net increase in fees payable and accrued expenses	46,656	6,972,482
Cash used in operations	(82,453,256)	8,827,446
	<hr/>	<hr/>
Net cash (used in)/provided by operating activities	(78,577,801)	7,646,244
<i>Cash flows from financing activities</i>		
Proceeds from issue of participating shares	100,766,536	3,180,000
Payments for redemptions of participating shares	(23,400,921)	(9,900,000)
Net cash provided by/(used in) financing activities	77,365,615	(6,720,000)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(1,212,186)	926,790
Cash and cash equivalents at start of the period	1,989,428	520,751
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	777,242	1,447,541
	<hr/> <hr/>	<hr/> <hr/>

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

NOTES TO THE FINANCIAL STATEMENTS
For the six month period ended 30 June 2016

1. Organisation

LSV Funds Plc (the “Company”) established on 1 May 2014 in the form of an investment company is an open-ended umbrella fund with variable capital and segregated liability between its sub-funds under the laws of Ireland as a public limited company pursuant to the Companies Act 2014 and has on 25 June 2014 been authorised by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015. Notwithstanding the segregation of assets and liabilities between the sub-funds, the Company is a single legal entity and no sub-fund constitutes a legal entity separate from the Company itself.

The Company currently has one active sub-fund, the LSV U.S. Value Equity Fund (the “Sub-Fund”). The Sub-Fund was launched on 25 June 2014 and commenced trading on 6 October 2014.

Additional sub-funds may be added to the Company by the Directors from time to time with the prior approval of the Central Bank of Ireland, each with a separate investment objective and policies. The Company may issue shares of more than one class in each sub-fund.

The Company has appointed LSV Asset Management as the Investment Manager.

The investment objective of the Fund is to seek long-term growth of capital by structuring and maintaining for the Fund a well-diversified portfolio of U.S. stocks.

The Fund will invest primarily in equity securities listed or traded on Recognised markets in the U.S. In selecting securities for the Fund, the Investment Manager focuses on medium to large U.S. companies (i.e., those with market capitalisation of US\$1 billion or more at the time of purchase) whose securities, in the Investment Manager’s opinion, are out-of-favour (undervalued) in the marketplace at the time of purchase and have potential for near-term appreciation. The Fund may also invest, to a lesser extent, in common stocks of such undervalued companies with small market capitalisations (between US\$500 million and US\$1 billion). The Investment Manager believes that these out-of-favour securities will produce superior future returns if their future growth exceeds the market’s low expectations. The Fund expects to remain as fully invested in the above securities as practicable.

2. Accounting Policies

Statement of Compliance

The Company’s unaudited condensed semi-annual financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”, the interim reporting standard under International Financial Reporting Standards (“IFRS”).

(a) Basis of Preparation

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilised in preparing its financial statements are reasonable and prudent.

The financial statements are prepared in U.S. Dollars (“US\$”), the functional currency of the Company.

(b) Significant Accounting Policies

The accounting policies applied by the Company in these unaudited condensed semi-annual financial statements are the same as those applied by the Company in its annual financial statements as at and for the year ended 31 December 2015. The Company’s audited annual financial statements were prepared in accordance with IFRS.

NOTES TO THE FINANCIAL STATEMENTS
For the six month period ended 30 June 2016

3. Net gains on financial assets at fair value through profit or loss

	1 January 2016 to 30 June 2016 US\$	1 January 2015 to 30 June 2015 US\$
Net movement in realised gains on financial assets at fair value through profit or loss	25,901	360,894
Net movement in unrealised gain\ (loss) on financial assets at fair value through profit or loss	2,578,991	(2,000,029)
Total Net (loss)/gain on financial assets at fair value through profit or loss	<u>2,604,892</u>	<u>(1,639,135)</u>

4. Taxation

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to shareholders, any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

(a) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and

(b) certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

The Finance Act 2010 provides that the Revenue Commissioners may grant approval for investment funds marketed outside of Ireland to make payments to non-resident investors without deduction of Irish tax where no relevant declaration is in place, subject to meeting the "equivalent measures". A fund wishing to receive approval must apply in writing to the Revenue Commissioners, confirming compliance with the relevant conditions.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

5. Share Capital

Authorised

The share capital of the Company will at all times equal the NAV. The authorised share capital of the Company is €300,002 represented by 300,002 Subscriber Shares of no par value issued at €1.00 each and 500,000,000,000 Shares of no par value. The Directors are empowered to issue up to 500 billion Shares of no par value in the Company at the NAV per Share (or the relevant initial subscription price in the case of new Funds) on such terms as they may think fit.

NOTES TO THE FINANCIAL STATEMENTS

For the six month period ended 30 June 2016

5. Share Capital (continued)

Non-participating shares

There are two non-participating shares currently in issue, held by individual nominees in trust for the Investment Manager. The subscriber shares do not form part of the net asset value of the Company and are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an investment company.

Participating shares

The issued participating share capital is at all times equal to the net asset value of the Company. The movement in the number of participating shares for the period ended 30 June 2016 and for the period ended 1 January 2016 are as follows:

	1 January 2016 to 30 June 2016	1 January 2016 to 30 June 2016	1 January 2015 to 30 June 2015
	Class A	Class D	Class A
Issued and Fully Paid Redeemable Participating Shares			
Opening Balances	13,327,962	-	8,546,004
Redeemable participating shares issued	2,745,300	5,366,075	298,004
Redeemable participating shares redeemed		-	(958,499)
Closing Balances	<u>16,073,262</u>	<u>5,366,075</u>	<u>7,885,509</u>
Net asset value per share	9.75	10.05	10.41

The relevant movements in share capital are shown in the Statements of Changes in Net Assets Attributable to Holders of Participating Shares. The Company invests the proceeds from the issue of shares in investments while maintaining sufficient liquidity to meet redemptions when necessary.

6. Fees and Expenses

Investment Management Fee

The Investment Manager will receive a management fee in respect of each class for management services to the Fund, equal to an annualised rate of up to 0.50% of the NAV attributable to each class. The Management Fee is accrued daily and paid monthly, in arrears.

During the period, the Investment Manager earned Investment management fee of US\$430,445 (30 June 2015: US\$164,581). As at 30 June 2016 US\$86,423 remained payable (31 December 2015: US\$39,231). There was Management fee waiver of US\$Nil (31 June 2015: US\$57,694) in respect of the Expense Cap detailed below. It was netted against the Investment management fee.

Expense Cap

The Investment Manager has agreed to limit the Capped Expenses to no more than 0.25% per annum of the NAV of the Fund (the "Expense Cap"), determined as of the end of each calendar month, and the Investment Manager will absorb any Capped Expenses in excess of the Expense Cap by reimbursing the Fund after the end of each calendar month (or, more frequently, if applicable) for such Capped Expenses. For the avoidance of doubt, the Fund will pay all of the Uncapped Expenses and the Uncapped Expenses will not be subject to the Expense Cap. Both the Capped and Uncapped Expenses are defined in Supplement No. 1 to the Prospectus.

NOTES TO THE FINANCIAL STATEMENTS
For the six month period ended 30 June 2016

6. Fees and Expenses (continued)

Administration fee

SEI Investments - Global Fund Services Limited, the Administrator, is entitled to receive out of the net assets of the Sub-Fund an annual fee.

The Administrator will also be entitled to receive certain other fees, including for financial reporting services in respect of the Company and for each Fund in respect of transfer agency services in respect of the relevant class of Shares.

During the period, the Administrator earned administration fees of US\$75,015 (30 June 2015: US\$39,974) and at 30 June 2016 US\$27,869 (31 December 2015: US\$8,992) remained payable to the Administrator.

Depositary fee

SEI Investments Trustee and Custodial Services (Ireland) Limited, the Depositary, is entitled to receive out of the net assets of the Sub-Fund an annual trustee fee.

The Depositary will also be paid by the Company out of the assets of the relevant Fund for transaction fees (which will not exceed normal commercial rates) and fees and reasonable out-of-pocket expenses of any sub-depositary appointed by the Depositary.

During the period, the Depositary earned fees of US\$26,393 (30 June 2015: US\$26,649) and at 30 June 2016 US\$8,890 (31 December 2015: US\$2,079) remained payable to the Depositary.

Transaction fee

The Company incurred transaction fees throughout the period. Transaction costs include all incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. All transaction costs are recognised in the profit and loss account and are included in Net Gains and Losses on Financial Instruments at Fair Value.

During the period, the Sub-Fund incurred transaction fees of US\$23,407 (30 June 2015: US\$1,962).

Auditors' remuneration

	1 January 2016 to 30 June 2016 EUR Value	1 January 2015 to 30 June 2015 EUR Value
Deloitte		
Audit of individual company accounts	6,484	6,742

NOTES TO THE FINANCIAL STATEMENTS
For the six month period ended 30 June 2016

7. Other Expenses

Other Expenses

	1 January 2016 to 30 June 2016	1 January 2015 to 30 June 2015
	US\$	US\$
Bank Charges	243	389
Investor Service charge	361	-
Shareholder Servicing Fees	-	30
Central Bank of Ireland fees	1,343	1,245
Company secretarial and registered office fees	(8,570)	15,410
Out of pocket fees	(1,050)	2,480
Irish stock exchange fees	114	1,253
Organisational costs	(33,039)	46,982
FSA fee	(456)	555
KIID*	-	3,768
Other Fees	7,439	-
	<u>(33,615)</u>	<u>72,112</u>

*Key Investor Information Document

8. Directors' Remuneration

For the period ended 30 June 2016 the total Directors' remuneration was US\$13,999 (30 June 2015: US\$20,033) and at 30 June 2016 US\$10,700 (31 December 2015: US\$16,271) remained payable to the Directors.

9. Related and Connected Party Transactions

The Investment Manager has earned investment management fees, the specific details of which are contained in Note 6.

The Directors are satisfied that there are adequate arrangements in place to ensure that all transactions with connected persons, namely the promoter, manager, depositary, investment advisor and associated or group companies of these, are carried out as if negotiated at arm's length and in the best interests of the shareholders as required by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 (the "Central Bank UCITS Regulations"), Sections 40 and 41. The Directors are satisfied that transactions with connected persons entered into during the period were carried out on this basis.

Shareholders should be aware that not all "connected persons" as defined by the Central Bank UCITS Regulations are "related parties" as defined by IAS 24, "Related Party Disclosures".

Yvonne Connolly, a Director of the Company, is also a principal of Carne Global Financial Limited, which provides directors support service to Yvonne. During the period ended 30 June 2016, the Company accrued fees of USD\$3,749 (30 June 2015 US\$Nil) to Carne Global Financial Limited, of which USD\$Nil were payable at year end (31 December 2015: USD\$1,514).

NOTES TO THE FINANCIAL STATEMENTS
For the six month period ended 30 June 2016

10. Distributions

The Directors did not declare any dividends for the period ended 30 June 2016 or the year ended 31 December 2015.

11. Fair Value Estimation

For a fair value measurement of a financial instrument to be classified in Level 1 of the hierarchy, it should be observable directly in an active market for the same instrument.

Fair value measurement in Levels 2 and 3 of the hierarchy are determined using valuation techniques. The level in the hierarchy into which a financial instrument's fair value measurement is classified in its entirety and is determined by reference to the observability and significance of the inputs used in the valuation model. Valuation techniques often incorporate both observable inputs and unobservable inputs.

Fair value measurements determined using valuation techniques are classified in their entirety in either Level 2 or 3 based on the lowest level input that is significant to the measurement. That is, if the model uses both observable and unobservable inputs, the fair value measurement is classified in Level 3 if the unobservable inputs are significant to their fair value measurement in its entirety. This assessment is made independently of the number or the quality of the Level 2 inputs used in the model.

Differentiating between Level 2 and Level 3 fair value measurements, i.e., assessing whether inputs are observable and whether the unobservable inputs are significant, may require judgement and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability.

The fair value hierarchy of the Company's financial assets and liabilities are measured at fair value at 30 June 2016 and year ended 31 December 2015. All Financial asset and liabilities are all measured at level 1.

There were no transfers between levels for securities held during the period ended 30 June 2016 or the year ended 31 December 2015.

Policies regarding fair value measurement are included in Note 2 to the Financial Statements.

13. Soft Commissions

The Fund did not enter into any soft commission arrangements for the period ended 30 June 2016 or the year ended 31 December 2015. The underlying managers of the investments held by the Fund may have soft commission arrangements with their brokers.

14. Subsequent Events

As at the date of approval of the financial statements there have been no subsequent events which would require additional disclosure in, or adjustment of, these financial statements.

15. Foreign Exchange rates

Certain foreign exchange rates were used to translate transactions and balances reflected in these financial statements back to US\$, the Company's functional and presentation currency. These are disclosed below.

	30 June 2016	31 December 2015
EUR	1.1110	1.0863

NOTES TO THE FINANCIAL STATEMENTS
For the six month period ended 30 June 2016

16. Approval of Financial Statements

The unaudited condensed semi-annual financial statements were approved and authorised for issue by the Directors on 30 August 2016.

SCHEDULE OF SIGNIFICANT CHANGES IN THE PORTFOLIO
For the six month period ended 30 June 2016

	30 June 2016
	US\$ Value
Major Purchases	
Merck & Co Inc	2,781,852
Pfizer Inc	2,127,020
Exxon Mobil Corp	1,992,012
JPMorgan Chase & Co	1,873,320
Cisco Systems Inc	1,806,285
Pitney Bowes Inc	1,488,318
Spirit Aerosystems Hold	1,442,108
Cardinal Health Inc	1,436,868
Intel Corp	1,419,561
United Continental Holdings	1,399,827
Johnson & Johnson	1,362,348
FedEx Corp	1,327,880
Murphy USA Inc	1,299,568
Target Corp	1,289,352
Wyndham Worldwide Corp	1,258,900
Entergy Corp	1,257,354
Textron Inc	1,241,079
Teradata Corp	1,194,948
FirstEnergy Corp	1,136,044
Abbvie Inc	1,134,560
Major Sales	
Deere & Co	1,224,184
Sotheby's	1,156,341
Hancock Holding Co	1,125,469
Caterpillar Inc	918,693
Scana Corp	697,474
Baxter International Inc	484,991
Avery Dennison Corp	458,773
Conocophillips	358,171
L-3 Communications Holdings Inc	344,035
Shire Pharm ADR	276,422
Marathon Petroleum Corp	144,790
Starz Liberty Capital	142,409
Amdocs Ltd	43,156
RMR Group Inc	3,023