

MFO FUNDS

INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2021

MFO FUNDS

INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2021

CONTENTS

PAGE

Principal officers	1
Unaudited statement of profit or loss and other comprehensive income	2
Unaudited statement of financial position	3
Unaudited statement of changes in net assets attributable to unitholders	4
Unaudited cash flow statement	5
Notes to the unaudited financial statements	6 - 8

MFO FUNDS

PRINCIPAL OFFICERS

Management Company: MFO Asset Management Ltd

Depository: Eurobank Cyprus Ltd

Legal Advisor: Karides & Karides LLC

License number: UCITS14/78

MFO FUNDS

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

		MFO BALANCED FUND 01.01.2021 - 30.06.2021	MFO BALANCED FUND 01.01.2020 - 30.06.2020
	Note	€	€
Interest income		-	751
Net fair value losses on financial assets at fair value through profit or loss	6	(9,860)	(18,850)
Depositary fees		(2,670)	(2,700)
Management fees		(18,733)	(13,566)
Annual licensing fees		(898)	(900)
Other expenses		(1,449)	(668)
Transaction costs		(970)	(4,256)
Net loss for the period		<u>(34,580)</u>	<u>(40,189)</u>

The notes on pages 6 to 8 form an integral part of these financial statements.


MFO FUNDS


UNAUDITED STATEMENT OF FINANCIAL POSITION

30 June 2021

	Note	MFO BALANCED FUND 30.06.2021 €	MFO BALANCED FUND 31.12.2020 €
ASSETS			
Financial assets at fair value through profit or loss	6	4,704,988	4,314,849
Cash and cash equivalents	7	423,781	627,874
		<u>5,128,769</u>	<u>4,942,723</u>
LIABILITIES			
Other payables	9	12,073	13,257
		<u>12,073</u>	<u>13,257</u>
Net Assets attributable to unitholders		<u>5,116,696</u>	<u>4,929,466</u>

On 2 August 2021 the Management Company authorised these financial statements for issue.


.....
Andreas Theophanous
Chief Executive Officer


.....
Markos Drakos
Chairman

The notes on pages 6 to 8 form an integral part of these financial statements.

MFO FUNDS

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the six months ended 30 June 2021

	MFO BALANCED FUND Net Assets attributable to unitholders €
Balance at 1 January 2020	2,324,691
Decrease in net assets attributable to unitholders	(40,189)
Issue of units during the period	<u>1,997,302</u>
Balance at 30 June 2020	<u>4,281,804</u>
Balance at 1 January 2021	4,929,466
Decrease in net assets attributable to unitholders	(34,580)
Issue of units during the period	<u>221,810</u>
Balance at 30 June 2021	<u>5,116,696</u>

The notes on pages 6 to 8 form an integral part of these financial statements.

MFO FUNDS

UNAUDITED CASH FLOW STATEMENT

For the six months ended 30 June 2021

	MFO BALANCED FUND 01.01.2021 - 30.06.2021 €	MFO BALANCED FUND 01.01.2020- 30.06.2020 €
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(34,580)	(40,189)
Adjustments for:		
Fair value losses on financial assets at fair value through profit or loss	<u>9,860</u>	18,850
	(24,720)	(21,339)
Changes in working capital:		
Increase in financial assets at fair value through profit or loss	(399,999)	(1,924,098)
(Decrease)/increase in other payables	<u>(1,184)</u>	3,495
Cash used in operations	<u>(425,903)</u>	(1,941,942)
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of units	<u>221,810</u>	1,997,302
Net cash generated from financing activities	<u>221,810</u>	1,997,302
Net (decrease)/increase in cash and cash equivalents	(204,093)	55,360
Cash and cash equivalents at beginning of the period	<u>627,874</u>	491,714
Cash and cash equivalents at end of the period	<u><u>423,781</u></u>	<u><u>547,074</u></u>

The notes on pages 6 to 8 form an integral part of these financial statements.

MFO FUNDS

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. GENERAL

MFO FUNDS was granted UCITS license No. UCITS14/78 by the Cyprus Securities and Exchange Commission on 17 September 2018.

The Fund and its Sub-Funds falling into the definition of UCITS in accordance with Article 5 of the Open Ended Undertakings for Collective Investment Law, has no legal personality, and the unitholders are represented in and out of court by the Management Company, in respect of legal relations arising from management and their rights in the assets. When representing the unitholders, the Management Company acts in their name, and indicates in all events that it is acting on behalf of the Fund. The Management Company exercises all rights arising from the assets of the Fund for the benefit of unitholders.

Each Sub-Fund is a separate asset pool whose assets belong jointly and indivisibly to the unitholders of the Sub-Fund, are held on deposit with the Depositary and are a collective portfolio, managed by the Management Company in the interests of the unitholders. The unitholders have rights deriving solely from the assets in the Sub-Funds' asset pool, for which units have been acquired, and each Sub-Fund is responsible for the liabilities arising from its own establishment, operation or dissolution.

The Fund currently consists of one Sub-Fund, MFO Balanced Fund.

2. Unaudited financial statements

The financial statements for the six months ended on 30 June 2020 and 30 June 2021, have not been audited by the external Auditors of the Fund.

3. Significant accounting policies

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRSs), including International Accounting Standard 34 "Interim Financial Reporting". These interim financial statements do not include all the information required for the full annual financial statements prepared in accordance with IFRSs.

The accounting policies used in the preparation of the financial statements are in accordance with those used in financial statements for the year ended 31 December 2020. These financial statements must be read in conjunction with the financial statements for the year ended 31 December 2020.

Costs that are incurred during the financial year are anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year.

Interest expense and other borrowing costs are charged to profit or loss as incurred.

4. Critical accounting estimates, judgments and assumptions

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

MFO FUNDS

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

5. Fair value measurement

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

MFO BALANCED FUND

30 June 2021

	Level 1 €	Level 2 €	Level 3 €	Total €
Assets measured at fair value				
Financial assets at fair value through profit or loss	4,704,988	-	-	4,704,988
Total	4,704,988	-	-	4,704,988

MFO BALANCED FUND

31 December 2020

	Level 1 €	Level 2 €	Level 3 €	Total €
Assets measured at fair value				
Financial assets at fair value through profit or loss	-	-	-	-
	4,314,849	-	-	4,314,849
Total	4,314,849	-	-	4,314,849

6. Financial assets at fair value through profit or loss

	MFO BALANCED FUND 01.01.2021 - 30.06.2021 €	MFO BALANCED FUND 01.01.2020 - 31.12.2020 €
Balance at beginning of period	4,314,849	1,840,004
Additions	399,999	2,324,274
Change in fair value	(9,860)	150,571
Balance at end of period	4,704,988	4,314,849

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

MFO FUNDS

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

7. Cash and cash equivalents

Cash balances are analysed as follows:

	MFO BALANCED FUND 30.06.2021 €	MFO BALANCED FUND 31.12.2020 €
Current accounts	<u>423,781</u>	<u>627,874</u>
	<u>423,781</u>	<u>627,874</u>

8. Units

The Fund currently consists of one Sub-Fund, MFO Balanced Fund.

The Sub-Fund's units are classified into Class A and Class B units. The rights and obligations of the two classes of units are identical, with the exemption of the management fee charge.

The Minimum Initial Subscription and Minimum Holding required for Class A units is €200.000.

The Minimum Initial Subscription and Minimum Holding required for Class B units is €5.000.

	MFO BALANCED FUND 30.06.2021 Class A	MFO BALANCED FUND 30.06.2021 Class B
Number of units in issue	<u>49,168</u>	-
Net assets attributable to unitholders	<u>€ 5,116,696</u>	-
Net asset value per unit	<u>€ 104,0660</u>	-

	MFO BALANCED FUND 31.12.2020 Class A	MFO BALANCED FUND 31.12.2020 Class B
Number of units in issue	<u>47,097</u>	-
Net assets attributable to unitholders	<u>€ 4,929,466</u>	-
Net asset value per unit	<u>€ 104,6652</u>	-

9. Other payables

	MFO BALANCED FUND 30.06.2021 €	MFO BALANCED FUND 31.12.2020 €
Other creditors	<u>12,073</u>	<u>13,257</u>
	<u>12,073</u>	<u>13,257</u>

The fair values of other payables due within one year approximate to their carrying amounts as presented above.