HiQ Invest B.V.

Half-year report June 30, 2017

(unaudited)

Index to the annual report

Profile and key figures

Profile

HiQ Invest B.V. (the Company) is authorised by the financial supervisory authorities in The Netherlands to act as an investment fund manager (beheerder) and accordingly received a license under the Dutch act on financial supervision (Wft). The financial supervisory authorities issued the licence on November 3, 2006 on the basis of article 2:67 Wft, and from June 17, 2014 also based on article 2:69c.

The Company manages the following alternative investment funds (AIF) and undertakings for the collective investment in transferable securities (UCITS):

- HiQ Invest Fundamental Value Fund (AIF);
- HIQ Invest Market Neutral Fund (AIF);
- FundShare Umbrella Fund (AIF); and
- FundShare UCITS Umbrella Fund (UCITS).

Together hereafter: the “Funds”.

The Company was founded on August 9, 2006, has its statutory seat in Amsterdam, The Netherlands and is registered at the Chamber of Commerce and Industry in Amsterdam under number 34252934.

The website of the Company is: www.hiqinvest.nl.

Group structure

The Company is a 100% subsidiary of LPE Capital B.V. LPE Capital B.V. is a holding company and as such forms a group with its direct and indirect wholly owned operating companies (the “Group”). The following active companies are part of the Group:

- LPE Capital B.V. (parent company and head of the Group);
- HiQ Trading Software B.V. (software- and ICT infrastructure development)
- DeGiro B.V. (investment company)
- ML Concepts B.V. (concept- developer internet pages) (85%):
    - Codern Venture SRL (Software development) (60%);
    - ML Concepts Administration U.G.
- FundShare Administrator B.V. (fund administrator);
- Stichting DeGiro (a securities giro/ custodian founded by DeGiro B.V.);
- Stichting DeGiro II (a securities giro/ custodian founded by DeGiro B.V.);
- Stichting DeGiro IIb (a securities giro/safekeeping entity founded by DeGiro B.V.);
- Expat Pension Housing Beheer B.V.;
- DeGiro Hypotheken B.V.;
- GMO Limited (a marketing company); and
- DAF Depositary B.V. (depositary of AIFMD and UCITS investment funds).

Overview of Key figures

Key figures	HY 2017	2016	2015	2014	2013	2012
Revenues	**2.479.905**	**384.553**	**985.442**	**2.335.102**	**3.718.301**	**1.489.698**
Cost of sales	13.235	29.706	19.482	26.291	119.655	45.942
Gross margin	**2.466.670**	**354.847**	**965.960**	**2.308.811**	**3.598.646**	**1.443.756**
Operating expenses	**1.132.825**	**1.921.765**	**2.025.360**	**2.373.717**	**2.140.147**	**1.235.638**
Operating result	**1.333.845**	**-1.566.918**	**-1.059.400**	**-64.906**	**1.458.499**	**208.118**
Net result	**1.006.389**	**-1.163.481**	**-800.858**	**-17.979**	**1.216.948**	**189.109**
Number of employees	24	19	15	13	8	6

Half-year financial statements 2017

Balance sheet as of June 30, 2017

(Amounts in EUR, before appropriation of result)

Assets	30/06/2017		31/12/2016	
Fixed assets				
Tangible fixed assets	210.628		215.126	
Financial fixed assets	1		1	
		210.629		**215.127**
Current assets				
Receivables				
Trade receivables	669.437		68.240	
Receivables from Group companies	1.457.516		713.714	
Deferred tax assets	40.526		664.600	
Other receivables	5.723		5.742	
Prepayments and accrued income	47.940		42.618	
		2.221.142		**1.494.914**
Securities		229.265		251.888
Cash and cash equivalents		141.038		29.500
Total Assets		**2.802.074**		**1.991.429**

Equity & Liabilities	30/06/2017		31/12/2016	
Shareholder's equity				
Issued and paid up capital	18.000		18.000	
Share premium reserve	2.422.983		2.422.983	
Other reserves	-1.177.422		-59.196	
Unappropriated result	1.006.389		-1.163.481	
		2.269.950		**1.218.306**
Provisions				
Provision for deferred remuneration	82.894		88.217	
		82.894		**88.217**
Current liabilities				
Trade creditors	157.659		122.232	
Payables to Group companies	110		331.595	
Taxes and social security premiums	135.234		76.732	
Other liabilities	35.562		59.056	
Accrued expenses and deferred income	120.665		95.291	
		449.230		**684.906**
Total Equity & Liabilities		**2.802.074**		**1.991.429**

Profit and loss account over the period January 1, 2017 – June 30, 2017

Over the period 1 January - 30 June (Amounts in EUR).

Profit and loss account	2017	2016
Revenues	**2.479.905**	**189.053**
Cost of sales	13.235	11.153
Gross margin	**2.466.670**	**177.900**
Employee expenses	704.044	471.864
Depreciation tangible fixed assets	17.475	7.564
General and administrative expenses	411.306	402.675
Total operating expenses	**1.132.825**	**882.103**
Operating result	**1.333.845**	**-704.203**
Other financial results	1.211	-5.301
Result before taxation	**1.335.056**	**-709.504**
Corporate Income Tax gain (loss)	-328.667	171.505
Net result	**1.006.389**	**-537.999**

Mutation overview shareholder’s equity over the period January 1, 2017 – June 30, 2017

Over the period 1 January - 30 June (Amounts in EUR).

Shareholder's equity	30/06/2017	31/12/2016
Issued and paid up capital	**18.000**	**18.000**
Share premium reserve		
Opening balance 1 January	**2.422.983**	**1.302.983**
Capital contributions	0	1.120.000
Closing balance	**2.422.983**	**2.422.983**
Other reserves		
Opening balance 1 January	**-59.196**	**695.354**
Appropriation of result of prior year	-1.163.481	-800.858
Share-based paument	45.255	46.308
Closing balance	**-1.177.422**	**-59.196**
Unappropriated result		
Opening balnce 1 January	**-1.163.481**	**-800.858**
Subtraction appropriatd result	1.163.481	800.858
Unapprpriated result	1.006.389	-1.163.481
Closing balance	**1.006.389**	**-1.163.481**
Total Shareholder's equity	**2.269.950**	**1.218.306**

Notes to the half-year 2017 financial statements

1 General

1.1 Activities

The Company, with its registered office in Amsterdam, The Netherlands is a 100%-owned subsidiary of LPE Capital B.V. in Amsterdam. The Company is registered at the Chamber of Commerce and Industry in Amsterdam under number 34252934.The activities of the company consist of the management of four investment funds (hereinafter: the “Funds”), namely:

* HiQ Invest Fundamental Value Fund;
* HiQ Invest Market Neutral Fund;
* FundShare Umbrella Fund; and
* FundShare UCITS Umbrella Fund.

1.2 Financial supervision

The Company is regulated by The Netherlands Authority for the Financial Markets (“AFM”) and De Nederlandsche Bank (“DNB”). The Company is a fund manager with a license to manage both UCITS and AIF.

1.3 Group companies

In addition to the Company the following active entities are part of the Group:

- LPE Capital B.V. (parent company registered in Amsterdam and head of the Group);
- HiQ Trading Software B.V. (software- and ICT infrastructure development)
- DeGiro B.V. (investment company)
- ML Concepts B.V. (concept- developer internet pages) (85%):
    - Codern Venture SRL (Software development) (60%);
    - ML Concepts Administration U.G.
- FundShare Administrator B.V. (fund administrator);
- Stichting DeGiro (a securities giro/ custodian founded by DeGiro B.V.);
- Stichting DeGiro II (a securities giro/ custodian founded by DeGiro B.V.);
- Stichting DeGiro IIb (a securities giro/safekeeping entity founded by DeGiro B.V.);
- Expat Pension Housing Beheer B.V.;
- DeGiro Hypotheken B.V.;
- GMO Limited (a marketing company); and
- DAF Depositary B.V. (depositary of AIFMD and UCITS investment funds).

1.3.1 Affiliated parties (Non Group Companies)

The following affiliated parties are not part of the Group:

- HiQ Trading and Liquidity Providing N.V. (an investment company whose shares are kept by the legal owner of HiQ Invest Market Neutral Fund); and
- HiQ TLP Hong Kong Limited (a Hong Kong based company founded by HiQ Trading and Liquidity Providing N.V.).

1.3.2 Branches

The Company has branches in Sofia, Bulgaria and in Hong Kong.

1.4 Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements and accompanying notes. Estimates, by their nature, are based on judgment and available information. Therefore, actual results may vary materially from those estimates. If and insofar as is necessary for the insight required according to article 2:362, paragraph 1 of the Netherlands Civil Code ("BW"), the nature of these judgements and estimates including the related assumptions are included in the notes to the relevant account balances.

2 General principles regarding the valuation of assets and liabilities

2.1 General

2.1.1 Basis of preparation

The financial statements have been prepared in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for annual reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The accounting policies applied are based on the historical cost convention, unless otherwise stated.

2.1.2 Financial reporting period

The financial year of the Company coincides with the calendar year.

2.2 Foreign currencies

2.2.1 Functional currency

The amounts in the financial statements are stated in consideration of the currency in the economic environment in which the Company performs its business activities (the functional currency). The annual financial statements are presented in euro (EUR); this is both the Company's functional and presentation currency.

2.2.2 Transactions in foreign currencies

Transactions denominated in foreign currency are translated to EUR at the exchange rate applicable on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate applicable on the balance sheet date. Non-monetary assets and liabilities in foreign currencies that are stated at historical cost are translated into euro at the applicable exchange rates on the transaction date. Translation gains and losses are taken to the profit and loss account.

2.2.3 Foreign operations

The assets and liabilities of foreign operations are translated to EUR at exchange rates applicable on the balance sheet date. Income and expenses of foreign operations are translated into EUR at the exchange rate applicable on the transaction date.

2.3 Recognition and derecognition of assets and liabilities

An asset is included in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet (derecognition). Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

2.4 Financial instruments

A financial instrument is a contract that simultaneously gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

In this connection, financial assets particularly comprise cash and cash equivalents, equity instruments held in other entities (e.g. investments in participating interests), trade accounts receivable, collateralized loans granted and investments securities.

Financial liabilities generally represents a contractual obligation to deliver cash or other financial assets. Within the Company, purchases and sales of (derivative) financial instruments are generally recorded as of the trade date, i.e. the date that the Company commits to purchase or sell the financial instrument. Financial assets and financial liabilities are generally reported separately (i.e. without being netted).

2.5 Tangible fixed assets

Tangible fixed assets are valued at the purchase price less straight-line depreciation based on the expected economic (useful) life or at the lower realisable value.

The expected useful life is:

Tangible asset category	Depreciation term
Furniture	5 years
Computers and Software	5 years

A tangible fixed asset is derecognised in the event of disposal or if no future economic benefits are expected from its disposal or use. Any gains or losses arising from its balance sheet derecognition (calculated as the difference between the net proceeds on disposal and the book value of the asset) are taken through profit or loss for the year in which the asset is derecognised. The residual value of the asset, its economic life and valuation principles are reviewed and, if necessary adapted at the end of the financial year.

2.6 Financial fixed assets

2.6.1 Participating interests

Participating interests (subsidiaries) where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of net asset value. Investments in subsidiaries with negative equity are valued at EUR 1. If the company fully or partly guarantees the liabilities of these subsidiaries a provision is set up, primarily relating to the receivables from this investment. A provision is created for the remainder, either being the share in the losses incurred by the investment, or the amount of payments the company is obliged to make with respect to these investments. For financial fixed assets, an assessment is made as of each balance sheet date as to whether there are indications that these assets are subject to impairment. If there are such indications, the recoverable value of the asset is estimated. The recoverable value is the higher of the value in use and the net realisable value. If the carrying value of an asset is higher than the recoverable value, an impairment loss is recorded for the difference between the carrying value and the recoverable value.

2.6.2 Deferred tax assets

Deferred tax assets are stated at nominal value. Deferred income tax assets (in case of loss carry-forward) are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to enable all or part of the asset to be recovered.

2.7 Current assets

2.7.1 Trade and other receivables

At initial recognition trade and other receivables are stated at fair value. After initial recognition receivables are valued at amortised cost less impairment losses (provision for bad debts). The amortised cost value equals the nominal value if no directly attributable transaction costs or premium/discounts are applicable

2.7.2 Receivables from (payables to) group companies

The intra group balances outstanding are recorded at their nominal value less a provision for doubtful items at year end.

2.7.3 Investments in unlisted equity securities

Investments in unlisted equity instruments (units in investment funds) are after their initial recognition stated at fair value. The fair value of unlisted units in investment funds is determined by reference to the underlying net asset value (NAV) of each of the individual funds.

Positive changes in fair value are recognized directly in equity (revaluation reserve) until the time of realisation, to the extent that the result of the individual investment is cumulatively positive, under deduction of any provision for deferred taxes. Upon derecognition of the investment, the accumulated result recognised in equity is transferred to the profit and loss account. Any accumulated decrease in fair value to below purchase price is recognised in the profit and loss account under financial income and expenses.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances and call deposits with a maturity of less than twelve months. Debts in current account at banks are included in debts to credit facilities under current liabilities. Cash and cash equivalents are stated at nominal value.

2.9 Provisions

2.9.1 General

Provisions are made for legal or constructive obligations that exist at the balance sheet date, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be estimated reliably. Provisions are measured at the best estimate of the amounts necessary to settle. The provisions are stated at the nominal value of the expenditures that are required to settle the liabilities and losses. When a affiliated company reimburses the obligations, this amount is settled in the current account between both group companies.

2.9.2 Provision for deferred remuneration

The provision for deferred remuneration refers to conditional performance based remuneration awards where the actual payment is deferred for a period of in principle three years and depends on the performance (net asset value) of the investment funds managed by the Company (the Funds). The change in value of the long-term employee awards directly related to the performance of the Funds is expressed in the calculation of the provision.

2.9.3 Provision for deferred tax liabilities

A provision is formed for deferred tax liabilities based on the temporary differences on the balance sheet date between the tax book value of assets and liabilities and the book value included in these financial statements. Deferred tax liabilities are entered for all taxable temporary differences. The deferred tax liabilities are valued at nominal value.

2.10 Current liabilities

At initial recognition liabilities are stated at fair value. After initial recognition liabilities are valued at the amortized cost. The amortised cost value equals the nominal value if no directly attributable transaction costs or premium/discounts are applicable.

3 General principle for recognition and measurement of income and expenses

Income and expense items are recognised in the period to which they relate, having due regard to the above accounting principles. Revenues are recognised if it is probable that their economic benefits will flow to the Company and the revenues can be reliably measured.

3.1 Revenues

3.1.1 Management and other fees

Management and other fees represent management fees, operating fees, performance fees and entry and exit fees.

3.2 Cost of sales

This relates to depositary and administration fees charged by suppliers in connection with the funds managed by the Company.

3.3 Share-based payments

The fair value at the grant date of the performance shares rights is recognized as a personnel expense with a corresponding increase in equity (equity-settled) over the period that the employees become unconditionally entitled to the share rights.

The costs of the share plan for the eligible staff are spread evenly over the performance period, during which vesting conditions are applicable subject to continued services. The wage tax charges related to the conditionally awarded shares will be cash settled by the company. This will be categorized as a cash settled performance share based payment.

3.4 Operating expenses

Operating expenses represent employee expenses, depreciation expenses and general and administrative expenses.

3.5 Financial income and expenses

Financial income and expenses comprise interest income and expenses on cash and changes in the value of investment in unlisted equity securities.

3.6 Taxes

3.6.1 Corporate income tax (CIT)

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

If the carrying values of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences. A provision for deferred tax liabilities is recognised for taxable temporary differences.

3.6.2 Value added tax (VAT)

The Company is exempted from VAT with respect to revenues generated from the management of investment fund. Due to this exemption a significant portion of invoiced VAT is irrecoverable. Expenses therefore include irrecoverable VAT.

3.6.3 Fiscal unity

The Company is part of a fiscal unity for corporate income tax and value added tax (VAT) purposes together with its parent company, LPE Capital B.V. and other group companies. Each of the companies recognises the pro rata portion of corporate income tax that the relevant company would incur as an independent taxpayer, taking into account the applicable tax facilities (such as the innovation box).

4 Off balance sheet assets and liabilities

The off balance sheet assets and liabilities are valued at nominal value, if applicable unless stated otherwise.

4.1 Contingent liability in a fiscal unity

The Company is part of a fiscal unity for corporate income tax and value added tax purposes with her parent company LPE Capital B.V. All group companies within this fiscal unity are jointly and severally liable for the tax obligations of the fiscal unity as a whole.

4.2 Office lease obligations

The Company had an office lease obligation of EUR 180,585 per year for the Sofia, Bulgaria office. The total duration of the tenancy agreement is five years. The office lease obligation is secured by a bank guarantee.

5 Remuneration policies and practices

5.1 Main principles

The remuneration policy is based on the following main principles:

- ✓ it aims at promoting a sound and effective risk management;
- ✓ it does not encourage the taking of more risks than is acceptable considering the risk profiles, rules or instruments of incorporation of the UCITS and AIFMD funds it manages;
- ✓ it aims to achieve and maintain a sound capital base.
- ✓ it is in line with the business strategy, objectives, values and long-term interests of the company; and
- ✓ it is designed to avoid conflict of interests.

The remuneration policy is intended to be flexible and it is designed to safeguard a sound capital base, while providing sufficient reward to key personnel. The remuneration comprises a fixed component, a variable component and discretionary pension benefits, whereby the fixed and variable components of the remuneration are distributed in a balanced way.

The criteria used for calculating the remuneration are aimed at reflecting the link between payment and performance. The employees' performance is yearly evaluated based on their skill, expertise and quality of work, on the results reached and on the degree the pre-fixed objectives have been partially or fully reached. The input for the assessment is provided by the senior management and top management, while the ultimate responsibility for awarding remuneration and benefit lays on the management board in its supervisory function.

The fixed component of the remuneration reflects the relevant work experience and organizational responsibility of the relevant employee.

The variable component is designed to reflect both financial and non-financial criteria. The variable component of the remuneration for employees is calculated based on a combination of the assessment of:

- ✓ the performance of the individual;
- ✓ the performance of the relevant business unit and/or UCITS/AIF concerned
- ✓ the overall results of the company; and
- ✓ the performance of the group.

Employees engaged in control functions are compensated in accordance with the achievements of the objectives linked to their function and in such a way that their objectivity and independence is not compromised.

The variable remuneration of all the employees is calculated taking the financial achievements of the company in the previous year and the projection of the regulatory capital requirement for the next year into account. The variable remuneration may be paid partially in financial instruments (units in investment funds managed by the Company) and may be subject to retention and/or deferral over a period which is deemed appropriate in light of the risks of the managed funds.

5.2 Annual Review

The management board in its supervisory function has adopted the remuneration policy. The remuneration policy is reviewed on an annual basis, in order to ensure compliance with national laws and regulations and in order to monitor that it operates as intended. The implementation of the remuneration policy is subject to central and independent review performed annually by the compliance department, in order to assess its compliance with policies and procedures laid down by the management board in its supervisory function. As a result of the annual reviews, the remuneration policy is assessed to be in line with current applicable laws and regulations and its implementation is deemed to be in compliance with the policy itself.

5.3 Average number of employees

At the end of the half-year of 2017 a total of 24 (2016: 19) were employed by the Company. The breakdown of the employees is as follows:

Number of employees	HY 2017	2016
Working in The Netherlands	9	7
Working outside The Netherlands	15	12
Total	**24**	**19**

6 Transactions with related parties

During the year there were no transactions (other than intra-group) with related parties that were not at arm's length and which should be disclosed in the financial statements.

7 General

These half-year financial statements have not been audited or a limited review has been performed.

8 Subsequent events

There have been no events after the end of the half-year that give further information about the actual situation at the balance sheet date or raise doubt regarding the assumption of continuity of the Company

Amsterdam, August 25, 2017

Dr. Ir. J.H.M. Anderluh
Director

Drs. N.J. Klok CFA
Director

Other information

Statutory arrangement regarding the allocation of the result

Article 14 of the Articles of Association includes the following regarding the appropriation of the result: The corporate profit shown in the financial statements approved by the General Meeting of Shareholders – to the extent that the profit is not to be used for the creation or maintenance of reserves prescribed by law – is at the disposal of the General Meeting of Shareholders, that decides regarding reservation or distribution of profits. The distribution of profits may only be made to a maximum amount that exceeds the portion of equity that is issued and called plus the legally held reserves.

Branch offices

The Company has branch offices in Bulgaria (Sofia) and Hong Kong.