PELARGOS JAPAN ALPHA FUND

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD FROM

1 JANUARY 2015
TO
30 JUNE 2015

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 **Page**

FUND INFORMATION

REGISTERED OFFICE	WTC E-Tower, 7th Floor Prinses Margrietplantsoen 43 2595 AM The Hague The Netherlands www.pelargoscapital.com
MANAGER	Pelargos Capital B.V. WTC, Tower E-Tower, 7th Floor Prinses Margrietplantsoen 43 2595 AM The Hague The Netherlands
DEPOSITARY	The Bank of New York Mellon SA/NV^ WTC Building, Podium Office, B-Tower Strawinskylaan 337 1077 XX Amsterdam The Netherlands
TITLE HOLDER	Stichting Pelargos Japan Alpha Fund c/o: SGG Custody B.V. Claude Debussylaan 24 1082 MD Amsterdam The Netherlands
ADMINISTRATOR	The Bank of New York Mellon SA/NV^ WTC Building, Podium Office, B-Tower Strawinskylaan 337 1077 XX Amsterdam The Netherlands
PRIME BROKERS	UBS AG 1 Finsbury Avenue London EC2M 2PP United Kingdom Goldman Sachs International Peterborough Court 133 Fleet Street London EC4A 2BB United Kingdom Nomura International plc 1 Angel Lane London EC4R 3AB United Kingdom
LEGAL ADVISOR	De Brauw Blackstone Westbroek N.V. Claude Debussylaan 80 1082 MD Amsterdam The Netherlands
EXTERNAL COMPLIANCE OFFICER	CLCS B.V. Keizersgracht 433 1017 DJ Amsterdam The Netherlands

FUND INFORMATION (continued)

INDEPENDENT AUDITOR	PricewaterhouseCoopers Accountants N.V. Fascinatio Boulevard 350 3065 WB Rotterdam The Netherland
FINANCIAL REPORTING TO DNB	Solutional Financial Reporting B.V. Vlietweg 16/17, 5th Floor 2266 KA Leidschendam The Netherlands

^Effective 13 April 2015, the Bank of New York Mellon SA/NV replaced Citibank Europe plc as administrator and replaced Citibank International Ltd Netherlands branch as Depositary.

FUND PROFILE

Pelargos Japan Alpha Fund
The Pelargos Japan Alpha Fund (the "Fund") is an open-ended investment fund. Issue and redemption of units of participation is possible as per instruction of the Participant as described in the Prospectus. Date of commencement of the NAV calculation was 10 July 2008.

Key Features Document ("Essentiële Beleggersinformatie") and Prospectus
The Fund's Key Features Document applies containing Fund information related to its costs and risks. The Key Features Document and Prospectus are available on www.pelargoscapital.com.

Investment objective
The Fund's objective is to achieve capital appreciation through investing in long and short positions in equities related to Japanese enterprises. The Fund seeks to limit the downward risk and aims for returns that have a low correlation with the returns of the market index. To achieve the Fund's objective, the Manager may use leverage. Potentially increasing the return of the Fund through derivative positions and securities borrowing as well as increasing the exposure of the Fund by borrowing cash are regarded as leveraging techniques.

Dividend
In principle the Fund does not pay dividends. The Manager is, however, authorised to pay part of the profit available for distribution to the Participants.

Manager
Pelargos Capital B.V. is the Manager of the Fund and as such is responsible for determining and implementing the investment policy. Pelargos Capital B.V. is registered at The Netherlands Authority of the Financial Markets (AFM). The Pelargos Japan Alpha Fund does not employ any personnel, as all services are provided by the Manager.

The Manager, Pelargos Capital B.V. was incorporated on 4 March, 2008 and has its registered office in The Hague. The directors of the Manager are Orange Dragon Company B.V. (represented by R.A. (Richard) Dingemans) and Emphi B.V. (represented by P.P.J. (Patrick) van de Laar).

Depositary
The Manager has appointed The Bank of New York Mellon in Amsterdam, trading as The Bank of New York Mellon SA/NV Amsterdam Branch, as Depositary of the Fund, effective as of 13 April 2015. The Bank of New York Mellon SA/NV, Amsterdam Branch replaced Citibank International Ltd Netherlands branch as Depositary.

Stichting Pelargos Japan Alpha Fund ("Stichting") is the legal owner of the assets of the Fund. The Manager of the "Stichting" is SGG Custody B.V.

Administrator
The Bank of New York Mellon SA/NV, Amsterdam Branch, is the administrator of the Fund, effective as of 13 April, 2015; certain administration services are being outsourced to BNY Mellon Fund Services (Ireland) Ltd. in Dublin, Ireland. The Administrator was incorporated under Irish law on 31 May 1994 and is registered under number 218007 with the Companies Registration Office in Ireland. Furthermore, certain services in relation to transfer agency are being outsourced to The Bank of New York Mellon (Luxembourg) S.A.

Prime Brokers
The Prime Brokers of the Fund are Goldman Sachs International, London, United Kingdom, UBS AG, London, United Kingdom and Nomura International plc, London, United Kingdom.

MANAGER'S REPORT
For the period from 1 January 2015 to 30 June 2015

2015	Jan	Feb	Mar	Apr	May	Jun	YTD
Class A EUR	-1.28	4.85	-0.32	3.21	2.54	-1.63	7.41
Class A USD	-1.37	4.79	-0.51	3.48	2.62	-1.70	7.32
Class A JPY	-1.40	4.80	-0.51	3.11	2.88	-1.92	6.96
Class B EUR	-1.24	4.89	-0.27	3.25	2.57	-1.67	7.57

Source: BNY Mellon / Citibank Europe plc.

Note: Share class B (longer lock-up) was seeded in 2008. Class A (no lock-up) was seeded in January 2009.

Performance

In the first six months of 2015, the Pelargos Japan Alpha Fund returned +7.41% for the class A EUR, +7.32% for the class A USD, +6.96% for the class A JPY and +7.57% for the class B EUR shares. This brought the inception-to-date performance of class B shares to 54.2%, which translates into an annualized return of 6.3%. The MSCI Japan returned +15.0% in the first half of 2015 and is up 22.0% since the inception of the Fund.
The Fund size decreased to €96.7mln as a result of a rebalancing at cornerstone investor Aegon, which saw its pool of equity investments shrink due to a client asset allocation shift.

Review of first half 2015

The strong recovery of the Japanese equity market that followed the surprise monetary stimulus package by Bank of Japan (BoJ) governor Kuroda in late October 2014, continued in the first half of 2015. The markets benefited from the expansion of the QE program, which resulted in an increase of the central bank's purchase program of government bonds, equity ETFs and REITs. Additionally, the Japanese government pension fund (GPIF) announced a significant change in their strategic asset allocation. The neutral allocation towards equities jumped from 24% to 50%, at the expense of Japanese Government bonds. This move has been followed by other Japanese pension funds, resulting in a significant flow towards equities.

Other than the increased equity allocations by Japanese pension funds did Japanese equities also benefit from improved fundamentals. Despite weak macro-economic data, corporate earnings showed strong year-over-year growth. This has partly been caused by lower raw material / input costs and solid export growth due to the weak yen.
The MSCI Japan rallied 15.0% over the first six months of 2015. All sectors posted positive returns, with defensive sectors such as Pharmaceuticals and Consumer Staples being the best performing. Basic Resources and Energy lagged the market due to the sharp decline in commodity prices.

Investment policy and attribution

Towards the end of January, the long overdue reversal of Value factor underperformance finally occurred. At the same time, the market became less short-term momentum driven, which helped our systematic short-term reversal strategies. This resulted in a strong rebound of the fund's performance, especially from February through May. Style wise, the fund maintained its heavy tilt towards value factors. Bottom-up we are enthusiastic about the great value opportunities in the long book and therefore carry an elevated net exposure, which peaked at 62.2% at the end of March. Towards the end of May, Value factors started to struggle again, partly because of cyclical sector underperformance as Chinese macro-economic weakness was spreading to other Asia Pacific countries. That said, the globally depressed volatility points towards complacency and extremely positive sentiment, which in the longer term has a tendency to mean revert.
Despite the considerably high net exposure, consisting of mainly low beta stocks, the ex-ante volatility based on our short-term risk model remained in the 6% - 11% range, with a peak of 10.7% at the end of March and bottoming at 6.2% in June as portfolio risk had been reduced due to Chinese economic risk. The beta remained in a 0.20-0.36 range.

MANAGER'S REPORT (continued)
For the period from 1 January 2015 to 30 June 2015

The five largest positive contributors on a single stock level were all long positions: Moshi-Moshi Hotline, a call center operator with better than expected earnings, Takara Leben, Ryosan, Ichigo Group and Pola Orbis. The five largest negative contributors were mainly shorts: convenience store operator Familymart, Park24, online fashion retailer Start Today, Nintendo and long warehousing operator Mitsui Soko.

Outlook

The VAT hike in 2014 increased real economic volatility and distorted underlying fundamentals. The Japanese equity market was very directional; large cap, weak Yen beneficiaries and REITs performed very well, whilst valuations did not really matter. 2014 was all about price momentum in combination with earnings revisions. This rather one dimensional behavior was exacerbated by the BOJ's aggressive intervention. The BOJ, and for that matter the FED and ECB, continue to distort market prices and price signals in general. This impedes the very important role of price signaling. Price fluctuations due to constraints, be it oversupply or excessive demand, creates incentives for economic agents to correct for it. If at the very core, the price of money is distorted, everything is distorted and unintended consequences will eventually arise. Despite all the fear mongering about the Japanese government debt, the 10-year JGB is trading at close to 40bps. 0.4% p.a. for the next 10 years just does not make much economic sense. The system is broken and central bankers are desperately trying to fix it. In the process of driving yields down even further, central banks are crowding out collateral from an already weak financial system. Admittedly, it is difficult to make sense of all of this, but one thing is for sure, the perceived stability and engineered suppression of volatility will have unintended consequences as central bankers cannot control all prices all the time. One of these unintended consequences is the US dollar bull market which started in mid-2014. Most likely the US dollar strength will pause at some point, but when it reaccelerates, markets will challenge central banks to open the magic tool box once again.

The first half of 2015 delivered very strong performance in value related strategies. After years of lackluster value performance, a turning point seems to have been reached. The smart-beta bubble finally burst and the valuation gap between the cheapest and the dearest is still at multi-year extremes. The JPY depreciation is less directional, 10-year JGB's are less directional as bonds sell off and the BOJ support is very strong, but at diminishing growth rates. Marco economic data is still patchy, but on a micro level we observe a lot of positives. The shareholder return revolution is for real, and Japan is in the process of reorganizing its capital allocation process and freeing up idle capital resources. If it were to achieve the same with human resources a productivity boom will ensure.

For the time being, we continue to focus on cheap assets with conservative balance sheets that are ready to improve shareholder returns. On the short side we found a number of outrageous overvaluation situations which we closely follow. Major risks to our outlook are global macro-economic weakness which might lead to an emerging market crisis and rising geo-political risks. These risks are mounting both outside of Asia (e.g. Ukraine-Russia, Turkey and Syria) as well as in the Asia Pacific region (e.g. recent developments in the South Chinese sea and Sino-Japanese relations over disputed islands)

The Hague, 31 August 2015

R.A. Dingemans,
on behalf of Orange Dragon Company B.V.
Director Pelargos Capital B.V.

P.P.J. van de Laar,
on behalf of Emphi B.V.
Director Pelargos Capital B.V.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Note	30 June 2015 €	31 December 2014 €
Assets			
Financial assets at fair value through profit or loss	3,11	80,894,763	82,163,025
Amounts due from brokers	6	7,122,443	2,042,979
Dividends receivable		193,899	284,026
Interest receivable		-	98
Margin accounts	5	32,135,295	29,609,861
Cash and cash equivalents	4	23,730,108	31,119,326
Total assets		**144,076,508**	**145,219,315**
Liabilities			
Financial liabilities at fair value through profit or loss	3,11	(40,460,224)	(33,821,961)
Amounts due to brokers	6	(6,621,340)	(904,427)
Dividends payable		(57,319)	(199,748)
Management fee payable	7	(85,028)	(99,853)
Performance fee payable	7	(93,573)	-
Interest payable		(10,547)	(10,474)
Accrued expenses	8	(98,617)	(59,750)
Total liabilities (excluding net assets attributable to holders of redeemable units of participation)		**(47,426,648)**	**(35,096,213)**
Net assets attributable to holders of redeemable units of participation		**96,649,860**	**110,123,102**

Class A - Euro	**30 June 2015**	**31 December 2014**	**31 December 2013**
Number of units of participation (Note 13)	236.27	236.27	236.27
Net asset value per unit of participation	€ 1,356.66	€ 1,263.10	€ 1,358.08
Class B - Euro			
Number of units of participation (Note 13)	62,382.02	76,538.46	76,533.77
Net asset value per unit of participation	€ 1,541.59	€ 1,433.06	€ 1,533.07
Class A – Japanese Yen			
Number of units of participation (Note 13)	100.00	100.00	100.00
Net asset value per unit of participation	¥98,682.10	¥92,258.68	¥100,346.19
Class A – US Dollar			
Number of units of participation (Note 13)	100.00	100.00	100.00
Net asset value per unit of participation	$998.37	$930.26	$1,004.33
Total Net Asset Value	**€ 96,649,860**	**€ 110,123,102**	**€ 117,794,674**

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

STATEMENT OF COMPREHENSIVE INCOME
For the period from 1 January 2015 to 30 June 2015

	Note	1 January 2015 to 30 June 2015 €	1 January 2014 to 30 June 2014 €
Investment income			
Interest income	9	14,272	42,584
Gross dividend income	10	1,135,973	1,024,338
Net gain/(loss) on financial assets and liabilities at fair value	3	8,219,419	(6,292,135)
Net foreign exchange loss on cash and cash equivalants		(890,299)	(174,365)
Other income		36,466	-
Total income		**8,515,831**	**(5,399,578)**
Operating expenses			
Dividend expense on securities sold short	10	(358,373)	(551,214)
Performance fees	6	(93,588)	-
Management fees	6	(469,247)	(556,763)
Interest expense	8	(488,647)	(443,459)
Audit fees	6	(35,285)	(10,500)
Administration fee	6	(42,450)	(33,422)
Depositary fees	6	(37,816)	-
Legal fees	6	(13,000)	(21,000)
Other expenses	6	(10,663)	(12,517)
Trustee's fees	6	(5,575)	(12,500)
Costs of supervision	6	(6,000)	(6,000)
Total operating expenses		**(1,560,644)**	**(1,096,161)**
Profit/(loss) before taxation		**6,955,187**	**(6,495,739)**
Withholding taxes		(140,464)	(41,043)
Increase/(decrease) attributable to holders of redeemable units of participation		**6,814,723**	**(6,536,782)**

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

STATEMENT OF CASH FLOWS
For the period from 1 January 2015 to 30 June 2015

	1 January 2015 to 30 June 2015 €	1 January 2014 to 30 June 2014 €
Cash flows from operating activities		
Increase/(decrease) attributable to holders of redeemable units of	6,814,723	(6,536,782)
Adjustment for net foreign exchange loss - cash and cash equivalent	890,299	174,365
Adjustment for interest income	(14,272)	(42,584)
Adjustment for dividend income	(1,135,973)	(1,024,338)
Adjustment for interest expense	488,647	443,459
Adjustment for dividend expense	358,373	(551,214)
Adjustments to reconcile increase/(decrease) attributable to holders of redeemable units of participation to net cash provided by operating activities:		
Decrease in financial assets at fair value through profit or loss	1,268,262	14,128,041
Increase in financial liabilities at fair value though profit or loss	6,638,263	9,183,553
Increase in margin cash	(2,525,434)	-
Decrease in management fee payable	(14,825)	(12,361)
Increase/(decrease) in performance fee payable	93,573	(3,543,379)
Increase/(decrease) in amounts due to brokers	5,716,913	1,321,177
(Increase)/decrease in amounts due from brokers	(5,079,464)	1,684,358
Increase in accrued expenses	38,867	11,810
Decrease in equalisation credit payable	-	(2,133)
Cash provided by operating activities	**13,537,952**	**15,233,972**
Interest received	14,370	42,890
Dividend received	1,226,100	986,797
Interest paid	(488,574)	(441,922)
Dividend paid	(500,802)	443,459
Net cash provided by operating activities	**13,789,046**	**16,265,196**
Cash flows from financing activities		
Proceeds from issue of redeemable units of participation	3,000	35,000
Payments from redemptions of redeemable units of participation	(20,290,958)	-
Cash flow related to equalisation credit/deficit previous period	(7)	2,133
Net cash flow provided by financing activities	**(6,498,919)**	**16,302,329**
Net increase in cash and cash equivalents	7,290,127	32,567,525
Net foreign exchange loss - cash and cash equivalents	(890,299)	(174,365)
Cash and cash equivalents at the beginning of the period	31,119,326	48,407,924
Cash and cash equivalents at the end of the period	**23,730,108**	**64,535,888**

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS OF PARTICIPATION
For the period from 1 January 2015 to 30 June 2015

	Note	Number of shares	1 January 2015 to 30 June 2015 €
Balance at the beginning of the period		76,975	110,123,102
Increase attributable to holders of redeemable units of participation resulting from operations for the period		-	6,814,723
Issue of redeemable units of participation during the period		2	3,000
Proceeds from redeemable units of participation during the period	13	(14,159)	(20,290,958)
Redemption related to equalisation deficit previous year		-	(7)
Net assets attributable to holders of redeemable units of participation at the end of the period		**62,818**	**96,649,860**

	Note	Number of shares	1 January 2014 to 30 June 2014 €
Balance at the beginning of the period		76,970	117,794,674
Decrease attributable to holders of redeemable units of participation resulting from operations for the period		-	(7,087,996)
Issue of redeemable units of participation during the period	13	24	35,000
Redemption related to equalisation credit previous year	13	1	2,133
Net assets attributable to holders of redeemable units of participation at the end of the period		**76,995**	**110,743,811**

NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015

1. FUND INFORMATION

General
Japan Alpha Fund (the "Fund") is an open-ended investment fund incorporated on 19 June 2008. The first trade date for Class B (Euro) units of participation was on trade date 11 July 2008. Initial subscriptions for Class A (Euro) units of participation were received on trade date 27 January 2009. Initial subscriptions for Class A (Japanese Yen) units of participation were received on trade date 25 July 2013. Initial subscriptions for Class A (US Dollar) units of participation were received on trade date 25 July 2013. The Fund is not listed on any stock exchange. The units of participation are registered per investor.

The Fund will, under certain conditions, be able to issue and purchase units of participation. Issue and redemption of units of participation is possible on a dealing date, which is the first business day of each month. The Manager holds the right to suspend redemptions in case of extreme market circumstances, when effectuating the lock up on Class B units of participation or in case of a significant size of the redeemed amount. The right to suspend redemptions is explained in more detail in the Prospectus of the Fund.

The Fund is a Fund for Joint Account, which means that there is a contractual obligation among the Manager, the Title Holder and the Participant. The Manager was granted the license to manage investment funds under the Financial Supervision Act (Wft) as of 9 December 2010. As of 29 July 2011, the Fund has been registered under this license at The Netherlands Authority for the Financial Markets (AFM). Granted license (non-UCITS) to managers, is automatically transferred into an AIFM license as of 22 July 2014. Under AIFMD the fund appointed Citibank International Ltd, Netherlands branch, as depositary to be an independent custodian responsible for safekeeping of the Fund's assets. Effective 13 April 2015, the bank of New York Mellon SA/NV replaced Citibank International Ltd Netherlands branch as Depositary.

Since its incorporation and until 13 April 2015, the Fund appointed Citibank Europe plc as Administrator. The Administrator provides administration and transfer agency services to the Fund. Effective 13 April 2015, the Bank of New York Mellon SA/NV, Amsterdam branch, replaced Citibank Europe plc as administrator.

Certain administration services are being outsourced to BNY Mellon Fund Services (Ireland) Ltd in Dublin, Ireland. BNY Mellon Fund Services (Ireland) Ltd is a licensed entity, authorised and regulated by the Central Bank of Ireland. Furthermore, certain services in relation to transfer agency are being outsourced to The Bank of New York Mellon (Luxembourg) S.A.

The Fund's objective is to achieve capital appreciation through investing in long and short positions in equities related to Japanese enterprises. The Fund seeks to limit the downward risk and aims for returns that have a low correlation with the returns of the market index. To achieve the Fund's objective, the Manager may use leverage. Potentially increasing the return of the Fund through derivative positions and securities borrowing as well as increasing the exposure of the Fund by borrowing cash are regarded as leveraging techniques. The Fund may use leverage to achieve the return targets or for liquidity reasons in case units of participation are redeemed. Assets will predominantly be invested in Japanese securities.

Classes of participations
The assets of the Fund are divided into several Classes of Participations, with a specific fee structure, and if applicable lock-up period, for each Class of Participations. The underlying investments and risk profile of the various Classes of Participations are identical. Each Class of Participations may be further segmented in Subclasses of Participations, each such Subclass of Participations to be denominated in a different currency.

NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (continued)

2. PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance
The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), the Dutch Financial Supervision Act and Title 9 book 2 Dutch Civil Code

(b) Accounting policies
These financial statements are prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Boards (“IASB”). The significant accounting policies and estimation techniques adopted by the Fund for the six months ended 30 June 2015 are consistent with those adopted by the Fund for the annual financial statements for the year end 31 December 2014.

(c) Basis of preparation
The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss which have been measured at fair value. All accounting policies adopted by the Fund are consistent with the audited financial statements for the year ended 31 December 2014.

The financial statements are presented in Euro.

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. The Manager believes that the estimates utilised in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

The Fund’s functional and presentation currency is the euro. As most holders of Units of Participation, the Manager and the Title Holder are based and operate in Euro markets, the Fund’s performance is evaluated and its liquidity is managed in euros.

New standards, amendments and interpretations to existing standards which are relevant to the Fund and not yet effective.

IFRS 9 Financial Instruments: Classification and Measurement
The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through P&L. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial assets. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. IFRS 9 is applicable for periods beginning on or after 1 January 2018 with earlier application permitted. The Fund will assess the impact on the financial statements by then and will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (continued)

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 30 June 2015 and 31 December 2014, financial assets and liabilities at fair value through profit or loss were as follows:

Financial assets at fair value through profit or loss:	**30 June 2015**	**31 December 2014**
	€	**€**
Equity securities	80,785,306	82,031,813
Contracts-for-difference	108,555	127,846
Forward foreign currency contracts	902	3,366
Financial assets at fair value through profit or loss	80,894,763	82,163,025
Financial liabilities at fair value through profit or loss:		
Equity securities	(39,848,521)	(33,154,111)
Contracts-for-difference	(611,656)	(667,850)
Forward foreign currency contracts	(47)	-
Financial liabilities at fair value through profit or loss	(40,460,224)	(33,821,961)
Total financial assets and financial liabilities at fair value through profit or loss	**40,434,539**	**48,341,064**

In note 11 risk associated with those financial instruments held will be described.

As at 30 June 2015 and 31 December 2014, listed equity securities at fair value through profit or loss are recorded at fair value based on quoted market prices in active markets.

4. CASH AND CASH EQUIVALENTS

Cash represents short-term funds available to the Fund.

	30 June 2015	**31 December 2014**
	€	**€**
Cash at broker	23,730,108	31,119,326
Total	**23,730,108**	**31,119,326**

Cash at broker relates to cash balances with the fund’s Prime Brokers, excluding margin requirements.

NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (continued)

5. MARGIN ACCOUNTS

Margin accounts represent cash deposits with brokers, transferred as collateral against open futures or other securities.

The Prime Brokers calculates the maximum amount to be lent on the basis of all long and short securities held at the prime broker; this is called the total margin requirement. The Fund does not provide individual securities as collateral for each individual short security transaction. The total short position is taken into account in the calculation of margin requirement. The total amount of margin requirements with the Fund's Prime Brokers was €27,555,287 (31 December 2014: €26,649,211) with Goldman Sachs and €353,423 (31 December 2014: €275,332) with UBS AG and €4,226,585 (31 December 2014: €2,685,318) with Nomura International plc at 30 June 2015.

	30 June 2015	31 December 2014
	€	€
Margin accounts	32,135,295	29,609,861
Total	**32,135,295**	**29,609,861**

6. AMOUNTS DUE FROM/(TO) BROKERS

Amounts receivable from and payable to brokers include cash balances with the Fund's Prime Brokers and amounts receivable or payable for securities transactions that have not settled at the period end. Certain amounts of this cash results from the proceeds of trading securities sold short and may therefore be subject to withdrawal restrictions until such time as the securities are purchased by the Fund. The Fund has also purchased securities on margin and the related margin balances are secured on certain of the Fund's investments in securities.

As at 30 June 2015 and 31 December 2014, the following were held as amounts due to or from brokers

	30 June 2015	31 December 2014
	€	€
Balances due from brokers	7,122,443	2,042,979
Balances due to brokers	(6,621,340)	(904,427)
Amounts due from brokers	**501,103**	**1,138,552**

7. FEES AND EXPENSES

Management fee
The management fee is charged to the Fund and is credited to the Manager. The management fee is levied once a month.

The management fee is set as an annual percentage of 1.5% of the gross asset value (GAV) for Class A units of participation and 1.0% of the GAV for Class B units of participation (before deduction of the accrued performance fee). The management fee is calculated each month as one twelfth (1/12) part of the annual management fee on the GAV of the Class in question on the last business day of each month. The fee is payable, in arrears following the completion and finalisation of each month end net asset value. Management fees of €469,247 (30 June 2014: €556,763) were incurred for the period ended 30 June 2015, of which €85,028 (31 December 2014: €99,853) was payable at 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (continued)

7. FEES AND EXPENSES (continued)

Performance fee
The performance fee is charged on a unit by unit basis and is credited to the Manager. The performance fee is calculated and accrued for in each net asset calculation as at each month end.

The performance fee is equal to 20% of the annual increase in the net asset value of the capital of Class A units of Participation. The performance fee is 15% of the annual increase in the net asset value of the capital of Class B units of Participation. The performance fee will be calculated on the basis of an annual period from calendar year end to calendar year end. In a year of introduction of a new Class in a specific currency, the performance fee will be based on the period from introduction date to calendar year end. A high watermark applies. Performance fees of €93,588 (30 June 2014: €Nil) were incurred for the period ended 30 June 2015, of which €93,574 (31 December 2014: €Nil) was payable at 30 June 2015.

Performance fee – Equalisation
The performance fee is calculated according to the “equalisation” method, which means that each Participant pays a fee that truly corresponds to the increase in value of the units of participation that he/she holds. Participations are subscribed to against the gross asset value per unit of Participation. If the subscription price exceeds the high water mark (HW) on a dealing day, an equalisation credit is granted to the Participant. Following the date of grant, the value of the equalisation credit fluctuates with the increase and decrease of the NAV. The equalisation credit will at no time turn into a negative value, and it will not increase beyond the value at the time of issue. By issuing Participations against the value of the Participant’s equalisation credit at the ultimate valuation day of the financial year of the Fund, the credit will be finally settled. There was no equalisation credit at 30 June 2015 and 30 June 2014.

Conversely, a Participant that acquires Participations at a time that the HW exceeds the NAV per Participation, at which point in time the GAV equals the NAV as no performance fee is accrued, will build up an equalisation deficit from the moment that the NAV per Participation exceeds the NAV at the time of issue. Any deficit will be finally settled by way of mandatory redemption of the equalisation deficit bearing Participations. The Manager is entitled to the ensuing claim. Redemption will take place per the ultimate dealing day of the financial year of the Fund, or at redemption during the period. The equalization deficit as of 30 June 2015 amounted to €13,029 (31 December 2014: €7).

Other costs charged to the assets of the Fund

	1 January 2015 to 30 June 2015	1 January 2014 to 30 June 2014
	€	€
Administration fees	42,450	33,422
Legal fees	13,000	21,000
Audit fees	35,285	10,500
Costs of supervision	6,000	6,000
Depositary fee	37,816	-
Trustee’s fees	5,575	12,500
Miscellaneous expenses	1,233	1,500
Brokerage fees	9,430	11,017
	150,789	95,939

Costs of supervision are fees charged by the supervising authorities AFM and the Dutch Central Bank.

For the period from 22 July 2014 to 13 April 2015, the Depositary charged a fee as an annual percentage of 0.05% of the GAV at each month end. Effective 13 April 2015, the Depositary charged a fee as an annual percentage of 0.03% of the NAV at each month end subject to a minimum fee of €25,000 per annum.

Due to the changed role of the Title Holder since 22 July 2014, the Title Holder received a trustee fee of €11,000 on an annual basis.

NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (continued)

7. FEES AND EXPENSES (continued)

Subscription and redemption fees
The Fund may upon issue and redemption of a unit of Participation charge a fee up to 1.0% of the subscription and redemption amount. These costs may be charged in order to cover the costs incurred in transactions related to subscription and/or redemption and are credited to the Fund. During the period from 1 January 2015 to 30 June 2015, the Fund did charge a redemption fee of €34,466 (30 June 2014: €Nil).

Soft dollar arrangement
The Manager may choose to allocate transactions to brokers with whom the Manager has concluded a commission sharing agreement (CSA). A CSA is concluded with a view to allowing the Manager to provide a better level of service to the Fund, with the aim of improving the results. Pursuant to a CSA, the broker receives a commission for executing a transaction that is split (‘unbundled’) into: 1) execution and 2) research. The sum of money received by the broker that is related to research is entered into a separate account and may be used by the Manager in order to pay for certain services rendered by either the broker or by a third party. The Manager will, however, at all times aim for best execution. CSAs may be concluded with more than one broker.

The Fund has entered into a CSA with Merrill Lynch and Instinet in order to facilitate the purchase of generic, macro-economic, technical and company specific research services from, for example: TIS Group, Marc Faber, GMI, QAS, Elliot Wave and Starmine.

8. ACCRUED EXPENSES

Accrued expenses	**30 June 2015 €**	**31 December 2014 €**
Administration fees	22,461	8,044
Legal fees and tax advice fees	14,854	106
Depositary fee	22,299	16784
Costs of supervision	5,985	12726
Audit fees	20,039	9,474
Trustee's fees	6,722	7,109
Other accrued expenses	6,257	5,507
Total	**98,617**	**59,750**

9. INTEREST INCOME/EXPENSE AND BORROWING FEE

	1 January 2015 to 30 June 2015 €	**1 January 2014 to 30 June 2014 €**
Interest income	14,272	42,584
Interest expense	(344,949)	(285,395)
Borrowing fee	(143,698)	(158,064)
Total	**(474,375)**	**(400,875)**

Borrowing fee for the period ended 30 June 2015 and 30 June 2014 resulted from borrowing securities in relation to short positions.

NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (continued)

10. DIVIDEND INCOME/EXPENSE

	1 January 2015 to 30 June 2015	1 January 2014 to 30 June 2014
	€	€
Dividend income	1,135,973	1,024,338
Dividend expense on securities sold short	(358,373)	(551,214)
Total	**777,600**	**473,124**

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS

Risk management is an integral part of the investment and the operational process. Risk management can be distinguished in financial risk management, operational risk management and independent risk measurement. Financial risk management encompasses all elements of the investment process. A number of risk management systems allow us to notice any deviations from intended positioning and targets. Operational risk management encompasses the four areas of potential losses: processes, systems, people and external events. Risk measurement is an independent function, which is functionally separated from the operational department and portfolio management.

The Fund's investment objective is to preserve capital and then achieve absolute returns for Participants by investing in securities of Japanese Companies. The Fund aims to achieve strong risk adjusted returns without large exposure to the overall stock market and without taking high volatility single factor risks.

Financial instruments and associated risks
The Fund will primarily invest in a diversified portfolio consisting of long and short positions in listed equities. The Fund may utilise derivative financial instruments for the purpose of risk management and for potentially improving returns.

The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the Fund are discussed below.

The Fund is exposed to several risks. The Prospectus of the Fund describes an extensive list. The following risks are described below: equity risk, currency risk and interest rate risk, credit risk and liquidity risk. Each type of risk is arising from the financial instruments it holds and is discussed in turn below.

Fair value estimation
IFRS 13 states that when measuring fair value, the objective is to estimate the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions (i.e. to estimate an exit price).

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (Continued)

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Fair value estimation (continued)
The following tables analyse the fair value hierarchy of the Fund's financial assets and liabilities measured at fair value at the period ended 30 June 2015 and as at 31 December 2014:

Financial assets at fair value through profit or loss	30 June 2015 €	Level 1 €	Level 2 €	Level 3 €
Equity securities	80,785,306	80,785,306	-	-
Derivatives	109,457	-	109,457	-
Total	**80,894,763**	**80,785,306**	**109,457**	**-**

Financial liabilities at fair value through profit or loss	30 June 2015 €	Level 1 €	Level 2 €	Level 3 €
Equity securities sold short	(39,848,521)	(39,848,521)	-	-
Derivatives	(611,703)	-	(611,703)	-
Total	**(40,460,224)**	**(39,848,521)**	**(611,703)**	**-**

Financial assets at fair value through profit or loss	31 December 2014 €	Level 1 €	Level 2 €	Level 3 €
Equity securities	83,031,813	82,031,813	-	-
Derivatives	131,212	-	131,212	-
Total	**83,163,025**	**82,031,813**	**131,212**	-

Financial liabilities at fair value through profit or loss	31 December 2014 €	Level 1 €	Level 2 €	Level 3 €
Equity securities sold short	(33,154,111)	(33,154,111)	-	-
Derivatives	(667,850)	-	(667,850)	-
Total	**(33,821,961)**	**(33,154,111)**	**(667,850)**	**-**

For the period ended 30 June 2015 and the year ended 31 December 2014, there were no transfers between Levels.

Equity risk
Equity risk is the risk that the Fund is exposed to the volatility of the fair value of the equity securities it holds. The fair value of individual securities may fluctuate as a result of e.g. company specific news, broad market movements, interest rate risk or foreign currency movements. The Manager continuously monitors the (potential) determinants of the value of the securities held and the total portfolio value. As such, risk management is an integral part of investment management which comprises security selection and portfolio construction. Frequently various stock, sector and country exposures are measured and managed against the norms which have been defined for those exposures. Further the overall portfolio is monitored using various (external) portfolio risk (optimising) systems to monitor and manage market or style exposures.

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency (Euro).

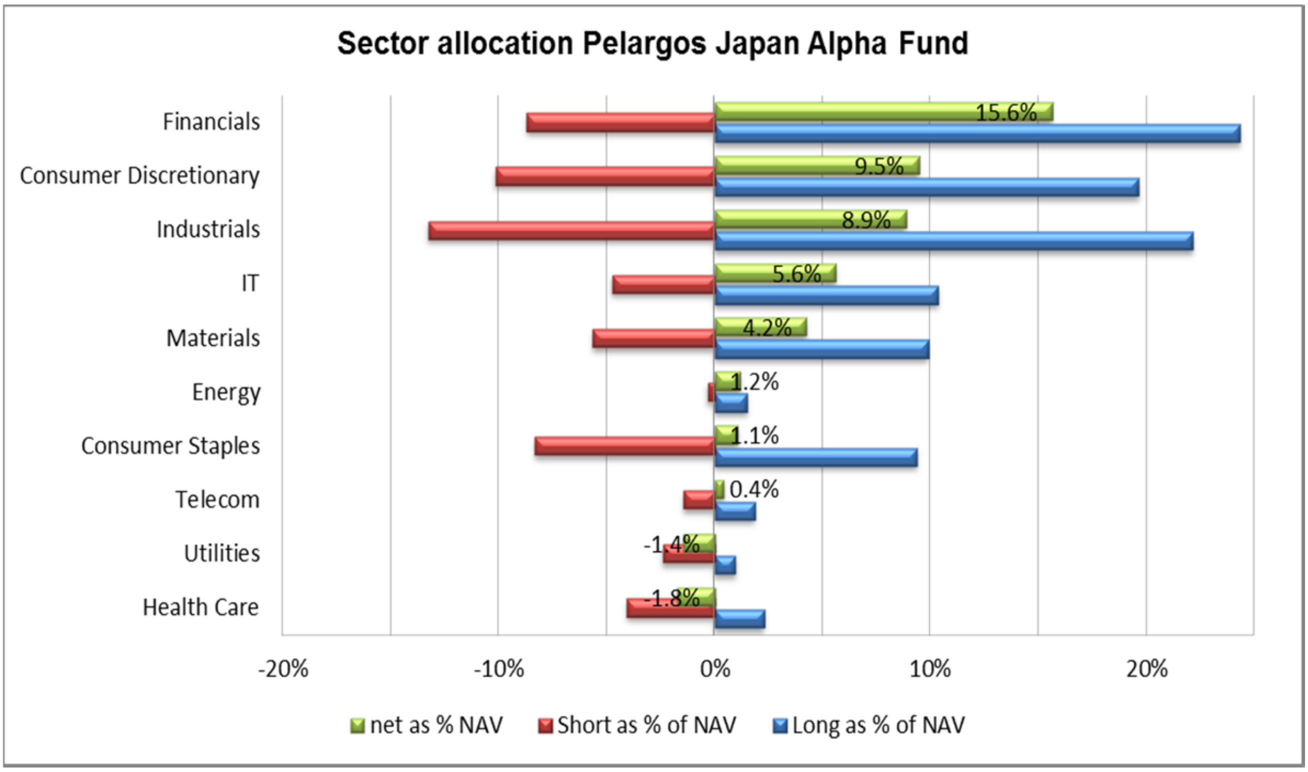
NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (Continued)

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)
Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Fund's assets or liabilities denominated in currencies other than the Euro.

The Fund has the possibility to hold and to manage currency exposures, but in principle will hedge significant exposures.

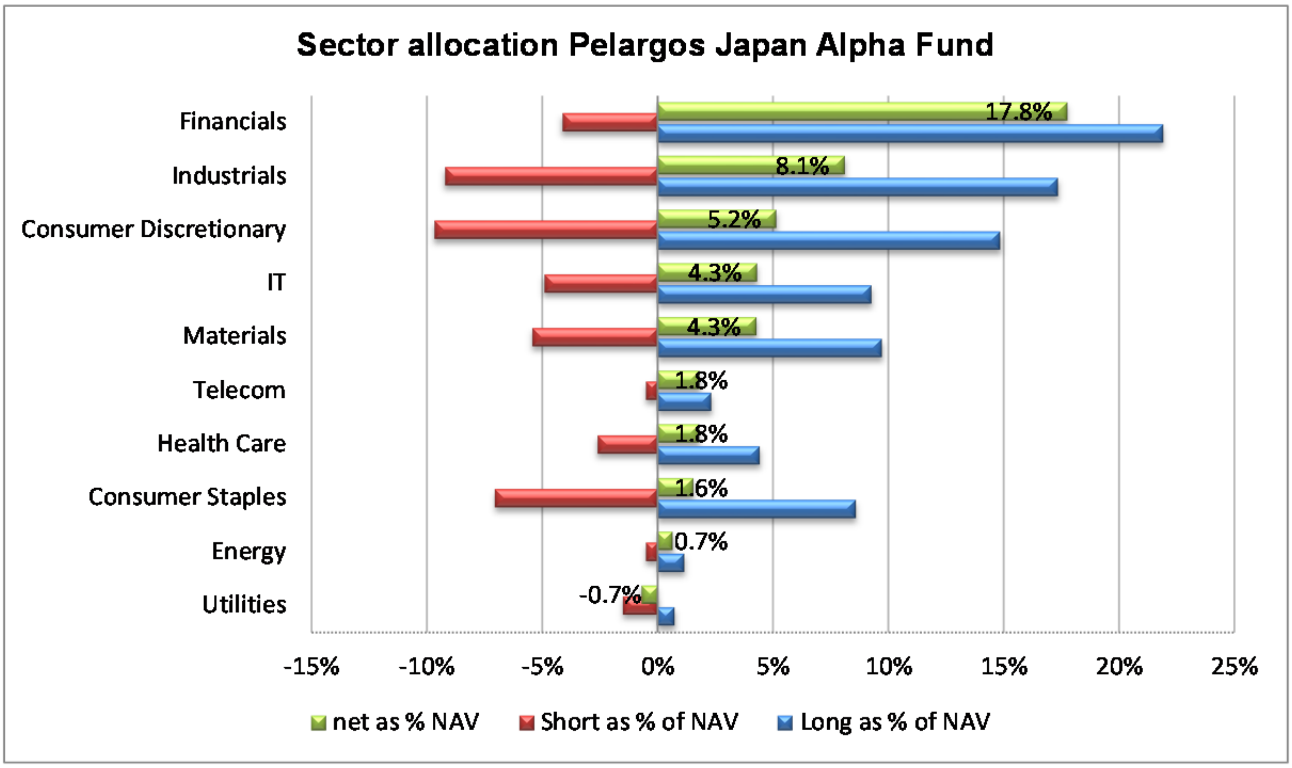
Concentration risk
The sector allocation (net exposure, long positions and short positions per sector) as a percentage of the NAV at 30 June 2015 was as follows:



NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (Continued)

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Concentration risk (continued)
The sector allocation (net exposure, long positions and short positions per sector) as a percentage of the NAV at the end of 31 December 2014 was as follows:



NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (Continued)

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Interest rate risk
The majority of the Fund's financial assets are non-interest-bearing. At the Statement of Financial Position date the Fund has not invested in deposits or fixed income securities. As a result, the Fund is subject to limited direct exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates. The Fund is subject to cash flow interest rate risk; however the effect is not considered material due to the short term nature.

Credit risk
Credit risk refers to the potential loss arising if a counterparty is unable to fulfill its financial obligations when due. The Fund is exposed to credit risk in terms of cash deposited at banks or prime brokers, (rehypothecated) securities held at prime brokers and derivatives with other financial institutions as counterparties.

For the period ended 30 June 2015, OTC derivative transactions were executed with the Fund's Prime Brokers Goldman Sachs International, UBS AG and Nomura International. The Fund's derivative contracts held were equity CFD's and forward foreign currency contracts.

To mitigate credit risk, two prime brokers have been legally appointed, allowing a transfer of securities and cash. Further, securities and cash are only held at, and derivatives are only executed with (investment grade) rated counterparties. Long term ratings for Goldman Sachs at period end were A3 (2014: Baa1 (Moody's)) and A- (2014: A- (S&P)). Long term ratings for UBS AG at period end were A1 (2014: A2) at Moody's and A (2014: A) at S&P. Long term ratings for Nomura International at period end were AA- (2014: AA-) at Japan Credit Rating Agency and BBB+ (2014: BBB+) at S&P

The Prime Brokers may acquire legal title to the Fund's assets up to an amount of more than 100% (max 140%) of the value of the (i) liabilities or (ii) net indebtedness, as the case may be, of the Fund towards the relevant Prime Brokers (rehypothecation). The Fund will have a right to the redelivery of equivalent assets from the Prime Brokers. In the event of an insolvency of either party, the obligation to redeliver will be given a cash value and will form part of a set off calculation against the amount the Fund owes the Prime Brokers. To the extent that the Prime Brokers have rehypothecated assets in excess of the amount that the Fund owes, the Fund ranks as a general creditor for the excess following the operation of set-off, with the risk that such excess may not be reclaimed. The Fund continuously monitors the creditworthiness of its Prime Brokers and has appointed multiple Prime Brokers.

To enable to short securities, the Fund borrows securities. At 30 June 2015, the Fund borrowed securities for an amount of €57,584,784 (31 December 2014: €48,820,432).

The maximum exposure in relation to financial instruments and other debtors is the carrying value of the financial assets.

The Fund has entered into master netting agreements with its Prime Brokers. Under these agreements all assets and liabilities with the Prime Brokers can be offset with each other.

Liquidity risk
Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities.

The Fund is exposed to cash redemptions of redeemable units of participation for a monthly valuation day, with 15 business day's previous notice. With regard to Class B units of participation this relates to redemption requests received after the one year lock up period.

The Fund invests the majority of its assets in investments that are listed and traded in active markets and can be readily realisable as they are all listed on major Japanese stock exchanges.

NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (Continued)

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)
The Fund may invest in derivative contracts traded over the counter, which are not traded on a regulated exchange and may be illiquid. As a result, the Fund may not be able to liquidate quickly its investments in these instruments at their fair value to meet its liquidity requirements. If OTC derivative contracts are used, the counterparties will be rigorously selected and monitored. The liquidity of all securities is continuously monitored by the Manager.

12. DERIVATIVE CONTRACTS

Typically, derivative contracts serve as components of the Fund's investment strategies and are utilised primarily to structure and hedge investments to enhance performance and reduce risk to the Fund. The derivative contracts that the Fund holds or issues are equity contracts-for-difference ("CFDs") and forward foreign currency contracts.
The Fund records its derivative activities on a mark-to-market basis. The Fund uses widely recognised valuation models for determining fair values of over-the-counter CFD derivatives.

For CFD financial instruments, inputs into models are based on the price of the underlying financial instruments and are therefore market observable. CFDs represent agreements that obligate two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset or otherwise determined notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. Therefore amounts required for the future satisfaction of the CFD may be greater or less than the amount recorded. The realised gain or loss depends upon the prices at which the underlying financial instruments of the CFD is valued at the CFD settlement date and is included in the Statement of Comprehensive Income.

The Fund purchases or sells put and call options through listed exchanges and the OTC markets. Options purchased by the Fund provide the Fund with the opportunity to purchase (call options) or sell (put options) the underlying asset at an agreed-upon value either on or before the expiration of the option. The Fund is exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value.

Forward foreign currency contracts are valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. Forward foreign currency contracts entered into by the Fund represent a firm commitment to buy or sell an underlying asset, or currency at a specified value and point in time based upon an agreed or contracted quantity. The realised/unrealised gain or loss is equal to the difference between the value of the contract at the onset and the value of the contract at settlement date/year-end date and are included in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (Continued)

12. DERIVATIVE CONTRACTS (continued)

As of 30 June 2015 and 31 December 2014, the following derivative contracts were included in the Fund's Statement of Financial Position at fair value through profit or loss:

	Fair value assets 30 June 2015 €	Fair value liabilities 30 June 2015 €
Contact-for-difference	108,555	(611,656)
Forward foreign currency contracts	902	(47)
Total derivative contracts	**109,457**	**(611,703)**

	Fair value assets 31 December 2014 €	Fair value liabilities 31 December 2014 €
Forward foreign currency contracts	3,366	-
Contracts-for-difference	127,846	(667,850)
Total derivative contracts	**131,212**	**(667,850)**

The table below details the total derivatives exposure at 30 June 2015 and 31 December 2014. Gross exposure is the sum of absolute market value of all long and short positions. Net exposure is the balance of market value of all long and short positions. At 30 June 2015 the Fund held long and short positions in CFD's.

The leverage of the Fund is a ratio between the total gross exposure and the net asset value of the Fund. The maximum leverage the Fund may have is 250%. At 30 June 2015 the leverage is 161% (31 December 2014: 136%).

30 June 2015	Net exposure	Gross exposure	Gross as % NAV
Equity	40,938,717	117,597,907	121%
Contract-for-Difference	815,752	38,412,792	40%
Total exposure	41,754,469	156,010,699	
Total as % of NAV	43%	161%	161%

31 December 2014	Net exposure	Gross exposure	Gross as % NAV
Equity	48,877,720	115,185,924	105.00%
Contract-for-Difference	523,175	34,883,981	31.00%
Total exposure	49,400,895	150,069,905	
Total as % of NAV	45%	136%	136%

NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (Continued)

13. REDEEMABLE UNITS OF PARTICIPATION

Since inception of the Fund, Class A and Class B units of participation were issued; Class B is only nominated in Euro. Class A is nominated in euro, US Dollar and Japanese Yen. The (initial) investment required for a participant in Class A is Euro 10,000, JPY 10,000,000 and USD 100,000. Subsequent subscriptions and redemptions have a minimum size of Euro 1,000, JPY 100,000 and USD 1,000.

Class B has a "lock up" of one year. The minimum (initial) investment for the 'seeding' investor', employees and employees of the directors is Euro 1,000 and for other participants Euro 10,000. Subscriptions and redemptions have a minimum size of Euro 1,000.

Each participant is entitled to cast one vote for each unit of participation. One or more participants who jointly hold at least 10% of the total number of participations can request the Manager to hold a meeting and can add topics to the agenda.

Transactions in units of participation for Class A and Class B for the period ended 30 June 2015 and period ended 30 June 2014 were as follows:

	Number of units of participation 30 June 2015	Number of units of participation 30 June 2014
Class A (EUR)		
Units of participation balance at the beginning of the period	236.27	236.27
Issue of redeemable units of participation	-	-
Units of participation at the end of the period	**236.27**	**236.27**

	Number of units of participation 30 June 2015	Number of units of participation 30 June 2014
Class B (EUR)		
Units of participation balance at the beginning of the period	76,538.46	76,533.77
Issue of redeemable units of participation	2.09	23.85
Redemption/issue related to equalisation credit/(deficit)	(0.01)	1.39
Redemption of redeemable units of participation	(14,158.52)	-
Units of participation at the end of the period	**62,382.02**	**76,559.01**

NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (Continued)

13. REDEEMABLE UNITS OF PARTICIPATION (Continued)

	Number of units of participation 30 June 2015	Number of units of participation 30 June 2014
Class A (JPY)		
Units of participation balance at the beginning of the year	100.00	100.00
Issue of redeemable units of participation	-	-
Units of participation at the end of the year	**100.00**	**100.00**

	Number of units of participation 30 June 2015	Number of units of participation 30 June 2014
Class A (USD)		
Units of participation balance at the beginning of the year	100.00	100.00
Issue of redeemable units of participation	-	-
Units of participation at the end of the year	**100.00**	**100.00**

Capital management
As a result of the ability to issue and redeem shares, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable shares beyond those included in the Fund's constitution.

The Fund's objectives for managing capital are:

1. To achieve long-term capital appreciation;
The Fund aims for returns which have a low correlation with the returns of the market index. To achieve this objective the Fund uses investment instruments and applies an investment and risk management policy as described in the prospectus.

2. To maintain sufficient liquidity to meet redemption requests as they arise.

Note 11 'Risk associated with financial instruments' explains equity risk, currency risk, interest rate risk, credit risk and liquidity risk in more detail.

14. RELATED PARTY TRANSACTIONS

Employees of directors and employees of Pelargos Capital B.V. held jointly 285.31 (31 December 2014: 283.23) Units of Participation Class B in the Fund. Pelargos Capital B.V. held 136.47 (31 December: 2014: 136.47) Units of Participation Class A Euro, 100 (31 December 2014: 100) Units of Participation Class A USD and 100 (31 December 2014:100) Units of Participation Class A JPY in the Fund. Aegon Levensverzekering N.V. is participant in the Fund with Nil (31 December 2014: 9,950) Units of Participation. Aegon Levensverzekering N.V. is a 100% subsidiary of Aegon Nederland N.V., which is a 100% subsidiary of Aegon N.V.

Two investment funds managed by Aegon Investment Management B.V. (AIM B.V.) held 62,065.17 (31 December 2014: 66,252.01) Units of Participation Class B and 99.80 (31 December 2014: 99.80) Units of Participation Class A.

AIM B.V. is a 100% subsidiary of Aegon Asset Management Holding B.V., which is a 100% subsidiary of Aegon N.V. Aegon Asset Management Holding B.V. holds 73.34% (31 December 2014: 73.34 %) of the shares in Pelargos Capital B.V.

NOTES TO THE FINANCIAL STATEMENTS
For the period from 1 January 2015 to 30 June 2015 (Continued)

15. PERSONAL INTERESTS OF DIRECTORS

In accordance with article 122 paragraph 2 Bgfo the Fund is required to list the total holdings in securities by the (employees of) directors in investments, which are also held by the Fund as of 1 January up to 30 June 2015.

As of 30 June 2015 and 31 December 2014 there are no personal interests of the employees of directors in investments, which were also held by the Fund.

As of 30 June 2015 and 31 December 2014 the personal interests of the employees of directors in the Fund are as follows:

	Market Value 30 June 2015	Market Value 31 December 2014
	€	€
Pelargos Japan Alpha Fund	277,585	405,880
	277,585	**405,880**

16. SUBSEQUENT EVENTS

There are no subsequent events impacting the Fund subsequent to 30 June 2015.

OTHER NOTES
For the period from 1 January 2015 to 30 June 2015

1. DIVIDEND AND ALLOCATION OF RESULT

During the period from 1 January 2015 to 30 June 2015, the Fund did not pay dividends. The result is included in the Net assets attributable to holders of redeemable units of participation.

2. VOTING POLICY

The Fund does not pursue an active voting policy.

3. APPROVAL OF THE FINANCIAL STATEMENTS

The Manager approved the financial statements on 31 August 2015.

OTHER NOTES
For the period from 1 January 2015 to 30 June 2015 (Continued)

The accompanying Statement of Financial Position as at 30 June 2015 and the Statement of Comprehensive Income and Statement of Changes in Net Assets Attributable to Holders of Redeemable Units of Participation for the period then ended have been compiled from the records of the Pelargos Japan Alpha Fund and from other information supplied to us by the Fund. There has not been an audit performed and consequently, there is not an opinion expressed on these accounts.