PELARGOS JAPAN ALPHA FUND

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD FROM

1 JANUARY 2017
TO
30 JUNE 2017

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, 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. Amerika Building Hoogoorddreef 15 1101 BA 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

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 Net Asset Value ("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. (the "Manager") 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 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 P.P.J. (Patrick) van de Laar).

Depositary
The Manager has appointed The Bank of New York Mellon SA/NV in Amsterdam, trading as The Bank of New York Mellon SA/NV Amsterdam Branch, as Depositary of the Fund.

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, certain administration services are being outsourced to BNY Mellon Fund Services (Ireland) Designated Activity Company (DAC) 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 (the "Prime Brokers") of the Fund are Goldman Sachs International, UBS AG and Nomura International plc.

MANAGER'S REPORT (continued)
For the period from 1 January 2017 to 30 June 2017

Investment policy and attribution (continued)

The five largest positive contributors on a single stock level were all long positions and were either driven by very strong earnings/price momentum or deep value situations that started to re-rate. In decreasing order they were : Pola Orbis (earnings momentum), Imasen (deep value), Technopro (earnings momentum), H.I.S. (deep value) and Sumco (earnings momentum). The five largest negative contributors were a mix of long and short positions, and in increasing order: Sumitomo Metal Mining (long), Honda Motor (long), Nintendo (short), Takara Leben (long) and Ichigo Group (long).

Outlook

For the first half of 2017 we expected that value stocks would continue to outperform as yields needed to adjust higher globally, be it due to better economic growth or central banks' tapering. The timing of this thesis was certainly off and finally in June we saw a distinct improvement in our indicators and somewhat higher yields ignited the long overdue rally in our 'too-cheap-to-be-true' long positions.

Global economic growth is far from buoyant. We expect sub-par growth for the coming years and this continues to put pressure on yields. By association, through indiscriminately designed ETF baskets, bond-like equity outperforms cyclicals as yields head lower. However, this phenomenon offers a great opportunity as we find plenty of long ideas, which are outrageously inexpensive especially compared to the excessive valuations paid for the 'recession-proof' consumer stocks. Even within the Japanese context there are pockets of structural growth. Global IT capex is booming driven by Internet-of-Things and increased chip penetration in everything, most noteworthy cars. The bottom-up research coverage in Japan remains anemic and therefore little attention is paid to the great earnings potential those companies have.

With regards to the outlook for the second half of 2017 it is worth repeating that our long book has tremendous upside. Valuations are still cheap, earnings revisions are trending upwardly and buyback programs are accretive for shareholders, which is supportive from a flow perspective. This is more or less a sweet spot for Japanese equities and despite that Japan is still amongst the worst performing developed equity markets globally. With the headwinds, such as lower yields and strong yen, stabilizing the re-rating potential on a short-term basis is great. Now that value has bottomed out and the performance has recovered, we have started to increase gross and net exposure to optimally benefit from these great opportunities.

The Hague, 31 August 2017

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

P.P.J. van de Laar,
Director Pelargos Capital B.V.

P.P.

MICHAEL KRETSCHMER
DIRECTOR CIO

STATEMENT OF COMPREHENSIVE INCOME
For the period from 1 January 2017 to 30 June 2017

	Note	1 January 2017 to 30 June 2017	1 January 2016 to 30 June 2016
		€	€
Investment income			
Interest income	9	-	591
Gross dividend income	10	829,311	1,000,464
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss		(827,105)	2,610,973
Net gain/(loss) on cash and cash equivalents		389,815	(3,970,745)
Total income/(loss)		**392,021**	**(358,717)**
Operating expenses			
Dividend expense on securities sold short	10	(357,657)	(468,662)
Performance fee	7	-	(6,415)
Management fee	7	(441,701)	(453,097)
Interest expense and borrowing fee	9	(337,294)	(461,795)
Audit fee		(15,760)	(15,250)
Administration fee		(45,271)	(46,950)
Depositary fee	7	(16,015)	(16,421)
Legal fee		-	(5,000)
Costs of supervision	7	(6,000)	(6,000)
Trustee's fee	7	(6,371)	(5,575)
Other expenses		(9,466)	(10,688)
Total operating expenses		**(1,235,535)**	**(1,495,853)**
Loss before taxation		**(843,514)**	**(1,854,570)**
Withholding taxes		(113,927)	(130,495)
Loss after taxation		**(957,441)**	**(1,985,065)**
Other comprehensive income		-	-
Decrease attributable to holders of redeemable units of participation		**(957,441)**	**(1,985,065)**

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS OF PARTICIPATION
For the period from 1 January 2017 to 30 June 2017

	Note	Number of shares	1 January 2017 to 30 June 2017 €
Balance at the beginning of period		**60,181**	**93,584,787**
Decrease attributable to holders of redeemable units of participation resulting from operations during the period		-	(957,441)
Issue of redeemable units of participation during the period	13	23	36,000
Proceeds from redeemable units of participation during the period	13	(3,801)	(5,860,000)
Redemption related to equalisation deficit previous period		(3)	(5,088)
Net assets attributable to holders of redeemable units of participation at the end of the period		**56,400**	**86,798,258**

	Note	Number of shares	1 January 2016 to 30 June 2016 €
Balance at the beginning of the period		59,483	90,622,724
Decrease attributable to holders of redeemable units of participation resulting from operations for the period		-	(1,985,065)
Proceeds from redeemable units of participation during the period	13	(1,439)	(2,242,600)
Redemption related to equalisation deficit previous period		(8)	(11,878)
Net assets attributable to holders of redeemable units of participation at the end of the period		**58,036**	**86,383,181**

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 1 January 2017 to 30 June 2017

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(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 2016.

The financial statements are presented in Euro.

The preparation of financial statements in conformity with IFRS, as adopted by the EU, 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.

There are no standards and amendments to existing standards that are effective for the first time for the financial period beginning 1 January 2017 that have a material impact on the Fund.

New standards, amendments and interpretations effective after 1 January 2017 and have not yet been early adopted by the Fund.

The below mentioned standards, amendments to standards and interpretations in issue are not yet effective, and have not been applied in preparing these financial statements. Management is currently assessing the possible impact of these new standards and interpretations.

IFRS 9 Financial Instruments (effective date 1 January 2018)
IFRS 9 replaces the multiple classification and measurement models in IAS 39 Financial instruments: Recognition and Measurement with a single model that has initially only two classification categories: amortised cost and fair value. Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognised at fair value.

All fair value movements on financial assets are taken through the statement of profit or loss, except for equity investments that are not held for trading, which may be recorded in the statement of profit or loss or in reserves (without subsequent recycling to profit or loss).

For financial liabilities that are measured under the fair value option entities will need to recognise the part of the fair value change that is due to changes in the their own credit risk in other comprehensive income rather than profit or loss.

The new hedge accounting rules (released in December 2013) align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

In December 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. With these amendments, IFRS 9 is now complete.

The Fund will assess the impact on the financial statements prior to the effective date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 1 January 2017 to 30 June 2017

5. MARGIN ACCOUNTS

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

The Prime Brokers calculate the maximum amount to be loaned 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 €23,194,327 (31 December 2016: €23,934,160) with Goldman Sachs International, €347,518 (31 December 2016: €560,140) with UBS AG and €Nil (31 December 2016: €Nil) with Nomura International plc as at 30 June 2017.

The total amount of margin requirements with the Fund's Prime Brokers as at 30 June 2017 and 31 December 2016 was as follows:

	30 June 2017	31 December 2016
	€	€
Margin accounts	23,541,845	24,494,300
Total	**23,541,845**	**24,494,300**

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 year-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 2017 and 31 December 2016, the following were held as amounts due to or from brokers:

	30 June 2017	31 December 2016
	€	€
Balances due from brokers	5,380,813	2,539,423
Balances due to brokers	(2,785,915)	(446,303)
Net amounts due to/from brokers	**2,594,898**	**2,093,120**

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 accrued on a monthly basis. The fee is payable, in arrears following the completion and finalization of each month end net asset value. Management fees of €441,701 (30 June 2016: €453,097) were incurred for the period ended 30 June 2017, of which €71,530 (31 December 2016: €79,674) was payable at 30 June 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 1 January 2017 to 30 June 2017

7. FEES AND EXPENSES (continued)

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.

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, Starmine and Tap Japan.

8. ACCRUED EXPENSES

	30 June 2017	31 December 2016
	€	€
Administration fee	25,619	57,893
Audit fee	15,958	31,973
Costs of supervision	6,321	321
Depositary fee	4,993	14,595
Legal and tax advice fees	5,274	16,524
Trustee's fee	3,020	3,446
Other accrued expenses	600	-
Total	**61,785**	**124,752**

9. INTEREST INCOME/EXPENSE AND BORROWING FEE

	1 January 2017 to 30 June 2017	1 January 2016 to 30 June 2016
	€	€
Interest income	-	591
Interest expense	(238,465)	(348,529)
Borrowing fee	(98,829)	(113,266)
Total	**(337,294)**	**(461,204)**

Borrowing fees incurred during the period resulted from borrowing securities in relation to short positions.

10. DIVIDEND INCOME/EXPENSE

	1 January 2017 to 30 June 2017	1 January 2016 to 30 June 2016
	€	€
Gross dividend income	829,311	1,000,464
Dividend expense on securities sold short	(357,657)	(468,662)
Total	**471,654**	**531,802**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 1 January 2017 to 30 June 2017

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Fair value estimation (continued)
The following tables analyses the fair value hierarchy of the Fund's financial assets and liabilities measured at fair value at the period ended 30 June 2017 and as at 31 December 2016:

Financial assets at fair value through profit or loss	30 June 2017	Level 1	Level 2	Level 3
	€	€	€	€
Equity securities	63,185,085	63,185,085	-	-
Derivatives	285,832	285,832	-	-
Total	**63,470,917**	**63,470,917**	-	-

Financial assets at fair value through profit or loss	30 June 2017	Level 1	Level 2	Level 3
	€	€	€	€
Equity securities sold short	(38,300,546)	(38,300,546)	-	-
Derivatives	-	-	-	-
Total	**(38,300,546)**	**(38,300,546)**	-	-

Financial assets at fair value through profit or loss	31 December 2016	Level 1	Level 2	Level 3
	€	€	€	€
Equity securities	65,486,790	65,486,790	-	-
Derivatives	23,687	23,687	-	-
Total	**65,510,477**	**65,510,477**	-	-

Financial assets at fair value through profit or loss	31 December 2016	Level 1	Level 2	Level 3
	€	€	€	€
Equity securities sold short	(40,278,204)	(40,278,204)	-	-
Derivatives	-	-	-	-
Total	**(40,278,204)**	**(40,278,204)**	-	-

For the period ended 30 June 2017 and the year ended 31 December 2016, there were no transfers between Levels.

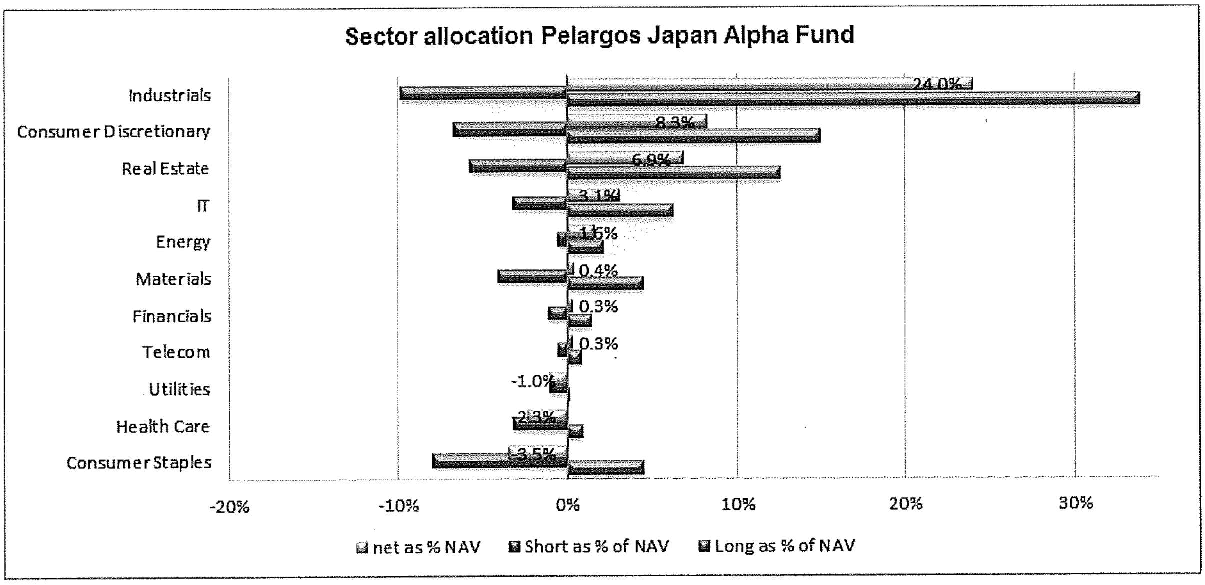
For assets and liabilities carried at amortised cost, their carrying values are a reasonable approximation of fair value.

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 (optimizing) systems to monitor and manage market or style exposures.

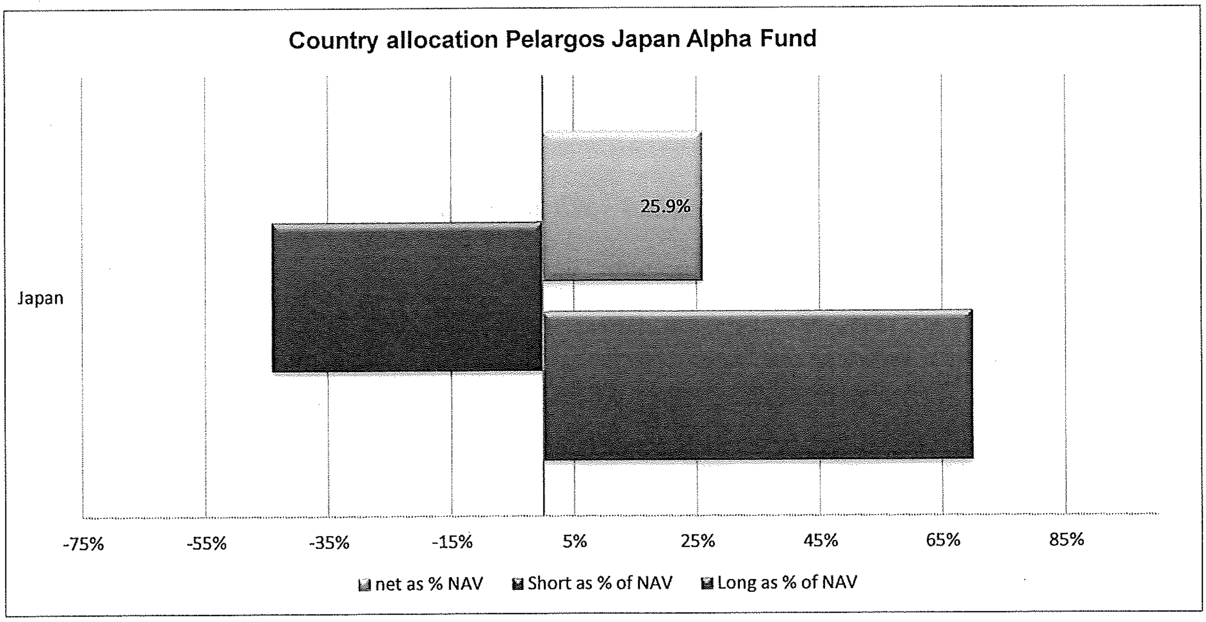
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 1 January 2017 to 30 June 2017

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)
The sector allocation (net exposure, long positions and short positions per sector) as a percentage of the NAV at 30 June 2017 was as follows:



The country allocation (net exposure, long positions and short positions per country) as a percentage of the NAV at 31 December 2016 was as follows:



NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 1 January 2017 to 30 June 2017

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)
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.

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

To enable to short securities, the Fund borrows securities. At 30 June 2017, the Fund borrowed securities for an amount of €38,299,458 (31 December 2016: €39,157,770).

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

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.

The Fund invests the majority of its assets in investments that are listed and traded in active markets, all listed on major Japanese stock exchanges. The liquidity of all securities will be continuously monitored by the Manager, who aims to be able to exit 50% of the assets in the Fund within one week and 95% in one month time.

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.

12. DERIVATIVE CONTRACTS

Typically, derivative contracts serve as components of the Fund's investment strategies and are utilized primarily to structure and hedge investments to enhance performance and reduce risk to the Fund. The derivative contracts that the Fund held or issued, were equity contracts for difference, futures and options.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 1 January 2017 to 30 June 2017

12. DERIVATIVE CONTRACTS (continued)

The table below details the total derivatives exposure at 30 June 2017 and 31 December 2016. 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 2017 the Fund held an equity index option (31 December 2016: 1).

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 2017 the leverage is 126.20% (31 December 2016: 114%).

30 June 2017	Net exposure	Gross exposure	Gross as % NAV
	€	€	€
Equities	24,883,832	101,482,749	116.9%
Options	8,098,468	8,098,468	9.3%
Total exposure	32,982,300	109,581,217	
Total as % of NAV	38.0%	126.2%	126.2%

31 December 2016	Net exposure	Gross exposure	Gross as % NAV
	€	€	€
Equities	25,209,489	105,768,782	113.0%
Options	(973,957)	973,957	1.0%
Total exposure	24,235,532	106,742,739	
Total as % of NAV	25.9%	114.0%	114.0%

13. REDEEMABLE UNITS OF PARTICIPATION

Since inception of the Fund Class A and Class B units of participation were issued, Class A and B are denominated in Euro. The (initial) investment required for a participant in Class A is Euro 10,000. Subsequent subscriptions and redemptions have a minimum size of Euro 1,000.

The minimum (initial) investment in Class A and B 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.

On 11 May 2017, a new Class C units of participation was introduced. The Class C units of participation may be issued in two subclasses denominated in US Dollars and in Euro. Class C units of participation in USD have been issued as of 3 July 2017.

The minimum (initial) investment in Class C for the 'seeding' investor, employees and employees of the directors is Euro 1,000 and USD 1,000 and for other participants Euro 100,000 and USD 100,000. Subscriptions and redemptions have a minimum size of Euro and USD 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 1 January 2017 to 30 June 2017

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 30 June 2017.

As of 30 June 2017 and 31 December 2016 there are no personal interests of the employees of directors in investments, which were also held by the Fund.

As of 30 June 2017 and 31 December 2016 the personal interests of employees of directors and non-executive director of the Fund are as follows:

	Market Value 30 June 2017 €	**Market Value 31 December 2016 €**
Pelargos Japan Alpha Fund	386,578	374,326
Total	**386,578**	**374,326**

16. DIVIDEND AND ALLOCATION OF RESULT

During the period from 1 January 2017 to 30 June 2017, the Fund did not pay dividends. The result is included in the net assets attributable to holders of redeemable units of participation.

17. VOTING POLICY

The Manager adheres to the Japan Stewardship Code (the "Code") as of September 2016. The Code, published in 2014, sets out best practice principles for responsible institutional investors. The Manager has a voting policy to support the Code and will in the best interest of the participants engage with Japan listed companies in which the Fund invests.

18. INVESTOR MONEY REGULATIONS

In response to the Central Bank of Ireland publishing the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (the "Investor Money Regulations" or "IMR") in March 2015 (effective from 1 July 2016), the Manager undertook, together with BNY Mellon Fund Services (Ireland) Designated Activity Company, a review of the way in which subscription, distribution and redemption monies are channelled to and from the Fund. As a result of this review, subscription and redemption monies are (effective from 1 July 2016), channelled through a cash collection account in the name of the Fund. Pending issue of the units and / or payment of subscription proceeds to an account in the name of the Fund, and pending payment of redemption proceeds or distributions, the relevant investor will be an unsecured creditor of the Fund in respect of amounts paid by or due to it. At 30 June 2017, the value of such subscriptions amounted to €7,000 (31 December 2016: €20,000) and is included within cash and cash equivalents.

19. SUBSEQUENT EVENTS

There are no subsequent events impacting the Fund subsequent to 30 June 2017 up to the date of approval of these financial statements.

20. APPROVAL OF THE FINANCIAL STATEMENTS

The Manager approved the financial statements on 31 August 2017.