Afkar ICAV

Condensed Unaudited Interim Report & Financial Statements

For the period from 1 January 2017 to 30 June 2017

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Directors and Other Information

Directors of the ICAV
Seif Fikry (Egyptian)[1]
Barry Harrington (Irish)[1]
Feargal Dempsey (Irish)[2]

Registered Office of the ICAV
Arthur Cox Building
Ten Earlsfort Terrace
Dublin 2
Ireland

Investment Adviser, Promoter and Distributor
Afkar Capital Limited[1]
Office 2445 Al Sila Tower
Al Maryah Island
ADGM Square Abu Dhabi
United Arab Emirates

ICAV Secretary
Bradwell Limited
Ten Earlsfort Terrace
Dublin 2
Ireland

Investment Manager of the Sub-Fund
Sturgeon Ventures LLP
Linstead House
2nd Floor
9 Disraeli Road
London SW15 2DR
England

Independent Auditors
PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Depositary
BNY Mellon Trust Company (Ireland) Limited
Guild House
Guild Street
International Financial Services Centre
Dublin 1
Ireland

Legal Advisors to the ICAV
Arthur Cox
Ten Earlsfort Terrace
Dublin 2
Ireland

Administrator, Registrar and Transfer Agent
BNY Mellon Fund Services (Ireland) Designated Activity Company
Guild House
Guild Street
International Financial Services Centre
Dublin 1
Ireland

[1] A related party to Afkar ICAV.
[2] Independent Director.

Statement of Directors' Responsibilities

The Board of Directors (the "Directors") present their Interim Report together with the Unaudited Financial Statements of Afkar ICAV (the "ICAV") for the period ended 30 June 2017.

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

The Irish Collective Asset-Management Vehicles Act 2015 (the "ICAV Act") Section 110 requires the Directors to prepare financial statements for each financial year/period. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and applicable law.

Under the ICAV Act the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the ICAV and of its changes in net assets attributable to holders of redeemable participating shares for that financial year/period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS and ensure that they contain the additional information required by the ICAV Act; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICAV will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

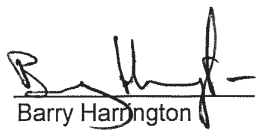
The Directors are also responsible for safeguarding the assets of the ICAV and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as amended (the "Central Bank UCITS Regulations"), the Directors are required to entrust the assets of the ICAV to the Depositary for safekeeping. In carrying out this duty, the Directors have delegated custody of the ICAV's assets to BNY Mellon Trust Company Ireland (Limited). They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the ICAV Act.

Transactions with Connected Persons
Regulation 41 of the Central Bank UCITS Regulations "Restrictions of transactions with connected persons" states that "A responsible person shall ensure that any transaction between a UCITS and a connected person is conducted a) at arm's length; and b) in the best interest of the shareholders of the UCITS".

As required under Central Bank UCITS Regulation 78.4, the Directors, as responsible persons are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 41(1) are applied to all transactions with a connected party; and all transactions with connected parties that were entered into during the period to which the report relates complied with the obligations that are prescribed by Regulation 41(1).

On behalf of the Board of Directors:

Director: 
Barry Harrington

Date: 22 August 2017

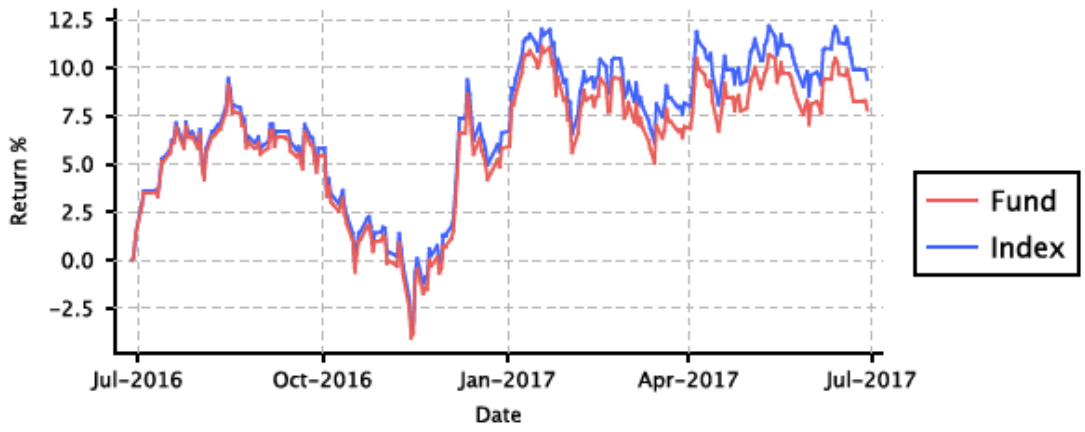
Investment Manager's Report
Afkar S&P UAE UCITS ETF

Investment Objective

Afkar S&P UAE UCITS ETF (the "Fund") seeks to provide investment returns, before fees and other costs, that closely correspond to the performance of the S&P UAE BMI Liquid 20/35 Capped Index NTR (the "Index"). The Index comprises of equity securities listed on the 3 UAE stock exchanges – Dubai Financial Market, Abu Dhabi Securities Exchange and NASDAQ Dubai.

Fund Performance

As of 30 June 2017, the NAV per share was AED 3.989 compared to AED 3.916 on 31 December, 2016 giving a return of 1.84% net of fees. This compares to a return of 2.60% for the Index for the same period.



*The Fund and Index data specified in the graph are calculated since inception of the Fund
** Data Source: Based on figures provided by the Fund Administrator – BNY Mellon Fund Services (Ireland) DAC

Tracking Difference

The tracking difference is calculated as the difference between the return for the Fund and the return for the Index. It is expected that the level of tracking error will be 0-2% per annum in normal market conditions.

The tracking difference for the Fund for the period from 1 January 2017 to 30 June 2017 was -0.76%. This comprised of -0.50% in management fees and -0.26% due to cash drag.

Fund AUM

The Assets Under Management of the Fund as of 30 June 2017 were AED 11,966,160.

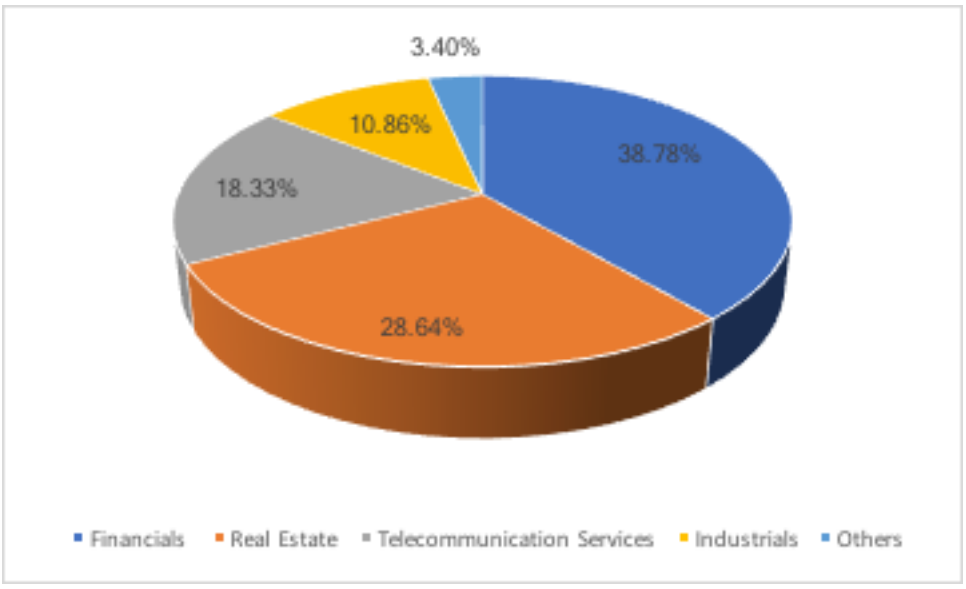
Investment Manager's Report (Continued)
Afkar S&P UAE UCITS ETF

Fund's Portfolio and Sector Composition

Top 10 Holdings of Afkar S&P UAE UCITS ETF as of 30 June 2017

Holding Name	Weight
Emirates Telecommunications Group	18.33%
First Abu Dhabi Bank	17.42%
Emaar Properties	16.63%
Abu Dhabi Commercial Bank	8.02%
DP World Ltd.	7.77%
ALDAR Properties	4.37%
Dubai Islamic Bank	4.29%
DAMAC Properties Dubai Co PJSC	3.26%
Union National Bank	3.15%
EMAAR MALLS PJSC	3.00%

Sector Allocation of Afkar S&P UAE UCITS ETF as of 30 June 2017



*Data Source: S&P Dow Jones Indices LLC

Fund's Holdings by Stock Exchange as of 30 June 2017

Stock Exchange Name	Weight
Abu Dhabi Securities Exchange (ADX)	55.09%
Dubai Financial Market (DFM)	37.12%
NASDAQ Dubai	7.79%
Total	**100%**

*Data Source: Afkar Capital Limited

Investment Manager's Report (Continued)
Afkar S&P UAE UCITS ETF

Market Review

The first half of 2017 was a very eventful 6 months particularly in world politics. President Trump was inaugurated in January and has since been the subject of numerous controversies. Equity markets initially rose on the expectation of economic reforms and, despite no significant reforms being passed, continued to rise due to positive economic data in the US. Both the S&P 500 and Dow Jones Industrial Average gained around 8% hitting all-time highs on the way.

The UK triggered Article 50 in March, which is the official notice for its divorce from the EU, following which Prime Minister Theresa May called a snap election with the intention of strengthening her position only to lose seats and cling to power with a minority government. Uncertainty still surrounds the exit from the EU. Elsewhere in Europe, the Netherlands saw the defeat of a right-wing candidate followed by France with the election of Emmanuel Macron and defeat for Marine Le Pen.

In the UAE both the Dubai Financial Market and the Abu Dhabi Securities exchange fell by -3.93% and -2.66% respectively as Brent and Crude oil fell back below US$50 per barrel, housing prices continued to fall (report are that the market will bottom out during 2017) and job growth also remained low. The Fund however increased by 1.84% for the 6 months to 30 June 2017 which was -0.26% less than its index, the S&P UAE BMI Liquid Capped 20/35 Index, before taking account of management fees.

Sturgeon Ventures LLP
Linstead House
2nd Floor
9 Disraeli Road
London SW15 2DR
England
Date: 31 July 2017

Statement of Financial Position

	Notes	Afkar S&P UAE UCITS ETF As at 30 June 2017 AED	Afkar S&P UAE UCITS ETF As at 31 December 2016 AED
Assets			
Cash and cash equivalents	2(l), 5, 6,13	68,802	33,474
Financial assets at fair value through profit or loss:	2(b), 6		
Transferable securities		11,942,624	1,964,735
Total Current Assets		**12,011,426**	**1,998,209**
Liabilities			
Management fee payable	9	(36,267)	(13,380)
Other liabilities	13	(8,999)	(26,997)
Total Current Liabilities		**(45,266)**	**(40,377)**
Net assets attributable to holders of redeemable participating shares	16	**11,966,160**	**1,957,832**

On behalf of the Board of Directors:

Chairman: Barry Harrington

Date: 22 August 2017

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

Statement of Comprehensive Income

	Notes	Afkar S&P UAE UCITS ETF Period ended 30 June 2017 AED	Afkar S&P UAE UCITS ETF Period ended 31 December 2016* AED
Income			
Dividend income	2(e)	79,736	7,979
Net (losses)/gains on financial assets and liabilities at fair value through profit or loss	2(b),4	(82,188)	21,798
Other income		668	–
Total investment (loss)/income		(1,784)	29,777
Operating expenses			
Management fee	9	(22,888)	(13,380)
Net (loss)/income		(24,672)	16,397
(Loss)/profit for the period before tax		(24,672)	16,397
(Decrease)/increase in net assets resulting from operations attributable to holders of redeemable participating shares		**(24,672)**	**16,397**

*Period from 28 June 2016 (inception of the Fund) to 31 December 2016.

Gains and losses are solely from continuing operations. There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.

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

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

	Notes	Afkar S&P UAE UCITS ETF Period ended 30 June 2017 AED	Afkar S&P UAE UCITS ETF Period ended 31 December 2016* AED
Net assets attributable to holders of redeemable participating shares at beginning of the period		1,957,832	–
(Decrease)/increase in net assets resulting from operations attributable to holders of redeemable participating shares		(24,672)	16,397
Amounts received on issue of redeemable participating shares	3	10,033,000	3,808,435
Amounts paid on redemption of redeemable participating shares	3	–	(1,867,000)
Increase in net assets resulting from share transactions		10,033,000	1,941,435
Net assets attributable to holders of redeemable participating shares at end of the period		**11,966,160**	**1,957,832**

*Period from 28 June 2016 (inception of the Fund) to 31 December 2016.

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

Statement of Cash Flows

	Afkar S&P UAE UCITS ETF Period ended 30 June 2017 AED	Afkar S&P UAE UCITS ETF Period ended 31 December 2016* AED
Cash flows from operating activities		
Proceeds from sale of investments (including realised gains)	165,633	–
Purchase of investments	(213,914)	(39,558)
Dividend income received	79,736	7,979
Other liabilities	(17,998)	26,997
Net cash inflow/(outflow) from operating activities	**13,457**	**(4,582)**
Cash flows from financing activities		
Amounts received on issue of redeemable participating shares	21,871	38,105
Amounts paid on redemption of redeemable participating shares	–	(49)
Net cash inflow from financing activities	**21,871**	**38,056**
Net increase in cash and cash equivalents	35,328	33,474
Cash and cash equivalents at beginning of period	33,474	–
Cash and cash equivalents at end of the period	**68,802**	**33,474**

*Period from 28 June 2016 (inception of the Fund) to 31 December 2016.

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

Notes to the Financial Statements

1. Organisation

Afkar ICAV (the ‘’ICAV’’) is an open-ended Irish collective asset-management vehicle established under the laws of Ireland pursuant to the Irish Collective Asset-Management Vehicles Act 2015 (the “ICAV Act”), the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended (the “UCITS Regulations”) and the Central Bank (Supervision and Enforcement Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as amended (the “Central Bank UCITS Regulations”). It was established on 29 April 2016.

The ICAV is structured as an umbrella fund with segregated liability between Sub-Funds. The instrument of incorporation provides that the ICAV may offer separate classes of shares, each representing interests in a Sub-Fund comprising a distinct portfolio of investments. In addition, each Sub-Fund may be further divided into a number of different classes within the Sub-Fund.

With the prior approval of the Central Bank of Ireland (the “CBI’’), the ICAV from time to time may create an additional Sub-Fund or Sub-Funds. The creation of further share classes shall be notified to and cleared by the CBI.

As at 30 June 2017 and 31 December 2016, the ICAV consisted of one Sub-Fund Afkar S&P UAE UCITS ETF (the “Sub-Fund”). As at 30 June 2017, the Sub-Fund had one share class in issue – AED A share class.

The Sub-Fund seeks to provide investors with a total return, taking into account capital and income returns, which reflects the return of an equity index called the S&P UAE BMI Liquid 20/35 Capped Index (the “Index”).

The Sub-Fund was incorporated on the 23 June 2016 and launched on 28 June 2016.

The shares of the Sub-Fund are listed and admitted for trading on the Dubai Financial Market.

2. Significant Accounting Policies

(a) Basis of Preparation

These condensed unaudited interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting", the ICAV Act, the UCITS Regulations and the Central Bank UCITS Regulations.

The condensed unaudited interim financial statements have been prepared on a going concern basis which assumes that the ICAV will continue in operational existence for the foreseeable future. The condensed interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. The condensed interim unaudited financial statements should be read in conjunction with the audited financial statements for the period ended 31 December 2016.

The preparation of the condensed interim financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Directors make estimates and assumptions concerning the future of the ICAV. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Comparatives shown throughout are for the period ended 31 December 2016 as the Fund only launched on the 28 June 2016.

The significant accounting policies adopted by the ICAV are set out below. These policies have been consistently applied to the financial periods presented unless otherwise stated.

Notes to the Financial Statements (continued)

2. Significant Accounting Policies (continued)

(b) Financial assets and liabilities at fair value through profit or loss

The fair value of financial instruments is based on their quoted market prices, in an active market, at the period end date without any deduction for estimated future selling costs.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the reporting date.

If a quoted market price in an active market is not available on a recognised stock exchange or from a broker/dealer for non-exchange traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the period end date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the period end date.

(i) Classification and recognition

IAS 39 sets out the requirements for recognition and measurement of all financial assets and financial liabilities including derivative instruments. The ICAV has classified all financial instruments as financial assets or financial liabilities at fair value through profit or loss in accordance with IAS 39.

The category of financial assets and financial liabilities at fair value through profit or loss comprises:

- Financial instruments held for trading: A financial asset or a financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. As at the period end the ICAV invests entirely in equities.

Financial assets that are not at fair value through profit or loss include cash and cash equivalents which are generally short term in nature. These assets together with accounts receivable are classified as loans and receivables.

Financial liabilities that are not at fair value through profit or loss include balances due to brokers, accounts payable and financial liabilities arising on redeemable participating shares. These liabilities are classified as other financial liabilities.

The ICAV recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument, and all significant rights and access to the benefits from the assets, and the exposure to the risks inherent in those benefits, are transferred to the ICAV.

A purchase of financial assets is recognised using trade date accounting. From this date any gains and losses arising from changes in the fair value of the financial assets or financial liabilities are recorded in the Statement of Comprehensive Income.

(ii) Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Notes to the Financial Statements (continued)

2. Significant Accounting Policies (continued)

(b) Financial assets and liabilities at fair value through profit or loss (continued)

(ii) Measurement (continued)

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. The fair value of instruments traded in active markets is based on quoted market prices at the period end date.

Financial liabilities, arising from the redeemable shares issued by the ICAV, are carried at the redemption amount representing the Shareholders' right to a residual interest in the ICAV's assets.

(iii) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired or the ICAV has transferred substantially all risks and rewards of ownership. A financial liability is derecognised when the obligation specified in the contract has been discharged, cancelled or expired.

(c) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in United Arab Emirates Dirham (”AED”) (the “presentation currency”). Items included in the ICAV’s financial statements are measured and presented using the currency of the primary economic environment in which it operates. The functional currency and presentation currency of the existing Sub-Fund is AED as it invests primarily in AED denominated securities.

(ii) Transactions and balances

Monetary assets and liabilities denominated in currencies other then the functional currency are translated into the functional currency at the closing rate of exchange at the period end date. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Translation differences on non-monetary items, held at fair value through profit and loss are reported as part of the fair value gain and loss.

Reported net realised and unrealised gains and losses arising from foreign currency transactions are reflected in the Statement of Comprehensive Income.

(d) Transaction Costs

Transaction costs are incurred on the acquisition or disposal of financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers, interest or taxes payable in respect of purchase and sale transactions. Transaction costs when incurred are expensed immediately and are included within net gain/loss on financial assets and liabilities at fair value through profit and loss in the Statement of Comprehensive Income.

(e) Dividend income

Dividends are credited to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as "ex dividend". Income is shown gross of any non-recoverable withholding tax, which is disclosed separately in the Statement of Comprehensive Income, and net of any tax credits.

Notes to the Financial Statements (continued)

2. Significant Accounting Policies (continued)

(f) Interest income and interest expense

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. Interest expense is recognised on an accruals basis in line with the contractual terms. Interest is accrued on a daily basis.

(g) Redeemable participating shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. Any distributions on these shares are recognised in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

(h) Fees and charges

A management fee is expensed as incurred and is charged to the Statement of Comprehensive Income on an accruals basis. Refer to note 9 for more detail.

(i) Gains and losses on investments

Realised gains or losses on disposal of investments during the period and unrealised gains and losses on valuation of investments held at the period end are recognised within the net gains/(losses) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

(j) Cash flows

The ICAV has prepared a Statement of Cash Flows using the direct method, whereby major classes of cash receipts and payments related to operating activities are disclosed.

(k) Dividend policy

It is not proposed that the Directors will declare a dividend in respect of the Sub-Fund. Full details of any change to a Sub-Funds' dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

(l) Cash and Cash equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents, if any, are short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

(m) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(n) Establishment expenses

Any establishment expenses in respect of the Sub-Fund were borne by Afkar Capital Limited.

3. Share Capital

The share capital of the ICAV shall at all times equal the Net Asset Value of the ICAV. The Directors are empowered to issue up to 500 billion shares of no par value in the ICAV at the Net Asset Value per Share. There are no rights of pre-emption upon the issue of shares in the ICAV. The Subscriber shares do not participate in the assets of any Sub-Fund.

The ICAV reserves the right to redeem some or all of the Subscriber shares provided that the ICAV at all times has a minimum issued share capital to the value of €300,000. There are two Subscriber shares in issue.

Notes to the Financial Statements (continued)

3. Share Capital (continued)

Each of the shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of a Sub-Fund attributable to the relevant class in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber shares' entitlement is limited to the amount subscribed and accrued interest thereon.

Each of the shares entitles the holder to attend and vote at meetings of the ICAV and of the Sub-Fund represented by those shares. No class of shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other class of shares or any voting rights in relation to matters relating solely to any other class of shares.

The Directors reserve the right to redesignate any class of shares from time to time, provided that Shareholders in that class shall first have been notified by the ICAV thirty calendar days in advance that the shares will be redesignated and shall have been given the opportunity to have their shares redeemed by the ICAV, except that this requirement shall not apply where the Directors redesignate shares in issue in order to facilitate the creation of an additional class of shares.

During the periods ended 30 June 2017 and 31 December 2016 the number of redeemable shares issued and redeemed was as follows:

	Afkar S&P UAE UCITS ETF	Afkar S&P UAE UCITS ETF
	Period ended 30 June 2017	Period ended 31 December 2016
Balance at beginning of financial period	500,000	–
Shares issued	2,500,000	1,000,000
Shares redeemed	–	(500,000)
Balance at end of financial period	**3,000,000**	**500,000**

Refer to page 9 for details of amounts received on issue of redeemable participating shares and amounts transferred on redemption of redeemable participating shares.

During the period ended 30 June 2017 there were in specie transactions of AED 10,011,129 in respect of subscriptions.

During the period ended 31 December 2016 there were in specie transactions of AED 3,770,330 in respect of subscriptions and AED 1,866,951 in respect of redemptions.

4. Net Gains/(Losses) on Financial Assets and Liabilities at Fair Value Through Profit or Loss

	Afkar S&P UAE UCITS ETF	Afkar S&P UAE UCITS ETF
	Period ended 30 June 2017 AED	Period ended 31 December 2016 AED
Net realised gain/(losses) on sale of investments	(654)	(36,227)
Net change in unrealised (depreciation)/appreciation on investments	(81,528)	58,016
Other currency (losses)/gains	(6)	9
Net (losses)/gains on financial assets and liabilities at fair value through profit or loss	(82,188)	21,798

Notes to the Financial Statements (continued)

5. Cash and Cash Equivalents

Any cash and cash equivalents at the periods ended 30 June 2017 and 31 December 2016 are held at the Depositary BNY Mellon Trust Company (Ireland) Limited.

6. Financial Assets and Financial Liabilities at Fair Value through Profit or Loss

IFRS 13 'Fair Value Measurement' requires disclosure relating to the fair value hierarchy in which fair value measurements are categorised as assets and liabilities in the Statement of Financial Position.

The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value. The fair value of financial assets and financial liabilities traded in an active market (such as trading securities) are based on quoted market prices at the close of trading on the reporting date.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The ICAV uses a variety of methods and makes assumptions that are based on market conditions existing at the reporting date. The fair value hierarchy has 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).

As the fair values of the ICAV's investments are based on quoted prices in active markets, the ICAV's financial assets measured at fair value are considered Level 1 for the periods ended 30 June 2017 and 31 December 2016.

There were no transfers between levels during the periods ended 30 June 2017 and 31 December 2016 for the Sub-Fund.

Assets and liabilities not carried at fair value but for which fair value is disclosed

The ICAV's assets and liabilities (by class) not measured at fair value at 30 June 2017 and 31 December 2016 but for which fair value is disclosed within the fair value hierarchy are considered Level 2, except for cash and cash equivalents, which are considered Level 1.

Cash and cash equivalents include cash in hand, deposits held with banks and brokers

The table below provides an analysis of financial instruments at 30 June 2017 and 31 December 2016 that are measured at fair value in accordance with IFRS 13:

	As at 30 June 2017				As at 31 December 2016			
	Level 1 AED	Level 2 AED	Level 3 AED	Total AED	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Held for Trading								
Common Stock	11,942,624	–	–	11,942,624	1,964,735	–	–	1,964,735
Total	**11,942,624**	–	–	**11,942,624**	**1,964,735**	–	–	**1,964,735**

Notes to the Financial Statements (continued)

7. Efficient Portfolio Management

The Investment Manager does not currently intend to use financial derivative instruments. Prior to a Sub-Fund engaging in financial derivative instrument transactions a risk management process will be submitted to and cleared by the CBI in accordance with the Central Bank UCITS Regulations. Supplementary information relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments shall be supplied to Shareholders upon request.

8. Taxation

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

However, Irish tax can arise on the happening of a "chargeable event" in the ICAV. A chargeable event includes any payments of distributions to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of shares and any deemed disposal of shares as described below for Irish tax purposes arising as a result of holding shares in the ICAV for a period of eight years or more. Where a chargeable event occurs, the ICAV is required to account for the Irish tax thereon.

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

a) the Shareholder is neither resident nor ordinarily resident in Ireland ("Non-Irish Resident") and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the ICAV is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or

b) the Shareholder is Non-Irish Resident and has confirmed that to the ICAV and the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence is deemed to have been complied with in respect of the Shareholder and the approval has not been withdrawn; or

c) the Shareholder is an Exempt Irish Resident as defined below.

A reference to "intermediary" means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds shares in an investment undertaking on behalf of other persons.

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- a transfer of shares between spouses/civil partners and any transfer of shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
- an exchange by a Shareholder, effected by way of arm's length bargain where no payment is made to the Shareholder, of shares in the ICAV for other shares in the ICAV; or
- an exchange of shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the ICAV with another investment undertaking.

9. Expenses

The ICAV has delegated responsibility for the investment and re-investment of the Sub-Fund's assets to Sturgeon Ventures LLP (the "Investment Manager") pursuant to the Investment Management Agreement. The Investment Manager will be responsible to the ICAV for managing the assets of the Sub-Fund in accordance with the investment objectives and policies described in the Prospectus, subject always to the supervision and direction of the Directors.

The ICAV shall pay to the Investment Manager out of the Sub-Fund's assets an annual management fee of a percentage of the Sub-Fund's average daily net assets on a monthly basis.

Notes to the Financial Statements (continued)

9. Expenses (continued)

The table below sets forth the annual maximum management fee that the Investment Manager may receive from the Sub-Fund.

Fund	Annual management fee (% of average daily Net Asset Value)
Afkar S&P UAE UCITS ETF	1.00%

The Annual Management fee covers all of the ordinary fees, operating costs and expenses payable by the Sub-Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the ICAV.

The Investment Manager has also agreed to discharge the ICAV's audit fee and tax charge, out of the annual management fee.

In the event that a Sub-Fund's operational, establishment and/or registration expenses combined exceed the stated annual management fee, the Investment Manager shall discharge any excess out of its own assets.

Transaction costs
Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss plus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs on purchases and sales of equities are included in net gains/(losses) on investments in the Statement of Comprehensive Income. For the periods ended 30 June 2017 and 31 December 2016, the Sub-Fund incurred transaction costs on purchases and sales as follows:

	30 June 2017 AED	31 December 2016 AED
Afkar S&P UAE UCITS ETF	1,703	225

10. Related Parties

Mr Seif Fikry is employed by Afkar Capital Limited. As outlined on page 2 of this report, Afkar Capital Limited acts as the ICAV's Promoter, Distributor and Investment Adviser.

Mr Barry Harrington is a director of KB Associates which provide compliance and MLRO services to the ICAV.

Mr Feargal Dempsey is an independent Director.

The Directors are all non-executive directors.

Mr Feargal Dempsey is the only Director that received a fee for his services during the period ended 30 June 2017. The Directors' fees are paid by Afkar Capital Limited. The Directors fees paid for work effectuated from 1 January 2017 to 30 June 2017 were €10,000. Mr Barry Harrington will receive a Directors fee from 1 July 2017.

Other liabilities on the Statement of Financial Position relate to amounts payable to Afkar Capital Limited, a related party to the ICAV and the Administrator for transaction and custody fees in respect of the in specie transactions during the period.

11. Contingent Liabilities and Commitments

There were no significant liabilities or commitments at 30 June 2017 and 31 December 2016.

Notes to the Financial Statements (continued)

12. Segregation of Liability

The ICAV is an umbrella fund with segregated liability between Sub-Funds and each Sub-Fund may comprise one or more classes of shares. The Directors may, from time to time, upon the prior approval of the CBI, establish further Sub-Funds by the issue of one or more separate classes of shares on such terms as the Directors may resolve. The Directors may, from time to time, in accordance with the requirements of the CBI, establish one or more separate classes of shares within each Sub-Fund on such terms as the Directors may resolve.

13. Umbrella Cash Collection Accounts

The CBI published 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 Investment Manager, together with BNY Mellon Fund Services Designated Activity Company implemented procedures in relation to the way subscription and redemption monies are channelled on the ICAV. These transactions are channelled through an umbrella cash collection account in the name of the ICAV. Pending issue of the shares and/or payment of subscription proceeds to an account in the name of the ICAV or the relevant Sub-Funds, and pending payment of redemption proceeds or distributions, the relevant investor will be an unsecured creditor of the relevant Sub-Fund in respect of amounts paid by or due to it. As at 30 June 2017, a balance of AED 8,999 (31 December 2016: AED 26,997) in this account is included within cash and cash equivalents on the Statement of Financial Position.

14. Significant Events during the period

A revised prospectus and KIID for the Afkar S&P UAE UCITS ETF was noted by the CBI on 25 May 2017. The major changes to the revised prospectus were to the distribution policy which would apply to any distributing classes of shares. It was updated to state that any distributions would be paid semi-annually (at the Directors discretion) and also to allow the flexibility to pay these distributions out of capital.

There were no other significant events during the period that require disclosure in the financial statements.

15. Subsequent Events after the period

There have been no significant subsequent events after the period end that require disclosure in the financial statements.

16. Net Asset Value Attributable to Holders of Redeemable Participating Shares

Financial period ended 30 June 2017	30 June 2017	31 December 2016
	Afkar S&P UAE UCITS ETF	Afkar S&P UAE UCITS ETF
	AED	AED
Total Net Asset Value		
A-AED Shares	11,966,160	1,957,832
Net Asset Value per Share		
A-AED Shares	3.989	3.916

17. Soft Commissions

No soft commission arrangements were entered into during the periods ended 30 June 2017 and 31 December 2016.

Notes to the Financial Statements (continued)

18. Exchange Rates

The following exchange rates were used to convert investments, assets and liabilities to the presentation currency of the ICAV:

	As at 30 June 2017	As at 31 December 2016
US Dollar	3.6729	3.6729

Afkar ICAV
Condensed Unaudited Interim Report & Financial Statements
For the period from 1 January 2017 to 30 June 2017

Portfolio Listing

Afkar S&P UAE UCITS ETF

As at 30 June 2017

Transferable securities admitted to an official stock exchange

Security Description	Nominal	Fair Value AED	% of Net Assets
United Arab Emirates 99.80%			
Abu Dhabi Commercial Bank PJSC	136,934	959,907	8.02
Agthia Group PJSC	10,851	60,657	0.51
Air Arabia PJSC	159,885	163,083	1.36
Ajman Bank PJSC	57,296	65,317	0.55
Al Waha Capital PJSC	66,621	114,588	0.96
Aldar Properties PJSC	227,507	523,266	4.37
Amanat Holdings PJSC	79,571	90,711	0.76
Amlak Finance PJSC	41,960	39,862	0.33
Arabtec Holding PJSC	53,600	153,832	1.28
DAMAC Properties Dubai Co PJSC	123,535	390,371	3.26
Dana Gas PJSC	238,484	152,630	1.28
Deyaar Development PJSC	101,002	51,410	0.43
DP World Ltd	12,100	929,737	7.77
Dubai Financial Market PJSC	111,872	124,178	1.04
Dubai Investments PJSC	104,050	216,424	1.81
Dubai Islamic Bank PJSC	90,061	513,348	4.29
DXB Entertainments PJSC	223,737	169,145	1.41
Emaar Malls PJSC	142,361	358,750	3.00
Emaar Properties PJSC	255,842	1,990,451	16.63
Emirates Telecommunications Group Co PJSC	126,771	2,193,138	18.33
Eshraq Properties Co PJSC	79,655	68,503	0.57
First Abu Dhabi Bank PJSC	198,562	2,084,901	17.42
Gulf General Investment Co	52,608	19,623	0.16
National Central Cooling Co PJSC	25,301	53,132	0.45
RAK Properties PJSC	68,525	43,856	0.37
SHUAA Capital PSC	32,025	34,587	0.29
Union National Bank PJSC	80,259	377,217	3.15
Total United Arab Emirates		**11,942,624**	**99.80**
Total Transferable securities admitted to an official stock exchange		**11,942,624**	**99.80**
Total Financial assets at fair value through profit or loss		**11,942,624**	**99.80**
Cash and cash equivalents		**68,802**	**0.57**
Other liabilities		**(45,266)**	**(0.37)**
Total Net assets attributable to holders of redeemable participating shares		**11,966,160**	**100.00**

Analysis of total assets	% of Total Assets
Transferable securities admitted to an official stock exchange listing	99.50
Cash and cash equivalents	0.50
Total Assets	100.00

Statement of Portfolio Changes

Afkar S&P UAE UCITS ETF
Major Purchases*

Security Description	Nominal	Cost AED
Emirates Telecommunications Group Co PJSC	106,693	1,879,331
First Abu Dhabi Bank PJSC	167,242	1,841,750
Emaar Properties PJSC	215,344	1,558,682
Abu Dhabi Commercial Bank PJSC	114,326	822,670
DP World Ltd	10,184	812,760
Dubai Islamic Bank PJSC	75,799	442,427
Aldar Properties PJSC	191,202	426,193
Union National Bank PJSC	67,554	338,779
Emaar Malls PJSC	119,826	313,905
DAMAC Properties Dubai Co PJSC	103,980	286,971
Dubai Investments PJSC	86,871	182,783
DXB Entertainments PJSC	186,798	157,908
Arabtec Holding PJSC	192,407	151,122
Air Arabia PJSC	133,488	133,922
Dubai Financial Market PJSC	93,402	104,057
Al Waha Capital PJSC	55,622	98,790
Dana Gas PJSC	199,110	84,028
Amanat Holdings PJSC	69,759	77,214
Eshraq Properties Co PJSC	66,504	72,227
Orascom Construction Ltd	2,964	62,817

* In accordance with the Central Bank UCITS Regulations, the interim report documents material changes that have occurred in the disposition of the assets of the ICAV during the period. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of the purchases for the period and/or aggregate disposals greater than 1 per cent of the total value of sales for the period. If there are fewer than 20 purchases/sales that meet the material changes definition, the ICAV shall disclose those purchases/sales so at least 20 purchases/sales are disclosed.

Statement of Portfolio Changes (continued)

Afkar S&P UAE UCITS ETF
Major Sales*

Security Description	Nominal	Proceeds AED
Orascom Construction Ltd	3,550	76,059
Ras Al Khaimah Ceramics	29,417	71,277
Union Properties PJSC	11,462	10,825
Invest Bank PSC	3,650	7,481

* In accordance with the Central Bank UCITS Regulations, the interim report documents material changes that have occurred in the disposition of the assets of the ICAV during the period. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of the purchases for the period and/or aggregate disposals greater than 1 per cent of the total value of sales for the period. If there are fewer than 20 purchases/sales that meet the material changes definition, the ICAV shall disclose those purchases/sales so at least 20 purchases/sales are disclosed. All sales pertaining to the period ended 30 June 2017 have been detailed above.

Independent Auditor's Report

Independent review report to Afkar ICAV

Report on the condensed interim financial statements

Our conclusion

We have reviewed Afkar ICAV's condensed interim financial statements (the "interim financial statements") in the Condensed Unaudited Interim Report & Financial Statements of Afkar ICAV for the six month period ended 30 June 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

What we have reviewed

The interim financial statements, comprise:

- the statement of financial position as at 30 June 2017;
- the statement of comprehensive income for the period then ended;
- the statement of cash flows for the period then ended;
- the statement of changes in net assets attributable to redeemable participating shares for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Condensed Unaudited Interim Report & Financial Statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the ICAV is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Condensed Unaudited Interim Report & Financial Statements, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Condensed Unaudited Interim Report & Financial Statements in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Our responsibility is to express a conclusion on the interim financial statements in the Condensed Unaudited Interim Report & Financial Statements based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the listing rules of the Dubai Financial Market and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom and Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Condensed Unaudited Interim Report & Financial Statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers.

PricewaterhouseCoopers
Chartered Accountants
22 August 2017
Dublin