Afkar ICAV

Annual Report & Audited Financial Statements

For the year ended 31 December 2017

ICAV Registration Number: C153784

Afkar ICAV
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For the year ended 31 December 2017

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Directors and Other Information

Directors of the ICAV
Seif Fikry (Resigned 6 April 2018) (Egyptian)[1/2]
Barry Harrington (Irish)[1]
Feargal Dempsey (Chairman) (Irish)[3]
Arsheen Saulat (Appointed 6 April 2018) (British)[1/2]

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
One Dockland Central
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
One Dockland Central
Guild Street
International Financial Services Centre
Dublin 1
Ireland

[1] A related party to Afkar ICAV.
[2] Refer to Note 14.
[3] Independent Director.

Directors' Report

The Board of Directors (the "Directors") presents their Annual Report together with the Audited Financial Statements of the Afkar ICAV (the "ICAV") for the year ended 31 December 2017.

Statement of Directors' Responsibilities
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. 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. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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"), 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.

Adequate Accounting Records
The Directors believe that they have complied with the ICAV Act with regard to accounting records by engaging the services of an Administrator, who employs personnel with appropriate expertise and adequate resources to provide the ICAV's finance function.

The ICAV has appointed Sturgeon Ventures LLP (the "Investment Manager") as investment manager of the ICAV who has, in turn appointed Afkar Capital Limited (the "Investment Adviser") as the investment adviser and BNY Mellon Fund Services (Ireland) Designated Activity Company (the "Administrator") as the administrator. The ICAV has appointed BNY Mellon Trust Company (Ireland) Limited (the "Depositary") to act as depositary of the ICAV's assets.

The measures taken by the Directors to secure compliance with the ICAV's obligations to keep adequate accounting records include the use of appropriate systems and procedures and the employment of competent persons. The accounting records are retained at the office of the Administrator at One Dockland Central, Guild Street, International Financial Services Centre, Dublin 1, Ireland.

Directors' Report (continued)

Corporate Governance Statement
The ICAV is subject to corporate governance practices imposed by:

(i) The ICAV Act, which is available for inspection at the registered office of the ICAV, and may also be obtained at http://www.irishstatutebook.ie;

(ii) The Instrument of Incorporation of the ICAV which is available for inspection at the registered office of the ICAV at Arthur Cox Building, Ten Earlsfort Terrace, Dublin 2, Ireland;

(iii) The Central Bank of Ireland ("CBI") in their UCITS Regulations which can be obtained from the CBI website at www.centralbank.ie and are available for inspection at the registered office of the ICAV; and

(iv) The Dubai Financial Market ("DFM") through the Securities and Commodities Authority's ("SCA") Rules and Regulations which can be obtained from the DFM's website at http://www.dfm.ae/regulations

From inception of the ICAV the Directors voluntarily adopted and applied the Irish Funds Corporate Governance Code (the "IF Code") for Irish Domiciled Collective Investment Schemes issued in December 2011. The IF Code reflects existing corporate governance practices imposed on Irish authorised collective investment schemes and is available on request from the ICAV Secretary.

The ICAV is not subject to the amendments to general corporate law required by any European directives.

Composition and Operation of the Board of Directors
Unless otherwise determined by an ordinary resolution of the ICAV in general meeting and in accordance with Section 56 of the ICAV Act, the number of Directors may not be less than two. Currently the Board of Directors of the ICAV is composed of three Directors.

The business of the ICAV is managed by the Directors, who exercise all such powers of the ICAV which are not required by the ICAV Act or by the Instrument of Incorporation of the ICAV to be exercised by the ICAV in a general meeting. The Directors meet on a quarterly basis or more frequently, if required.

A Director may, and the Secretary of the ICAV on the requisition of a Director will, at any time summon a meeting of the Directors. Questions arising at any meeting of the Directors are determined by a majority of votes. In the case of an equality of votes, the Chairman has a second or casting vote. The quorum necessary for the transaction of business at a meeting of the Directors is two.

Directors and Secretary
The Directors as at 31 December 2017 are listed in Directors and Other Information on page 2. Bradwell Limited held the office of ICAV Secretary (the "Secretary") throughout the year.

Directors' Remuneration
The Board of Directors as a whole reviews Directors' remuneration, having agreed that a separate remuneration committee is not appropriate for an ICAV of this size and nature. The ICAV does not have any executive directors; therefore, the provisions of the IF Code relating to executive directors' remuneration are not applicable. The Director's policy is that the remuneration of non-executive Directors should be fair and reasonable in relation to the time commitment and responsibilities of the Directors. Directors' fees of the ICAV are paid by Afkar Capital Limited.

Directors' and Secretary's Interests in Shares and Contracts
The Directors, Secretary and their families had no interest in the shares of the ICAV at 31 December 2017. Other than as disclosed in Note 10 to the Financial Statements, none of the Directors had a material interest in any contract or agreement of significance, as defined in the ICAV Act, during or at the end of the year in relation to the business of the ICAV.

Employees
The governance framework of the ICAV reflects the fact that it has no employees or subsidiary companies and outsources investment management and administration.

Directors' Report (continued)

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 person; and all transactions with connected persons that were entered into during the year to which the report relates complied with the obligations that are prescribed by Regulation 41(1).

Principal Activities: Review of the Business and Future Developments
The ICAV is an open-ended Irish collective asset-management vehicle with segregated liability between Sub-Funds established under the laws of Ireland pursuant to the ICAV Act, the UCITS Regulations and the Central Bank UCITS Regulations. It was established on 29 April 2016.

As at 31 December 2017 and 31 December 2016, the ICAV consisted of one Sub-Fund Afkar S&P UAE UCITS ETF (the "Sub-Fund"). As at 31 December 2017 and 31 December 2016, 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 Investment Manager's Report contains a review of the factors which contributed to the performance for the year ended 31 December 2017.

Principal Risks and Uncertainties
The main risks arising from the ICAV's financial instruments are market price, interest rate, currency and liquidity risk which are outlined in Note 3 to these financial statements.

The ICAV's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Sub-Fund's financial performance. Investment in the ICAV carries with it a degree of risk including, but not limited to, the risks referred to in Note 3 of these financial statements.

The ICAV's business activities, together with the factors likely to affect its future development, performance and position are set out in the Investment Manager's Report. The financial position of the ICAV is described on pages 16 to 19. In addition, the Investment Manager's Report sets out the objective and the outlook for the Sub-Fund. The ICAV has minimal levels of tracking error. As a consequence, the Directors believe that the ICAV is well placed to manage its business successfully.

Significant Events during the year
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.

Effective 30 October 2017, Seif Fikry resigned from his position as Chief Executive Officer and indicated his intention to resign as Director of Afkar Capital Limited, who are the Investment Adviser, Promoter and Distributor for the Afkar ICAV.

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

Directors' Report (continued)

Subsequent Events after the year end
Effective 6 April 2018, Seif Fikry resigned from the Board of Directors of the ICAV and Arsheen Saulat was approved by the CBI as a Director of the ICAV.

Effective 23 April 2018, the Board of Directors made the decision to terminate the ICAV. Subsequently, on 30 April 2018 the ICAV was suspended from trading.

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

Results and Dividends
The results for the year are set out in the Statement of Comprehensive Income. The Directors are empowered by the Instrument of Incorporation to declare and pay dividends in respect of the shares in any Sub-Fund in the ICAV out of the net income of the relevant Sub-Fund less accrued expenses of the ICAV. It is not the current intention of the Directors to declare dividends in respect of the Sub-Fund. No dividends were declared for the year ended 31 December 2017.

Independent Auditors
PwC have expressed their willingness to continue in office in accordance with Section 125(4) of the ICAV Act.

On behalf of the Board of Directors:

Director: Feargal Dempsey

Director: Barry Harrington

Date: 4 May 2018

BNY MELLON

BNY Mellon Trust Company (Ireland) Limited
Unit 6100, Avenue 6000
Airport Business Park
Cork, T12 XV22, Ireland

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Afkar ICAV
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For the year ended 31 December 2017

Report from the Depositary to the Shareholders

For the period from 1 January 2017 to 31 December 2017 (the "**Period**").

BNY Mellon Trust Company (Ireland) Limited (the "**Depositary**" "**us**", "**we**", or "**our**"), has enquired into the conduct of Afkar ICAV (the "ICAV") for the period ended 31 December 2017, in its capacity as depositary to the ICAV.

This report including the opinion has been prepared for and solely for the Shareholders in the ICAV, in accordance with our role as depositary to the ICAV and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in Regulation 34 of the of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), as amended (the "Regulations").

Our report shall state whether, in our opinion, the ICAV has been managed in that period in accordance with the provisions of the ICAV's Instrument of Incorporation and the Regulations. It is the overall responsibility of the ICAV to comply with these provisions. If the ICAV has not been so managed, we as depositary must state in what respects it has not been so managed and the steps which we have taken in respect thereof.

Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties and to ensure that, in all material respects, the ICAV has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the ICAV's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the ICAV has been managed during the period, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the constitutional documentation and by the Regulations; and

(ii) otherwise in accordance with the provisions of the constitutional documentation and the Regulations.

David Kelly

For and on behalf of BNY Mellon Trust Company (Ireland) Limited
One Dockland Central
Guild Street
International Financial Services Centre
Dublin 1
4th May 2018

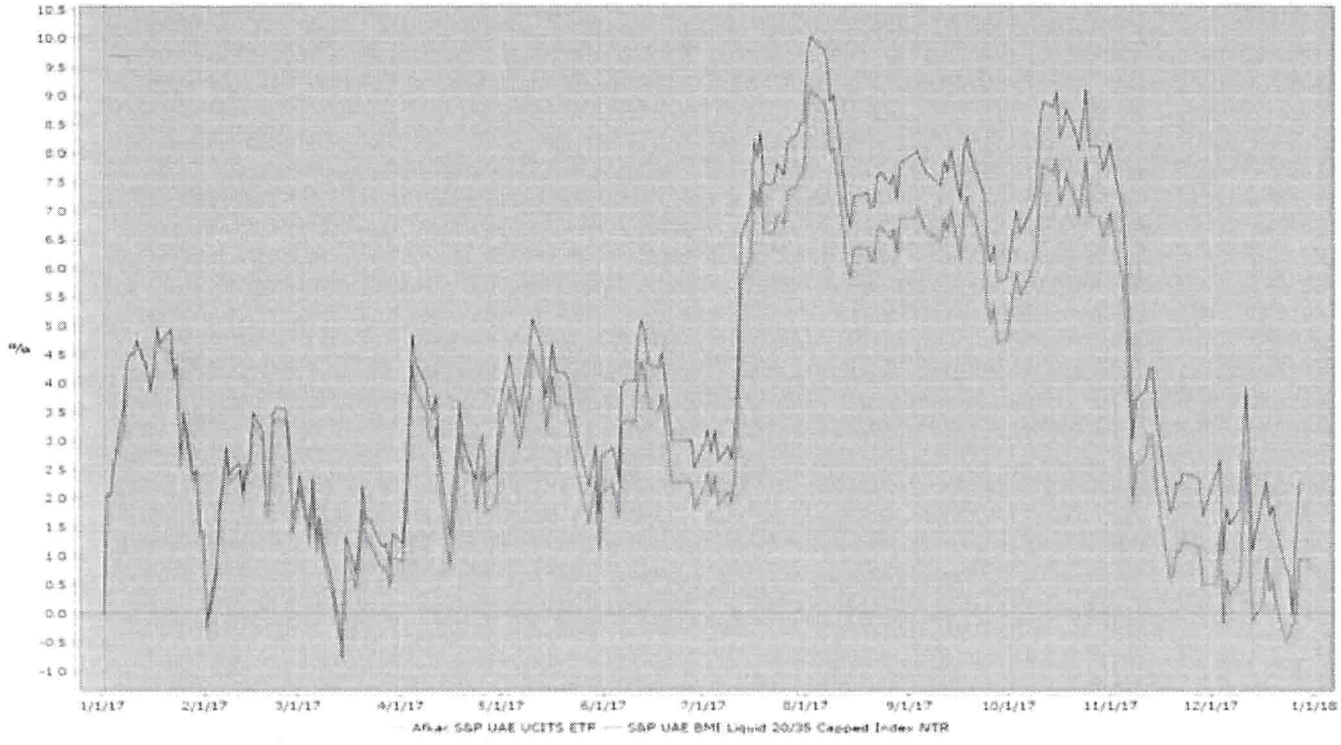
Investment Manager's Report
Afkar S&P UAE UCITS ETF

Investment Objective

Afkar S&P UAE UCITS ETF (the "Sub-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.

Sub-Fund Performance

As of 31 December 2017, the NAV per share was AED 3.955 compared to AED 3.916 on 31 December 2016, giving a return of 1.00% net of fees. This compares to a return of 2.34% for the Index for the same period.



Sub-Fund and Index data specified in the graph are calculated since inception of the Sub-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 Sub-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 Sub-Fund for the period from 1 January 2017 to 31 December 2017 was -1.34%. This comprised of -1% in management fees and -0.34% due to cash drag.

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

Sub-Fund AUM

The Assets Under Management of the Sub-Fund as of 31 December 2017 were AED 7,910,426.

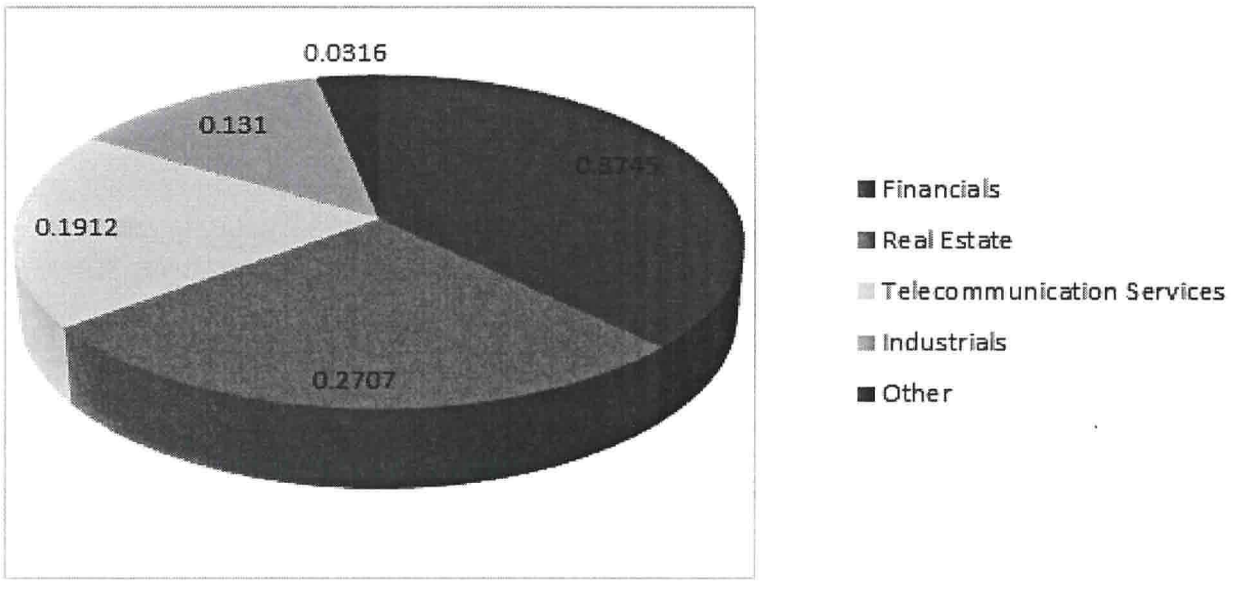
Sub-Funds Portfolio and Sector Composition

Top 10 Holdings of the Sub-Fund

Holding Name	Weight
Emirates Telecommunications Group	19.12%
First Abu Dhabi Bank	17.54%
Emaar Properties	15.29%
DP World Ltd.	9.57%
Abu Dhabi Commercial Bank	6.66%
Dubai Islamic Bank	4.80%
ALDAR Properties	4.35%
DAMAC Properties Dubai Co PJSC	3.51%
Union National Bank	2.63%
Emaar Malls PJSC	2.61%

*Data Source: Afkar Capital Limited

Sector Allocation of the Sub-Fund



*Data Source: Afkar Capital Limited

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

Sub-Fund's Holdings by Stock Exchange

Stock Exchange Name	Weight
Abu Dhabi Securities Exchange (ADX)	54.06%
Dubai Financial Market (DFM)	36.37%
NASDAQ Dubai	9.57%
Total	**100%**

*Data Source: Afkar Capital Limited

Market Review

Equity markets in the United Arab Emirates were mixed in 2017 with the Dubai Financial Market down 0.64% and the Abu Dhabi Securities Exchange up 2.17% on a total return basis.

It was a challenging year for the UAE markets, especially given the fact that global markets (US, Europe and Emerging Markets) had a strong 2017. Weighing on the performance in the UAE was slow growth and geopolitical uncertainty.

Sturgeon Ventures LLP
Linstead House
2nd Floor
9 Disraeli Road
London SW15 2DR
England
Date: 23 April 2018

Independent auditors' report to the shareholders of Afkar ICAV

Report on the audit of the financial statements

Opinion

In our opinion, Afkar ICAV's financial statements:

- give a true and fair view of the ICAV's assets, liabilities and financial position as at 31 December 2017 and of its results and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Act 2015 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

We have audited the financial statements, included within the Annual Report and Audited Financial Statements, which comprise:

- the Statement of Financial Position as at 31 December 2017;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the year then ended;
- the Portfolio Listing as at 31 December 2017; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the ICAV in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the going concern basis of accounting. Subsequent to the year end, it was decided to terminate the ICAV. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 2 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable value.

Our audit approach

Overview



Materiality

- Overall materiality: 50 basis points of Net Assets Value ("NAV") at 31 December 2017.

Audit scope

- The ICAV is an open-ended investment ICAV with variable capital and engages Afkar Capital Limited (the "Investment Adviser") to manage certain duties and responsibilities with regards to the day-to-day management of the ICAV. We tailored the scope of our audit taking into account the types of investments within the ICAV, the involvement of the third parties referred to overleaf, the accounting processes and controls, and the industry in which the ICAV operates.

Key audit matters

- Existence of financial assets at fair value through profit or loss.
- Valuation of financial assets at fair value through profit or loss.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example the selection of pricing sources to value the investment portfolio. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	*How our audit addressed the key audit matter*
Existence of financial assets at fair value through profit or loss See accounting policy 2(b) and Note 3 of the financial statements of the ICAV for further details. The financial assets at fair value through profit or loss included in the balance sheet of the Sub-Fund are held in the Sub-Fund's name as at 31 December 2017. This is considered a key audit matter as it represents the principal element in the financial statements.	We obtained independent confirmation from the Depositary of the investment portfolio as at 31 December 2017 and reconciled the depositary confirmation to the accounting records. No issues arose from this work.
Valuation of financial assets at fair value through profit or loss See accounting policy 2(b) and Note 3 to the financial statements of the ICAV for more details. The financial assets at fair value through profit or loss included in the balance sheet of the Sub-Fund as at 31 December 2017 are valued at fair value in accordance with International Financial Reporting Standards as adopted by the European Union. This is considered a key audit matter as it represents the principal element of the financial statements.	We tested the investment portfolio by independently verifying the valuation of the investments to third party vendor sources. No issues arose from this work.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the ICAV, the accounting processes and controls, and the industry in which it operates.

The directors control the affairs of the ICAV and are responsible for the overall investment policy which is determined by them. The ICAV engages the Investment Adviser to manage certain duties and responsibilities with regards to the day to day management of the ICAV. The Investment Adviser has delegated certain responsibilities to Sturgeon Ventures LLP (the 'Investment Manager') and to BNY Mellon Fund Services (Ireland) Designated Activity Company (the 'Administrator'). The financial statements, which remain the responsibility of the directors, are prepared on their behalf by the Administrator. The ICAV has appointed BNY Mellon Trust Company (Ireland) limited (the "Depositary") to act as Depositary of the ICAV's assets. In establishing the overall approach to our audit we assessed the risk of material misstatement taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the ICAV's interaction with the Administrator, and we assessed the control environment in place at the Administrator.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality as follows:

Overall materiality and how we determined it	50 basis points (2016: 50 basis points) of Net Assets Value ("NAV") at 31 December 2017.
Rationale for benchmark applied	We have applied this benchmark because the main objective of the ICAV is to provide investors with a total return taking account of the capital and income returns.

We agreed with the Board of Directors that we would report to them misstatements identified during our audit above 5 basis points of the ICAV's NAV, for NAV per share impacting differences (2016: 5 basis points of the ICAV's NAV, for NAV per share impacting differences) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the ICAV's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the ICAV's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Irish Collective Asset-management Vehicles Act 2015 requires us to also report the opinion as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the ICAV's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the ICAV or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the ICAV's shareholders as a body in accordance with section 120 of the Irish Collective Asset-management Vehicles Act 2015 and for no other purpose. We do not, in giving these opinions, 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.

Other required reporting

Irish Collective Asset-management Vehicles Act 2015 exception reporting

Directors' remuneration

Under the Irish Collective Asset-management Vehicles Act 2015 we are required to report to you if, in our opinion, the disclosures of directors' remuneration specified by section 117 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Joanne P Kelly
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
04 May 2018

Statement of Financial Position

	Notes	Afkar S&P UAE UCITS ETF As at 31 December 2017 AED	Afkar S&P UAE UCITS ETF As at 31 December 2016 AED
Assets			
Cash and cash equivalents	2(m), 3(d), 6, 13	47,349	33,474
Financial assets at fair value through profit or loss:	2(b), 3(d)		
Transferable securities		7,902,685	1,964,735
Total Current Assets		**7,950,034**	**1,998,209**
Liabilities			
Management fee payable	9	(19,773)	(13,380)
Other liabilities	10, 13	(19,835)	(26,997)
Total Current Liabilities		**(39,608)**	**(40,377)**
Net assets attributable to holders of redeemable participating shares	16	**7,910,426**	**1,957,832**

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

On behalf of the Board of Directors:

Director: Feargal Dempsey

Director: Barry Harrington

Date: 4 May 2018

Statement of Comprehensive Income

	Notes	Afkar S&P UAE UCITS ETF Year ended 31 December 2017 AED	Afkar S&P UAE UCITS ETF Period ended 31 December 2016* AED
Income			
Dividend income	2(e)	113,516	7,979
Net gains on financial assets and liabilities at fair value through profit or loss	2(b),5	83,494	21,798
Other income		667	–
Total investment income		197,677	29,777
Operating expenses			
Management fee	9	(66,081)	(13,380)
Net income		131,596	16,397
Interest expense	2(f)	(2)	–
Profit for the year/period before tax		131,594	16,397
Increase in net assets resulting from operations attributable to holders of redeemable participating shares		**131,594**	**16,397**

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

Gains and losses arose solely from discontinued investment activities. 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.

On behalf of the Board of the Directors:

Director: Feargal Dempsey

Director: Barry Harrington

Date: 4 May 2018

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

	Notes	Afkar S&P UAE UCITS ETF Year ended 31 December 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 year/period		1,957,832	–
Increase in net assets resulting from operations attributable to holders of redeemable participating shares		131,594	16,397
Amounts received on issue of redeemable participating shares	4	10,033,000	3,808,435
Amounts paid on redemption of redeemable participating shares	4	(4,212,000)	(1,867,000)
Increase in net assets resulting from share transactions		5,821,000	1,941,435
Net assets attributable to holders of redeemable participating shares at end of the year/period		**7,910,426**	**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

	Notes	Afkar S&P UAE UCITS ETF Year ended 31 December 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)		410,109	–
Purchase of investments		(465,022)	(39,558)
Dividend income received		113,516	7,979
Other liabilities		(7,162)	26,997
Operating expenses paid		(59,689)	–
Net cash outflow from operating activities		**(8,248)**	**(4,582)**
Cash flows from financing activities			
Interest expense paid		(2)	–
Amounts received on issue of redeemable participating shares**	4	21,871	38,105
Amounts paid on redemption of redeemable participating shares**	4	254	(49)
Net cash inflow from financing activities		**22,123**	**38,056**
Net increase in cash and cash equivalents		13,875	33,474
Cash and cash equivalents at beginning of year/period		33,474	–
Cash and cash equivalents at end of the year/period	2(m), 3(d), 6, 13	**47,349**	**33,474**

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

**The non-cash impact of in specie transactions on subscriptions and redemptions during the year are detailed in Note 4 to the financial statements.

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 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 31 December 2017 and 31 December 2016, the ICAV consisted of one Sub-Fund Afkar S&P UAE UCITS ETF (the "Sub-Fund"). As at 31 December 2017 and 31 December 2016, 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

The ICAV's annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU'), the ICAV Act, the UCITS Regulations and the Central Bank UCITS Regulations.

The financial statements have been prepared on a non-going concern basis as, subsequent to the year end, it was decided by the Board of Directors that the ICAV will not continue in operational existence for the foreseeable future. The 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 preparation of 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.

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

Notes to the Financial Statements (continued)

2. Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

International Financial Reporting Standards

New standards, amendments and interpretations effective after 1 January 2017 which have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the ICAV except the following set out below:

IFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. It replaces the parts of IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39") that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the Statement of Comprehensive Income, unless this creates an accounting mismatch. The ICAV has assessed IFRS 9's full impact and considers that no material impact is expected. The ICAV will adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2018.

There are no other standard interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the ICAV.

(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 year 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 year 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 year 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 year end the ICAV invests entirely in equities.

Notes to the Financial Statements (continued)

2. Significant Accounting Policies (continued)

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

(i) Classification and recognition (continued)

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.

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 year 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 year 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 year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Notes to the Financial Statements (continued)

2. Significant Accounting Policies (continued)

(c) Foreign currency translation (continued)

(ii) Transactions and balances (continued)

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.

(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 disposals of investments during the year and unrealised gains and losses on valuation of investments held at the year 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.

Notes to the Financial Statements (continued)

2. Significant Accounting Policies (continued)

(l) Withholding Tax

Dividend and interest income received by the ICAV may be subject to withholding tax imposed in the country of origin, which is shown separately in the Statement of Comprehensive Income.

(m) 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. Bank overdrafts are included in the liabilities section of the Statement of Financial Position.

(n) 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.

(o) Establishment expenses

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

3. Financial Risk Management

(a) Investment strategy

Sturgeon Ventures LLP acts as the Investment Manager to the ICAV pursuant to the Investment Management Agreement.

The detailed investment objectives and policies of the Sub-Fund are set out in the Prospectus.

In order to achieve the investment objective, the ICAV, on behalf of the Sub-Fund seeks to track the performance of the reference index or replicate the reference index or invest in securities similar in nature to the components of the reference index. The Investment Manager having due regard to the best interests of the Sub-Fund and to prevailing market conditions will determine which investment policy to follow at any given time and shall invest all or substantially all of the net proceeds of any issue of shares.

In pursuing its investment objective, the ICAV is exposed to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk that could result in a reduction in the ICAV's net assets. The ICAV's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Sub-Fund's financial performance.

The nature and extent of the financial instruments held at the reporting date and the risk management policies employed by the ICAV are discussed below.

(b) Market Risk

At 31 December 2017 and 31 December 2016, the ICAV's market risk was affected by changes in actual market prices and foreign currency movements.

(i) Market Price Risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Sub-Fund is susceptible to market price risk arising from uncertainties about future prices of the instruments. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

Notes to the Financial Statements (continued)

3. Financial Risk Management (continued)

(b) Market Risk (continued)

(i) Market Price Risk (continued)

The Investment Manager seeks to moderate market price risk within the Sub-Fund by adhering to the investment restrictions outlined in the UCITS Regulations and the Central Bank UCITS Regulations. These investment restrictions ensure that the Sub-Fund is appropriately diversified and not overly concentrated within particular investments. At 31 December 2017 and 31 December 2016 the overall market exposure is as follows:

	Fair Value 31 December 2017 AED	% of equity at Fair Value 31 December 2017
Afkar S&P UAE UCITS ETF		
Investments at fair value through profit or loss	7,902,685	99.90

	Fair Value 31 December 2016 AED	% of equity at Fair Value 31 December 2016
Afkar S&P UAE UCITS ETF		
Investments at fair value through profit or loss	1,964,735	100.35

If the ICAV's underlying investments at 31 December 2017 and 31 December 2016 had increased or decreased by 5% with all other variables held constant, this would have increased or reduced net assets attributable to holders of redeemable shares by the following amounts:

		31 December 2017 AED	31 December 2016 AED
Afkar S&P UAE UCITS ETF	+/-5%	395,134	98,237

The estimated sensitivities are for illustrative purposes only and are not intended to be predictive. Actual fluctuations in response to market price changes may differ.

(ii) Interest Rate Risk

Interest rate risk is the risk due to fluctuation in the prevailing levels of market interest rates, which would cause the fair value of the assets and liabilities to fluctuate accordingly. The ICAV did not employ leverage and did not borrow for liquidity purposes and therefore the Sub-Fund was not exposed to significant interest rate risk during the year ended 31 December 2017 and period ended 31 December 2016 with the exception of the Sub-Fund's small cash holdings.

(iii) Currency Risk

Currency risk is the risk that the value of the Sub-Fund's net assets will fluctuate due to changes in foreign currency rates.

The ICAV can hold assets denominated in currencies other than AED, the functional currency. It can therefore be exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in the exchange rates.

Notes to the Financial Statements (continued)

3. Financial Risk Management (continued)

(b) Market Risk (continued)

(iii) Currency Risk (continued)

The following table shows the Sub-Fund's currency risk exposure as at 31 December 2017 and 31 December 2016.

31 December 2017

Afkar S&P UAE UCITS ETF

Foreign Currency Exposure	Monetary Assets AED	Non-Monetary Assets AED	Net Financial Assets AED
US Dollar	2	757,281	757,283

31 December 2016

Afkar S&P UAE UCITS ETF

Foreign Currency Exposure	Monetary Assets AED	Non-Monetary Assets AED	Net Financial Assets AED
US Dollar	–	134,500	134,500

The Sub-Fund's reporting currency – AED is currently pegged to the US Dollar in order to reduce volatility and fluctuations in relative prices. Given that the only foreign currency held by the Sub-Fund at 31 December 2017 and 31 December 2016 is the US Dollar, there is no sensitivity analysis required in respect of this currency.

(c) Credit Risk

Credit risk is the risk that a counterparty or issuer will be unable to meet a commitment it has entered into with the ICAV.

BNY Mellon Trust Company (Ireland) Limited (the "Depositary") has been appointed as Depositary to the ICAV. Depending on the requirements of the jurisdictions in which the investments of the Sub-Fund are issued, the Depositary may use the services of one or more sub-custodians. Bankruptcy or insolvency of the Depositary may cause the ICAV's rights with respect to securities held to be delayed or limited. The Depositary held an A (31 December 2016: AA-) credit rating from the rating agency Standard and Poor's as at 31 December 2017.

The Depositary is responsible for the safe-keeping of the assets of the ICAV. The Depositary may, however, appoint any person or persons to be the sub-custodian of such assets but any liability of the Depositary shall not be affected by the fact that it has entrusted some or all of the assets in its safekeeping to any third party. Refer to Note 6 for further details on cash and cash equivalents.

The ICAV did not trade in any OTC derivatives during the year ended 31 December 2017 and period ended 31 December 2016 and the Investment Manager does not currently intend to use financial derivative instruments.

The Investment Manager considers that the risk that counterparties would fail to discharge their obligations to the Sub-Fund is low. Any credit risk issues will be discussed quarterly with the Directors and monitored thereafter.

Apart from the Depositary, there are no significant concentrations of credit risk to counterparties at 31 December 2017 or 31 December 2016.

Liquidity Risk

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

Notes to the Financial Statements (continued)

3. Financial Risk Management (continued)

(c) Credit Risk (continued)

Liquidity Risk (continued)

If redemption requests on any Dealing Day represent 10% of the Net Asset Value or more of the shares in issue in respect of any Sub-Fund, the Directors may, in their discretion, refuse to redeem any shares in excess of 10% of Net Asset Value. Any request for redemption on such Dealing Day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all shares to which the original request related have been redeemed. In any event settlement for redemptions will be made within ten business days of the day on which the redemption request is made. Redemption proceeds shall be paid in the Base Currency of the Sub-Fund.

The ICAV has the ability to borrow in the short term to ensure settlement. The ICAV's Prospectus allows for borrowing up to 10% of the Net Asset Value of the Sub-Fund provided it is on a temporary basis or a Sub-Fund may acquire foreign currency by means of a "back to back" loan.

The tables below analyse the ICAV's financial liabilities into relevant maturity groupings based on the remaining period at year/period end to the contractual maturity date.

Afkar S&P UAE UCITS ETF
As at 31 December 2017

	Less than 1 month AED	Total AED
Management fee payable	19,773	19,773
Other liabilities	19,835	19,835
Net assets attributable to holders of redeemable participating shares	7,910,426	7,910,426
	7,950,034	7,950,034

Afkar S&P UAE UCITS ETF
As at 31 December 2016

	Less than 1 month AED	Total AED
Management fee payable	13,380	13,380
Other liabilities	26,997	26,997
Net assets attributable to holders of redeemable participating shares	1,957,832	1,957,832
	1,998,209	1,998,209

(d) Fair Value

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.

Notes to the Financial Statements (continued)

3. Financial Risk Management (continued)

(d) Fair Value (continued)

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 year ended 31 December 2017 and period ended 31 December 2016.

There were no transfers between levels during the year ended 31 December 2017 and period ended 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 31 December 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 and deposits held with banks and brokers

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

Afkar S&P UAE UCITS ETF

Financial Assets at Fair Value through Profit or Loss

	As at 31 December 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	7,902,685	–	– 7,902,685		1,964,735	–	– 1,964,735	
Total	**7,902,685**	–	**– 7,902,685**		**1,964,735**	–	**– 1,964,735**	

4. 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)

4. 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 year ended 31 December 2017 and period ended 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
	Year ended 31 December 2017	Period ended 31 December 2016
Balance at beginning of year/period	500,000	–
Shares issued	2,500,000	1,000,000
Shares redeemed	(1,000,000)	(500,000)
Balance at end of year/period	**2,000,000**	**500,000**

Refer to page 18 for details of amounts received on issue of redeemable participating shares and amounts transferred on redemption of redeemable participating shares.

During the year ended 31 December 2017 there were in specie transactions of AED 10,011,129 (31 December 2016: AED 3,770,330) in respect of subscriptions and (AED 4,212,254) (31 December 2016: (AED 1,866,951)) in respect of redemptions.

5. 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
	Year ended 31 December 2017 AED	Period ended 31 December 2016 AED
Net realised gains/(losses) on sale of investments	202,420	(36,227)
Net change in unrealised (depreciation)/appreciation on investments	(118,917)	58,016
Other currency (losses)/gains	(9)	9
Net gains on financial assets and liabilities at fair value through profit or loss	83,494	21,798

Notes to the Financial Statements (continued)

6. Cash and Cash Equivalents

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

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.

Notes to the Financial Statements (continued)

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.

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. Audit fees for the year ended 31 December 2017 amounted to $16,372 (Period ended 31 December 2016: $12,386). Fees charged for non-audit services amounted to $6,492 (Period ended 31 December 2016: $Nil).

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 year ended 31 December 2017 and period ended 31 December 2016, the Sub-Fund incurred transaction costs on purchases and sales as follows:

	31 December 2017 AED	31 December 2016 AED
Afkar S&P UAE UCITS ETF	4,136	225

Notes to the Financial Statements (continued)

10. Related Parties and Connected Persons

Mr Seif Fikry was employed by Afkar Capital Limited as Chief Executive Officer until his resignation on 30 October 2017 and indicated his intention to resign as Director of Afkar Capital Limited at that date. He was subsequently removed as a Director effective 6 April 2018. As outlined on page 2 of this report, Afkar Capital Limited acts as the ICAV's Investment Adviser, Promoter and Distributor.

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 paid €20,000 per year on a bi-yearly basis and was paid €20,000 for his services from 1 January 2017 up to 31 December 2017.

Mr Barry Harrington's fee of €5,000 per year was effective from 1 July 2017 on a pro rata basis.

All Directors' fees are paid by Afkar Capital Limited.

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 year.

11. Contingent Liabilities and Commitments

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

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 the Administrator 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 31 December 2017, a balance of AED 19,835 (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 year

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.

Effective 30 October 2017, Seif Fikry resigned from his position as Chief Executive Officer and indicated his intention to resign as Director of Afkar Capital Limited, who are the Investment Adviser, Promoter and Distributor for the Afkar ICAV.

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

Notes to the Financial Statements (continued)

15. Subsequent Events after the year end

Effective 6 April 2018, Seif Fikry resigned from the Board of Directors of the ICAV and Arsheen Saulat was approved by the CBI as a Director of the ICAV.

Effective 23 April 2018, the Board of Directors made the decision to terminate the ICAV. Subsequently, on 30 April 2018 the ICAV was suspended from trading.

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

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

	Year ended 31 December 2017	Period ended 31 December 2016
	Afkar S&P UAE UCITS ETF	Afkar S&P UAE UCITS ETF
	AED	AED
Total Net Asset Value		
A-AED Shares	7,910,426	1,957,832
Net Asset Value per Share		
A-AED Shares	3.955	3.916

17. Soft Commissions

No soft commission arrangements were entered into during the year ended 31 December 2017 or period ended 31 December 2016.

18. Exchange Rates

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

	As at 31 December 2017	As at 31 December 2016
Euro	4.3846	3.8764
US Dollar	3.6728	3.6729

19. Valuation Date

The financial statements have been prepared on the last Net Asset Value of the year which has been calculated on 28 December 2017 with a price of that date.

20. Approval of Financial Statements

The financial statements were approved by the Directors on 4 May 2018.

Portfolio Listing

Afkar S&P UAE UCITS ETF

As at 31 December 2017

Transferable securities admitted to an official stock exchange

Security Description	Nominal	Fair Value AED	% of Net Assets
United Arab Emirates 99.90%			
Abu Dhabi Commercial Bank PJSC	77,483	526,884	6.66
Air Arabia PJSC	113,615	140,883	1.78
Al Waha Capital PJSC	47,340	88,526	1.12
Aldar Properties PJSC	156,263	343,779	4.35
Amanat Holdings PJSC	53,009	78,453	0.99
Amlak Finance PJSC	27,954	27,954	0.35
Arabtec Holding PJSC	35,708	84,985	1.07
DAMAC Properties Dubai Co PJSC	84,167	277,751	3.51
Dana Gas PJSC	169,852	137,580	1.74
Deyaar Development PJSC	67,288	32,971	0.42
DP World Ltd	8,247	757,281	9.57
Drake & Scull International PJSC	14,090	31,843	0.40
Dubai Financial Market PJSC	79,496	89,036	1.13
Dubai Investments PJSC	61,267	147,654	1.87
Dubai Islamic Bank PJSC	61,388	379,992	4.80
DXB Entertainments PJSC	127,194	80,768	1.02
Emaar Malls PJSC	96,993	206,595	2.61
Emaar Properties PJSC	174,310	1,209,711	15.29
Emirates Telecommunications Group Co PJSC	86,420	1,512,350	19.12
Eshraq Properties Co PJSC	53,065	37,676	0.48
First Abu Dhabi Bank PJSC	135,362	1,387,461	17.54
National Central Cooling Co PJSC	29,416	53,537	0.68
RAK Properties PJSC	45,651	32,412	0.41
SHUAA Capital PSC	23,811	28,811	0.36
Union National Bank PJSC	54,682	207,792	2.63
Total United Arab Emirates		**7,902,685**	**99.90**
Total Transferable securities admitted to an official stock exchange		**7,902,685**	**99.90**
Total Financial assets at fair value through profit or loss		**7,902,685**	**99.90**
Cash and cash equivalents		**47,349**	**0.60**
Other liabilities		**(39,608)**	**(0.50)**
Total Net assets attributable to holders of redeemable participating shares		**7,910,426**	**100.00**

Analysis of total assets	% of Total Assets
Transferable securities admitted to an official stock exchange listing	99.40
Cash and cash equivalents	0.60
Total Assets	100.00

Statement of Portfolio Changes (Unaudited)

Afkar S&P UAE UCITS ETF
Major Purchases*

Security Description	Nominal	Cost AED
Emirates Telecommunications Group Co PJSC	108,658	1,914,033
First Abu Dhabi Bank PJSC	170,320	1,873,882
Emaar Properties PJSC	219,210	1,591,767
DP World Ltd	10,369	829,394
Abu Dhabi Commercial Bank PJSC	114,865	826,464
Dubai Islamic Bank PJSC	77,188	451,113
Aldar Properties PJSC	195,898	436,599
Union National Bank PJSC	68,767	343,475
Emaar Malls PJSC	121,978	318,585
DAMAC Properties Dubai Co PJSC	105,848	293,248
Dubai Investments PJSC	86,871	182,783
DXB Entertainments PJSC	186,798	157,908
Arabtec Holding PJSC	192,407	151,122
Air Arabia PJSC	140,588	142,801
Dubai Financial Market PJSC	98,368	109,644
Al Waha Capital PJSC	58,579	104,040
Dana Gas PJSC	210,084	92,005
Amanat Holdings PJSC	69,759	77,214
Eshraq Properties Co PJSC	66,504	72,227
National Central Cooling Co PJSC	33,685	66,470

* In accordance with the Central Bank UCITS Regulations, the annual report documents material changes that have occurred in the disposition of the assets of the ICAV during the year. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of the purchases for the year and/or aggregate disposals greater than 1 per cent of the total value of sales for the year. 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 (Unaudited) (continued)

Afkar S&P UAE UCITS ETF
Major Sales*

Security Description	Nominal	Proceeds AED
Emirates Telecommunications Group Co PJSC	42,316	778,614
First Abu Dhabi Bank PJSC	66,278	722,430
Emaar Properties PJSC	85,398	699,410
Abu Dhabi Commercial Bank PJSC	59,990	432,496
DP World Ltd	4,038	338,891
Aldar Properties PJSC	75,940	182,256
Dubai Islamic Bank PJSC	30,062	175,863
DAMAC Properties Dubai Co PJSC	41,236	163,295
Union National Bank PJSC	26,790	123,770
Emaar Malls PJSC	47,520	120,226
Dubai Investments PJSC	42,783	98,250
Orascom Construction Ltd	3,550	76,059
DXB Entertainments PJSC	96,543	71,784
Ras Al Khaimah Ceramics	29,417	71,277
Ajman Bank PJSC	57,296	64,811
Arabtec Holding PJSC	17,892	63,159
Air Arabia PJSC	53,370	56,572
Agthia Group PJSC	10,851	56,170
Dana Gas PJSC	79,606	54,132
Dubai Financial Market PJSC	37,342	45,557

* In accordance with the Central Bank UCITS Regulations, the annual report documents material changes that have occurred in the disposition of the assets of the ICAV during the year. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of the purchases for the year and/or aggregate disposals greater than 1 per cent of the total value of sales for the year. 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.

Appendix 1: UCITS V Remuneration Policy (Unaudited)

Remuneration Policy

Regulation 89(3A) of the UCITS Regulations (as introduced pursuant to the UCITS V Regulations on 21 March 2016) requires that the annual report of the Company contains certain disclosures on remuneration paid by the Company to its staff during the financial year and details of any material changes to the Company's remuneration policy made during the period. In this regard, the following points are to be noted:

- The Company has adopted a remuneration policy outlining how it adheres to the remuneration requirements set out in the UCITS Regulations.

- This disclosure includes all staff whose professional activities have a material impact on the risk profile of the Company ("Identified Staff"). The Company has deemed Identified Staff to include:
  - The Directors of the Company. The Company has no employees or staff that it employs and pays directly. The Company has a Board of Directors, one of whom is an employee of the Investment Advisor and receives no remuneration from the Company. The remaining two directors, one of whom is independent, receive a fixed fee only (for the year ended 31 December 2017; € 22,500 in aggregate) and do not receive variable remuneration. These fees are set at a level that reflects the qualifications and contribution required taking into account the Company's size, internal organisation and the nature, scope and complexity of its activities.

- No material changes have been made to the Remuneration Policy since the Board adopted the policy.