

**Unaudited semi-annual report for the period
from 18th March 2016 (date of incorporation of the Fund)
to 30th June 2016**

ARMONY INVESTMENT FUND

Société d'Investissement à Capital Variable
organised under the laws of Luxembourg

R.C.S. Luxembourg B 204 934

No subscription can be received on the basis of this financial report. Subscriptions are only valid if made on the basis of the current prospectus and the key investor information document ("KIID") supplemented by the latest annual report and the most recent semi-annual report, if published thereafter.

ARMONY INVESTMENT FUND

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ARMONY INVESTMENT FUND

Organisation

Registered office

11, rue Aldringen
L-12960 LUXEMBOURG

Board of Directors

Chairman

Josep SARLE GUIU

Firmage, Societat Financera D'Inversio, S.A.
Bonaventure Armengol n°10,
Bâtiment 1, 5ème étage
AD500 Andorra la Vella
ANDORRA

Directors

Serge D'ORAZIO

Head of Investment Funds & Global Custody Services
KBL EUROPEAN PRIVATE BANKERS S.A.
43, boulevard Royal
L-2955 LUXEMBOURG

Rodrigo DE FREITAS-BRANCO

Independent Director
59, rue du Verger
L-2665 LUXEMBOURG

Management Company

KREDIETRUST LUXEMBOURG S.A.
11, rue Aldringen
L-2960 LUXEMBOURG

Board of Directors of the Management Company

Chairman

Olivier de JAMBLINNE de MEUX

Directors

Rafik FISCHER
Franck SARRE

Managing Director

Stefan VAN GEYT

Conducting officers of the Management Company

Aurélien BARON
Stefan VAN GEYT

ARMONY INVESTMENT FUND

Organisation (continued)

Central Administration Agent

KREDIETRUST LUXEMBOURG S.A.
11, rue Aldringen
L-2960 LUXEMBOURG

Administration Agent and Registrar and Transfer Agent

EUROPEAN FUND ADMINISTRATION
2, rue d'Alsace
L-1017 LUXEMBOURG

Depositary

KBL EUROPEAN PRIVATE BANKERS S.A.
43, boulevard Royal
L-2955 LUXEMBOURG

Cabinet de révision agréé

KPMG LUXEMBOURG, SOCIÉTÉ COOPÉRATIVE
39, avenue John F. Kennedy
L-1855 LUXEMBOURG

ARMONY INVESTMENT FUND

General information

ARMONY INVESTMENT FUND (hereinafter the "Fund") is an open-ended investment company incorporated under the laws of Luxembourg as a Société d'Investment à Capital Variable in accordance with the provisions of the Part I of the amended Law of 17th December 2010 for an unlimited period of time.

The Fund was incorporated as a UCITS governed by the provisions of Part I of the amended Law of 17th December 2010, on 18th March 2016, under the name of ARMONY INVESTMENT FUND, and is currently being registered with the Luxembourg Trade and Companies' Register and in the *Mémorial C. Recueil des Sociétés et Associations* with an initial share capital of EUR 31.000.

The Directive 2014/91/EUR of the European Parliament and of the Council of 23rd July 2014 amending the Directive 2009/65/EC had been transposed by the Law of 10th May 2016 coming into force on 1st June 2016 and amending the amended Law of 17th December 2010.

As from 1st June 2016, publications are made in the "Recueil électronique des sociétés et associations ("RESA")" through the website of "Registre de Commerce et des Sociétés" of Luxembourg.

The Fund is an umbrella fund designed to offer investors access to a variety of investment strategies through a range of separate Sub-Funds.

At the date of the report, the following Sub-Fund is offered:

- ARMONY - AGECA FUND

The Fund has appointed Kredietrust Luxembourg S.A. as its designated Management Company, within the meaning of the amended Law of 17th December 2010.

The financial year of the Fund ends on 31st December in each year.

The first accounting year will end in 31st December 2016. The first audited report will be published as of 31st December 2016 and the first unaudited semi-annual report is published as of 30th June 2016.

The audited annual and unaudited semi-annual reports comprise consolidated financial statements of the Fund expressed in EUR, being the reference currency of the Fund.

The complete prospectus, the KIID, the Articles, the annual reports and unaudited half-yearly reports, as well as the list of the purchases and sales effected by the Fund are available at the Fund's registered office.

ARMONY INVESTMENT FUND

Combined statement of net assets (in EUR)

as at 30th June 2016

Assets

Securities portfolio at market value	15,257,612.47
Cash at banks	12,937,023.70
Formation expenses, net	18,970.43
Income receivable on portfolio	70,730.57
Prepaid expenses	3,712.33
	<hr/>
Total assets	28,288,049.50

Liabilities

Payable on redemptions of shares	1,850,000.05
Unrealised loss on forward foreign exchange contracts	9,940.49
Expenses payable	40,813.03
	<hr/>
Total liabilities	1,900,753.57
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Net assets at the end of the period	26,387,295.93

The accompanying notes are an integral part of these financial statements.

ARMONY - AGECA FUND

Statement of net assets (in EUR)

as at 30th June 2016

Assets

Securities portfolio at market value	15,257,612.47
Cash at banks	12,937,023.70
Formation expenses, net	18,970.43
Income receivable on portfolio	70,730.57
Prepaid expenses	3,712.33
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Total assets	28,288,049.50

Liabilities

Payable on redemptions of shares	1,850,000.05
Unrealised loss on forward foreign exchange contracts	9,940.49
Expenses payable	40,813.03
	<hr/>
Total liabilities	1,900,753.57

Net assets at the end of the period	26,387,295.93
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Class A shares outstanding	266,545.491
Net asset value per class A share	99.00

The accompanying notes are an integral part of these financial statements.

ARMONY - AGECA FUND

Statement of investments and other net assets (in EUR)

as at 30th June 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
CHF	3,517	Cie Financière Richemont SA	206,438.24	184,587.12	0.70
EUR	2,000	Air Liquide SA	191,819.42	188,120.00	0.71
EUR	3,600	Airbus Gr SE	197,366.22	186,228.00	0.71
EUR	15,715	Applus Services SA	128,271.42	137,663.40	0.52
EUR	9,400	Axa SA	205,248.32	167,367.00	0.63
EUR	48,000	Banco Santander SA	197,567.74	164,592.00	0.62
EUR	2,000	Bayer AG Reg	178,345.49	180,000.00	0.68
EUR	2,443	Bayerische Motorenwerke AG	174,933.24	160,724.97	0.61
EUR	6,000	Boskalis Westminster NV	184,672.45	185,340.00	0.70
EUR	11,344	Bpost SA	266,737.30	259,607.44	0.98
EUR	4,006	Corporacion Financiera Alba SA	142,871.61	145,417.80	0.55
EUR	31,586	CTT Correios de Portugal SA	239,280.60	224,702.80	0.85
EUR	3,000	Duerr AG	199,856.31	203,970.00	0.77
EUR	8,000	Enagas SA	218,203.65	218,440.00	0.83
EUR	5,200	Euronext NV	193,789.70	172,328.00	0.65
EUR	6,100	Freenet AG Reg	165,895.45	140,757.50	0.53
EUR	1,400	LVMH Moët Hennessy L Vuit SE	201,984.00	190,400.00	0.72
EUR	75,297	Mapfre SA Reg	142,929.48	147,431.53	0.56
EUR	2,000	MTU Aero Engines AG	164,700.64	167,580.00	0.64
EUR	1,200	Muenchener Rueckver AG REG	195,540.00	180,300.00	0.68
EUR	50,720	Navigator Co SA Reg	146,532.70	127,510.08	0.48
EUR	5,750	Ontex Group NV	161,296.36	162,495.00	0.62
EUR	3,010	Publicis Groupe SA	177,940.75	182,195.30	0.69
EUR	33,865	Talgo SA	146,506.97	140,505.89	0.53
EUR	4,505	Tecnicas Reunidas SA	123,685.28	120,553.80	0.46
EUR	2,936	Viscofan SA	145,846.70	145,713.68	0.55
			4,491,821.80	4,299,944.19	16.27
GBP	145,460	Debenhams Plc	142,040.33	96,680.97	0.37
GBP	11,400	Prudential Plc	198,364.26	172,231.43	0.65
GBP	9,200	Royal Dutch Shell Plc A	201,591.02	226,403.96	0.86
			541,995.61	495,316.36	1.88
HKD	40,400	AIA Group Ltd	210,002.63	217,583.90	0.83
JPY	1,600	Fanuc Corp	215,250.72	232,609.48	0.88
JPY	3,000	Nidec Corp	204,308.25	203,682.76	0.77
JPY	4,400	Toyota Motor Corp	201,284.88	195,442.61	0.74
			620,843.85	631,734.85	2.39
USD	3,200	Caterpillar Inc	209,372.14	218,669.55	0.83
USD	5,000	Citigroup Inc	203,717.19	191,049.22	0.72
USD	2,226	CVS Health Corp	184,636.79	192,101.35	0.73
USD	7,400	Invesco Ltd	199,295.74	170,358.75	0.65
			797,021.86	772,178.87	2.93
Total shares			6,868,123.99	6,601,345.29	25.00
Closed-ended investment funds					
EUR	16,200	Merlin Properties SOCIMI SA	161,387.41	152,490.60	0.58
Total closed-ended investment funds			161,387.41	152,490.60	0.58
Bonds					
EUR	340,000	Almirall SA 4.625% Reg S Sen 14/01.04.21	357,680.00	355,250.70	1.35
EUR	350,000	Mapfre SA VAR Sub 07/24.07.37	362,250.00	357,372.75	1.35
EUR	375,000	Ontex Group NV 4.75% Reg S Sen 14/15.11.21	401,812.50	399,138.75	1.51
			1,121,742.50	1,111,762.20	4.21

The accompanying notes are an integral part of these financial statements.

ARMONY - AGECA FUND

Statement of investments and other net assets (in EUR) (continued)

as at 30th June 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
GBP	300,000	Debenhams Plc 5.25% Sen 14/15.07.21	352,882.26	343,718.29	1.30
GBP	450,000	United Kingdom 1.25% T-Stock 13/22.07.18	592,242.10	553,745.91	2.10
GBP	450,000	United Kingdom 1.75% T-Stock 13/22.07.19	604,727.63	567,078.11	2.15
			1,549,851.99	1,464,542.31	5.55
USD	440,000	Anheuser-Busch Inbev Fin Inc 2.15% Sen 14/01.02.19	398,252.43	405,163.69	1.54
USD	430,000	Grifols Worldwide Oper Ltd 5.25% Ser B 15/01.04.22	396,412.18	395,864.34	1.50
USD	790,000	US 1.625% Ser AB-2020 15/31.07.20	714,425.43	732,736.31	2.78
			1,509,090.04	1,533,764.34	5.82
Total bonds			4,180,684.53	4,110,068.85	15.58
Transferable securities dealt in on another regulated market					
Bonds					
USD	300,000	Tesco Plc 5.5% 07/15.11.17	281,233.31	282,532.45	1.07
USD	1,050,000	US 0.625% Ser Y-2018 13/30.04.18	932,028.66	947,381.85	3.59
USD	650,000	US 1.625% T-Notes 14/30.04.19	588,238.18	601,144.91	2.28
USD	820,000	US 1.625% T-Notes Ser B-2026 16/15.02.26	713,281.94	748,781.74	2.84
Total bonds			2,514,782.09	2,579,840.95	9.78
Open-ended investment funds					
Investment funds (UCITS)					
EUR	517	Carmignac Sécurité A EUR Cap	896,689.97	899,238.78	3.41
EUR	8,112	Robeco GI Total Return Bond Fund IH EUR (Hedged) Cap	899,509.68	914,628.00	3.47
Total investment funds (UCITS)			1,796,199.65	1,813,866.78	6.88
Total investments in securities			15,521,177.67	15,257,612.47	57.82
Cash at banks				12,937,023.70	49.03
Other net assets/(liabilities)				-1,807,340.24	-6.85
Total				26,387,295.93	100.00

The accompanying notes are an integral part of these financial statements.

ARMONY - AGECA FUND

Industrial and geographical classification of investments

as at 30th June 2016

Industrial classification

(in percentage of net assets)

Countries and governments	15.74 %
Investment funds	6.88 %
Capital goods	4.99 %
Insurance	4.70 %
Pharmaceuticals and biotechnology	3.53 %
Diversified financial services	3.36 %
Retailing	2.74 %
Transportation	2.36 %
Household and personal products	2.13 %
Consumer durables and apparel	1.42 %
Automobiles and components	1.35 %
Banks	1.34 %
Raw materials	1.19 %
Energy	0.86 %
Utilities	0.83 %
Technology hardware and equipment	0.77 %
Food retailing, drugstores and pharmacies	0.73 %
Media	0.69 %
Real estate funds	0.58 %
Investment companies	0.55 %
Food, beverage and tobacco	0.55 %
Software and services	0.53 %
Total	<u>57.82 %</u>

ARMONY - AGECA FUND

Industrial and geographical classification of investments (continued)

as at 30th June 2016

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	15.31 %
United Kingdom	8.50 %
Spain	7.90 %
France	6.16 %
Germany	3.91 %
Luxembourg	3.47 %
Belgium	3.11 %
Japan	2.39 %
The Netherlands	2.06 %
Ireland	1.50 %
Portugal	1.33 %
Hong Kong	0.83 %
Switzerland	0.70 %
Bermuda	0.65 %
Total	<u>57.82 %</u>

ARMONY INVESTMENT FUND

Notes to the financial statements

as at 30th June 2016

Note 1 - Significant accounting policies

a) Presentation of the financial statements

The financial statements of the Fund are established in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment.

b) Valuation of assets

- 1) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.
- 2) The value of all securities and/or money market instruments which are listed or traded on an official stock exchange or traded on any other Regulated Market are valued on the basis of the last available closing prices on the Valuation Day or on the basis of the last available prices on the main market on which the investments of the Sub-Fund are principally traded. The Board of Directors approves a provider of securities prices which supply the above prices. If, in the opinion of the Board of Directors, such prices do not truly reflect the fair market value of the relevant securities, the value of such securities is determined in good faith by the Board of Directors either by reference to any other publicly available source or by reference to such other sources as it deems in its discretion appropriate.
- 3) Securities not listed or traded on a stock exchange or a Regulated Market are valued on the basis of the probable sales price determined prudently and in good faith by the Board of Directors.
- 4) Securities issued by open-ended investment funds are valued at their last available Net Asset Value or in accordance with item (2) above where such securities are listed.
- 5) The liquidating value of futures, forward or options contracts that are not traded on exchanges or on other organised markets are determined pursuant to the policies established by the Board of Directors, on a basis consistently applied. The liquidating value of futures, forward or options contracts trades on exchanges or on other organised markets are based upon the last available settlement prices of these contracts on exchanges and organised markets on which the particular futures, forward or options contracts are traded; provided that if a futures, forward or options contract could not be liquidated on such Valuation Day with respect to which a Net Asset Value is being determined, then the basis for determined the liquidating value of such contract is such value as the Board of Directors may deem fair and reasonable.

c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by each Sub-Fund that are denominated in a currency other than the reference currency of the Sub-Fund is converted to this currency at the exchange rate prevailing on the date of purchase.

d) Net realised gain (loss) on sales of securities

The realised gains and losses on sales of securities are calculated on the basis of the average acquisition cost.

ARMONY INVESTMENT FUND

Notes to the financial statements (continued)

as at 30th June 2016

e) Investment income

Dividend income is recorded at the ex-date, net of any withholding tax.

Interest income accrued and payable are recorded, net of any withholding tax.

f) Valuation of forward foreign exchange contracts

Forward foreign exchange contracts are valued at forward rates for the remaining period from valuation date to the maturity of the contracts. Net unrealised gains or losses are recorded in the statement of net assets.

g) Formation expenses

Formation expenses were amortised on a straight-line basis over a period of 5 years.

If the launch of a sub-fund occurs after the launch date of the Fund, the costs of formation in relation to the launch of the new sub-fund is charged to such sub-fund alone and may be amortised over a maximum of five years with effect from the sub-fund's launch date.

h) Conversion of foreign currencies

Cash at banks, other net assets and liabilities and the market value of the securities in portfolio expressed in currencies other than the currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the report. Income and expenses expressed in currencies other than the currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the transaction.

i) Combined financial statements

The combined financial statements of the Fund are expressed in EUR and are equal to the corresponding items in the financial statements of the Sub-Fund.

Note 2 - Management fees

Pursuant to the Management Company Agreement, the Fund has appointed Kreditrust Luxembourg S.A. as its designated management company within the meaning of the amended 2010 Law. The Management Company is responsible, subject to the overall supervision of the Directors, for the provision of investment management services, administrative services and marketing services to the Fund.

As remuneration for the services of Management Company is entitled to receive an annual fee of 0.05% of the average of the net assets of each sub-fund with an annual minimum of EUR 17,500 per sub-fund to be paid at the end of each quarter (except the first year with an annual minimum of EUR 12,500).

For its investment services, the Management Company is entitled to receive an investment management fee, accrued on each Valuation Day and payable quarterly in arrears, of 0.05% per annum of the average of the net assets of the Sub-Fund attributable to each Class with a minimum of EUR 17,500 per year (except the first year with an annual minimum of EUR 12,500).

ARMONY INVESTMENT FUND

Notes to the financial statements (continued)

as at 30th June 2016

Note 3 - Advisory fee

Under an agreement concluded with the Management Company, Fimarge, Societat Financera D'Inversio, S.A. has been appointed as the investment advisor to the Sub-Fund.

In consideration of their services, the Investment Advisor receives an investment advisory fee, accrued on each Valuation Day and payable monthly in arrears, of 0.50% per annum of net assets of the Sub-Fund attributable to each Class.

Note 4 - Central administration costs

The item "Central administration costs" disclosed in the statement of operations and other changes in net assets is mainly composed of administration and domiciliation fees.

Note 5 - Subscription duty ("*taxe d'abonnement*")

The Fund is governed by Luxembourg Law.

Pursuant to the legislation and regulations in force, the Fund is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05 % which is payable quarterly and calculated on the basis of the net assets of each sub-fund on the last day of each quarter.

Pursuant to Article 175 (a) of the amended Law of 17th December 2010 the net assets invested in undertakings for collective investment already subject to the "*taxe d'abonnement*" are exempt from this tax.

Note 6 - Forward foreign exchange contracts

As at 30th June 2016, the outstanding forward foreign exchange contracts with KBL EUROPEAN PRIVATE BANKERS S.A. are as follows:

ARMONY - AGECA FUND						
Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in EUR)	
EUR	902,771.51	USD	1,000,000.0 0	27.07.2016	2,124.21	
EUR	513,023.58	USD	583,000.00	27.07.2016	-12,064.70	
					<u>-9,940.49</u>	

Note 7 - Statement of changes in the investments portfolio

The statement of changes in investments for the period covered by the report is available free of charge at the registered office of the Fund.