

**Unaudited semi-annual report
as at 30th June 2015**

KATLA FUND

An investment company with variable share capital incorporated
under the laws of the Grand Duchy of Luxembourg

R.C.S. Luxembourg B 96 002

Subscriptions may be made only on the basis of the prospectus including the articles of incorporation and the fact sheets of each of the Sub-Funds and the key investor information document (KIID). The prospectus may only be distributed if accompanied by the most recent annual report and the most recent half-year report, if the half-year report is more recent than the annual report.

KATLA FUND

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KATLA FUND

Organisation

Registered office	14, Boulevard Royal L-2449 LUXEMBOURG
Board of Directors	
Chairman	Margret SVEINSDOTTIR Managing Director of Asset Management & Private Banking ARION BANK HF. Borgartun 19 IS-105 REYKJAVIK
Directors	Eric CHINCHON ME BUSINESS SOLUTIONS S.à r.l. 16, Rue Jean-Pierre Brasseur L-1258 LUXEMBOURG Andri V. SIGURDSSON ME BUSINESS SOLUTIONS S.à r.l. 16, Rue Jean-Pierre Brasseur L-1258 LUXEMBOURG
Management Company	BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A. 7, Boulevard Prince Henri L-1724 LUXEMBOURG
Board of Directors of the Management Company	
Chairman	Pierre AHLBORN Administrateur-Délégué BANQUE DE LUXEMBOURG Société Anonyme 14, Boulevard Royal L-2449 LUXEMBOURG
Vice-Chairman	Mario KELLER Administrateur de sociétés 14, Boulevard Royal L-2449 LUXEMBOURG
Directors	Antoine CALVISI Conseiller du Comité de Direction BANQUE DE LUXEMBOURG Société Anonyme 14, Boulevard Royal L-2449 LUXEMBOURG Pit RECKINGER Avocat ELVINGER, HOSS & PRUSSEN 2, Place Winston Churchill L-1340 LUXEMBOURG

KATLA FUND

Organisation (continued)

	<p>Fernand REINERS Membre du Comité de Direction BANQUE DE LUXEMBOURG Société Anonyme 14, Boulevard Royal L-2449 LUXEMBOURG</p>
	<p>Luc RODESCH Membre du Comité de Direction BANQUE DE LUXEMBOURG Société Anonyme 14, Boulevard Royal L-2449 LUXEMBOURG</p>
	<p>Guy WAGNER Administrateur-Directeur BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A. 7, Boulevard Prince Henri L-1724 LUXEMBOURG</p>
Managing directors of the Management Company	<p>Dieter HEIN Directeur BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A. 7, Boulevard Prince Henri L-1724 LUXEMBOURG</p> <p>Guy WAGNER Administrateur-Directeur BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A. 7, Boulevard Prince Henri L-1724 LUXEMBOURG</p>
Sponsor	<p>ARION BANK HF. Borgartun 19 IS-105 REYKJAVIK</p>
Investment Manager	<p>STEFNIR ASSET MANAGEMENT COMPANY HF. Borgartun 19 IS-105 REYKJAVIK</p>
Distributor and Nominees	<p>ARION BANK HF. Borgartun 19 IS-105 REYKJAVIK</p>
Domiciliary Agent, Depositary and Primary Paying Agent and Central Administration	<p>BANQUE DE LUXEMBOURG Société Anonyme 14, Boulevard Royal L-2449 LUXEMBOURG</p>

KATLA FUND

Organisation (continued)

Central Administration's Subcontractor

EUROPEAN FUND ADMINISTRATION
Société Anonyme
2, Rue d'Alsace
B.P. 1725
L-1122 LUXEMBOURG

Independent auditor

ERNST & YOUNG
Société Anonyme
7, Rue Gabriel Lippmann
Parc d'Activité Syrdall 2
L-5365 MUNSBACH

KATLA FUND

General information

KATLA FUND (the "SICAV") is an investment company with variable capital with multiple Sub-Funds incorporated under Luxembourg Law, subject to the provisions of Part I of the amended Law of 17th December 2010 relating to undertakings for collective investment and qualifies as an undertaking for collective investment under the Council Directive 2009/65/EC as amended.

The SICAV has been incorporated for an unlimited duration as of 16th September 1996 in a form of a mutual fund and transformed into an undertaking for collective investments on 8th September 2003.

Since 1st October 2013, BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A. is acting as Management Company of KATLA FUND.

Notices concerning the SICAV are published in newspapers designated by the Board of Directors, presently in Iceland, in the *Frettabladid* and, if prescribed by Law, are published in the "*Recueil des Sociétés et Associations*" (le "*Mémorial*"), the official gazette of Luxembourg, and are lodged with the Registrar of the Luxembourg District Court. The current Articles of Incorporation of the SICAV are lodged with the "*Registre de Commerce et des Sociétés de Luxembourg*", from whom copies may be obtained.

At the date of the report, the following Sub-Funds are available for subscription:

- KATLA FUND - GLOBAL VALUE expressed in EUR
- KATLA FUND - SCANDINAVIAN EQUITIES expressed in EUR

The Board of Directors may issue, on account of the SICAV, different categories of shares, which correspond to different collections of assets and liabilities, whose net assets are denominated in the reference currency of the relevant Sub-Fund.

The following share classes are offered within each Sub-Fund:

- Class A Shares, capitalisation shares expressed in the reference currency of the Sub-Fund, reserved to retail investors*;
- Class B Shares, capitalisation shares expressed in the reference currency of the Sub-Fund, reserved to institutional investors**.

At the date of the report, only Class A Share is in issue.

The Net Asset Value per share of each Class of shares is determined as of each full bank business day in Luxembourg ("Valuation Day") by dividing the net assets of the Sub-Fund properly allocable to such Class of shares less the liabilities of the Sub-Fund properly allocable to such Class of shares, by the number of shares of such Class outstanding and shall be rounded up or down to the nearest whole hundredth of the currency in which the Net Asset Value of the relevant shares is calculated.

The Net Asset Value, the issue price, the redemption price and the conversion price for the Classes of shares of the Sub-Funds are available at any time during business hours at the SICAV's registered office.

At the end of each accounting year, the SICAV publishes an audited annual report on 31st December and at the end of each half-year, on 30th June, an unaudited semi-annual report. The combined financial statements of the SICAV are expressed in EUR.

Copies of the Articles of Incorporation, the prospectus, the KIID as well as the annual and semi-annual reports of the SICAV may be obtained free of charge at the registered office of the SICAV in Luxembourg.

The complaint settlement procedure foreseen by the CSSF Regulation N° 13-02 relating to the out-of-court resolution of complaints is available at the registered office of the SICAV.

KATLA FUND

General information (continued)

* i.e. any investors who does not qualify as an institutional investor as defined below.

** within the meaning of article 174(2) of the Law of 2010.

KATLA FUND

Combined statement of net assets (in EUR)

as at 30th June 2015

Assets

Securities portfolio at market value	76,472,724.06
Cash at banks	2,878,969.28
Formation expenses, net	4,695.20
Income receivable on portfolio	27,410.64
Interest receivable on bank accounts	112.40
Prepaid expenses	5,040.89
	<hr/>
Total assets	79,388,952.47

Liabilities

Bank overdrafts	114,701.48
Interest payable on bank overdrafts	35.65
Expenses payable	347,182.15
	<hr/>
Total liabilities	461,919.28
	<hr/>
Net assets at the end of the period	78,927,033.19

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

KATLA FUND - GLOBAL VALUE

Statement of net assets (in EUR)

as at 30th June 2015

Assets

Securities portfolio at market value	66,144,761.68
Cash at banks	2,662,257.84
Income receivable on portfolio	27,410.64
Interest receivable on bank accounts	5.51
Prepaid expenses	4,396.42
	<hr/>
Total assets	68,838,832.09

Liabilities

Expenses payable	303,237.04
	<hr/>
Total liabilities	303,237.04

Net assets at the end of the period	68,535,595.05
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Number of Class A Shares outstanding	494,992.6328
Net asset value per Class A Share	138.46

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

KATLA FUND - GLOBAL VALUE

Statement of investments and other net assets (in EUR)

as at 30th June 2015

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					
CAD	141,000	Descartes Systems Gr (The) Inc	1,132,804.71	2,033,080.65	2.97
EUR	24,000	Adidas AG Reg	1,717,495.67	1,647,600.00	2.40
EUR	46,000	Axa SA	892,120.52	1,040,980.00	1.52
EUR	36,000	GEA Group AG	1,257,993.61	1,440,360.00	2.10
EUR	20,000	Hugo Boss AG Reg	1,788,327.98	2,005,000.00	2.93
EUR	27,000	Michelin SA	2,083,286.13	2,537,730.00	3.70
EUR	25,000	SCOR SE	582,959.23	791,125.00	1.15
EUR	60,000	Stada Arzneimittel AG	1,777,002.40	1,815,300.00	2.65
			10,099,185.54	11,278,095.00	16.45
GBP	220,000	Aberdeen Asset Management Plc	1,078,939.21	1,255,208.48	1.83
GBP	900,000	Cable & Wireless Com Plc	487,367.47	846,503.11	1.24
			1,566,306.68	2,101,711.59	3.07
ISK	65,800	Marel hf	49,040.94	83,104.83	0.12
JPY	3,000	Fast Retailing Holdings Co Ltd	940,372.41	1,223,018.77	1.78
JPY	15,000	Nidec Corp	898,421.09	1,008,726.33	1.47
JPY	97,000	Nissan Motor Co Ltd	742,740.95	907,468.48	1.32
			2,581,534.45	3,139,213.58	4.57
NOK	100,000	Subsea 7 SA	978,642.19	875,461.94	1.28
USD	20,000	Akamai Technologies Inc	604,131.94	1,254,176.40	1.83
USD	27,500	Alaska Air Group Inc	560,171.66	1,591,364.29	2.32
USD	7,000	Alliance Data Syst Corp	1,425,377.61	1,835,440.99	2.68
USD	32,000	B/E Aerospace Inc	1,250,400.35	1,577,869.59	2.30
USD	33,000	Cameron Intl Corp	1,485,402.00	1,552,191.49	2.27
USD	35,000	CF Industries Holdings Inc	1,349,780.16	2,020,657.45	2.95
USD	63,000	Cia Cervecerias Unidas SA ADR repr 2 Shares	970,505.20	1,198,437.22	1.75
USD	10,000	Constellation Brands Inc	479,586.08	1,042,033.41	1.52
USD	23,000	Estée Lauder Companies Inc A	1,205,022.63	1,790,174.24	2.61
USD	55,000	Hartford Fin Serv Gr Inc (The)	1,056,316.16	2,053,484.82	3.00
USD	32,000	Hess Corp	2,045,075.43	1,922,184.30	2.80
USD	11,000	Humana Inc	1,298,987.07	1,889,779.06	2.76
USD	105,000	Huntington Bancshares Inc	657,662.80	1,066,597.81	1.56
USD	10,000	Intercontinental Exchang Inc	1,196,698.55	2,008,352.79	2.93
USD	4,700	Intuitive Surgical Inc	1,667,887.50	2,045,221.84	2.98
USD	38,900	Lazard Ltd A	998,100.37	1,964,914.68	2.87
USD	22,000	Lear Corp	1,183,402.66	2,218,178.55	3.24
USD	55,000	Maxim Intergrated Products Inc	1,391,485.19	1,707,944.14	2.49
USD	50,000	New York Community Bancorp Inc	580,123.40	825,399.68	1.20
USD	60,000	NRG Energy Inc	1,191,784.78	1,232,980.06	1.80
USD	40,000	Orbotech Ltd	761,509.97	747,260.64	1.09
USD	77,000	Resolute Forest Products Inc	1,257,975.06	778,022.27	1.14
USD	18,000	Synaptics Inc	976,813.10	1,402,218.43	2.05
USD	50,000	T-Mobile US Inc	1,066,841.99	1,741,063.41	2.54
USD	12,000	Toyota Motor Corp spons ADR repr 2 Sh	1,244,199.92	1,441,530.45	2.10
USD	35,000	XPO Logistics Inc	1,535,698.23	1,420,244.30	2.07
			29,440,939.81	40,327,722.31	58.85
Total shares			45,848,454.32	59,838,389.90	87.31
<u>Open-ended investment funds</u>					
Tracker funds (UCITS)					
EUR	78,000	db x-trackers Stoxx Eu 600 Banks UCITS ETF 1C Cap	3,445,134.44	3,545,100.00	5.17
Total tracker funds (UCITS)			3,445,134.44	3,545,100.00	5.17

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

KATLA FUND - GLOBAL VALUE

Statement of investments and other net assets (in EUR) (continued) as at 30th June 2015

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Tracker funds (UCI)					
USD	240,000	iShares Inc MSCI Japan ETF Dist	<u>1,786,258.24</u>	<u>2,761,271.78</u>	<u>4.03</u>
Total tracker funds (UCI)			<u>1,786,258.24</u>	<u>2,761,271.78</u>	<u>4.03</u>
Total investments in securities			51,079,847.00	66,144,761.68	96.51
Cash at banks				2,662,257.84	3.88
Other net assets/(liabilities)				-271,424.47	-0.39
Total				<u>68,535,595.05</u>	<u>100.00</u>

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

KATLA FUND - GLOBAL VALUE

Industrial and geographical classification of investments

as at 30th June 2015

Industrial classification

(in percentage of net assets)

Automobiles and components	10.36 %
Investment funds	9.20 %
Diversified financial services	7.63 %
Consumer durables and apparel	7.11 %
Energy	6.35 %
Health care equipment and services	5.74 %
Insurance	5.67 %
Software and services	4.80 %
Technology hardware and equipment	4.61 %
Capital goods	4.52 %
Transportation	4.39 %
Materials	4.09 %
Telecommunication services	3.78 %
Banks	2.76 %
Commercial services and supplies	2.68 %
Pharmaceuticals and biotechnology	2.65 %
Household and personal products	2.61 %
Semiconductors and semiconductor equipment	2.49 %
Utilities	1.80 %
Food, beverage and tobacco	1.75 %
Food retailing, drugstores and pharmacies	1.52 %
Total	<u>96.51 %</u>

KATLA FUND - GLOBAL VALUE

Industrial and geographical classification of investments (continued) as at 30th June 2015

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	55.07 %
Germany	10.08 %
Japan	6.67 %
Luxembourg	6.45 %
France	6.37 %
United Kingdom	3.07 %
Canada	2.97 %
Bermuda	2.87 %
Chile	1.75 %
Israel	1.09 %
Iceland	0.12 %
Total	<u>96.51 %</u>

KATLA FUND - SCANDINAVIAN EQUITIES

Statement of net assets (in EUR)

as at 30th June 2015

Assets

Securities portfolio at market value	10,327,962.38
Cash at banks	216,711.44
Formation expenses, net	4,695.20
Interest receivable on bank accounts	106.89
Prepaid expenses	644.47
	<hr/>
Total assets	10,550,120.38

Liabilities

Bank overdrafts	114,701.48
Interest payable on bank overdrafts	35.65
Expenses payable	43,945.11
	<hr/>
Total liabilities	158,682.24

Net assets at the end of the period	10,391,438.14
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Number of Class A Shares outstanding	76,945.8080
Net asset value per Class A Share	135.05

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

KATLA FUND - SCANDINAVIAN EQUITIES

Statement of investments and other net assets (in EUR)

as at 30th June 2015

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					
DKK	200	A.P. Moeller - Maersk A/S B	317,549.49	324,913.46	3.13
DKK	2,960	Carlsberg A/S B	221,020.48	241,031.10	2.32
DKK	8,100	Danske Bank A/S	133,402.08	213,670.81	2.06
DKK	12,040	De Sammenslut Vognmaend AS	260,906.01	349,881.40	3.37
DKK	2,950	NKT Holding	101,640.44	151,880.29	1.46
DKK	20,000	Novo Nordisk AS B	576,830.44	977,421.19	9.41
DKK	6,490	Novozymes AS B	170,911.49	276,721.85	2.66
DKK	6,060	Vestas Wind Systems A/S	90,296.30	271,302.74	2.61
			1,872,556.73	2,806,822.84	27.02
EUR	9,570	Fortum Oyj	148,246.52	152,545.80	1.47
EUR	3,910	Kone Oyj B	115,784.25	142,324.00	1.37
EUR	53,980	Nokia Oyj	242,525.16	328,738.20	3.16
EUR	6,630	Nokian Tyres Plc	198,757.95	186,369.30	1.79
EUR	8,230	Sampo Plc A	262,724.72	347,717.50	3.35
			968,038.60	1,157,694.80	11.14
NOK	15,120	DNB ASA	170,912.83	225,589.26	2.17
NOK	28,550	Norsk Hydro ASA	106,051.12	107,630.77	1.03
NOK	29,190	Orkla ASA A	182,137.66	205,436.76	1.98
NOK	16,040	Statoil ASA	274,324.58	256,331.15	2.47
NOK	16,000	Subsea 7 SA	149,188.70	140,073.91	1.35
NOK	15,060	Telenor ASA	238,224.70	295,125.69	2.84
NOK	2,210	Yara Intl ASA	76,046.89	102,952.50	0.99
			1,196,886.48	1,333,140.04	12.83
SEK	6,490	ABB Ltd Reg	100,484.95	121,978.65	1.17
SEK	18,840	Assa Abloy AB B	216,646.42	318,216.80	3.06
SEK	12,340	Atlas Copco AB A	257,253.55	309,772.20	2.98
SEK	16,960	Hennes & Mauritz AB B	497,895.34	585,771.22	5.64
SEK	5,680	Hexagon AB B	123,753.60	184,623.75	1.78
SEK	1,780	Millicom Intl Cellular SA SDR	125,960.81	117,775.72	1.13
SEK	3,570	Modern Times Group MTG AB B	107,909.45	85,909.72	0.83
SEK	38,710	Nordea Bank AB	333,890.30	433,094.84	4.17
SEK	14,100	Sandvik AB	156,117.33	139,826.95	1.34
SEK	24,310	Skandinaviska Enskilda Banken A	199,027.11	278,823.98	2.68
SEK	7,300	SKF AB B	136,387.25	149,366.67	1.44
SEK	15,110	Svenska Cellulosa SCA AB B	287,702.22	344,646.89	3.32
SEK	29,010	Svenska Handelsbanken AB A	316,220.58	379,815.25	3.65
SEK	14,840	Swedbank AB A	257,332.51	310,388.09	2.99
SEK	8,920	Tele2 AB B	84,295.05	93,042.46	0.89
SEK	36,690	Telefon AB LM Ericsson B	305,187.32	341,020.25	3.28
SEK	32,280	TeliaSonera AB	170,610.06	170,483.22	1.64
SEK	21,240	Volvo AB B	226,312.95	236,488.04	2.28
			3,902,986.80	4,601,044.70	44.27
Total shares			7,940,468.61	9,898,702.38	95.26
<u>Open-ended investment funds</u>					
Tracker funds (UCITS)					
EUR	13,000	Concept Fd Sol Plc db x-trackers MSCI Nor Idx 1D Dist	446,680.00	429,260.00	4.13
Total tracker funds (UCITS)			446,680.00	429,260.00	4.13
Total investments in securities			8,387,148.61	10,327,962.38	99.39

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

KATLA FUND - SCANDINAVIAN EQUITIES

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

as at 30th June 2015

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
		Cash at banks		216,711.44	2.09
		Bank overdrafts		-114,701.48	-1.10
		Other net assets/(liabilities)		-38,534.20	-0.38
		Total		<u>10,391,438.14</u>	<u>100.00</u>

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

KATLA FUND - SCANDINAVIAN EQUITIES

Industrial and geographical classification of investments

as at 30th June 2015

Industrial classification

(in percentage of net assets)

Banks	17.72 %
Capital goods	14.15 %
Pharmaceuticals and biotechnology	12.07 %
Telecommunication services	6.50 %
Transportation	6.50 %
Technology hardware and equipment	6.44 %
Consumer durables and apparel	5.64 %
Materials	5.08 %
Food, beverage and tobacco	4.30 %
Investment funds	4.13 %
Automobiles and components	4.07 %
Energy	3.82 %
Insurance	3.35 %
Household and personal products	3.32 %
Utilities	1.47 %
Media	0.83 %
Total	<u>99.39 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Sweden	41.97 %
Denmark	27.02 %
Norway	11.48 %
Finland	11.14 %
Ireland	4.13 %
Luxembourg	2.48 %
Switzerland	1.17 %
Total	<u>99.39 %</u>

Notes to the financial statements

as at 30th June 2015

Note 1 - Significant accounting policies

a) Presentation of the financial statements

The financial statements of the SICAV are established in accordance with the Luxembourg legal and regulatory requirements concerning undertakings for collective investment.

b) Valuation of assets

The asset values are determined as follows:

The value of cash on hand or on deposit, bills and notes due on demand, accounts receivable, prepaid expenses, dividends, and interest declared or due but not yet received consists of the nominal value of these assets, unless it is unlikely that this value is received, in which event, the value is determined by deducting an amount which the SICAV deems adequate to reflect the real value of these assets.

The value of all transferable securities, money-market instruments and financial derivative instruments that are listed on a stock exchange or traded on another regulated market that operates regularly, and is recognised and open to the public, is determined based on the most recent available price.

In the case of SICAV investments that are listed on a stock exchange or traded on another regulated market that operates regularly, is recognised and open to the public and traded by market makers outside the stock exchange on which the investments are listed or of the market on which they are traded, the Board of Directors may determine the main market for the investments in question that will be then evaluated at the last available price on that market.

Money market instruments and fixed-interest securities, the residual maturity of which is less than one year, may be valued on the basis of amortised cost, a method that consists after purchase in taking into account a straight-line amortisation to arrive at the redemption price at the security's maturity.

The value of securities representative of an open-ended undertaking for collective investment is determined according to the last official net asset value per unit or according to the last estimated net asset value if it is more recent than the official net asset value, and provided that the SICAV is assured that the valuation method used for this estimate is consistent with that used for the calculation of the official net asset value.

c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by each Sub-Fund that are denominated in currencies other than the reference currency of the Sub-Fund is converted into 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 determined on the basis of the average acquisition cost.

e) Investment income

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

KATLA FUND

Notes to the financial statements (continued)

as at 30th June 2015

f) Formation expenses

The formation expenses of the Sub-Fund KATLA FUND - SCANDINAVIAN EQUITIES are amortised on a straight line basis over a period of 5 years. The formation expenses of the Sub-Fund KATLA FUND - GLOBAL VALUE are fully amortised.

If the launch of a Sub-Fund occurs after the launch date of the SICAV, the costs of formation in relation to launch of the new Sub-Fund shall be charged to such Sub-Fund alone and may be amortised over a maximum of 5 years with effect from the Sub-Fund's launch date.

g) 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.

h) Combined financial statements

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

Note 2 - Management fees

The SICAV has appointed BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A. as Management Company.

The Management Company may delegate, under its responsibility and its control, the management of the assets of one or several Sub-Funds of the SICAV to one or several Investment Managers.

The Management Company has appointed STEFNIR ASSET MANAGEMENT COMPANY HF. as Investment Manager of the Sub-Funds

The Investment Manager STEFNIR ASSET MANAGEMENT COMPANY HF. is entitled to receive an annual commission at the rates indicated below:

- | | |
|--------------------------------------|-------|
| • KATLA FUND - GLOBAL VALUE | 1.50% |
| • KATLA FUND - SCANDINAVIAN EQUITIES | 1.50% |

The management fee is payable quarterly and is calculated on the basis of the average net assets of each Sub-Fund for the relevant quarter.

Note 3 - Subscription, redemption and conversion fees

Subscription price of a Share in a particular Class of shares within a specific Sub-Fund is the relevant Net Asset Value per Share in the said Class on the corresponding Valuation Day plus a subscription fee which will amount to a maximum of 2% of the subscription amount in favour of entities and agents active in sales and investment shares.

The redemption price of a Share in a particular Class of shares within a specific Sub-Fund is the relevant Net Asset Value per Share in the said Class on the corresponding Valuation Day. No redemption fee is charged for the Sub-Funds.

KATLA FUND

Notes to the financial statements (continued)

as at 30th June 2015

The conversion price is based on the Net Asset Value of the Class of shares of the relevant Sub-Fund plus a conversion fee which will amount to a maximum of 0.5% of the converted amount in favour of the disinvested Sub-Fund.

Note 4 - Subscription duty ("*Taxe d'abonnement*")

The SICAV is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the SICAV is subject to an annual "*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 5 - Statement of changes in investments

The statement of changes in investments for the period in reference to the report is available free of charge at the registered office of the SICAV.