

**Unaudited semi-annual report
as at 30th June 2020**

KALTCHUGA FUND

Société d'Investissement à Capital Variable
Luxembourg

R.C.S. Luxembourg B123323

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.

KALTCHUGA FUND

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KALTCHUGA FUND

Organisation

Registered office

88, Grand-Rue
L-1660 LUXEMBOURG

Board of Directors*Chairman*

Bernard LOZE
LOZE ET ASSOCIES
43, Avenue Marceau
F-75116 PARIS

Directors

Frédéric NEEFS
Partner
SUSSEX PARTNERS UK LTD.
15 Savile Row
LONDON W1S 3PJ
(until 2nd March 2020)

Jean-Marie BILLIOTTE
Conducting Officer
PROBUS CAPITAL MANAGEMENT S.A.
16, Rue Erasme
L-1468 LUXEMBOURG

Kim MÜLLER
Analyst and Chief Investment Officer
PROBUS COMPAGNIE S.A.
1, Place de St-Gervais
CH-1201 GENEVA

Management Company

PROBUS CAPITAL MANAGEMENT S.A.
16, Rue Erasme
L-1468 LUXEMBOURG

**Board of Directors of
the Management Company**

Marco BERNI
Jean-Marie BILLIOTTE
Philippe TOUSSAINT

**Conducting officers of
the Management Company**

Benoît BILLIOTTE
Jean-Marie BILLIOTTE
Bernard BONVIN

Depository

QUINTET PRIVATE BANK (EUROPE) S.A.
(formerly KBL EUROPEAN PRIVATE BANKERS S.A.)
43, Boulevard Royal
L-2955 LUXEMBOURG

**Administrative, domiciliary
and registrar agent**

KREDIETRUST LUXEMBOURG S.A.
88, Grand-Rue
L-1660 LUXEMBOURG

KALTCHUGA FUND

Organisation (continued)

Independent auditor	ERNST & YOUNG Société Anonyme 35E, Avenue John F. Kennedy L-1855 LUXEMBOURG
Paying agent	QUINTET PRIVATE BANK (EUROPE) S.A. (formerly KBL EUROPEAN PRIVATE BANKERS S.A.) 43, Boulevard Royal L-2955 LUXEMBOURG
Centralising correspondent and agent in France	SOCIÉTÉ GÉNÉRALE 28, Boulevard Haussman F-75009 PARIS
Representative agent in Switzerland	CARNEGIE FUND SERVICES S.A. 11, Rue du Général-Dufour CH-1204 GENEVA
Paying agent in Switzerland	BANQUE CANTONALE DE GENEVE 17, Quai de l'Ile CH-1204 GENEVA

KALTCHUGA FUND

Combined statement of net assets (in EUR) as at 30th June 2020

Assets

Securities portfolio at market value	17,169,025.89
Cash at banks	1,048,486.14
Income receivable on portfolio	47,926.64
Unrealised gain on forward foreign exchange contracts	2,301.72
Prepaid expenses	8,245.83
	<hr/>
Total assets	18,275,986.22
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Liabilities

Bank overdrafts	0.01
Expenses payable	62,438.33
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Total liabilities	62,438.34
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Net assets at the end of the period	18,213,547.88
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The accompanying notes are an integral part of these financial statements.

KALTCHUGA FUND - RUSSIA EQUITIES

Statement of net assets (in USD)

as at 30th June 2020

Assets

Securities portfolio at market value	19,286,825.23
Cash at banks	1,177,816.90
Income receivable on portfolio	53,838.39
Unrealised gain on forward foreign exchange contracts	2,585.64
Prepaid expenses	9,262.95
Total assets	20,530,329.11

Liabilities

Bank overdrafts	0.01
Expenses payable	70,140.10
Total liabilities	70,140.11
Net assets at the end of the period	20,460,189.00

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in USD)
A USD	1,337.850	USD	8,614.68	11,525,151.56
B EUR	44.540	EUR	4,635.80	231,947.77
C USD	912.951	USD	8,524.75	7,782,682.08
D EUR	177.092	EUR	4,626.64	920,407.59
				20,460,189.00

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

KALTCHUGA FUND - RUSSIA EQUITIES

Statistical information (in USD)

as at 30th June 2020

Total net assets	Currency	31.12.2018	31.12.2019	30.06.2020	
	USD	25,167,361.24	28,574,053.40	20,460,189.00	
Net asset value per share class	Currency	31.12.2018	31.12.2019	30.06.2020	
A USD	USD	7,625.20	10,781.99	8,614.68	
B EUR	EUR	4,295.54	5,882.74	4,635.80	
C USD	USD	7,511.79	10,653.54	8,524.75	
D EUR	EUR	4,248.22	5,845.77	4,626.64	
Number of shares		outstanding at the beginning of the period	issued	redeemed	outstanding at the end of the period
A USD		1,337.850	-	-	1,337.850
B EUR		44.540	-	-	44.540
C USD		1,130.274	179.852	-397.175	912.951
D EUR		276.363	18.395	-117.666	177.092

KALTCHUGA FUND - RUSSIA EQUITIES

Statement of investments and other net assets (in USD) as at 30th June 2020

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Investments in securities					
Transferable securities admitted to an official stock exchange listing					
Shares					
USD	588,293	Etalon Group PCL GDR repr 1 Shares Reg S	1,056,560.97	797,137.02	3.90
USD	25,000	Gazprom PJSC spons ADR repr 2 Shares	112,550.00	134,900.00	0.66
USD	47,867	Global Ports Investments Plc GDR repr 3 shares Reg S	681,032.39	138,814.30	0.68
USD	40,000	Globaltrans Investment Plc GDR repr 1 Sh Reg S	265,499.84	215,600.00	1.05
USD	81,583	LSR Group PJSC GDR repr 1 Share Reg S	126,482.83	161,044.84	0.79
USD	99,413	Magnitogorsk Iron Stl Wks PJSC GDR repr 13 Shares	518,597.82	670,043.62	3.27
USD	25,000	Mail.RU Group Ltd spons GDR Repr 1 Sh Reg-S	402,555.01	562,500.00	2.75
USD	6,000	MMC Norilsk Nickel PJSC spons ADR repr 1 Share	100,152.70	157,140.00	0.77
USD	18,000	Mobile Telesystems PJSC ADR repr 2 Shs	210,875.75	165,420.00	0.81
USD	500	NovaTek Joint St Co spons GDR repr 10 Shares	52,567.28	71,100.00	0.35
USD	33,000	Novolipetsk Steel (NLMK) GDR repr 10 Shares	537,382.90	656,040.00	3.21
USD	3,700	Oil Co Lukoil PJSC spons ADR repr 1 Share	172,220.20	274,762.00	1.34
USD	45,000	Phosagro PJSC spons GDR repr 1/3 Reg Shares	472,850.00	555,300.00	2.71
USD	63,000	Rosneft Oil Co GDR repr 1 Share Reg	506,233.91	316,764.00	1.55
USD	2,000,000	Sistema PJSC Reg	436,420.84	479,949.40	2.34
USD	240,000	Veon Ltd spons ADR repr 1 share	926,941.42	432,000.00	2.11
USD	330,000	VTB Bank PJSC GDR spons GDR repr 2000 Shares	299,452.21	309,705.00	1.51
USD	12,000	X5 Retail Group NV spons GDR repr 1/4 Reg S	270,831.00	424,800.00	2.08
USD	13,000	Yandex NV A Reg	433,080.70	650,260.00	3.18
Total shares			7,582,287.77	7,173,280.18	35.06
Transferable securities dealt in on another regulated market					
Shares					
RUB	3,424,365	Territorial Generat Co 1 PJSC	22,429.95	627.71	0.00
RUB	92,017	Unipro PJSC	29,920.21	3,596.36	0.02
			52,350.16	4,224.07	0.02
USD*	750,000	Alrosa PJSC	1,015,131.95	678,665.40	3.32
USD*	450,000	Detsky mir PJSC	643,469.04	635,301.54	3.10
USD*	18,500,000	Enel Russia PJSC	259,700.00	259,621.60	1.27
USD*	581,000	Gazprom PJSC	1,621,199.99	1,575,587.64	7.70
USD*	3,700,000	Inter Rao Ues PJSC Reg	266,400.00	251,833.10	1.23
USD*	17,851	LSR Group PJSC	248,793.79	175,560.19	0.86
USD*	3,000	MMC Norilsk Nickel PJSC	595,510.25	787,285.52	3.85
USD*	360,000	Moscow Exchange Micex-Rts PJSC	514,091.52	571,897.69	2.79
USD*	69,500	NovaTek Joint St Co	857,791.95	988,210.33	4.83
USD*	16,300	Oil Co Lukoil PJSC	944,365.75	1,207,674.24	5.90
USD*	3,701	Phosagro PJSC Reg	139,681.29	137,273.17	0.67
USD*	124,000	Rosneft Oil Co	670,315.78	627,852.49	3.07
USD*	470,000	Sberbank of Russia PJSC	1,432,873.70	1,337,627.57	6.54
USD*	140,000	Sberbank of Russia PJSC Pref	219,136.00	371,584.74	1.82
USD*	410,000	Surgutneftegas PJSC	136,997.40	221,031.45	1.08
USD*	1,330,000	Surgutneftegas PJSC Pref	675,275.00	654,664.44	3.20
USD*	81,000	Tatneft PJSC	991,378.90	627,470.77	3.07
USD*	15,000	Tatneft PJSC Pref	91,969.50	113,461.74	0.55
USD*	2,396,575,635	Territorial Generat Co 1 PJSC	894,678.92	439,292.31	2.15
USD*	6,431,983	Unipro PJSC	501,788.02	251,385.05	1.23
USD*	400,000,000	VTB Bank PJSC	312,400.00	196,040.00	0.96
			13,032,948.75	12,109,320.98	59.19
Total shares			13,085,298.91	12,113,545.05	59.21
Total investments in securities			20,667,586.68	19,286,825.23	94.27

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

KALTCHUGA FUND - RUSSIA EQUITIES

Statement of investments and other net assets (in USD) (continued) as at 30th June 2020

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Cash at banks					
Current accounts at bank			1,177,834.62	1,177,816.90	5.76
Total cash at banks			<u>1,177,834.62</u>	<u>1,177,816.90</u>	<u>5.76</u>
Bank overdrafts				-0.01	0.00
Other net assets/(liabilities)				-4,453.12	-0.03
Total				<u><u>20,460,189.00</u></u>	<u><u>100.00</u></u>

*The reference currency of the security on the Moscow Exchange is RUB but the Sub-Fund's transactions on the security are expressed in USD.

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

KALTCHUGA FUND - RUSSIA EQUITIES

Industrial and geographical classification of investments as at 30th June 2020

Industrial classification

(in percentage of net assets)

Energy	33.30 %
Raw materials	17.80 %
Financials	13.62 %
Cyclical consumer goods	7.00 %
Technologies	5.93 %
Utilities	5.90 %
Industrials	4.07 %
Telecommunications services	2.92 %
Non-cyclical consumer goods	2.08 %
Real estate	1.65 %
Total	<u>94.27 %</u>

Geographical classification**

(by domicile of the issuer)

(in percentage of net assets)

Russia	80.60 %
Cyprus	5.63 %
The Netherlands	5.29 %
British Virgin Islands	2.75 %
Total	<u>94.27 %</u>

**All companies conduct their business activities in Russia and CIS

KALTCHUGA FUND

Notes to the financial statements

as at 30th June 2020

Note 1 - General information

KALTCHUGA FUND (the "Fund") is organised as a "Société d'Investissement à Capital Variable" ("SICAV") with multiple Sub-Funds organized under Luxembourg law. The SICAV is governed under the Council Directive 2009/65/EC as amended and the provisions of Part I of the law of 17th December 2010 as amended.

The Net Asset Value per Share is determined each Bank Business Day in Luxembourg and Moscow (referred to as the "Valuation Day").

The Net Asset Value as well as the issue and redemption prices are available to the interested persons as of each Valuation Day at the registered office of the Fund.

A copy of the articles of incorporation, the full prospectus and the KIID, the most recent unaudited semi-annual report and the most recent annual report including audited financial statements are made available free of charge at the registered office of the Fund, 88, Grand-Rue, L-1660 LUXEMBOURG.

Note 2 - Significant accounting policies

a) Presentation of the financial statements

The financial statements of the Fund are prepared in accordance with the Luxembourg legal and regulatory requirements concerning undertakings for collective investment and with generally accepted accounting principles in Luxembourg. The financial statements of the Fund have been prepared on a going concern basis.

b) Valuation of assets

The value of any cash in hand or on deposit, discount notes, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received, is deemed 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 the Fund may consider appropriate in such case to reflect the true value thereof.

The value of all portfolio securities which are listed on an official Stock Exchange or traded on any other regulated market is valued at the last available price in Luxembourg on the principal market on which such securities are traded, as furnished by a pricing service approved by the Board. If such prices are not representative of the fair value, such securities as well as other permitted assets, including securities which are listed on a Stock Exchange or traded on a regulated market, are valued at a fair value at which it is expected that they may be resold, as determined in good faith by and under the direction of the Board.

The value of securities which are not quoted or dealt in on any regulated market is valued at the last available price in Luxembourg, unless such price is not representative of their true value; in this case, they are valued at a fair value at which it is expected that they may be resold, as determined in good faith by and under the direction of the Board.

The value of other assets is determined prudently and in good faith by and under the direction of the Board in accordance with generally accepted valuation principles and procedures.

c) Acquisition cost of securities in the portfolio

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

KALTCHUGA FUND

Notes to the financial statements (continued)

as at 30th June 2020

d) Net realised gain/(loss) on securities portfolio

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

e) Investment income

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

Interest income accrued is disclosed net of any withholding tax.

f) Valuation of forward foreign exchange contracts

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

g) Formation expenses

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

h) Conversion of foreign currencies

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

At the date of the financial statements, the exchange rate used for the combined statements is the following:

1	EUR	=	1.1233500	USD	US Dollar
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Note 3 - Management fees

The Board of Directors of the Fund has appointed PROBUS CAPITAL MANAGEMENT S.A. as its management company (the "Management Company") to provide management, administration and distribution services. The Management Company is registered as a management company pursuant to the stipulations of Chapter 15 of the amended Law of 17th December 2010 relating to Undertakings for Collective Investment.

The Sub-Fund pays a monthly management fee in arrears of the average Net Asset Value of the Sub-Fund and amounting:

for the Classes A and B Shares: 2% per annum
for the Classes C and D Shares: 1.7% per annum.

KALTCHUGA FUND

Notes to the financial statements (continued)

as at 30th June 2020

Note 4 - 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 "*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 - Forward foreign exchange contracts

As at 30th June 2020, the Sub-Fund is committed in the following forward foreign exchange contracts with QUINTET PRIVATE BANK (EUROPE) S.A. (formerly KBL EUROPEAN PRIVATE BANKERS S.A.):

KALTCHUGA FUND - RUSSIA EQUITIES

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in USD)
Forward foreign exchange contracts linked to Class B EUR Shares					
EUR	209,522.11	USD	235,000.00	31.07.2020	513.50
					513.50
Forward foreign exchange contracts linked to Class D EUR Shares					
EUR	845,488.59	USD	948,300.00	31.07.2020	2,072.14
					2,072.14

Note 6 - Change in investment

The statement of change in investment for the reporting period is available free of charge at the registered office of the Fund.

Note 7 – Events

With effect from 16th January 2020, KBL EUROPEAN PRIVATE BANKERS S.A. changed its name to QUINTET PRIVATE BANK (EUROPE) S.A..

Covid-19, and specific travel bans, population lockdowns and production shut downs around the globe impact the Russian economy via the current account. The trade balance shrinks as energy prices, Russia's primary source of export revenues, plummet, triggering a depreciation of the Russian rouble and subsequent capital outflows. In our stock universe, both exporters and domestic stocks are hit – exporters by a slump in demand on export markets, particularly oil, and domestic stocks by a slump in domestic demand coupled with rouble depreciation. We therefore assume lower profits at Russian companies, hence lower dividend payments. Luckily Russian companies have low debt levels and are thus in a better position to sail through this crisis than their emerging peers. Stock price volatility will persist, though, as incertitude remains high on the progression of the epidemics and on the monetary and fiscal measures introduced to accommodate the situation on a global scale.

Note 8 - Subsequent events

At the date of the financial statements, there were no subsequent events to be disclosed.

Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")

During the reporting period, the Fund did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported.