

**Unaudited semi-annual report
as at 30th June 2019**

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	11, Rue Aldringen L-1118 LUXEMBOURG
Board of Directors	
<i>Chairman</i>	Bernard LOZE LOZE ET ASSOCIES 43, Avenue Marceau F-75116 PARIS
<i>Directors</i>	Frédéric NEEFS Partner SUSSEX PARTNERS UK LTD. 15 Savile Row LONDON W1S 3PJ 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
Depositary	KBL EUROPEAN PRIVATE BANKERS S.A. 43, Boulevard Royal L-2955 LUXEMBOURG
Administrative, domiciliary and registrar agent	KREDIETRUST LUXEMBOURG S.A. 11, Rue Aldringen L-2960 LUXEMBOURG

KALTCHUGA FUND

Organisation (continued)

Independent auditor

ERNST & YOUNG
Société Anonyme
35E, Avenue John F. Kennedy
L-1855 LUXEMBOURG

Paying agent

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'Île
CH-1204 GENEVA

KALTCHUGA FUND

Combined statement of net assets (in EUR)

as at 30th June 2019

Assets

Securities portfolio at market value	21,459,693.28
Cash at banks	488,400.58
Income receivable on portfolio	331,182.28
Unrealised gain on forward foreign exchange contracts	933.85
Prepaid expenses	8,836.37
	<hr/>
Total assets	22,289,046.36
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Liabilities

Expenses payable	80,160.09
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Total liabilities	80,160.09
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Net assets at the end of the period	22,208,886.27
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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 2019

Assets

Securities portfolio at market value	24,436,152.74
Cash at banks	556,141.74
Income receivable on portfolio	377,117.26
Unrealised gain on forward foreign exchange contracts	1,063.37
Prepaid expenses	10,061.98
Total assets	25,380,537.09

Liabilities

Expenses payable	91,278.29
Total liabilities	91,278.29
Net assets at the end of the period	25,289,258.80

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	1,361.006	USD	9,562.63	13,014,800.17
B EUR	44.540	EUR	5,294.01	268,500.14
C USD	1,096.548	USD	9,434.43	10,345,304.15
D EUR	277.601	EUR	5,253.50	1,660,654.34
				25,289,258.80

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

KALTCHUGA FUND - RUSSIA EQUITIES

Statistical information (in USD)

as at 30th June 2019

Total net assets	Currency	31.12.2017	31.12.2018	30.06.2019
	USD	44,350,745.06	25,167,361.24	25,289,258.80

Net asset value per share	Currency	31.12.2017	31.12.2018	30.06.2019
A USD	USD	8,326.51	7,625.20	9,562.63
B EUR	EUR	4,849.39	4,295.54	5,294.01
C USD	USD	8,178.10	7,511.79	9,434.43
D EUR	EUR	4,793.04	4,248.22	5,253.50

Number of shares	outstanding at the beginning of the period	issued	redeemed	outstanding at the end of the period
A USD	1,363.005	-	-1.999	1,361.006
B EUR	44.540	-	-	44.540
C USD	1,480.293	0.903	-384.648	1,096.548
D EUR	707.587	14.961	-444.947	277.601

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

KALTCHUGA FUND - RUSSIA EQUITIES

Statement of investments and other net assets (in USD) as at 30th June 2019

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	238,293	Etalon Group PCL GDR repr 1 Shares Reg S	607,261.76	531,393.39	2.10
USD	30,000	Gazprom PJSC spons ADR repr 2 Shares	135,060.00	219,780.00	0.87
USD	47,867	Global Ports Investments Plc GDR repr 3 shares Reg S	681,032.39	136,899.62	0.54
USD	57,642	Globaltrans Investment Plc GDR repr 1 Sh Reg S	233,283.38	536,070.60	2.12
USD	259,583	LSR Group PJSC GDR repr 1 Share Reg S	768,269.56	667,128.31	2.64
USD	109,413	Magnitogorsk Iron Stl Wks PJSC GDR repr 13 Shares	441,660.06	1,006,599.60	3.98
USD	22,000	Mail.RU Group Ltd spons GDR Repr 1 Sh Reg-S	397,936.10	561,440.00	2.22
USD	10,000	MMC Norilsk Nickel PJSC spons ADR repr 1 Share	166,621.17	227,100.00	0.90
USD	13,750	Mobile Telesystems PJSC ADR repr 2 Shs	171,739.62	128,012.50	0.51
USD	500	NovaTek Joint St Co spons GDR repr 10 Shares	52,557.28	106,000.00	0.42
USD	38,000	Novolipetsk Steel (NLMK) GDR repr 10 Shares	479,585.70	959,120.00	3.79
USD	5,000	Oil Co Lukoil PJSC spons ADR repr 1 Share	232,730.00	422,100.00	1.67
USD	60,000	Phosagro PJSC spons GDR repr 1/3 Reg Shares	615,650.00	787,200.00	3.11
USD	63,000	Rosneft Oil Co GDR repr 1 Share Reg	506,233.91	412,650.00	1.63
USD	120,000	Veon Ltd spons ADR repr 1 share	967,089.10	336,000.00	1.33
USD	230,000	VTB Bank PJSC GDR spons GDR repr 2000 Shares	325,607.22	289,340.00	1.14
USD	15,000	X5 Retail Group NV spons GDR repr 1/4 Reg S	352,821.00	514,350.00	2.03
USD	15,000	Yandex NV A Reg	499,708.50	570,000.00	2.25
Total shares			7,634,846.75	8,411,184.02	33.25
Transferable securities dealt in on another regulated market					
Shares					
RUB	400,000	Surgutneftegas PJSC Pref	617,882.22	270,164.46	1.07
RUB	3,424,365	Territorial Generat Co 1 PJSC	22,429.95	569.94	0.00
RUB	92,017	Unipro PJSC	29,920.21	3,828.72	0.02
			670,232.38	274,563.12	1.09
USD*	653	Acron PJSC	16,238.43	47,240.61	0.19
USD*	570,000	Alrosa PJSC	866,544.15	777,377.46	3.07
USD*	450,000	Detsky mir PJSC	643,469.04	612,007.16	2.42
USD*	26,000,000	Enel Russia PJSC	594,445.63	470,854.80	1.86
USD*	608,000	Gazprom PJSC	1,421,832.02	2,243,877.87	8.87
USD*	17,851	LSR Group PJSC	248,793.79	221,328.35	0.88
USD*	3,000	Magnit PJSC	327,432.52	177,610.47	0.70
USD*	4,000	MMC Norilsk Nickel PJSC	735,927.60	907,184.49	3.59
USD*	34,909	Mobile Telesystems PJSC	145,512.93	157,647.31	0.62
USD*	360,000	Moscow Exchange Micex-Rts PJSC	514,091.52	514,428.37	2.03
USD*	72,000	NovaTek Joint St Co	742,004.80	1,526,337.27	6.04
USD*	18,800	Oil Co Lukoil PJSC	935,159.00	1,580,883.73	6.25
USD*	3,701	Phosagro PJSC Reg	139,681.29	145,722.75	0.58
USD*	108,000	Rosneft Oil Co	537,478.65	709,585.91	2.81
USD*	500,000	Sberbank of Russia PJSC	1,574,910.97	1,890,628.15	7.48
USD*	140,000	Sberbank of Russia PJSC Pref	219,136.00	456,255.21	1.80
USD*	2,060,000	Surgutneftegas PJSC	1,032,972.40	860,081.72	3.40
USD*	290,000	Surgutneftegas PJSC Pref	194,764.64	195,869.25	0.77
USD*	116,000	Tatneft PJSC	343,312.96	1,169,791.19	4.63
USD*	2,396,575,635	Territorial Generat Co 1 PJSC	894,678.92	398,790.19	1.58
USD*	10,431,983	Unipro PJSC	855,289.08	434,063.34	1.72
USD*	400,000,000	VTB Bank PJSC	340,000.00	252,840.00	1.00
			13,323,676.34	15,750,405.60	62.29
Total shares			13,993,908.72	16,024,968.72	63.38
Total investments in securities			21,628,755.47	24,436,152.74	96.63

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 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
		Cash at banks		556,141.74	2.20
		Other net assets/(liabilities)		296,964.32	1.17
		Total		<u>25,289,258.80</u>	<u>100.00</u>

*The reference currency of the security on the Moscow Exchange is RUB but the 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 2019

Industrial classification

(in percentage of net assets)

Energy	38.43 %
Raw materials	19.21 %
Financials	13.45 %
Utilities	5.18 %
Cyclical consumer goods	4.52 %
Technologies	4.47 %
Real estate	3.52 %
Non-cyclical consumer goods	2.73 %
Industrials	2.66 %
Telecommunications services	2.46 %
Total	<u>96.63 %</u>

Geographical classification**

(by domicile of the issuer)
(in percentage of net assets)

Russia	86.07 %
Cyprus	4.76 %
The Netherlands	3.58 %
British Virgin Islands	2.22 %
Total	<u>96.63 %</u>

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

KALTCHUGA FUND

Notes to the financial statements

as at 30th June 2019

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, 11, Rue Aldringen, L-1118 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.

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.

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Notes to the financial statements (continued)

as at 30th June 2019

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	=	1.1387000	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.

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Notes to the financial statements (continued)

as at 30th June 2019

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 2019, the Sub-Fund is committed in the following forward foreign exchange contracts with 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	236,237.73	USD	269,500.00	31.07.2019	148.01
					<u>148.01</u>
Forward foreign exchange contracts linked to Class D EUR Shares					
EUR	1,461,079.94	USD	1,666,800.00	31.07.2019	915.36
					<u>915.36</u>

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 - Subsequent event

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

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Additional information

as at 30th June 2019

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.