

Legends Fund

The Netherlands

UNAUDITED INTERIM FINANCIAL STATEMENTS

for the period from 01 January 2016 to 30 June 2016

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General information

Fund Manager	Theta Fund Management B.V. Concertgebouwplein 19 1071 LM Amsterdam The Netherlands
Administrator	Custom House Fund Services (Netherlands) B.V. Westblaak 89 P.O. Box 25121 3001 HC Rotterdam The Netherlands
Legal Owner	Stichting Bewaarbedrijf Legends XL Fund 101 Barbara Strozzilaan 1083 HN Amsterdam The Netherlands
Independent Auditor*	Ernst & Young Accountants LLP Wassenaarseweg 80 2596 CZ The Hague The Netherlands
Legal and Tax Counsel	Greenberg Traurig, LLP Hirsch Building, Leidseplein 29 1017 PS Amsterdam P.O. Box 75306 1070 AH Amsterdam The Netherlands
Custody Banks	ABN AMRO Clearing Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands ABN AMRO Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands
Listing Agent**	NIBC Bank N.V. Carnegieplein 4 2517 KJ The Hague The Netherlands

**The interim financial statements are not audited by the Independent Auditor.*

***SNS Securities N.V. was acquired by NIBC Bank N.V. during the second quarter of 2016.*

General information

Depository	Darwin Depository Services B.V. 101 Barbara Strozziilaan 1083 HN Amsterdam The Netherlands
Liquidity Providers*	NIBC Bank N.V. Carnegieplein 4 2517 KJ The Hague The Netherlands
ENL - Agent and Principal Paying Agent	ABN AMRO Clearing Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands

**SNS Securities N.V. was acquired by NIBC Bank N.V. during the second quarter of 2016.*

Profile

Legends Fund (the “Fund”) is structured as a common contractual fund (beleggingsfonds voor gemene rekening), established under Dutch law by notarial deed (notariële akte). The Fund is managed by Theta Fund Management B.V. (the “Fund Manager”). The participations of the Fund are listed on Euronext in Amsterdam. The Fund was established on 21 February 2011 and commenced operations on 1 March 2011.

The Fund’s investment objective is to generate average investment returns of approximately Euribor + 5% per annum.

The shareholders’ equity per participation at the end of the reporting period is as follows:

	30 June 2016	31 December 2015
Shareholders’ equity per participation (in EUR)¹		
Class A	94.44	102.98
Class B	94.44	102.98

¹ The shareholders’ equity per participation is calculated in accordance with Dutch GAAP. Refer to note 14 of these interim financial statements for the reconciliation between the shareholders’ equity calculated in accordance with the Prospectus and the shareholders’ equity calculated in accordance with Dutch GAAP.

Interim financial statements

BALANCE SHEET

	<i>Note</i>	30 June 2016 EUR	31 December 2015 EUR
Assets			
Investments			
Investment in investment funds		23,264,288	26,129,452
Derivative financial assets		-	151,831
	3	<u>23,264,288</u>	<u>26,281,283</u>
Current assets			
Cash and cash equivalents	4	301,734	110,808
Prepaid investments	5	990,723	460,575
Prepayments	6	4,762	-
Receivable for securities sold		160,000	-
		<u>1,457,219</u>	<u>571,383</u>
Total assets		<u>24,721,507</u>	<u>26,852,666</u>
Investment liabilities			
Derivative financial liabilities		(93,325)	(56,936)
	3	<u>(93,325)</u>	<u>(56,936)</u>
Current liabilities			
Due to broker	4	(991,284)	(1,250,684)
Accrued expenses and other payables	7	(103,156)	(99,637)
		<u>(1,094,440)</u>	<u>(1,350,321)</u>
Total liabilities		<u>(1,187,765)</u>	<u>(1,407,257)</u>
Total assets minus total liabilities		<u>23,533,742</u>	<u>25,445,409</u>
Shareholders' equity			
Contribution of participants		24,223,184	24,018,067
Unappropriated (loss)/gain		(689,442)	1,427,342
Total shareholders' equity	8, 14	<u>23,533,742</u>	<u>25,445,409</u>

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

Interim financial statements

INCOME STATEMENT (For the period ended 30 June)

	<i>Note</i>	2016 EUR	2015 EUR
Investment result			
<i>Direct investment result</i>			
Interest income	9	383	675
		<u>383</u>	<u>675</u>
<i>Indirect investment result</i>			
Realised gains on investment in investment funds	3, 11	304,521	799,087
Realised gains/(losses) on derivative financial instruments	3, 11	370,164	(1,579,095)
Unrealised (losses)/gains on investment in investment funds	3, 11	(2,431,786)	1,529,985
Unrealised (losses)/gains on derivative financial instruments	3, 11	(188,220)	539,342
Foreign currency translation	10	22,412	(78,278)
		<u>(1,922,909)</u>	<u>1,211,041</u>
Total investment (loss)/income		<u>(1,922,526)</u>	<u>1,211,716</u>
Expenses			
Management fee	13	(74,729)	(79,911)
Other operational costs		(33,262)	(56,969)
Administration fee		(22,366)	(22,403)
Depository fee		(15,089)	(9,983)
Regulatory and compliance fees		(12,796)	(11,922)
Legal fee		(12,432)	(12,500)
Custody fee		(10,710)	(11,816)
Audit fee		(8,123)	(8,470)
Interest expense		(3,905)	(12,921)
Bank charges		(846)	(228)
Incentive fee	13	-	(50,077)
Total expenses	12	<u>(194,258)</u>	<u>(277,200)</u>
Net (loss)/profit		<u>(2,116,784)</u>	<u>934,516</u>

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

Interim financial statements

STATEMENT OF CASH FLOWS

(For the period ended 30 June)

	<i>Note</i>	2016	2015
		EUR	EUR
Cash flows from operating activities			
Net receipts from non-derivative financial assets at fair value through profit or loss		47,751	2,871,712
Net receipts/(payments) for derivative financial assets and liabilities		370,164	(1,579,095)
Interest received		383	675
Interest paid		(3,742)	(17,434)
Management fee paid		(78,298)	(103,230)
Incentive fee paid		(562)	(29,211)
Administration fee paid		(20,735)	(24,153)
Depository fee paid		(14,141)	(19,927)
Audit fee paid		(12,100)	(15,730)
Custody fee paid		(11,418)	(12,853)
Legal fee paid		(229)	(6,953)
Bank charges paid		(846)	(228)
Regulatory and compliance fee paid		(28,067)	(6,636)
Other general expenses paid		(25,363)	(44,508)
Net cash flows provided by operating activities		<u>222,797</u>	<u>1,012,429</u>
Cash flows from financing activities			
Proceeds from sales of participations		632,285	1,860,320
Payments on redemptions of participations		(427,168)	(29,275)
Net cash flows provided by financing activities		<u>205,117</u>	<u>1,831,045</u>
Net increase in cash and cash equivalents		427,914	2,843,474
Cash and cash equivalents at the beginning of the period		(1,139,876)	(2,447,987)
Foreign currency translation of cash positions		22,412	(78,278)
Cash and cash equivalents at the end of the period	<i>4</i>	<u>(689,550)</u>	<u>317,209</u>
Analysis of cash and cash equivalents			
Cash at bank		135,585	250
Due from broker		166,149	316,974
Due to broker		(991,284)	(15)
Total cash and cash equivalents	<i>4</i>	<u>(689,550)</u>	<u>317,209</u>

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

Notes to the interim financial statements

1. GENERAL INFORMATION

Legends Fund (the “Fund”) is structured as a common contractual fund in the Netherlands, established on 21 February 2011. The Fund commenced operations in March 2011.

The Fund may issue participations in various classes, each denominated in different currencies and listed on different exchanges. All classes are subject to the same investment objectives and strategies but will have a different hedge strategy linked to the currency of the class. As at 30 June 2016 and 31 December 2015, Class A and Class B participations have been issued by the Fund. The Class A and Class B participations are denominated in Euro (“EUR”).

The Class A participations are listed on Euronext Amsterdam, the regulated market of Euronext Amsterdam N.V.

The Class B participations were created to facilitate “Pensioen Beleggen”.

The investment objective of the Fund is to generate average investment returns of approximately Euribor + 5% per annum. The Fund attempts to accomplish this objective by investing in a diversified portfolio of hedge funds and other investment structures, which employ diverse investment styles and strategies. The Fund focuses on hedge funds that have an outstanding investment history and have proven adaptiveness to changing market environments through various economic cycles.

The Fund and the Fund Manager are subject to the supervision of the Netherlands Authority for the Financial Markets (“AFM”) and the Dutch Central Bank (“DNB”).

The Fund’s investment activities are managed by Theta Fund Management B.V. (the “Fund Manager”), with the administration delegated to Custom House Fund Services (Netherlands) B.V. (the “Administrator”).

The Fund had no employees during the period ended 30 June 2016 and 30 June 2015.

The interim financial statements have been authorised for issue by the Fund Manager on 29 August 2016.

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

Basis of preparation

The interim financial statements of the Fund have been prepared in accordance with reporting principles generally accepted in the Netherlands (“Dutch GAAP”) and the statutory provisions concerning annual accounts contained in Part 9, Book 2 of the Dutch Civil Code and Dutch Accounting Standard 394. The interim financial statements have also been prepared in accordance with the requirements of the Dutch Financial Supervision Act (“FSA”), which came into force on 1 January 2007.

The interim financial statements are prepared on a fair value basis for financial investments, except those for which a reliable measure of fair value is not available. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised cost or historical cost.

Below is a summary of the accounting policies of the Fund.

Functional currency

The interim financial statements are presented in EUR, which is the Fund’s functional currency.

Recognition and measurement

An asset is recognised in the balance sheet when it is probable that future economic benefits of the asset will flow to the Fund and the amount of the asset can be reliably measured. A liability is recognised in the balance sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably. Income is recognised in the income statement when an increase in future economic benefit related to an increase in an asset or decrease in a liability has arisen that can be measured reliably.

Notes to the interim financial statements

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES (*CONTINUED*)

Recognition and measurement (*continued*)

Expenses (including value added tax (“VAT”), where applicable) are recognised in the income statement when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Foreign exchange

Assets and liabilities denominated in currencies other than the EUR are converted to EUR at the exchange rates prevailing on the balance sheet date. Transactions in foreign currency are converted at the rates prevailing on the date of the transaction. Foreign currency exchange differences arising on translation and realised gains and losses on disposal or settlement of monetary assets and liabilities are recognised in the income statement.

Classification of participations

The participations of the Fund are classified as equity. These participations are recognised and measured at the redemption amount. Any distribution of equity is recognised through equity.

Basis of valuation - policies in preparing the balance sheet

Financial investments and financial derivatives are initially measured at fair value which is the fair value of the consideration given or received. Financial investments are subsequently re-measured at fair value.

Gains and losses arising from fair value changes are recognised in the income statement as ‘realised gains on investment in investment funds’ and ‘realised gains/(losses) on derivative financial instruments’ or ‘unrealised (losses)/gains on investment in investment funds’ and ‘unrealised (losses)/gains on derivative financial instruments’.

The Fund’s investments in investment funds are valued based on the reporting received from the administrators of those funds. As at 30 June 2016, the value of investments in investment funds is the aggregate of the Fund’s attributable share of the latest available (unaudited) NAV of the investment funds.

The profit or loss of the Fund on its investments in investment funds is the aggregate of the Fund’s attributable share of the result of the investment funds. The Fund Manager may, if it thinks fit, make adjustments as a result of the different bases of determination of results applied by the investment funds.

Where an up-to-date value of an underlying investment is not available, or the valuation date does not coincide with that of the Fund, the Fund Manager will use an estimated value. As at 30 June 2016 and 30 June 2015, there were differences between the estimated and final valuations of certain underlying investment funds held by the Fund. The differences resulted in a valuation adjustment in these interim financial statements. Please refer to note 14 for further details.

Forward currency contracts

The Fund may use forward currency contracts to hedge the currency exposure. Details of hedging, if any, are disclosed in the financial investments and associated risk note. A forward currency contract involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward currency contracts are valued by reference to the forward price at which a new forward currency contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward currency contracts is calculated as the difference between the contract rate and this forward price.

Receivables and prepayments

The value of accounts receivable and prepayments will be deemed to be the full amount unless it is unlikely to be paid or received in full. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. Cash is carried at face value.

Payables and accruals

Payables and accruals and deferred income are included at fair value.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Notes to the interim financial statements

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES (CONTINUED)

Principles for determining the result

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchases and sales of investments are recognised using trade date accounting.

The changes in value of investments in investment funds are accounted for in the income statement. The Fund uses forward currency contracts to limit the exchange rate risk. Forward currency contracts are accounted for as currency transactions. The change in value of forward currency contracts are also accounted for in the income statement.

Expenses are accounted for in the income statement on the accrual basis. Transaction costs in relation to investment funds are capitalised while transaction costs in relation to forward currency contracts are expensed immediately.

Tax position

The Dutch tax authorities have granted a ruling confirming that the Fund is tax transparent. This implies that the Fund is not subject to corporate income tax. Distributions made by the Fund (for example in case of redemption by a participant) are not subject to dividend withholding tax.

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

3. Investments

Movement in schedule of investments

<i>(All amounts in EUR)</i>	01 January to 30 June 2016	01 January to 30 June 2015
Investment in investment funds		
As at 1 January	26,129,452	27,048,198
Purchases	1,488,822	1,215,661
Sales	(2,226,721)	(4,087,373)
Realised	304,521	799,087
Unrealised	(2,431,786)	1,529,985
As at 30 June	<u>23,264,288</u>	<u>26,505,558</u>
Derivative financial instruments		
As at 1 January	94,895	(455,918)
Purchases	(370,164)	1,579,095
Realised	370,164	(1,579,095)
Unrealised	(188,220)	539,342
As at 30 June	<u>(93,325)</u>	<u>83,424</u>
Total investments		
As at 1 January	26,224,347	26,592,280
Purchases	1,118,658	2,794,756
Sales	(2,226,721)	(4,087,373)
Realised	674,685	(780,008)
Unrealised	(2,620,006)	2,069,327
As at 30 June	<u>23,170,963</u>	<u>26,588,982</u>

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

3. Investments (continued)

The table below provides an analysis of the forward currency contracts as at 30 June 2016:

(All amounts in EUR)

Expiration date	Contract currency	Bought	Contract currency	Sold	Contract rate*	Current rate*	Unrealised EUR
29/07/2016	EUR	2,244,005	USD	2,564,000	1.14260	1.11127	(63,265)
31/08/2016	EUR	5,706,222	USD	6,369,000	1.11615	1.11253	(18,552)
30/09/2016	EUR	5,644,428	USD	6,300,000	1.11614	1.11387	(11,508)
Total unrealised loss on open forward currency contracts							(93,325)

* Showing the equivalent of 1 Euro.

The table below provides an analysis of the forward currency contracts as at 30 June 2015:

(All amounts in EUR)

Expiration date	Contract currency	Bought	Contract currency	Sold	Contract rate*	Current rate*	Unrealised EUR
31/07/2015	EUR	3,054,216	USD	3,419,500	1.11960	1.11517	(12,135)
31/08/2015	EUR	6,018,304	USD	6,609,000	1.09815	1.11566	94,472
30/09/2015	EUR	4,364,190	USD	4,870,000	1.11590	1.11618	1,087
Total unrealised gain on open forward currency contracts							83,424

* Showing the equivalent of 1 Euro.

4. Cash and cash equivalents

As at 30 June 2016, cash and cash equivalents comprise of balances held with ABN AMRO Clearing Bank N.V. of EUR 135,585 (31 December 2015: EUR 110,808). As at 30 June 2016 and 31 December 2015, no restrictions in the use of these balances exist.

Cash and cash equivalents also include amounts due from broker, representing amounts held in brokerage accounts with ABN AMRO Clearing Bank N.V. of EUR 166,149 (31 December 2015: EUR Nil). These amounts include margin requirements. Margin represents cash deposited with ABN AMRO Clearing Bank N.V. transferred as collateral against open derivative positions.

ABN AMRO Clearing Bank N.V. has made available a credit facility for a total maximum amount of EUR 6 million. The total credit facility drawdown may at no time exceed 20% of the financial instruments pledged by the Fund. The credit facility is interest bearing for debit balances in EUR at EONIA interest rate plus 145 basis points, and for USD debit balances at LIBOR plus 145 basis points. The Fund also pays ABN AMRO Clearing Bank N.V. a commitment fee per annum of 10 basis points over the approved credit facility, payable quarterly in arrears. As at 30 June 2016, the Fund had drawn down an amount of EUR 991,284 (31 December 2015: EUR 1,250,684). On 31 July 2016, the credit facility was revoked.

ABN AMRO Clearing Bank N.V. has made available to the Fund a treasury product facility. The treasury product facility may be used to enter into foreign exchange contracts and/or over the counter financial derivative transactions in order to cover foreign exchange risks and/or interest rate risks. The Fund may enter transactions in various currencies as agreed upon between the Fund and ABN AMRO Clearing Bank N.V. in a case by case basis. The maximum treasury product limit for foreign exchange contracts is EUR 2 million and the maximum transaction limit is EUR 20 million.

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

5. Prepaid investments

During the period ended 30 June 2016, the Fund subscribed for shares of investment funds which were to be settled on the first business day after the reporting date. Subscribers in investment funds are required to pay in advance prior to settlement. The prepaid investments represent the amounts paid in advance to the funds. All prepaid investments have been converted into the following investments subsequent to the reporting date.

<i>(All amounts in EUR)</i>	30 June 2016	31 December 2015
Paulson Enhanced Fund Ltd.	990,723	-
VR Global Offshore Fund Ltd.	-	460,575
Total prepaid investments	990,723	460,575

6. Prepayments

As at 30 June 2016 and 31 December 2015, prepayments consist of the following:

<i>(All amounts in EUR)</i>	30 June 2016	31 December 2015
Prepaid listing fees	4,762	-
Total prepayments	4,762	-

7. Accrued expenses and other payables

As at 30 June 2016 and 31 December 2015, accrued expenses and other payables consist of the following:

<i>(All amounts in EUR)</i>	30 June 2016	31 December 2015
Management fee payable	(36,711)	(40,280)
Administration fee payable	(15,131)	(13,500)
Audit fee payable	(12,358)	(16,335)
Legal fees payable	(12,203)	-
Regulatory and compliance fees payable	(9,657)	(24,928)
Other payables	(8,941)	(1,209)
Commitment fee payable	(4,483)	(1,500)
Liquidity provider fee payable	(1,946)	-
Depositary fees payable	(948)	-
Custody fee payable	(615)	(1,323)
Interest payable	(163)	-
Incentive fee payable	-	(562)
Total accrued expenses and other payables	(103,156)	(99,637)

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

8. Share capital

The movement of equity in the participations during the period is as follows:

<i>(All amounts in EUR)</i>	01 January to 30 June 2016	01 January to 30 June 2015
<i>Contributions of participants</i>		
Balance at the beginning of the period	24,018,067	22,276,689
Issue of participations	632,285	1,860,320
Redemption of participations	(427,168)	(29,275)
Total contributions at the end of the period	<u>24,223,184</u>	<u>24,107,734</u>
<i>Unappropriated (loss)/gain</i>		
Balance at the beginning of the period	1,427,342	1,702,293
Net (loss)/profit	(2,116,784)	934,516
Total undistributed (loss)/gain at the end of the period	<u>(689,442)</u>	<u>2,636,809</u>
Equity at the end of the period	<u><u>23,533,742</u></u>	<u><u>26,744,543</u></u>

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

9. Interest income

Interest income relates to the interest on bank deposits.

10. Foreign currency translation

Realised and unrealised exchange differences consist of realised and unrealised translation gains and losses on assets and liabilities other than financial assets and liabilities. For the period ended 30 June 2016, this amounted to gains of EUR 22,412 (2015: losses of EUR 78,278). The following average and closing rates have been applied in the preparation of these interim financial statements (the equivalent of one Euro is shown):

	2016		2015	
	Average	Closing	Average	Closing
<i>Showing the equivalent of 1 Euro</i>				
United States Dollar	1.1166	1.1103	1.2025	1.1147

Notes to the interim financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

11. Investment return

<i>(All amounts in EUR)</i>	2016		2015	
	Profit	Loss	Balance	Balance
Investment funds				
Realised result	350,419	(45,898)	304,521	799,087
Unrealised result	219,958	(2,651,744)	(2,431,786)	1,529,985
	<u>570,377</u>	<u>(2,697,642)</u>	<u>(2,127,265)</u>	<u>2,329,072</u>
Derivative financial instruments				
Realised result	370,164	-	370,164	(1,579,095)
Unrealised result	-	(188,220)	(188,220)	539,342
	<u>370,164</u>	<u>(188,220)</u>	<u>181,944</u>	<u>(1,039,753)</u>
Total result	<u>940,541</u>	<u>(2,885,862)</u>	<u>(1,945,321)</u>	<u>1,289,319</u>

12. Costs

The Fund makes use of various parties for management, administration and custody services. The table below provides a breakdown of expenses as at 30 June.

<i>(All amounts in EUR)</i>	2016	2015
Expenses accruing to Fund Manager		
Management fee	(74,729)	(79,911)
Incentive fee	-	(50,077)
Other expenses		
Administration fee	(22,366)	(22,403)
Depositary fee	(15,089)	(9,983)
Other operational costs*	(14,319)	(28,341)
Regulatory and compliance fees	(12,796)	(11,922)
Legal fee	(12,432)	(12,500)
Liquidity provider fee	(12,431)	(12,530)
Custody fee	(10,710)	(19,315)
Audit fee	(8,123)	(8,470)
Listing fee	(4,712)	(4,599)
Interest expense	(3,905)	(12,921)
Transfer agency fee	(1,800)	(4,000)
Bank charges	(846)	(228)
Total	<u>(194,258)</u>	<u>(277,200)</u>

* Other operational costs include professional fees of EUR 9,944 (2015: EUR 23,941), commitment fees of EUR 2,983 (2015: EUR 3,000), and Euronext fees of EUR 1,392 (2015: EUR 1,400).

The basis on which various costs are charged to the Fund are disclosed in detail in the Prospectus. It is a Dutch regulatory requirement to disclose any differences between actual costs and the costs disclosed in the Prospectus. During the financial period ended 30 June 2016 and 30 June 2015, all costs actually charged to the Fund were in accordance with the costs disclosed in the Prospectus. During the period, the Fund also incurred costs such as custody fees of EUR 10,710 (2015: EUR 19,315), legal fees of EUR 12,432 (2015: EUR 12,500), depositary fees of EUR 15,089 (2015: EUR 9,983), bank charges of EUR 846 (2015: EUR 228) and other operational costs of EUR 27,115 (2015: EUR 40,263) which are not detailed in the Prospectus.

Notes to the interim financial statements

13. RELATED PARTY TRANSACTIONS

Related party transactions are transfers of resources, services or obligations between related parties and the Fund, regardless of whether a price has been charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or is part of key management of the Fund. The following provides details on the related parties of the Fund and transactions with the related parties.

Fund Manager

The following transactions occurred between the Fund and the Fund Manager during the reporting period.

2016 transactions and balances as at 30 June 2016

	Paid EUR	Balance EUR
Management fee	78,298	36,711
Incentive fee	562	-

2015 transactions and balances as at 31 December 2015

	Paid EUR	Balance EUR
Management fee	187,448	40,280
Incentive fee	29,211	562

As per 30 June 2016, one of the Directors of the Fund Manager holds 2,950 (31 December 2015: 2,950) shares in the Fund and another Director holds 10,690 (31 December 2015: 10,690) shares in the Fund.

14. SHAREHOLDERS' EQUITY AS ISSUED

The following schedule shows the reconciliation between the shareholders' equity as determined in accordance with Dutch Accounting Standard 210 ("Dutch GAAP") and the shareholders' equity as determined in accordance with the Prospectus.

The Prospectus states that incorporation costs should be amortised over 5 years. Dutch GAAP states that incorporation costs should be expensed immediately.

The reconciliation also includes a valuation adjustment of EUR 14,800 (2015: EUR 24,701) relating to differences between estimated and final valuations of certain underlying investment funds. In preparing the shareholders' equity in accordance with the Prospectus provisional valuations were applied where the final valuations of certain underlying funds were not available. The incentive fee charged to the Fund for the period ended 30 June 2016 and 30 June 2015 is based on the shareholders' equity in accordance with the Prospectus. The difference between the incentive fee based on the shareholders' equity with the Prospectus and in accordance with Dutch GAAP is not material and is not included in the below reconciliation.

Notes to the interim financial statements

14. SHAREHOLDERS' EQUITY AS ISSUED (CONTINUED)

	2016 EUR	2015 EUR
Shareholders' equity attributable to holders of participations in accordance with the Prospectus	23,548,542	26,789,136
Adjustments		
Valuation adjustment	(14,800)	(24,701)
Unamortised incorporation costs	-	(19,892)
Adjusted shareholders' equity attributable to holders of participations in accordance with Dutch GAAP	<u>23,533,742</u>	<u>26,744,543</u>
Number of participations		
Class A	249,014	247,839
Class B	174	-
Shareholders' equity per participation in accordance with the Prospectus		
Class A	94.50	108.09
Class B	94.50	-
Adjusted shareholders' equity per participation in accordance with Dutch GAAP		
Class A	94.44	107.91
Class B	94.44	-

15. SCHEDULE OF INVESTMENTS BY INVESTMENT STRATEGY

	30 June 2016 EUR	% of shareholders' equity	30 June 2015 EUR	% of shareholders' equity
Strategy				
Equity Hedge: Fundamental Value	5,536,062	23.5	5,708,276	21.3
Global Macro: Discretionary Thematic	5,142,064	21.9	6,079,577	22.7
Event Driven: Special Situation	4,496,014	19.1	7,378,820	27.6
Relative Value: Multi-Strategy	3,120,309	13.3	2,992,143	11.2
Relative Value: Fixed Income Corporate	2,303,221	9.8	2,510,898	9.4
Global Macro: Systematic Diversified	1,838,135	7.8	1,835,844	6.9
Event Driven: Distressed	828,483	3.5	-	-
	<u>23,264,288</u>	<u>98.9</u>	<u>26,505,558</u>	<u>99.1</u>

16. EVENTS AFTER REPORTING PERIOD

No material events occurred after the balance sheet date that could influence the transparency of the interim financial statements.

17. PROVISION OF INFORMATION

The interim financial statements and the Prospectus of the Fund are available free of charge from the Fund Manager or available for download free of charge from the Fund Manager's website: <http://www.legendfund.nl>.

18. DATE OF AUTHORISATION

The interim financial statements have been authorised for issue by the Fund Manager in Amsterdam on 29 August 2016.