Alken Fund

Société d'investissement à capital variable

(a Luxembourg domiciled open-ended investment company)

Unaudited semi-annual report as at June 30, 2017

R.C.S. Luxembourg B111842

ALKEN FUND

Société d'investissement à capital variable
(a Luxembourg domiciled open-ended investment company)

Unaudited semi-annual report as at June 30, 2017

ALKEN FUND

Unaudited semi-annual report as at June 30, 2017

No subscription can be received on the basis of this report. Subscriptions are only valid if made on the basis of the current prospectus accompanied by the Key Investor Information Documents ("KIID"), the latest annual report and the most recent semi-annual report, if published thereafter.

ALKEN FUND

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ALKEN FUND

Organisation of the SICAV

REGISTERED OFFICE	15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
BOARD OF DIRECTORS OF THE SICAV	
CHAIRMAN	Mr Nicolaus P. BOCKLANDT, Independent Certified Director, 6B, route de Trèves, L-2633 Luxembourg, Grand Duchy of Luxembourg
DIRECTORS	Ms Michèle BERGER, Managing Director, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
	Mr Jean DE COURRÈGES, Independent Director, 2, rue Jean l'Aveugle, L-1148 Luxembourg, Grand Duchy of Luxembourg
	Mr Bruno VANDERSCHELDEN, Independent Director, VDS Consult, 23, rue des Bruyères, L-1274 Hesperange, Grand Duchy of Luxembourg
MANAGEMENT COMPANY	Alken Luxembourg S.A.*, 3, boulevard Royal, 3rd floor, L-2449 Luxembourg, Grand Duchy of Luxembourg
BOARD OF MANAGERS OF THE MANAGEMENT COMPANY	Mr Nicolas WALEWSKI, Managing Partner, Alken Asset Management Limited, 61, Conduit Street, London W1S 2GB, United Kingdom
	Mr Jean DE COURRÈGES, Independent Director, 2, rue Jean l'Aveugle, L-1148 Luxembourg, Grand Duchy of Luxembourg
	Mr Nicolaus P. BOCKLANDT, Independent Certified Director, 6B, route de Trèves, L-2633 Luxembourg, Grand Duchy of Luxembourg
	Mr Jean-Christoph ARNTZ, Independent Director, Partner Arkus Governance Partners, 6B route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg
PERSONS IN CHARGE TO CONDUCT THE MANAGEMENT COMPANY'S BUSINESS	Mr Peder Gervin PEDERSEN, Conducting Officer, Alken Luxembourg S.A.*, 3, boulevard Royal, 3rd floor, L-2449 Luxembourg, Grand Duchy of Luxembourg
	Mr Alexis TSATSARIS, Director of Finance and Operations, Alken Asset Management Limited, 61, Conduit Street, London W1S 2GB, United Kingdom
	Mr Philipp GREGOR, General Manager, Alken Luxembourg S.A.*, 3, boulevard Royal, 3rd floor, L-2449 Luxembourg, Grand Duchy of Luxembourg
INVESTMENT MANAGER	Alken Asset Management Limited, 61, Conduit Street, London W1S 2GB, United Kingdom

** On June 12, 2017, Alken Luxembourg S.A. moved from 16, rue Jean-Pierre Brasseur, L-1258 Luxembourg, to 3, boulevard Royal, 3rd floor, L-2449 Luxembourg.*

ALKEN FUND

Organisation of the SICAV (continued)

DEPOSITARY BANK	Pictet & Cie (Europe) S.A., 15A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
CENTRAL ADMINISTRATION AGENT	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
CABINET DE RÉVISION AGRÉÉ/AUDITOR	Deloitte Audit, *Société à responsabilité limitée*, 560, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg
SWISS REPRESENTATIVE	FundPartner Solutions (Suisse) SA, 60, route des Acacias, CH-1211 Geneva 73, Switzerland
SWISS PAYING AGENT	Banque Pictet & Cie SA, 60, route des Acacias, CH-1211 Geneva 73, Switzerland
FACILITY SERVICE AGENT	Alken Asset Management Limited, 61, Conduit Street, London W1S 2GB, United Kingdom
COUNTERPARTIES ON CONTRACTS FOR DIFFERENCE (note 10)	UBS AG London Merrill Lynch International London
COUNTERPARTY ON FORWARD EXCHANGE CONTRACTS (note 11)	Pictet & Cie (Europe) S.A. Luxembourg

General information

ALKEN FUND (the "SICAV") publishes an annual report, including audited financial statements, within four months after the end of the financial year and an unaudited semi-annual report within two months after the end of the period to which it refers.

All these reports are made available to the Shareholders free of charge at the registered office of the SICAV, the Depositary Bank and other establishments appointed by the Depositary Bank.

Any other financial information to be published concerning the SICAV, including the KIID, the issue, redemption and conversion price of the shares, is available to the public at the registered office of the SICAV and the Depositary Bank.

The net asset value per share, the issue price and the redemption price are available, in Luxembourg, at the offices of the Depositary Bank.

Any amendments to the articles of incorporation are published in the *Recueil électronique des sociétés et associations*.

Distribution abroad

Distribution in Switzerland

The SICAV has been authorised in Switzerland as a foreign investment fund.

Representative

The representative in Switzerland is FundPartner Solutions (Suisse) SA (the "Representative"), 60, route des Acacias, CH-1211 Geneva 73, Switzerland.

Paying Agent

The paying agent in Switzerland is Banque Pictet & Cie SA with its registered office in 60, route des Acacias, CH-1211 Geneva 73, Switzerland.

Place of distribution of reference documents

The prospectus and the Key Investor Information Documents of the sub-funds distributed in Switzerland, the articles of incorporation and the annual and semi-annual reports are available free of charge from the Representative.

The list of purchases and sales that have taken place during the financial period under review is available free of charge on request to the Representative in Switzerland.

Distribution in Germany

Additional information for investors in Germany

Paying and Information Agent:
B. Metzler seel. Sohn & Co., KGaA
Große Gallusstraße 18
D-60311 Frankfurt am Main

Statement of net assets as at June 30, 2017

	COMBINED	ALKEN FUND - EUROPEAN OPPORTUNITIES	ALKEN FUND - SMALL CAP EUROPE	ALKEN FUND - ABSOLUTE RETURN EUROPE
	EUR	EUR	EUR	EUR
ASSETS				
Investments in securities at acquisition cost	2,729,616,493.43	1,786,352,482.80	216,767,554.09	726,496,456.54
Net unrealised gain on investments	915,184,127.38	653,148,706.39	81,428,415.28	180,607,005.71
Investments in securities at market value (note 2.d)	3,644,800,620.81	2,439,501,189.19	298,195,969.37	907,103,462.25
Cash at banks (note 2.d)	158,330,755.50	64,769,679.55	984,288.60	92,576,787.35
Bank deposits	47,180,000.00	0.00	9,180,000.00	38,000,000.00
	3,850,311,376.31	2,504,270,868.74	308,360,257.97	1,037,680,249.60
LIABILITIES				
Bank overdraft	64,625,132.92	63,101,145.56	925,583.58	598,403.78
Management fee payable (note 4)	12,920,553.56	7,799,602.88	1,105,161.54	4,015,789.14
Performance fee payable (note 5)	5,490,880.04	2,684,388.62	973.50	2,805,517.92
Net unrealised loss on forward exchange contracts (notes 2.g, 11)	1,069,774.87	698,499.82	42,708.90	328,566.15
Credit line and guarantees (note 12)	66,653,711.28	64,318,372.70	926,620.91	1,408,717.67
Other fees payable (note 7)	3,295,388.83	2,103,940.13	262,554.88	928,893.82
	154,055,441.50	140,705,949.71	3,263,603.31	10,085,888.48
TOTAL NET ASSETS AS AT JUNE 30, 2017	**3,696,255,934.81**	**2,363,564,919.03**	**305,096,654.66**	**1,027,594,361.12**
TOTAL NET ASSETS AS AT DECEMBER 31, 2016	**3,581,341,006.94**	**2,194,006,793.24**	**257,495,301.48**	**1,129,838,912.22**
TOTAL NET ASSETS AS AT DECEMBER 31, 2015	**8,451,863,747.09**	**5,103,721,128.36**	**329,963,323.44**	**3,018,179,295.29**

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

Statement of operations and changes in net assets for the period ended June 30, 2017

	COMBINED	ALKEN FUND - EUROPEAN OPPORTUNITIES	ALKEN FUND - SMALL CAP EUROPE	ALKEN FUND - ABSOLUTE RETURN EUROPE
	EUR	EUR	EUR	EUR
NET ASSETS AT THE BEGINNING OF THE PERIOD	**3,581,341,006.94**	**2,194,006,793.24**	**257,495,301.48**	**1,129,838,912.22**
INCOME				
Dividends, net (note 2.k)	71,466,642.54	52,632,723.18	4,718,462.06	14,115,457.30
Bank interest	3,022.24	1,497.31	24.29	1,500.64
	71,469,664.78	52,634,220.49	4,718,486.35	14,116,957.94
EXPENSES				
Management fee (note 4)	25,192,892.78	15,011,269.71	2,067,936.41	8,113,686.66
Performance fee (note 5)	13,341,589.43	2,695,938.38	1,386,717.81	9,258,933.24
Depositary fee, bank charges and interest	1,079,609.14	390,883.11	75,161.03	613,565.00
Operating and administrative expenses (note 6)	6,537,492.79	4,070,775.98	499,908.25	1,966,808.56
Transaction fees (note 2.m)	4,840,785.18	2,928,137.74	283,584.83	1,629,062.61
	50,992,369.32	25,097,004.92	4,313,308.33	21,582,056.07
NET INVESTMENT INCOME/LOSS	**20,477,295.46**	**27,537,215.57**	**405,178.02**	**-7,465,098.13**
Net realised gain on sales of investments	229,777,362.61	94,431,254.51	8,553,531.26	126,792,576.84
Net realised loss on foreign exchange	-989,383.10	-472,320.45	-95,368.28	-421,694.37
Net realised gain/loss on forward exchange contracts	-9,746,720.20	-4,163,198.02	147,837.19	-5,731,359.37
Net realised loss on forward contracts	-28,373,842.16	0.00	0.00	-28,373,842.16
NET REALISED GAIN	**211,144,712.61**	**117,332,951.61**	**9,011,178.19**	**84,800,582.81**
Change in net unrealised appreciation:				
- on investments	193,951,497.54	166,958,600.28	25,060,546.09	1,932,351.17
- on forward exchange contracts	2,520,597.27	916,860.55	27,826.37	1,575,910.35
INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS	**407,616,807.42**	**285,208,412.44**	**34,099,550.65**	**88,308,844.33**
Proceeds from subscriptions of shares	578,413,613.21	433,763,374.78	45,572,840.33	99,077,398.10
Cost of shares redeemed	-856,600,974.82	-543,719,684.06	-32,071,037.80	-280,810,252.96
Revaluation difference*	-14,514,517.94	-5,693,977.37	0.00	-8,820,540.57
NET ASSETS AT THE END OF THE PERIOD	**3,696,255,934.81**	**2,363,564,919.03**	**305,096,654.66**	**1,027,594,361.12**

** The difference mentioned above is the result of fluctuations in the exchange rates used to convert the different items related to share classes denominated in a currency other than the currency of the sub-funds into the currency of the related sub-funds between December 31, 2016 and June 30, 2017.*

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

Statistics

Sub-fund	Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
			30.06.2017	30.06.2017	31.12.2016	31.12.2015
ALKEN FUND - EUROPEAN OPPORTUNITIES	Class H	EUR	145,712.98	247.20	217.93	225.23
	Class R	EUR	4,568,896.24	231.28	204.25	212.36
	Class CH1	CHF	2,744.00	114.95	99.45	104.36
	Class CH2	CHF	10,577.10	124.35	107.78	113.66
	Class EU1	EUR	5,173,429.65	171.59	151.29	156.51
	Class EU1d	EUR	462,003.11	101.10	89.15	92.23
	Class US1	USD	112,725.98	127.18	103.67	110.56
	Class US1h	USD	423,023.10	116.49	102.12	104.30
	Class US2	USD	51,307.82	114.20	93.28	99.89
	Class US2h	USD	328,145.02	110.82	97.37	99.99
	Class GB1	GBP	270,019.93	163.56	140.17	125.19
	Class U	EUR	269,452.08	179.53	158.55	164.85
	Class Z	EUR	294,906.50	219.47	193.81	201.51
	Class A	EUR	406,893.09	193.50	171.39	179.56
ALKEN FUND - SMALL CAP EUROPE	Class R	EUR	550,516.13	211.88	187.03	191.14
	Class EU1	EUR	1,013,299.62	176.32	155.28	157.90
	Class A	EUR	49,337.75	198.42	175.55	180.31
ALKEN FUND - ABSOLUTE RETURN EUROPE	Class A	EUR	1,569,052.24	130.70	120.81	133.02
	Class CH1	CHF	37,115.97	113.41	104.57	114.41
	Class CH2	CHF	22,291.67	111.73	103.16	113.32
	Class CH3	CHF	10,900.43	102.70	95.04	105.19
	Class I	EUR	2,714,792.58	143.37	132.35	144.64
	Class EU1	EUR	2,540,426.24	128.70	118.62	129.11
	Class US1	USD	319,107.21	133.75	122.69	131.78
	Class US2	USD	84,890.51	115.06	105.53	113.80
	Class US3	USD	240,384.03	105.80	97.26	105.68
	Class GB1	GBP	43,444.31	116.87	107.37	117.47
	Class H	EUR	167,931.70	149.70	137.67	149.54

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

ALKEN FUND - EUROPEAN OPPORTUNITIES

Statement of investments and other net assets as at June 30, 2017 (expressed in EUR)

Description	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET			
SHARES			
AUSTRALIA			
SOUTH32	4,531,576.00	8,205,864.83	0.35
		8,205,864.83	0.35
CYPRUS			
AROUNDTOWN PROPERTY HOLDINGS	9,656,052.00	45,866,247.00	1.94
		45,866,247.00	1.94
FRANCE			
ACCOR	117,333.00	4,815,932.99	0.20
ALD	964,159.00	13,257,186.25	0.56
ALSTOM	2,113,158.00	64,683,766.38	2.74
ALTRAN TECHNOLOGIES	1,091,576.00	15,576,789.52	0.66
ARKEMA	580,524.00	54,238,357.32	2.29
CREDIT AGRICOLE	4,943,721.00	69,632,310.29	2.95
EIFFAGE	748,158.00	59,523,450.48	2.52
ELECTRICITE DE FRANCE	1,674,226.00	15,875,010.93	0.67
ELIS	1,987,635.00	39,871,958.10	1.69
GENFIT	156,640.00	4,685,102.40	0.20
ILIAD	60,879.00	12,608,040.90	0.53
MAISONS DU MONDE	199,539.00	6,797,296.04	0.29
PEUGEOT	11,343,830.00	198,119,990.95	8.38
RENAULT S.A.	1,530,150.00	121,264,387.50	5.13
REXEL	962,946.00	13,794,201.45	0.58
SARTORIUS STEDIM BIOTECH	106,031.00	7,199,504.90	0.30
VALEO	3,280,601.00	193,522,652.99	8.19
VEOLIA ENVIRONNEMENT	2,778,908.00	51,409,798.00	2.18
		946,875,737.39	40.06
GERMANY			
DRILLISCH	942,381.00	49,701,173.94	2.10
NORDEX -KAPITALHERABSETZUNG-	293,321.00	3,154,667.36	0.13
SARTORIUS VORZ. -OSR-	110,743.00	9,355,568.64	0.40
SCOUT24	306,896.00	9,895,861.52	0.42
UNIPER	2,202,477.00	36,197,709.50	1.53
WACKER CHEMIE	219,788.00	20,890,849.40	0.88
WIRECARD	4,375,822.00	243,820,801.84	10.33
		373,016,632.20	15.79
IRELAND			
BANK OF IRELAND	67,375,202.00	15,496,296.46	0.66
RYANAIR HOLDINGS	8,626,449.00	154,931,024.04	6.55
		170,427,320.50	7.21

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

Statement of investments and other net assets as at June 30, 2017 (expressed in EUR)

Description	Quantity	Market value (note 2)	% of net assets
ISLE OF MAN			
PAYSAFE GROUP	3,105,712.00	18,074,240.07	0.76
		18,074,240.07	0.76
ITALY			
UNICREDIT	1,634,895.00	26,730,533.25	1.13
		26,730,533.25	1.13
JERSEY			
GLENCORE	24,716,829.00	80,845,370.35	3.42
SHIRE	854,968.00	41,265,658.41	1.75
		122,111,028.76	5.17
LUXEMBOURG			
APERAM	609,878.00	24,822,034.60	1.05
ARCELORMITTAL	1,030,463.00	20,464,995.18	0.87
B&M EUROPEAN VALUE RETAIL	19,102,138.00	73,684,330.39	3.12
		118,971,360.17	5.04
NETHERLANDS			
GRANDVISION	729,180.00	17,099,271.00	0.72
ING GROUP	1,538,158.00	23,226,185.80	0.98
NN GROUP	756,071.00	23,528,929.52	1.00
		63,854,386.32	2.70
NORWAY			
MARINE HARVEST	1,239,405.00	18,537,906.02	0.78
NORSK HYDRO REG.	1,923,774.00	9,318,856.08	0.39
		27,856,762.10	1.17
SPAIN			
ACS	829,244.00	28,049,178.30	1.19
AXIARE PATRIMONIO	286,880.00	4,291,724.80	0.18
HISPANIA ACTIVOS INMOBILIARIOS	596,659.00	8,636,639.03	0.37
INDITEX INDUSTRIA DE DISENO TEXTIL	109,691.00	3,686,714.51	0.16
SIEMENS GAMESA RENEWABLE ENERGY	3,181,217.00	59,472,851.82	2.52
		104,137,108.46	4.42
SWEDEN			
SKF 'B'	2,144,919.00	38,059,937.53	1.61
VOLVO 'B'	4,012,475.00	59,894,981.22	2.53
		97,954,918.75	4.14
SWITZERLAND			
CIE FINANCIERE RICHEMONT	354,059.00	25,608,342.61	1.08
GAM HOLDING	354,827.00	4,174,442.94	0.18
SWATCH GROUP	174,387.00	56,535,179.46	2.39
TEMENOS GROUP AG REG.	455,524.00	35,699,634.52	1.51
		122,017,599.53	5.16

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

ALKEN FUND - EUROPEAN OPPORTUNITIES

Statement of investments and other net assets as at June 30, 2017 (expressed in EUR)

Description	Quantity	Market value (note 2)	% of net assets
UNITED KINGDOM			
HOWDEN JOINERY GROUP	6,030,045.00	27,957,582.94	1.18
JUST EAT	6,604,773.00	49,269,387.38	2.08
LIBERTY GLOBAL 'A'	602,185.00	16,958,640.15	0.72
METRO BANK	920,852.00	37,628,788.54	1.59
RIO TINTO PLC	490,110.00	18,096,081.38	0.77
ROLLS-ROYCE HOLDINGS	1,050,301.00	10,657,846.21	0.45
RPC GROUP	1,903,913.00	16,305,829.85	0.69
		176,874,156.45	7.48
UNITED STATES			
ARCH COAL 'A'	266,298.00	15,946,822.61	0.67
		15,946,822.61	0.67
TOTAL SHARES		**2,438,920,718.39**	**103.19**
RIGHTS			
SPAIN			
ACS -ACTIVIDADES DE CONSTRUCCION Y SERVICIOS- RIGHT	829,244.00	580,470.80	0.02
		580,470.80	0.02
TOTAL RIGHTS		**580,470.80**	**0.02**
TOTAL INVESTMENTS		**2,439,501,189.19**	**103.21**
CASH AT BANKS		64,769,679.55	2.74
BANK OVERDRAFT		-63,101,145.56	-2.67
OTHER NET LIABILITIES		-77,604,804.15	-3.28
TOTAL NET ASSETS		**2,363,564,919.03**	**100.00**

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

Geographical and industrial classification of investments as at June 30, 2017

Geographical classification

(in % of net assets)

France	40.06
Germany	15.79
United Kingdom	7.48
Ireland	7.21
Jersey	5.17
Switzerland	5.16
Luxembourg	5.04
Spain	4.44
Sweden	4.14
Netherlands	2.70
Cyprus	1.94
Norway	1.17
Italy	1.13
Isle of Man	0.76
United States	0.67
Australia	0.35
	103.21

Industrial classification

(in % of net assets)

Automobiles	24.23
Utilities	10.75
Banks and credit institutions	8.25
Electronics and electrical equipment	7.35
Transport and freight	6.55
Holding and finance companies	5.37
Construction and building materials	3.71
Chemicals	3.56
Watch-making	3.47
Miscellaneous	3.42
Communications	3.35
Mining and steelworks	2.94
Real Estate Shares	2.49
Public utilities	2.33
Environmental conservation and waste management	2.18
Food and soft drinks	2.08
Construction of machines and appliances	2.01
Biotechnology	1.95
Miscellaneous investment goods	1.18
Insurance	1.00
Agriculture and fisheries	0.78
Stainless steel	0.77
Photography and optics	0.72
Packaging	0.69
Internet, software and IT services	0.66
Aeronautics and astronautics	0.45
Retail and supermarkets	0.45
Pharmaceuticals and cosmetics	0.30
Gastronomy	0.20
Rights	0.02
	103.21

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

ALKEN FUND - SMALL CAP EUROPE

Statement of investments and other net assets as at June 30, 2017 (expressed in EUR)

Description	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET			
SHARES			
BELGIUM			
DALENYS	300,000.00	2,607,300.00	0.85
TESSENDERLO CHEMIE	74,899.00	2,819,947.35	0.92
WAREHOUSES DE PAUW SICAFI	28,378.00	2,611,343.56	0.86
		8,038,590.91	2.63
CYPRUS			
AROUNDTOWN PROPERTY HOLDINGS	2,631,371.00	12,499,012.25	4.10
		12,499,012.25	4.10
DENMARK			
ZEALAND PHARMA	133,400.00	2,341,446.47	0.77
		2,341,446.47	0.77
FINLAND			
OUTOKUMPU	308,199.00	2,154,311.01	0.71
		2,154,311.01	0.71
FRANCE			
ALTRAN TECHNOLOGIES	524,314.00	7,481,960.78	2.45
ARKEMA	21,891.00	2,045,276.13	0.67
EIFFAGE	62,680.00	4,986,820.80	1.63
ELIS	392,387.00	7,871,283.22	2.58
ERAMET	68,094.00	2,924,977.77	0.96
GENFIT	31,808.00	951,377.28	0.31
MAISONS DU MONDE	238,587.00	8,127,466.16	2.66
PEUGEOT	718,705.00	12,552,182.83	4.11
RENAULT S.A.	48,656.00	3,855,988.00	1.26
SARTORIUS STEDIM BIOTECH	66,511.00	4,516,096.90	1.48
SRP GROUPE	110,489.00	2,574,393.70	0.84
TRIGANO	54,227.00	5,658,587.45	1.85
VALEO	287,020.00	16,931,309.80	5.55
		80,477,720.82	26.35
GERMANY			
CANCOM	4,453.00	237,033.19	0.08
DEUTZ	359,841.00	2,656,706.10	0.87
DRILLISCH	311,191.00	16,412,213.34	5.38
NORDEX -KAPITALHERABSETZUNG-	104,698.00	1,126,026.99	0.37
SIXT	129,406.00	6,848,165.52	2.24
WACKER CHEMIE	26,970.00	2,563,498.50	0.84
WIRECARD	510,451.00	28,442,329.72	9.33
		58,285,973.36	19.11

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

ALKEN FUND - SMALL CAP EUROPE

Statement of investments and other net assets as at June 30, 2017 (expressed in EUR)

Description	Quantity	Market value (note 2)	% of net assets
IRELAND			
CAIRN HOMES	3,642,600.00	5,482,113.00	1.80
IRISH RESIDENTIAL PROPERTIES	6,588,721.00	8,960,660.56	2.94
		14,442,773.56	4.74
ISLE OF MAN			
PAYSAFE GROUP	1,328,878.00	7,733,640.47	2.53
		7,733,640.47	2.53
ITALY			
ANIMA HOLDING	264,235.00	1,658,074.63	0.54
BANCA IFIS	604,220.00	21,492,105.40	7.04
TOD'S	62,427.00	3,408,514.20	1.12
		26,558,694.23	8.70
LUXEMBOURG			
APERAM	83,884.00	3,414,078.80	1.12
B&M EUROPEAN VALUE RETAIL	1,529,119.00	5,898,403.08	1.93
		9,312,481.88	3.05
NETHERLANDS			
TAKEAWAY.COM HOLDING	166,648.00	6,214,303.92	2.04
WESSANEN	221,968.00	3,294,005.12	1.08
		9,508,309.04	3.12
NORWAY			
BAKKAFROST	61,167.00	2,012,866.27	0.66
MARINE HARVEST	99,785.00	1,492,494.34	0.49
		3,505,360.61	1.15
SPAIN			
AXIARE PATRIMONIO	216,291.00	3,235,713.36	1.06
HISPANIA ACTIVOS INMOBILIARIOS	123,318.00	1,785,028.05	0.59
NEINOR HOMES	325,398.00	6,032,878.92	1.98
SIEMENS GAMESA RENEWABLE ENERGY	387,620.00	7,246,555.90	2.38
		18,300,176.23	6.01
SWITZERLAND			
ALSO HOLDING	8,676.00	977,814.20	0.32
TEMENOS GROUP AG REG.	55,732.00	4,367,743.59	1.43
		5,345,557.79	1.75
UNITED KINGDOM			
ALDERMORE GROUP	760,056.00	1,880,976.13	0.62
HOWDEN JOINERY GROUP	736,193.00	3,413,270.85	1.12
IBSTOCK	379,009.00	1,060,122.01	0.35
JUST EAT	396,025.00	2,954,213.44	0.97
METRO BANK	167,923.00	6,861,839.97	2.25

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

ALKEN FUND - SMALL CAP EUROPE

Statement of investments and other net assets as at June 30, 2017 (expressed in EUR)

Description	Quantity	Market value (note 2)	% of net assets
ONESAVINGS BANK	1,665,368.00	7,112,453.65	2.33
PENDRAGON	25,840,851.00	9,123,184.80	2.99
RPC GROUP	246,092.00	2,107,624.81	0.69
		34,513,685.66	11.32
UNITED STATES			
ARCH COAL 'A'	86,472.00	5,178,235.08	1.70
		5,178,235.08	1.70
TOTAL INVESTMENTS		**298,195,969.37**	**97.74**
CASH AT BANKS		984,288.60	0.32
BANK DEPOSITS		9,180,000.00	3.01
BANK OVERDRAFT		-925,583.58	-0.30
OTHER NET LIABILITIES		-2,338,019.73	-0.77
TOTAL NET ASSETS		**305,096,654.66**	**100.00**

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

Geographical and industrial classification of investments as at June 30, 2017

Geographical classification

(in % of net assets)	
France	26.35
Germany	19.11
United Kingdom	11.32
Italy	8.70
Spain	6.01
Ireland	4.74
Cyprus	4.10
Netherlands	3.12
Luxembourg	3.05
Belgium	2.63
Isle of Man	2.53
Switzerland	1.75
United States	1.70
Norway	1.15
Denmark	0.77
Finland	0.71
	97.74

Industrial classification

(in % of net assets)	
Banks and credit institutions	14.69
Real Estate Shares	11.53
Utilities	10.94
Automobiles	10.92
Holding and finance companies	8.02
Communications	5.38
Transport and freight	5.23
Electronics and electrical equipment	4.13
Construction and building materials	3.78
Mining and steelworks	3.53
Retail and supermarkets	2.66
Internet, software and IT services	2.53
Chemicals	2.43
Food and soft drinks	2.05
Gastronomy	1.85
Pharmaceuticals and cosmetics	1.48
Agriculture and fisheries	1.15
Textiles and clothing	1.12
Miscellaneous investment goods	1.12
Stainless steel	0.96
Construction of machines and appliances	0.87
Packaging	0.69
Public utilities	0.37
Biotechnology	0.31
	97.74

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

Statement of investments and other net assets as at June 30, 2017 (expressed in EUR)

Description	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET			
SHARES			
AUSTRALIA			
SOUTH32	2,154,275.00	3,901,002.53	0.38
		3,901,002.53	0.38
CYPRUS			
AROUNDTOWN PROPERTY HOLDINGS	9,999,723.00	47,498,684.25	4.62
		47,498,684.25	4.62
FRANCE			
ACCOR	52,760.00	2,165,534.20	0.21
ALD	418,415.00	5,753,206.25	0.56
ALSTOM	743,570.00	22,760,677.70	2.21
ALTRAN TECHNOLOGIES	1,069,964.00	15,268,386.28	1.49
ARKEMA	254,473.00	23,775,412.39	2.31
EIFFAGE	232,247.00	18,477,571.32	1.80
ELECTRICITE DE FRANCE	36,671.00	347,714.42	0.03
ELIS	555,065.00	11,134,603.90	1.08
GENFIT	42,255.00	1,263,847.05	0.12
ILIAD	26,263.00	5,439,067.30	0.53
MAISONS DU MONDE	85,813.00	2,923,219.85	0.28
PEUGEOT	4,751,350.00	82,982,327.75	8.08
RENAULT S.A.	673,639.00	53,385,890.75	5.20
REXEL	422,644.00	6,054,375.30	0.59
SARTORIUS STEDIM BIOTECH	48,071.00	3,264,020.90	0.32
SRP GROUPE	232,529.00	5,417,925.70	0.53
TERREIS	34,480.00	1,396,784.80	0.14
VALEO	861,032.00	50,792,277.68	4.94
VEOLIA ENVIRONNEMENT	919,582.00	17,012,267.00	1.66
		329,615,110.54	32.08
GERMANY			
DRILLISCH	242,904.00	12,810,756.96	1.25
NORDEX -KAPITALHERABSETZUNG-	130,741.00	1,406,119.46	0.14
SARTORIUS VORZ. -OSR-	52,498.00	4,435,031.04	0.43
SCOUT24	137,977.00	4,449,068.37	0.43
WACKER CHEMIE	96,915.00	9,211,770.75	0.90
WIRECARD	1,828,048.00	101,858,834.56	9.90
		134,171,581.14	13.05
IRELAND			
IRISH RESIDENTIAL PROPERTIES	4,707,913.00	6,402,761.68	0.62
RYANAIR HOLDINGS	1,802,097.00	32,365,662.12	3.15
		38,768,423.80	3.77

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

Statement of investments and other net assets as at June 30, 2017 (expressed in EUR)

Description	Quantity	Market value (note 2)	% of net assets
ISLE OF MAN			
PAYSAFE GROUP	1,343,357.00	7,817,903.57	0.76
		7,817,903.57	0.76
ITALY			
BANCA IFIS	283,376.00	10,079,684.32	0.98
		10,079,684.32	0.98
JERSEY			
GLENCORE	10,353,195.00	33,863,886.18	3.30
SHIRE	386,349.00	18,647,418.22	1.81
		52,511,304.40	5.11
LUXEMBOURG			
APERAM	291,113.00	11,848,299.10	1.15
ARCELORMITTAL	449,863.00	8,934,279.18	0.87
B&M EUROPEAN VALUE RETAIL	6,865,300.00	26,482,115.95	2.58
		47,264,694.23	4.60
NETHERLANDS			
GRANDVISION	318,982.00	7,480,127.90	0.73
ING GROUP	351,219.00	5,303,406.90	0.52
NN GROUP	332,086.00	10,334,516.32	1.01
		23,118,051.12	2.26
NORWAY			
MARINE HARVEST	557,285.00	8,335,368.14	0.81
NORSK HYDRO REG.	979,887.00	4,746,620.93	0.46
		13,081,989.07	1.27
SPAIN			
ACS	370,787.00	12,541,870.28	1.22
AXIARE PATRIMONIO	206,405.00	3,087,818.80	0.30
HISPANIA ACTIVOS INMOBILIARIOS	503,859.00	7,293,359.03	0.71
INDITEX INDUSTRIA DE DISENO TEXTIL	48,744.00	1,638,285.84	0.16
NEINOR HOMES	1,164,807.00	21,595,521.78	2.10
		46,156,855.73	4.49
SWEDEN			
SKF 'B'	968,903.00	17,192,438.34	1.67
VOLVO 'B'	280,652.00	4,189,346.04	0.41
		21,381,784.38	2.08
SWITZERLAND			
CIE FINANCIERE RICHEMONT	165,000.00	11,934,102.88	1.16
SWATCH GROUP	66,684.00	21,618,537.55	2.10
		33,552,640.43	3.26

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

ALKEN FUND - ABSOLUTE RETURN EUROPE

Statement of investments and other net assets as at June 30, 2017 (expressed in EUR)

Description	Quantity	Market value (note 2)	% of net assets
UNITED KINGDOM			
ALDERMORE GROUP	1,361,500.00	3,369,421.47	0.33
HOWDEN JOINERY GROUP	2,630,569.00	12,196,318.76	1.19
JUST EAT	2,926,283.00	21,829,087.95	2.12
LIBERTY GLOBAL 'A'	283,798.00	7,992,275.06	0.78
METRO BANK	415,356.00	16,972,698.21	1.65
ONESAVINGS BANK	1,919,967.00	8,199,795.06	0.80
RIO TINTO PLC	220,489.00	8,141,002.81	0.79
ROLLS-ROYCE HOLDINGS	454,011.00	4,607,040.66	0.45
RPC GROUP	854,285.00	7,316,419.32	0.71
		90,624,059.30	8.82
UNITED STATES			
ARCH COAL 'A'	121,906.00	7,300,142.54	0.71
		7,300,142.54	0.71
TOTAL SHARES		**906,843,911.35**	**88.24**
RIGHTS			
SPAIN			
ACS -ACTIVIDADES DE CONSTRUCCION Y SERVICIOS- RIGHT	370,787.00	259,550.90	0.03
		259,550.90	0.03
TOTAL RIGHTS		**259,550.90**	**0.03**
TOTAL INVESTMENTS		**907,103,462.25**	**88.27**
CASH AT BANKS		92,576,787.35	9.01
BANK DEPOSITS		38,000,000.00	3.70
BANK OVERDRAFT		-598,403.78	-0.06
OTHER NET LIABILITIES		-9,487,484.70	-0.92
TOTAL NET ASSETS		**1,027,594,361.12**	**100.00**

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

Geographical and industrial classification of investments as at June 30, 2017

Geographical classification

(in % of net assets)

France	32.08
Germany	13.05
United Kingdom	8.82
Jersey	5.11
Cyprus	4.62
Luxembourg	4.60
Spain	4.52
Ireland	3.77
Switzerland	3.26
Netherlands	2.26
Sweden	2.08
Norway	1.27
Italy	0.98
Isle of Man	0.76
United States	0.71
Australia	0.38
	88.27

Industrial classification

(in % of net assets)

Automobiles	18.63
Utilities	10.86
Real Estate Shares	8.49
Banks and credit institutions	4.71
Holding and finance companies	4.55
Chemicals	3.67
Miscellaneous	3.30
Watch-making	3.26
Transport and freight	3.15
Mining and steelworks	3.11
Construction and building materials	3.02
Electronics and electrical equipment	2.80
Communications	2.56
Food and soft drinks	2.12
Construction of machines and appliances	2.10
Biotechnology	1.93
Environmental conservation and waste management	1.66
Internet, software and IT services	1.49
Miscellaneous investment goods	1.19
Insurance	1.01
Agriculture and fisheries	0.81
Stainless steel	0.79
Photography and optics	0.73
Packaging	0.71
Aeronautics and astronautics	0.45
Retail and supermarkets	0.44
Pharmaceuticals and cosmetics	0.32
Gastronomy	0.21
Public utilities	0.17
Rights	0.03
	88.27

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

Notes to the financial statements as at June 30, 2017

NOTE 1 GENERAL

ALKEN FUND (the "SICAV") is an open-ended investment company organised as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d'Investissement à Capital Variable (SICAV) under Part I of the amended Luxembourg Law of December 17, 2010 relating to Undertakings for Collective Investment (the "Law") and Luxembourg Law of August 10, 1915 related to Commercial Companies as amended, whose object is to invest in transferable securities under the principle of risk spreading in accordance with, and as more fully described in its Articles and the current Prospectus.

The SICAV was incorporated for an indefinite period on November 16, 2005, with an initial capital of EUR 31,000. Its articles of incorporation were published in the "*Mémorial C, Recueil Spécial des Sociétés et Associations du Grand-Duché de Luxembourg*" (the "*Mémorial*") on December 14, 2005. They were last amended by a notarial deed dated October 22, 2012, published in the *Mémorial* on November 26, 2012.

The SICAV is registered at the Trade and Companies Register of Luxembourg under the number B111842.

Alken Luxembourg S.A.*, a public limited company (société anonyme) with registered office at 16, rue Jean-Pierre Brasseur, L-1258 Luxembourg, was appointed Management Company of the SICAV as of May 25, 2007. It is a management company within the meaning of chapter 15 of the Law.

The SICAV's capital shall at all times be equal to the value of its total net assets.

As at June 30, 2017, the SICAV includes three sub-funds in operation:

- ALKEN FUND - EUROPEAN OPPORTUNITIES, denominated in Euro (EUR);
- ALKEN FUND - SMALL CAP EUROPE, denominated in Euro (EUR);
- ALKEN FUND - ABSOLUTE RETURN EUROPE, denominated in Euro (EUR).

The SICAV reserves the possibility to create new sub-funds according to economic circumstances.

As at June 30, 2017, the following classes of shares were active for each sub-fund:

- ALKEN FUND - EUROPEAN OPPORTUNITIES:
  - Class H,
  - Class R,
  - Class CH1,
  - Class CH2,
  - Class EU1,
  - Class EU1d,
  - Class US1,
  - Class US1h,
  - Class US2,
  - Class US2h,

** On June 12, 2017, Alken Luxembourg S.A. moved from 16, rue Jean-Pierre Brasseur, L-1258 Luxembourg, to 3, boulevard Royal, 3rd floor, L-2449 Luxembourg.*

  - Class GB1,
  - Class U,
  - Class Z and
  - Class A;
- ALKEN FUND - SMALL CAP EUROPE:
  - Class R,
  - Class EU1 and
  - Class A;
- ALKEN FUND - ABSOLUTE RETURN EUROPE:
  - Class A,
  - Class CH1,
  - Class CH2,
  - Class CH3,
  - Class I,
  - Class EU1,
  - Class US1,
  - Class US2,
  - Class US3,
  - Class GB1 and,
  - Class H.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Presentation of financial statements

The financial statements are prepared in accordance with generally accepted accounting principles and presented in accordance with the legal reporting requirements applicable in Luxembourg relating to undertakings for collective investment.

b) Foreign exchange translation for each sub-fund

Cash at banks, other net assets as well as the market value of the investment portfolio in currencies other than the currency of the sub-fund are translated into the currency of the sub-fund at the exchange rate prevailing at the period-end.

Income and expenses in currencies other than the currency of the sub-fund are translated into the currency of the sub-fund at the exchange rate prevailing at the transaction date.

Resulting realised gain/loss and change in unrealised foreign exchange gains and losses are included in the statement of operations and changes in net assets.

c) Combined financial statements of the SICAV

The combined financial statements of the SICAV are expressed in Euro (EUR) and correspond to the sum of the corresponding items in the financial statements of the different sub-funds, converted into EUR at the exchange rate prevailing at the end of the period.

Notes to the financial statements as at June 30, 2017 (continued)

d) Valuation of assets

1) Securities and other assets listed or dealt in on a stock exchange or another regulated market are valued at the last available price; where such securities or other assets are listed or dealt in one or by more than one stock exchange or any other regulated market, the Board of Directors of the SICAV shall make regulations for the order of priority in which stock exchanges or other regulated markets are used for the provisions of prices of securities or assets.

2) Assets not listed or dealt in on a stock exchange or another regulated market, or assets so listed or dealt in for which the last available price is not representative of a fair market value, are valued, prudently and in good faith by the Board of Directors of the SICAV, on the basis of their estimated sale prices.

3) 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 will be valued at their face value with interest accrued.

4) The units/shares of open-ended undertakings for collective investment are valued on the basis of the last known Net Asset Value ("NAV") or, if the price so determined is not representative of their fair market value, are valued as the Board of Directors of the SICAV may deem fair and reasonable. Units/shares of closed-ended undertakings for collective investment are valued on the basis of their last available market value.

5) For each sub-fund, securities whose value is expressed in a currency other than the reference currency of that sub-fund are converted into that reference currency at the average rate between the last available buy/sell rate in Luxembourg or, failing that, in a financial centre which is most representative for those securities.

6) Any other security, instrument or asset will be valued, prudently and in good faith, on the basis of their estimated sale prices by the Board of Directors of the SICAV.

e) Net realised gain/loss on sales of investments

The net realised gain/loss on sales of investments is calculated on the basis of the weighted average cost of the investments sold.

f) Cost of investment securities

Cost of investment securities in currencies other than the currency of the sub-fund is translated into the currency of the sub-fund at the exchange rate applicable at purchase date.

g) Valuation of forward exchange contracts

The unrealised gains or losses resulting from outstanding forward exchange contracts are determined on the basis of the forward rates applicable at the period-end and are recorded in the statement of net assets and in the statement of operations.

Notes to the financial statements as at June 30, 2017 (continued)

h) Valuation of futures contracts

The liquidating value of futures contracts dealt in on a stock exchange or another regulated market is based on the last available settlement prices for the relevant NAV date published by such stock exchange or other regulated market where these particular futures contracts are traded. If a futures contract could not be liquidated on the valuation day of the relevant assets, the basis for determining the liquidating value of such contract is such value as the Board of Directors of the SICAV may deem fair and reasonable.

i) Valuation of contracts for difference ("CFD")

CFD are valued on the basis of the difference between the price of their underlying on the valuation date and on the acquisition date.

j) Accounting of futures contracts and CFD

Unrealised gains and losses on futures contracts and CFD are settled daily through the reception/payment of a cash amount corresponding to the daily increase/decrease of the market value of each opened future contract or CFD. Such cash amount is recorded under the caption "Cash at banks" in the statement of net assets and the corresponding amount is recorded under the caption "Net realised gain and/or loss on forward contracts" in the statement of operations and changes in net assets.

k) Income

Dividends are recorded at ex-date. Interest is recorded on an accrual basis.

l) Formation expenses

Formation expenses are amortised over a maximum period of five years.

m) Transaction fees

The transaction fees represent the costs incurred by each sub-fund in connection with purchases and sales of investments.

Transaction fees include brokerage fees as well as bank commissions, foreign tax, depositary fees and other transaction fees, and are included in the statement of operations and changes in net assets.

NOTE 3 "TAXE D'ABONNEMENT"

The SICAV's net assets are subject to a subscription tax ("Taxe d'abonnement") of 0.05% per annum payable at the end of each calendar quarter and calculated on the basis of the SICAV's total net assets at the end of the relevant quarter; such tax is reduced to 0.01% per annum in respect of share classes comprising institutional investors only (as per article 174 of the Law). This tax is not applicable for the portion of the assets of a sub-fund invested in other Luxembourg undertakings for collective investment already subject to "taxe d'abonnement".

Notes to the financial statements as at June 30, 2017 (continued)

NOTE 4 MANAGEMENT FEE

The Management Company is entitled to receive a management fee payable out of the net assets of the respective share class of the sub-fund on a quarterly basis at a maximum annual rate of:

Sub-fund	Class	Up to
ALKEN FUND - EUROPEAN OPPORTUNITIES	Class H	0.90%
	Class R	1.50%
	Class CH1	1.00%
	Class CH2	1.50%
	Class EU1	1.00%
	Class EU1d	1.00%
	Class US1	1.00%
	Class US1h	1.00%
	Class US2	1.50%
	Class US2h	1.50%
	Class GB1	1.00%
	Class U	1.50%
	Class Z	1.50%
	Class A	2.25%
ALKEN FUND - SMALL CAP EUROPE	Class R	1.75%
	Class EU1	1.25%
	Class A	2.25%
ALKEN FUND - ABSOLUTE RETURN EUROPE	Class A	2.25%
	Class CH1	1.10%
	Class CH2	1.50%
	Class CH3	2.25%
	Class I	1.50%
	Class EU1	1.10%
	Class US1	1.10%
	Class US2	1.50%
	Class US3	2.25%
	Class GB1	1.10%
	Class H	0.90%
	Class K	1.50%

The Management Company is responsible for the payment of the fees and expenses of the Investment Manager and, where relevant, the distributors.

NOTE 5 PERFORMANCE FEE

The Management Company is also entitled to receive a performance fee that may be levied only in case there is a difference in favour of the Investor between the relative evolution of the relevant sub-fund and a reference index (i.e. an outperformance).

The performance fee is calculated and accrued at each Applicable NAV on the basis of NAV after deducting all expenses, the management fee (but not the performance fee) and adjusted for subscriptions and redemptions during the relevant performance year. Such performance fee is payable quarterly in arrears.

Details about the performance fee calculation method can be found in the latest appendices of the latest prospectus.

The performance fee for the period from January 1, 2017 to June 30, 2017 amounts to:

- EUR 2,695,938.38 for the sub-fund ALKEN FUND - EUROPEAN OPPORTUNITIES,
- EUR 1,386,717.81 for the sub-fund ALKEN FUND - SMALL CAP EUROPE,
- EUR 9,258,933.24 for the sub-fund ALKEN FUND - ABSOLUTE RETURN EUROPE.

NOTE 6 OPERATING AND ADMINISTRATIVE EXPENSES

The Operating and Administrative expenses are calculated as a percentage of the average daily net assets of each share class. They are accrued daily and payable quarterly at a maximum rate of 0.35% for all sub-funds or share class unless specified differently in the latest prospectus.

The Operating and Administrative expenses cover:

a) Expenses directly contracted by the SICAV, including but not limited to the depositary fees and expenses, auditing fees and expenses, the Luxembourg Taxe d'Abonnement, "Directors" fees and reasonable out-of-pocket expenses incurred by the Board of Directors of the SICAV.

b) A "fund servicing fee" paid to the Management Company which will be the remaining amount of the Operating and Administrative Expenses after deduction of the expenses detailed under section a) above.

The Management Company then bears all fees and expenses incurred in the day to day operation and administration of the SICAV, including but not limited to formation expenses such as organisation and registration costs, accounting expenses covering fund accounting and administration services; transfer agency expenses covering registrar and transfer agency services; the Administrative Agent and Domiciliary Agent services; the fees and reasonable out-of-pocket expenses of the paying agents and representatives; legal fees and expenses; ongoing registration, listing and quotation fees, including translation expenses; the cost of publication of the share prices and postage, telephone, facsimile transmission and other electronic means of communication; and the costs and expenses of preparing, printing, and distributing the SICAV's Prospectus, Key Investor Information Documents or any offering document, financial reports and other documents made available to Shareholders. The expenses incurred by the Management Company in relation to the launch of additional sub-funds may, at the discretion of the Board of Directors of the SICAV, be capitalized and amortized over a period not exceeding five years, as permitted by Luxembourg law.

The Management Company instructs the SICAV to pay for the expenses directly contracted by it (as listed above) as well as for the SICAV Administrator Fees and Expenses directly out of the assets of the SICAV. In such case the fee due to the Management Company is reduced accordingly.

Operating and Administrative expenses do not include management fees, performance fees, taxes, transactions fees and extraordinary expenses.

NOTE 7 OTHER FEES PAYABLE

As at June 30, 2017, the other fees payable include mainly Operating expenses.

Notes to the financial statements as at June 30, 2017 (continued)

NOTE 8 SUBSCRIPTION AND REDEMPTION COMMISSION (DILUTION LEVY)

The issue price for shares in each class is equal to the NAV of each share in that class, dated on the Business Day of the applicable day of subscription.

The redemption price for shares in each class is equal to the NAV of each share in that class dated the Business Day on which application for redemption has been accepted.

Under certain circumstances (for example, large volumes of deals) investment and/or disinvestment costs may have an adverse effect on the Shareholders' interest in the SICAV. In order to prevent this effect, called "dilution", the Board of Directors of the SICAV has the power to charge a "dilution levy" on the issue, redemption and/or conversion of shares. If charged, the dilution levy is paid into the relevant sub-fund and becomes part of the relevant sub-fund. The dilution levy for each sub-fund is calculated by reference to the costs of dealing in the underlying investments of that sub-fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy depends on the volume of issues, redemptions or conversions. The Board of Directors of the SICAV may charge a discretionary dilution levy on the issue, redemption and/or conversion of shares, if in its opinion, the existing Shareholders (for issues) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In any case the dilution levy shall not exceed 2.00% of the NAV per share.

In addition the issue or redemption price may be increased/reduced by sales commissions, which are paid to intermediaries and do not exceed:

- Maximum 3.00% of the NAV of each share for subscription,
- Maximum 3.00% of the NAV of each share for redemption.

The issue price/redemption price shall be increased/reduced to cover any duties, taxes and stamp duties which might have to be paid.

In addition, for the Class CH1, Class US1, Class US1h, Class EU1 and Class EU1d: up to 2.00% of the NAV per share subscribed may be charged at the discretion of the Board of Directors of the SICAV for the benefit of the Management Company.

NOTE 9 FUTURES CONTRACT

The SICAV had the following futures contract outstanding as at June 30, 2017:

ALKEN FUND - ABSOLUTE RETURN EUROPE

	Maturity date	Currency	Commitment in EUR
Sale of 8,954.00 Euro Stoxx 50 ESTX 50 EUR	18/09/2017	EUR	-308,185,935.20

Notes to the financial statements as at June 30, 2017 (continued)

NOTE 10 CONTRACTS FOR DIFFERENCE ("CFD")

The SICAV had the following CFD outstanding as at June 30, 2017:

ALKEN FUND - ABSOLUTE RETURN EUROPE

Description	Quantity	Currency	Commitment in EUR
Adidas Nom.	-65,706	EUR	-11,022,181.50
Aena	-60,893	EUR	-10,403,569.05
Drillisch	218,688	EUR	12,073,764.48
Gamesa Corporacion Tecnologica	1,778,180	EUR	33,243,075.10
Hennes & Mauritz 'B'	-322,118	SEK	-7,028,314.50
Hochtief	-62,002	EUR	-9,945,120.80
Lindt & Spruengli 'C'	-2,811	CHF	-14,309,171.71
Morrison WM Supermarkets	-2,997,095	GBP	-8,232,958.34
Ryanair Holdings	1,329,387	EUR	23,875,790.52
S.G.S. NOM.	-1,371	CHF	-2,914,597.10
Sanofi	-155,052	EUR	-12,987,155.52
Telecom Italia	-6,279,625	EUR	-5,073,937.00
Uniper	677,314	EUR	11,131,655.59
Vifor Pharma	-107,770	CHF	-10,429,217.59
Volvo 'B'	1,533,634	SEK	22,892,853.13

NOTE 11 FORWARD EXCHANGE CONTRACTS

Forward exchange contracts on identical currency pairs listed below are aggregated. Only the longest maturity date is shown.

The SICAV has the following forward exchange contracts outstanding as at June 30, 2017:

ALKEN FUND - EUROPEAN OPPORTUNITIES

Currency	Purchase	Currency	Sale	Maturity date
EUR	165,000,000.00	GBP	139,734,375.00	31/07/2017
EUR	1,523,433.06	USD	1,742,000.00	31/07/2017
GBP	429,579,861.00	EUR	495,000,000.00	04/09/2017
USD	89,032,059.30	EUR	78,262,374.01	31/07/2017

The net unrealised loss on these contracts as at June 30, 2017 was EUR 698,499.82 and is included in the statement of net assets.

ALKEN FUND - SMALL CAP EUROPE

Currency	Purchase	Currency	Sale	Maturity date
EUR	21,000,000.00	GBP	17,784,375.00	31/07/2017
GBP	53,797,634.00	EUR	62,000,000.00	04/09/2017

The net unrealised loss on these contracts as at June 30, 2017 was EUR 42,708.90 and is included in the statement of net assets.

ALKEN FUND - ABSOLUTE RETURN EUROPE

Currency	Purchase	Currency	Sale	Maturity date
CHF	8,013,425.47	EUR	7,346,711.41	31/07/2017
EUR	91,000,000.00	GBP	77,065,625.00	31/07/2017
EUR	951,781.64	USD	1,089,000.00	31/07/2017
GBP	209,654,939.16	EUR	241,816,280.56	04/09/2017
USD	80,071,981.63	EUR	70,386,144.31	31/07/2017

The net unrealised loss on these contracts as at June 30, 2017 was EUR 328,566.15 and is included in the statement of net assets.

NOTE 12 CREDIT LINE AND GUARANTEES

On September 30, 2016, the SICAV renewed its Loan agreement (the "Loan Agreement") with Pictet & Cie (Europe) S.A. (the "Bank"), which was entered into on September 16, 2013, in respect of the sub-fund ALKEN FUND - EUROPEAN OPPORTUNITIES, for an unconfirmed credit line amount fixed to EUR 240,000,000.

Under the terms of the Loan Agreement, the SICAV agreed to duly pledge the portfolio of the participating sub-fund in favour of the Bank.

As at June 30, 2017, the sub-fund is using this credit line for an amount of EUR 64,318,372.70.

On October 31, 2016, the SICAV renewed its Loan agreement with the Bank, which was entered into on October 30, 2014, in respect of the sub-fund ALKEN FUND - SMALL CAP EUROPE, for an unconfirmed credit line amount fixed to EUR 25,000,000.

Under the terms of the Loan Agreement, the SICAV agreed to duly pledge the portfolio of the participating sub-fund in favour of the Bank.

As at June 30, 2017, the sub-fund is using this credit line for an amount of EUR 926,620.91.

On September 1, 2016, the SICAV renewed its Loan agreement with the Bank, which was entered into on September 1, 2014, in respect of the sub-fund ALKEN FUND - ABSOLUTE RETURN EUROPE, for an unconfirmed credit line amount fixed to EUR 120,000,000.

Under the terms of the Loan Agreement, the SICAV agreed to duly pledge the portfolio of the participating sub-fund in favour of the Bank.

As at December 31, 2016, the sub-fund is using this credit line for an amount of EUR 1,408,717.67.

NOTE 13 CHANGES IN THE COMPOSITION OF THE PORTFOLIO DURING THE PERIOD

The statement of changes in the composition of the portfolio during the period is made available free of charge to shareholders at the registered office of the SICAV.

NOTE 14 COLLATERAL ON OTC DERIVATIVES PRODUCTS

In the framework of their transactions on OTC derivatives products (CFD), the sub-fund ALKEN FUND - ABSOLUTE RETURN EUROPE has not received any collateral from the counterparties with which it deals.

Total Expense Ratio ("TER")

Pursuant to the "Guidelines on the calculation and disclosure of the total expense ratio (TER) of collective investment schemes" of May 16, 2008 (version of April 20, 2015) of the Swiss Funds & Asset Management Association ("SFAMA"), the SICAV is obliged to publish a TER for the latest 12-month financial period.

The TER is defined as the ratio between the total operating expenses (Operating charges primarily consist of management and investment advisory fees, custodian fees, bank charges and interest, service fees, performance fees, taxes and duties) and the relevant sub-fund's / share class' average NAV (calculated on the basis of the daily average of the total net assets for the relevant period) expressed in its reference currency.

The annualised TER including and excluding performance fees as presented in this report is calculated by the Fund Administrator on a 12-month basis with the average total net assets during the year. The figures are not accurate and tend to overstate the real costs of investing in the Fund by 1-2 basis points. Therefore, the theoretical TER data is provided which is derived from the management fee plus the fixed operating expenses of 0.35%.

For the period from July 1, 2017 to June 30, 2017, the TER were the following:

Class	Annualised TER including performance fees	Annualised TER excluding performance fees
ALKEN FUND - EUROPEAN OPPORTUNITIES		
Class H	1.43%	1.25%
Class R	1.93%	1.85%
Class CH1	1.47%	1.35%
Class CH2	1.92%	1.85%
Class EU1	1.52%	1.35%
Class EU1d	1.54%	1.35%
Class US1	1.54%	1.35%
Class US1h	1.54%	1.54%
Class US2	1.92%	1.85%
Class US2h	2.15%	1.85%
Class GB1	1.50%	1.35%
Class U	1.94%	1.85%
Class Z	1.92%	1.85%
Class A	2.61%	2.61%
ALKEN FUND - SMALL CAP EUROPE		
Class R	2.60%	2.10%
Class EU1	2.13%	1.60%
Class A	3.06%	2.60%
ALKEN FUND - ABSOLUTE RETURN EUROPE		
Class A	3.19%	2.60%
Class CH1	2.01%	1.45%
Class CH2	2.50%	1.85%
Class CH3	3.08%	2.61%
Class I	2.69%	1.85%
Class EU1	2.27%	1.45%
Class US1	2.26%	1.46%
Class US2	2.61%	1.86%
Class US3	3.27%	2.61%

Total Expense Ratio ("TER") (continued)

Class	Annualised TER including performance fees	Annualised TER excluding performance fees
Class GB1	2.18%	1.46%
Class H	2.06%	1.25%

Performance

The performance was calculated by us at the end of each financial period according to the 'Guidelines on the calculation and disclosure of the performance of collective capital investment schemes' of May 16, 2008 (version of July 1, 2013) of the Swiss Funds & Asset Management Association (SFAMA).

The performance given is based on historical data, which is no guide to current or future performance. Commissions and fees levied for the issue or redemption of shares, as applicable, have not been taken into account in this performance calculation.

As at June 30, 2017, performances were the following:

Class	Currency	Performance for the period ending June 30, 2017	Performance for the financial year ending December 31, 2016	Performance for the financial year ending December 31, 2015
ALKEN FUND - EUROPEAN OPPORTUNITIES				
Class H	EUR	13.43%	-3.24%	4.76%
Class R	EUR	13.23%	-3.82%	4.13%
Class CH1	CHF	15.59%	-4.70%	-5.33%
Class CH2	CHF	15.37%	-5.17%	-5.82%
Class EU1	EUR	13.42%	-3.34%	4.66%
Class EU1d	EUR	13.40%	-3.34%	-7.77%*
Class US1	USD	22.68%	-6.23%	-6.05%
Class US1h	USD	14.07%	-2.09%	3.70%
Class US2	USD	22.43%	-6.62%	-6.52%
Class US2h	USD	13.81%	-2.62%	-0.01%*
Class GB1	GBP	16.69%	11.97%	-0.60%
Class U	EUR	13.23%	-3.82%	4.12%
Class Z	EUR	13.24%	-3.82%	4.13%
Class A	EUR	12.90%	-4.55%	3.33%
ALKEN FUND - SMALL CAP EUROPE				
Class R	EUR	13.29%	-2.15%	30.84%
Class EU1	EUR	13.55%	-1.66%	31.36%
Class A	EUR	13.03%	-2.64%	30.23%
ALKEN FUND - ABSOLUTE RETURN EUROPE				
Class A	EUR	8.19%	-9.18%	6.81%
Class CH1	CHF	8.45%	-8.60%	6.95%
Class CH2	CHF	8.31%	-8.97%	6.54%
Class CH3	CHF	8.06%	-9.65%	5.82%
Class I	EUR	8.33%	-8.50%	7.56%
Class EU1	EUR	8.50%	-8.12%	7.93%
Class US1	USD	9.01%	-6.90%	7.41%
Class US2	USD	9.03%	-7.27%	7.02%
Class US3	USD	8.78%	-7.97%	6.25%
Class GB1	GBP	8.85%	-8.60%	7.74%
Class H	EUR	8.74%	-7.94%	8.20%

** The performance of share classes launched during the year was calculated by comparing the net assets per share as at the launch date of the share class with the net assets per share as at the end of the year.*

Other information to Shareholders

Securities Financing Transactions Regulation ("SFTR")

As at June 30, 2017, the SICAV is currently in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse. Nevertheless, no corresponding transactions were carried out during the period referring to the financial statements.