



Half-yearly report as at 31 January 2015

Luxembourg investment fund established in accordance with Part I of the
Luxembourg Law of 17 December 2010 relating to undertakings for collective
investment in the legal form of a fonds commun de placement

IPConcept

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In case of differences between the German version and the translation, the German version shall be the authentic text.		

The Sales Prospectus with incorporated Management Regulations, the Key Investor Information Document, as well as the annual and half-yearly reports of the Fund, may be obtained free of charge by post, fax or e-mail from the registered office of the Management Company, the Custodian Bank, the paying agents and the sales agents of each distribution country. For further information, please feel free to contact the Management Company during normal business hours.

Unit subscriptions are only valid if these are made on the basis of the latest issue of the Sales Prospectus (including its Annexes) in conjunction with the most recent annual report and any subsequently published half-yearly report.

Silk – African Lions Fund

Fund Manager's report for the sub-fund Silk – African Lions Fund for the period from 1 August 2014 to 31 January 2015

INVESTMENT POLICY OF THE SUB-FUND

The sub-fund invests in shares listed on stock markets throughout the entire African continent. Silk Invest believes that the future lies in this new generation of "Lion" countries is the future and focuses on the consumer opportunities on the continent. Our focus is on the more populous markets or those attracting substantial foreign direct investment. We focus on stocks that both outperform their local peer group and are leaders in their various sectors.

SUB-FUND MANAGER'S COMMENTS

The sub-fund outperformed the index during the period as Egypt, Kenya and South Africa in particular delivered strong returns. The strong performance in these markets was mainly on the back of strong GDP growth, high growth in corporate earnings as well as the increase in foreign portfolio investments. Nigeria, on the other hand, was negatively impacted by the collapse of oil prices, causing foreign investors to withdraw their capital due to currency fears.

In Kenya, we saw a very good performance coming through from the banking and telecommunications sectors, which pushed local market performance up 16% during the reporting period. Investment Company Centum also posted healthy gains on the back of its strong portfolio of investments such as the Lamu Coal Project. Political risk has also reduced substantially and the government has embarked on several large infrastructure projects that are expected to boost economic growth during 2015 to between 6% and 7%.

In South Africa, the market performed well due to gains in large-cap shares, which were favoured because of their diversification benefits and low currency risks. We also saw a good performance in all other sectors. Only the mining sector was under pressure. We see this market benefitting from low oil prices which is expected to be positive for consumer spending and the currency.

The Egyptian markets posted a positive performance. The index rose 8% over the reporting period. The best performing sectors were finance and real estate. The Egyptian real estate market is benefitting from favourable demographics, undersupply and better employment prospects due to improved political stability. Egyptian markets continue to be supported by signs that the investment-driven economic recovery is making progress with many local and international corporates announcing investment plans.

The Nigerian equity market was under pressure, with the local index losing 17% during the reporting period across all sectors of the economy with the oil and gas sector seeing the worst performance. The falling oil price and the inability of the country to defend the naira are the reasons that the Nigerian equity market saw a negative performance.

PERFORMANCE OF THE SUB-FUND

The sub-fund returned 7.1% in the euro (its reference currency) during the period from 1 August 2014 to 31 January 2015. The net asset value (NAV) currently amounts to EUR 154.08 for the I (EUR) unit class.

OUTLOOK FOR THE SUB-FUND

The outlook for the sub-fund is positive, although we are cautious about the falling oil price and regulatory and political headwinds in Nigeria. We expect African equity markets to be supported by strong economic growth, political stability, business-friendly policies and favourable macroeconomic conditions which will encourage consumption spending and boost earnings growth. Oil-importing countries such as South Africa and Kenya are benefitting from falling oil prices.

The Nigerian market continued its downward trend early on this year. A combination of declining oil prices, presidential elections and the intensification of Boko Haram attacks led to very depressed valuations, and could be an interesting buying opportunity. No major rebound is expected for the time being until after the presidential election, scheduled to take place in the first quarter of the year.

South Africa is benefitting from the low oil prices and this is expected to have a positive impact on the economy. Therefore, the equities market should gain some ground on the back of this. However, with lower commodity prices as well as structural problems such as unemployment and inequality, there are risks that will take some time to resolve.

As political tension grips Nigeria, Kenya could be the main beneficiary early on this year as foreign investors might look east. Despite the higher valuations to be found in Kenya, we still expect a decent performance on the back of strong earnings growth from the listed companies. Both the economy and the market performed very well in 2014, but we think that there is more potential. Kenya has had a very exciting investment story, with favourable demographics and a vibrant private sector. The Kenyan consumer will also receive a welcome boost from lower energy prices and reduced inflationary pressure.

Silk – African Lions Fund

Most listed companies are positive about Egypt's prospects in the medium to long term under the new government. The still under-penetrated banking sector and the real estate sector with very strong demand will support the market in 2015.

Morocco's excess liquidity in the wake of tax shields given by the government last year to Moroccans holding illegal assets outside of the country — which led to over USD 3 billion of inflows and very low yields in the bond market — resulted in Moroccan listed equities starting the year with a performance higher than that throughout all of 2014, led by the banking sector, Maroc Telecom, Lafarge and Holcim ahead of their merger and a rebound in Addoha after a dreadful year in 2014.

For 2015 onwards, we expect that fundamentals and earnings growth rates of companies will be the most relevant factors for performance, as the US Federal Reserve ends quantitative easing. In Nigeria, valuations are among the most attractive but we believe we need to be cautious as the drop in the oil price and the general elections make for an uncertain year. We prefer to lean towards the oil importers for the time being until the situation with the oil price becomes more certain. We also prefer exposure to the consumer-oriented sectors such as telecommunications, finance, building materials and consumer staples.

Luxembourg, February 2015

The Executive Board of the Management Company

Silk – African Lions Fund

Half-yearly report
1 August 2014 – 31 January 2015

The Company is permitted to create unit classes with different unit-related rights.

Details of the current unit classes are as follows:

	Unit class R (EUR)	Unit class I (EUR)	Unit class R (USD)	Unit class AR (EUR)
Securities ID No:	A0RAC3	A0RAC4	A1C1NM	A1JT3Q
ISIN:	LU0389403337	LU0389403410	LU0523945383	LU0747618790
Front-end load:	Up to 5.00%	Up to 5.00%	Up to 5.00%	Up to 5.00%
Redemption fee:	None	None	None	None
Management fee:	2.09% p.a. plus EUR 500 per month (fixed fee)	1.59% p.a. plus EUR 500 per month (fixed fee)	2.09% p.a. plus EUR 500 per month (fixed fee)	2.59% p.a. plus EUR 500 per month (fixed fee)
Minimum subsequent investment:	None	None	None	None
Use of income:	Accumulating	Accumulating	Accumulating	Accumulating
Currency:	EUR	EUR	USD	EUR

Geographical breakdown by country

Egypt	24.47%
South Africa	20.06%
Kenya	15.41%
Nigeria	14.59%
Morocco	6.77%
Ghana	4.42%
Senegal	2.81%
Mauritius	2.34%
Zambia	1.77%
Luxembourg	1.16%
Tunisia	1.06%
Total transferable securities	94.86%
Bank balances	11.01%
Liabilities due to banks	-5.04%
Balance of other receivables and liabilities	-0.83%
	100.00%

The explanatory notes form an integral part of this half-yearly report.

Silk – African Lions Fund

Breakdown by economic sector

Banks	24.14%
Telecommunications services	13.54%
Real estate	9.26%
Food, drink & tobacco	8.94%
Misc. financial services	8.81%
Commodities, auxiliary materials and operating supplies	7.37%
Capital goods	4.17%
Wholesale and retail	3.96%
Transport	3.92%
Hardware & equipment	2.81%
Pharmaceuticals, biotechnology & life sciences	2.81%
Automotive & components	2.03%
Consumer goods & clothing	1.94%
Investment fund units	1.16%
Total transferable securities	94.86%
Bank balances	11.01%
Liabilities due to banks	-5.04%
Balance of other receivables and liabilities	-0.83%
	100.00%

Composition of the net sub-fund assets

As at 31 January 2015

	EUR
Total transferable securities	77,501,006.97
(cost of acquisition of transferable securities: EUR 61,606,914.33)	
Bank balances	8,993,761.77
Interest receivable	2,661.57
Dividends receivable	38,280.33
Receivables from sales of units	327,331.11
	86,863,041.75
Liabilities due to banks	-4,118,797.25
Payables from redemption of units	-206,426.22
Liabilities from securities transactions	-620,249.74
Other liabilities*	-218,114.27
	-5,163,587.48
Net sub-fund assets	81,699,454.27

* This item primarily consists of management fees and the sales commission.

Silk – African Lions Fund

Allocation to the unit classes

Unit class R (EUR)

Proportionate net sub-fund assets	3,841,148.83 EUR
Units in circulation	25,546.135
Unit value	150.36 EUR

Unit class I (EUR)

Proportionate net sub-fund assets	13,842,412.10 EUR
Units in circulation	89,838.803
Unit value	154.08 EUR

Unit class R (USD)

Proportionate net sub-fund assets	1,825,606.55 EUR
Units in circulation	22,750.829
Unit value	80.24 EUR
Unit value	90.97 USD*

Unit class AR (EUR)

Proportionate net sub-fund assets	62,190,286.79 EUR
Units in circulation	484,588.141
Unit value	128.34 EUR

* Foreign currencies converted into EUR

As at 31 January 2015:

EUR 1 = USD 1.1337

The explanatory notes form an integral part of this half-yearly report.



Silk – African Lions Fund

Statement of assets as at 31 January 2015

ISIN	Transferable securities		Additions over the reporting period	Disposals over the reporting period	Amount	Price	Market price EUR	% of NSFA*
Shares, rights and participation certificates								
Exchange-traded transferable securities								
Egypt								
EGS60121C018	Commercial International Bank Ltd.	EGP	108,000	454,260	613,680	55.2000	3,936,772.03	4.82
EGS69101C011	Egyptian Financial Group-Hermes Holding	EGP	388,740	312,896	1,059,664	17.7000	2,179,719.78	2.67
EGS673T1C012	Ghabbour Auto	EGP	147,080	0	392,956	36.3500	1,659,997.98	2.03
EGS74081C018	Global Telecom Holding S.A.E. GDR	EGP	3,385,200	3,705,000	3,602,220	4.6500	1,946,625.49	2.38
EGS60301C016	Housing & Development Bank	EGP	651,345	0	651,345	26.5400	2,008,959.69	2.46
EGS65851C015	Six of October Development & Investment Co.	EGP	2,733,329	793,049	2,733,600	15.3900	4,889,143.73	5.98
EGS691S1C011	Talaat Moustafa Group	EGP	1,669,620	364,020	1,305,600	11.4900	1,743,369.28	2.13
EGS48031C016	Telecom Egypt Co.	EGP	0	283,020	1,153,560	12.2100	1,636,873.33	2.00
							20,001,461.31	24.47
Ghana								
GH0000000680	Ecobank Ghana Ltd.	GHS	370,000	0	1,040,863	7.0100	1,950,296.60	2.39
GH0000000094	Ghana Commercial Bank Ltd.	GHS	520,000	0	1,242,317	5.0000	1,660,318.88	2.03
							3,610,615.48	4.42
Kenya								
KE0000000265	Centum Investment Co. Ltd.	KES	907,400	0	2,888,500	63.0000	1,754,258.02	2.15
KE0000000216	East African Breweries Ltd.	KES	0	0	703,700	310.0000	2,102,954.11	2.57
KE0000000554	Equity Group Holdings Ltd.	KES	0	0	6,518,400	53.5000	3,361,826.83	4.11
KE0000000315	Kenya Commercial Bank Ltd.	KES	0	0	4,514,320	58.5000	2,545,826.23	3.12
KE1000001402	Safaricom Ltd.	KES	11,446,600	0	20,784,000	14.1000	2,825,067.29	3.46
							12,589,932.48	15.41
Morocco								
MA0000011926	Attijariwafa Bank	MAD	0	3,800	23,080	360.0000	767,911.28	0.94
MA0000011884	Banque Centrale Populaire	MAD	0	7,000	34,228	230.0000	727,582.26	0.89
MA0000011850	Delta Holding S.A.	MAD	0	75,000	460,003	30.2000	1,283,927.04	1.57
MA0000011512	Douja Promotion Groupe Addoha S.A.	MAD	0	0	324,285	31.4000	941,085.86	1.15
MA0000011488	Maroc Telecom S.A.	MAD	0	0	157,000	125.0500	1,814,496.30	2.22
							5,535,002.74	6.77
Mauritius								
MU0424N00005	MCB Group Ltd.	MUR	0	0	357,200	198.0000	1,912,469.28	2.34
							1,912,469.28	2.34
Nigeria								
NGDANGCEM008	Dangote Cement Plc.	NGN	0	515,434	1,932,920	156.0000	1,408,018.74	1.72
NGGUARANTY06	Guaranty Trust Bank Plc. ADR	NGN	1,600,000	0	17,021,146	20.4100	1,622,190.14	1.99
NGWAPCO000002	Lafarge Cement Wapco Nigeria Plc.	NGN	0	1,084,477	2,971,573	82.5000	1,144,749.09	1.40
NGNESTLE0006	Nestle Nigeria Plc.	NGN	0	0	519,106	810.0000	1,963,410.11	2.40
NGNB000000005	Nigerian Breweries Plc.	NGN	0	0	2,596,769	142.2000	1,724,260.47	2.11
NGPRESCO0005	Presco Plc.	NGN	0	1,215,281	2,160,000	32.6600	329,412.36	0.40
NGSTANBIC003	Stanbic IBTC Holdings Plc.	NGN	13,604,091	0	17,001,967	26.0000	2,064,155.79	2.53

* NSFA = net sub-fund assets

The explanatory notes form an integral part of this half-yearly report.



Silk – African Lions Fund

Statement of assets as at 31 January 2015

ISIN	Transferable securities		Additions over the reporting period	Disposals over the reporting period	Amount	Price	Market price EUR	% of NSFA*
Nigeria (continued)								
NGTRANSCORP7	Transnational Corporation of Nigeria Plc.	NGN	0	0	33,350,000	2.7800	432,922.93	0.53
NGZENITHBNK9	Zenith Bank Plc.	NGN	2,114,452	0	16,371,240	16.1700	1,236,122.61	1.51
							11,925,242.24	14.59
Zambia								
ZM0000000011	Lafarge Cement Zambia Plc.	ZMW	520,000	112,000	408,000	25.9900	1,443,417.18	1.77
							1,443,417.18	1.77
Senegal								
SN0000000019	Sonatel S.A.	XOF	0	0	65,709	22,900.0000	2,294,360.08	2.81
							2,294,360.08	2.81
South Africa								
ZAE000066692	Aspen Pharmacare Holdings Plc.	ZAR	68,500	0	68,500	438.2200	2,299,230.99	2.81
ZAE000134854	Clicks Group Ltd.	ZAR	193,900	0	193,900	92.8400	1,378,836.52	1.69
ZAE000148466	Foschini Group Ltd.	ZAR	0	0	95,500	165.9000	1,213,527.42	1.49
ZAE000171963	KAP Industrial Holdings Ltd.	ZAR	0	0	3,108,000	5.0100	1,192,665.27	1.46
ZAE000156550	Mondi Ltd.	ZAR	0	0	62,334	207.3500	989,985.59	1.21
ZAE000156501	Mpact Ltd.	ZAR	2,859	0	381,058	35.5500	1,037,601.35	1.27
ZAE000042164	MTN Group Ltd.	ZAR	71,100	0	177,927	208.4700	2,841,091.76	3.48
ZAE000078127	Peregrine Holdings Ltd.	ZAR	0	0	511,000	24.0000	939,359.82	1.15
ZAE000016176	Steinhoff International Holding Ltd.	ZAR	82,000	0	345,923	59.7000	1,581,807.42	1.94
ZAE000161832	Super Group Ltd./South Africa	ZAR	0	0	386,200	34.1500	1,010,189.42	1.24
ZAE000096541	Tongaat Hulett Ltd.	ZAR	30,800	0	100,700	163.3000	1,259,550.23	1.54
ZAE000063863	Woolworths Holding Ltd.	ZAR	94,790	0	94,790	87.2600	633,545.15	0.78
							16,377,390.94	20.06
Tunisia								
TN0007270010	Tunisie Profiles Aluminium S.A.	TND	0	0	448,321	4.2200	865,033.42	1.06
							865,033.42	1.06
Exchange-traded transferable securities							76,554,925.15	93.70
Shares, rights and participation certificates							76,554,925.15	93.70

* NSFA = net sub-fund assets

The explanatory notes form an integral part of this half-yearly report.



Silk – African Lions Fund

Statement of assets as at 31 January 2015

ISIN	Transferable securities		Additions over the reporting period	Disposals over the reporting period	Amount	Price	Market price EUR	% of NSFA*
Investment fund units**								
Luxembourg								
LU0445780934	Silk - African Bond Fund I (USD)	USD	4,003	0	10,666	100.5600	946,081.82	1.16
							946,081.82	1.16
Investment fund units**							946,081.82	1.16
Total transferable securities							77,501,006.97	94.86
Bank balances - current account							8,993,761.77	11.01
Liabilities due to banks							-4,118,797.25	-5.04
Balance of other receivables and liabilities							-676,517.22	-0.83
Net sub-fund assets in EUR							81,699,454.27	100.00

* NSFA = net sub-fund assets

** Information on front-load fees, redemption fees and the maximum permissible management fee for target fund units may be obtained free of charge from the Management Company's registered office, from the Custodian Bank and from the paying agents.



Silk – African Lions Fund

Additions and disposals between 1 August 2014 and 31 January 2015

Any purchases and sales made during the reporting period in transferable securities, borrower's notes and derivatives, including changes without monetary flows, if not indicated in the statement of assets.

ISIN	Transferable securities		Additions	Disposals
Shares, rights and participation certificates				
Exchange-traded transferable securities				
Egypt				
EGS69082C013	Egyptian Kuwaiti Holding Co.	USD	0	1,771,546
EGS380S1C017	Sidi Kerir Petrochemicals Co.	EGP	0	749,040
EGS920E1C010	Six of October Development & Investment BZR 30,10.14	EGP	2,187,229	2,187,229
Ghana				
GH0000000078	Fan Milk Ltd.	GHS	0	293,927
GH0000000219	Unilever Ghana Ltd.	GHS	0	31,384
Nigeria				
NGDANSUGAR02	Dangote Sugar Refinery Plc.	NGN	0	10,349,750
NGFBNH000009	FBN Holdings Plc.	NGN	0	15,361,848
South Africa				
ZAE000026639	Barloworld Ltd.	ZAR	0	94,500
ZAE000027405	Group Five Ltd./South Africa	ZAR	98,195	332,943
ZAE000006896	Sasol Ltd.	ZAR	0	17,468
ZAE000044897	Telkom South Africa SOC Ltd.	ZAR	0	262,000

Exchange rates

Assets denominated in foreign currency were converted into EUR at the following exchange rates as at 31 January 2015:

Egyptian pound	EGP	1	8.6048
CFA franc (BCEAO)	XOF	1	655.8413
Kenyan shilling	KES	1	103.7336
Moroccan dirham	MAD	1	10.8200
Mauritian rupee	MUR	1	36.9813
New Ghana cedi	GHS	1	3.7412
Nigerian naira	NGN	1	214.1559
Zambian kwacha	ZMW	1	7.3464
South African rand	ZAR	1	13.0557
Tunisian dinar	TND	1	2.1871
US dollar	USD	1	1.1337

Silk – African Bond Fund

Fund Manager's report for the sub-fund Silk – African Bond Fund for the period from 1 August 2014 to 31 January 2015

In February 2014, the Silk-Road Income Fund was renamed Silk – African Bond Fund. The main investor in the Silk – Road Income Fund redeemed its units in the fourth quarter of 2013. The Fund was renamed Silk – African Bond Fund and now invests exclusively in African government bonds.

INVESTMENT POLICY OF THE SUB-FUND

The objective of the Silk – African Bond Fund is to achieve double-digit growth. To this end, it invests in a combination of issuers of fixed-income government bonds with high interest rates. The sub-fund invests mainly in government and semi-government bonds in a mixture of hard and national currencies.

SUB-FUND MANAGER'S COMMENTS

The sub-fund posted losses, despite outperforming the main indexes. The fall in global risk appetite led to an aggressive sell-off in emerging market debt (EMD) during the reporting period. Oil prices falling during the fourth quarter of 2014 created nervousness for all oil exporters and pressures materialised on oil importers by contagion, affecting both rates and the currency markets.

The US Federal Reserve finally tapered the quantitative easing programme in October 2014, reducing the liquidity support that previously helped emerging market assets. US treasuries yields went down as markets volatility drove investors to safe investments. Our reduced exposure to HCY stocks (30%) was weighed down by this risk-shy environment, although by and large the securities held up well. This applies in particular to HCY bonds from Ghana, which were bolstered by the ongoing talks between the Ghanaian government and the IMF.

On the local markets (60%), the performance of various investments was varied. Egypt and Kenya benefited from stable bond markets. Oil importers with rich yields (11% for Kenya, 14% for Egypt) provided some relief in the downward adjustment of oil prices during the fourth quarter of 2014. Nigeria — heavily dependent on oil for 90% of its exports and 70% of its revenues — was under pressure in both its currency and interest-rate markets.

Since August 2014, the Fund has outperformed the key emerging market indices: JP ELMI and the Bloomberg Active Index for Emerging Markets (BBOODTEM Index). In terms of country allocation, the biggest positions were mainly held in the high-yield and stronger local currency markets (according to credit fundamentals) of Egypt and Kenya.

PERFORMANCE OF THE SUB-FUND

The sub-fund lost 6.0% in USD (its reference currency) during the period from 1 August 2014 to 31 January 2015 (the JP ELMI lost 10.8%, while the Bloomberg Active Index for Emerging Markets lost 8.1%). The NAV currently amounts to USD 100.37 for the I (USD) unit class.

OUTLOOK FOR THE SUB-FUND

We believe that lower crude oil prices is a positive for many African countries, since it will provide support for fiscal reforms and help these countries redefine countercyclical strategies.

Africa local currency markets will provide good carry trade opportunities once the short-term noise created by oil prices disappears. The region, with inflation trending down, still offers relatively high real yields and will be appealing to a growing investor base.

African hard currency bonds will provide good returns for some key countries implementing solid macroeconomic reforms. The current high spreads over US treasuries will also provide support for the asset class.

The outlook for the main sub-Saharan local currency markets is promising as it continues to offer significant additional yield opportunities and inflation trending down in the region will provide significant real yield opportunities. Since investors are mainly domestic institutional ones, the currency risks in comparison to other emerging market currencies are relatively low.

Luxembourg, February 2015

The Executive Board of the Management Company

Silk – African Bond Fund

Half-yearly report
1 August 2014 – 31 January 2015

The Company is permitted to create unit classes with different unit-related rights.

Details of the current unit classes are as follows:

	Unit class R (USD)	Unit class R (EUR)	Unit class I (USD)
Securities ID No:	A0X918	A0YEUF	A0X919
ISIN:	LU0445778870	LU0445780934	LU0485226459
Front-end load:	Up to 5.00%	Up to 5.00%	Up to 5.00%
Redemption fee:	None	None	None
Management fee:	1.84% p.a. plus EUR 500 per month (fixed fee)	1.34% p.a. plus EUR 500 (fixed fee)	1.84% p.a. plus EUR 500 per month (fixed fee)
Minimum subsequent investment:	None	None	None
Use of income:	Accumulating	Accumulating	Accumulating
Currency:	USD	USD	EUR

Geographical breakdown by country

Kenya	24.36%
Egypt	20.55%
Ghana	13.72%
Nigeria	13.53%
Zambia	12.15%
Rwanda	3.77%
Total transferable securities	88.08%
Bank balances	9.18%
Liabilities due to banks	0.00%
Balance of other receivables and liabilities	2.74%
	100.00%

Breakdown by economic sector

Government bonds	88.08%
Total transferable securities	88.08%
Bank balances	9.18%
Liabilities due to banks	0.00%
Balance of other receivables and liabilities	2.74%
	100.00%

The explanatory notes form an integral part of this half-yearly report.

Silk – African Bond Fund

Composition of the net sub-fund assets

As at 31 January 2015

	USD
Total transferable securities (cost of acquisition of transferable securities: USD 5,004,090.26)	4,748,691.57
Bank balances	495,010.79
Interest receivable	170,438.80
	5,414,141.16
Liabilities due to banks	-133.98
Other liabilities*	-22,641.99
	-22,775.97
Net sub-fund assets	5,391,365.19

* This item primarily consists of management fees and audit costs.

Allocation to the unit classes

Unit class R (USD)	
Proportionate net sub-fund assets	83,273.35 USD
Units in circulation	801.708
Unit value	103.87 USD
Unit class I (USD)	
Proportionate net sub-fund assets	5,290,486.31 USD
Units in circulation	52,708.570
Unit value	100.37 USD
Unit class R (EUR)	
Proportionate net sub-fund assets	17,605.53 USD
Units in circulation	133.440
Unit value	131.94 USD
Unit value	116.38 EUR *

* Foreign currencies converted into USD

As at 31 January 2015

USD 1 = EUR 0.8821

The explanatory notes form an integral part of this half-yearly report.



Silk – African Bond Fund

Statement of assets as at 31 January 2015

ISIN	Transferable securities	Acquisitions over the reporting period	Disposals over the reporting period	Amount	Price	Market price USD	% of NSFA*
Bonds							
Exchange-traded transferable securities							
EGP							
EGBGR01111F6	14.100% Ägypten v. 14(2021)	0	0	2,200,000	99.3540	287,982.04	5.34
EGBGR01011F8	12.280% Ägypten v.13(2018)	0	0	2,000,000	99.7480	262,840.06	4.88
EGBGR01271F8	14.500% Ägypten v.14(2021)	2,000,000	0	2,000,000	99.8480	263,103.56	4.88
EGBGR00891F4	13.750% Ägypten v.13(2016)	0	0	2,200,000	101.4390	294,025.51	5.45
						1,107,951.17	20.55
GHS							
GHGGOG028333	23.000% Ghana CG-Bonds v. 12(2017)	1,000,000	0	1,000,000	103.8990	314,846.30	5.84
						314,846.30	5.84
KES							
KE2000002242	12.000% Kenia MBS v.11(2023)	25,000,000	0	25,000,000	102.6810	280,549.05	5.20
KE3000008344	11.952% Kenia v.13(2018)	0	0	25,000,000	101.8400	278,251.23	5.16
KE3000009013	10.870% Kenia v.14(2019)	0	0	30,000,000	97.5560	319,855.58	5.93
KE4000001109	11.000% Kenia v.14(2026)	40,000,000	0	40,000,000	99.4580	434,788.86	8.07
						1,313,444.72	24.36
NGN							
NGFG7B2015S9	4.000% Nigeria v. 10(2015)	0	0	50,000,000	97.7390	258,705.70	4.80
NGFG9B2017S1	15.100% Nigeria v.12(2017)	0	0	50,000,000	99.8420	264,272.14	4.90
NGFG102016S6	13.050% Nigeria v. 13(2016)	0	0	40,000,000	97.4410	206,333.54	3.83
						729,311.38	13.53
USD							
XS0956935398	7.875% Ghana Reg.S. v.13(2023)	200,000	0	200,000	88.2500	176,500.00	3.27
XS0323760370	8.500% Ghana v.07(2017)	0	0	250,000	99.5000	248,750.00	4.61
XS0925613217	6.625% Ruanda v.13(2023)	0	0	200,000	101.6940	203,388.00	3.77
XS1056386714	8.500% Sambia Reg.S. v.14(2024)	0	0	400,000	106.7500	427,000.00	7.93
XS0828779594	5.375% Sambia v. 12(2022)	0	0	250,000	91.0000	227,500.00	4.22
						1,283,138.00	23.80
Exchange-traded transferable securities						4,748,691.57	88.08
Bonds						4,748,691.57	88.08
Total transferable securities						4,748,691.57	88.08
Bank balances - current account						495,010.79	9.18
Liabilities due to banks						-133.98	0.00
Balance of other receivables and liabilities						147,796.81	2.74
Net sub-fund assets in USD						5,391,365.19	100.00

* NSFA = net sub-fund assets

The explanatory notes form an integral part of this half-yearly report.

Silk – African Bond Fund

Additions and disposals between 1 August 2014 and 31 January 2015

Any purchases and sales made during the reporting period in transferable securities, borrower's notes and derivatives, including changes without monetary flows, if not indicated in the statement of assets.

ISIN	Transferable securities		Additions	Disposals
Bonds				
Exchange-traded transferable securities				
NGN				
NGFG9B2022S1	16.390%	Nigeria v.12(2022)	0	50,000,000
USD				
XS1028952403	6.875%	Kenia Reg.S. v.14(2024)	0	400,000
ZAR				
ZAG000021833	8.250%	Südafrika v.04(2017)	0	2,000,000
Transferable securities admitted to trading on or included in organised markets				
USD				
XS0944707222	6.375%	Nigeria v.13(2023)	0	200,000
Loan Participation Note				
USD				
XS0969351450	6.305%	Mozambique EMATUM Finance 2020 B.V./Mosambik LPN v.13(2020)	0	250,000

Exchange rates

Assets denominated in foreign currency were converted into USD at the following exchange rates as at 31 January 2015:

Egyptian pound	EGP	1	7.5900
euro	EUR	1	0.8821
Kenyan shilling	KES	1	91.5000
New Ghana cedi	GHS	1	3.3000
Nigerian naira	NGN	1	188.9000
South African rand	ZAR	1	11.5160
Turkish lira	TRY	1	2.4065

Silk – Road Frontiers Fund

Fund Manager's report for the sub-fund Silk – Road Frontiers Fund for the period from 1 August 2014 to 31 January 2015

INVESTMENT POLICY OF THE SUB-FUND

The sub-fund invests in equities listed on stock exchanges in the frontier markets. Silk Invest believes that this new generation of emerging markets is the future and the fund focusses on the consumer opportunity in these markets; the Fund focuses on the more populous markets or those attracting substantial foreign direct investment.

SUB-FUND MANAGER'S COMMENTS

The sub-fund was impacted by the collapse of oil prices over the reporting period, dragging down the stock exchanges of major oil producing countries. Countries like Saudi Arabia, the United Arab Emirates (UAE), Qatar and Nigeria have seen major profit taking, but with oil prices stabilising, we expect a rebound in all those markets in months to come.

The Egyptian markets posted a positive performance. The index rose 8% over the reporting period. The best performing sectors were finance and real estate. The Egyptian real estate market is benefitting from favourable demographics, undersupply and better employment prospects due to improved political stability. Egyptian markets continue to be supported by signs that the investment-driven economic recovery is making progress with many local and international corporates announcing investment plans.

After three consecutive years of losses (2011–2013), the Moroccan market was able to post a decent performance as it finished the reporting period up 9.4%. If the real estate sector had not collapsed, the rise could have been even higher. This sector dropped 28.5%, mainly due to the CGI delisting announcement, after which the company's managers were convicted of embezzlement, which triggered major shock among investors.

The 2014 commodity slump has also left the Moroccan mining sector down 15.9%. On the other hand, there were several other sectors that outperformed the Moroccan All Share Index (MASI), led by the telecommunications sector and its only company Maroc Telecom which gained 27%. The banking sector also did well with a gain of 9.5%, led by Attijariwafa Bank (+20.8%) and BCP (13.16%).

In Kenya, we saw a very good performance coming through from the banking and telecommunications sectors, which pushed local market performance up 16% during the reporting period. Investment Company Centum also posted healthy gains on the back of its strong portfolio of investments such as the Lamu Coal Project. Political risk has also reduced substantially and the government has embarked on several large infrastructure projects that are expected to boost economic growth during 2015 to between 6% and 7%.

The Nigerian equity market was under pressure, with the local index losing 17% during the reporting period across all sectors of the economy with the oil and gas sector seeing the worst performance. The falling oil price and the inability of the country to defend the naira are the reasons that the Nigerian equity market saw a negative performance.

The Karachi Stock Exchange continued its dream run where the benchmark KSE-100 index notched up an impressive return of 27.2%, comfortably outperforming regional average return of 13%. The Pakistani rupee also appreciated by 5%, the second highest amongst Asian currencies and well above the region's 10.2% US dollar market return for the year. The national stock exchange reaped the benefits from (1) the return to monetary easing, (2) improving external account outlook; (3) the build-up in currency reserves; (4) the start of the privatisation programme; and (5) strong foreign portfolio investment. That said, political sit-ins challenging the credibility of the 2013 general election during the second half of 2014 dented market sentiments. Summarising market developments in 2014, the following key sectors of the KSE-100 were the best performers: automobile (+139%), pharmaceuticals (+84%) and cement (+66%). Relative stragglers were food producers (+21%), the textile industry (+11%) and oil and gas (-19%).

The Bangladesh DSEX Index posted a return of 14.03%. The broad market started its rally early this year after the national election as a result of political stability. The stable economic and political environment, increased inflow of foreign portfolio investment and the astounding performance by some large caps led the early rally in the benchmark index this year. Among the major sectors, the market capitalisation of cement, telecommunications, food & luxury items and pharmaceutical shares increased by 114.2%, 70.7%, 59.6% and 43.8% respectively.

PERFORMANCE OF THE SUB-FUND

The sub-fund depreciated by 6.71% in USD (its reference currency) during the period from 1 August 2014 to 31 January 2015. The NAV currently amounts to USD 91.54 for the I (USD) unit class.

Silk – Road Frontiers Fund

OUTLOOK FOR THE SUB-FUND

The sub fund is well positioned, and frontier markets are currently attracting increasing attention in capital flows.

The Nigerian market continued its downward trend early on this year. A combination of declining oil prices, presidential elections and the intensification of Boko Haram attacks led to very depressed valuations, and could be an interesting buying opportunity. No major rebound is expected for the time being until foreign investors see a peaceful conclusion to the presidential election, scheduled to take place in March.

As political tension grips Nigeria, Kenya could be the main beneficiary early on this year as foreign investors might look east. The performance may not be the same as last year, but it is likely to come close.

Most listed companies are very positive about Egypt's prospects for years to come under the new government. The under penetrated banking sector and the real estate sector with a very strong demand will lead the market in 2015.

Morocco's excess liquidity in the wake of tax shields given by the government last year to Moroccans holding illegal assets outside of the country — which led to over USD 3 billion of inflows and very low yields in the bond market — resulted in Moroccan listed equities starting the year with a performance higher than that throughout all of 2014, led by the banking sector, Maroc Telecom, Lafarge and Holcim ahead of their merger and a rebound in Addoha after a dreadful year in 2014.

For the Gulf Cooperation Council (GCC) countries, continued government expenditure and reasonable private sector activity should keep non-oil GDP growth in the 3–4% range in 2015 and thereafter. There is now a general acceptance by the wealthier GCC countries that non-oil real GDP growth in excess of 5% is not going to be sustainable over the medium to long term. A lot of important infrastructure and social expenditure in the wealthier countries is largely irreversible, keeping growth (for the time being) higher than it would have otherwise been.

GCC listed companies understood a while back that they couldn't rely forever on the spending of their governments to keep growing, so they decided to expand outside the region and look for growth drivers outside their respective countries. Whether it's North Africa, sub-Saharan Africa or Asia, these companies are now regional leaders and we can say that they are somewhat sheltered from falling oil prices and in some cases, they may even benefit from it.

The Saudi Government will continue its high spending in 2015. The new king will inject new momentum into the country and the expected opening of the market to foreign investors will continue to boost the market higher in 2015, despite lower oil prices.

The UAE is the GCC state that has sought the most to diversify in order to reduce its dependency on oil. Thanks to strong gains in the tourism, trade, transport and real estate sectors, the country expects healthy growth in 2015. MSCI is expected to increase the weight of UAE in its March review, with the main beneficiaries expected to be First Gulf Bank and Arabtec.

Qatar is expected to witness the highest growth amongst GCC countries at 7.7% in 2015, helped by its LNG exports. Furthermore, Qatar is expected to attract significant infrastructure investments as the FIFA President reaffirmed that the 2022 World Cup would be held in the country. However, most listed companies will cut their generous dividends to continue their international expansion. We have negative sentiments as to short term, but our view of the long-term outlook is positive.

The Kuwaiti economy is expected to perform relatively well over 2015 and 2016, with a forecast for real GDP growth of 2.7% and 2.5% respectively, from an estimated 2.9% in 2014. After a long period of stagnation, the Kuwaiti investment outlook appears to be improving, while the prospects for consumption remain bright.

2015 can set the stage for potentially a high-growth period for Pakistan, whereas any deterioration in the political climate and security situation could be a setback for the country. Key drivers of market performance in 2015 are likely to be: (1) the pace and delivery of the government's privatisation programme; and (2) the government's approach towards rigging allegations and handling of security concerns. Valuations are still attractive, as KSE trades at a 40% discount compared to other Asian indices.

Bangladesh is now on the radar of an increasing number of global fund managers who want exposure in promising frontier market. Consequently, foreign participation is expected to rise in 2015 and foreign turnover to touch BDT 100 billion. In 2015, the banking sector is likely to experience higher private sector growth of around 15.0% as economic indicators are showing recovery sign from the pre-election doldrums. The interest-rate spread is expected to remain at the current level (over 5.0%). As 75% of commercial energy is consumed through natural gas, this sector has a significant impact on industrial growth. Bangladesh has an excess demand of natural gas and industry stakeholders are trying to increase its supply. With the increase in exploration activities, the natural gas industry is expected to continue to spur industrial growth in coming periods.

Vietnam's GDP for the 2015 financial year will increase 6% year-on-year, with acceleration in growth from manufacturing, a recovery in construction and steady growth in the agricultural and service sectors. However, oil-related activities as part of the mining segment will act as a drag on an otherwise positive outlook. Growth should be mainly driven by continued secular expansion

Silk – Road Frontiers Fund

in the burgeoning foreign direct investment sector. Also worth mentioning is Samsung, LG and others moving their assembly plants out of China, perhaps accelerated further due to the upcoming free trade agreements with the Republic of Korea, the European Union and the Customs Union of Russia, Belarus and Kazakhstan to be signed in the first half of 2015. We also hold out hope for an agreement on the Trans-Pacific Partnership perhaps sometime next year.

Luxembourg, February 2015

The Executive Board of the Management Company

Silk – Road Frontiers Fund

Half-yearly report
1 August 2014 – 31 January 2015

The Company is permitted to create unit classes with different unit-related rights.

Details of the current unit classes are as follows:

	Unit class R (USD)	Unit class I (USD)	Unit class I (EUR)	Unit class R (EUR)
Securities ID No:	A1C1NH	A1C1NJ	A1C1NL	A1C1NK
ISIN:	LU0523944816	LU0523944907	LU0523945110	LU0523945037
Front-end load:	Up to 5.00%	Up to 5.00%	Up to 5.00%	Up to 5.00%
Redemption fee:	None	None	None	None
Management fee:	2.09% p.a. plus EUR 500 per month (fixed fee)	1.59% p.a. plus EUR 500 per month (fixed fee)	1.59% p.a. plus EUR 500 per month (fixed fee)	2.09% p.a. plus EUR 500 per month (fixed fee)
Minimum subsequent investment:	None	None	None	None
Use of income:	Accumulating	Accumulating	Accumulating	Accumulating
Currency:	USD	USD	EUR	EUR

Geographical breakdown by country

Nigeria	10.38%
Kenya	10.22%
Kuwait	6.31%
United Arab Emirates	6.31%
Pakistan	6.11%
Saudi Arabia	5.19%
Qatar	4.67%
Egypt	4.41%
Bangladesh	4.27%
Morocco	3.98%
Vietnam	3.97%
Oman	2.02%
Senegal	1.62%
Ghana	1.23%
Total transferable securities	70.69%
Bank balances	16.62%
Liabilities due to banks	-13.72%
Balance of other receivables and liabilities	26.41%
	100.00%

The explanatory notes form an integral part of this half-yearly report.

Silk – Road Frontiers Fund

Breakdown by economic sector

Banks	25.79%
Commodities, auxiliary materials and operating supplies	8.91%
Telecommunications services	7.84%
Transport	5.97%
Real estate	5.59%
Misc. financial services	4.00%
Hardware & equipment	2.91%
Food, drink & tobacco	2.38%
Capital goods	1.86%
Energy	1.58%
Insurance	1.24%
Automotive & components	0.89%
Software & services	0.82%
Utilities	0.80%
Wholesale and retail	0.11%
Total transferable securities	70.69%
Bank balances	16.62%
Liabilities due to banks	-13.72%
Balance of other receivables and liabilities	26.41%
	100.00%

Composition of the net sub-fund assets

As at 31 January 2015

	USD
Total transferable securities	7,249,478.74
(cost of acquisition of transferable securities: USD 7,230,622.56)	
Bank balances	1,704,606.48
Interest receivable	1,489.64
Dividends receivable	8,560.95
Receivables from sales of units	4,844,813.70
Receivables from securities transactions	164,912.69
Other assets*	2,445.85
	13,976,308.05
Liabilities due to banks	-1,407,396.94
Liabilities from securities transactions	-2,283,017.68
Other liabilities**	-31,287.39
	-3,721,702.01
Net sub-fund assets	10,254,606.04

* This item comprises the capitalised start-up costs.

** This item primarily consists of management fees and audit costs.

The explanatory notes form an integral part of this half-yearly report.

Silk – Road Frontiers Fund

Allocation to the unit classes

Unit class R (USD)	
Proportionate net sub-fund assets	75,706.98 USD
Units in circulation	838.403
Unit value	90.30 USD

Unit class I (USD)	
Proportionate net sub-fund assets	9,142,920.19 USD
Units in circulation	99,874.000
Unit value	91.54 USD

Unit class I (EUR)	
Proportionate net sub-fund assets	964,576.59 USD
Units in circulation	7,966.874
Unit value	121.07 USD
Unit value	106.79 EUR *

Unit class R (EUR)	
Proportionate net sub-fund assets	71,402.28 USD
Units in circulation	593.620
Unit value	120.28 USD
Unit value	106.10 EUR *

* Foreign currencies converted into USD

As at 31 January 2015
USD 1 = EUR 0.8821



Silk – Road Frontiers Fund

Statement of assets as at 31 January 2015

ISIN	Transferable securities		Acquisitions over the reporting period	Disposals over the reporting period	Amount	Price	Market price USD	% of NSFA*
Shares, rights and participation certificates								
Exchange-traded transferable securities								
Egypt								
EGS60121C018	Commercial International Bank Ltd.	EGP	0	0	20,520	55.2000	149,236.07	1.46
EGS673T1C012	Ghabbour Auto	EGP	0	0	18,960	36.3500	90,802.98	0.89
EGS65851C015	Six of October Development & Investment Co.	EGP	57,000	0	57,000	15.3900	115,576.85	1.13
EGS48031C016	Telecom Egypt Co.	EGP	0	0	59,000	12.2100	94,912.86	0.93
							450,528.76	4.41
Bangladesh								
BD0116PMBNK2	Prime Bank Ltd.	BDT	320,000	0	711,000	19.3000	177,405.29	1.73
BD0311TGAS01	Titas Gas Transmission & Distribution Co. Ltd.	BDT	79,800	0	166,800	75.0000	161,732.38	1.58
BD0108UCBL05	United Commercial Bank Ltd.	BDT	254,250	0	254,250	29.9000	98,281.51	0.96
							437,419.18	4.27
Ghana								
GH0000000078	Fan Milk Ltd.	GHS	0	0	29,000	5.2500	46,136.49	0.45
GH0000000094	Ghana Commercial Bank Ltd.	GHS	0	0	53,100	5.0000	80,454.76	0.78
							126,591.25	1.23
Qatar								
QA0007227752	Commercial Bank of Qatar	QAR	0	0	5,040	67.5000	93,429.12	0.91
QA0007227737	Ooredoo Q.S.C.	QAR	0	0	1,970	115.0000	62,217.42	0.61
QA0006929838	Qatar Insurance Co.	QAR	0	0	5,250	88.0000	126,879.05	1.24
QA0006929895	Qatar National Bank	QAR	0	0	1,832	198.0000	99,618.18	0.97
							382,143.77	3.73
Kenya								
KE0000000059	Bamburi Cement Co. Ltd	KES	42,000	0	42,000	150.0000	68,852.43	0.67
KE0000000265	Centum Investment Co. Ltd.	KES	115,000	0	355,000	63.0000	244,426.11	2.38
KE0000000554	Equity Group Holdings Ltd.	KES	142,500	0	490,600	53.5000	286,853.41	2.79
KE0000000315	Kenya Commercial Bank Ltd.	KES	248,000	0	248,000	58.5000	158,557.30	1.55
KE1000001402	Safaricom Ltd.	KES	1,058,700	0	1,889,800	14.1000	291,214.94	2.83
							1,049,904.19	10.22
Kuwait								
KW0EQ0601041	Agility Public Warehousing Co. KSC	KWD	0	0	42,000	0.7900	112,623.24	1.10
KW0EQ0100077	Burgan Bank S.A.K.	KWD	55,690	906	102,934	0.4600	160,719.40	1.57
KW0EQB010084	Kuwait Telecommunications Co. KSC	KWD	56,500	0	56,500	0.6900	132,327.21	1.29
KW0EQ0601058	Mobile Telecommunications Co. KSC	KWD	69,200	0	69,200	0.5200	122,140.89	1.19
KW0EQ0100010	National Bank of Kuwait S.A.K.	KWD	38,800	0	38,800	0.9000	118,529.34	1.16
							646,340.08	6.31

* NSFA = net sub-fund assets

The explanatory notes form an integral part of this half-yearly report.



Silk – Road Frontiers Fund

Statement of assets as at 31 January 2015

ISIN	Transferable securities		Acquisitions over the reporting period	Disposals over the reporting period	Amount	Price	Market price USD	% of NSFA*
Morocco								
MA0000011926	Attijariwafa Bank	MAD	0	0	2,100	360.0000	79,212.31	0.77
MA0000010969	Auto Hall	MAD	0	0	5,799	84.0000	51,039.13	0.50
MA0000011850	Delta Holding S.A.	MAD	0	0	44,000	30.2000	139,229.26	1.36
MA0000011512	Douja Promotion Groupe Addoha S.A.	MAD	0	0	20,075	31.4000	66,047.46	0.64
MA0000011488	Maroc Telecom S.A.	MAD	0	0	5,587	125.0500	73,203.74	0.71
							408,731.90	3.98
Nigeria								
NGDANGCEM008	Dangote Cement Plc.	NGN	0	0	161,096	156.0000	133,038.54	1.30
NGFBNH000009	FBN Holdings Plc.	NGN	2,850,000	0	4,050,000	7.2800	156,082.61	1.52
NGGUARANTY06	Guaranty Trust Bank Plc. ADR	NGN	2,100,000	0	2,870,000	20.4100	310,093.74	3.01
NGWAPCO000002	Lafarge Cement Wapco Nigeria Plc.	NGN	0	0	210,000	82.5000	91,715.21	0.89
NGNESTLE0006	Nestle Nigeria Plc.	NGN	0	0	28,800	810.0000	123,493.93	1.20
NGZENITHBNK9	Zenith Bank Plc.	NGN	2,350,000	0	2,947,913	16.1700	252,343.89	2.46
							1,066,767.92	10.38
Oman								
OM0000002796	Bank Muscat SAOG	OMR	56,820	0	127,877	0.6040	200,605.72	1.96
							200,605.72	1.96
Pakistan								
PK0052401012	D. G. Khan Cement Ltd.	PKR	70,590	0	166,110	126.5500	207,924.98	2.03
PK0091601010	Fatima Fertilizer Co. Ltd.	PKR	0	0	462,000	38.0200	173,741.20	1.69
PK0084201018	NetSol Technologies Ltd. Pakistan	PKR	0	0	192,000	44.3600	84,244.49	0.82
PK0067901022	Pakistan Telecommunication Co. Ltd.	PKR	285,500	0	620,360	26.2700	161,195.38	1.57
							627,106.05	6.11
Senegal								
SN0000000019	Sonatel S.A.	XOF	0	0	4,193	22,900.0000	165,981.52	1.62
							165,981.52	1.62
United Arab Emirates								
AEA003001012	Air Arabia PJSC	AED	157,980	0	387,960	1.6600	175,336.38	1.71
AEA002301017	Aramex PJSC	AED	0	89,520	89,520	3.2700	79,697.52	0.78
AEE001501015	Emaar Malls Group PJSC	AED	167,940	0	167,940	2.7800	127,108.89	1.24
AEE000301011	Emaar Properties PJSC	AED	40,080	19,320	144,840	6.7000	264,204.56	2.58
							646,347.35	6.31
Vietnam								
VN000000DRC8	Danang Rubber JSC	VND	0	0	49,000	58,500.0000	134,577.46	1.31
VN000000HVG2	Hung Vuong Corporation	VND	13,703	1	78,952	20,300.0000	75,245.33	0.73
VN000000DPM1	Petrovietnam Fertilizer & Chemical JSC	VND	0	0	72,040	31,000.0000	104,846.95	1.02
VN000000PPC6	Pha Lai Thermal Power JSC	VND	0	0	67,000	26,000.0000	81,784.04	0.80
							396,453.78	3.86
Exchange-traded transferable securities							6,604,921.47	64.39

* NSFA = net sub-fund assets

The explanatory notes form an integral part of this half-yearly report.



Silk – Road Frontiers Fund

Statement of assets as at 31 January 2015

ISIN	Transferable securities		Acquisitions over the reporting period	Disposals over the reporting period	Amount	Price	Market price USD	% of NSFA*
Unlisted transferable securities								
Vietnam								
XC000A12HNP4	Hung Vuong Corporation BZR 17.03.15	VND	23,925	0	23,925	10,300.0000	11,569.37	0.11
							11,569.37	0.11
Unlisted transferable securities							11,569.37	0.11
Shares, rights and participation certificates							6,616,490.84	64.50
Convertible bonds								
Exchange-traded transferable securities								
OMR								
OM0000004602	4.500% Bank Muscat (SAOG) CV v.13(2016)		0	0	10,553	0.1050	2,841.78	0.03
OM0000004867	4.500% Bank Muscat SAOG CV v.14(2017)		0	0	10,553	0.1000	2,704.73	0.03
							5,546.51	0.06
Exchange-traded transferable securities							5,546.51	0.06
Convertible bonds							5,546.51	0.06
Warrants								
Exchange-traded transferable securities								
Saudi Arabia								
DE000DE3BRQ2	Dte. Bank AG (London Branch)/Samba Financial Group WTS v.12(2016)	USD	6,720	0	6,720	12.2027	82,002.14	0.80
DE000DE3BSJ5	Dte. Bank AG, London Branch/Etihad Etisalat Co. WTS v.12(2016)	USD	0	0	4,020	9.8351	39,537.30	0.39
							121,539.44	1.19
Exchange-traded transferable securities							121,539.44	1.19
Warrants							121,539.44	1.19
Certificates								
Exchange-traded transferable securities								
Qatar								
XS0871969688	HSBC Bank Plc./Industries Qatar QSC Zert. v.13(2016)	USD	0	0	2,352	40.9721	96,366.44	0.94
							96,366.44	0.94

* NSFA = net sub-fund assets



Silk – Road Frontiers Fund

Statement of assets as at 31 January 2015

ISIN	Transferable securities		Acquisitions over the reporting period	Disposals over the reporting period	Amount	Price	Market price USD	% of NSFA*
Saudi Arabia								
XS0891705245	Credit Suisse, Nassau/Mohammad Al Mojil Group Co Zert. v.13(2016)	USD	0	0	17,400	0.0100	174.00	0.00
XS0842330564	Credit Suisse/Saudi Basic Industries Zert. v.12(2015)	USD	3,300	0	6,420	22.9434	147,296.41	1.44
XS0840406226	EFG-Hermes MENA Securities Ltd/ Jarir Marketing Co. Zert. v.12(2016)	USD	0	0	1,800	51.1982	92,156.76	0.90
XS1084159836	Morgan Stanley BV/Saudi Airlines Catering Co. Zert. v.14(2016)	USD	0	0	3,420	49.6808	169,908.34	1.66
							409,535.51	4.00
Exchange-traded transferable securities							505,901.95	4.94
Certificates							505,901.95	4.94
Total transferable securities							7,249,478.74	70.69
Bank balances - current account							1,704,606.48	16.62
Liabilities due to banks							-1,407,396.94	-13.72
Balance of other receivables and liabilities							2,707,917.76	26.41
Net sub-fund assets in USD							10,254,606.04	100.00

* NSFA = net sub-fund assets

**Silk – Road Frontiers Fund****Additions and disposals between 1 August 2014 and 31 January 2015**

Any purchases and sales made during the reporting period in transferable securities, borrower's notes and derivatives, including changes without monetary flows, if not indicated in the statement of assets.

ISIN	Transferable securities		Additions	Disposals
Shares, rights and participation certificates				
Exchange-traded transferable securities				
Egypt				
EGS69082C013	Egyptian Kuwaiti Holding Co.	USD	0	117,307
Kuwait				
KW0EQ0601132	National Mobile Telecommunications Co. (K.S.C.)	KWD	0	8,106
Oman				
OM0000003968	Ooredoo SAOC	OMR	0	71,160

Exchange rates

Assets denominated in foreign currency were converted into USD at the following exchange rates as at 31 January 2015:

Egyptian pound	EGP	1	7.5900
British pound	GBP	1	0.6632
CFA franc (BCEAO)	XOF	1	578.4963
euro	EUR	1	0.8821
Qatari riyal	QAR	1	3.6413
Kenyan shilling	KES	1	91.5000
Kuwaiti dinar	KWD	1	0.2946
Moroccan dirham	MAD	1	9.5440
New Ghana cedi	GHS	1	3.3000
Nigerian naira	NGN	1	188.9000
Omani rial	OMR	1	0.3850
Pakistani rupee	PKR	1	101.1000
Taka	BDT	1	77.3500
Turkish lira	TRY	1	2.4065
United Arab Emirates dirham	AED	1	3.6730
Vietnam dong	VND	1	21,300.0000

Silk

**Silk consolidated half-yearly
report including the sub-funds**

Silk – African Lions Fund, Silk – African Bond Fund and Silk – Road Frontiers Fund

Composition of net fund assets

As at 31 January 2015

	EUR
Total transferable securities (cost of acquisition of transferable securities: EUR 72,399,154.51)	88,084,593.00
Bank balances	10,934,044.16
Interest receivable	154,319.65
Dividends receivable	45,831.94
Receivables from sales of units	4,600,941.27
Receivables from securities transactions	145,469.48
Other assets*	2,157.48
	103,967,356.98
Liabilities due to banks	-5,360,380.27
Payables from redemption of units	-206,426.22
Liabilities from securities transactions	-2,634,099.64
Other liabilities**	-265,685.38
	-8,466,591.51
Net fund assets	95,500,765.47

* This item comprises the capitalised start-up costs.

** This item primarily consists of management fees and the sales commission.

Explanatory notes to the half-yearly report as at 31 January 2015

1.) GENERAL

The Silk investment fund is managed by IPConcept (Luxemburg) S.A. in accordance with the Fund's Management Regulations. The Management Regulations first entered into force on 1 October 2008. They were filed with the Luxembourg Register of Trade and Companies and a notice of deposit was published in the "Mémorial, Recueil des Sociétés et Associations" ("Mémorial"), the Official Gazette of the Grand Duchy of Luxembourg on 12 December 2008. The Management Regulations were last amended on 15 December 2014 and a notice of their deposit with the Luxembourg Trade and Companies Register was published in the Mémorial on 9 January 2015.

The investment fund referred to is a Luxembourg investment fund ("fonds commun de placement") established for an indefinite period in the form of an umbrella fund with one or more sub-funds in accordance with Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment.

The Management Company of the Fund is IPConcept (Luxemburg) S.A. (the "Management Company"), a public limited company (*Aktiengesellschaft*) pursuant to the law of the Grand Duchy of Luxembourg, with its registered office at 4, rue Thomas Edison, L-1445 Luxembourg-Strassen. It was established for an indefinite period on 23 May 2001. Its Articles of Association were published in the Mémorial on 19 June 2001. The most recent amendment to the Articles of Association came into effect on 14 November 2013 and was published in the Mémorial on 11 December 2013. The Management Company is entered in the Luxembourg Trade and Companies Register under registration number R.C.S. Luxembourg B 82183.

2.) BASIC ACCOUNTING PRINCIPLES

This report is drawn up at the responsibility of the Executive Board of the Management Company in accordance with the legal provisions applicable in Luxembourg and the standards for the preparation and presentation of reports.

1. The Fund's net assets are denominated in euro (EUR) ("reference currency").
2. The value of a unit ("unit value") is denominated in the currency set out in the respective Annex to the Sales Prospectus ("sub-fund currency"), insofar as no other currency is stipulated for any unit classes in the respective Annex to the Sales Prospectus ("unit class currency").
3. The unit value is calculated by the Management Company or a third party commissioned for this purpose by the Management Company, under the supervision of the Custodian Bank, on each banking day in Luxembourg with the exception of 24 and 31 December of each year ("valuation day") and rounded off to two decimal places. The Management Company may decide on a different arrangement for individual sub-funds, in which case it should be taken into account that the unit value must be calculated at least twice a month.

The Management Company may, however, decide to determine the unit value on 24 and 31 December without these determinations of value being considered calculations of the unit value on a valuation day within the meaning of sentence one of this point 3. Consequently, investors cannot demand the issue, redemption and/or exchange of units on the basis of a unit value determined on 24 December and/or 31 December of a given year.

4. In order to calculate the unit value, the value of the assets of each sub-fund less the liabilities of each sub-fund ("net sub-fund assets") is determined on each valuation day, and this figure is divided by the number of sub-fund units in circulation on the valuation day.
5. If applicable legal regulations or the provisions of these Management Regulations require the situation of the Fund assets in their entirety to be described in the annual or half-yearly reports and/or in other financial statistics, the assets of the relevant sub-fund will be converted into the reference currency. Net sub-fund assets are calculated according to the following principles:
 - (a) Transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets officially listed on a securities exchange are valued at the latest available trade price which provides a reliable valuation on the trading day preceding the valuation day. If transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets are officially listed on several securities exchanges, the stock exchange with the highest liquidity shall be the definitive one.
 - (b) Transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets which are not officially listed on a securities exchange (or whose stock exchange rate is not deemed representative, e.g. due to lack of liquidity) but which are traded on another regulated market, shall be valued at a price no less than the bid price and no more than the offer price of the trading day preceding the valuation day, and which the Management Company considers in good faith to be the best possible price at which the transferable securities, money market instruments, derivative financial instruments (derivatives) and other investments can be sold.
 - (c) OTC derivatives are valued on a daily basis by means of a valuation to be determined and able to be checked by the Management Company.
 - (d) Units in UCIs/UCITS are determined at the last redemption price set before the valuation day or are valued at the latest available price which provides a reliable valuation. If the redemption is suspended or no redemption prices are established for certain investment units, these units and all other assets will be valued at their appropriate market value, as determined in good faith by the Management Company in line with generally accepted and verifiable valuation rules.

Explanatory notes to the half-yearly report as at 31 January 2015

- (e) If the prices in question are not fair market prices and if no prices are set for financial instruments different from those listed under (a)–(d), then these financial instruments and the other legally permissible assets shall be valued at their current market value, which shall be established in good faith by the Management Company on the basis of generally accepted and verifiable valuation rules (e.g. suitable valuation models taking account of current market conditions).
- (f) Liquid assets are valued at their par value, plus interest.
- (g) Amounts due (e.g. deferred interest claims and liabilities shall, in principle, be rated at their par value.
- (h) The market value of transferable securities, money market instruments, derivatives and other assets denominated in a currency other than the relevant sub-fund currency shall be converted into the sub-fund currency at the exchange rate of the trading day preceding the valuation day, using WM/Reuters fixing at 17:00 (16:00 GMT). Profits and losses from foreign exchange transactions shall, on each occasion, be added or subtracted.

The net assets of the individual sub-fund will be reduced by any distributions paid to the investors of the relevant sub-fund, where applicable.

- 6. The unit value is calculated separately for each sub-fund pursuant to the aforementioned criteria. However, if there are different unit classes within a sub-fund, the calculation of the unit value will be carried out separately for each unit class within this sub-fund pursuant to the aforementioned criteria.

The tables published in this report may, for arithmetical reasons, contain rounding differences which are higher or lower than a unit (currency, percentage, etc.).

3.) TAXATION

Taxation of the investment fund

The assets of the Fund are subject in the Grand Duchy of Luxembourg to a tax, known as the *taxe d'abonnement* which currently amounts to 0.05% p.a. If the assets of the Fund are invested in other Luxembourg investment funds that are themselves subject to the *taxe d'abonnement*, this tax shall not apply to the portion of the fund assets that is invested in such investment funds. It is calculated quarterly based on the Fund's net assets on the last day of the quarter. The Fund's income derived from the investment of its assets is not subject to taxation in the Grand Duchy of Luxembourg. However, such income may be subject to a withholding tax in countries in which the Fund's assets are invested. In such cases, neither the Custodian Bank nor the Management Company are obliged to collect tax certificates.

Taxation of income from units held by the investor in the investment fund

Pursuant to Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "Directive"), a withholding tax has been levied in the Grand Duchy of Luxembourg since 1 July 2005. This withholding tax applies to certain forms of interest income paid in Luxembourg to natural persons who are resident in another EU Member State for tax purposes. Under certain circumstances, investment fund interest income may also be subject to such withholding tax. Under the Directive, the EU Member States agreed that all interest payments should be taxed in accordance with the regulations that apply in the state where a person is resident. To that end, an automatic exchange of information was stipulated between the national tax authorities. In deviation therefrom, it was agreed that for a transitional period, Luxembourg would not participate in the automatic exchange of information stipulated between the other states. Instead, Luxembourg introduced a withholding tax on interest income. This withholding tax amounts to 35% of the interest payment. This tax is remitted to the Luxembourg tax authority anonymously, and the investor is issued a certificate to this effect. The certificate enables the withholding tax so remitted to be applied fully against the tax liability of the taxpayer in their country of residence. By issuing authorisation for the voluntary participation in the exchange of information between tax authorities or by providing a "certificate permitting the collection of withholding tax to be waived" (*Bescheinigung zur Ermöglichung der Abstandnahme vom Quellensteuerabzug*), the collection of the withholding tax can be avoided.

Taxation of income from units held by the investor in the investment fund from 1 January 2015

With effect from 1 January 2015, the agreement between Member States of the European Union on the automatic exchange of information between national tax authorities, according to which all interest payments are subject to the tax provisions of the state of residence under Directive 2003/48/EC, was implemented by the Grand Duchy of Luxembourg.

This led to the previous provision lapsing – taxation at source (35% of interest payments) instead of the information exchange – which the Luxembourg government had opted for as an interim solution.

As of 1 January 2015, information on interest amounts paid directly by Luxembourg banks to natural persons who are resident in another Member State of the European Union shall be automatically forwarded to the Luxembourg tax authorities. The Luxembourg tax authorities shall, in turn, inform the tax authorities of the state where the payee is resident. The first information exchange shall take place in March 2016 and relate to interest payments made in the 2015 tax year. Consequently, the 35% irrecoverable withholding tax on interest payments is abolished as of 1 January 2015.

Investors who are not resident in and/or do not maintain a business establishment in the Grand Duchy of Luxembourg are not required to pay any further income, inheritance or wealth tax in the Grand Duchy of Luxembourg in respect of their units or of income deriving therefrom. They are subject to national tax regulations.

Since 1 January 2006, natural persons who are resident in the Grand Duchy of Luxembourg and are not resident in another state for tax purposes have been required, in accordance with the Luxembourg law implementing the Directive, to pay a withholding tax

Explanatory notes to the half-yearly report as at 31 January 2015

of 10% on interest income listed therein. Under certain circumstances, investment fund interest income may also be subject to such withholding tax. At the same time, the Grand Duchy of Luxembourg abolished wealth tax.

Unitholders are advised to enquire about the laws and regulations that apply to the purchase, possession and redemption of units and, where necessary, seek advice.

4.) USE OF INCOME

Please refer to the Sales Prospectus for further information regarding use of income.

5.) INFORMATION ON FEES AND EXPENSES

Please refer to the current Sales Prospectus for information regarding management and Custodian Bank fees.

6.) EVENTS DURING THE REPORTING PERIOD

On 17 November 2014, the Executive Board of the Management Company decided to place the sub-fund Silk – Arab Falcons Fund into liquidation, with effect from 19 November 2014. As at 3 December 2014, the sub-fund was liquidated and dissolved. The liquidation proceeds were paid out at the end of the liquidation process.

7.) AMENDMENTS AFTER THE REPORTING PERIOD

While auditing the risk profile of the sub-fund Silk – African Lions Fund, a different risk profile was determined. The risk profile was lowered from speculative (4) to growth-oriented (3). The amendment was made on 1 February 2015 as part of a general prospectus adjustment.

Risk profile: Speculative (up to 31 January 2015)	Risk profile: Growth-oriented (since 1 February 2015)
The Fund is suitable for speculative investors. Due to the composition of the net sub-fund assets, there is a very high degree of overall risk, but also a very high degree of profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as risks resulting from changes in market interest rates.	The Fund is suitable for growth-oriented investors. Due to the composition of the net sub-fund assets, there is a high degree of overall risk, but also a high degree of profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as risks resulting from changes in market interest rates.

The following prospectus adjustments were also made:

- Amendment to the Custodian Bank fee and the Central Administration Agent fee for all sub-funds
- Amendment to the performance fee calculation for all sub-funds
- Implementation of FATCA:
Pursuant to the Intergovernmental Agreement ("IGA") between the Grand Duchy of Luxembourg and the United States of America, the Management Company of the Fund decided, in the context of the Foreign Account Tax Compliance Act ("FATCA"), to classify the Fund as "deemed compliant/non-reporting IGA FFI – Restricted Fund".

In addition the above-mentioned amendment to the performance fee calculation, the performance fee for unit class R (USD) was waived until further notice.

The risk profiles of the sub-funds Silk – African Bond Fund und Silk – Road Frontiers Fund remain unchanged.

Management, distribution and advisory services

Management Company	IPConcept (Luxemburg) S.A. 4, rue Thomas Edison L-1445 Luxembourg-Strassen
Executive Board of the Management Company:	Nikolaus Rummler Michael Borelbach
Supervisory Board of the Management Company: Chairman of the Supervisory Board:	Dr Frank Müller <i>Member of the Executive Board</i> DZ PRIVATBANK S.A.
Deputy Chairman of the Supervisory Board:	Ralf Bringmann <i>Member of the Executive Board</i> DZ PRIVATBANK S.A.
Member of the Supervisory Board:	Julien Zimmer <i>General Manager Investment Fund</i> DZ PRIVATBANK S.A.
Custodian Bank	DZ PRIVATBANK S.A. 4, rue Thomas Edison L-1445 Luxembourg-Strassen
Central administrative agent, registrar and transfer agent	DZ PRIVATBANK S.A. 4, rue Thomas Edison L-1445 Luxembourg-Strassen
Paying agent Grand Duchy of Luxembourg	DZ PRIVATBANK S.A. 4, rue Thomas Edison L-1445 Luxembourg-Strassen
Paying and information agent Federal Republic of Germany	DZ BANK AG Deutsche Zentral-Genossenschaftsbank Frankfurt / Main Platz der Republik D-60265 Frankfurt / Main
Additional information for Switzerland for: Silk – African Lions Fund Silk – African Bond Fund	
Paying agent Switzerland	DZ PRIVATBANK (Schweiz) AG Münsterhof 12 CH-8022 Zurich
Sales representative in Switzerland	IPConcept (Schweiz) AG In Gassen 6 CH-8022 Zurich
Jurisdiction in Switzerland	IPConcept (Schweiz) AG In Gassen 6 CH-8022 Zurich

Management, distribution and advisory services**Information agent****IPConcept (Schweiz) AG**

In Gassen 6
CH-8022 Zurich

Additional information for Austria**For the sub-funds:**

Silk – African Lions Fund

Silk – African Bond Fund

Credit institution within the meaning of §141(1) of
the Investment Fund Act 2011
[Investmentfondsgesetz — InvFG 2011]

Erste Bank der oesterreichischen Sparkassen AG

Graben 21
A-1010 Vienna

Office from which the unitholders can obtain the information
stipulated under § 141 InvFG 2011

Erste Bank der oesterreichischen Sparkassen AG

Graben 21
A-1010 Vienna

Domestic tax representative within the meaning
of § 186(2)(2) InvFG 2011

Erste Bank der oesterreichischen Sparkassen AG

Graben 21
A-1010 Vienna

Fund Manager**Silk Invest Limited***

4 Lombard Street
London EC3V 9HD
United Kingdom

Fund auditor**KPMG Luxembourg, Société coopérative**

Cabinet de révision agréé
39, avenue John F. Kennedy
L-1855 Luxembourg

Auditor of the Management Company**Ernst & Young S.A.**

7, rue Gabriel Lippmann
Parc d'Activité Syrdall 2
L-5365 Munsbach

* Registered and regulated by the UK: Financial Conduct Authority (FCA)

