

Arctic Funds Plc

**Interim Report and Unaudited Financial Statements
For the six months financial period ended 30 June 2016**

Registered Number: 487003

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For the six months financial period ended 30 June 2016

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Directors and Other Information

Registered Office

2nd Floor
Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

Directors

John Fitzpatrick (Irish)*
Bengt Arve Rem (Norwegian)
Fiona Mulhall (Irish)*

** Independent Director*

All Directors are Non Executive

Investment Manager and Distributor

Arctic Fund Management AS
Haakon VII's gate 5
7th Floor, NO-0161
Oslo
Norway

Custodian (until 17 March 2016) and Depositary (from 18 March 2016)

BNY Mellon Trust Company (Ireland) Limited
Guild House
Guild Street
IFSC
Dublin 1
Ireland

Administrator

BNY Mellon Fund Services (Ireland) Designated
Activity Company*
Guild House
Guild Street
IFSC
Dublin 1
Ireland

Independent Auditor

Deloitte
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

Swedish Paying Agent

Skandinaviska Enskilda Banken AB
Sergels Torg 2
SE-106 40 Stockholm
Sweden

Irish Legal Advisers

Maples and Calder
75 St. Stephen's Green
Dublin 2
Ireland

Norwegian Legal Advisers

Bugge, Arentz-Hansen and Rasmussen
Stranden 1
P.O. Box 1524
Vika, N-0117
Oslo
Norway

Secretary

MFD Secretaries Limited
2nd Floor
Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

Promoter

Arctic Securities AS
P.O. Box 1833
Vika
N-0123
Oslo
Norway

Distributor

Arctic Fund Management AS
Haakon VII's gate 5
7th Floor, NO-0161
Oslo
Norway

Sub-Distributors

Fundsettle EOC Nominees Ltd
2 Lambs Passage
EC1Y 8BB London
England

Nordnet Bank AB
Gustavslundsvägen 141
SE-167 14 Bromma
Sweden

UBS AG
Bahnhofstrasse 45
CH-8098 Zurich
Switzerland

MFEX Mutual Funds Exchange AB
Linnégatan 9-11
SE-114 47 Stockholm
Sweden

*Please refer to Note 16 of the financial statements.

Investment Manager's Report

Arctic Return

Arctic Return (the "Fund") yielded 0.08% during the first half of the financial period ended 30 June 2016. The 3-month Government Certificate Index (ST1X) has returned 0.27% in the same financial period.

During the first half of 2016, we continued to see Norwegian risk free interest rates fall further. The NOK 3 months NIBOR decreased from 1.13% to 1.01%. The ten year Norwegian interest rate swap rate fell from 1.87% to 1.34%.

After a weak first quarter in the Nordic credit market, the second quarter was strong. The new policies launched by the European Central Bank ("ECB") helped the market turn around. The primary market in the Nordic credit market was very busy in May and June up until the surprise result of the leave/stay Brexit result. Even though the last of week was heavily influenced by the outcome, the Nordic credit markets are little changed after a short period of uncertainty and volatility.

The running yield of the Fund is now 3.3%.

Arctic Global Equities

Year to date Arctic Global Equities (the "Fund") is down 8.21%, whereas the Fund's reference Index, MSCI All Country World Index, is down by 4.16%.

Equities rebounded several times during the first half, first in March after a weak start of the year, before rallying again by the end of June. There was, however, market turbulence in connection with Brexit. We expect volatility to remain a recurrent factor.

Performance in different regions so far this year has diverged: In the United States indices have reached record levels following Dollar strengthening and economic optimism – although bond yields have fallen back. Mid-caps in the US outperformed the broader market ending up 7.3% as S&P 500 gained 2.9% year to date, whereas the Nasdaq index is down 2.9%. Europe was down 5.6%, with Spain as the weakest performer (-14.5%). Japanese shares have underperformed other markets so far this year – ending the first six months down 18.2%. Export oriented companies have been hard hit, whereas domestically exposed stock have held up better. The Japanese stock market has nevertheless strengthened markedly in the beginning of July. (All performance numbers in local currency).

Prosegur Cia de Seguridad SA, General Mills Inc and Johnson & Johnson were our best positions in the first half of the year, whereas Ryanair Holdings Plc, Hitachi Ltd and Navigator Co ASA (previously named Portucel SA) were found on the other side of the scale.

Sector wise healthcare, consumer staples and the Fund's underweight in financials contributed positively to the Fund's relative performance. Conversely sectors as information technology, consumer discretionary and industrials pulled in the opposite direction.

Arctic High Return

Arctic High Return (the "Fund") yielded 0.16% during the first half of the financial period ended 30 June 2016. The 3-month Government Certificate Index (ST1X) has returned 0.27% in the same financial period.

The credit spreads in the European High Yield ("HY") index iTraxx Crossover ended the first six months little changed at 313 basis points (bps) down from 317bps at the start of the year. However the market experienced two spikes up to 486bps in the middle of February and 440bps intraday on 24 June (Brexit). The European and American HY indices have year to date returned 3.1% and 8.3% respectively.

After a weak first quarter in the Nordic credit markets, activity picked up in the second quarter. The primary market was very busy in May and June up until the surprise result of the leave/stay Brexit result. Even though the last of week was heavily influenced by the outcome, the Nordic credit markets are little changed after a short period of uncertainty and volatility.

The running yield of the Fund is now 9.3%.

Investment Manager's Report (Continued)

Arctic Investment Grade

Arctic Investment Grade yielded 1.36% during the first half of the financial period ended 30 June 2016. The 3-month Government Certificate Index (ST1X) has returned 0.27% in the same financial period.

During the first half of 2016, we continued to see Norwegian risk free interest rates fall further. The NOK 3 months NIBOR decreased from 1.13% to 1.01%. The ten year Norwegian interest rate swap rate fell from 1.87% to 1.34%.

The year started mixed and especially February was a difficult month with significant spread widening for European banks that also influenced Norwegian Investment Grade bonds. However, we experienced a turnaround caused by more accommodative policies from the ECB in March that positively impacted international credit markets, Norwegian Investment Grade included. The Fund performed strongly from March until June, with only minimal impact from Brexit at the end of the first half year. The Fund has surpassed its all-time high from August 2015 in late May.

The running yield of the Fund is now 2.3%.

Arctic Norwegian Equities

Arctic Norwegian Equities (the "Fund") gave a return of -2.52% in the first six months of the financial period ended 30 June 2016, compared to -2.01% for the Oslo Stock Exchange Mutual Fund Index (OSEFX) benchmark index.

The global and Norwegian equity markets had a volatile start to the year, driven by a steep fall in commodity prices and weak returns for banking shares. By mid-February the Norwegian OSEFX index was down 15.5% from the start of the year. Equity markets soon recovered, however, and February through May the markets rallied. By the end of May the Norwegian benchmark index was again in positive territory. June was another volatile month, culminating in the UK's vote for Brexit. Still, by the end of June the losses associated with Brexit were minimal for the Norwegian equity market. Among large cap shares the winner year-to-date is oil major Statoil ASA, up +17.4%. Producer of nitrogen fertilizer Yara International ASA is down -30.9%, making it the loser among larger companies thus far in 2016.

The Fund was underweight in the Energy sector in the first half of 2016. This was favorable at the start of the year, but not the right positioning from February to June as Brent crude prices rallied from USD27 to 50. The Fund's underweight in oil major Statoil ASA contributed negatively to relative performance. Positive contributors to the Fund's relative performance were a number of shares with weak balance sheets, where the Fund had no position or a very large underweight. These include offshore accommodation vessel company Prosafe, offshore seismic company Petroleum Geo-Services ASA, and two LPG shipping companies, Avance Gas and BW LPG. Salmon farming shares like Marine Harvest ASA and Grieg Seafood ASA also contributed positively to absolute and relative performance for the Fund.

Arctic Aurora LifeScience

Arctic Aurora LifeScience started with portfolio investments on 25 May 2016. The investments consist in June by 72% US biotechnology and pharmaceutical companies and 28% European. 61% of the portfolio is invested in highly liquid large companies, while 39% is invested in small and medium sized companies in the biotechnology sector.

The sector is characterized by a number of major themes. An important topic for our investment strategy is Mergers and Acquisitions (M&A). Larger companies are buying smaller, innovative companies to complement their product portfolios. We have during the last two months seen several major acquisitions deals in the sector, which confirms our positive market outlook for the sector, indicating that the price levels of the companies are attractive.

Arctic Fund Management AS

July 2016

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Portfolio of Investments as at 30 June 2016
Arctic Return

	Coupon Rate %	Maturity Date	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE					
Corporate Bonds - 96.87% (31 December 2015 : 96.72%)					
Basic Materials - 0.84% (31 December 2015 : 1.83%)					
<i>Norway</i>					
Yara International ASA	1.73%	18/12/2019	10,000,000	9,878,000	0.84
				9,878,000	0.84
Communications - 3.11% (31 December 2015 : 3.49%)					
<i>Norway</i>					
Atea ASA	3.13%	19/6/2018	15,000,000	14,886,000	1.27
Schibsted ASA	2.06%	6/5/2021	22,000,000	21,703,000	1.84
				36,589,000	3.11
Consumer, Cyclical - 2.55% (31 December 2015 : 1.61%)					
<i>Norway</i>					
Color Group AS	6.25%	25/8/2016	9,500,000	9,527,550	0.81
Color Group AS	5.53%	18/12/2017	17,500,000	17,902,500	1.53
Norwegian Air Shuttle ASA	4.76%	3/7/2017	500,000	495,800	0.04
Norwegian Air Shuttle ASA	4.97%	21/11/2017	2,000,000	2,001,200	0.17
				29,927,050	2.55
Consumer, Non-cyclical - 5.07% (31 December 2015 : 4.76%)					
<i>Denmark</i>					
Arla Foods Finance A/S	1.22%	31/5/2021	9,000,000	8,951,151	0.76
				8,951,151	0.76
<i>Faroe Islands</i>					
Bakkafrost P/F	5.16%	14/2/2018	5,000,000	5,158,000	0.44
				5,158,000	0.44
<i>Norway</i>					
Austevoll Seafood ASA	4.96%	7/2/2017	13,000,000	13,144,300	1.12
Austevoll Seafood ASA	5.11%	15/10/2018	5,000,000	5,143,500	0.44
Infratek Group AS	5.97%	20/5/2019	8,000,000	8,026,400	0.68
Norlandia Care Group AS	5.98%	10/4/2018	6,000,000	6,013,800	0.51
Nortura SA	2.61%	25/1/2019	11,000,000	11,138,600	0.95
TINE SA	2.26%	4/4/2018	2,000,000	2,018,000	0.17
				45,484,600	3.87
Energy - 1.41% (31 December 2015 : 2.76%)					
<i>Cyprus</i>					
Prosafe SE	4.71%	8/2/2017	5,000,000	1,149,000	0.10
				1,149,000	0.10
<i>Norway</i>					
Aker Solutions ASA	5.25%	6/6/2017	10,000,000	10,150,000	0.86
Det Norske Oljeselskap ASA	7.51%	2/7/2020	5,000,000	5,332,500	0.45
				15,482,500	1.31
Financial - 66.13% (31 December 2015 : 66.83%)					
<i>Denmark</i>					
Danske Bank A/S	1.60%	26/5/2020	35,000,000	35,056,000	2.98
Danske Bank A/S	3.60%	6/12/2023	8,000,000	7,977,600	0.68
Tryg Forsikring A/S	3.75%	13/11/2045	10,000,000	9,731,000	0.83
				52,764,600	4.49
<i>Finland</i>					
Sampo Oyj	0.29%	28/5/2020	10,000,000	9,749,875	0.83
				9,749,875	0.83
<i>Iceland</i>					
Arion Banki HF	3.94%	7/7/2020	25,000,000	25,187,500	2.14

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Portfolio of Investments as at 30 June 2016 (Continued)
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	Coupon Rate %	Maturity Date	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)					
Corporate Bonds - 96.87% (31 December 2015 : 96.72%) (continued)					
Financial - 66.13% (31 December 2015 : 66.83%) (continued)					
<i>Iceland (continued)</i>					
Islandsbanki HF	4.00%	16/12/2017	8,000,000	8,186,849	0.70
Islandsbanki HF	3.61%	16/10/2018	5,000,000	5,037,500	0.43
Islandsbanki HF	3.10%	13/2/2019	5,000,000	5,100,460	0.43
Landsbankinn HF	3.62%	8/6/2019	9,000,000	9,079,200	0.77
				52,591,509	4.47
<i>Netherlands</i>					
Citycon Treasury BV	2.51%	1/3/2021	20,000,000	19,944,000	1.70
LeasePlan Corp NV	1.66%	7/5/2018	5,000,000	4,972,000	0.42
LeasePlan Corp NV	2.11%	7/8/2020	10,000,000	9,894,000	0.84
				34,810,000	2.96
<i>Norway</i>					
Aker ASA	5.02%	16/3/2017	5,000,000	5,044,000	0.43
Aker ASA	4.50%	6/6/2018	20,000,000	20,062,000	1.71
Bank Norwegian AS	2.12%	23/5/2018	13,000,000	13,097,500	1.11
BN Bank ASA	4.00%	12/12/2022	6,000,000	6,043,200	0.51
BN Bank ASA	3.10%	11/3/2025	15,000,000	14,574,000	1.24
Brage Finans AS	1.88%	18/9/2017	10,000,000	9,979,000	0.85
Bustadkreditt Sogn og Fjordane AS	1.35%	15/6/2020	10,000,000	9,920,000	0.84
DNB Bank ASA	2.73%	19/6/2023	29,000,000	28,672,300	2.44
DNB Bank ASA	0.92%	28/5/2025	8,000,000	7,588,621	0.65
DNB Bank ASA	6.29%	perpetual	9,000,000	9,012,600	0.77
DNB Boligkreditt AS	1.16%	2/11/2020	15,000,000	14,775,000	1.26
DNB Boligkreditt AS	1.20%	11/11/2021	25,000,000	24,450,000	2.08
Eika Boligkreditt AS	1.25%	10/2/2022	10,000,000	9,781,000	0.83
Eika Forsikring AS	4.50%	11/12/2045	9,000,000	9,108,900	0.77
Gjensidige Bank Boligkreditt AS	1.28%	12/5/2021	10,000,000	9,823,000	0.84
Gjensidige Pensjonsforsikring AS	3.92%	23/6/2026	10,000,000	9,946,000	0.85
Helgeland Boligkreditt AS	1.50%	4/3/2019	10,000,000	9,982,000	0.85
Hoenefoss Sparebank	1.80%	26/2/2020	12,000,000	11,815,200	1.01
Jernbanepersonalets Sparebank	2.78%	11/11/2024	5,000,000	4,828,500	0.41
KLP Boligkreditt AS	1.25%	12/9/2019	10,000,000	9,876,000	0.84
Kommunal Landspensjonskasse Gjensidig Forsikringsselskap	4.25%	10/6/2045	2,000,000	18,110,087	1.54
Landkreditt Boligkreditt AS	1.55%	25/2/2020	20,000,000	19,844,000	1.69
Melhus Sparebank	2.62%	16/9/2024	7,000,000	6,706,700	0.57
Nordea Eiendomskreditt AS	1.37%	17/6/2020	10,000,000	9,948,000	0.85
Nordea Eiendomskreditt AS	1.19%	17/6/2021	25,000,000	24,492,500	2.08
Norwegian Property ASA	1.99%	7/10/2019	15,000,000	14,794,500	1.26
OBOS BBL	2.39%	28/4/2021	15,000,000	15,054,000	1.28
Obos-banken AS	1.54%	30/1/2020	10,000,000	9,858,000	0.84
Pareto Bank ASA	1.97%	4/11/2019	10,000,000	9,859,000	0.84
Pareto Bank ASA	2.93%	3/9/2024	10,000,000	9,556,000	0.81
Pioneer Public Properties AS	6.30%	28/5/2021	5,000,000	5,031,500	0.43
Pioneer Public Properties II AS	6.01%	5/4/2018	900,000	951,750	0.08
Pioneer Public Properties III AS	5.54%	27/6/2019	16,740,000	17,426,340	1.48
Sandnes Sparebank	2.96%	24/6/2023	10,000,000	9,736,000	0.83
Santander Consumer Bank AS	1.79%	19/2/2018	12,000,000	12,025,200	1.02
Skandiabanken ASA	3.11%	13/10/2025	10,000,000	9,701,000	0.83
Skandiabanken Boligkreditt AS	1.27%	14/10/2021	10,000,000	9,757,000	0.83
SpareBank 1 Boligkreditt AS	1.57%	17/6/2020	10,000,000	10,015,000	0.85
SpareBank 1 Nord Norge	2.50%	12/6/2024	3,000,000	2,908,800	0.25
SpareBank 1 Ringerike Hadeland	2.55%	12/6/2024	5,000,000	4,840,000	0.41
SpareBank 1 SR-Bank ASA	4.47%	2/12/2021	11,500,000	11,570,150	0.98
SpareBank 1 SR-Bank ASA	3.73%	3/12/2022	10,000,000	10,036,000	0.85

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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic Return (Continued)

	Coupon Rate %	Maturity Date	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)					
Corporate Bonds - 96.87% (31 December 2015 : 96.72%) (continued)					
Financial - 66.13% (31 December 2015 : 66.83%) (continued)					
<i>Norway (continued)</i>					
Sparebanken Hedmark	2.75%	13/6/2023	1,500,000	1,482,000	0.13
Sparebanken More	3.47%	22/2/2023	20,000,000	20,060,000	1.71
Sparebanken Ost	1.62%	18/12/2019	5,000,000	4,954,000	0.42
Sparebanken Soer Boligkreditt AS	1.29%	16/6/2021	10,000,000	9,805,000	0.83
Sparebanken Sor	2.50%	3/6/2025	10,000,000	9,566,000	0.81
Sparebanken Sor	2.55%	25/8/2025	10,000,000	9,545,000	0.81
Sparebanken Vest	2.27%	13/11/2017	5,000,000	5,055,500	0.43
Sparebanken Vest	2.84%	10/10/2023	3,000,000	2,960,100	0.25
Thon Holding AS	1.64%	17/3/2020	5,000,000	4,927,500	0.42
Totens Sparebank Boligkreditt AS	1.41%	6/6/2019	10,000,000	9,921,000	0.84
Vardar AS	3.03%	14/12/2017	15,000,000	14,940,000	1.27
Vardar AS	3.20%	11/12/2019	5,000,000	4,881,000	0.42
				578,697,448	49.23
<i>Sweden</i>					
Akelius Residential Property AB	2.40%	27/3/2019	10,000,000	10,154,430	0.86
D Carnegie & Co AB	3.75%	23/4/2018	10,000,000	10,017,930	0.85
Nordax Bank AB	1.93%	16/3/2019	5,000,000	4,957,036	0.42
Resurs Bank AB	1.47%	3/4/2018	9,000,000	8,980,528	0.77
Sagax AB	3.20%	18/6/2020	10,000,000	9,741,962	0.83
Stendorren Fastigheter AB	5.00%	18/2/2018	5,000,000	4,909,557	0.42
				48,761,443	4.15
Industrial - 12.83% (31 December 2015 : 13.61%)					
<i>Bermuda</i>					
BW Offshore Ltd	5.24%	15/3/2017	5,000,000	4,183,000	0.36
Hoegh LNG Holdings Ltd	7.01%	3/10/2017	9,000,000	9,217,800	0.78
Ship Finance International Ltd	6.00%	19/10/2017	5,000,000	4,918,000	0.42
Ship Finance International Ltd	5.13%	19/3/2019	5,000,000	4,610,500	0.39
Stolt-Nielsen Ltd	5.78%	19/3/2018	25,000,000	25,642,500	2.18
				48,571,800	4.13
<i>Denmark</i>					
AP Moeller - Maersk A/S	2.46%	22/6/2021	10,000,000	9,984,000	0.85
DFDS A/S	3.93%	21/3/2018	9,000,000	9,140,400	0.78
				19,124,400	1.63
<i>Estonia</i>					
Tallink Grupp AS	6.01%	18/10/2018	13,000,000	13,374,400	1.14
				13,374,400	1.14
<i>Marshall Islands</i>					
Golar LNG Partners LP	6.21%	12/10/2017	4,000,000	3,896,800	0.33
Teekay LNG Partners LP	6.24%	3/5/2017	13,000,000	13,076,700	1.11
Teekay Offshore Partners LP	6.69%	27/1/2017	5,000,000	4,774,500	0.41
				21,748,000	1.85
<i>Norway</i>					
Bonheur ASA	5.47%	10/2/2017	12,500,000	12,593,750	1.07
Ocean Yield ASA	4.94%	26/3/2019	4,000,000	3,854,000	0.33
Ocean Yield ASA	4.94%	29/4/2020	8,000,000	7,590,400	0.64
				24,038,150	2.04
<i>Sweden</i>					
Husqvarna AB	0.70%	3/5/2019	5,000,000	4,977,313	0.42
Nibe Industrier AB	0.82%	28/5/2020	8,000,000	7,901,978	0.67

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Arctic Return (Continued)

	Coupon Rate %	Maturity Date	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)					
Corporate Bonds - 96.87% (31 December 2015 : 96.72%) (continued)					
Industrial - 12.83% (31 December 2015 : 13.61%) (continued)					
<i>Sweden (continued)</i>					
Opus Group AB	4.50%	17/10/2017	11,000,000	11,120,911	0.95
				24,000,202	2.04
Technology - 1.55% (31 December 2015 : 0.00%)					
<i>Norway</i>					
DigiPlex Fet AS	4.75%	11/6/2019	3,000,000	3,030,000	0.26
StormGeo Holding AS	6.69%	31/1/2017	15,000,000	15,187,500	1.29
				18,217,500	1.55
Utilities - 3.38% (31 December 2015 : 1.83%)					
<i>Norway</i>					
E-CO Energi Holding AS	1.50%	18/10/2016	10,000,000	10,000,000	0.85
Sognekraft AS	2.50%	16/3/2017	10,000,000	10,014,000	0.85
Statkraft AS	1.59%	8/7/2020	20,000,000	19,718,000	1.68
				39,732,000	3.38
Total Corporate Bonds				1,138,800,628	96.87
Government Bond - 1.26% (31 December 2015 : 1.39%)					
Government - 1.26% (31 December 2015 : 1.39%)					
<i>Norway</i>					
Trondheim Kommune	1.45%	19/6/2020	15,000,000	14,835,000	1.26
				14,835,000	1.26
Total Government Bond				14,835,000	1.26
Forward Foreign Currency Contracts - 0.14% (31 December 2015 : 0.00%)					
Date	Counterparty		Amount Sold	Amount Bought	
21 September 2016	BNY Mellon	EUR	(980,000)	9,171,536	40,111 0.00
21 September 2016	BNY Mellon	SEK	(154,100,000)	154,615,850	1,599,453 0.00
Total Forward Foreign Currency Contracts				1,639,564	0.00
Total Financial Assets at Fair Value				1,155,275,192	98.27
FINANCIAL LIABILITIES AT FAIR VALUE					
Cross Currency Swaps - (0.03)% (31 December 2015 : (0.11)%)					
<i>European Union</i>					
Counterparty					
Fund pays Fixed 4.25% and receives					
Floating NOK-NIBOR-NIBR 3 Month	Fokus Bank		10/6/2025	16,521,286	(361,776) (0.03)
Total Cross Currency Swaps				(361,776)	(0.03)
Forward Foreign Currency Contracts - (0.08)% (31 December 2015 : (0.36)%)					
Date	Counterparty		Amount Sold	Amount Bought	
21 September 2016	BNY Mellon	NOK	19,986,244	19,779,000	(346,327) (0.03)
21 September 2016	BNY Mellon	NOK	9,808,573	1,035,000	(164,671) (0.01)
21 September 2016	BNY Mellon	NOK	20,443,521	20,300,000	(286,267) (0.03)
21 September 2016	BNY Mellon	NOK	8,472,665	1,011,000	(10,531) (0.00)
21 September 2016	BNY Mellon	USD	1,060,000	8,769,221	(103,046) (0.01)
Total Forward Foreign Currency Contracts				(910,842)	(0.08)
Total Financial Liabilities at Fair Value				(1,272,618)	(0.11)

The accompanying notes are an integral part of the Financial Statements.

Arctic Funds Plc
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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic Return (Continued)

	Fair Value NOK	% of Net Asset Value
Net Investments at Fair Value	1,154,002,574	98.16
Cash at bank	9,235,887	0.79
Other assets in excess of liabilities	12,353,784	1.05
Total Net Assets	<u>1,175,592,245</u>	<u>100.00</u>

	% of Total Assets
Analysis of Total Assets	
Transferable securities admitted to an official exchange listing or traded on a regulated market	96.84%
Financial derivative instruments	0.14%
Other assets	3.02%
Total Assets	<u>100.00%</u>

Arctic Funds Plc
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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic Global Equities

	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE			
Common Stock - 96.71% (31 December 2015 : 98.81%)			
Basic Materials - 4.04% (31 December 2015 : 5.65%)			
<i>Australia</i>			
BHP Billiton Ltd	75,000	8,730,181	1.08
		8,730,181	1.08
<i>Netherlands</i>			
LyondellBasell Industries NV	14,000	8,719,233	1.07
		8,719,233	1.07
<i>Portugal</i>			
Navigator Co SA	300,000	7,004,425	0.86
		7,004,425	0.86
<i>United States</i>			
Dow Chemical Co	20,000	8,320,211	1.03
		8,320,211	1.03
Communications - 13.45% (31 December 2015 : 12.17%)			
<i>Hong Kong</i>			
China Mobile Ltd	145,000	13,866,024	1.71
		13,866,024	1.71
<i>Sweden</i>			
Modern Times Group MTG AB	50,000	11,009,040	1.36
		11,009,040	1.36
<i>United States</i>			
Alphabet Inc	2,000	11,584,024	1.43
Arista Networks Inc	17,000	9,159,262	1.13
Expedia Inc	15,000	13,343,972	1.64
Facebook Inc	16,000	15,302,092	1.89
Palo Alto Networks Inc	6,000	6,158,061	0.76
Splunk Inc	27,000	12,242,310	1.51
Walt Disney Co	20,000	16,372,622	2.02
		84,162,343	10.38
Consumer, Cyclical - 7.62% (31 December 2015 : 11.24%)			
<i>France</i>			
Valeo SA	3,000	1,118,089	0.14
		1,118,089	0.14
<i>Germany</i>			
Continental AG	4,000	6,289,308	0.77
		6,289,308	0.77
<i>Ireland</i>			
Ryanair Holdings Plc	90,000	9,461,824	1.17
		9,461,824	1.17
<i>Japan</i>			
Mitsubishi Corp	50,000	7,245,110	0.89
Toyota Motor Corp	31,000	12,692,070	1.57
		19,937,180	2.46
<i>Panama</i>			
Carnival Corp	25,000	9,247,469	1.14
		9,247,469	1.14

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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic Global Equities (Continued)

	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)			
Common Stock - 96.71% (31 December 2015 : 98.81%) (continued)			
Consumer, Cyclical - 7.62% (31 December 2015 : 11.24%) (continued)			
<i>Sweden</i>			
Scandic Hotels Group AB	69,010	4,300,380	0.53
		4,300,380	0.53
<i>United States</i>			
PulteGroup Inc	70,000	11,417,486	1.41
		11,417,486	1.41
Consumer, Non-cyclical - 24.79% (31 December 2015 : 23.52%)			
<i>Denmark</i>			
Novo Nordisk A/S	5,000	2,235,804	0.28
		2,235,804	0.28
<i>France</i>			
Sanofi	10,000	6,957,988	0.86
		6,957,988	0.86
<i>Germany</i>			
Beiersdorf AG	15,000	11,825,886	1.46
Henkel AG & Co KGaA Preferred	15,000	15,261,231	1.88
		27,087,117	3.34
<i>Jersey</i>			
Shire Plc ADR	186	286,537	0.03
		286,537	0.03
<i>Spain</i>			
Prosegur Cia de Seguridad SA	170,000	8,525,671	1.05
		8,525,671	1.05
<i>Sweden</i>			
Humana AB	40,000	3,006,962	0.37
		3,006,962	0.37
<i>Switzerland</i>			
Novartis AG	10,000	6,868,974	0.85
		6,868,974	0.85
<i>United Kingdom</i>			
Reckitt Benckiser Group Plc	23,000	19,192,444	2.37
		19,192,444	2.37
<i>United States</i>			
Amgen Inc	8,000	10,186,443	1.26
Baxter International Inc	28,915	10,942,444	1.35
Cempra Inc	30,000	4,140,021	0.51
General Mills Inc	25,000	14,921,481	1.84
Johnson & Johnson	18,000	18,272,329	2.25
Kite Pharma Inc	15,000	6,276,563	0.77
Kroger Co	33,000	10,160,248	1.25
Merck & Co Inc	25,000	12,053,092	1.49
PepsiCo Inc	25,000	22,164,634	2.74
Pfizer Inc	60,000	17,679,821	2.18
		126,797,076	15.64

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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic Global Equities (Continued)

	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)			
Common Stock - 96.71% (31 December 2015 : 98.81%) (continued)			
Diversified - 3.16% (31 December 2015 : 1.79%)			
<i>Bermuda</i>			
Jardine Matheson Holdings Ltd	30,000	14,639,454	1.81
		14,639,454	1.81
<i>Cayman Islands</i>			
CK Hutchison Holdings Ltd	120,000	10,944,605	1.35
		10,944,605	1.35
Energy - 6.52% (31 December 2015 : 5.22%)			
<i>Curacao</i>			
Schlumberger Ltd	17,000	11,250,613	1.39
		11,250,613	1.39
<i>United Kingdom</i>			
Royal Dutch Shell Plc	54,000	12,372,254	1.53
		12,372,254	1.53
<i>United States</i>			
EOG Resources Inc	16,000	11,169,938	1.38
Exxon Mobil Corp	23,000	18,043,192	2.22
		29,213,130	3.60
Financial - 14.24% (31 December 2015 : 15.41%)			
<i>Germany</i>			
Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen	12,000	16,744,865	2.07
		16,744,865	2.07
<i>Japan</i>			
Concordia Financial Group Ltd	230,000	7,433,450	0.92
		7,433,450	0.92
<i>Netherlands</i>			
ING Groep NV	135,000	11,508,403	1.42
		11,508,403	1.42
<i>Norway</i>			
DNB ASA	50,000	4,967,500	0.61
		4,967,500	0.61
<i>Singapore</i>			
DBS Group Holdings Ltd	160,000	15,665,236	1.93
		15,665,236	1.93
<i>Sweden</i>			
Nordea Bank AB	100,000	7,012,947	0.87
		7,012,947	0.87
<i>United States</i>			
Capital One Financial Corp	23,000	12,224,484	1.51
MetLife Inc	30,000	9,999,820	1.23
Travelers Cos Inc	13,000	12,950,808	1.60
US Bancorp	50,000	16,875,584	2.08
		52,050,696	6.42

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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic Global Equities (Continued)

	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)			
Common Stock - 96.71% (31 December 2015 : 98.81%) (continued)			
Industrial - 15.99% (31 December 2015 : 17.75%)			
<i>Bermuda</i>			
Orient Overseas International Ltd	250,000	7,106,011	0.88
		7,106,011	0.88
<i>Germany</i>			
Deutsche Post AG	40,000	9,352,234	1.15
GEA Group AG	20,000	7,852,348	0.97
Jungheinrich AG Preferred	39,000	9,784,880	1.21
		26,989,462	3.33
<i>Japan</i>			
Hitachi Ltd	250,000	8,588,372	1.06
Murata Manufacturing Co Ltd	9,800	9,038,072	1.11
		17,626,444	2.17
<i>Netherlands</i>			
Boskalis Westminster	40,000	11,475,294	1.42
		11,475,294	1.42
<i>Spain</i>			
ACS Actividades de Construccion y Servicios SA	60,000	13,593,710	1.68
		13,593,710	1.68
<i>Switzerland</i>			
ABB Ltd	50,000	8,204,851	1.01
		8,204,851	1.01
<i>United States</i>			
3M Co	8,000	11,724,284	1.45
General Electric Co	70,000	18,441,377	2.27
United Parcel Service Inc	16,000	14,423,708	1.78
		44,589,369	5.50
Technology - 6.90% (31 December 2015 : 6.06%)			
<i>Germany</i>			
SAP SE	9,000	5,613,570	0.69
		5,613,570	0.69
<i>Israel</i>			
Mellanox Technologies Ltd	23,000	9,231,401	1.14
		9,231,401	1.14
<i>United States</i>			
Apple Inc	8,000	6,400,420	0.79
Cirrus Logic Inc	26,000	8,440,219	1.04
Cognizant Technology Solutions Corp	19,000	9,101,518	1.12
Microsoft Corp	40,000	17,129,157	2.12
		41,071,314	5.07
Total Common Stock		783,846,345	96.71

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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic Global Equities (Continued)

	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)			
Right - 0.03% (31 December 2015 : 0.00%)			
Industrial - 0.03% (31 December 2015 : 0.00%)			
<i>Spain</i>			
ACS Actividades de Construccion y Servicios SA Right 19/07/2016	40,000	235,153	0.03
Total Right		235,153	0.03
Forward Foreign Currency Contracts - 0.08% (31 December 2015 : 0.00%)			
Date	Counterparty	Amount Sold	Amount Bought
25 July 2016	BNY Mellon	EUR (3,200,000)	NOK 30,034,240
25 July 2016	BNY Mellon	GBP (250,000)	NOK 3,045,588
25 July 2016	BNY Mellon	SEK (7,100,000)	NOK 7,143,523
Total Forward Foreign Currency Contracts			658,305
Total Financial Assets at Fair Value			784,739,803
FINANCIAL LIABILITIES AT FAIR VALUE			
Forward Foreign Currency Contracts - (0.16)% (31 December 2015 : (0.20)%)			
Date	Counterparty	Amount Sold	Amount Bought
25 July 2016	BNY Mellon	JPY 98,000,000	NOK 7,769,244
25 July 2016	BNY Mellon	USD 9,900,000	NOK 81,700,245
Total Forward Foreign Currency Contracts			(1,332,373)
Total Financial Liabilities at Fair Value			(1,332,373)
Net Investments at Fair Value			783,407,430
Cash at bank			6,798,724
Other assets in excess of liabilities			20,305,401
Total Net Assets			810,511,555
Analysis of Total Assets			% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market			93.71%
Financial derivative instruments			0.08%
Other assets			6.21%
Total Assets			100.00%

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Arctic Funds Plc
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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic High Return

	Coupon Rate %	Maturity Date	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE					
Common Stock - 0.37% (31 December 2015 : 0.17%)					
Energy - 0.35% (31 December 2015 : 0.17%)					
<i>Cayman Islands</i>					
Polarcus Ltd			5,228,144	3,764,264	0.35
				3,764,264	0.35
Industrial - 0.02% (31 December 2015 : 0.00%)					
<i>Cyprus</i>					
Songa Offshore			1,086,427	184,692	0.02
				184,692	0.02
Total Common Stock				3,948,956	0.37
Corporate Bonds - 97.10% (31 December 2015 : 99.24%)					
Basic Materials - 2.23% (31 December 2015 : 3.52%)					
<i>Sweden</i>					
Northland Resources AB	15.00%	15/7/2019	3,541,990	444,631	0.04
WA Wallvision AB	9.00%	5/12/2017	12,000,000	11,810,237	1.09
				12,254,868	1.13
<i>United Kingdom</i>					
TiZir Ltd	9.00%	28/9/2017	1,800,000	11,957,604	1.10
				11,957,604	1.10
Communications - 0.73% (31 December 2015 : 0.61%)					
<i>Norway</i>					
Northern Alliance AS	8.03%	20/12/2018	8,000,000	7,900,000	0.73
				7,900,000	0.73
Consumer, Cyclical - 9.32% (31 December 2015 : 7.67%)					
<i>Denmark</i>					
Jacob Holm & Sonner Holding A/S	5.25%	3/4/2019	15,900,000	16,101,508	1.48
				16,101,508	1.48
<i>Norway</i>					
Color Group AS	6.28%	18/9/2019	36,000,000	36,860,400	3.39
Color Group AS	5.82%	2/6/2020	10,000,000	10,116,000	0.93
Color Group AS	5.77%	17/12/2020	4,000,000	4,012,400	0.37
Norwegian Air Shuttle ASA	4.76%	3/7/2017	34,500,000	34,210,200	3.15
				85,199,000	7.84
Consumer, Non-cyclical - 9.76% (31 December 2015 : 8.16%)					
<i>Norway</i>					
Austevoll Seafood ASA	3.87%	4/5/2021	7,000,000	6,932,100	0.64
Curato Holding AS	6.22%	22/11/2018	12,075,000	12,594,225	1.16
Infratek Group AS	5.97%	20/5/2019	32,000,000	32,105,600	2.95
Norlandia Care Group AS	5.98%	10/4/2018	11,000,000	11,025,300	1.01
Personarhuset AS	7.25%	11/9/2019	18,500,000	15,873,000	1.46
Volstad Shipping AS	6.99%	30/5/2018	3,000,000	172,500	0.02
				78,702,725	7.24
<i>Sweden</i>					
Candyking Holding AB	5.00%	29/1/2018	10,000,000	4,426,366	0.41
Orexo AB	4.00%	9/5/2018	21,000,000	19,008,251	1.75
YA Holding AB	7.00%	18/6/2019	10,000,000	3,961,474	0.36
				27,396,091	2.52

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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic High Return (Continued)

	Coupon Rate %	Maturity Date	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)					
Corporate Bonds - 97.10% (31 December 2015 : 99.24%) (continued)					
Diversified - 1.30% (31 December 2015 : 1.92%)					
<i>Norway</i>					
B2Holding ASA	7.50%	8/12/2020	1,000,000	9,619,707	0.89
Island Offshore Shipholding LP	3.42%	16/8/2016	11,675,676	4,495,135	0.41
				14,114,842	1.30
Energy - 12.70% (31 December 2015 : 13.23%)					
<i>Cayman Islands</i>					
Polarcus Ltd	0.00%	30/12/2022	1,393,000	757,748	0.07
Polarcus Ltd	0.00%	30/12/2022	14,925,000	895,500	0.08
Siem Offshore Inc	5.69%	30/1/2018	17,000,000	9,547,200	0.88
				11,200,448	1.03
<i>Cyprus</i>					
Prosafe SE	4.71%	8/2/2017	10,000,000	2,298,000	0.21
				2,298,000	0.21
<i>Norway</i>					
Beerenberg Holdco II AS	6.04%	27/6/2018	16,000,000	13,880,000	1.28
Det Norske Oljeselskap ASA	7.51%	2/7/2020	23,000,000	24,529,500	2.26
Det Norske Oljeselskap ASA	10.25%	27/5/2022	1,500,000	13,794,629	1.27
DOF Subsea AS	5.95%	22/5/2018	41,000,000	30,463,000	2.81
Electromagnetic Geoservices ASA	7.04%	27/6/2019	10,982,301	4,489,565	0.41
Noreco Norway AS	6.50%	6/3/2018	4,057,621	3,075,677	0.28
Petroleum Geo-Services ASA	7.38%	15/12/2018	4,500,000	28,481,785	2.62
				118,714,156	10.93
<i>Sweden</i>					
Solor Bioenergi Holding AB	6.16%	2/11/2017	10,000,000	5,800,000	0.53
				5,800,000	0.53
Financial - 18.93% (31 December 2015 : 18.05%)					
<i>Iceland</i>					
Arion Banki HF	3.94%	7/7/2020	6,000,000	6,045,000	0.56
Islandsbanki HF	3.61%	16/10/2018	10,000,000	10,075,000	0.93
Islandsbanki HF	3.10%	13/2/2019	13,000,000	13,261,195	1.22
				29,381,195	2.71
<i>Norway</i>					
Aker ASA	4.49%	29/5/2020	12,000,000	11,719,200	1.08
Aker ASA	6.01%	7/9/2022	14,000,000	14,047,600	1.29
DNB Bank ASA	6.29%	perpetual	10,000,000	10,014,000	0.92
Hospitality Invest AS	6.99%	12/2/2019	21,000,000	21,052,500	1.94
Kommunal Landspensjonskasse Gjensidig Forsikringsselskap	4.25%	10/6/2045	1,000,000	9,055,043	0.83
Pareto Bank ASA	7.06%	perpetual	1,500,000	1,505,850	0.14
Pioneer Public Properties AS	6.30%	28/5/2021	15,000,000	15,094,500	1.39
Pioneer Public Properties II AS	6.01%	5/4/2018	2,100,000	2,220,750	0.21
Protector Forsikring ASA	7.00%	19/4/2022	10,000,000	10,257,000	0.94
SpareBank 1 SR-Bank ASA	3.73%	3/12/2022	9,000,000	9,032,400	0.83
Vardar AS	3.20%	11/12/2019	5,000,000	4,881,000	0.45
				108,879,843	10.02
<i>Sweden</i>					
D Carnegie & Co AB	3.75%	23/4/2018	8,000,000	8,014,344	0.74
Magnolia Bostad AB	6.25%	28/4/2020	11,000,000	10,909,830	1.00
Marginalen Bank Bank AB	7.50%	9/10/2024	9,000,000	9,026,820	0.83

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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic High Return (Continued)

	Coupon Rate %	Maturity Date	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)					
Corporate Bonds - 97.10% (31 December 2015 : 99.24%) (continued)					
Financial - 18.93% (31 December 2015 : 18.05%) (continued)					
<i>Sweden (continued)</i>					
Nordlys AB	5.75%	12/9/2018	11,880,000	11,837,846	1.09
Sagax AB	4.30%	27/4/2021	8,000,000	7,966,866	0.73
Stendorren Fastigheter AB	5.00%	18/2/2018	20,000,000	19,638,229	1.81
				67,393,935	6.20
Industrial - 41.94% (31 December 2015 : 45.99%)					
<i>Bermuda</i>					
BW Offshore Ltd	5.24%	15/3/2017	5,000,000	4,183,000	0.39
BW Offshore Ltd	5.18%	21/3/2018	19,000,000	14,392,500	1.32
GasLog Ltd	6.54%	27/6/2018	17,000,000	17,489,600	1.61
Hoegh LNG Holdings Ltd	7.01%	3/10/2017	15,000,000	15,363,000	1.41
Hoegh LNG Holdings Ltd	5.68%	5/6/2020	3,200,000	26,094,432	2.40
Ship Finance International Ltd	6.00%	19/10/2017	10,000,000	9,836,000	0.91
Ship Finance International Ltd	5.13%	19/3/2019	25,000,000	23,052,500	2.12
Stolt-Nielsen Ltd	6.00%	4/9/2019	14,000,000	14,393,400	1.33
Stolt-Nielsen Ltd	4.38%	18/3/2021	14,000,000	13,350,400	1.23
				138,154,832	12.72
<i>Cyprus</i>					
Songa Offshore	0.00%	17/5/2018	4,500,000	2,390,850	0.22
				2,390,850	0.22
<i>Estonia</i>					
Tallink Grupp AS	6.01%	18/10/2018	4,000,000	4,115,200	0.38
				4,115,200	0.38
<i>Marshall Islands</i>					
Golar LNG Partners LP	6.21%	12/10/2017	22,000,000	21,432,400	1.97
Golar LNG Partners LP	5.05%	22/5/2020	1,600,000	11,522,095	1.06
Navigator Holdings Ltd	9.00%	18/12/2017	1,800,000	15,214,387	1.40
Teekay LNG Partners LP	6.24%	3/5/2017	17,500,000	17,603,250	1.62
Teekay LNG Partners LP	5.33%	3/9/2018	4,000,000	3,870,000	0.36
Teekay Offshore Partners LP	6.69%	27/1/2017	25,000,000	23,872,500	2.20
Teekay Offshore Partners LP	5.71%	25/1/2018	4,000,000	3,532,800	0.32
				97,047,432	8.93
<i>Netherlands</i>					
Bluewater Holding BV	10.00%	10/12/2019	1,700,000	6,451,888	0.59
				6,451,888	0.59
<i>Norway</i>					
Atlantic Offshore AS	8.50%	16/5/2018	1,000,000	30,600	0.00
BOA OCV AS	6.75%	7/10/2019	9,306,818	4,087,554	0.38
Boa Sbl AS	6.50%	19/4/2018	13,911,269	5,215,335	0.48
Bonheur ASA	5.47%	10/2/2017	20,500,000	20,653,750	1.90
Bonheur ASA	5.97%	10/2/2019	8,000,000	7,991,200	0.73
DOF ASA	8.21%	7/2/2017	3,000,000	1,268,400	0.12
DOF ASA	5.71%	7/2/2018	25,500,000	10,432,050	0.96
DOF ASA	8.00%	12/9/2019	26,000,000	10,907,000	1.00
E Forland AS	7.75%	4/9/2018	5,859,051	3,661,907	0.34
Farstad Shipping ASA	5.21%	15/2/2017	6,000,000	2,904,000	0.27
Farstad Shipping ASA	4.39%	29/5/2018	6,500,000	2,269,150	0.21
Havila Shipping ASA	4.87%	8/11/2016	8,517,601	3,500,734	0.32
Klavness Ship Holding AS	5.28%	20/3/2020	20,000,000	19,366,000	1.78
Ocean Yield ASA	4.94%	26/3/2019	33,500,000	32,277,250	2.97

The accompanying notes are an integral part of the Financial Statements.

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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic High Return (Continued)

	Coupon Rate %	Maturity Date	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)					
Corporate Bonds - 97.10% (31 December 2015 : 99.24%) (continued)					
Industrial - 41.94% (31 December 2015 : 45.99%) (continued)					
<i>Norway (continued)</i>					
Odfjell SE	6.74%	11/4/2017	15,000,000	15,034,500	1.38
Odfjell SE	7.48%	3/12/2018	4,000,000	4,003,200	0.37
Olympic Ship AS	7.05%	21/9/2017	5,000,000	1,921,000	0.18
Olympic Ship AS	6.03%	18/6/2019	20,000,000	6,298,000	0.58
Viking Supply Ships AS	9.28%	21/3/2017	20,796,407	5,719,012	0.53
Volstad Subsea AS	7.49%	5/7/2017	6,908,426	4,672,169	0.43
VV Holding AS	6.24%	10/7/2019	14,000,000	13,195,000	1.21
Western Bulk Chartering AS	7.75%	19/4/2017	5,000,000	3,600,000	0.33
				179,007,811	16.47
<i>Sweden</i>					
Opus Group AB	4.75%	26/5/2021	12,000,000	11,900,446	1.10
West Atlantic AB	7.00%	21/12/2019	17,000,000	16,663,909	1.53
				28,564,355	2.63
Technology - 0.19% (31 December 2015 : 0.09%)					
<i>Norway</i>					
StormGeo Holding AS	6.69%	31/1/2017	2,000,000	2,025,000	0.19
				2,025,000	0.19
Total Corporate Bonds				1,055,051,583	97.10
Forward Foreign Currency Contracts - 0.17% (31 December 2015 : 0.00%)					
Date	Counterparty		Amount Sold	Amount Bought	
21 September 2016	BNY Mellon	EUR	(1,030,000)	9,639,471	42,157 0.00
21 September 2016	BNY Mellon	SEK	(157,460,000)	157,987,097	1,634,327 0.00
21 September 2016	BNY Mellon	SEK	(10,250,000)	10,347,264	169,340 0.00
Total Forward Foreign Currency Contracts				1,845,824	0.00
Total Financial Assets at Fair Value				1,060,846,363	97.64
FINANCIAL LIABILITIES AT FAIR VALUE					
Cross Currency Swaps - (0.13)% (31 December 2015 : (0.09)%)					
<i>European Union</i>					
Counterparty					
Fund pays Fixed 4.25% and receives					
Floating NOK-NIBOR-NIBR 3 Month	Fokus Bank		10/6/2025	7,855,800	(1,386,942) (0.13)
Total Cross Currency Swaps				(1,386,942)	(0.13)
Forward Foreign Currency Contracts - (0.14)% (31 December 2015 : (0.61)%)					
Date	Counterparty		Amount Sold	Amount Bought	
21 September 2016	BNY Mellon	NOK	11,849,578	1,415,000	(5,938) (0.00)
21 September 2016	BNY Mellon	USD	15,700,000	129,883,745	(1,526,250) (0.14)
Total Forward Foreign Currency Contracts				(1,532,188)	(0.14)
Total Financial Liabilities at Fair Value				(2,919,130)	(0.27)

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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic High Return (Continued)

	Fair Value NOK	% of Net Asset Value
Net Investments at Fair Value	1,057,927,233	97.37
Cash at bank	5,012,941	0.46
Other assets in excess of liabilities	23,593,517	2.17
Total Net Assets	<u>1,086,533,691</u>	<u>100.00</u>

	% of Total Assets
Analysis of Total Assets	
Transferable securities admitted to an official exchange listing or traded on a regulated market	94.64%
Financial derivative instruments	0.16%
Other assets	5.20%
Total Assets	<u>100.00%</u>

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Portfolio of Investments as at 30 June 2016 (Continued)

Arctic Investment Grade

	Coupon Rate %	Maturity Date	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE					
Corporate Bonds - 98.67% (31 December 2015 : 96.71%)					
Basic Materials - 2.56% (31 December 2015 : 3.29%)					
<i>Norway</i>					
Borregaard ASA	1.95%	26/2/2019	9,000,000	8,996,400	1.10
Yara International ASA	1.73%	18/12/2019	12,000,000	11,853,600	1.46
				20,850,000	2.56
Communications - 3.30% (31 December 2015 : 2.57%)					
<i>Norway</i>					
Atea ASA	3.13%	19/6/2018	21,000,000	20,840,400	2.56
Schibsted ASA	3.11%	1/3/2017	6,000,000	6,058,200	0.74
				26,898,600	3.30
Consumer, Non-cyclical - 10.16% (31 December 2015 : 9.80%)					
<i>Denmark</i>					
Arla Foods Finance A/S	1.22%	4/6/2018	8,000,000	8,015,927	0.99
				8,015,927	0.99
<i>Norway</i>					
Felleskjøpet Agri SA	3.20%	13/2/2018	10,000,000	10,103,000	1.24
Mollergruppen AS	1.80%	26/11/2019	13,000,000	12,828,400	1.57
				22,931,400	2.81
<i>Sweden</i>					
ICA Gruppen AB	1.68%	25/6/2018	10,000,000	10,176,191	1.25
ICA Gruppen AB	1.10%	17/6/2019	7,000,000	7,043,709	0.86
Loomis AB	1.25%	18/12/2019	25,000,000	24,968,167	3.06
Molnlycke Holding AB	1.50%	28/2/2022	1,000,000	9,691,218	1.19
				51,879,285	6.36
Financial - 62.47% (31 December 2015 : 61.32%)					
<i>Denmark</i>					
Danske Bank A/S	1.60%	26/5/2020	10,000,000	10,016,000	1.23
Danske Bank A/S	3.60%	6/12/2023	10,000,000	9,972,000	1.22
				19,988,000	2.45
<i>Finland</i>					
OP Corporate Bank plc	1.13%	25/8/2025	5,000,000	4,787,894	0.59
				4,787,894	0.59
<i>Iceland</i>					
Islandsbanki HF	3.61%	16/10/2018	5,000,000	5,037,500	0.62
Islandsbanki HF	3.10%	13/2/2019	10,000,000	10,200,920	1.25
Landsbankinn HF	3.62%	8/6/2019	4,000,000	4,035,200	0.49
				19,273,620	2.36
<i>Netherlands</i>					
Citycon Treasury BV	2.51%	1/3/2021	18,000,000	17,949,600	2.20
LeasePlan Corp NV	1.85%	7/8/2018	10,000,000	9,964,000	1.22
				27,913,600	3.42
<i>Norway</i>					
Bank Norwegian AS	1.61%	16/2/2018	5,000,000	4,994,000	0.61
Bank Norwegian AS	1.86%	9/9/2019	10,000,000	9,938,000	1.22
Bank Norwegian AS	3.65%	11/12/2023	8,000,000	7,964,800	0.98
Brage Finans AS	1.88%	18/9/2017	8,000,000	7,983,200	0.98
Brage Finans AS	1.83%	20/4/2018	14,000,000	13,914,600	1.71
Bustadkreditt Sogn og Fjordane AS	1.45%	16/6/2021	5,000,000	4,941,000	0.61
DNB Bank ASA	2.73%	19/6/2023	10,000,000	9,887,000	1.21
DNB Boligkreditt AS	1.51%	22/11/2019	30,000,000	30,090,000	3.69
Eika Boligkreditt AS	1.56%	16/12/2020	10,000,000	9,977,000	1.22

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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic Investment Grade (Continued)

	Coupon Rate %	Maturity Date	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)					
Corporate Bonds - 98.67% (31 December 2015 : 96.71%) (continued)					
Financial - 62.47% (31 December 2015 : 61.32%) (continued)					
<i>Norway (continued)</i>					
Gjensidige Bank ASA	2.57%	17/6/2024	8,000,000	7,742,400	0.95
Gjensidige Bank Boligkreditt AS	1.28%	12/5/2021	15,000,000	14,734,500	1.81
Gjensidige Forsikring ASA	2.51%	3/10/2044	9,000,000	8,315,100	1.02
Jernbanepersonalets Sparebank	2.78%	11/11/2024	10,000,000	9,657,000	1.18
Kommunal Landspensjonskasse Gjensidig					
Forsikringsselskap	4.25%	10/6/2045	1,000,000	9,055,043	1.11
Kredittforeningen for Sparebanker	1.73%	9/12/2019	8,000,000	7,902,400	0.97
Landkreditt Finans AS	2.20%	13/2/2017	8,000,000	8,021,600	0.98
Landkreditt Finans AS	1.87%	22/8/2017	10,000,000	9,996,000	1.23
Landkreditt Finans AS	2.20%	14/12/2018	5,000,000	4,991,000	0.61
Nordea Eiendomskreditt AS	1.37%	17/6/2020	20,000,000	19,896,000	2.44
Nordea Eiendomskreditt AS	1.19%	17/6/2021	15,000,000	14,695,500	1.80
OBOS BBL	1.89%	9/12/2019	17,000,000	16,804,500	2.06
Obos-banken AS	1.58%	26/8/2019	8,000,000	7,910,400	0.97
Olav Thon Eiendomsselskap ASA	2.14%	31/10/2018	25,000,000	25,212,500	3.09
Pareto Bank ASA	1.67%	3/11/2017	10,000,000	9,963,000	1.22
Pareto Bank ASA	2.93%	3/9/2024	5,000,000	4,778,000	0.59
Skandiabanken Boligkreditt AS	1.48%	4/10/2018	10,000,000	10,025,000	1.23
Skandiabanken Boligkreditt AS	1.43%	14/8/2020	5,000,000	4,967,000	0.61
SpareBank 1 Boligkreditt AS	1.62%	10/9/2019	10,000,000	10,064,000	1.23
SpareBank 1 Nord Norge	1.58%	22/6/2020	10,000,000	9,861,000	1.21
SpareBank 1 Nord Norge	3.78%	19/12/2022	10,000,000	10,069,000	1.23
SpareBank 1 Ringerike Hadeland	2.55%	12/6/2024	5,000,000	4,840,000	0.59
Sparebanken Ost	2.81%	24/10/2023	10,000,000	9,864,000	1.21
Sparebanken Soer Boligkreditt AS	1.31%	24/6/2020	20,000,000	19,788,000	2.43
Sparebanken Sor	2.59%	30/1/2025	10,000,000	9,658,000	1.18
Sparebanken Sor	2.55%	25/8/2025	10,000,000	9,545,000	1.17
Sparebanken Vest	2.84%	10/10/2023	3,000,000	2,960,100	0.36
Sparebanken Vest	2.54%	27/6/2024	8,000,000	7,752,000	0.95
Steen & Strom AS	2.19%	21/2/2019	5,000,000	5,017,500	0.62
Storebrand ASA	1.84%	10/9/2019	10,000,000	9,683,000	1.19
Thon Reitan AS	2.41%	17/10/2016	10,000,000	10,020,000	1.23
Totens Sparebank	4.28%	14/9/2022	6,500,000	6,576,700	0.81
Totens Sparebank	2.43%	21/10/2024	8,000,000	7,677,600	0.94
				427,732,443	52.45
<i>Sweden</i>					
Ikano Bank AB	0.60%	16/6/2020	10,000,000	9,772,625	1.20
				9,772,625	1.20
Industrial - 11.29% (31 December 2015 : 9.88%)					
<i>Denmark</i>					
AP Moeller - Maersk A/S	3.11%	22/3/2017	10,000,000	10,096,000	1.24
AP Moeller - Maersk A/S	2.46%	22/6/2021	10,000,000	9,984,000	1.22
DFDS A/S	3.93%	21/3/2018	10,000,000	10,156,000	1.24
				30,236,000	3.70
<i>Norway</i>					
Sporveien Oslo AS	1.66%	5/11/2019	9,000,000	8,898,300	1.09
Veidekke ASA	2.75%	4/6/2018	15,000,000	15,226,500	1.87
				24,124,800	2.96
<i>Sweden</i>					
Hexagon AB	0.95%	26/11/2019	10,000,000	9,945,723	1.22
NCC Treasury AB	0.59%	18/3/2019	20,000,000	19,733,186	2.42

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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic Investment Grade (Continued)

	Coupon Rate %	Maturity Date	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)					
Corporate Bonds - 98.67% (31 December 2015 : 96.71%) (continued)					
Industrial - 11.29% (31 December 2015 : 9.88%) (continued)					
<i>Sweden (continued)</i>					
Skanska Financial Services AB	1.48%	12/3/2018	8,000,000	8,080,022	0.99
				37,758,931	4.63
Utilities - 8.89% (31 December 2015 : 9.85%)					
<i>Norway</i>					
Agder Energi AS	1.66%	29/3/2022	10,000,000	9,698,000	1.19
Fredrikstad Energi AS	3.09%	30/10/2017	28,000,000	28,352,800	3.48
Helgeland Kraftlag AS	1.62%	25/9/2019	19,000,000	18,715,000	2.29
Statkraft AS	1.59%	8/7/2020	16,000,000	15,774,400	1.93
				72,540,200	8.89
Total Corporate Bonds				804,703,325	98.67
Forward Foreign Currency Contracts - 0.15% (31 December 2015 : 0.07%)					
Date	Counterparty		Amount Sold	Amount Bought	
21 September 2016	BNY Mellon	EUR	(1,040,000)	9,733,058	42,567 0.00
21 September 2016	BNY Mellon	SEK	(119,090,000)	119,488,654	1,236,073 0.15
Total Forward Foreign Currency Contracts				1,278,640	0.15
Total Financial Assets at Fair Value				805,981,965	98.82
FINANCIAL LIABILITIES AT FAIR VALUE					
Cross Currency Swaps - (0.17)% (31 December 2015 : (0.10)%)					
<i>European Union</i>					
Counterparty					
Fund pays Fixed 4.25% and receives					
Floating NOK-NIBOR-NIBR 3 Month	Fokus Bank		10/6/2025	7,855,800	(1,386,942) (0.17)
Total Cross Currency Swaps				(1,386,942)	(0.17)
Forward Foreign Currency Contracts - (0.07)% (31 December 2015 : (0.46)%)					
Date	Counterparty		Amount Sold	Amount Bought	
25 July 2016	BNY Mellon	NOK	30,240,660	30,000,000	(532,870) (0.06)
21 September 2016	BNY Mellon	NOK	5,124,480	5,100,000	(60,342) (0.01)
Total Forward Foreign Currency Contracts				(593,212)	(0.07)
Total Financial Liabilities at Fair Value				(1,980,154)	(0.24)
Net Investments at Fair Value				804,001,811	98.58
Cash at bank				11,554,065	1.42
Liabilities in excess of other assets				(39,595)	(0.00)
Total Net Assets				815,516,281	100.00
Analysis of Total Assets					% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market					98.20%
Financial derivative instruments					0.16%
Other assets					1.64%
Total Assets					100.00%

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Portfolio of Investments as at 30 June 2016 (Continued)

Arctic Norwegian Equities

	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE			
Common Stock - 91.88% (31 December 2015 : 97.14%)			
Basic Materials - 7.38% (31 December 2015 : 15.07%)			
<i>Norway</i>			
Borregaard ASA	350,948	21,934,250	0.78
Norsk Hydro ASA	2,206,285	66,894,561	2.39
Yara International ASA	446,105	117,682,499	4.21
		206,511,310	7.38
Communications - 12.74% (31 December 2015 : 12.29%)			
<i>Norway</i>			
Atea ASA	479,912	38,272,982	1.37
Schibsted ASA - Class B	53,848	12,837,363	0.46
Schibsted ASA - Class A	143,181	35,609,115	1.27
Telenor ASA	1,959,938	269,687,469	9.64
		356,406,929	12.74
Construction & Engineering - 0.14% (31 December 2015 : 0.00%)			
<i>Norway</i>			
Hæhre & Isachsen Holding AS	61,934	3,870,875	0.14
		3,870,875	0.14
Consumer, Cyclical - 9.10% (31 December 2015 : 8.83%)			
<i>Liberia</i>			
Royal Caribbean Cruises Ltd	42,459	23,860,326	0.85
		23,860,326	0.85
<i>Norway</i>			
Europris ASA	1,656,183	59,291,351	2.12
Norwegian Air Shuttle ASA	263,432	75,789,387	2.71
XXL ASA	1,006,588	95,625,860	3.42
		230,706,598	8.25
Consumer, Non-cyclical - 22.84% (31 December 2015 : 18.18%)			
<i>Denmark</i>			
Napatech A/S	2,204,316	49,156,247	1.76
		49,156,247	1.76
<i>Faroe Islands</i>			
Bakkafrost P/F	151,430	47,639,878	1.70
		47,639,878	1.70
<i>Ireland</i>			
Strongbridge Biopharma Plc	383,418	12,770,743	0.45
		12,770,743	0.45
<i>Norway</i>			
Grieg Seafood ASA	1,397,000	75,438,000	2.69
Leroy Seafood Group ASA	79,889	31,396,377	1.12
Marine Harvest ASA	1,066,502	148,777,029	5.32
NRC Group ASA	1,551,783	81,080,662	2.90
Orkla ASA	1,563,483	115,463,219	4.13
Salmar ASA	230,640	56,991,144	2.04
Weifa ASA	22,074,117	20,528,929	0.73
		529,675,360	18.93
Energy - 13.43% (31 December 2015 : 9.35%)			
<i>Luxembourg</i>			
Subsea 7 SA	326,377	26,534,450	0.95
		26,534,450	0.95

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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic Norwegian Equities (Continued)

	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)			
Common Stock - 91.88% (31 December 2015 : 97.14%) (continued)			
Energy - 13.43% (31 December 2015 : 9.35%) (continued)			
<i>Norway</i>			
Det Norske Oljeselskap ASA	493,327	50,023,358	1.79
NEL ASA	8,892,603	18,496,614	0.66
Petroleum Geo-Services ASA	218,000	4,298,960	0.15
Statoil ASA	1,572,728	226,630,105	8.10
TGS Nopec Geophysical Co ASA	364,920	49,702,104	1.78
		349,151,141	12.48
Financial - 19.11% (31 December 2015 : 17.90%)			
<i>Norway</i>			
DNB ASA	2,473,593	245,751,465	8.78
Gjensidige Forsikring ASA	919,628	127,552,404	4.56
Norwegian Finans Holding ASA	436,287	33,594,099	1.20
Protector Forsikring ASA	647,975	48,274,137	1.73
SpareBank 1 Nord Norge	241,115	9,524,042	0.34
		464,696,147	16.61
<i>Sweden</i>			
Axactor AB	40,437,195	69,956,348	2.50
		69,956,348	2.50
Industrial - 3.95% (31 December 2015 : 6.64%)			
<i>Bermuda</i>			
Hoegh LNG Holdings Ltd	265,886	21,802,652	0.78
		21,802,652	0.78
<i>Norway</i>			
AF Gruppen ASA	106,900	15,607,400	0.56
AKVA Group ASA	136,003	9,860,217	0.35
IDEX ASA	339,876	2,674,824	0.10
Next Biometrics Group AS	145,467	16,801,439	0.60
Tomra Systems ASA	146,300	12,984,125	0.46
Veidekke ASA	309,220	30,922,000	1.10
		88,850,005	3.17
Technology - 3.19% (31 December 2015 : 3.07%)			
<i>Norway</i>			
Cxense ASA	129,657	19,448,550	0.69
Nordic Semiconductor ASA	670,614	22,867,937	0.82
Opera Software ASA	700,907	46,960,769	1.68
		89,277,256	3.19
Total Common Stock		2,570,866,265	91.88
Private Placements - 3.16% (31 December 2015 : 0.07%)			
Consumer, Non-cyclical - 0.49% (31 December 2015 : 0.07%)			
<i>Norway</i>			
Targovax AS	907,000	7,256,000	0.26
Vaccibody A/S	82,557	6,604,560	0.23
		13,860,560	0.49
Diversified - 2.67% (31 December 2015 : 0.00%)			
<i>Norway</i>			
B2Holding ASA	6,166,634	74,616,271	2.67
Total Private Placements		88,476,831	3.16

The accompanying notes are an integral part of the Financial Statements.

Arctic Funds Plc
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Portfolio of Investments as at 30 June 2016 (Continued)
Arctic Norwegian Equities (Continued)

	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)			
Warrant - 0.01% (31 December 2015 : 0.00%)			
Consumer, Non-cyclical - 0.01% (31 December 2015 : 0.00%)			
<i>Norway</i>			
Bionor Pharma ASA Warrant 30/11/16	1,283,703	166,881	0.01
Total Warrant		166,881	0.01
Total Financial Assets at Fair Value		2,659,509,977	95.05
Net Investments at Fair Value		2,659,509,977	95.05
Cash at bank		123,849,297	4.43
Other assets in excess of liabilities		14,587,158	0.52
Total Net Assets		2,797,946,432	100.00
			% of Total Assets
Analysis of Total Assets			
Transferable securities admitted to an official exchange listing or traded on a regulated market			94.50%
Other assets			5.50%
Total Assets			100.00%

Arctic Funds Plc
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Portfolio of Investments as at 30 June 2016 (Continued)

Arctic Aurora LifeScience

	Quantity	Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE			
Common Stock - 86.94%			
Consumer, Non-cyclical - 86.94%			
<i>Belgium</i>			
Abylnx NV	44,161	4,806,760	1.68
Galapagos NV	15,000	6,889,495	2.41
		11,696,255	4.09
<i>Denmark</i>			
ALK-Abello A/S	5,600	8,174,514	2.86
Genmab A/S	4,800	7,252,471	2.54
Novo Nordisk A/S	15,400	6,886,277	2.41
		22,313,262	7.81
<i>Jersey</i>			
Shire Plc	18,000	9,306,892	3.26
		9,306,892	3.26
<i>Switzerland</i>			
Novartis AG	24,000	16,485,538	5.77
Roche Holding AG	4,000	8,779,260	3.07
		25,264,798	8.84
<i>United States</i>			
AbbVie Inc	9,000	4,662,984	1.63
ACADIA Pharmaceuticals Inc	4,800	1,303,918	0.46
Alexion Pharmaceuticals Inc	7,000	6,839,947	2.39
Amgen Inc	8,000	10,186,442	3.56
BioMarin Pharmaceutical Inc	12,100	7,878,174	2.76
Bristol-Myers Squibb Co	18,000	11,079,388	3.88
Celgene Corp	12,000	9,904,918	3.46
Cempra Inc	60,000	8,280,041	2.90
Eli Lilly & Co	16,700	11,005,952	3.85
Exelixis Inc	90,000	5,882,394	2.06
Gilead Sciences Inc	4,200	2,932,109	1.03
Johnson & Johnson	19,000	19,287,458	6.75
Juno Therapeutics Inc	9,000	2,895,253	1.01
Kite Pharma Inc	17,500	7,322,656	2.56
Lexicon Pharmaceuticals Inc	50,000	6,004,578	2.10
MacroGenics Inc	36,000	8,131,412	2.84
Merck & Co Inc	30,000	14,463,711	5.06
Nivalis Therapeutics Inc	90,000	3,464,663	1.21
Pfizer Inc	70,000	20,626,458	7.22
Regeneron Pharmaceuticals Inc	2,800	8,183,332	2.86
Ultragenyx Pharmaceutical Inc	8,000	3,274,525	1.14
Vitae Pharmaceuticals Inc	70,000	6,320,917	2.21
		179,931,230	62.94
Total Common Stock		248,512,437	86.94

The accompanying notes are an integral part of the Financial Statements.

Arctic Funds Plc
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Portfolio of Investments as at Interim Report and Unaudited (Continued)
Arctic Aurora LifeScience (Continued)

						Fair Value NOK	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE (continued)							
Forward Foreign Currency Contracts - 0.05%							
Date	Counterparty		Amount Sold		Amount Bought		
25 July 2016	BNY Mellon	DKK	(1,300,000)	NOK	1,628,341	3,477	0.00
25 July 2016	BNY Mellon	EUR	(93,000)	NOK	866,915	2,357	0.00
25 July 2016	BNY Mellon	GBP	(60,000)	NOK	679,983	11,353	0.00
25 July 2016	BNY Mellon	USD	(1,750,000)	NOK	14,700,350	54,563	0.00
25 July 2016	BNY Mellon	USD	(3,500,000)	NOK	29,369,340	77,767	0.00
Total Forward Foreign Currency Contracts						149,517	0.00
Total Financial Assets at Fair Value						248,661,954	86.99
FINANCIAL LIABILITIES AT FAIR VALUE							
Forward Foreign Currency Contracts - 0.00%							
Date	Counterparty		Amount Sold		Amount Bought		
25 July 2016	BNY Mellon	CHF	217,000	NOK	1,859,524	(3,328)	(0.00)
Total Forward Foreign Currency Contracts						(3,328)	(0.00)
Total Financial Liabilities at Fair Value						(3,328)	(0.00)
Net Investments at Fair Value						248,658,626	86.99
Cash at bank						27,692,726	9.69
Other assets in excess of liabilities						9,502,190	3.32
Total Net Assets						285,853,542	100.00
Analysis of Total Assets							% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market							83.38%
Financial derivative instruments							0.05%
Other assets							16.57%
Total Assets							100.00%

Arctic Funds Plc
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For the six months financial period ended 30 June 2016

Statement of Financial Position as at 30 June 2016

		Arctic Return NOK	Arctic Global Equities NOK	Arctic High Return NOK	Arctic Investment Grade NOK	Arctic Norwegian Equities NOK	Arctic Aurora LifeScience* NOK	Total NOK
Assets								
Financial assets at fair value through profit or loss	Notes							
Cash at bank	8	1,155,275,192	784,739,803	1,060,846,363	805,981,965	2,659,509,977	248,661,954	6,715,015,254
Interest receivable		9,235,887	6,798,724	5,012,941	11,554,065	123,849,297	27,692,726	184,143,640
Dividend receivable		4,140,748	–	9,327,866	1,608,394	–	–	15,077,008
Receivable for subscriptions		–	463,556	–	–	1,509,882	109,781	2,083,219
Receivable from investments sold		–	5,261	–	–	2,289,534	21,553,759	23,848,554
Other assets		22,519,716	44,612,661	43,748,225	–	21,363,263	–	132,243,865
Total Assets		72,882	66,048	67,446	304,794	5,643,385	13,335	6,167,890
		1,191,244,425	836,686,053	1,119,002,841	819,449,218	2,814,165,338	298,031,555	7,078,579,430
Liabilities								
Financial liabilities at fair value through profit or loss	10	1,272,618	1,332,373	2,919,130	1,980,154	–	3,328	7,507,603
Payable for investments purchased		13,787,187	23,684,728	26,841,781	–	8,428,889	11,883,506	84,626,091
Investment management fees	3	121,186	626,432	537,472	237,042	4,617,876	193,363	6,333,371
Performance fees	3	–	–	–	438,858	32,556	–	471,414
Payable for redemptions		–	–	34,908	–	1,684,892	–	1,719,800
Administration fees	3	133,914	267,501	713,131	442,730	436,221	41,878	2,035,375
Depositary fees	3	35,420	72,946	525,857	585,193	658,536	35,871	1,913,823
Audit fees		–	17,722	151,017	31,299	20,371	2,967	223,376
Directors' fees	3	8,578	5,933	70,584	19,945	25,142	2,012	132,194
Other payables and accrued expenses		293,277	166,863	675,270	197,716	314,423	15,088	1,662,637
Total Liabilities (excluding Net Assets attributable to holders of redeemable participating shares)		15,652,180	26,174,498	32,469,150	3,932,937	16,218,906	12,178,013	106,625,684
Net Assets attributable to holders of redeemable participating shares		1,175,592,245	810,511,555	1,086,533,691	815,516,281	2,797,946,432	285,853,542	6,971,953,746
Number of shares issued								
Class A NOK	6	40,717	20,452	52,872	–	48,112	–	–
Class B NOK	6	158,458	56,054	436,745	527,745	76,748	–	–
Class B SEK	6	–	–	–	27,280	–	–	–
Class C NOK	6	–	–	233,071	–	–	–	–
Class D NOK	6	–	–	331,779	145,085	1,279,161	–	–
Class E NOK	6	–	–	–	–	128,403	–	–
Class H Hedged NOK	6	–	152,067	–	–	–	–	–
Class H NOK	6	–	–	–	–	–	21,554	–
Class I NOK	6	839,794	373,342	–	–	320,388	216,323	–
Class I USD	6	–	–	–	–	–	49,979	–
Class R NOK	6	2,000	–	–	–	–	–	–

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Statement of Financial Position as at 30 June 2016 (Continued)

		Arctic Return	Arctic Global Equities	Arctic High Return	Arctic Investment Grade	Arctic Norwegian Equities	Arctic Aurora LifeScience*
Dealing Net Asset Value per share							
Class A NOK	NOK	1,017.09	1,358.51	1,169.01	–	1,555.30	–
Class B NOK	NOK	1,018.12	1,449.99	1,182.80	1,209.32	1,690.63	–
Class B SEK	SEK	–	–	–	1,096.29	–	–
Class C NOK	NOK	–	–	846.71	–	–	–
Class D NOK	NOK	–	–	936.77	1,018.18	1,489.33	–
Class E NOK	NOK	–	–	–	–	1,062.17	–
Class H Hedged NOK	NOK	–	879.69	–	–	–	–
Class H NOK	NOK	–	–	–	–	–	1,006.07
Class I NOK	NOK	1,156.03	1,520.53	–	–	1,722.54	992.07
Class I USD	USD	–	–	–	–	–	118.49
Class R NOK	NOK	1,012.01	–	–	–	–	–

*Arctic Aurora LifeScience was launched on 25 May 2016.

The accompanying notes are an integral part of the Financial Statements.

Arctic Funds Plc
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Statement of Financial Position as at 31 December 2015

		Arctic Return NOK	Arctic Global Equities NOK	Arctic High Return NOK	Arctic Investment Grade NOK	Arctic Norwegian Equities NOK	Total NOK
Assets							
Financial assets at fair value through profit or loss	10	1,040,835,403	981,764,536	1,275,838,139	1,146,112,145	2,472,802,144	6,917,352,367
Cash at bank	8	14,435,732	22,012,654	18,147,993	29,315,816	65,827,447	149,739,642
Interest receivable		4,183,101	–	12,083,168	3,145,720	–	19,411,989
Dividend receivable		–	884,218	–	–	380,430	1,264,648
Receivable for subscriptions		7,000,000	4,309	18,873	–	12,618,817	19,641,999
Receivable from investments sold		–	–	–	–	14,838,147	14,838,147
Other assets		24,260	57,704	57,088	68,407	32,336	239,795
Total Assets		1,066,478,496	1,004,723,421	1,306,145,261	1,178,642,088	2,566,499,321	7,122,488,587
Liabilities							
Financial liabilities at fair value through profit or loss	10	5,090,068	1,999,509	9,158,118	8,379,206	–	24,626,901
Payable for investments purchased		–	8,216,108	–	–	14,186,737	22,402,845
Investment management fees	3	56,058	513,982	597,037	310,647	3,374,776	4,852,500
Performance fees	3	–	–	–	99,141	1,222,733	1,321,874
Payable for redemptions		–	–	98,386	65,000	5,243,977	5,407,363
Administration fees	3	125,804	220,680	511,259	233,325	409,832	1,500,900
Depositary fees	3	62,925	54,514	471,348	262,120	542,634	1,393,541
Audit fees		27,915	40,748	164,814	61,186	102,213	396,876
Directors' fees	3	3,247	–	30,652	–	–	33,899
Distributions payable		–	–	11,127,348	–	–	11,127,348
Other payables and accrued expenses		267,786	137,670	618,836	175,507	287,011	1,486,810
Total Liabilities (excluding Net Assets attributable to holders of redeemable participating shares)		5,633,803	11,183,211	22,777,798	9,586,132	25,369,913	74,550,857
Net Assets attributable to holders of redeemable participating shares		1,060,844,693	993,540,210	1,283,367,463	1,169,055,956	2,541,129,408	7,047,937,730
Number of shares issued							
Class A NOK	6	39,163	26,560	53,209	–	48,670	
Class B NOK	6	109,612	66,720	452,351	814,691	103,598	
Class B SEK	6	–	–	–	27,280	–	
Class C NOK	6	–	–	175,037	–	–	
Class D NOK	6	–	–	574,907	164,988	1,073,420	
Class H Hedged NOK	6	–	151,090	–	–	–	
Class I NOK	6	795,941	427,893	–	–	362,214	
Class R NOK	6	2,000	–	–	–	–	

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Statement of Financial Position as at 31 December 2015 (Continued)

		Arctic Return	Arctic Global Equities	Arctic High Return	Arctic Investment Grade	Arctic Norwegian Equities
Dealing Net Asset Value per share						
Class A NOK	NOK	1,005.46	1,487.38	1,169.00	–	1,600.36
Class B NOK	NOK	1,006.23	1,581.81	1,180.89	1,193.12	1,733.12
Class B SEK	SEK	–	–	–	1,089.28	–
Class C NOK	NOK	–	–	845.42	–	–
Class D NOK	NOK	–	–	937.56	1,005.38	1,532.37
Class H Hedged NOK	NOK	–	924.27	–	–	–
Class I NOK	NOK	1,142.26	1,656.60	–	–	1,763.64
Class R NOK	NOK	1,001.43	–	–	–	–

The accompanying notes are an integral part of the Financial Statements.

Arctic Funds Plc
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Statement of Comprehensive Income for the financial period ended June 2016

	Notes	Arctic Return NOK	Arctic Global Equities NOK	Arctic High Return NOK	Arctic Investment Grade NOK	Arctic Norwegian Equities NOK	Arctic Aurora LifeScience* NOK	Total NOK
Income								
Interest income		18,220,874	–	41,861,726	11,125,617	77	–	71,208,294
Dividend income		–	14,341,436	–	–	58,950,444	172,098	73,463,978
Other income		(209,634)	–	15,041	(26,480)	–	–	(221,073)
Net realised gain/(loss) on:								
- investments		(905,580)	6,881,508	(45,807,743)	3,976,433	(20,895,460)	(119,691)	(56,870,533)
- foreign currency		3,781,381	3,585,033	10,260,803	3,268,780	(301,557)	595,404	21,189,844
Net change in unrealised appreciation/(depreciation) on:								
- investments		(7,122,815)	(91,912,129)	(12,990,248)	(10,008,033)	(60,220,539)	(2,790,386)	(185,044,150)
- foreign currency		4,505,633	1,114,505	7,996,034	5,202,777	(21,122)	603,875	19,401,702
Total investment income/(loss)		18,269,859	(65,989,647)	1,335,613	13,539,094	(22,488,157)	(1,538,700)	(56,871,938)
Expenses								
Investment management fees	3	674,898	4,350,192	2,666,056	1,189,957	18,822,216	259,187	27,962,506
Performance fees	3	–	–	–	476,669	32,556	–	509,225
Administration fees	3	229,744	204,611	469,339	442,050	443,955	41,878	1,831,577
Depositary fees	3	135,838	268,318	272,043	245,896	612,216	35,871	1,570,182
Audit fees		18,349	40,662	76,400	62,411	92,734	2,967	293,523
Legal expenses		10,389	52,903	141,360	91,975	126,135	12,194	434,956
Directors' fees	3	21,025	23,310	58,766	62,879	90,802	2,012	258,794
Interest expense		1,167	19,296	847	–	–	1,206	22,516
Other expenses		83,548	39,070	22,699	58,676	53,206	3,991	261,190
Total expenses		1,174,958	4,998,362	3,707,510	2,630,513	20,273,820	359,306	33,144,469
Net income/(loss) from operations before taxation		17,094,901	(70,988,009)	(2,371,897)	10,908,581	(42,761,977)	(1,898,006)	(90,016,407)
Taxation								
Withholding tax		1,323	3,086,326	(2,127)	(4,247)	9,075,016	51,629	12,207,920
Net increase/(decrease) in Net Assets attributable to holders of redeemable participating shares resulting from operations		17,093,578	(74,074,335)	(2,369,770)	10,912,828	(51,836,993)	(1,949,635)	(102,224,327)
FRS 102 adjustment in relation to organisational costs		–	–	–	–	–	–	–
Net increase/(decrease) in Net Assets attributable to holders of redeemable participating shares resulting from operations		17,093,578	(74,074,335)	(2,369,770)	10,912,828	(51,836,993)	(1,949,635)	(102,224,327)

*Arctic Aurora LifeScience was launched on 25 May 2016.

Income and results arose solely from continuing operations. There were no recognised gains or losses other than those dealt with in the Statement of Comprehensive Income.

Arctic Funds Plc
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Statement of Comprehensive Income for the financial period ended 30 June 2015

	Notes	Arctic Return NOK	Arctic Global Equities NOK	Arctic High Return NOK	Arctic Investment Grade NOK	Arctic Norwegian Equities NOK	Total NOK
Income							
Interest income		9,272,261	17,646	51,315,233	22,298,478	148,458	83,052,076
Dividend income		–	12,696,734	–	–	51,837,532	64,534,266
Other income		4,610	160,234	4,568	(219,557)	–	(50,145)
Net realised gain/(loss) on:							
- investments		877,739	79,370,093	(32,893,956)	1,512,889	103,491,040	152,357,805
- foreign currency		(2,075,374)	(3,623,879)	(2,970,203)	11,716,549	155,047	3,202,140
Net change in unrealised appreciation/(depreciation) on:							
- investments		551,472	(38,641,034)	23,581,486	(7,963,389)	39,719,779	17,248,314
- foreign currency		44,920	(873,739)	(2,618,308)	(5,059,160)	(27,819)	(8,534,106)
Total investment income		8,675,628	49,106,055	36,418,820	22,285,810	195,324,037	311,810,350
Expenses							
Investment management fees	3	344,432	3,483,556	3,220,606	2,741,631	16,357,780	26,148,005
Performance fees	3	–	–	–	700,951	77,257	778,208
Administration fees	3	147,622	307,110	609,502	437,830	904,901	2,406,965
Depositary fees	3	191,009	239,120	437,814	437,620	325,923	1,631,486
Audit fees		20,118	18,460	73,837	27,689	46,148	186,252
Legal expenses		62,492	75,855	303,423	113,784	189,789	745,343
Directors' fees	3	21,570	18,109	50,059	21,126	31,288	142,152
Interest expense		1,376	3,356	1,066	1,131	234	7,163
Other expenses		30,848	40,222	83,106	34,450	59,211	247,837
Total expenses		819,467	4,185,788	4,779,413	4,516,212	17,992,531	32,293,411
Net income from operations before taxation		7,856,161	44,920,267	31,639,407	17,769,598	177,331,506	279,516,939
Taxation							
Withholding tax		6,741	2,996,988	237	–	11,740,943	14,744,909
Net increase in Net Assets attributable to holders of redeemable participating shares resulting from operations		7,849,420	41,923,279	31,639,170	17,769,598	165,590,563	264,772,030
FRS 102 adjustment in relation to organisational costs		(43,060)	(43,060)	(45,887)	(43,060)	(43,060)	(218,127)
Net increase in Net Assets attributable to holders of redeemable participating shares resulting from operations		7,806,360	41,880,219	31,593,283	17,726,538	165,547,503	264,553,903

Income and results arose solely from continuing operations. There were no recognised gains or losses other than those dealt with in the Statement of Comprehensive Income.

Arctic Funds Plc
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Statement of Changes in Net Assets attributable to Redeemable Participating Shareholders for the financial period ended 30 June 2016

	Arctic Return NOK	Arctic Global Equities NOK	Arctic High Return NOK	Arctic Investment Grade NOK	Arctic Norwegian Equities NOK	Arctic Aurora LifeScience* NOK	Total NOK
Net assets attributable to holders of redeemable participating shares at beginning of period	1,060,844,693	993,540,210	1,283,367,463	1,169,055,956	2,541,129,408	–	7,047,937,730
Proceeds for redeemable shares issued	502,794,096	41,541,497	126,129,936	24,581,739	564,924,481	290,701,363	1,550,673,112
Payments for redeemable shares redeemed	(405,140,122)	(150,495,817)	(320,593,938)	(389,034,242)	(256,270,464)	(2,898,186)	(1,524,432,769)
Net increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	17,093,578	(74,074,335)	(2,369,770)	10,912,828	(51,836,993)	(1,949,635)	(102,224,327)
Net assets attributable to holders of redeemable participating shares at end of period	1,175,592,245	810,511,555	1,086,533,691	815,516,281	2,797,946,432	285,853,542	6,971,953,746

*Arctic Aurora LifeScience was launched on 25 May 2016.

Statement of Changes in Net Assets attributable to Redeemable Participating Shareholders for the financial period ended 30 June 2015

	Arctic Return NOK	Arctic Global Equities NOK	Arctic High Return NOK	Arctic Investment Grade NOK	Arctic Norwegian Equities NOK	Total NOK
Net assets attributable to holders of redeemable participating shares at beginning of period	607,428,236	628,342,612	1,230,907,443	1,751,491,788	1,873,507,381	6,091,677,460
Proceeds for redeemable shares issued	534,590,987	722,325,375	522,169,410	318,673,864	697,778,321	2,795,537,957
Payments for redeemable shares redeemed	(82,011,033)	(463,942,210)	(236,906,607)	(400,822,177)	(228,618,512)	(1,412,300,539)
Net increase in net assets attributable to holders of redeemable participating shares from operations	7,849,420	41,923,279	31,639,170	17,769,598	165,590,563	264,772,030
Net assets attributable to holders of redeemable participating shares at end of period	1,067,857,610	928,649,056	1,547,809,416	1,687,113,073	2,508,257,753	7,739,686,908

Notes to the Financial Statements

1. General

Arctic Funds Plc (the "Company") was incorporated on 26 July 2010 under the laws of the Republic of Ireland as a public limited company under the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Central Bank UCITS Regulations"). The Company was established as an open-ended umbrella investment company with variable capital and segregated liability between its sub-funds. The Company was authorised by the Central Bank of Ireland (the "Central Bank") on 5 November 2010. The Company commenced trading on 16 November 2010.

The Company is structured as an umbrella fund in that different sub-funds thereof may be established with the prior approval of the Central Bank. In addition, each sub-fund may have more than one share class allocated to it.

The assets of each sub-fund will be separate from one another and will be invested in accordance with the investment objectives and policies applicable to each sub-fund.

As at 30 June 2016, there are six active sub-funds, Arctic Return, Arctic Global Equities, Arctic High Return, Arctic Investment Grade, Arctic Norwegian Equities and Arctic Aurora LifeScience (each a "Fund" and collectively the "Funds"). Arctic Return has four classes of share in issue designated as Class A NOK Shares, Class B NOK Shares, Class I NOK Shares and Class R NOK Shares. Arctic Global Equities has four classes of share in issue designated as Class A NOK Shares, Class B NOK Shares, Class H Hedged NOK Shares and Class I NOK Shares. Arctic High Return has four classes of share in issue designated as Class A NOK Shares, Class B NOK Shares, Class C NOK Shares and Class D NOK Shares. Arctic Investment Grade has three classes of share in issue designated as Class B NOK Shares, Class B SEK Shares and Class D NOK Shares. Arctic Norwegian Equities has five classes of share in issue designated as Class A NOK Shares, Class B NOK Shares, Class D NOK Shares, Class E NOK Shares and Class I NOK Shares, Arctic Aurora LifeScience has three classes of share in issue designated as Class I NOK Shares, Class I USD Shares and Class H NOK Shares.

Investment Objective and Policies

Arctic Return

The investment objective is to achieve capital appreciation through investments in a diversified portfolio of bonds and money market instruments.

The main market for the Fund is the Nordic bond market. The Fund invests in bonds and money market instruments listed or traded on markets in the Nordic countries or other countries in Europe. Arctic Fund Management AS (the "Investment Manager") uses Standard & Poor's rating scale. "Investment Grade" means rating from AAA to BBB-. The Investment Manager, in cases where no official rating exists, uses unofficial ratings issued by a number of third party banks/credit analysts in order to estimate an average rating for each prospective investment and determine whether it is equivalent to the rating required.

Arctic Global Equities

The investment objective is to achieve long-term capital appreciation primarily through equity investments.

Through active portfolio management, company studies and research, the Investment Manager attempts to achieve the Fund's investment objective by utilising industry, sector and company knowledge together with an assessment of macro-economic outlook to find selective investments within the investment universe.

Notes to the Financial Statements (Continued)

1. General (continued)

Investment Objective and Policies (continued)

Arctic High Return

The investment objective is to achieve capital appreciation with a focus on consistent, steady returns through investments in a varied portfolio of primarily high yield bonds.

The Fund invests in bonds (which may be fixed and/or floating rate) issued by companies that are deemed attractively priced compared to the underlying credit risk of the issuer and certain macro-economic variables. The Investment Manager reviews the commercial and legal terms of the bond itself (e.g. corporate matters and sector-related issues) and considers various factors (e.g. credit risk/margins, collateral, the need for foreign exchange hedging and loan agreement clauses) in deciding whether or not that bond is a potentially attractive investment before making an investment. The Investment Manager will primarily select high yield bonds, but from time to time (such as during periods of market uncertainty) may invest alternatively in higher quality (i.e. lower yield) bonds which have the potential to increase in value.

Arctic Investment Grade

The investment objective is to achieve capital appreciation through investments in a diversified portfolio of Investment Grade or Investment Grade equivalent bonds and money market instruments.

The main market for the Fund is the Norwegian bond market. The Investment Manager uses the Standard & Poor's rating scale. This means that the best rating is AAA and the lowest rating is BBB- (the "Investment Grade"). The Fund only invests in Investment Grade or Investment Grade equivalent bonds (which may be fixed and/or floating rate) and money market instruments (such as commercial paper). However, since most Norwegian issuers do not have any rating from a rating agency, the Investment Manager, in cases where no such rating exists, uses unofficial ratings issued by a number of third party banks/credit analysts in order to estimate an average rating for each prospective investment and determine whether it is equivalent to Investment Grade.

Arctic Norwegian Equities

The investment objective is to achieve long-term capital appreciation through investments mainly in companies listed or traded on markets in Norway. The Fund may be considered as a focused equity fund – a "stock picker".

Through active portfolio management, company studies and research, the Investment Manager attempts to achieve the Fund's investment objective by utilising industry, sector and company knowledge together with an assessment of macro-economic outlook to find selective investments within the investment universe. The composition of the Fund's portfolio is determined based on the prospective company's specific valuation and earning prospects in relation to the outlook for the relevant sectors involved, together with an assessment of macro-economic outlook. There is no limit on the industry sectors in the Norwegian equity universe in which the Fund may invest.

Arctic Aurora LifeScience

The investment objective is to achieve long-term capital appreciation primarily through equity investments within the pharmaceuticals, biotechnology and life science sectors.

Through active portfolio management, company studies and research, the Investment Manager attempts to achieve the Fund's investment objective by utilising industry, sector and company knowledge together with an assessment of macro-economic outlook to find selective investments within the investment universe.

2. Significant Accounting Policies

The principal accounting policies and estimation techniques are consistent with those applied to the previous annual financial statements.

Notes to the Financial Statements (Continued)

2. Significant Accounting Policies (continued)

Statement of Compliance

The condensed financial statements for the financial period ended 30 June 2016 have been prepared in accordance with Financial Reporting Standard ("FRS") 104 "Interim Financial Reporting" and Irish statute comprising the Companies Act 2014, the UCITS Regulations and the Central Bank UCITS Regulations. The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2015.

3. Fees and Expenses

Investment Management Fees

Arctic Return

Class A Shares; Class B Shares; Class I Shares; Class R Shares

The Fund pays the Investment Manager a fee of up to 0.2% per annum of the Net Asset Value of the Fund attributable to the Class A Shares, 0.15% per annum of the Net Asset Value of the Fund attributable to the Class B Shares, 0.1% per annum of the Net Asset Value of the Fund attributable to the Class I Shares and 0.4% per annum of the Net Asset Value of the Fund attributable to the Class R Shares.

Arctic Global Equities

Class A Shares; Class B Shares; Class H Hedged Shares; Class I Shares

The Fund pays the Investment Manager a fee of up to 1.75% per annum of the Net Asset Value of the Fund attributable to the Class A Shares and Class H Hedged Shares, 1% per annum of the Net Asset Value of the Fund attributable to the Class B Shares and 0.75% per annum of the Net Asset Value of the Fund attributable to Class I Shares.

Arctic High Return

Class A Shares; Class B Shares; Class C Shares; Class D Shares

The Fund pays the Investment Manager a fee of up to 0.5% per annum of the Net Asset Value of the Fund attributable to the Class A Shares, 0.25% per annum of the Net Asset Value of the Fund attributable to the Class B Shares and Class C Shares and 0.75% of the Net Asset Value of the Fund attributable to the Class D Shares.

Arctic Investment Grade

Class B Shares; Class D Shares

The Fund pays the Investment Manager a fee of up to 0.2% per annum of the Net Asset Value of the Fund attributable to the Class B Shares and 0.5% per annum of the Net Asset Value of the Fund attributable to the Class D Shares.

Arctic Norwegian Equities

Class A Shares; Class B Shares; Class D Shares; Class E Shares; Class I Shares

The investment management fee equals 10% of the aggregate appreciation in value of the average number of shares in issue during the calendar year (the "Investment Management Fee"). The Investment Management Fee shall be calculated and accrued on a daily basis, but payable on the earliest of (i) the end of a calendar year, and (ii) on redemption of the relevant shares. Notwithstanding the above, the Investment Management Fee shall equal a minimum of 1.75% per annum of the Net Asset Value of the Fund attributable to the Class A Shares, 1% per annum of the Net Asset Value of the Fund attributable to the Class B Shares, 1.75% per annum of the Net Asset Value of the Fund attributable to the Class D Shares, 0.5% per annum of the Net Asset Value of the Fund attributable to the Class E Shares and 0.75% per annum of the Net Asset Value of the Fund attributable to the Class I Shares. A minimum shall be applied pro rata for shares subscribed during the course of the calendar year.

On 31 December of each year, a year end calculation and, where necessary, adjustment shall be made to the Investment Management Fee described above, in order to reflect a maximum Investment Management Fee of 5% of the average Net Asset Value of the Fund attributable to the shares during that calendar year. However, shares redeemed during the course of a calendar year shall not benefit from such maximum for that particular calendar year.

Notes to the Financial Statements (Continued)

3. Fees and Expenses (continued)

Investment Management Fees (continued)

Arctic Aurora LifeScience

Class I Shares; Class H Shares

The Fund pays the Investment Manager a fee of 1.00% per annum of the Net Asset Value of the Fund attributable to the Class I Shares and Class H Shares.

For all Funds, the Investment Manager shall also be entitled to be repaid out of the assets of the Funds all costs, expenses, outgoings and liabilities reasonably and properly incurred by or on behalf of the Investment Manager on behalf of the Funds.

The Investment Management Fee shall be accrued on a daily basis and at the beginning of each week an account payment of 1/52 of the minimum Investment Management Fee will be made.

The Investment Management Fee charged during the financial period ended 30 June 2016 amounted to NOK27,962,506 (30 June 2015: NOK26,148,005) and the fees owing as at 30 June 2016 amounted to NOK6,333,371 (31 December 2015: NOK4,852,500).

Performance Fees

Arctic Global Equities, Arctic High Return, Arctic Investment Grade, Arctic Norwegian Equities and Arctic Aurora LifeScience

A performance fee equal to 10% of any New Net Appreciation (as defined below), except for Class A Shares and Class B Shares (not yet launched) of Arctic Aurora LifeScience which is equal to 15%, is payable to the Investment Manager (the "Performance Fee"). The Performance Fee is calculated in respect of each calendar period ending 31 December (a "Calculation Period"). However, the first Calculation Period in respect of any class of shares will be the period commencing on the business day immediately following the close of the initial offer year for that class and ending on 31 December of that calendar year.

The Performance Fee is calculated and accrued as at each valuation point. The Performance Fee shall normally be payable to the Investment Manager in arrears within 14 calendar days of the end of each Calculation Period. However, in the case of shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares shall be payable within 14 calendar days after the date of redemption. Crystallised Performance Fees shall remain in the relevant class (but shall not participate in subsequent gains and losses of the relevant Class) and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant class. In the event of a partial redemption, shares shall be treated as redeemed on a First-In-First-Out, ("FIFO") basis.

The Performance Fee in respect of each Calculation Period is to be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee. If the Investment Management Agreement is terminated during a Calculation Period, the Performance Fee in respect of the then current Calculation Period shall be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The "New Net Appreciation" shall equal the amount, if any, by which the net asset value of the relevant Class (prior to any deduction for accrued Performance Fee payable in respect of the period) as of the end of the relevant Calculation Period exceeds the high water mark as increased by the Hurdle Rate (each as defined below).

The "High Water Mark" is the greater of:

(a) the Net Asset Value of the relevant Class as of the end of the most recent Calculation Period in respect of which a Performance Fee was paid in respect of such relevant Class (after the deduction for the Performance Fee then paid). The Net Asset Value referred to in the previous sentence shall be increased when additional subscriptions are made to the relevant class, by an amount equal to such subscriptions and shall be reduced proportionately whenever redemptions are made from the relevant class by being multiplied by the fraction, the numerator of which is the Net Asset Value of the relevant class immediately after, and the denominator of which is the Net Asset Value of the relevant class immediately prior to, any such redemption (the Net Asset Value of the relevant class in each case to be calculated prior to deduction for any accrued Performance Fee); or

Notes to the Financial Statements (Continued)

3. Fees and Expenses (continued)

Performance Fees (continued)

(b) if no Performance Fee has ever been paid, then the initial capital of the relevant class immediately following the close of the initial offer period.

For the avoidance of doubt, a Performance Fee is only payable where the Net Asset Value of the relevant class exceeds the High Water Mark. The "Hurdle Rate" in this context is the percentage change in the value of the reference index at the end of the Calculation Period versus the value of the reference index at the start of the Calculation Period.

The value of the reference index at the start of the Calculation Period will be the value of the reference index at the end of the last Calculation Period or, in the case of the first Calculation Period, the value of the reference index at the time of the initial issue of shares. Investors should be aware that the Hurdle Rate may be negative and that a Performance Fee may still be payable in such circumstances. The Performance Fee will be verified by BNY Mellon Trust Company (Ireland) Limited (the "Depositary"). The Performance Fee is based on net realised and net unrealised gains and losses as at the end of each Calculation Period and, as a result, a Performance Fee may be paid on unrealised gains which may subsequently never be realised.

The Performance Fees charged during the financial period ended 30 June 2016 were NOK509,225 (30 June 2015: NOK778,208) and the fees owing as at 30 June 2016 amounted to NOK471,414 (31 December 2015: NOK1,321,874).

Administration Fees

Arctic Return

BNY Mellon Fund Services (Ireland) Designated Activity Company (the "Administrator") is entitled to receive out of the net assets of the Fund an annual fee, accrued and calculated at each valuation point and payable monthly in arrears at an annual rate not exceeding 0.1% of the Net Asset Value of the Fund.

Arctic High Return, Arctic Investment Grade

The Administrator is entitled to receive out of the net assets of each of the Funds an annual fee, accrued and calculated at each valuation point and payable monthly in arrears at an annual rate not exceeding 0.04% of the Net Asset Value of the relevant Fund subject to a minimum monthly fee of EUR6,500 per month plus VAT if any.

Arctic Global Equities, Arctic Norwegian Equities, Arctic Aurora LifeScience

The Administrator is entitled to receive out of the net assets of each of the Funds an annual fee, accrued and calculated at each valuation point and payable monthly in arrears at an annual rate not exceeding 0.105% of the Net Asset Value of the relevant Fund subject to a minimum monthly fee of EUR6,500 per month plus VAT if any. There is no minimum monthly fee set for Arctic Aurora LifeScience.

For all Funds, the Administrator is also entitled to receive a fee of EUR1,875 per share class (other than the NOK class) per month for the provision of investor services, a financial statement production fee of EUR3,000 per set of financial statements produced, an investor account fee of EUR25 per account per month and an investor transaction fee of EUR25 per subscription or redemption.

The Company and each of its Funds are responsible for all disbursements and reasonable out-of-pocket expenses incurred by the Administrator in the proper performance of its duties inclusive of third party brokerage fees and costs incurred by the Company in relation to its own investment activities.

The administration fees charged during the financial period ended 30 June 2016 amounted to NOK 1,831,577 (30 June 2015: NOK 2,406,965) and the fees owing as at 30 June 2016 amounted to NOK2,035,375 (31 December 2015: NOK1,500,900).

Notes to the Financial Statements (Continued)

3. Fees and Expenses (continued)

Depository Fees

Arctic Return

The Depository is entitled to receive out of the net assets of the Fund an annual trustee and custodial fee, accrued and calculated at each valuation point and payable monthly in arrears at an annual rate not exceeding 0.05% of the Net Asset Value of the Fund.

Arctic High Return, Arctic Investment Grade

The Depository is entitled to receive out of the net assets of each of the Funds an annual trustee and custodial fee, accrued and calculated at each valuation point and payable monthly in arrears at an annual rate not exceeding 0.01% of the Net Asset Value of the relevant Fund subject to a minimum monthly fee of EUR1,000 per month plus VAT if any.

Arctic Global Equities, Arctic Norwegian Equities, Arctic Aurora LifeScience

The Depository is entitled to receive out of the net assets of each of the Funds an annual trustee and custodial fee, accrued and calculated at each valuation point and payable monthly in arrears at an annual rate not exceeding 0.02% of the Net Asset Value of the relevant Fund subject to a minimum monthly fee of EUR1,000 per month plus VAT if any. There is no minimum monthly fee set for Arctic Aurora LifeScience.

For all Funds, the Depository shall also be reimbursed all of its reasonable out-of-pocket expenses out of the assets of the relevant Fund and shall also be refunded its sub-custodian fees and expenses at normal commercial rates.

The depository fee charged during the financial period ended 30 June 2016 amounted to NOK1,570,182 (30 June 2015: NOK1,631,486) and the fees owing as at 30 June 2016 amounted to NOK1,913,823 (31 December 2015: NOK1,393,541).

Directors' Fees

Directors' fees charged during the financial period ended 30 June 2016 were NOK258,794 (30 June 2015: NOK142,152) of which NOK132,194 was outstanding as at 30 June 2016 (31 December 2015: NOK33,899).

4. Taxation

The Company as an investment undertaking as defined in section 739 B of the Taxes Consolidation Act, 1997 (as amended). Therefore, the Company will not be liable to taxation in respect of its income and gains, other than on the occurrence of a chargeable event. Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares or on the ending of a 'Relevant Period', a 'Relevant Period' being an eight year period beginning with the acquisition of the shares by the shareholders and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A chargeable event does not include:

- any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- an exchange of shares representing the Fund for another fund; or
- an exchange of shares arising on a qualifying amalgamation or reconstruction of the Fund with another fund; or
- certain exchanges of shares between spouses and former spouses.

A chargeable event will not occur in respect of shareholders who are neither resident nor ordinarily resident in Ireland and who have provided the Company with a relevant declaration to that effect.

In the absence of an appropriate declaration, the Company will be liable to Irish Tax on the occurrence of a chargeable event. There were no chargeable events during the financial period under review.

Notes to the Financial Statements (Continued)

4. Taxation (continued)

Capital gains, dividends and interest received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its shareholders.

5. Distribution to Holders of Redeemable Participating Shares

There were no distributions made during the periods ended 30 June 2016 and 30 June 2015.

6. Share Capital

The authorised share capital of the Company is 300,002 redeemable non-participating shares of no par value and 500,000,000,000 participating shares of no par value.

The minimum issued share capital of the Company is EUR 2 or its equivalent in another currency. The maximum issued share capital of the Company is EUR 500,000,300,002 or its equivalent in any other currency.

The issue price is payable in full on acceptance. There are no rights of pre-emption attaching to the shares in the Company.

The Fund has eight classes available for issue Class A, Class B, Class C, Class D, Class E, Class H, Class I and Class R Shares.

The Investment Manager may apply an anti-dilution levy in relation to applications for purchases of shares. The levy is an allowance for market spreads (the difference between the prices at which assets are valued and/or bought), duties and charges and other dealing costs relating to the acquisition of assets for a Fund in the event of receipt of net subscriptions on a dealing day. The levy is intended to be used to ensure that all investors in the relevant Fund are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.

The Company may issue voting shares and non-voting shares. The non-voting shares carry no right to notice of, attend or vote at general meetings of the Company or any Fund. In respect of the voting shares, subject to any rights or restrictions for the time being attached to any class or classes of voting shares, on a show of hands every holder who is present in person or by proxy shall have one vote and the holder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue and on a poll every holder present in person or by proxy shall have one vote for every voting share of which he is the holder and every holder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares.

On a poll of all the holders of shares in a Fund, where there is more than one class of shares in existence in that Fund, the voting rights of such holders may at the discretion of the Directors be adjusted in such manner, determined by the Directors, so as to reflect the most recently calculated price at which the shares of each of the classes in question may be repurchased by the Company. Holders who hold a fraction of a voting share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a voting share.

In accordance with the requirements of the Central Bank, the decision to subscribe for any class of shares in respect of which the voting rights are restricted shall be made solely by the investor and any shareholder of non-voting shares shall have the right to switch their holding to voting shares without incurring any fee or charge on such exchange.

The Net Asset Value per share is determined by dividing the value of net assets of the respective Fund by the total number of redeemable participating shares in issue at 30 June 2016 and 31 December 2015.

Arctic Funds Plc
Interim Report and Unaudited Financial Statements
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Notes to the Financial Statements (Continued)

6. Share Capital (continued)

The movement in shares for the period ended 30 June 2016 was as follows:

	Arctic Return Number of Shares	Arctic Global Equities Number of Shares	Arctic High Return Number of Shares	Arctic Investment Grade Number of Shares	Arctic Norwegian Equities Number of Shares	Arctic Aurora LifeScience Number of Shares
Class A NOK						
Shares as at beginning of period	39,163	26,560	53,209	–	48,670	–
Shares issued	5,518	221	4,938	–	4,393	–
Shares redeemed	(3,964)	(6,329)	(5,275)	–	(4,951)	–
Shares as at end of financial period	40,717	20,452	52,872	–	48,112	–
Class B NOK						
Shares as at beginning of period	109,612	66,720	452,351	814,691	103,598	–
Shares issued	310,231	4,163	9,945	20,448	8,718	–
Shares redeemed	(261,385)	(14,829)	(25,551)	(307,394)	(35,568)	–
Shares as at end of financial period	158,458	56,054	436,745	527,745	76,748	–
Class B SEK						
Shares as at beginning of period	–	–	–	27,280	–	–
Shares issued	–	–	–	–	–	–
Shares redeemed	–	–	–	–	–	–
Shares as at end of financial period	–	–	–	27,280	–	–

Arctic Funds Plc
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Notes to the Financial Statements (Continued)

6. Share Capital (continued)

The movement in shares for the period ended 30 June 2016 was as follows:

	Arctic Return Number of Shares	Arctic Global Equities Number of Shares	Arctic High Return Number of Shares	Arctic Investment Grade Number of Shares	Arctic Norwegian Equities Number of Shares	Arctic Aurora LifeScience Number of Shares
Class C NOK						
Shares as at beginning of period	–	–	175,037	–	–	–
Shares issued	–	–	58,034	–	–	–
Shares redeemed	–	–	–	–	–	–
Shares as at end of financial period	–	–	233,071	–	–	–
Class D NOK						
Shares as at beginning of period	–	–	574,907	164,988	1,073,420	–
Shares issued	–	–	66,480	–	244,449	–
Shares redeemed	–	–	(309,608)	(19,903)	(38,708)	–
Shares as at end of financial period	–	–	331,779	145,085	1,279,161	–
Class E NOK						
Shares as at beginning of period	–	–	–	–	–	–
Shares issued	–	–	–	–	134,881	–
Shares redeemed	–	–	–	–	(6,478)	–
Shares as at end of financial period	–	–	–	–	128,403	–
Class H Hedged NOK						
Shares as at beginning of period	–	151,090	–	–	–	–
Shares issued	–	977	–	–	–	–
Shares redeemed	–	–	–	–	–	–
Shares as at end of financial period	–	152,067	–	–	–	–

Arctic Funds Plc
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Notes to the Financial Statements (Continued)

6. Share Capital (continued)

The movement in shares for the period ended 30 June 2016 was as follows:

	Arctic Return Number of Shares	Arctic Global Equities Number of Shares	Arctic High Return Number of Shares	Arctic Investment Grade Number of Shares	Arctic Norwegian Equities Number of Shares	Arctic Aurora LifeScience Number of Shares
Class H NOK						
Shares as at beginning of period	–	–	–	–	–	–
Shares issued	–	–	–	–	–	21,554
Shares redeemed	–	–	–	–	–	–
Shares as at end of financial period	–	–	–	–	–	21,554
Class I NOK						
Shares as at beginning of period	795,941	427,893	–	–	362,214	–
Shares issued	161,486	23,028	–	–	35,893	219,329
Shares redeemed	(117,633)	(77,579)	–	–	(77,719)	(3,006)
Shares as at end of financial period	839,794	373,342	–	–	320,388	216,323
Class I USD						
Shares as at beginning of period	–	–	–	–	–	–
Shares issued	–	–	–	–	–	49,979
Shares redeemed	–	–	–	–	–	–
Shares as at end of financial period	–	–	–	–	–	49,979
Class R NOK						
Shares as at beginning of period	2,000	–	–	–	–	–
Shares issued	–	–	–	–	–	–
Shares redeemed	–	–	–	–	–	–
Shares as at end of financial period	2,000	–	–	–	–	–

Notes to the Financial Statements (Continued)

6. Share Capital (continued)

The movement in shares for the year ended 31 December 2015 was as follows:

	Arctic Return Number of Shares	Arctic Global Equities Number of Shares	Arctic High Return Number of Shares	Arctic Investment Grade Number of Shares	Arctic Norwegian Equities Number of Shares
Class A NOK					
Shares as at beginning of year	–	14,179	95,587	–	41,675
Shares issued	44,739	323,376	56,050	–	15,890
Shares redeemed	(5,576)	(310,995)	(98,428)	–	(8,895)
Shares as at end of financial year	39,163	26,560	53,209	–	48,670
Class B NOK					
Shares as at beginning of year	–	61,022	615,836	880,501	94,718
Shares issued	125,954	44,018	104,211	318,909	66,422
Shares redeemed	(16,342)	(38,320)	(267,696)	(384,719)	(57,542)
Shares as at end of financial year	109,612	66,720	452,351	814,691	103,598
Class B SEK					
Shares as at beginning of year	–	–	–	28,115	–
Shares issued	–	–	–	–	–
Shares redeemed	–	–	–	(835)	–
Shares as at end of financial year	–	–	–	27,280	–

Notes to the Financial Statements (Continued)

6. Share Capital (continued)

The movement in shares for the year ended 31 December 2015 was as follows:

	Arctic Return Number of Shares	Arctic Global Equities Number of Shares	Arctic High Return Number of Shares	Arctic Investment Grade Number of Shares	Arctic Norwegian Equities Number of Shares
Class C NOK					
Shares as at beginning of year	–	–	173,592	–	–
Shares issued	–	–	1,445	–	–
Shares redeemed	–	–	–	–	–
Shares as at end of financial year	–	–	175,037	–	–
Class D NOK					
Shares as at beginning of year	–	–	192,406	669,628	845,511
Shares issued	–	–	560,846	393,126	382,338
Shares redeemed	–	–	(178,345)	(897,766)	(154,429)
Shares as at end of financial year	–	–	574,907	164,988	1,073,420
Class H Hedged NOK					
Shares as at beginning of year	–	–	–	–	–
Shares issued	–	301,182	–	–	–
Shares redeemed	–	(150,092)	–	–	–
Shares as at end of financial year	–	151,090	–	–	–

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Notes to the Financial Statements (Continued)

6. Share Capital (continued)

The movement in shares for the year ended 31 December 2015 was as follows:

	Arctic Return Number of Shares	Arctic Global Equities Number of Shares	Arctic High Return Number of Shares	Arctic Investment Grade Number of Shares	Arctic Norwegian Equities Number of Shares
Class I NOK					
Shares as at beginning of year	536,058	363,349	–	–	296,427
Shares issued	423,731	71,253	–	–	206,225
Shares redeemed	(163,848)	(6,709)	–	–	(140,438)
Shares as at end of financial year	795,941	427,893	–	–	362,214
Class R NOK					
Shares as at beginning of year	–	–	–	–	–
Shares issued	2,000	–	–	–	–
Shares redeemed	–	–	–	–	–
Shares as at end of financial year	2,000	–	–	–	–

7. Exchange Rates

The following exchange rates have been used to translate assets and liabilities in other currencies to Norwegian Krone:

Exchange Rates against NOK	30 June 2016	31 December 2015
Australian Dollar	6.2414	6.4502
British Pound	11.1409	13.0491
Danish Krone	1.2487	1.2890
Euro	9.2872	9.6195
Hong Kong Dollar	1.0787	1.1421
Japanese Yen	0.0810	0.0736
Singapore Dollar	6.2124	6.2428
Swedish Krona	0.9891	1.0486
Swiss Franc	8.5701	8.8375
United States Dollar	8.3688	8.8517

Notes to the Financial Statements (Continued)

8. Cash at bank

As at 30 June 2016 and 31 December 2015, cash at bank consists of cash on hand, bank balances and cash balances held via BNY Mellon Trust Company (Ireland) Limited and DNB NOR.

9. Efficient Portfolio Management

The Company may engage in transactions in Financial Derivative Instruments ("FDI") on behalf of a Fund either for investment purposes or for the purposes of efficient portfolio management. Where considered appropriate, the Company may invest in FDIs and/or utilise techniques and instruments for investment purposes, for efficient portfolio management, to gain currency exposure and/or to protect against foreign exchange risks, subject to the conditions and within the limits laid down by the Central Bank. Gains and losses on these transactions are reflected in the Statement of Comprehensive Income.

During the financial period ended 30 June 2016, the financial instruments utilised for efficient portfolio management purposes are detailed in the Portfolio of Investments of the Funds.

In accordance with the Central Bank UCITS Regulations, the revenues arising from repurchase agreements and stock lending transactions for the entire reporting period, together with the direct and indirect operational costs and fees incurred, should be disclosed in the financial statements of the Company. During the financial period ended 30 June 2016, and year ended 31 December 2015, the Funds did not enter into any repurchase agreements and stock lending transactions.

10. Fair Value Hierarchy

The Company has adopted the Amendments to FRS 102, "Fair Value Hierarchy Disclosures", which are effective for accounting periods beginning on or after 1 January 2017. These amendments require the Company to categorise its fair value measurements into the following levels consistent with the fair value hierarchy set out in International Financial Reporting Standards as adopted for use in the European Union. These amendments did not have any impact on the Funds' financial position or performance.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

An investment is always categorised as level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and is specific to the investment.

The following table provides an analysis of financial instruments as at 30 June 2016 that are measured at fair value in accordance with FRS 102.

	Level 1 NOK	Level 2 NOK	Level 3 NOK	Total as at 30 June 2016 NOK
Arctic Return				
Financial Assets at Fair Value				
- Corporate Bonds	–	1,138,800,628	–	1,138,800,628
- Government Bonds	–	14,835,000	–	14,835,000
- Forward Currency Contracts	–	1,639,564	–	1,639,564
Total Financial Assets at Fair Value	–	1,155,275,192	–	1,155,275,192
Financial liabilities at Fair Value				
- Cross Currency Swaps	–	(361,776)	–	(361,776)
- Forward Currency Contracts	–	(910,842)	–	(910,842)
Total Financial Liabilities at Fair Value	–	(1,272,618)	–	(1,272,618)

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Notes to the Financial Statements (Continued)

10. Fair Value Hierarchy (continued)

	Level 1 NOK	Level 2 NOK	Level 3 NOK	Total as at 30 June 2016 NOK
Arctic Global Equities				
Financial Assets at Fair Value				
- Common Stock	783,846,345	–	–	783,846,345
- Rights	235,153	–	–	235,153
- Forward Currency Contracts	–	658,305	–	658,305
Total Financial Assets at Fair Value	784,081,498	658,305	–	784,739,803
Financial liabilities at Fair Value				
- Forward Currency Contracts	–	(1,332,373)	–	(1,332,373)
Total Financial Liabilities at Fair Value	–	(1,332,373)	–	(1,332,373)

	Level 1 NOK	Level 2 NOK	Level 3 NOK	Total as at 30 June 2016 NOK
Arctic High Return				
Financial Assets at Fair Value				
- Common Stock	3,948,956	–	–	3,948,956
- Corporate Bonds	–	1,055,051,583	–	1,055,051,583
- Forward Currency Contracts	–	1,845,824	–	1,845,824
Total Financial Assets at Fair Value	3,948,956	1,056,897,407	–	1,060,846,363
Financial liabilities at Fair Value				
- Cross Currency Swaps	–	(1,386,942)	–	(1,386,942)
- Forward Currency Contracts	–	(1,532,188)	–	(1,532,188)
Total Financial Liabilities at Fair Value	–	(2,919,130)	–	(2,919,130)

	Level 1 NOK	Level 2 NOK	Level 3 NOK	Total as at 30 June 2016 NOK
Arctic Investment Grade				
Financial Assets at Fair Value				
- Corporate Bonds	–	804,703,325	–	804,703,325
- Forward Currency Contracts	–	1,278,640	–	1,278,640
Total Financial Assets at Fair Value	–	805,981,965	–	805,981,965
Financial liabilities at Fair Value				
- Cross Currency Swaps	–	(1,386,942)	–	(1,386,942)
- Forward Currency Contracts	–	(593,212)	–	(593,212)
Total Financial Liabilities at Fair Value	–	(1,980,154)	–	(1,980,154)

	Level 1 NOK	Level 2 NOK	Level 3 NOK	Total as at 30 June 2016 NOK
Arctic Norwegian Equities				
Financial Assets at Fair Value				
- Common Stock	2,570,866,265	–	–	2,570,866,265
- Warrants	166,881	–	–	166,881
- Private Placements	–	–	88,476,831	88,476,831
Total Financial Assets at Fair Value	2,571,033,146	–	88,476,831	2,659,509,977

Notes to the Financial Statements (Continued)

10. Fair Value Hierarchy (continued)

	Level 1 NOK	Level 2 NOK	Level 3 NOK	Total as at 30 June 2016 NOK
Arctic Aurora LifeScience				
Financial Assets at Fair Value				
- Common Stock	248,512,437	–	–	248,512,437
- Forward Currency Contracts	–	149,517	–	149,517
Total Financial Assets at Fair Value	248,512,437	149,517	–	248,661,954
Financial liabilities at Fair Value				
- Forward Currency Contracts	–	(3,328)	–	(3,328)
Total Financial Liabilities at Fair Value	–	(3,328)	–	(3,328)

The following table provides an analysis of financial instruments as at 31 December 2015 that are measured at fair value in accordance with FRS 102.

	Level 1 NOK	Level 2 NOK	Level 3 NOK	Total as at 31 December 2015 NOK
Arctic Return				
Financial Assets at Fair Value				
- Corporate Bonds	–	1,026,096,403	–	1,026,096,403
- Government Bonds	–	14,739,000	–	14,739,000
Total Financial Assets at Fair Value	–	1,040,835,403	–	1,040,835,403
Financial liabilities at Fair Value				
- Cross Currency Swaps	–	(1,117,906)	–	(1,117,906)
- Forward Currency Contracts	–	(3,861,156)	–	(3,861,156)
- Interest Rate Swaps	–	(111,006)	–	(111,006)
Total Financial Liabilities at Fair Value	–	(5,090,068)	–	(5,090,068)

	Level 1 NOK	Level 2 NOK	Level 3 NOK	Total as at 31 December 2015 NOK
Arctic Global Equities				
Financial Assets at Fair Value				
- Common Stock	981,743,020	–	–	981,743,020
- Forward Currency Contracts	–	21,516	–	21,516
Total Financial Assets at Fair Value	981,743,020	21,516	–	981,764,536
Financial liabilities at Fair Value				
- Forward Currency Contracts	–	(1,999,509)	–	(1,999,509)
Total Financial Liabilities at Fair Value	–	(1,999,509)	–	(1,999,509)

	Level 1 NOK	Level 2 NOK	Level 3 NOK	Total as at 31 December 2015 NOK
Arctic High Return				
Financial Assets at Fair Value				
- Common Stock	2,169,869	–	–	2,169,869
- Corporate Bonds	–	1,273,668,270	–	1,273,668,270
Total Financial Assets at Fair Value	2,169,869	1,273,668,270	–	1,275,838,139
Financial liabilities at Fair Value				
- Cross Currency Swaps	–	(1,117,906)	–	(1,117,906)
- Forward Currency Contracts	–	(7,873,703)	–	(7,873,703)
- Interest Rate Swaps	–	(166,509)	–	(166,509)
Total Financial Liabilities at Fair Value	–	(9,158,118)	–	(9,158,118)

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Notes to the Financial Statements (Continued)

10. Fair Value Hierarchy (continued)

	Level 1 NOK	Level 2 NOK	Level 3 NOK	Total as at 31 December 2015 NOK
Arctic Investment Grade Financial Assets at Fair Value				
- Corporate Bonds	–	1,130,555,294	–	1,130,555,294
- Government Bonds	–	14,739,000	–	14,739,000
- Forward Currency Contracts	–	817,851	–	817,851
Total Financial Assets at Fair Value	–	1,146,112,145	–	1,146,112,145
Financial liabilities at Fair Value				
- Cross Currency Swaps	–	(1,117,906)	–	(1,117,906)
- Forward Currency Contracts	–	(5,389,376)	–	(5,389,376)
- Interest Rate Swaps	–	(1,871,924)	–	(1,871,924)
Total Financial Liabilities at Fair Value	–	(8,379,206)	–	(8,379,206)

	Level 1 NOK	Level 2 NOK	Level 3 NOK	Total as at 31 December 2015 NOK
Arctic Norwegian Equities Financial Assets at Fair Value				
- Common Stock	2,471,092,144	–	–	2,471,092,144
- Private Placements	–	–	1,710,000	1,710,000
Total Financial Assets at Fair Value	2,471,092,144	–	1,710,000	2,472,802,144

11. Comparative Net Asset Values

	30 June 2016	31 December 2015	30 June 2015
Arctic Return			
Net Assets attributable to holders of redeemable participating shares	1,175,592,245	1,060,844,693	1,067,857,610
Outstanding shares			
Class A NOK	40,717	39,163	24,247
Class B NOK	158,458	109,612	57,735
Class I NOK	839,794	795,941	859,055
Class R NOK	2,000	2,000	–
Dealing Net Asset Value per share			
Class A NOK	1,017.09	1,005.46	1,009.85
Class B NOK	1,018.12	1,006.23	1,010.37
Class I NOK	1,156.03	1,142.26	1,146.68
Class R NOK	1,012.01	1,001.43	–
Arctic Global Equities			
Net Assets attributable to holders of redeemable participating shares	810,511,555	993,540,210	928,649,056
Outstanding shares			
Class A NOK	20,452	26,560	32,658
Class B NOK	56,054	66,720	91,826
Class H Hedged NOK	152,067	151,090	150,091
Class I NOK	373,342	427,893	389,276
Dealing Net Asset Value per share			
Class A NOK	1,358.51	1,487.38	1,395.59
Class B NOK	1,449.99	1,581.81	1,478.95
Class H Hedged NOK	879.69	924.27	967.04
Class I NOK	1,520.53	1,656.60	1,546.83

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Notes to the Financial Statements (Continued)

11. Comparative Net Asset Values (continued)

	30 June 2016	31 December 2015	30 June 2015
Arctic High Return			
Net Assets attributable to holders of redeemable participating shares			
Outstanding shares			
Class A NOK	52,872	53,209	113,351
Class B NOK	436,745	452,351	537,552
Class C NOK	233,071	175,037	175,037
Class D NOK	331,779	574,907	554,570
Dealing Net Asset Value per share			
Class A NOK	1,169.01	1,169.00	1,251.61
Class B NOK	1,182.80	1,180.89	1,262.43
Class C NOK	846.71	845.42	971.85
Class D NOK	936.77	937.56	1,004.79
Arctic Investment Grade			
Net Assets attributable to holders of redeemable participating shares			
Outstanding shares			
Class B NOK	527,745	814,691	808,898
Class B SEK	27,280	27,280	28,115
Class D NOK	145,085	164,988	673,321
Dealing Net Asset Value per share			
Class B NOK	1,209.32	1,193.12	1,203.45
Class B SEK	1,096.29	1,089.28	1,107.76
Class D NOK	1,018.18	1,005.38	1,016.18
Arctic Norwegian Equities			
Net Assets attributable to holders of redeemable participating shares			
Outstanding shares			
Class A NOK	48,112	48,670	47,004
Class B NOK	76,748	103,598	151,038
Class D NOK	1,279,161	1,073,420	997,515
Class E NOK	128,403	–	–
Class I NOK	320,388	362,214	380,659
Dealing Net Asset Value per share			
Class A NOK	1,555.30	1,600.36	1,584.45
Class B NOK	1,690.63	1,733.12	1,709.28
Class D NOK	1,489.33	1,532.37	1,516.96
Class E NOK	1,062.17	–	–
Class I NOK	1,722.54	1,763.64	1,740.26
Arctic Aurora LifeScience			
Net Assets attributable to holders of redeemable participating shares			
Outstanding shares			
Class H NOK	21,554	–	–
Class I NOK	216,323	–	–
Class I USD	49,979	–	–
Dealing Net Asset Value per share			
Class H NOK	1,006.07	–	–
Class I NOK	992.07	–	–
Class I USD	118.49	–	–

Notes to the Financial Statements (Continued)

12. Soft Commission Arrangements

There were no soft commissions for the financial period ended 30 June 2016 or 30 June 2015.

13. Related Party Transactions

Fees payable to the Investment Manager and Directors are detailed in Note 3.

Arctic Securities AS, promoter of the Company, are also engaged to provide brokerage services. The provision of the broker services by Arctic Securities AS is on an arm's length basis and commission fees are based on market terms. Arctic Securities AS are not deemed a preferred broker to the Company. During the financial period ended 30 June 2016 and 30 June 2015, there are no fees paid under this brokerage services arrangement.

There were no other material related party transactions with the Investment Manager and Directors to be included in the Notes to the Financial Statements.

14. Connected Party Transactions

In accordance with Section 41(1) of the Central Bank UCITS Regulations, any transactions carried out with a UCITS by a promoter, manager, trustee, investment manager and/or associated or group companies of these ("connected parties") must be carried out as if negotiated at arm's length and that all such transactions must be in the best interest of the shareholders.

The Board of Directors is satisfied that transactions with connected parties entered into during the financial period complied with the obligation set out in the Central Bank UCITS Regulations 41(1).

15. Significant events

Class E NOK Shares were launched on 22 February 2016 for Arctic Norwegian Equities.

A new prospectus was issued on 15 April 2016.

Arctic Aurora LifeScience was launched on 25 May 2016.

There were no other significant events affecting the Company during the financial period.

16. Post Balance Sheet Events

BNY Mellon Investment Servicing (International) Limited merged into BNY Mellon Fund Services (Ireland) Designated Activity Company effective 1 July 2016.

There were no significant events affecting the Company since the financial period end.

17. Approval of the Financial Statements

The financial statements were approved by the Board of Directors on 23 August 2016.

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Statement of Portfolio Changes

In accordance with the Central Bank UCITS Regulations, a statement of largest changes in the composition of the Portfolios of Investments during the reporting period is provided to ensure that shareholders can identify changes in the investments held by the Funds. These are defined as the aggregate purchases and sales of an investment (including maturities but excluding repurchase agreements, overnight discount notes and time deposits, which are employed chiefly as a means of seeking to ensure efficient portfolio management) exceeding 1.00% of the total value of purchases and sales for the financial period. At a minimum the largest 20 purchases and sales are listed. If a Fund entered into less than 20 purchases or sales during the reporting period, then all transactions are presented.

Arctic Return

LARGEST PURCHASES

	COST NOK
DNB Boligkreditt AS, 1.16%, 02/11/2020	48,975,900
Danske Bank A/S, 1.60%, 26/05/2020	35,002,000
Stolt-Nielsen Ltd, 5.78%, 19/03/2018	25,687,500
Nordea Eiendomskreditt AS, 1.42%, 20/06/2018	20,023,000
E-CO Energi Holding AS, 1.50%, 18/10/2016	19,990,000
Nordea Eiendomskreditt AS, 1.37%, 17/06/2020	19,856,600
Kommunal Landspensjonskasse Gjensidig Forsikringselskap, 4.25%, 10/06/2045	18,296,366
Color Group AS, 5.53%, 18/12/2017	17,933,000
DFDS A/S, 4.60%, 02/05/2016	17,526,653
Opus Group AB, 4.50%, 17/10/2017	16,376,669
StormGeo Holding AS, 6.69%, 31/01/2017	15,173,750
OBOS BBL, 2.39%, 28/04/2021	15,000,000
Atea ASA, 3.13%, 19/06/2018	14,940,000
DNB Bank ASA, 2.73%, 19/06/2023	13,822,000
SpareBank 1 SR-Bank ASA, 4.47%, 02/12/2021	11,580,500
Arion Banki HF, 3.94%, 07/07/2020	11,041,811
Arion Banki HF, 0.00%, 23/03/2019	10,190,148
Aker Solutions ASA, 5.25%, 06/06/2017	10,039,500
OBOS BBL, 2.47%, 21/11/2016	10,033,600
SpareBank 1 SR-Bank ASA, 3.73%, 03/12/2022	10,022,500
Sparebanken More, 3.47%, 22/02/2023	10,019,000
Gjensidige Pensjonsforsikring AS, 3.92%, 23/06/2026	10,000,000
AP Moeller - Maersk A/S, 2.46%, 22/06/2021	10,000,000
DNB Bank ASA, 6.29%, 29/12/2049	10,000,000
Sognekraft AS, 2.50%, 16/03/2017	9,977,400
Pareto Bank ASA, 1.97%, 04/11/2019	9,837,000
Kommunal Landspensjonskasse Gjensidig Forsikringselskap, 5.25%, perpetual	9,502,493
Arla Foods Finance A/S, 1.22%, 31/05/2021	9,036,424
Landsbankinn HF, 3.64%, 08/06/2019	9,027,900
Landsbankinn HF, 3.62%, 08/06/2019	9,026,883
Navigator Holdings Ltd, 9.00%, 18/12/2017	8,353,862
DOF Subsea AS, 6.70%, 29/04/2016	7,996,000
Infratek Group AS, 5.97%, 20/05/2019	7,962,000
AP Moeller - Maersk A/S, 6.25%, 16/12/2016	6,687,850
Bonheur ASA, 5.47%, 10/02/2017	6,474,500

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Statement of Portfolio Changes (Continued)

Arctic Return (Continued)

LARGEST SALES	PROCEEDS NOK
DNB Boligkreditt AS, 1.16%, 02/11/2020	34,464,300
DFDS A/S, 4.60%, 02/05/2016	25,500,000
Stolt-Nielsen Ltd, 5.95%, 22/06/2016	24,008,750
OBOS BBL, 2.47%, 21/11/2016	20,086,400
Nordea Eiendomskreditt AS, 1.39%, 20/06/2018	20,045,800
Marine Harvest ASA, 4.58%, 12/03/2018	16,372,800
SSB Boligkreditt AS, 1.44%, 03/09/2020	14,656,800
Pohjola Bank Oyj, 1.21%, 25/08/2025	14,586,666
Kommunal Landspensjonskasse Gjensidig Forsikringssselskap, 5.25%, perpetual	14,035,873
AB Bonnier Finans, 1.32%, 17/06/2018	14,008,337
Prosafe SE, 4.70%, 25/02/2016	10,989,000
Nordax Bank AB, 3.00%, 21/03/2016	10,221,583
Arion Banki HF, 2.18%, 23/03/2019	10,061,016
Color Group AS, 6.25%, 25/08/2016	10,050,000
Flekkefjord Sparebank, 1.94%, 30/03/2017	10,000,000
E-CO Energi Holding AS, 1.50%, 18/10/2016	9,999,900
Brage Finans AS, 1.88%, 18/09/2017	9,975,300
Danske Bank A/S, 1.43%, 01/07/2019	9,950,000
Nordea Eiendomskreditt AS, 1.37%, 17/06/2020	9,950,000
Eika Boligkreditt AS, 1.25%, 10/02/2022	9,770,000
Kistefos AS, 8.35%, 16/12/2016	9,523,750
Fred Olsen Energy ASA, 5.40%, 12/05/2016	9,500,000
Forchem Oy, 4.90%, 02/07/2020	9,481,034
Kommunal Landspensjonskasse Gjensidig Forsikringssselskap, 4.25%, 10/06/2045	9,146,494
Landsbankinn HF, 3.64%, 08/06/2019	9,026,883
Solstad Offshore ASA, 5.60%, 25/02/2016	8,500,000
Navigator Holdings Ltd, 9.00%, 18/12/2017	8,474,356
DOF Subsea AS, 6.70%, 29/04/2016	8,000,000
Hoenefoss Sparebank, 1.80%, 26/02/2020	7,822,300
AP Moeller - Maersk A/S, 6.25%, 16/12/2016	6,644,950
Wilh Wilhelmsen ASA, 9.00%, 02/11/2016	6,234,000
Arion Banki HF, 4.08%, 07/07/2020	6,036,811
Norwegian Air Shuttle ASA, 4.76%, 03/07/2017	5,458,750
Pioneer Public Properties II AS, 6.13%, 05/04/2018	5,388,357
Tallink Grupp AS, 6.01%, 18/10/2018	5,322,500
Islandsbanki HF, 4.00%, 16/12/2017	5,190,833
Hoegh LNG Holdings Ltd, 7.01%, 03/10/2017	5,157,500
Akelius Residential Property AB, 2.40%, 27/03/2019	5,150,652
Opus Group AB, 4.50%, 17/10/2017	5,138,096

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Statement of Portfolio Changes (Continued)

Arctic Global Equities

LARGEST PURCHASES

	COST NOK
Continental AG	12,970,542
SAP SE	12,355,474
Valeo SA	11,687,753
Modern Times Group MTG AB	11,420,707
Murata Manufacturing Co Ltd	10,806,859
LyondellBasell Industries NV	10,024,066
Arista Networks Inc	9,745,955
Nordea Bank AB	8,192,372
Cirrus Logic Inc	7,015,627
Novartis AG	6,841,444
Kite Pharma Inc	6,243,438
DBS Group Holdings Ltd	5,390,808
Facebook Inc	5,192,641
Cempra Inc	4,664,275
ACS Actividades de Construccion y Servicios SA	4,522,414
Expedia Inc	4,428,018
Microsoft Corp	3,208,995
Cie Generale des Etablissements Michelin	3,040,935
Boskalis Westminster	2,880,363
Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen	2,774,815
Jardine Matheson Holdings Ltd	2,697,218
Kroger Co	2,658,278
Humana AB	2,534,870
Novo Nordisk A/S	2,237,673
Bayer AG	1,979,103

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Statement of Portfolio Changes (Continued)

Arctic Global Equities (Continued)

LARGEST SALES	PROCEEDS NOK
Bayer AG	16,140,153
Verizon Communications Inc	15,641,999
Cie Generale des Etablissements Michelin	12,340,929
Corticeira Amorim SGPS SA	11,907,044
Merck & Co Inc	11,900,675
ABB Ltd	11,008,041
Nippon Steel & Sumitomo Metal Corp	10,842,070
Citrix Systems Inc	10,023,220
Komatsu Ltd	9,663,942
Elektro AB	9,614,890
Valeo SA	8,934,644
Alphabet Inc	8,103,212
Investor AB - Class B	7,690,826
Renault SA	7,345,335
Deutsche Post AG	7,013,972
GEA Group AG	6,827,661
Tecnicas Reunidas SA	6,824,024
UniCredit SpA	6,688,017
Carnival Corp	6,644,590
SAP SE	6,006,807
Apple Inc	5,283,054
DNB ASA	5,073,277
Amgen Inc	5,066,524
Continental AG	4,690,593
Walt Disney Co	4,147,376
Keppel Corp Ltd	3,812,259
Reckitt Benckiser Group Plc	3,381,758
Navigator Co SA	2,913,347
Golar LNG Ltd	2,845,772
Pfizer Inc	2,842,438

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Statement of Portfolio Changes (Continued)

Arctic High Return

LARGEST PURCHASES

	COST NOK
Islandsbanki HF, 3.10%, 13/02/2019	15,427,403
Austevoll Seafood ASA, 5.13%, 07/02/2017	15,180,000
Pioneer Public Properties AS, 6.30%, 28/05/2021	15,000,000
SpareBank 1 SR-Bank ASA, 3.73%, 03/12/2022	14,035,000
Arion Banki HF, 3.94%, 07/07/2020	13,958,000
Opus Group AB, 4.75%, 26/05/2021	12,004,450
Magnolia Bostad AB, 6.25%, 28/04/2020	11,102,331
Jacob Holm & Sonner Holding A/S, 5.25%, 03/04/2019	10,762,920
DNB Bank ASA, 6.29%, 29/12/2049	10,000,000
Sagax AB, 4.30%, 27/04/2021	9,976,269
Infratek Group AS, 5.97%, 20/05/2019	9,842,500
Odfjell SE, 6.74%, 11/04/2017	9,743,750
Kommunal Landspensjonskasse Gjensidig Forsikringselskap, 5.25%, perpetual	9,425,374
DNB Bank ASA, 5.75%, 29/12/2049	7,826,896
Prosafe SE, 4.71%, 08/02/2017	7,637,500
Teekay LNG Partners LP, 6.24%, 03/05/2017	6,982,500
Austevoll Seafood ASA, 3.87%, 04/05/2021	6,715,000
Color Group AS, 5.56%, 18/12/2017	6,042,000
Teekay Offshore Partners LP, 6.69%, 27/01/2017	4,787,500
GasLog Ltd, 6.54%, 27/06/2018	4,673,750
Det Norske Oljeselskap ASA, 10.25%, 27/05/2022	4,565,225
Polarcus Ltd	4,100,251
Petroleum Geo-Services ASA, 7.38%, 15/12/2018	4,000,460
Color Group AS, 5.77%, 17/12/2020	4,000,000
Hoist Kredit AB, 3.13%, 09/12/2019	3,714,508
Navigator Holdings Ltd, 9.00%, 18/12/2017	3,497,962
Det Norske Oljeselskap ASA, 7.51%, 02/07/2020	3,247,500
Tallink Grupp AS, 6.01%, 18/10/2018	3,060,000
Islandsbanki HF, 3.61%, 16/10/2018	3,018,000
Teekay Offshore Partners LP, 5.12%, 25/01/2016	2,996,700
Bonheur ASA, 5.47%, 10/02/2017	2,932,500

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Statement of Portfolio Changes (Continued)

Arctic High Return (Continued)

LARGEST SALES	PROCEEDS NOK
Solstad Offshore ASA, 5.60%, 25/02/2016	39,475,000
Stolt-Nielsen Ltd, 5.95%, 22/06/2016	21,556,250
Arion Banki HF, 3.94%, 07/07/2020	19,937,500
Pioneer Public Properties II AS, 6.13%, 05/04/2018	17,778,785
Det Norske Oljeselskap ASA, 7.51%, 02/07/2020	15,937,500
Austevoll Seafood ASA, 4.96%, 07/02/2017	15,180,000
Navigator Holdings Ltd, 9.00%, 18/12/2017	15,173,147
Forchem Oy, 4.90%, 00/01/1900	14,090,915
Islandsbanki HF, 3.10%, 13/02/2019	12,243,129
AR Packaging Group AB, 5.75%, 09/07/2017	10,482,341
Aker ASA, 5.10%, 16/03/2017	10,088,750
Pioneer Public Properties III AS, 5.73%, 27/06/2019	10,000,000
Hoist Kredit AB, 3.75%, 02/10/2017	9,662,849
Kommunal Landspensjonskasse Gjensidig Forsikringsselskap, 5.25%, perpetual	9,502,493
Color Group AS, 5.56%, 18/12/2017	9,262,500
GasLog Ltd, 6.54%, 27/06/2018	8,232,000
Kistefos AS, 8.35%, 16/12/2016	8,020,000
Vestland Offshore Invest AS, 11.12%, 15/01/2016	8,000,000
DNB Bank ASA, 5.75%, 29/12/2049	7,831,009
Det Norske Oljeselskap ASA, 10.25%, 27/05/2022	7,001,044
Fred Olsen Energy ASA, 5.40%, 12/05/2016	7,000,000
Island Offshore Shipholding LP, 6.38%, 05/10/2018	6,902,248
Rem Offshore ASA, 6.73%, 14/03/2018	6,375,000
Bonheur ASA, 5.47%, 10/02/2017	6,059,000
Polarcus Ltd	5,787,175
Color Group AS, 6.45%, 25/08/2016	5,519,250
Volstad Shipping AS, 6.99%, 15/04/2019	5,400,000
Teekay Offshore Partners LP, 5.71%, 25/01/2018	5,310,000
Color Group AS, 6.28%, 18/09/2019	5,137,500
SpareBank 1 SR-Bank ASA, 3.73%, 03/12/2022	5,010,000
Islandsbanki HF, 3.61%, 16/10/2018	4,990,000
Aker ASA, 6.01%, 07/09/2022	4,950,000
Ship Finance International Ltd, 6.00%, 19/10/2017	4,900,000
Tryg Forsikring A/S, 3.91%, 13/11/2045	4,862,500
Klaveness Ship Holding AS, 5.28%, 20/03/2020	4,850,000
Petroleum Geo-Services ASA, 7.38%, 15/12/2018	4,557,954

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Statement of Portfolio Changes (Continued)

Arctic Investment Grade

ALL PURCHASES

	COST NOK
Danske Bank A/S, 1.60%, 26/05/2020	10,000,000
AP Moeller - Maersk A/S, 2.46%, 22/06/2021	10,000,000
Sparebanken Soer Boligkreditt AS, 1.31%, 24/06/2020	9,833,000
DNB Boligkreditt AS, 1.51%, 22/11/2019	8,003,200
Schibsted ASA, 3.11%, 01/03/2017	6,068,100
Landkreditt Finans AS, 2.20%, 14/12/2018	5,000,000
Nordea Eiendomskreditt AS, 1.37%, 17/06/2020	4,953,900
Landsbankinn HF, 3.64%, 08/06/2019	4,012,400
Landsbankinn HF, 3.62%, 08/06/2019	4,011,948
DFDS A/S, 4.60%, 02/05/2016	2,008,000

The above constitutes the full list of purchases for the reporting period.

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Statement of Portfolio Changes (Continued)

Arctic Investment Grade (Continued)

LARGEST SALES	PROCEEDS NOK
SpareBank 1 SR-Bank ASA, 2.13%, 14/04/2021	24,692,263
Eidefoss AS, 4.10%, 14/10/2026	19,940,000
LeasePlan Corp NV, 1.91%, 07/08/2019	19,478,400
Yara International ASA, 2.55%, 17/12/2021	18,360,000
SpareBank 1 SMN, 2.13%, 21/02/2018	17,835,352
DFDS A/S, 4.60%, 02/05/2016	17,526,653
Arla Foods Finance A/S, 1.22%, 04/06/2018	15,214,682
Hexagon AB, 0.95%, 26/11/2019	15,153,955
Statkraft AS, 2.03%, 15/12/2021	15,076,500
Trondheim Kommune, 1.59%, 19/06/2020	14,850,000
Santander Consumer Bank AS, 2.41%, 18/11/2016	13,039,000
Stadshypotek AB, 1.88%, 16/05/2019	10,090,100
OBOS BBL, 2.47%, 21/11/2016	10,029,300
Landkreditt Finans AS, 2.42%, 21/10/2016	10,024,150
Pareto Bank ASA, 2.10%, 04/11/2019	9,837,000
Sandnes Sparebank, 3.18%, 24/06/2023	9,725,000
Sparebanken Vest, 2.84%, 10/10/2023	9,703,000
BN Bank ASA, 3.15%, 11/03/2025	9,560,000
Pareto Bank ASA, 2.93%, 03/09/2024	9,447,500
Agder Energi AS, 1.66%, 29/03/2022	9,415,000
Tele2 AB, 3.55%, 24/02/2017	9,117,000
Gjensidige Forsikring ASA, 2.51%, 03/10/2044	8,925,000
Felleskjøpet Agri SA, 3.20%, 13/02/2018	8,096,000
Bank Norwegian AS, 2.32%, 23/05/2018	7,965,600
DNB Bank ASA, 2.73%, 19/06/2023	7,933,600
Storebrand ASA, 1.84%, 10/09/2019	5,796,000
ICA Gruppen AB, 1.10%, 17/06/2019	5,134,196
Surnadal Sparebank, 2.78%, 02/10/2024	5,079,250
Norwegian Property ASA, 2.63%, 05/01/2018	5,023,500
Islandsbanki HF, 3.61%, 16/10/2018	4,990,000
Drangedal Sparebank, 2.22%, 04/09/2018	4,965,000
Danske Bank A/S, 3.60%, 06/12/2023	4,925,000
Ikano Bank AB, 0.60%, 16/06/2020	4,914,273
Vardar AS, 3.13%, 14/12/2017	4,905,000
Bank Norwegian AS, 3.65%, 11/12/2023	4,896,500
SpareBank 1 Ringerike Hadeland, 2.55%, 12/06/2024	4,862,500
SpareBank 1 SMN, 1.50%, 20/05/2019	4,803,796
Jernbanepersonalets Sparebank, 2.78%, 11/11/2024	4,714,000
Sparebanken Sor, 2.55%, 25/08/2025	4,675,000
Landsbankinn HF, 3.64%, 08/06/2019	4,011,948

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Statement of Portfolio Changes (Continued)

Arctic Norwegian Equities

LARGEST PURCHASES	COST NOK
Statoil ASA	150,729,925
DNB ASA	133,102,776
Royal Caribbean Cruises Ltd	91,503,708
Telenor ASA	85,985,677
Grieg Seafood ASA	58,703,490
Europris ASA	52,576,059
TGS Nopec Geophysical Co ASA	49,518,436
Norwegian Air Shuttle ASA	43,232,649
NRC Group ASA	42,709,488
B2Holding ASA	37,600,008
Marine Harvest ASA	34,777,268
Napatech A/S	24,975,956
Yara International ASA	24,402,434
Frontline Ltd	22,811,053
Det Norske Oljeselskap ASA	21,517,790
Axactor AB	16,910,000
Next Biometrics Group AS	16,405,326
Subsea 7 SA	15,093,161
Tanker Investments Ltd	15,026,511
Gjensidige Forsikring ASA	14,226,764
Bakkafrost P/F	13,945,888
Orkla ASA	12,852,936

LARGEST SALES	PROCEEDS NOK
Royal Caribbean Cruises Ltd	140,035,653
DNB ASA	87,375,562
Statoil ASA	83,747,051
Yara International ASA	50,598,095
Protector Forsikring ASA	36,625,771
Norwegian Air Shuttle ASA	35,343,531
Hoegh LNG Holdings Ltd	30,116,121
Marine Harvest ASA	22,009,351
NEL ASA	21,521,424
Havfisk ASA	21,363,263
Orkla ASA	19,040,826
Europris ASA	17,823,136
XXL ASA	17,360,246
Norsk Hydro ASA	17,320,313
Telenor ASA	17,198,129
Multiconsult ASA	14,851,287
Frontline Ltd	14,042,632
Frontline Ltd	13,298,608
Tomra Systems ASA	12,766,673
TGS Nopec Geophysical Co ASA	12,160,378
Subsea 7 SA	11,856,024
Tanker Investments Ltd	8,778,144
Seadrill Ltd	8,295,306
Borregaard ASA	8,092,703

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Statement of Portfolio Changes (Continued)

Arctic Aurora LifeScience*

LARGEST PURCHASES

	COST NOK
Pfizer Inc	20,354,908
Johnson & Johnson	17,937,642
Novartis AG	15,944,088
Merck & Co Inc	14,141,354
Bristol-Myers Squibb Co	10,788,152
Celgene Corp	10,470,678
Eli Lilly & Co	10,395,486
Amgen Inc	10,388,081
Shire Plc	9,536,869
Regeneron Pharmaceuticals Inc	9,215,104
BioMarin Pharmaceutical Inc	8,907,624
ALK-Abelló A/S	8,757,221
Cempra Inc	8,755,676
Alexion Pharmaceuticals Inc	8,684,907
Roche Holding AG	8,621,198
MacroGenics Inc	7,556,634
Galapagos NV	7,284,851
Genmab A/S	7,265,296
Novo Nordisk A/S	7,261,500
Kite Pharma Inc	6,987,336
Sanofi	6,866,462
Ablynx NV	5,687,710
Lexicon Pharmaceuticals Inc	5,577,950
Vitae Pharmaceuticals Inc	5,560,613
Exelixis Inc	4,680,785
Ultragenyx Pharmaceutical Inc	4,607,607
AbbVie Inc	4,592,542
Nivalis Therapeutics Inc	3,728,792
Gilead Sciences Inc	3,031,979
Juno Therapeutics Inc	3,012,078

ALL SALES

	PROCEEDS NOK
Sanofi	6,746,771

The above constitutes the full list of sales for the reporting period.

*Arctic Aurora LifeScience was launched on 25 May 2016.