

EII Voyager Fund plc  
(an open-ended investment company with segregated liability between sub-funds)

# **Interim Report and Condensed Unaudited Financial Statements**

For the financial period ended 30 June 2017

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## Company information

### Directors of the Company

Mary Broughan (Irish) (Independent)  
 Declan McCourt (Irish) (Independent)  
 Christian Lange (American)  
 Ronald J. Ulrich (American)  
 Adrian Ulrich (American) (appointed 1 February 2017)

(All Directors are non-executive)

### Registered Office

25/28 North Wall Quay  
 International Financial Services Centre  
 Dublin 1  
 Ireland

### Investment Adviser and Distributor

EII Capital Management, Inc.  
 8<sup>th</sup> Floor, 640 Fifth Avenue  
 New York  
 NY 10019  
 USA

### Sub-Investment Adviser and Distributor

Breithorn Capital Management LLC  
 16<sup>th</sup> Floor, 509 Madison Avenue  
 New York  
 NY 10022  
 USA

### Administrator, Transfer Agent and Registrar

Capita Financial Administrators (Ireland) Limited  
 2<sup>nd</sup> Floor, 2 Grand Canal Square  
 Grand Canal Harbour  
 Dublin 2  
 Ireland

### Independent Auditor

KPMG  
 1 Harbourmaster Place  
 International Financial Services Centre  
 Dublin 1  
 Ireland

### Irish Legal Advisers

A & L Goodbody  
 25/28 North Wall Quay  
 International Financial Services Centre  
 Dublin 1  
 Ireland

### Depository

BNY Mellon Trust Company (Ireland) Limited  
 Guild House  
 Guild Street  
 International Financial Services Centre  
 Dublin 1  
 Ireland

### Company Secretary

Goodbody Secretarial Limited  
 International Financial Services Centre  
 North Wall Quay  
 Dublin 1  
 Ireland

### Company number

277225 (Registered in Ireland)

## Investment Adviser's report

For the financial period ended 30 June 2017

### Review of the first six months of 2017

As of June 30, the EII Voyager Fund Plc (the "Fund") A-shares have returned 7.65% and the I-shares have returned 7.97%, compared to 9.01% for the S&P 500 Index adjusted for 30% withholding tax and 1.96% for the Russell 2500 Value index.

After strong performance in 2016, value stocks significantly lagged growth stocks during the first half of 2017. In fact, value stocks are now cheaper compared to growth than they have been at any point in the last 6 decades other than during the dot-com bubble.<sup>1</sup> While the Fund's strategy maintains a strong value discipline in aggregate, it also emphasizes stock-specific catalysts in our investment selection process. We believe this can be helpful in generating returns during periods when value is out of favor, as has been the case this year. In the longer term, the Fund remains well positioned to benefit from a mean reversion in value stocks, which have demonstrated long-term outperformance.

The Fund's best performing holdings year-to-date are General Communication, Inc. (GNCMA) and Kulicke & Soffa Industries, Inc.

GNCMA is a regional provider of telecommunications, data, and video services in the state of Alaska. The company is a relatively new position for the Fund, which began accumulating shares in October 2016. During the first half of the year, shares of GNCMA appreciated 88% from \$19.45 to \$36.64, following the April 4th announcement of an acquisition by Liberty Interactive Corp: an all-stock transaction that is projected to close in 1Q18. While we did not expect GNCMA to be an immediate acquisition target, we did believe the stock was extremely cheap and out of favor, due in part to perceived headwinds from low oil prices. While the Alaskan state economy is under pressure, in our view, the state's immense size and lack of roads make telecommunications essential, and therefore a steep decline in the company's revenue was unlikely, despite the recent downturn in the oil and gas industry. We were attracted to the stock due to the company's high market share, as well as its strong and growing free cash flow. At the time of the Fund's first purchase, we estimated that GNCMA shares were trading at a free cash flow yield of roughly 13%, and we believed that free cash flow was poised to increase dramatically as the company completes the build out of its fiber network in rural Alaska and associated capital spending declines. Accordingly, we estimated that free cash flow per share could exceed \$3.00 in the medium term, offering a very attractive earnings yield on a stock price of \$15.47 at initial purchase. The Fund continues to hold GNCMA shares as of the end of the quarter.

KLIC is the dominant provider of wire bonding equipment which is used for semiconductor assembly. The stock has long been a core position for the Fund. Following a cyclical rebound in 2016, the company's end markets have remained strong and the stock price has continued to climb. In February, the company reported quarterly results and issued guidance, both of which exceeded street estimates. Customer utilization rates are now approaching 80%, up from the low 70% range a year ago. The company continues to accumulate cash, which amounts to 41% of its market capitalization. We believe investors have historically applied a discount to this cash because it was trapped abroad. Notwithstanding the recent legislative setbacks, the new Republican administration increases the likelihood that KLIC will be able to repatriate its cash on favorable terms, and deploy it in an accretive manner. We estimate that KLIC can generate earnings of at least \$1.50 per share in the medium term. Although KLIC's valuation remains reasonable, we have reduced the Fund's position, given its significant appreciation and large size in the portfolio.

The Fund's worst performing holdings year-to-date are Era Group, Inc. (ERA) and Chicago Bridge & Iron, Inc. (CBI).

After a sharp rebound in the stock price during the fourth quarter of last year, shares of offshore helicopter operator ERA traded off in sympathy with the price of oil, declining from \$16.97 to \$9.46 per share during the first half of the year. During this period, shares of many energy stocks were indiscriminately sold, and ERA was no exception. The Fund initially purchased ERA shares in June of 2015. Despite the downturn in offshore drilling during our holding period, the company has continued to generate positive cash flow and maintains a strong balance sheet. This is in sharp contrast to its competitors, which have struggled with greater balance sheet leverage. In addition, the stock trades well below tangible book value and our estimated net asset value of the company's fleet of helicopters. However, given the continued softness in commodity prices, and lack of visibility around a future recovery to levels necessary for a significant rebound in offshore drilling activity, we decided to begin selling down the Fund's position.

CBI shares had a volatile six months, ultimately ending the second quarter at \$19.73, down from \$33.96 at year end. CBI is an engineering and construction company focused on energy infrastructure. We were originally attracted to it due to its strong franchise, attractive free cash flow and low valuation and began purchasing shares in XX.. The stock price had collapsed from a high of nearly \$90.00 in March of 2014, as declining energy prices caused a slowdown in LNG related construction, which represents approximately 25% of the company's backlog. In addition, we believed the stock was out of favor due to the overhang from a legal dispute arising from the sale of CBI's nuclear business to Westinghouse in 2015. During the second quarter, CBI reported execution issues at two projects and amended their debt covenants, causing the stock to trade off significantly despite strong bookings. In our opinion, the decline in the stock was irrational. CBI does have net debt on the balance sheet. However, after adjusting for the June 30 sale of their capital services business, we estimate pro-forma leverage to be approximately 1.8x net debt to EBITDA, which we view as manageable given the company's strong cash flow. In June, the Delaware Supreme Court ruled in CBI's favor, effectively limiting the dispute with Westinghouse to \$70mm, well below to the \$2bn claim, and the stock recovered some of its losses. Despite the rebound, CBI remains cheap, trading at approximately 5x estimated medium term earnings. The Fund continues to hold CBI shares as of June 30.

### Outlook for the second half of 2017

The U.S. economy continues to appear stable. The labor market is strong, consumer confidence is high and inflation measures are at their lowest level in 6 months. In addition, corporate profits remain on an upswing. The Federal Reserve is gradually reducing monetary stimulus, which should result in a normalizing of interest rates over time. Moreover, we do not believe the current 1% federal funds rate is sufficiently high to be a headwind for growth. In addition, the political backdrop remains supportive. A reduction in regulations is underway, and some form of corporate tax reform continues to be a possibility because the Republican Party is under pressure to deliver on campaign promises ahead of the 2018 mid-term elections. While we can't handicap the probability, we note that a reduction in the statutory tax rate should favor smaller capitalization, U.S centric companies on which the Fund is focused. While many market indices are at or near historical highs and headline valuation metrics appear lofty, we believe that many value stocks remain deeply undervalued.

<sup>1</sup> Mark Hulbert, "Value Investing Is Ready to Stage a Comeback," *Barron's*, June 28, 2017

## Investment Adviser's report (continued)

For the financial period ended 30 June 2017

### Portfolio Positioning

As of June 30, the Fund holds 31 stocks. The largest positions are GNCMA, BLBD, and GM, with 5.9%, 5.2% and 4.6% weights, respectively, and the top 10 positions account for 42.6% of the portfolio. As of quarter-end, the three highest sector weights are Financials, Healthcare, and Industrials, and cash comprises 6.1% of the portfolio.

Despite the broad-based appreciation in stock prices over the last 8 years, our bottom-up investment process continues to yield opportunities to purchase companies that are trading at an attractive discount to intrinsic value. We can't predict what will happen in the market in the coming months. We are aware of potential headwinds to the economy including rising labor costs and increasing levels of corporate debt, and we therefore remain focused on businesses with a solid competitive position, resilient balance sheets and a path to increasing shareholder value over the long term.

As of June 30, the Fund's portfolio in aggregate trades at a large discount to the S&P 500, based on various metrics:

### Current Valuation

	Voyager	S&P 500	Discount
Price / Earnings	11.9	19.9	41%
Price / Sales	0.7	2.1	68%
Price / Book	1.6	2.8	42%

Source: Factset consensus estimates, Breithorn estimates

**Breithorn Capital Management LLC**  
July 2017

**Statement of financial position**

As at 30 June 2017

<b>U.S. Leaders Equity Fund</b>	<b>Note</b>	<b>30 June 2017 (unaudited) USD</b>	<b>31 December 2016 (audited) USD</b>
<b>Assets</b>			
Cash and cash equivalents	4	4,875,091	6,374,882
Financial assets at fair value through profit or loss	3		
- Transferable securities		75,870,273	67,751,046
Securities sold receivable		-	119,960
Accrued dividend income		19,038	14,702
Prepaid fees and expenses		1,570	4,753
<b>Total assets</b>		<b>80,765,972</b>	<b>74,265,343</b>
<b>Liabilities</b>			
Redemptions payable		-	99,666
Investment adviser fee payable	5	65,591	61,103
Administration fees payable	6	9,054	5,654
Depositary fees payable	7	22,417	13,412
Director's fee payable	8	5,790	-
Audit fee payable		9,036	19,084
Legal fees payable		14,330	29,861
Other expenses payable	9	16,127	31,468
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>142,345</b>	<b>260,248</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>80,623,627</b>	<b>74,005,095</b>
<b>Number of redeemable participating shares in issue</b>			
Class A	11	20,710.42	20,710.42
Class I		5,064,229.86	5,019,069.09
<b>Net asset value per redeemable participating share</b>			
Class A		\$18.16	\$16.87
Class I		\$15.85	\$14.68

The accompanying notes form an integral part of these financial statements

**Statement of comprehensive income**

For the financial period ended 30 June 2017

<b>U.S. Leaders Equity Fund</b>	<b>Note</b>	<b>30 June 2017 (unaudited) USD</b>	<b>30 June 2016 (unaudited) USD</b>
<b>Investment income</b>			
Dividend income		299,458	994,575
Interest income		-	133
Other income		14,267	-
Net gain on financial assets at fair value through profit or loss and foreign exchange	3	6,176,747	978,131
<b>Total investment income</b>		<b>6,490,472</b>	<b>1,972,839</b>
<b>Expenses</b>			
Investment adviser fees	5	387,688	385,330
Administration fees	6	30,468	33,453
Depository fees	7	33,834	23,574
Directors' fees	8	11,712	12,399
Audit fees		8,337	10,553
Legal and professional fees		26,637	28,002
Other expenses	9	25,076	30,102
<b>Total expenses</b>		<b>523,752</b>	<b>523,413</b>
<b>Finance costs</b>			
Bank interest expense		290	-
<b>Total Finance costs</b>		<b>290</b>	<b>-</b>
<b>Profit for the period</b>		<b>5,967,010</b>	<b>1,449,426</b>
<b>Taxation</b>			
Withholding tax on dividends		67,520	230,423
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares from continuing operations</b>		<b>5,899,490</b>	<b>1,219,003</b>

There were no gains/losses in the period other than the increase in net assets attributable to holders of redeemable participating shares.

The accompanying notes form an integral part of these financial statements

## Statement of changes in net assets attributable to holders of redeemable participating shares

For the financial period ended 30 June 2017

<b>U.S. Leaders Equity Fund</b>	<b>30 June 2017 (unaudited) USD</b>	<b>30 June 2016 (unaudited) USD</b>
Net assets attributable to holders of redeemable participating shares at the start of the period	74,005,095	81,557,578
Increase in net assets attributable to holders of redeemable participating shares from continuing operations	5,899,490	1,219,003
Issue of redeemable participating shares	1,303,520	-
Redemption of redeemable participating shares	(584,478)	(18,034,352)
<b>Net assets attributable to holders of redeemable participating shares at the end of the period</b>	<b>80,623,627</b>	<b>64,742,229</b>

The accompanying notes form an integral part of these financial statements

**Statement of cash flows**

For the financial period ended 30 June 2017

	<b>30 June 2017</b> <b>(unaudited)</b> <b>USD</b>	<b>30 June 2016</b> <b>(unaudited)</b> <b>USD</b>
<b>Cash flow from operating activities</b>		
Increase in net assets attributable to holders of redeemable participating shares from continuing operations	5,899,490	1,219,003
<i>Adjustment for:</i>		
Interest income	-	(133)
Dividend income	(299,458)	(994,575)
Withholding taxes	67,520	230,423
<b>Net operating cash flow before change in operating assets and liabilities</b>	<b>5,667,552</b>	<b>454,718</b>
Net (increase)/decrease in financial assets at fair value through profit or loss	(8,119,227)	17,476,578
Net decrease in other receivables	123,143	9,607
Net (decrease)/increase in other payables	(18,237)	2,222,437
<b>Cash (used in)/from operations</b>	<b>(2,346,769)</b>	<b>20,163,340</b>
Interest received	-	133
Dividend received	227,602	767,332
<b>Net cash (used in)/from operating activities</b>	<b>(2,119,167)</b>	<b>20,930,805</b>
<b>Cash flows from financing activities</b>		
Issue of redeemable participating shares	1,303,520	-
Redemption of participating shares	(684,144)	(18,034,352)
<b>Net cash from/(used in) financing activities</b>	<b>619,376</b>	<b>(18,034,352)</b>
Net (decrease)/increase in cash and cash equivalents	(1,499,791)	2,896,453
Cash and cash equivalents at the start of the period	6,374,882	3,591,431
<b>Cash and cash equivalents at the end of the period</b>	<b>4,875,091</b>	<b>6,487,884</b>
<b>Breakdown of cash and cash equivalents</b>		
Cash and cash equivalents	4,875,091	6,487,884

The accompanying notes form an integral part of these financial statements

## Notes to the financial statements

EII Voyager Fund plc

For the financial period ended 30 June 2017

### 1. General information

EII Voyager Fund plc (the "Company") is an open-ended investment company with variable capital incorporated under the laws of Ireland as a public limited company pursuant to Irish company law on 12 December 1997 under registration number 277225 and is established as an umbrella fund with segregated liability between funds. The Company has been authorised in Ireland as an Undertaking for Collective Investments in Transferable Securities ("UCITS") pursuant to the European Communities UCITS Regulations 2011, (as amended) (the "UCITS Regulations"). U.S. Leaders Equity Fund (the "Fund") is currently the only sub-fund under the Company.

The objective of the Company is to achieve capital growth through investment in a diversified portfolio of transferable securities in accordance with the UCITS Regulations, with the aim of spreading investment risk. The investment objective of the Fund is to provide long term capital growth by investing in companies that Breithorn Capital Management LLC (the "Sub-Investment Adviser") believes to be undervalued.

### 2. Significant accounting policies

#### Basis of preparation

The interim report and condensed unaudited financial statements of the Company for the reporting period ended 30 June 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Irish statute comprising the Companies Act 2014, 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 Regulations"). The financial statements have been prepared under the historical cost convention, except for financial assets and liabilities classified at fair value through profit or loss that have been measured at fair value.

The interim report and condensed unaudited financial statements do not contain all of the information and disclosures required in the full annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 December 2016, which have been prepared in accordance with IFRS and Irish statute comprising the Companies Act 2014, the UCITS Regulations and the Central Bank Regulations.

### 3. Financial assets at fair value through profit or loss

(i) Net gain and loss on financial assets at fair value through profit or loss and foreign exchange

	30 June 2017 USD	30 June 2016 USD
Net realised (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	3,459,763	(890,442)
Change in unrealised gain/(loss) on financial assets at fair value through profit or loss and foreign exchange	2,716,984	1,868,573
<b>Net gain on financial assets at fair value through profit or loss and foreign exchange</b>	<b>6,176,747</b>	<b>978,131</b>

(ii) Fair value of financial instruments

IFRS 13 - Fair Value Measurement establishes a fair value hierarchy for inputs used in measuring fair value that classifies investments according to how observable the inputs are. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's assumptions, made in good faith, about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Level 1 – Inputs that are quoted prices (unadjusted) in active markets for identical instruments;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and

Level 3 – Inputs that are unobservable. This category includes all instruments for which the valuation technique include inputs not based on observable data and the unobservable inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

There were no transfers between level 1 and level 2 during the period (2016: nil).

The following table provides an analysis of financial instruments that are measured at fair value, grouped into levels 1 to 3 at the reporting date:

#### As at 30 June 2017

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Designated at fair value through profit or loss				
- Equity securities	75,870,273	-	-	75,870,273
<b>Financial assets at fair value through profit of loss</b>	<b>75,870,273</b>	<b>-</b>	<b>-</b>	<b>75,870,273</b>

## Notes to the financial statements (continued)

EII Voyager Fund plc

For the financial period ended 30 June 2017

### 3. Financial assets at fair value through profit or loss (continued)

(ii) Fair value of financial instruments (continued)

As at 31 December 2016

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Designated at fair value through profit or loss				
- Equity securities	67,751,046	-	-	67,751,046
<b>Financial assets at fair value through profit of loss</b>	<b>67,751,046</b>	<b>-</b>	<b>-</b>	<b>67,751,046</b>

All other assets and liabilities held by the Fund at the reporting dates 30 June 2017 and 31 December 2016 are carried at amortised cost and are classified as loans and receivables; their carrying values are a reasonable approximation of fair value. Cash and cash equivalents have been classified at level 1, due to the liquid nature of the asset. All other assets and liabilities held have been classified at level 2.

### 4. Cash and cash equivalents

The below table shows the cash and cash equivalents held by the Fund at the reporting date:

	Credit rating (S&P) <sup>1</sup>	Currency	30 June 2017 USD equivalent balance	31 December 2016 USD equivalent balance
<i>Short term investment funds</i>				
BNY Mellon Cash Reserve USD	AAA	USD	4,875,092	6,275,174
<i>Cash and cash equivalents</i>				
BNY Mellon cash at bank	AA	EUR	(1)	42
Bank of New York Mellon – London Branch	AA	GBP	-	99,666
<b>Total</b>			<b>4,875,091</b>	<b>6,374,882</b>

<sup>1</sup>The S&P credit rating relates to The Bank of New York Mellon, the ultimate parent of BNY Mellon Trust Company (Ireland) Limited (the "Depository"). The Depository, sub-custodian and the short term investment fund do not have a credit rating.

### 5. Investment adviser fee

EII Capital Management, Inc (the "Investment Adviser") receives an investment adviser fee, which accrues daily and is paid monthly in arrears on the basis of the average daily value over the preceding month. The fee payable to the Investment Adviser for each share class in the Fund is set out below.

Share Class	Investment adviser fee
Class A	1.60%
Class I	1.00%

The Investment Adviser discharges all fees to the Sub-Investment Adviser out of its investment adviser fee.

The Investment Adviser has voluntarily undertaken to reduce or waive its investment adviser fee to cap the total annual fees and expenses in respect of Class A shares and Class I shares of the Fund, to the extent that such expenses exceed such lower expense limitation as the Investment Adviser may determine from time to time. For the financial period ended 30 June 2017, there is an expense cap of 2% on the total expenses of the Fund (2016: 2%).

The investment adviser fee accrued at the reporting date and charged for the period is shown in the statement of financial position and the statement of comprehensive income respectively. The investment adviser reimbursement earned during the period was nil (2016: \$11).

### 6. Administration fees

Capita Financial Administrators (Ireland) Limited (the "Administrator") receives from the Fund a fee based on an annual rate of 0.08% up to €200m of the net asset value (the "NAV") of the Fund and 0.06% for the remainder subject to a minimum monthly fee of €5,000 per month.

The Administrator is entitled to be reimbursed by the Company for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

The administration fee accrued at the reporting date and charged for the period is shown in the statement of financial position and the statement of comprehensive income respectively.

### 7. Depositary fees

The Depositary receives a fee of up to 0.03% per annum of the NAV of the Fund plus vat (if any). The fee is paid monthly in arrears and subject to a minimum annual fee of €28,000.

The Depositary is entitled to be reimbursed by the Company for all reasonable out of pocket expenses properly incurred in the performance of its duties.

The Depositary fee accrued at the reporting date and charged for the period is shown in the statement of financial position and the statement of comprehensive income respectively.

### 8. Directors' fees

The Directors are entitled to be reimbursed their costs and are also entitled to a fee in remuneration for their services at a rate to be determined from time to time by the Directors and that, unless otherwise resolved by the Company, the aggregate remuneration of the Directors shall not exceed €63,487 per annum. Mr Lange and Mr Ulrich have agreed to waive their entitlement to directors' fees.

The directors' fees charged for the period are shown in the statement of comprehensive income.

## Notes to the financial statements (continued)

For the financial period ended 30 June 2017

EII Voyager Fund plc

### 9. Other expenses

The below accruals were held by the Fund at the reporting date:

	30 June 2017 USD	31 December 2016 USD
Regulatory Fee	1,423	405
Corporate secretarial fee	7,087	14,946
Directors Insurance	177	3,148
Other fees charged by the Administrator	7,440	12,969
	<b>16,127</b>	<b>31,468</b>

The below fees were charged through the statement of comprehensive income during the financial period ended:

	30 June 2017 USD	30 June 2016 USD
Bank charges	1,286	700
Corporate secretarial fee	6,337	9,362
Directors insurance	4,931	9,908
Regulatory fee	1,580	1,913
Other fees charged by the Administrator	10,942	8,219
	<b>25,076</b>	<b>30,102</b>

### 10. Exchange rate

As primarily all of the Fund's assets are held in the base currency of the Fund, no exchange rates are provided.

### 11. Share capital

#### Authorised

The Company has an authorised share capital of 500,000,000,000 shares of no par value. The Company has redeemed all but five of the subscriber shares of the Company. The subscriber shares entitle the holders thereof to attend and vote at all meetings of the Company but do not entitle the holders to participate in the dividends or net assets of the Company except to the extent of the initial subscription and any interest accrued thereon. Christian Lange, Ronald Ulrich and the Investment Adviser each held one subscriber share in the Company at the reporting date. These shares do not form part of the NAV of the Company and are disclosed by way of this note only.

#### Redeemable participating shares

Redeemable participating shares carry the right to a proportionate share in the assets of the Company and the holders of redeemable participating shares are entitled to attend and vote on all meetings of the Company and the relevant fund. Shares are redeemable by holders of the relevant share class at the respective NAV.

#### Issued share capital

The table below discloses the share transactions in the Fund during the financial period ended:

	30 June 2017	31 December 2016
<b>Class A shares:</b>		
Opening balance	20,710.42	20,710.42
Shares issued	-	-
Shares redeemed	-	-
<b>Closing balance</b>	<b>20,710.42</b>	<b>20,710.42</b>
<b>Class I shares:</b>		
Opening balance	5,019,069.09	6,545,875.12
Shares issued	84,167.20	19,000.00
Shares redeemed	(39,006.43)	(1,545,806.03)
<b>Closing balance</b>	<b>5,064,229.86</b>	<b>5,019,069.09</b>

### 12. Involvement with unconsolidated structured entities

The interests in short term investment funds which the Fund holds at 30 June 2017, but that it does not consolidate, meet the definition of unconsolidated structured entities. The investment funds are open ended money market funds.

The table below sets out interests held by the Fund in unconsolidated structured entities at 30 June 2017 and 31 December 2016.

	Carrying Amount USD	Total Net asset value at 30 June 2017 USD
BNY Mellon Cash Reserve USD	4,875,092	23,392,078,537

  

	Carrying Amount USD	Total Net asset value at 31 December 2016 USD
BNY Mellon Cash Reserve USD	6,275,174	25,936,651,185

## Notes to the financial statements (continued)

For the financial period ended 30 June 2017

EII Voyager Fund plc

### 13. Connected person transactions

The Central Bank Regulations states that any transaction carried out with a UCITS by a management company or depositary to a UCITS; and the delegates or sub-delegates of such a management company or depositary (excluding any non-group company sub-custodians appointed by a depositary); and any associated or group company of such a management company, depositary, delegate or sub-delegate ("connected person") must be carried out as if conducted at arm's length. Transactions must be in the best interests of the shareholders.

The Directors of the Company are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 78 (4) (a) are applied to all transactions with connected parties; and the Directors are satisfied that transactions with connected parties entered into during the period complied with the obligations set out in Regulation 41 (1) (a) and (b) of the Central Bank Regulations.

### 14. Related party disclosures

In accordance with IAS 24 - Related Party Disclosures the related parties of the Company and the required disclosures relating to material transactions with parties are outlined below.

#### Investment Adviser and Distributor

The Investment Adviser and Distributor are appointed to provide investment advisory services to the Fund. Christian Lange serves as Chief Executive Officer ("CEO") of the Investment Adviser, Trustee of the Investment Advisor's US Mutual Funds, E.I.I. Realty Securities Trust and Director of the ultimate parent company, EII Capital Holding, Inc.

The Sub-Investment Adviser is also deemed a related party at the reporting date as Ronald J. Ulrich, a Director of the Fund, is also the CEO of the Sub-Investment Adviser and Distributor.

The Fund pays investment adviser fees at the rates set out in note 5. The Distributor does not receive a fee in its capacity as Distributor to the Fund.

Details of fees charged by/earned from related parties are outlined below:

	30 June 2017 USD	30 June 2016 USD
Investment adviser fees	387,688	385,330

#### Directors

The Directors are also considered related parties of the Company as they have a significant influence over the operations of the Fund. All transactions between related parties are conducted at arm's length and can be summarised below.

The independent directors receive a director's fee from the Company. Both Christian Lange and Ronald J. Ulrich have waived their entitlement to a director's fee. Aggregate Directors' fees charged during the financial period ended 30 June 2017 amounted to €11,000 (for the financial year ended 31 December 2016: €22,000).

The Directors' fees charged for the period are shown in the statement of comprehensive income.

#### Share transactions

The below table provides details of shares held by the related parties as at the reporting date:

Director	30 June 2017 Shares in the Company	30 June 2017 Shares in profit sharing plan	31 December 2016 Shares in the Company	31 December 2016 Shares in profit sharing plan
Christian Lange	540,932	85,805	455,127	85,805
Ronald Ulrich	230,000	-	230,000	-

In addition, Christian Lange is the joint holder of 95,385 shares in the Investment Adviser's profit sharing plan at the reporting date (2016: 95,385). Christian Lange, Ronald Ulrich and the Investment Adviser each held one subscriber share in the Company at the reporting dates 30 June 2017 and 31 December 2016.

### 15. Fund Asset regime

The Company operates under a Fund Asset Model, whereby an umbrella collection account is held in the name of the Company. The umbrella collection account is used to collect subscription monies from investors and pay out redemption monies and also dividends (where applicable) to shareholders. The balances held in the accounts are reconciled on a daily basis and monies are not intended to be held in the account for long periods. The monies held in the collection accounts are considered an asset of the Company and are disclosed in the statement of financial position under cash and cash equivalents.

### 16. Capital management

The redeemable shares issued by the Fund provide an investor with the right to require redemption for cash at a value proportionate to the investor's shares in the Fund's net assets at each redemption date and are classified as liabilities. The Fund's objectives in managing the redeemable shares are to ensure a stable base to maximise returns to all investors and to manage liquidity risk arising from redemptions. The minimum capital requirement for entry into the Fund is €300,000.

### 17. Commitments and contingent liabilities

The Directors are not aware of any commitments or contingent liabilities of the Fund.

### 18. Changes to the prospectus

There were no material changes to the prospectus during the period.

## **Notes to the financial statements (continued)**

EII Voyager Fund plc

For the financial period ended 30 June 2017

### **19. Events after the reporting date**

There are no significant events that occurred after the reporting date and up to approval of the financial statements that are required to be disclosed.

### **20. Approval of financial statements**

The financial statements were authorised for issue by the Board of Directors on 25 August 2017.

## Schedule of investments

As at 30 June 2017

EII Voyager Fund plc

### U.S. Leaders Equity Fund

	Currency	Nominal holdings	Fair value USD	% NAV
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Bermuda</b>				
XL Group Ltd	USD	53,410	2,339,357	2.90%
			<b>2,339,357</b>	<b>2.90%</b>
<b>Ireland Republic Of</b>				
Perrigo Co Plc	USD	35,150	2,654,528	3.29%
			<b>2,654,528</b>	<b>3.29%</b>
<b>Marshall Islands</b>				
Ardmore Shipping Corp	USD	327,560	2,669,614	3.31%
			<b>2,669,614</b>	<b>3.31%</b>
<b>Netherlands</b>				
Chicago Bridge & Iron Co Nv	USD	72,450	1,429,439	1.77%
			<b>1,429,439</b>	<b>1.77%</b>
<b>United Kingdom</b>				
Arris International Plc	USD	118,675	3,325,274	4.12%
Ferroglobe Plc	USD	109,410	1,307,450	1.62%
			<b>4,632,724</b>	<b>5.74%</b>
<b>United States</b>				
Affiliated Managers Group Inc	USD	16,000	2,653,760	3.29%
Allison Transmission Holdings Inc	USD	42,940	1,610,679	2.00%
Amag Pharmaceuticals Inc	USD	84,600	1,556,640	1.93%
American International Group Inc	USD	51,350	3,210,402	3.98%
B&G Foods Inc	USD	48,070	1,711,292	2.12%
Babcock & Wilcox Enterprises Inc	USD	127,150	1,495,284	1.85%
Blue Bird Corp	USD	245,580	4,174,860	5.18%
Calpine Corp	USD	191,930	2,596,813	3.22%
Cincinnati Bell Inc	USD	150,550	2,943,253	3.65%
Citigroup Inc	USD	40,360	2,699,277	3.35%
Era Group Inc	USD	19,313	182,701	0.23%
Express Inc	USD	175,550	1,184,963	1.47%
FNF Group	USD	58,590	2,626,590	3.26%
General Communication Inc	USD	129,500	4,744,880	5.89%
General Motors Co	USD	105,290	3,677,780	4.56%
Gilead Sciences Inc	USD	34,800	2,463,144	3.06%
Klx Inc	USD	31,100	1,555,000	1.93%
Kulicke & Soffa Industries Inc	USD	98,818	1,879,518	2.33%
Laboratory Corp Of America Holdings	USD	18,160	2,799,182	3.47%
Leucadia National Corp	USD	138,600	3,625,776	4.50%
M/I Homes Inc	USD	97,985	2,797,472	3.47%
Mckesson Corp	USD	17,300	2,846,542	3.53%
Owens-Illinois Inc	USD	119,931	2,868,750	3.56%
Quantum Corp	USD	185,337	1,447,482	1.80%
Voya Financial Inc	USD	75,700	2,792,571	3.46%
			<b>62,144,611</b>	<b>77.09%</b>
<b>Total equities (2016: 91.55%)</b>			<b>75,870,273</b>	<b>94.10%</b>
<b>Total financial assets at fair value through profit or loss (2016: 91.55%)</b>			<b>75,870,273</b>	<b>94.10%</b>
Cash and cash equivalents and other net assets			4,753,354	5.90%
<b>Net assets attributable to holders of redeemable participating shares (2016: 100.00%)</b>			<b>80,623,627</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				<b>% of assets</b>
Transferable securities listed on an official stock exchange				93.94%
Other current assets				6.06%
				<b>100.00%</b>

## Statement of significant portfolio movements

For the financial period ended 30 June 2017

EII Voyager Fund plc

### U.S. Leaders Equity Fund

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the interim report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the period or aggregate disposals greater than 1 per cent of the total value of sales for the period.

<b>Purchases</b>	<b>Cost USD</b>
Arris International PLC	3,430,824
Voya Financial Inc	3,016,675
Cincinnati Bell Inc	2,585,690
McKesson Corp	2,543,463
Affiliated Managers Group Inc	2,329,354
Gilead Sciences Inc	2,323,538
B&G Foods Inc	1,915,333
Amag Pharmaceuticals Inc	1,523,726
Ferroglobe PLC	1,161,703
Chicago Bridge & Iron Co NV	791,270
General Communication Inc	589,858
Citigroup Inc	493,657
Babcock & Wilcox Enterprises Inc	384,116
Dynegy Inc	382,720
Express Inc	302,404

  

<b>Sales</b>	<b>Proceeds USD</b>
Kulicke & Soffa Industries Inc	4,926,018
Citizens Financial Group Inc	3,785,878
Investors Bancorp Inc	2,610,678
DeVry Education Group Inc	2,216,753
Adtalem Global Education Inc	1,851,125
Era Group Inc	1,381,743
Vectrus Inc	1,177,080
Dynegy Inc	921,422
XL Group Ltd	876,865
Quantum Corp	557,897
Allison Transmission Holdings Inc	422,840
Quantum Corp	406,160
Klx Inc	402,123
FNF Group	295,244

## Other information

EII Voyager Fund plc

For the financial period ended 30 June 2017

### Soft commissions

The Sub-Investment Adviser has entered into soft commission arrangements with brokers under which certain goods and services used to support investment decision making were received by the Investment Adviser.

The Sub-Investment Adviser does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Company. Commission is paid by the Company on these transactions.

The goods and services utilised for the Company may include the following:

- (i) research and analytical services including economic factors, trends and computer services used to support investment making decisions; and
- (ii) performance and valuation services.

With regard to the soft commission arrangements:

- (i) the brokers have agreed to provide best execution to the Company; and
- (ii) the benefits provided under the arrangement assist in the provision of investment services to the Company.

During the period U.S. \$23,932 was incurred in soft commissions (2016: U.S. \$43,507).

### Total expense ratio

<b>Class</b>	<b>30 June 2017</b>	<b>31 December 2016</b>
USD Class A	1.94%	1.97%
USD Class I	1.34%	1.37%