

**BLACKFRIARS DEVELOPING MARKETS FUNDS PLC**  
**(An umbrella fund with segregated liability between its funds)**

**INTERIM REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH FINANCIAL PERIOD ENDED**  
**30 JUNE 2018**

# BLACKFRIARS DEVELOPING MARKETS FUNDS PLC

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# BLACKFRIARS DEVELOPING MARKETS FUNDS PLC

## DIRECTORY

Registered Office: 25/28 North Wall Quay,  
Dublin 1, Ireland

### DIRECTORS\*\*

Peter Blessing\* (Irish)  
Cormac Byrne (Irish)  
Thomas Waring (British) (Alternate)  
Gariesh Sharma (British)

### DEPOSITARY

RBC Investor Services Bank S.A., Dublin Branch  
4<sup>th</sup> Floor  
One George's Quay Plaza  
George's Quay  
Dublin 2  
Ireland

### INVESTMENT MANAGER

Blackfriars Asset Management Limited  
9 Cloak Lane  
London, EC4R 2RU  
United Kingdom

### REGISTRAR, ADMINISTRATOR

RBC Investor Services Ireland Limited  
4<sup>th</sup> Floor  
One George's Quay Plaza  
George's Quay  
Dublin 2  
Ireland

### INDEPENDENT AUDITORS

Grant Thornton  
24-26 City Quay  
Dublin 2  
D02 NY19  
Ireland

### SECRETARY

Goodbody Secretarial Limited  
25/28 North Wall Quay  
Dublin 1  
D01 H104  
Ireland

### SPONSORING BROKER

A&L Listing  
25/28 North Wall Quay  
Dublin 1  
D01 H104  
Ireland

### LEGAL ADVISORS (In Ireland)

A&L Goodbody  
IFSC  
Dublin 1  
D01 H104  
Ireland

### UCITS CONSULTANTS

KB Associates  
5 George's Dock  
IFSC  
Dublin 1  
D01 H104  
Ireland

\* Independent Director

\*\* All Directors are non executive

# BLACKFRIARS DEVELOPING MARKETS FUNDS PLC

## INVESTMENT MANAGER'S REPORT FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2018

On 29<sup>th</sup> June 2018, the net asset value of the Dollar Class A and B shares stood at \$21.66 and \$23.81, Euro Class A and B shares stood at €22.88 and €25.27, and the Sterling Class A and B shares stood at £32.86 and £35.89 respectively. The table below details the total return for the first half of 2018. The share classes went ex-dividend (\$0.41, \$0.44, €0.43, €0.47, £0.62 and £0.67 respectively) in early January 2018.

	<b>First Half 2018</b>
Oriental Focus Fund US Dollar A Shares	-14.03%
Oriental Focus Fund US Dollar B Shares	-13.78%
Oriental Focus Fund Euro A Shares	-11.57%
Oriental Focus Fund Euro B Shares	-11.31%
Oriental Focus Fund Sterling A Shares	-11.61%
Oriental Focus Fund Sterling B Shares	-11.35%
MSCI AC Asia ex Japan Index	-4.76%

*The MSCI Index is US Dollar total return with net dividends reinvested. Share class total returns are stated in their dealing currency. All share classes are unhedged.*

Asian equities started the year in a positive fashion but sharp declines in February and June left the MSCI AC Asia ex Japan Index 4.8% lower during the first half of the year. The Oriental Focus Fund delivered poor returns in the first half and trails the index by a substantial margin. There were a number of stock specific issues that impacted the Fund in the first half which your manager addresses later in this report.

The dual threat of rising short-term US Dollar Interest Rates (a cyclical issue) and the prospect of a trade war (a structural issue) remain threatening clouds on an otherwise benign and sunny outlook across the Asian region; where generally favourable demographics and rising income levels are driving rapid growth in domestic demand, which continue to power rapid economic growth rates. The impact of rising US interest rates was seen most clearly in the performance of MSCI Indonesia (-18.8%), MSCI Philippines (-21.5%) and MSCI India (-7.5%). All three countries are running current account deficits. Their currencies have weakened, and tighter domestic monetary policy lies ahead. The threat of a global trade war impacted MSCI Korea (-9.6%), although President Trump has clearly singled out China (MSCI China -1.7%) as the main target. The trade orientated Korean economy perhaps has more to fear from a prolonged slump in global trade.

Turning to stock specific issues, Korean portfolio holding Finetex EnE was suspended in March 2018 after failing an audit. The investment manager decided to write off this investment (2.6% of the net asset value of the Fund at year end) down to zero in two stages in late March and early April. The largest domestic investor in Finetex EnE is currently working with the large number of domestic and foreign investors (including ourselves) to force a change in both the Directors and the Management of Finetex EnE and it may be that the situation is, at least partially, recoverable at some point in the future. In the short term we believe our conservative approach remains justified.

Silver Heritage, an operator of casinos in Vietnam and Nepal, (2.7% of the net asset value of the Fund at year end) also declined precipitously, losing some two thirds of its value. The Company successfully opened its new Integrated Resort (Tiger Palace), which is located just over the border from India, earlier this year. While Silver Heritage remains highly indebted and cashflow remains an issue, recent announcements suggest that their Hanoi property is performing very strongly and that the ramp up of Tiger Palace is matching expectations. We remain optimistic on the longer-term outlook of the Company.

## **BLACKFRIARS DEVELOPING MARKETS FUNDS PLC**

### **INVESTMENT MANAGER'S REPORT (continued) FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2018**

The victory by 92 year old Tun Dr. Mahathir Bin Mohamad's Pakatan Harapan coalition in the recent Malaysian election was unexpected to say the least and his promise to review or cancel numerous infrastructure projects proved unhelpful to portfolio holdings IJM Corp (3.0% of the net asset value of the Fund at year end), a leading Malaysian construction company which declined some 40% in the first half. IJM Corp is a very solid concern with interests in plantations, property development, ports and toll roads in addition to their construction division. The construction business itself is very broadly diversified and the order book substantial. We have no plans to dispose of these shares at their current depressed levels.

Portfolio holding Samsonite Int'l (4.7% of the net asset value of the Fund at year end) was a victim of a short seller "attack" in May 2018. The stock ended the first half 21.5% lower as a result of this unjustified and inaccurate (in our opinion) report. The company has defended itself robustly and we expect the stock to recover strongly over the balance of the year.

Finally, the rising trade tensions appear increasingly focussed on the auto industry. Portfolio holding Minth Group (4.9% of the net asset value of the Fund at year end) supplies body, decorative and trim parts to the global auto industry. The stock declined 28.3% in the first half. This is a globally orientated company supplying virtually every OEM from manufacturing facilities in Asia, Europe and North America with a huge order book. The company would clearly be impacted by an auto orientated trade war but their long-term future is more geared to the growth in the Chinese auto industry. The company has been held in the portfolio since it listed in December 2005 and – as with IJM Corp – there seems little point panicking at the current depressed level.

On a more positive note JNBY Design gained over 90% in the first half and a number of other holdings such as Sun Art Retail, Uni-President, Nam Long Investments and Sunny Optical posted competitive returns. After a bruising opening half, your investment manager is hopeful of better times ahead. The portfolio remains heavily invested in Asia's domestic demand sectors such as consumer, infrastructure and finance.

**Blackfriars Asset Management Limited  
August 2018**

**BLACKFRIARS DEVELOPING MARKETS FUNDS PLC**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	<b>Note</b>	<b>Blackfriars Oriental Focus Fund 30 June 2018 US\$</b>	<b>Blackfriars Oriental Focus Fund 31 December 2017 US\$</b>
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	3	35,577,470	44,429,511
Other debtors		117,646	302,426
Cash and cash equivalents		1,147,436	1,766,632
<b>TOTAL ASSETS</b>		<b>36,842,552</b>	<b>46,498,569</b>
<b>LIABILITIES</b>			
Due to shareholders		61,112	126,622
Dividends payable		-	739,570
Investment management fees payable		30,319	36,103
Other creditors		119,495	286,496
<b>LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES)</b>		<b>210,926</b>	<b>1,188,791</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>		<b>36,631,626</b>	<b>45,309,778</b>
Dividends approved	7	-	739,570
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (DEALING NAV)</b>		<b>36,631,626</b>	<b>46,049,348</b>
<b>Published NAV per share</b>			
<b>30 June 2018</b>			
US\$ Class A		\$21.66	\$25.60
US\$ Class B		\$23.81	\$28.05
€ Class A		€22.88	€26.30
€ Class B		€25.27	€28.96
£ Class A		£32.86	£37.79
£ Class B		£35.89	£41.15

The notes on pages 9 to 14 form part of these financial statements.

**BLACKFRIARS DEVELOPING MARKETS FUNDS PLC**  
**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2018**

	Note	Blackfriars Oriental Focus Fund 30 June 2018 US\$	Blackfriars Oriental Focus Fund 30 June 2017 US\$
<b>INCOME</b>			
Interest income		6,096	3,588
Dividend income		555,321	795,121
Other income		41,067	2,709
Net realised gains on financial assets and liabilities at fair value through profit or loss		2,347,917	469,818
Net loss on currency exchange		(35,980)	(26,386)
Net change in unrealised appreciation on:		-	-
Financial assets and liabilities at fair value through profit or loss		(8,270,179)	8,228,132
<b>TOTAL INVESTMENT (LOSS)/INCOME</b>		<b>(5,355,758)</b>	<b>9,472,982</b>
<b>EXPENSES</b>			
Investment management fees		211,535	234,294
Administration fees		63,120	58,522
Depositary fees		50,020	42,418
Directors' fees & expenses		21,135	18,890
Audit fees		5,793	9,715
Other expenses		127,095	104,473
<b>TOTAL EXPENSES</b>		<b>478,698</b>	<b>468,312</b>
<b>NET INVESTMENT (LOSS)/INCOME</b>		<b>(5,834,456)</b>	<b>9,004,670</b>
<b>FINANCE COSTS</b>			
Distribution to holders of redeemable participating shares	7	-	-
<b>(LOSS)/PROFIT BEFORE TAX</b>		<b>(5,834,456)</b>	<b>9,004,670</b>
Withholding taxes	6	(54,977)	(89,200)
<b>(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS (DEALING NAV)</b>		<b>(5,889,433)</b>	<b>8,915,470</b>
Distributions approved		(739,571)	(793,956)
<b>(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS</b>		<b>(6,629,004)</b>	<b>8,121,514</b>

The notes on pages 9 to 14 form part of these financial statements.

**BLACKFRIARS DEVELOPING MARKETS FUNDS PLC**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE  
TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (UNAUDITED)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2018**

	<b>Note</b>	<b>Blackfriars Oriental Focus Fund 30 June 2018 US\$</b>	<b>Blackfriars Oriental Focus Fund 30 June 2017 US\$</b>
Net assets attributable to holders of redeemable participating shares at 1 January		46,049,348	44,001,068
(Decrease)/Increase in net assets attributable to holders of redeemable participating shares from operations		(6,629,004)	8,121,514
Proceeds from redeemable participating shares issued		160,097	839,103
Redemption of redeemable participating shares		(2,948,815)	(3,483,767)
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>		<b>36,631,626</b>	<b>49,477,918</b>
<b>Closing Shares 30 June 2018</b>			
US\$ Class A		42,579	47,057
US\$ Class B		703,646	881,878
€ Class A		43,664	61,150
€ Class B		12,584	74,075
£ Class A		84,097	109,860
£ Class B		292,267	341,283

The notes on pages 9 to 14 form part of these financial statements.



**BLACKFRIARS DEVELOPING MARKETS FUNDS PLC**

**STATEMENT OF CASH FLOWS  
TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (UNAUDITED)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2018**

	<b>Blackfriars Oriental Focus Fund 30 June 2018 US\$</b>	<b>Blackfriars Oriental Focus Fund 30 June 2017 US\$</b>
<b>Cash flows from operating activities</b>		
(Decrease)/Increase in amount attributable to holders of redeemable participating shares:	(6,629,004)	8,121,514
Adjustment for:		
- Dividends approved	(739,571)	(793,956)
- Interest income	(6,096)	(3,588)
- Dividend income	(555,321)	(795,121)
- Distributions to holders of redeemable participating shares	739,571	793,956
	<u>(7,190,421)</u>	<u>(7,322,805)</u>
Net Decrease/(increase) in debtors	301,864	(177,234)
Net (Decrease)/increase in creditors	(172,785)	43,636
Net Decrease/(increase) in financial assets at fair value through profit or loss	8,852,041	(8,384,964)
Cash provided by operations	1,790,699	(1,195,757)
Interest received	5,207	3,588
Dividends received	439,126	795,121
<b>Net cash provided by operating activities</b>	<u>2,235,032</u>	<u>(397,048)</u>
<b>Cash flow from financing activities</b>		
Distributions to holders of redeemable participating shares	-	-
Proceeds from redeemable participating shares issued	160,097	839,103
Redemption of redeemable participating shares	(3,014,325)	(3,460,004)
<b>Cash outflow from financing activities</b>	<u>(2,854,228)</u>	<u>(2,620,004)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(619,196)</u>	<u>(3,017,949)</u>
Cash and cash equivalents at beginning of the financial period	1,766,632	4,679,332
<b>Cash and cash equivalents at end of the financial period</b>	<u>1,147,436</u>	<u>1,661,383</u>

The notes on pages 9 to 14 form part of these financial statements.

# BLACKFRIARS DEVELOPING MARKETS FUNDS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2018

### 1. General

Blackfriars Developing Markets Funds plc (the “Company”) was incorporated under the laws of Ireland on 27 November 2000 as an open ended umbrella type investment company with variable capital and limited liability pursuant to the Companies Act 2014. The Prospectus, dated 13 December 2016, notes that there exists the segregated liability between the sub-funds of the Company. The registered address of the Company is 25/28 North Wall Quay, Dublin 1, Ireland. The Company is qualified as a UCITS (Undertakings for Collective Investment in Transferable Securities) within the meaning of the Central Bank UCITS Regulations and, pursuant to those Regulations, is authorised by the Central Bank. There is currently one sub-fund in operation, Blackfriars Oriental Focus Fund (the “Sub-Fund”). Blackfriars Developing Markets Focus Fund was authorised on 12 December 2014 and has yet to commence operation.

The investment objective of the Sub-Fund is the same as reported in the audited financial statements for the year ended 31 December 2017.

There have been no changes to the authorised share capital or issued equity share capital of the Company since 31 December 2017.

### 2. Principal accounting policies

These unaudited condensed financial statements for the six month financial period ended 30 June 2018 have been prepared in accordance with International Accounting Standard (IAS) 34, “Interim financial reporting”. The unaudited condensed financial statements should be read in conjunction with the audited annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The comparative figures for the Statement of Financial Position relate to the year ended 31 December 2017. The comparative figures for the Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and Statement of Cash Flows relate to the six month financial period ended 30 June 2017.

All accounting policies applied are consistent with those audited annual financial statements for the year ended 31 December 2017.

#### Valuation of financial assets and liabilities

For the purposes of preparing the financial statements, financial assets and financial liabilities are measured at fair value based on quoted mid-market prices at the close of trading on the Statement of Financial Position Date.

The Directors, with the approval of the Depositary, may adjust the value of any investment if they consider that such adjustment is required to reflect the fair value of that investment. The Investment Manager has been appointed as a competent person for valuing such securities by the Board. As at 30 June 2018 Finetex EnE was suspended from trading on the South Korean Stock Exchange. The Investment Manager has recommended to write the value of this position down to zero, refer to Note 3 for details. No such adjustment was made as at 31 December 2017.

#### Forward foreign exchange contracts

The sub-funds of the Company are authorised for purposes of efficient portfolio management to enter into forward foreign exchange contracts for the purpose of managing the foreign currency exposure arising from the sub-funds’ investment or anticipated investment in securities denominated in foreign currencies.

There were no foreign exchange contracts held during the financial period ended 30 June 2018 (none for the financial period ended 30 June 2017).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2018**

**3. Financial assets and liabilities at fair value through profit or loss**

**Fair Value Measurements**

IFRS 7 establishes a fair value hierarchy for inputs used in measuring fair value. The fair value hierarchy is categorised into three levels based on the inputs as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities (level 1);

Level 2 - Valuations based on quoted prices in markets that are not active or based on inputs other than quoted prices for which all significant inputs are observable, either directly (as prices) or indirectly (derived from prices) (level 2) and;

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement (lowest being level 3). 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 Company. Unobservable inputs reflect Company management'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.

The determination of what constitutes "observable" requires significant judgment by Company management. Company management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to Company management's perceived risk of that instrument.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, Company management's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. Company management uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

**BLACKFRIARS DEVELOPING MARKETS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2018**

**3. Financial assets and liabilities at fair value through profit or loss (continued)**

**Fair Value Measurements (continued)**

The following table presents the financial instruments carried on the Statement of Financial Position by caption and by level within the valuation hierarchy as at 30 June 2018 and 31 December 2017.

**Blackfriars Oriental Focus Fund**

	<b>Quoted prices in active markets (Level 1) US\$</b>	<b>Significant other observable inputs (Level 2) US\$</b>	<b>Significant unobservable inputs (Level 3) US\$</b>	<b>30 June 2018 Total US\$</b>
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	35,577,470	-	-	35,577,470
	<u>35,577,470</u>	<u>-</u>	<u>-</u>	<u>35,577,470</u>

**Blackfriars Oriental Focus Fund**

	<b>Quoted prices in active markets (Level 1) US\$</b>	<b>Significant other observable inputs (Level 2) US\$</b>	<b>Significant unobservable inputs (Level 3) US\$</b>	<b>31 December 2017 Total US\$</b>
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	44,429,511	-	-	44,429,511
	<u>44,429,511</u>	<u>-</u>	<u>-</u>	<u>44,429,511</u>

Finetex EnE was suspended from trading on the South Korean Stock Exchange. The Investment Manager, which has been appointed as competent person for valuing such securities by the Board, has recommended to write the value of this position down to zero. As such this security has transferred from Level 1 into Level 3 during the period. As at 30 June 2018 the position was valued as Nil (31 December 2017: US\$1,183,886, 2.57% of Net Assets).

The following tables presents the movement in Level 3 instruments for the financial year ended 30 June 2018 and 31 December 2017 by class of financial instrument.

	<b>Unquoted securities at fair value through profit or loss</b>	
	<b>30 June 2018</b>	<b>31 December 2017</b>
	<b>EUR</b>	<b>EUR</b>
<b>Opening balance</b>	-	-
Total realised loss	99,938	-
Total movement in unrealised loss	(1,367,071)	-
Purchases	296,619	-
Sales	(213,371)	-
Transfers into or out of Level 3	1,183,885	-
<b>Closing balance</b>	<u>-</u>	<u>-</u>
<b>Closing balance total unrealised loss</b>	<u>(1,322,151)</u>	<u>-</u>

# BLACKFRIARS DEVELOPING MARKETS FUNDS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2018

### 4. Assets and liabilities not carried at fair value but for which fair value is disclosed

The Company's assets and liabilities (by class) not measured at fair value but for which fair value is disclosed have the following levels: level 1 – cash and cash equivalents, margin accounts, bank overdrafts, level 2 – remaining classes of financial assets and liabilities on the Statement of Financial Position. These assets and liabilities are carried at amortised cost, their carrying values are a reasonable approximation of fair value.

### 5. Offsetting of financial assets and liabilities

As at 30 June 2018, none of the financial instruments of the Company are being presented net within the statement of financial position of the Company.

### 6. Taxation

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- (a) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company; and
- (b) Certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the sub-fund or its shareholders.

### 7. Distribution

There were no dividends approved during the financial period ended 30 June 2018.

On 23 November 2017 dividends relating to the financial period ended 31 December 2017 were approved and declared by the Directors as follows:

	Class A Shares			Class B Shares		
	US Dollar	Euro	Sterling	US Dollar	Euro	Sterling
Blackfriars Oriental Focus Fund	US\$ 0.41	€ 0.43	£ 0.62	US\$ 0.44	€ 0.47	£ 0.67

The dividends' ex date was 2 January 2018. Dividends were paid on 24 January 2018.

The sub-funds and share classes of the Company were accepted into the Reporting Fund Regime by HM Revenue and Customs as of 1 January 2011. A submission for acceptance for period ending 31 December 2016 was submitted and accepted during 2017. A submission for acceptance for the financial year ending 31 December 2017 was submitted in the 2<sup>nd</sup> quarter of 2018.

**BLACKFRIARS DEVELOPING MARKETS FUNDS PLC****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2018****8. Exchange rates**

The following exchange rates were used to translate assets and liabilities into the functional and presentational currency (United States Dollar) at 30 June 2018, with comparatives as at 31 December 2017.

	<b>30 June 2018</b>	<b>31 December 2017</b>
Australian Dollar	1.3559	1.2788
Euro	0.8585	0.8347
Hong Kong Dollar	7.8466	7.8148
Indian Rupee	68.5448	63.8733
Indonesian Rupiah	14,330.7538	13,566.6802
Japanese Yen	110.5051	112.5150
Malaysian Ringgit	4.0395	4.0470
New Taiwan Dolar	30.4284	29.6490
Philippines Peso	53.3561	49.8405
Singapore Dollar	1.3633	1.3359
South Korean Won	1,114.8272	1,066.0981
Sri Lanka Rupie	158.2529	153.4919
Sterling Pound	0.7607	0.7402
Thailand Baht	33.1203	32.5701
Vietnam Dong	22,958.4223	22,709.2086

**9. Related parties and connected person transactions**

The Central Bank UCITS Regulations states that any transaction carried out with Undertakings for Collective Investment in Transferable Securities (“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 Board of Directors are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in the Central Bank UCITS Regulations are applied to all transactions with connected persons; and the Board is satisfied that transactions with connected persons entered into during the period were carried out as if negotiated at arm’s length and in the best interests of the Shareholders.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2018**

**9. Related parties and connected person transactions (continued)**

None of the Directors held shares in the Company as at financial period end. Fees paid/payable to the Directors and the Investment Manager are included in the Statement of Comprehensive Income.

Thomas Waring is an alternative Director of the Company. Gariesh Sharma is a Director of the Company. Thomas Waring is a Director and Chief Executive Officer of Blackfriars Asset Management Limited, and Gariesh Sharma is a Director of Blackfriars Asset Management Limited. Blackfriars Asset Management Limited has been engaged to provide investment management services to the Company.

Cormac Byrne is a Director of KB Associates, which has been engaged to provide UCITS consulting, MLRO and VAT reporting services to the Company.

During the financial period fees paid to KB Associates amounted to €25,611 (30 June 2017: €25,611).

As at 30 June 2018 and 31 December 2017, there was one shareholder that held over 20% of the total issued shares of the Blackfriars Oriental Focus Fund. This shareholder is a company of which Thomas Waring is a Director. Thomas Waring is also an alternative Director of Blackfriars Developing Markets Funds plc.

**10. Segregated liability**

The Company has converted itself to an umbrella fund with segregated liability between sub-funds. As a result, as a matter of Irish law, any liability attributable to a particular sub-fund may only be discharged out of the assets of that sub-fund and the assets of other sub-funds may not be used to satisfy the liability of that sub-fund. However, the Company may operate or have creditors in countries other than Ireland which may not recognise segregation between sub-funds and there is no guarantee that creditors of one sub-fund will not seek to enforce one of the sub-fund's obligations against another sub-fund. The Directors confirm that they are not aware of any such existing or potential liability.

**11. Significant events during the financial period**

Finetex EnE was suspended from trading on the South Korean Stock Exchange. The Investment Manager, which has been appointed as competent person for valuing such securities by the Board, has recommended to write the value of this position down to zero. As at 30 June 2018 the position was valued as Nil (31 December 2017: US\$1,183,886, 2.57% of Net Assets).

Other than the above, there have been no other significant events during the financial period.

**12. Event since the financial period end**

There were no significant events since the financial period end.

**13. Material changes to Prospectus**

There were no material changes to Prospectus during the financial period ended 30 June 2018.

**14. Approval of the financial statements**

The financial statements were approved by the Board of Directors on 21 August 2018.

**BLACKFRIARS DEVELOPING MARKETS FUNDS PLC**

**BLACKFRIARS ORIENTAL FOCUS FUND**

**SCHEDULE OF INVESTMENTS (UNAUDITED)**

**AS AT 30 JUNE 2018**

<b>Holdings</b>	<b>Financial Assets at Fair Value through Profit or Loss</b>	<b>Fair Value US\$</b>	<b>% of NAV</b>
<b>Listed equities</b>			
<b>Australia</b>			
11,145,857	Silver Heritage Group	411,004	1.12
		<b>411,004</b>	<b>1.12</b>
<b>Bermuda Islands</b>			
453,000	Johnson Electric Holdings	1,319,169	3.60
		<b>1,319,169</b>	<b>3.60</b>
<b>Cayman Islands</b>			
6,850	Alibaba Group Holding	1,290,403	3.52
525,500	JNBY Design	1,204,145	3.29
375,000	Minth Group	1,584,276	4.32
262,200	Sands China	1,401,783	3.83
25,000	Sunny Optical Technology Group	465,167	1.27
27,400	Tencent Holdings	1,375,125	3.75
		<b>7,320,899</b>	<b>19.98</b>
<b>Hong Kong/China</b>			
400,000	China Construction Bank	369,585	1.01
1,455,000	Industrial & Commercial Bank of China	1,088,471	2.97
1,347,000	Sun Art Retail Group	1,761,290	4.81
		<b>3,219,346</b>	<b>8.79</b>
<b>India</b>			
57,597	Housing Development Finance	1,603,343	4.38
246,323	ITC	956,618	2.61
39,000	Larsen & Toubro	725,495	1.98
161,225	Zee Entertainment Enterprises	1,279,432	3.49
		<b>4,564,888</b>	<b>12.46</b>



BLACKFRIARS DEVELOPING MARKETS FUNDS PLC

BLACKFRIARS ORIENTAL FOCUS FUND

SCHEDULE OF INVESTMENTS (UNAUDITED)  
AS AT 30 JUNE 2018  
(CONTINUED)

Holdings	Financial Assets at Fair Value through Profit or Loss	Fair Value US\$	% of NAV
<b>Indonesia</b>			
1,997,600	Astra International Tbk PT	919,990	2.51
		<b>919,990</b>	<b>2.51</b>
<b>Luxembourg</b>			
419,800	Samsonite International	1,484,641	4.05
		<b>1,484,641</b>	<b>4.05</b>
<b>Malaysia</b>			
1,837,800	IJM	814,371	2.22
		<b>814,371</b>	<b>2.22</b>
<b>Philippines</b>			
71,660	Ayala	1,235,607	3.37
1,637,900	Ayala Land	1,163,436	3.18
		<b>2,399,043</b>	<b>6.55</b>
<b>South Korea</b>			
305,000	Finetex EnE	-	-
5,900	Hanssem	555,691	1.52
14,250	KB Financial Group	674,903	1.84
41,400	Samsung Electronics	1,732,385	4.73
32,026	Shinhan Financial Group	1,243,892	3.40
5,396	SK Telecom	1,127,769	3.08
		<b>5,334,640</b>	<b>14.57</b>
<b>Sri Lanka</b>			
6,000,000	Access Engineering	602,834	1.65
		<b>602,834</b>	<b>1.65</b>

**BLACKFRIARS DEVELOPING MARKETS FUNDS PLC**

**BLACKFRIARS ORIENTAL FOCUS FUND**

**SCHEDULE OF INVESTMENTS (UNAUDITED)  
AS AT 30 JUNE 2018  
(CONTINUED)**

<b>Holdings</b>	<b>Financial Assets at Fair Value through Profit or Loss</b>	<b>Fair Value US\$</b>	<b>% of NAV</b>
	<b>Taiwan</b>		
66,000	eMemory Technology	828,567	2.26
214,000	Taiwan Semiconductor Manufacturing	1,522,622	4.16
588,080	Uni-President Enterprises	1,495,883	4.08
		<b>3,847,072</b>	<b>10.50</b>
	<b>Thailand</b>		
4,500,000	Land & Houses	1,535,314	4.19
184,563	Siam City Cement	1,120,075	3.06
		<b>2,655,389</b>	<b>7.25</b>
	<b>Vietnam</b>		
566,046	Nam Long Investment	684,184	1.87
		<b>684,184</b>	<b>1.87</b>
	<b>Total equities*</b>	<b>35,577,470</b>	<b>97.12</b>
	<b>Total financial assets at fair value through profit or loss*</b>	<b>35,577,470</b>	<b>97.12</b>
	<b>Cash and other net assets</b>	<b>1,054,156</b>	<b>2.88</b>
	<b>Net assets attributable to holders of redeemable participating shares (Published NAV)</b>	<b>36,631,626</b>	<b>100.00</b>
	<b>Analysis of Total Assets</b>		<b>% of Total Assets</b>
	* Transferable securities admitted to an official stock exchange listing or dealt in on another regulated market	35,577,470	96.57
	Cash and other assets	1,265,082	3.43
		<b>36,842,552</b>	<b>100.00</b>

The accompanying notes are an integral part of the financial statements

**BLACKFRIARS ORIENTAL FOCUS FUND**

**SCHEDULE OF CHANGES IN INVESTMENTS (UNAUDITED)  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

<b>Financial Assets at Fair Value through Profit or Loss</b>	<b>Purchased</b>	<b>Sold</b>
Access Engineering	5,052,073	-
Alibaba Group Holding	-	(1,150)
Ayala	-	(7,000)
Ayala Land	-	(550,000)
China Construction Bank	400,000	-
Cosco Capital	3,000,000	(3,000,000)
eMemory Technology	30,000	-
Finetex EnE	62,400	(30,000)
Hanssem	-	(600)
Housing Development Finance	-	(15,400)
Industrial & Commercial Bank of China	-	(375,000)
ITC	-	(197,000)
JNBY Design	-	(184,500)
KB Financial Group	14,250	-
Larsen & Toubro	39,000	-
Nam Long Investment	142,041	-
Right Nam Long	424,005	(424,005)
Samsonite International	-	(50,100)
Samsung Electronics	5,000	(50)
Sands China	-	(22,800)
Shinhan Financial Group	3,600	(6,600)
Siam City Cement	-	(38,500)
SK Telecom	-	(940)
Sun Art Retail Group	-	(150,000)
Sunny Optical Technology Group	35,000	(10,000)
Taiwan Semiconductor Manufacturing	-	(75,000)
Uni-President Enterprises	-	(232,000)
Voltronic Power Technology	-	(42,000)
Zee Entertainment Enterprises	-	(72,500)