

# **GemCap Investment Funds (Ireland) Plc**

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

For the the six months ended 30<sup>th</sup> June 2020

**Third Avenue Real Estate Value Fund (TAREVF)**

Registered Number: 485081

# GemCap Investment Funds (Ireland) Plc

## Condensed Interim Report and Unaudited Financial Statements

For the six months ended 30<sup>th</sup> June 2020

*(Stated in US Dollars)*

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# GemCap Investment Funds (Ireland) Plc

## Directors, Management and Administration

### DIRECTORS

Stuart Alexander (Chairman) (British)  
Conor Hoey (Irish)  
Orla Quigley (Irish)  
Kevin O'Neill (Irish)\*  
Karen Nolan (Irish)\*

\*Independent Director

All Directors are non executive

### REGISTERED OFFICE

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Ireland

### ADMINISTRATOR

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Ireland

### INDEPENDENT AUDITORS

**Deloitte Ireland LLP**  
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### COMPANY SECRETARY

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### LEGAL ADVISERS AND LISTING AGENT

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### RISK MANAGEMENT CONSULTANTS

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### MANAGER

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### GLOBAL DISTRIBUTOR

**GemCap UK Limited (up to 12 March 2020)**  
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### **Gemini Capital Management (Ireland) Limited (from 13 March 2020)**

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# **GemCap Investment Funds (Ireland) Plc**

## **Directors, Management and Administration**

(Continued)

### **LOCAL AGENT IN GIBRALTAR**

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57/63 Line Wall Road  
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### **UK FACILITIES AGENT**

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### **REPRESENTATIVE AND PAYING AGENT IN SWITZERLAND**

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### **REPRESENTATIVE AND PAYING AGENT IN FRANCE**

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### **INVESTMENT MANAGERS**

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# GemCap Investment Funds (Ireland) Plc

## Investment Manager's Report

### Third Avenue Real Estate Value Fund

We are pleased to provide you with the Third Avenue Real Estate Value Fund's (the "Fund") report for the period ended June 30, 2020. During the first half of the calendar year, the Fund generated a return of -21.17% (after fees) versus -20.93% (before fees) for the Fund's most relevant benchmark, the FTSE EPRA NAREIT Developed Index.

This period was undoubtedly one of the most demanding in the Fund's history amidst the onset of the Covid-19 pandemic. Notwithstanding, the Investment Manager's well-established process was designed to navigate through market conditions such as these, and the Firm's business continuity plan has allowed its operational capabilities to remain uninterrupted to date. Recognising that security prices can fluctuate from quarter-to-quarter, and that true value-oriented investments can oftentimes take years to materialise (please see the ensuing Wheelock discussion), the Investment Manager maintains the view that the Fund's long-term results are a superior gauge of performance.

Further, it is our view that a focus on very well-capitalised property companies leaves the portfolio holdings well-placed in a turbulent time like this, and periods of market volatility have historically provided opportunities to establish positions in high-quality real estate franchises at prices that would ordinarily not be available (please see ensuing Activity section).

Given this combination, the Investment Manager has added to its personal holdings in the strategy at the same time that some of the most prominent direct investors in real estate (i.e., Brookfield, Blackstone, Starwood, Norges, et al) have made substantial investments in publicly-traded real estate securities so far this year given the perceived disconnect between implied prices and long-term property values.

#### Activity

At the present time, there are some very complex questions being posed for real estate. Will tenants pay rent amid a government forced shutdown? If not, will property owners be reimbursed for the business interruption and lenders agree to forbearance? Once the shutdown ends, will employees return to offices or continue to utilise vastly enhanced remote working capabilities? Will certain retail and hospitality businesses ever recover after being shut down in the span of weeks?

These are very serious considerations. Frankly, these aren't the types of matters that many have been forced to address in the United States since the tragic events of 9/11 or abroad since the SARS epidemic in 2002-2003.

Similar to those times, the Investment Manager has taken a cautious approach to formulating a view on the longer-lasting implications of this still evolving situation but "signs off" that: (i) the unprecedented moves that have been taken to stem the spread of the virus (e.g. "stay at home orders") will have a sharp economic impact globally, (ii) those mitigation efforts—along with significant advancements in modern medicine and treatment—will likely prevent the devastation experienced during pandemics in previous eras, and (iii) the substantial monetary and fiscal responses being implemented are likely to stabilise commerce and the broader capital markets without compromising the prospects for long-term economic prosperity.

It would be short-sighted, however, to believe that conditions will ever return to the prior status quo given the magnitude of the shock. As Martin Wolf recently noted in the Financial Times: "History accelerates in crises. This pandemic may not itself transform the world, but it can accelerate changes already underway." The Investment Manager concurs and is of the view that the following four trends will accelerate in the real estate space over the medium-term:

1. **Access to capital will be paramount:** The current economic shock has created more of a liquidity crisis (as opposed to a solvency crisis). Therefore, real estate companies that are incredibly well-capitalised and control durable assets or franchises are likely to emerge from this stronger (and potentially more valuable) as conditions stabilize over time. Further, those with excess capital (e.g., Brookfield Asset Management, CK Asset, Berkeley Group, Derwent London, et al) will be able make value-enhancing acquisitions and capital infusions into some of the hardest-hit property types (such as hotels, gaming, senior housing, and experiential retail) as well as by credit-enhancing less credit-worthy property owners.
2. **A further bifurcation between property types:** Unlike the "great recession", when most traditional property types (and metropolitan areas) struggled at the same time, it seems as if there will be more winners and losers from this crisis as time unfolds. For instance, pressure is unlikely to abate for retail real estate that doesn't offer a value or convenience proposition. This will likely work to the benefit of logistic facilities that support e-commerce activities. Along similar lines, office properties could experience structurally more demand as tenants integrate "social distancing" protocols across their footprints and emphasise resiliency over efficiency.

# GemCap Investment Funds (Ireland) Plc

## Investment Manager's Report (Continued)

### Third Avenue Real Estate Value Fund (Continued)

#### Activity (Continued)

3. **Cap Rates (or initial yields) for institutional-quality real estate are likely to decline further.** At the same time that government bond yields have reached record low levels, the implied cap rates for highly-leased and generally very-stable cash flow property types (such as class-A office, self-storage, and multi-family properties) have increased in the public markets to levels that represent 6-11% cap rates—or nearly 5-10% premiums to “risk-free” rates. This is a historically wide level and one that is unlikely to persist in duration for well-located assets with inherent inflation protection.
4. **There will be an even greater emphasis on one's home:** With the vast majority of families spending an unanticipated amount of time within their residences, it would be hard to imagine a wave of home improvement spending not materialising as “DIY” projects take greater importance. Further, the millennial generation (the largest cohort in history that is estimated to include 75 million in the US) is in the early stages of encountering life events that trigger needs for larger accommodations (such as marriage or children). As a result, there could very well be a step change in families seeking out more space through a single-family-for-rent model (as opposed to outright ownership) with an emphasis on master planned communities that offer desired amenities within a contained environment.

With these views in mind, the Investment Manager has by-and-large been operating within a framework that it has utilised in past periods of heightened volatility. To wit, the Fund actively recycled capital from issuers where the wealth-creation potential seems more uncertain (City Developments, Macerich Co., Colony Capital) to the common stock of enterprises that seem to have a more favorable risk-adjusted return profile over the long-term (ProLogis, Big Yellow, Essex Properties, Lowe's, and American Homes 4 Rent).

**ProLogis** is a US-based Real Estate Investment Trust (“REIT”) that is the largest owner of modern logistic facilities with a platform of more than 800 million square feet globally. Previously held in the Fund, the company's portfolio is more than 96.0% leased (on an average lease term in excess of 6.0 years) and primarily located in key urban markets and trade hubs in North America, Europe, and Asia--essentially acting as critical infrastructure for supply chains in developed markets. At the same time, the company is extremely well-capitalised with a net debt to asset ratio below 25%, a fixed-charge coverage ratio in excess of nine times, and more than \$5 billion of liquidity. Therefore, ProLogis seems well-suited to deal with a contraction in near-term activity but ideally placed to benefit from structurally higher levels of demand for strategic distribution facilities given a continued rise in e-commerce, modernising supply chains, and the “on-shoring” of manufacturing over the long-term.

**Big Yellow** is a UK-based REIT that owns and operates a portfolio of 75 London-focused self-storage facilities spanning 4.5 million square feet of total space. As the largest operator in a market that is earlier in its adoption cycle of self-storage than the US, Big Yellow faces limited competition and enjoys the benefits of scale as users increasingly seek out availability through online intermediaries. Given the lack of available warehouse space in London, Big Yellow has a greater amount of business users than US-based owners which may make it more susceptible to an economic contraction in the near-term. The company is, however, remarkably well-financed with a net debt to asset ratio below 20%, a fixed-charge coverage ratio of more than 8.0 times, and limited capital commitments. When taking a longer-term view, Big Yellow seems to have a substantial opportunity to increase its cash flows by boosting its occupancy rate (currently at 83%) and as well as activating select development sites which could accommodate more than 1 million square feet of additional properties. The company would also seem to be an attractive acquisition candidate for a strategic or financial buyer attempting to enter the UK market.

# GemCap Investment Funds (Ireland) Plc

## Investment Manager's Report (Continued)

### Third Avenue Real Estate Value Fund (Continued)

#### Activity (Continued)

**Essex Property Trust** (“Essex”) is a US-based REIT that owns a high-quality portfolio of 250 multifamily communities (with more than 60,000 units) that have been assembled over the better part of five decades and are primarily located in California and Washington. Based upon our experience, it is incredibly challenging to build new product in the company’s core markets (despite constant rhetoric of increasing supply), which makes existing assets like those owned by Essex perpetually underappreciated. While it seems that the company’s occupancy and rental rates will be pressured in the near-term, the company maintains a super-strong balance sheet with a net debt to asset ratio of 25%, a high fixed-charge coverage rate of 5.0 times, and more than \$200 million of annual retained cash flow (after dividends). Therefore, Essex could very well have an opportunity to deploy capital in value-enhancing investments (as it has done in other market dislocations), and the company’s portfolio is likely to maintain its value over the long-term given the appeal of its sub-markets and the economic underpinnings of their greater metropolitan areas (e.g., San Francisco, Los Angeles, San Diego, et al).

**Lowe’s** is a multi-channel US-based home improvement retailer with approximately 2,200 stores throughout North America (more than 80% of which are owned). Held in the Fund before, the company continues to have a near duopoly position in the home improvement market (alongside Home Depot), which seems to be much-more internet resistant than other retail channels alongside significantly higher barriers-to-entry. While home improvement spending could very well pause aside higher levels of unemployment, Lowe’s is incredibly well-capitalised with a net debt to asset ratio below 25%, a fixed-charge coverage ratio in excess of 8.0 times, and more than \$10 billion of liquidity. As a result, it is not inconceivable that Lowe’s will continue to utilise its substantial free cash flow to further reduce its share count (nearly 50% of the shares have been retired over the past 10 years) while also strategically investing in its “professional customer” offering where there is a substantial opportunity to take further market share and make its existing store network more profitable (the professional customer accounts for 50% of the \$900 billion market annually but only 20% of Lowe’s sales).

**American Homes 4 Rent** (“AMH”) is a US based REIT that is the second largest owner of single-family homes for-rent (“SFR”) in North America with more than 52,000 homes throughout the Sunbelt region that are more than 94.0% leased on average. In addition, AMH controls one of the few SFR build-to-rent platforms of scale, with land secured to accommodate an additional 6,000 homes, including 1,200 currently under development. The company is a very well-capitalised issuer with a net debt to asset ratio of around 25% and a fixed-charge coverage ratio in excess of 7.5 times. The company also retains substantial free cash flow despite its REIT tax status (which requires 90% of net income to be distributed via dividends annually) given legacy net operating losses (“NOL’s”). As a result, the company seems poised to self-finance the expansion of its portfolio through its unique build-to-rent initiative (which would likely ramp up considerably to the extent that anticipated reform at Fannie Mae and Freddie Mac increases the cost of conforming loans) and the very-much aligned control group (with historical ties to the self-storage industry) likely recognises the opportunity to monetise the company’s scale in a capital-light manner by entering into third party asset management while securing a future pipeline of acquisition opportunities.

The two other new positions established during the period related to a holding that has been a core position in the U.S. Fund for nearly a decade and a half and in the UCITS Fund since inception. First purchased in 2006, **Wheelock & Co.** (“Wheelock”) is a Hong Kong-based holding company with three primary investments: (i) a 69.3% stake in **Wharf Holdings, Inc.**, a separately-listed Hong Kong-based real estate operating company with substantial investment properties and development projects in Hong Kong and Mainland China; (ii) a 65.0% stake in **Wharf REIC**, a separately-listed Hong Kong based real estate operating company that controls two of the most productive mixed-use destinations globally through its ownership of Harbour City and Times Square in Hong Kong; and (iii) a wholly-owned development business focused on Hong Kong with a land bank that can accommodate more than 6 million square feet of additional development.

While the composition of Wheelock’s asset base has evolved over the past 15 years, the investment thesis for holding its common stock has not. To wit, Wheelock has long represented a prototypical modern-value investment as the company has a super-strong financial position (the net debt to asset ratio is below 10%), the enterprise has been very efficiently managed by a control group that is largely aligned with outside passive minority investors (the Woo family owns 41% of Wheelock common stock), and the shares have consistently traded at material discounts to conservative estimates of Net-Asset Value (“NAV”) despite the company engaging in various wealth creation strategies and compounding NAV over time.

# GemCap Investment Funds (Ireland) Plc

## Investment Manager's Report (Continued)

### Third Avenue Real Estate Value Fund (Continued)

#### Activity (Continued)

When incredibly high-quality assets trade at such significant discounts for sustained periods of time, responsible control groups take action—which ultimately proved to be the case with Wheelock. During the second quarter, shareholders (including the Fund) voted to approve a proposed transaction whereby Wheelock shareholders will receive one share in each of Wharf, Inc. and Wharf REIC for every Wheelock share held. In addition, the Woo family will privatise the wholly-owned development business for \$12 HKD per share, which will be paid to Wheelock shareholders as a special distribution.

In the Investment Manager's view, this deal is a “win-win-win” for this investment as the transaction serves to surface value by eliminating the “holding company discount”, presents an opportunity to participate in the potential re-rating of Wharf Holdings and Wharf REIC as more-focused standalone businesses with prevailing prices at less than half of stated book value, and provides the Fund with additional “dry-powder” for future investments. The transaction also solidifies the Investment Manager's long-held (and very-much contrarian) view that there remains a substantial amount of value to be unlocked as family-controlled businesses in Hong Kong continue to modernise their corporate structures, enhance capital allocation policies, and participate in the economic benefits of the special administrative region further integrating into the Greater Bay area of mainland China.

In addition to establishing these new positions, the Fund also exited positions where recent capital allocation decisions fundamentally changed the investment thesis (HongKong Land and Howard Hughes Corp.) and redirected the capital into existing holdings where the long-term thesis remained intact and the price-to-value proposition had become even more compelling (Vornado Realty Trust, Grainger plc, and Patrizia Immobilien).

#### Positioning

After incorporating the aforementioned activity, the Fund ended the period with approximately 46% of its capital invested in **Commercial Real Estate** enterprises that are involved in long-term wealth creation. These holdings are largely capitalising on secular trends within property as well as the further densification of key urban corridors and primarily include: CK Asset Holdings, Prologis, JBG Smith Properties, Derwent London, Segro plc, Wharf Inc., Wharf REIC, Vornado Realty Trust, Henderson Land, Public Storage and Big Yellow. Each of these enterprises is very well-capitalised, their securities trade at discounts to our estimates of NAV, and they seem capable of increasing NAV--primarily through further appreciation in the value of the underlying assets, by undertaking additional development and redevelopment activities, as well as making opportunistic acquisitions.

The Fund also has 38% of its capital invested in **Residential Real Estate** companies with strong ties to the US and UK residential markets, where there are significant supply deficits after years of under-building. In conjunction with low inventory levels, there is likely to be substantial demand for new product at an affordable price point over time (both for-sale and for-rent). Therefore, these holdings seem poised to benefit from an eventual recovery in residential construction, sales, and ancillary activities. These positions include a diversified set of businesses including homebuilding (Lennar Group and Berkeley Group), timberland ownership and management (Weyerhaeuser and Rayonier), land development (Five Point Holdings and St. Modwen Properties), the ownership and development of rental properties (Essex Properties, Grainger plc, and American Homes 4 Rent), and other ancillary businesses (Lowe's and Amerco).

An additional 12.5% of the Fund's capital is invested in **Real Estate Services**. These businesses are generally less capital intensive than direct property ownership and as a result have historically offered much higher returns on capital--provided the business has a favorable competitive positioning within the real estate value chain. At the present time, these holdings primarily include franchises involved with asset management (Brookfield Asset Management and Patrizia Immobilien), brokerage and property management (Savills plc and CBRE Group) and title insurance (FNF Group).

The remaining 3.5% of the Fund's capital is in **Cash & Debt Securities** (e.g., Intu Convertible Notes). The Fund also has certain hedges in place, primarily relating to its foreign currency exposures (British Pound and Hong Kong Dollar).

# GemCap Investment Funds (Ireland) Plc

## Investment Manager's Report (Continued)

### Third Avenue Real Estate Value Fund (Continued)

#### Fund Commentary

In addition to the aforementioned trends that are accelerating in the current environment, another development that will undoubtedly have a substantial impact on the property markets (and listed real estate securities) moving ahead is an increasing focus on Environmental, Social, and Governance (“ESG”) Standards.

Third Avenue has long championed enterprises with sound business practices run by aligned control groups that exhibit strong stewardship. Within Third Avenue’s real estate strategy, this oftentimes leads the Fund to “pass” on investments in companies with uncertain environmental liabilities, business models that could be deemed predatory, and corporate governance structures that are stacked against key stakeholders. Consequently, the select-set of real estate and real estate-related business that make it into the Third Avenue Real Estate Value Fund represent some of the true industry leaders in respect to their ESG practices, including:

- **Lennar Corp.** (a leading US homebuilder), which is one of the largest installers of solar panels in North America with more than 8,500 deliveries last year, as well as one of the largest purchasers of efficient Energystar® appliances.
- **Prologis** (the leading owner of modern distribution facilities globally), which has installed more than 200 megawatts (MW) of solar capacity and achieved carbon neutrality alongside other initiatives.
- **Brookfield Asset Management** (a leading alternative asset manager), which controls one of the largest privately-held portfolios of renewable energy assets globally with more than 19,000 MW of hydroelectric, wind, and solar capacity.
- **Five Point Holdings** (the largest developer in coastal California), which is developing Valencia (a 15,000-acre development site in Los Angeles County) as the first net-zero carbon master planned community serving as a template for future projects not only in California but nationwide.
- **Vornado Realty Trust** (a New York City-centric owner of office properties) that has more than 26 million square feet of LEED-certified properties (Leadership in Energy and Environmental Design) and is a 10-time recipient of NAREIT’s “Leader in the Light Award.”
- **Berkeley Group** (the leading homebuilder in London), which has won accolades for its Sustainable and Environmental planning, as well as being recognised as the first UK builder to achieve carbon neutrality.
- **Weyerhaeuser & Rayonier** (both US timber REITs), that collectively own more than 16 million acres of timberlands and sequester more carbon than any other privately-held enterprises globally (to our knowledge)—an underappreciated attribute that may ultimately have incremental value through a carbon-credit initiative or even strategic value for larger enterprises seeking to offset emissions.

Notably, this sustainability focus appears to have been left out of the biggest debate amongst real estate professionals today: the future of office buildings. This may prove shortsighted for those not “in the weeds” as (i) the construction and operation of buildings are estimated to account for nearly 40% of carbon emissions annually--or twice as much as the transportation industry and (ii) there are early signs of punitive measures forthcoming with plans to place taxes on inefficient buildings in major markets (such as Title 24 in California and Local Law 97 in New York City) thus increasing occupancy costs.

The Investment Manager recognises that recent “work-from-home” initiatives are likely to lead to structural shifts in working patterns and an increased focus on flexibility. On the other hand, certain industry surveys indicate that nearly 75% of tenants anticipate maintaining similar-sized footprints (or even expanding) to achieve more balanced density within their workplaces as the amount of office space per employee had declined by nearly 40% over the past decade. For these reasons, and a number of others (e.g., efficient collaboration, training and development, work-life balance, et al) it seems likely in our view that: (i) offices will remain critical infrastructure for the vast majority of organisations and (ii) the fundamental performance of most office markets will mirror previous contractions with a “flight to quality”—leaving the owners of well-located, well-amenitised properties less impacted. The additional caveat in this cycle, however, is that office buildings that are LEED certified with ample elevator capacity and modernised air-flow systems will exhibit even greater appeal.

# **GemCap Investment Funds (Ireland) Plc**

## **Investment Manager's Report (Continued)**

### **Third Avenue Real Estate Value Fund (Continued)**

#### **Fund Commentary (Continued)**

Within that context, the Investment Manager remains incredibly constructive on the Third Avenue Real Estate Value Fund's investments in the common stocks of three office-centric enterprises which comprise approximately 12% of the Fund's invested capital: JBG Smith Properties, Derwent London, and Vornado Realty Trust. Not only do these businesses own highly-leased and cash generative office portfolios (95.6% leased on a term of 6.7 years on average) with industry-leading environmental ratings (more than two-thirds of the office properties are LEED certified), but they also control portfolios of scale in sub-markets which are benefitting from enormous infrastructure investment (e.g., National Landing in the DC region, Crossrail in central London, and Penn Station in West Manhattan).

While office can undoubtedly be a challenging property type (given the heavy capital expenditure burdens and competitive pressure of new supply), those well-versed in the office space recognise that owning desirable assets in strong sub-markets at prices that represent significant discounts to replacement costs is an approach that can lead to substantial value creation over time. Similar to a number of the Fund's past office investments (e.g., Canary Wharf, Thomas Properties, Songbird Estates, Parkway Properties, Inmobiliaria Colonial, Dexus Property Group, et al), it is our view that such a formula is in place for its current office investments while also solving for an increasingly important variable: sustainability.

We thank you for your continued support and look forward to writing to you again at the end of the year. In the interim, please don't hesitate to contact us with any questions, comments, or ideas at [realestate@thirdave.com](mailto:realestate@thirdave.com).

Sincerely,

The Third Avenue Real Estate Team

Jason Wolf, CFA

Ryan Dobratz, CFA

**Third Avenue Management LLC**

**Date : July 2020**

# GemCap Investment Funds (Ireland) Plc

## Condensed Statement of Financial Position as at 30<sup>th</sup> June 2020

		TAREVF 30 Jun 2020	TAREVF 31 Dec 2019
	Note	\$	\$
<b>ASSETS</b>			
Financial Assets at Fair Value through Profit or Loss:			
Investments in Transferable Securities	3	125,376,012	141,640,630
Investments in Financial Derivative Instruments	3	21,872	548,608
Cash at bank	4	6,357,604	10,621,010
Dividends and interest receivable		104,813	232,904
Amount receivable on sale of securities		-	2,538,525
Receivable from Investment Manager	6	47,078	43,593
Other receivables		9,724	12
<b>TOTAL ASSETS</b>		<b>131,917,103</b>	<b>155,625,282</b>
<b>LIABILITIES</b>			
Financial Liabilities at Fair Value through Profit or Loss:			
Investments in Financial Derivative Instruments	3	426,410	106,889
Bank Overdraft	4	-	162
Amount payable on purchase of securities		1,840,134	1,296,350
Investment management fees payable	6	157,064	175,024
Manager fee payable	6	9,732	11,950
Administration fees payable	6	21,302	5,476
Transfer agency fees payable	6	8,817	2,066
Directors fees payable	6	2,501	127
Depository and depository oversight fees payable	6	29,088	7,730
Audit fees payable		3,768	3,489
Redemptions payable		-	12,823
Deferred liability		27,078	26,932
Other fees payable		3,390	2,391
<b>TOTAL LIABILITIES (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>2,529,284</b>	<b>1,651,409</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>		<b>129,387,819</b>	<b>153,973,873</b>

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

# GemCap Investment Funds (Ireland) Plc

## Condensed Statement of Comprehensive Income for the Six Months Ended 30<sup>th</sup> June 2020

		TAREVF Financial Period Ended 30 Jun 2020	TAREVF Financial Period Ended 30 Jun 2019
	Note	\$	\$
<b>INCOME</b>			
Dividend income		1,786,613	1,908,973
Bond interest income		26,184	15,390
Net realised and unrealised (loss)/gain on financial assets and liabilities at fair value through profit or loss	7	(34,533,373)	13,243,656
Bank interest		17,755	51,923
Other income		38,076	47,871
<b>TOTAL INVESTMENT (LOSS)/INCOME</b>		<b>(32,664,745)</b>	<b>15,267,813</b>
<b>EXPENSES</b>			
Investment management fees	6	745,328	770,674
Manager fees	6	66,255	75,510
Administration fees	6	61,046	42,952
Director fees	6	4,565	5,287
Depository and depository oversight fees	6	21,357	31,018
Audit fees	6	4,617	6,275
Transfer agency fees	6	6,751	17,256
Bank interest expense		149	192
Other fees and expenses	6	49,288	42,631
<b>Total Operating Expenses</b>		<b>959,356</b>	<b>991,795</b>
<b>(Loss)/Profit before taxation</b>		<b>(33,624,101)</b>	<b>14,276,018</b>
Withholding tax		291,227	320,044
<b>(Decrease)/Increase in net assets attributable to holders of redeemable participating shares from operations</b>		<b>(33,915,328)</b>	<b>13,955,974</b>

The accompanying notes and schedules form an integral part of these condensed financial statements. All of the results for the financial period relate to continuing operations.

## GemCap Investment Funds (Ireland) Plc

### Condensed Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Shares

	TAREVF Financial Period Ended 30 Jun 2020 \$	TAREVF Financial Period Ended 30 Jun 2019 \$
<b>Net Assets attributable to holders of Redeemable Participating Shares at the beginning of the financial period</b>	<b>153,973,873</b>	<b>126,113,735</b>
(Decrease)/Increase in Net Assets attributable to Holders of Redeemable Participating Shares from operations	(33,915,328)	13,955,974
<b>Capital transactions</b>		
Issue of redeemable shares during the financial period	23,882,995	5,557,667
Redemption of redeemable shares during the financial period	(14,553,721)	(10,527,675)
<b>Net Assets attributable to Holders of Redeemable Participating Shares at the end of the financial period</b>	<b>129,387,819</b>	<b>135,099,701</b>

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

# GemCap Investment Funds (Ireland) Plc

## Condensed Statement of Cash Flows

	TAREVF 30 Jun 2020 \$	TAREVF 30 Jun 2019 \$
<b>Cash flows from operating activities</b>		
<b>(Decrease)/Increase in Net Assets attributable to Holders of Redeemable Participating Shares from operations</b>	<b>(33,915,328)</b>	<b>13,955,974</b>
Adjustment to reconcile (decrease)/increase in net assets attributable to holders of redeemable participating shares from operations to net cash (used in)/provided by operating activities		
Bond interest income	(26,184)	(15,390)
Dividend income	(1,786,613)	(1,908,973)
Tax expense	291,227	320,044
<b>Operating (loss)/profit before working capital changes</b>	<b>(35,436,898)</b>	<b>12,351,655</b>
<b>Changes in operating assets and liabilities</b>		
Net decrease/(increase) in financial assets and liabilities at fair value	17,110,875	(5,373,547)
Decrease/(Increase) in other receivables	2,525,328	(922,069)
Increase in payables	571,339	307,348
<b>Cash (used in)/provided by operating activities</b>	<b>(15,229,356)</b>	<b>6,363,387</b>
Interest received/(paid)	20,355	(2,604)
Dividend received	1,920,533	1,920,636
Taxation paid	(291,227)	(320,044)
<b>Net cash (used in)/provided by operating activities</b>	<b>(13,579,695)</b>	<b>7,961,375</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of redeemable participating shares	23,882,995	5,557,667
Payment on redemptions of redeemable participating shares	(14,566,544)	(11,341,511)
<b>Net cash provided by/(used in) financing activities</b>	<b>9,316,451</b>	<b>(5,783,844)</b>
<b>Net (decrease)/increase in cash</b>	<b>(4,263,244)</b>	<b>2,177,531</b>
<b>Net Cash at the start of the financial period</b>	<b>10,620,848</b>	<b>4,881,420</b>
<b>Net Cash at the end of the financial period</b>	<b>6,357,604</b>	<b>7,058,951</b>
<b><u>Analysis of Cash</u></b>		
Cash at the start of the financial period	10,621,010	4,881,420
Overdraft at the start of the financial period	(162)	-
Cash at the end of the financial period	6,357,604	7,058,951
Overdraft at the end of the financial period	-	-

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

# GemCap Investment Funds (Ireland) Plc

## Schedule of Investments

As at 30<sup>th</sup> June 2020

### Third Avenue Real Estate Value Fund

(expressed in USD) Description	Quantity	Currency	Acquisition cost	Fair value	% net assets
<b><u>1) INVESTMENTS</u></b>					
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>					
<b>1) LISTED SECURITIES : EQUITIES</b>					
CANADA					
Brookfield Asset Management Inc	264,340	USD	7,625,024	8,696,788	6.72
			<u>7,625,024</u>	<u>8,696,788</u>	<u>6.72</u>
CAYMAN ISLANDS					
CK Asset Holdings Ltd	1,320,857	HKD	9,237,768	7,873,507	6.09
			<u>9,237,768</u>	<u>7,873,507</u>	<u>6.09</u>
GERMANY					
PATRIZIA AG	69,205	EUR	1,490,819	1,675,551	1.29
			<u>1,490,819</u>	<u>1,675,551</u>	<u>1.29</u>
GREAT BRITAIN					
Berkeley Group Holdings Plc	119,576	GBP	5,919,296	6,171,140	4.77
Grainger Plc	513,358	GBP	1,567,569	1,819,253	1.41
Savills Plc	191,294	GBP	2,250,002	1,955,517	1.51
St Modwen Properties Plc	925,026	GBP	4,746,930	3,960,117	3.06
			<u>14,483,797</u>	<u>13,906,027</u>	<u>10.75</u>
HONG KONG					
Henderson Land Development Co Ltd	1,321,206	HKD	5,845,934	5,011,739	3.87
Wheelock & Co Ltd	1,058,137	HKD	7,118,148	8,841,361	6.83
			<u>12,964,082</u>	<u>13,853,100</u>	<u>10.70</u>
UNITED STATES (U.S.A.)					
AMERCO	11,610	USD	4,097,923	3,508,427	2.71
CBRE Group Inc	41,754	USD	1,630,261	1,888,116	1.46
Fidelity National Financial Inc	66,179	USD	2,137,035	2,029,048	1.57
Five Point Holdings LLC	1,434,446	USD	14,334,033	6,598,455	5.10
Lennar Corp - Shs A	67,201	USD	3,337,214	4,140,924	3.20
Lennar Corp - Shs B	90,068	USD	3,872,313	4,151,233	3.21
Lowe's Cos Inc	30,499	USD	2,441,307	4,121,024	3.18
Trinity Place Holdings Inc	974,391	USD	4,694,440	1,344,659	1.04
			<u>36,544,526</u>	<u>27,781,886</u>	<u>21.47</u>
<b>TOTAL LISTED SECURITIES : EQUITIES</b>			<u>82,346,016</u>	<u>73,786,859</u>	<u>57.02</u>

# GemCap Investment Funds (Ireland) Plc

## Schedule of Investments (Continued)

As at 30<sup>th</sup> June 2020

### Third Avenue Real Estate Value Fund

(expressed in USD) Description	Quantity	Currency	Acquisition cost	Fair value	% net assets
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)</b>					
<b>2) LISTED SECURITIES : BONDS</b>					
JERSEY					
Intu Jersey 2 Ltd 2.88% 01/11/2022	2,700,000	GBP	2,129,463	434,926	0.34
			<u>2,129,463</u>	<u>434,926</u>	<u>0.34</u>
<b>TOTAL LISTED SECURITIES : BONDS</b>			<u>2,129,463</u>	<u>434,926</u>	<u>0.34</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u><b>84,475,479</b></u>	<u><b>74,221,785</b></u>	<u><b>57.36</b></u>
<b>B) OTHER TRANSFERABLE SECURITIES</b>					
<b>1) OTHER TRANSFERABLE SECURITIES : REAL ESTATE INVESTMENT TRUSTS</b>					
GREAT BRITAIN					
Big Yellow Group Plc	143,387	GBP	1,485,741	1,783,816	1.38
Derwent London Plc	139,978	GBP	5,536,869	4,814,884	3.72
Segro Plc	521,055	GBP	4,341,562	5,778,473	4.47
			<u>11,364,172</u>	<u>12,377,173</u>	<u>9.57</u>
UNITED STATES (U.S.A.)					
American Homes 4 Rent	75,544	USD	2,064,229	2,032,133	1.57
Essex Property Trust Inc	17,473	USD	4,536,172	4,004,287	3.09
First Industrial Realty Trust Inc	53,883	USD	1,880,248	2,071,261	1.60
JBG SMITH Properties	207,785	USD	7,546,023	6,144,202	4.75
Prologis Inc	66,830	USD	4,595,303	6,237,245	4.82
Public Storage	8,496	USD	1,523,637	1,630,296	1.26
Rayonier Inc	219,073	USD	6,194,535	5,430,817	4.20
Seritage Growth Properties	115,725	USD	3,781,035	1,319,265	1.02
Vornado Realty Trust	130,276	USD	7,814,380	4,977,848	3.85
Weyerhaeuser Co	219,488	USD	5,573,091	4,929,700	3.81
			<u>45,508,653</u>	<u>38,777,054</u>	<u>29.97</u>
<b>TOTAL OTHER TRANSFERABLE SECURITIES : REAL ESTATE INVESTMENT TRUSTS</b>			<u>56,872,825</u>	<u>51,154,227</u>	<u>39.54</u>
<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>			<u><b>56,872,825</b></u>	<u><b>51,154,227</b></u>	<u><b>39.54</b></u>

# GemCap Investment Funds (Ireland) Plc

## Schedule of Investments (Continued)

As at 30<sup>th</sup> June 2020

### Third Avenue Real Estate Value Fund

#### C) DERIVATIVE INSTRUMENTS

##### 1) FORWARD CURRENCY EXCHANGE CONTRACTS

<b>Maturity</b>	<b>Currency Bought</b>	<b>Currency Sold</b>	<b>Counterparty</b>	<b>Unrealised Appreciation</b>	<b>% net assets</b>
22/07/2020	EUR	49,275,592 USD	RBC IS Bank Luxembourg	(405,538)	(0.31)
				(405,538)	(0.31)
<b>TOTAL FORWARD CURRENCY EXCHANGE CONTRACTS</b>				<b>(405,538)</b>	<b>(0.31)</b>

##### 2) LISTED SECURITIES : OPTIONS

<b>(expressed in USD)</b>			<b>Acquisition cost</b>	<b>Fair value</b>	<b>% net assets</b>
<b>Description</b>	<b>Quantity</b>	<b>Currency</b>			
UNITED STATES (U.S.A.)					
Call USD/HKD Spot Cross 06/08/2020 8.15	16,700,000	USD	18,287	11	0.00
Call GBP/USD Spot Cross 14/09/2020 1.32	(15,454,545)	GBP	(32,640)	(20,872)	(0.02)
Put GBP/USD Spot Cross 14/09/2020 1.11	18,337,079	GBP	32,640	21,861	0.02
			18,287	1,000	0.00
<b>TOTAL LISTED SECURITIES : OPTIONS</b>			<b>18,287</b>	<b>1,000</b>	<b>0.00</b>

#### TOTAL DERIVATIVE INSTRUMENTS

**(404,538) (0.31)**

#### TOTAL INVESTMENTS

**124,971,474 96.59**

#### OTHER ASSETS

**6,519,219 5.04**

#### OTHER LIABILITIES

**(2,102,874) (1.63)**

#### NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

**129,387,819 100.00**

#### % of Total Assets

#### Assets

Investment in Transferable Securities	95.04
Investment in Financial Derivative Instruments	(0.31)
Cash at Bank	4.82
Other Assets and Liabilities	(1.47)

#### Total Assets

**98.08**

# GemCap Investment Funds (Ireland) Plc

## Significant Portfolio Movements 30<sup>th</sup> June 2020

### Third Avenue Real Estate Value Fund

<b>Purchases</b>			
<b>Security Name</b>	<b>Quantity</b>	<b>Cost \$</b>	<b>% of Total Purchases</b>
Essex Property Trust Inc	17,908	4,657,319	7.62%
Prologis Inc	66,830	4,595,304	7.52%
Public Storage	17,708	3,445,634	5.64%
CK Asset Holdings Ltd	427,000	2,648,537	4.33%
Vornado Realty Trust	52,565	2,546,320	4.17%
Lowe's Cos Inc	30,599	2,448,658	4.01%
American Homes 4 Rent	75,544	2,064,229	3.38%
Five Point Holdings LLC	327,630	2,060,800	3.37%
Brookfield Asset Management Inc	133,109	2,036,790	3.33%
Jones Lang LaSalle Inc	14,641	2,026,591	3.32%
Seritage Growth Properties	70,024	1,997,985	3.27%
Wheelock & Co Ltd	278,000	1,900,102	3.11%
JBG SMITH Properties	50,887	1,747,555	2.86%
Federal National Mortgage Association 8.25%	143,600	1,703,334	2.79%
CBRE Group Inc	41,892	1,635,363	2.68%
Berkeley Group Holdings Plc	27,958	1,536,274	2.51%
Macerich Co	63,936	1,500,491	2.46%
Big Yellow Group Plc	143,387	1,485,739	2.43%
St Modwen Properties Plc	288,927	1,448,732	2.37%
Weyerhaeuser Co	61,064	1,416,864	2.32%
Henderson Land Development Co Ltd	332,000	1,410,523	2.31%
Rayonier Inc	51,997	1,362,951	2.23%
Derwent London Plc	31,515	1,312,587	2.15%
Segro Plc	114,580	1,226,608	2.01%
Wharf Holdings Ltd	423,115	1,066,025	1.74%
Lennar Corp - Shs B	22,799	1,019,368	1.67%
AMERCO	2,895	937,984	1.54%
Fidelity National Financial Inc	26,729	789,037	1.29%
Lennar Corp - Shs A	14,816	771,892	1.26%
Grainger Plc	245,460	753,342	1.23%
City Developments Ltd	94,800	745,776	1.22%
Trinity Place Holdings Inc	227,765	690,014	1.13%
Great Portland Estates Plc	57,304	666,187	1.09%
Savills Plc	52,163	662,731	1.08%
Intu Jersey 2 Ltd 2.88% 01/11/2022	1,200,000	636,614	1.04%

# GemCap Investment Funds (Ireland) Plc

## Significant Portfolio Movements 30<sup>th</sup> June 2020

### Third Avenue Real Estate Value Fund (Continued)

#### Sales

Security Name	Quantity	Proceed \$	% of Total Sales
Lennar Corp - Shs A	71,669	4,504,778	10.38%
Macerich Co	210,545	4,272,650	9.84%
City Developments Ltd	800,900	3,716,073	8.56%
Hongkong Land Holdings Ltd	606,700	2,985,559	6.88%
PNC Financial Services Group Inc	19,283	2,904,906	6.69%
Acadia Realty Trust	135,606	2,605,675	6.00%
Wharf Holdings Ltd	1,299,038	2,381,229	5.48%
Great Portland Estates Plc	320,463	2,162,309	4.98%
Public Storage	9,212	1,933,235	4.45%
Wheelock & Co Ltd	225,000	1,746,611	4.02%
Weyerhaeuser Co	95,451	1,620,444	3.73%
First Industrial Realty Trust Inc	36,629	1,574,077	3.63%
Howard Hughes Corp	17,923	1,436,491	3.31%
Jones Lang LaSalle Inc	14,641	1,364,554	3.14%
Colony Capital Inc	290,062	1,151,189	2.65%
Federal National Mortgage Association 8.25%	143,600	1,000,870	2.31%
Brookfield Asset Management Inc	24,122	893,829	2.06%
CK Asset Holdings Ltd	137,985	867,253	2.00%
AMERCO	2,566	770,071	1.77%
Derwent London Plc	14,537	705,893	1.63%
Segro Plc	57,671	628,529	1.45%
Berkeley Group Holdings Plc	7,866	455,231	1.05%
JBG SMITH Properties	14,988	450,288	1.04%

The tables above show a breakdown of material purchases and sales of the Portfolios in accordance with Central Bank UCITS Regulations 79(2) requirements. All purchases and sales of investments exceeding 1% of the total value of each purchases and sales respectively, a minimum of 20 of each such purchases and sales, are disclosed.

# GemCap Investment Funds (Ireland) Plc

## Condensed Combined Statement of Financial Position as at 30<sup>th</sup> June 2020

		Company Total 30 Jun 2020	Company Total 31 Dec 2019
	Note	\$	\$
<b>ASSETS</b>			
Financial Assets at Fair Value through Profit or Loss:			
Investments in Transferable Securities	3	2,406,933,836	2,255,103,496
Investments in Financial Derivative Instruments	3	135,723,430	264,456,894
Cash at bank	4	139,944,276	188,685,470
Dividends and interest receivable		7,839,326	7,989,230
Amount receivable on subscriptions		3,219,664	10,249,715
Amount receivable on sale of securities		689,937	2,842,561
Receivable from Investment Manager	6	127,531	385,123
Other receivables		861,793	866,181
<b>TOTAL ASSETS</b>		<b>2,695,339,793</b>	<b>2,730,578,670</b>
<b>LIABILITIES</b>			
Financial Liabilities at Fair Value through Profit or Loss:			
Investments in Financial Derivative Instruments	3	75,706,558	67,681,184
Bank overdraft	4	166,954	1,247,902
Amount payable on purchase of securities		4,318,703	1,670,802
Investment management fees payable	6	1,251,377	1,540,443
Sub-Investment management fees payable	6	3,626	-
Manager fee payable	6	150,640	155,025
Administration fees payable	6	441,403	138,662
Transfer agency fees payable	6	142,601	34,952
Directors fees payable	6	38,161	4,919
Depository and depository oversight fees payable	6	449,046	129,682
Audit fees payable		57,513	49,590
Redemptions payable		6,773,036	1,739,695
Deferred liability		27,078	26,932
Interest payable		567,593	1,132,745
Payable to Investment Manager		2,612	52,830
Other fees payable		196,484	58,045
<b>TOTAL LIABILITIES (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>90,293,385</b>	<b>75,663,408</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>		<b>2,605,046,408</b>	<b>2,654,915,262</b>

These Combined Statements include a translation adjustment converting the results of the £ Sub-Funds to the presentation currency of the Company and has no impact on the dealing Net Asset Values of any Sub-Fund.

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

# GemCap Investment Funds (Ireland) Plc

## Condensed Combined Statement of Comprehensive Income for the Six Months Ended 30<sup>th</sup> June 2020

	Note	Company Total Financial Period Ended 30 Jun 2020 \$	Company Total Financial Period Ended 30 Jun 2019 \$
<b>INCOME</b>			
Dividend income		5,964,369	6,060,892
Bond interest income		17,833,530	21,063,636
Net realised and unrealised (loss)/gain on financial assets and liabilities at fair value through profit or loss	7	(246,464,341)	191,206,838
Bank Interest		169,399	3,392,168
Expense reimbursement from Investment Manager	6	181,405	256,719
Swap interest income		3,761,034	3,509,234
Other income		84,397	117,701
<b>TOTAL INVESTMENT (LOSS)/INCOME</b>		<b>(218,470,207)</b>	<b>225,607,188</b>
<b>EXPENSES</b>			
Investment management fees	6	6,876,307	5,331,101
Sub-Investment management fees	6	3,626	-
Manager fees	6	854,974	724,826
Administration fees	6	633,866	550,670
Director fees	6	100,320	76,726
Depository and depository oversight fees	6	327,828	360,845
Audit fees	6	62,271	74,613
Transfer agency fees	6	109,334	161,939
Swap interest expenses		11,230,094	8,733,750
Brokerage fees		30,646	44,911
Bank interest expense		162,795	46,335
Upfront commission on subscription		36,289	58,838
Formation expenses		38,778	-
Other fees and expenses	6	273,182	210,765
<b>Total Operating Expenses</b>		<b>20,740,310</b>	<b>16,375,319</b>
<b>Operating (Loss)/Profit</b>		<b>(239,210,517)</b>	<b>209,231,869</b>
<u>Finance Costs</u>			
Dividends to holders of redeemable participating shares		7,165,903	6,501,572
<b>(Loss)/Profit Before Tax</b>		<b>(246,376,420)</b>	<b>202,730,297</b>
Withholding tax		1,333,655	1,086,303
<b>(Decrease)/Increase in net assets attributable to holders of redeemable participating shares from operations</b>		<b>(247,710,075)</b>	<b>201,643,994</b>

These Combined Statements include a translation adjustment in order to present the totals in the presentation currency of the Fund.

All of the results for the financial period relate to continuing operations.

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

# GemCap Investment Funds (Ireland) Plc

## Condensed Combined Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Shares

	Company Total Financial Period Ended 30 Jun 2020 \$	Company Total Financial Period Ended 30 Jun 2019 \$
<b>Net Assets attributable to holders of Redeemable Participating Shares at the beginning of the financial period</b>	<b>2,654,915,262</b>	<b>1,694,531,448</b>
(Decrease)/Increase in Net Assets attributable to Holders of Redeemable Participating Shares from operations	(247,710,075)	201,643,994
<b>Capital transactions</b>		
Issue of redeemable shares during the financial period	791,744,314	607,006,819
Redemption of redeemable shares during the financial period	(471,831,664)	(338,436,188)
Dividends to holders of redeemable participating shares	(5,991,513)	(3,315,547)
Currency translation adjustment <sup>^</sup>	(116,079,916)	(11,887,895)
<b>Net Assets attributable to Holders of Redeemable Participating Shares at the end of the financial period</b>	<b>2,605,046,408</b>	<b>2,149,542,631</b>

<sup>^</sup>The currency translation adjustment above is as a result of the £ Sub-Funds having a different functional currency (£) to the presentation currency of the Company (\$). This is an accounting adjustment for financial reporting presentation purposes and has no impact on the dealing Net Asset Values of any Sub-Fund.

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

# GemCap Investment Funds (Ireland) Plc

## Combined Statement of Cash Flows

	Total 30 Jun 2020 \$	Total 30 Jun 2019 \$
<b>Cash flows from operating activities</b>		
<b>(Decrease)/Increase in Net Assets attributable to Holders of Redeemable Participating Shares from operations</b>	<b>(247,710,075)</b>	<b>201,643,994</b>
Adjustment to reconcile (decrease)/increase in net assets attributable to holders of redeemable participating shares from operations to net cash used in operating activities		
Bond interest income	(17,833,530)	(21,063,636)
Dividend income	(5,964,369)	(6,060,892)
Tax expense	1,333,655	1,086,303
Dividends to holders of redeemable participating shares	7,165,903	6,501,572
<b>Operating (loss)/profit before working capital changes</b>	<b>(263,008,416)</b>	<b>182,107,341</b>
<b>Changes in operating assets and liabilities</b>		
Net increase in financial assets and liabilities at fair value	(15,071,502)	(470,329,560)
Decrease/(Increase) in other receivables	9,444,655	(8,512,900)
Increase in payables	2,652,210	13,766,367
<b>Cash used in operating activities</b>	<b>(265,983,053)</b>	<b>(282,968,752)</b>
Interest received	17,814,053	20,661,855
Dividend received	6,133,750	5,541,863
Taxation paid	(1,333,655)	(1,086,303)
<b>Net cash used in operating activities</b>	<b>(243,368,905)</b>	<b>(257,851,337)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of redeemable participating shares	791,744,314	607,006,819
Payment on redemptions of redeemable participating shares	(466,798,323)	(337,284,308)
Dividends to holders of redeemable participating shares	(13,157,416)	(9,817,119)
<b>Net cash provided by financing activities</b>	<b>311,788,575</b>	<b>259,905,392</b>
<b>Net increase in cash</b>	<b>68,419,670</b>	<b>2,054,055</b>
<b>Currency translation adjustment<sup>^</sup></b>	<b>(116,079,916)</b>	<b>(11,887,895)</b>
<b>Net Cash at the start of the financial period</b>	<b>187,437,568</b>	<b>116,467,269</b>
<b>Net Cash at the end of the financial period</b>	<b>139,777,322</b>	<b>106,633,429</b>
<b><u>Analysis of Cash</u></b>		
Cash at the start of the financial period	188,685,470	118,012,219
Overdraft at the start of the financial period	1,247,902	(1,544,950)
Cash at the end of the financial period	139,944,276	107,518,396
Overdraft at the end of the financial period	166,954	(884,967)

<sup>^</sup>The currency translation adjustment above is as a result of the £ Sub-Funds having a different functional currency (£) to the presentation currency of the Company (\$). This is an accounting adjustment for financial reporting presentation purposes and has no impact on the dealing Net Assets Values.

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

# GemCap Investment Funds (Ireland) Plc

## Notes forming part of the Financial Statements

### 1. GENERAL INFORMATION

GemCap Investment Funds (Ireland) Plc (the “Company”) is an umbrella type open-ended investment company with variable capital incorporated on 1<sup>st</sup> June 2010, with limited liability and segregated liability between sub-funds, under the laws of Ireland with registered number 485081 under the Companies Act 2014. The Company is authorised in Ireland by the Central Bank of Ireland (the “Central Bank”) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the “UCITS Regulations”) and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the “CBI UCITS Regulations”).

As at 30th June 2020, the Company had one separate active investment portfolios (“Sub-Funds”) authorised by the Central Bank:

Third Avenue Real Estate Value Fund (TAREVF)\*

\*Listed on the Irish Stock Exchange.

The active Sub-Fund has the following investment objective:

Third Avenue Real Estate Value Fund - The investment objective is to achieve long-term capital appreciation, primarily through investment in equities.

### 2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted by the Company are as follows:

#### Statement of Compliance

The condensed financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and interpretations as adopted by the European Union (the “EU”).

The condensed financial statements are prepared on a going concern basis.

#### Basis of Preparation

The financial statements have been prepared in accordance with the Companies Act 2014 and International Financial Reporting Standards (“IFRS”) as adopted by the European Union (the “EU”).

#### Accounting convention

The financial statements are prepared on a going concern basis and under the historical cost convention except for the inclusion of financial assets and liabilities at fair value.

#### Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in the preparation of the Company’s financial statements for the financial year ended 31st December 2019.

# **GemCap Investment Funds (Ireland) Plc**

## **Notes forming part of the Financial Statements**

(Continued)

### **2. PRINCIPAL ACCOUNTING POLICIES (Continued)**

#### **Accounting estimates**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that effect the application of policies and the reported amounts of assets and liabilities, income and expense.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future years if the revision affects both current and future years.

#### **Offsetting financial assets and liabilities**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to set-off the recognised amounts (which are not contingent on a future event), and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### **New standards, amendments and interpretations effective after 1<sup>st</sup> January 2020 and have not been early adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1<sup>st</sup> January 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Cash balances held as collateral is held in relation to the derivatives contracts held by the Company for investment transactions that have not settled at the date of the financial statements and the amount of cash required by the brokers to hold as collateral for trading. For further details of Cash and cash equivalents please refer to note 4.

#### **Foreign Currencies**

Securities transactions are recorded in the financial statements on the trade date of the transaction and translated into the functional currency of the Sub-Fund at the exchange rate prevailing at the close of business on the trade date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the Sub-Fund at the exchange rates ruling at the financial period end date. Non-monetary foreign currency denominated assets and liabilities that are carried at fair value are translated into the functional currency of the Sub-Fund at the date the fair values are determined. Foreign exchange differences arising on translation and realised gains and losses from trading activities are recognised through profit or loss in the Statement of Comprehensive Income for the financial period.

# GemCap Investment Funds (Ireland) Plc

## Notes forming part of the Financial Statements

(Continued)

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Foreign Currencies (Continued)

Items included in the Company's financial statements are measured using the primary economic environment in which the respective Sub-Fund operates ("the functional currency"). The presentational currency of the Company is United States Dollar. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

The functional currency of the active Sub-Fund as at 30<sup>th</sup> June 2020 is as follows:

<u>Sub-Fund Name</u>	<u>Functional Currency</u>
Third Avenue Real Estate Value Fund (TAREVF)	\$

The foreign currency translation adjustment arising from translation of Sterling balances relating to AHFM Defined Returns Fund, AHFM Total Return Fund, London & Capital Global Defensive Equity Fund, London & Capital Global Growth Fund, London & Capital Global Balanced Fund and Principal Asset Allocation Fund for the purposes of preparing the Company total USD amounts has been included in the Statement of Changes in Net Assets attributable to Holders of Redeemable Participating shares and the Statement of Cash Flows. The notional currency translation adjustment for the financial period ended 30<sup>th</sup> June 2020 was \$(116,079,916) (2019: \$(11,887,895)). This does not impact the NAV of any individual Sub-Fund.

### 3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included within level 1 of the fair value hierarchy and include bonds admitted and actively traded on an official stock exchange listing.

Bonds, other than those listed and actively traded on an official stock exchange, are valued by independent pricing services based on pricing models that evaluate the mean between the most recently quoted bid and ask price. The models also take into consideration data received from active market makers and broker-dealers, yield curves, and the spread over comparable bond issues. The spreads change daily in response to market conditions and are generally obtained from the new issue market and broker dealer sources. To the extent that these inputs are observable, the values of these bonds are categorised within level 2 of the fair value hierarchy.

The fair values of forward foreign currency exchange contracts are calculated by reference to current exchange rates for contracts with similar maturity and risk profiles.

The determination of fair value for financial assets and liabilities for which there is no observable market price requires valuation techniques. IFRS establishes a fair value hierarchy for inputs used in measuring fair value that maximises the use of observable inputs and minimises the use of unobservable inputs by requiring that the most observable inputs be used when available. 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 the 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. These include investments which are valued using cost price, stale price or a price which is more than a week prior to the valuation date.

# **GemCap Investment Funds (Ireland) Plc**

## **Notes forming part of the Financial Statements**

(Continued)

### **3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)**

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 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly (as prices) or indirectly (derived from prices); 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. However, the determination of what constitutes "observable" requires significant judgement by the Company.

The Company 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 the Company'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, the Company's assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company 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.

# GemCap Investment Funds (Ireland) Plc

## Notes forming part of the Financial Statements

(Continued)

### 3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The following tables present information about the Company's financial assets and liabilities measured at fair value on a recurring basis as of 30 June 2020 and 31<sup>st</sup> December 2019:

#### Third Avenue Real Estate Value Fund

	Total \$ 2020	Level 1 \$ 2020	Level 2 \$ 2020	Level 3 \$ 2020
<b>Financial assets at fair value through profit or loss</b>				
Investments in transferable securities, at fair value				
-Equities	73,786,859	73,786,859	-	-
-Bonds	434,926	-	434,926	-
-Real Estate Investment Trusts	51,154,227	51,154,227	-	-
Investments in financial derivative instruments				
-Options	21,872	21,872	-	-
<b>Financial liabilities at fair value through profit or loss</b>				
Investments in financial derivative instruments				
-Forwards Exchange Contracts	(405,538)	-	(405,538)	-
-Options	(20,872)	(20,872)	-	-
<b>Total</b>	<b>124,971,474</b>	<b>124,942,086</b>	<b>29,388</b>	<b>-</b>

	Total \$ 2019	Level 1 \$ 2019	Level 2 \$ 2019	Level 3 \$ 2019
<b>Financial assets at fair value through profit or loss</b>				
Investments in transferable securities, at fair value				
-Equities	85,816,891	85,816,891	-	-
-Bonds	1,350,512	-	1,350,512	-
-Real Estate Investment Trusts	54,473,227	54,473,227	-	-
Investments in financial derivative instruments				
-Forward Exchange Contracts	528,049	-	528,049	-
-Options	20,559	20,559	-	-
<b>Financial liabilities at fair value through profit or loss</b>				
Investments in financial derivative instruments				
-Options	(106,889)	(106,889)	-	-
<b>Total</b>	<b>142,082,349</b>	<b>140,203,788</b>	<b>1,878,561</b>	<b>-</b>

# GemCap Investment Funds (Ireland) Plc

## Notes forming part of the Financial Statements

(Continued)

### 4. CASH AND CASH EQUIVALENTS

At the financial period end the following cash and overdraft balances were held:

	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>
	\$	\$
<b>Cash at bank</b>		
RBC Investor Services Bank S.A., Dublin Branch	84,113,509	183,124,836
NatWest Markets	1,212,198	426,712
<b>Cash balances held as collateral</b>		
RBC Investor Services Bank S.A., Dublin Branch	7,417,267	1,432,582
ED & F Man International Inc.	1,365,685	3,701,340
Goldman Sachs International	150,000	-
Societe Generale	45,685,617	-
<b>Total</b>	<b>139,944,276</b>	<b>188,685,470</b>
<b>Bank overdraft</b>		
RBC Investor Services Bank S.A., Dublin Branch	166,954	162
ED & F Man International Inc.	-	1,247,740
<b>Total</b>	<b>166,954</b>	<b>1,247,902</b>

### 5. SHARE CAPITAL

#### Capital Management

The authorised share capital of the Company is 2 Subscriber Shares of €1 each which are held with Stuart Alexander and GemCap UK Limited and 1,000,000,000,000 shares of no par value initially designated as unclassified participating shares. The minimum issued share capital of the Company is €2 or its equivalent in another currency. The maximum issued share capital of the Company is €1,000,000,000,000 or its equivalent in any other currency.

The Articles provide un-issued shares are at the disposal of the Directors who may offer, allot, issue, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as the Directors see fit.

The Company may by ordinary resolution increase its share capital, consolidate its shares or subdivide any of them into Shares of a smaller amount or cancel authorised but unissued shares.

The holders of shares (excluding the holder of subscriber shares) shall:

- (i) have the right to vote at a general meeting. On a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per share;
- (ii) be entitled to such dividends as the Directors may from time to time declare; and
- (iii) in the event of a winding up or dissolution of the Company, have the entitlements referred to under “Liquidation” in the section under the heading “Memorandum and Articles of Association” in the prospectus of the Company;

# GemCap Investment Funds (Ireland) Plc

## Notes forming part of the Financial Statements (Continued)

### 5. SHARE CAPITAL (Continued)

#### Third Avenue Real Estate Value Fund

	<b>Class A1 – (USD Retail Acc) Class 30 Jun 2020</b>	<b>Class A1 – (USD Retail Acc) Class 31 Dec 2019</b>	<b>Class A4 – (USD Institutional Acc) Class 30 Jun 2020</b>	<b>Class A4 – (USD Institutional Acc) Class 31 Dec 2019</b>
Number of Redeemable Participating Shares at beginning of financial period	138,726.12	140,363.30	1,817,423.05	1,777,241.59
Redeemable Participating Shares issued	22,028.47	12,134.66	550,704.30	236,805.71
Redeemable Participating Share redeemed	(4,960.31)	(13,771.84)	(295,785.00)	(196,624.25)
<b>Number of Redeemable Participating Shares at end of financial period</b>	<b>155,794.28</b>	<b>138,726.12</b>	<b>2,072,342.35</b>	<b>1,817,423.05</b>
	<b>Class A5 – (EUR Institutional Acc) Class 30 Jun 2020</b>	<b>Class A5 – (EUR Institutional Acc) Class 31 Dec 2019</b>	<b>Class D4 – (USD Institutional Dist) Class 30 Jun 2020</b>	<b>Class D4 – (USD Institutional Dist) Class* 31 Dec 2019</b>
Number of Redeemable Participating Shares at beginning of financial period	2,991,736.00	2,848,150.00	96,731.76	-
Redeemable Participating Shares issued	202,294.00	403,995.00	42,775.90	96,731.76
Redeemable Participating Share redeemed	(219,199.00)	(260,409.00)	(18,222.29)	-
<b>Number of Redeemable Participating Shares at end of financial period</b>	<b>2,974,831.00</b>	<b>2,991,736.00</b>	<b>121,285.37</b>	<b>96,731.76</b>

\*Launched on 29<sup>th</sup> January 2019.

### 6. FEES AND EXPENSES

#### Investment Management Fees

#### Third Avenue Real Estate Value Fund

Third Avenue Management LLC Fund is entitled to a fee from the Company monthly in arrears at the rate of up to 1.60% (plus VAT, if any) per annum of the Net Asset Value of Class A1 Shares, A3 Shares, D1 Shares and D3 Shares, and up to 1.10% (plus VAT, if any) per annum of the Net Asset Value of Class A2 Institutional Shares, A4 Institutional Shares, A5 Institutional Shares, D2 Institutional Shares, D4 Institutional Shares and D5 Institutional Income Shares of the Fund. The Investment Manager has agreed to waive its fee until the Fund is of a sufficient size to justify the charging of an investment management fee.

Investment management fees charged for the financial period ended 30<sup>th</sup> June 2020 amounted to \$745,328 (2019: \$770,674), with fees payable at 30<sup>th</sup> June 2020 amounting to \$157,064 (31<sup>st</sup> December 2019: \$175,024).

The Investment Manager shall be entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket costs and expenses incurred by the Investment Manager in the performance of its duties.

# **GemCap Investment Funds (Ireland) Plc**

## **Notes forming part of the Financial Statements**

(Continued)

### **6. FEES AND EXPENSES (Continued)**

#### **Investment Management Fees (Continued)**

##### **Third Avenue Real Estate Value Fund (Continued)**

Where in an accounting period, the fees and expenses payable by the Fund in respect of the Class A1 Shares exceed 1.95% of the Net Asset Value of the Fund or in respect of Class A4 and Class A5 exceed 1.45% of the Net Asset Value of the Fund, the Investment Manager will waive its fees and/or reimburse the Fund for any fees paid to it so as to ensure that the Fund's annual fees and expenses do not exceed the relevant threshold.

If subsequently, the annual fees and expenses payable by the Fund fall below 1.95% of the Net Asset Value of the Fund in respect of the Class A1 or fall below 1.45% of the Net Asset Value of the Fund in respect of Class A4 and Class A5 the Fund will pay to the Investment Manager, subject to the relevant threshold, the fees waived and/or amounts reimbursed by the Investment Manager to the Fund. This repayment may continue for up to three years after the end of the financial period in which an expense is waived or reimbursed by the Investment Manager, until the Investment Manager has been paid for the entire amount waived or reimbursed or such three year period expires.

The "Investment Manager capped fees" reimbursement for the financial period ended 30<sup>th</sup> June 2020 amounted to \$Nil (2019: \$Nil), with an amount receivable from the Investment Manager at 30<sup>th</sup> June 2020 of \$47,078 (31<sup>st</sup> December 2019: \$43,593).

#### **Manager Fees**

The Manager shall be entitled to receive out of the assets of each Fund a fee of 0.10% per annum of the Net Asset Value of the Fund payable monthly in arrears subject to a minimum annual fee of €75,000. The Manager will also be entitled to be reimbursed out of the assets of the Fund for all reasonable, vouched out-of-pocket expenses incurred by it on behalf of the Fund.

Manager's fees charged for the financial period ended 30<sup>th</sup> June 2020 amounted to \$854,974 (2019: \$724,826), with fees payable at 30<sup>th</sup> June 2020 amounting to \$150,640 (31<sup>st</sup> December 2019: \$155,025).

#### **Global Distributor and UK Facilities Agent Fee**

The Company will discharge, out of the Manager's fee, the fees and expenses of the Global Distributor and UK Facilities Agent, GemCap UK Limited. Distribution fees charged for the financial period ended 30<sup>th</sup> June 2020 amounted to \$9,080 (2019: \$Nil), with fees payable at 30<sup>th</sup> June 2020 amounting to \$Nil (31<sup>st</sup> December 2019: \$Nil).

#### **Formation and Organisation Costs**

The costs of forming the Company including the fees and expenses of legal advisers, product development fees and expenses, regulatory and listing fees and expenses and any other fees and expenses arising on the formation and launch of the Company have been expensed by the Company. In the event that new funds are created within the Company, the formation and organisation costs relating to each new fund, as determined by the Directors, will be charged to the new fund and amortised over a period of five financial years in the NAV calculations. However in accordance with IFRS these costs will be written off as charged in the financial statements.

# GemCap Investment Funds (Ireland) Plc

## Notes forming part of the Financial Statements

(Continued)

### 6. FEES AND EXPENSES (Continued)

#### Administration Fees

The Administrator, in relation to the provision of its services is entitled to a fee payable out of the assets of each Sub-Fund accruing daily and payable monthly in arrears at the end of each calendar month, at an annual rate of up to 0.0225% of the Net Asset Value per Sub-Fund for the first €100,000,000, up to 0.0175% of the Net Asset Value per Sub-Fund for the next €400,000,000 and up to 0.01% of the Net Asset Value per Sub-Fund in excess of €500,000,000. The charges are subject to a minimum annual fee of €32,250 per Sub-Fund.

The Administrator is also entitled in respect of its registrar and transfer agent services, to a fee of €1,250 per share class per annum subject to a minimum annual fee of €5,000 per Sub-Fund, exclusive of out-of-pocket expenses.

Below is the breakdown for administration and transfer agency fees charged and payable during and as at financial period ended 30<sup>th</sup> June 2020 and 30<sup>th</sup> June 2019:

30 June 2020		Admin fees charged to	Admin fees payable at	Transfer agency fees charged to	Transfer agency fees payable at
Sub-Fund Name		30 June 2020	30 June 2020	30 June 2020	30 June 2020
TAREVF	\$	61,046	21,302	6,751	8,817
30 June 2019		Admin fees charged to	Admin fees payable at	Transfer agency fees charged to	Transfer agency fees payable at
Sub-Fund Name		30 June 2019	30 June 2019	30 June 2019	30 June 2019
TAREVF	\$	95,752	5,476	33,258	2,066

#### Depository and Depository Oversight Fees

Transaction and Safekeeping fees based on the Net Asset Value of the Company's assets that vary, from 0.005% to 1.08% per annum, depending on the country in which the security is traded and held, subject to a minimum monthly fee, exclusive of transaction charges and out-of-pocket expenses, of €400 per Sub-Fund. The Sub-Fund shall also bear the cost of all sub-custodian charges and transaction charges incurred by the Depository, or any sub-custodian, which shall not exceed normal commercial rates. The Depository shall also be entitled to reimbursement of properly vouched out of pocket expenses incurred by the Depository, or any sub-custodian, for the benefit of the Sub-Fund out of the assets of the Sub-Fund in respect of which such charges and expenses were incurred. Depository Fees will be accrued daily and paid monthly in arrears.

The Depository, in respect of its depository oversight services, shall be entitled to a fee payable out of the assets of each Sub-Fund accruing daily and payable monthly in arrears at the end of each calendar month at an annual rate of up to 0.025% of the Net Asset Value per Sub-Fund for the first €100,000,000, up to 0.02% of the Net Asset Value per Sub-Fund for the next €400,000,000 and up to 0.01% of the Net Asset Value per Sub-Fund in excess of €500,000,000. The charges are subject to a minimum annual fee for each Sub-Fund, exclusive of out-of-pocket expenses, of €10,000 and an annual fee of €5,000 per Sub-Fund for cash flow monitoring and reconciliation.

# GemCap Investment Funds (Ireland) Plc

## Notes forming part of the Financial Statements

(Continued)

### 6. FEES AND EXPENSES (Continued)

#### Depository and Depository Oversight Fees (Continued)

Depository and depository oversight fees charged for the financial period ended 30<sup>th</sup> June 2020 amounted to \$327,828 (2019: \$360,845), with fees payable at 30<sup>th</sup> June 2020 amounting to \$449,046 (31<sup>st</sup> December 2019: \$129,682).

#### Directors' Fees

The Directors are entitled to remuneration which will be accrued at the each Valuation Point of each Sub-Fund and paid quarterly for their services as Directors, provided that the aggregate emoluments of such Directors in respect of any 12 month financial year shall not exceed €200,000 plus any VAT or such other amount as the Directors may determine from time to time and notify to shareholders in advance. The Directors are entitled to be reimbursed for their reasonable out of pocket expenses (including travelling expenses) incurred in discharging their duties as Directors.

Directors' fees and expenses charged for the financial period ended 30<sup>th</sup> June 2020 amounted to \$100,320 (2019: \$76,726), with fees payable at 30<sup>th</sup> June 2020 amounting to \$38,161 (31<sup>st</sup> December 2019: \$4,919).

#### Audit Fees

Audit fees charged for the financial period ended 30<sup>th</sup> June 2020 were \$62,271 (2019: \$74,613), with fees payable at 30<sup>th</sup> June 2020 amounting to \$57,513 (31<sup>st</sup> December 2019: \$142,251).

#### Other Fees and Expenses

Below is the breakdown for other fees and expenses charged during the financial period ended 30<sup>th</sup> June 2020 and 30<sup>th</sup> June 2019.

	TAREVF 30 Jun 2020 \$	TAREVF 30 Jun 2019 \$	TOTAL** 30 Jun 2020 \$	TOTAL** 30 Jun 2019 \$
Distribution fees	4,540	-	9,080	-
Expenses paid to the Investment Manager	-	19,385	-	19,385
Financial statements fees	550	555	3,748	3,339
Legal fees	19,644	19,159	145,767	118,411
Miscellaneous fees	885	23	894	23
MIFID fees	-	-	406	-
Other fees	-	-	8,008	-
Professional fees	18,189	-	25,622	-
Risk management fees	3,289	3,324	49,257	46,537
Valuation Fee*	-	-	13,802	11,634
VAT fees	2,191	185	16,598	11,436
<b>Total Other Fees and Expenses</b>	<b>49,288</b>	<b>42,631</b>	<b>273,182</b>	<b>210,765</b>

\*A valuation fee for calculation of VaR is paid by AHFM Defined Returns Fund to its Investment Manager, Atlantic House Fund Management LLP.

# GemCap Investment Funds (Ireland) Plc

## Notes forming part of the Financial Statements

(Continued)

### 7. NET REALISED AND UNREALISED GAIN/(LOSS) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	TAREVF 30 Jun 2020 US\$	TAREVF 30 Jun 2019 US\$
Net Realised (Loss)/Gain on Investment in Transferable Securities	(10,437,805)	134,567
Net Change in Unrealised (Loss)/Gain on Investment in Transferable Securities	(23,456,104)	14,627,034
Net Realised Gain/(Loss) on Investment in Financial Derivative Instruments	228,245	(1,250,394)
Net Change in Unrealised (Loss)/Gain on Investment in Financial Derivative Instruments	(893,598)	(268,258)
Net Currency Gain/(Loss)	25,889	707
	<b>(34,533,373)</b>	<b>13,243,656</b>

### 8. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. There were no transactions with related parties other than those in the normal course of business. Amounts payable to the related parties mentioned in this note at the financial period end are disclosed in Note 6.

Stuart Alexander, a Director of the Company, is the CEO of GemCap UK Limited, UK Facilities Agent of the Company and is also a non-executive Director of Gemini Capital Management (Ireland) Limited, the Manager and Global Distributor of the Company and also owns a founder share in the Company. Distribution fees for the financial period amounted to \$9,080 (2019: \$Nil), with fees payable at 30<sup>th</sup> June 2020 amounting to \$Nil (31<sup>st</sup> December 2019: \$Nil).

Orla Quigley, a Director of the Company, is head of legal of Gemini Capital Management (Ireland) Limited, the Manager and Global Distributor of the Company. Conor Hoey, a Director of the Company, is an executive Director of Gemini Capital Management (Ireland) Limited, the Manager and Global Distributor of the Company. Manager's fees charged for the financial period ended 30<sup>th</sup> June 2020 amounted to \$854,974 (2019: \$724,826), with fees payable at ended 30<sup>th</sup> June 2020 amounting to \$150,640 (31<sup>st</sup> December 2019: \$155,025). Investment Management fees charged for the financial period ended 30<sup>th</sup> June 2020 amounted to \$6,876,307 (2019: \$5,331,101), with fees payable at ended 30<sup>th</sup> June 2020 amounting to \$1,251,377 (31<sup>st</sup> December 2019: \$1,540,443). Expense reimbursement from Investment Manager for the financial period ended 30<sup>th</sup> June 2020 amounted to \$181,405 (2019: \$256,719), with fees receivable at ended 30<sup>th</sup> June 2020 amounting to \$127,531 (31<sup>st</sup> December 2019: \$385,123) and fees payable at ended 30<sup>th</sup> June 2020 amounting to \$2,612 (31<sup>st</sup> December 2019: \$52,830).

Directors' fees charged for the financial period amounted to \$100,320 (2019: \$76,726), with fees payable at 30<sup>th</sup> June 2020 amounting to \$38,161 (31<sup>st</sup> December 2019: \$4,919).

As at 30<sup>th</sup> June 2020 and 30<sup>th</sup> June 2019, there were no Directors' interest in shares.

# GemCap Investment Funds (Ireland) Plc

## Notes forming part of the Financial Statements (Continued)

### 9. CONNECTED PERSONS

Regulation 43 of the Central Bank UCITS Regulations “Restrictions of transactions with connected persons” states that “A responsible person shall ensure that any transaction between a UCITS and a connected person is conducted a) at arm’s length; and b) in the best interest of the shareholders of the UCITS”.

As required under Central Bank UCITS Regulation 78.4, the Directors, as responsible persons are satisfied that there are arrangements in place, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 43(1) are applied to all transactions with a connected party and all transactions with connected parties that were entered into during the period to which the report relates complied with the obligations that are prescribed by Regulation 43(1). The Directors are satisfied that the transactions with connected parties during the financial period were carried out as if negotiated at arm's length and in the best interests of the Shareholders.

### 10. NAV HISTORY

<u>Third Avenue Real Estate Value Fund</u>	<b>30 Jun</b>	<b>31 Dec</b>	<b>31 Dec</b>
<b>Class A1 – USD Retail Acc Class</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Reported NAV	\$7,355,583	\$8,308,935	\$7,027,956
Reported NAV per share	\$47.2134	\$59.8945	\$50.0698
<b>Class A4 – USD Institutional Acc Class</b>			
Reported NAV	\$67,019,856	\$74,376,529	\$60,498,429
Reported NAV per share	\$32.3401	\$40.9242	\$34.0406
<b>Class A5 – EUR Institutional Acc Class</b>			
Reported NAV	€48,056,798	€62,641,231	€51,141,192
Reported NAV per share	€16.1544	€20.9381	€17.9559
<b>Class D4 – USD Institutional Dist Class*</b>			
Reported NAV	\$1,020,567	\$1,030,004	-
Reported NAV per share	\$8.4146	\$10.6480	-

\*Launched on 29<sup>th</sup> January 2019 therefore no prior year comparatives available.

### 11. NAV RECONCILIATION

The net asset value in the financial statements as at 30<sup>th</sup> June 2020 differs from that included in the published valuations as at 30<sup>th</sup> June 2020. The difference is due to the change in methodology in accounting for organisation costs as prescribed by IFRS, and the methodology indicated in the most recent Prospectus. This does not have any effect on the published or dealing Net Asset Values of any of the Sub-Funds and all amounts are immaterial in nature. The above mentioned NAVs are the reported NAVs.

### 12. DIVIDEND POLICY

For Third Avenue Real Estate Value Fund the Company may, at its discretion, declare dividends on Class D1, Class D2, Class D3, Class D4 and Class D5 Shares in the Fund annually. These dividends will be paid within 30 days of the date of that declaration. Dividends will be paid by telegraphic transfer or bank transfer unless Shareholders specifically request that dividends be re-invested by subscription for additional Shares of the same Class. Additional Shares will be issued to Shareholders on the same day if it is a Dealing Day, or if not, on the next Dealing Day at a price calculated in the same way as for other issues of the relevant Class on this date but without incurring any subscription fee. There is no minimum of such further Shares which may be so subscribed. Class A1 Shares, Class A2 Shares (GBP Institutional), Class A3 Shares, Class A4 Shares (USD Institutional) and Class A5 Shares (Euro Institutional) are accumulation shares and therefore carry no right to any dividend.

# **GemCap Investment Funds (Ireland) Plc**

## **Notes forming part of the Financial Statements**

(Continued)

### **13. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD**

On 8<sup>th</sup> January 2020, the Central Bank of Ireland revoked the authorisation of the Third Avenue Value Fund.

On 13<sup>th</sup> January 2020, the Third Avenue Real Estate Value Fund (1) amended the Dealing Day for subscriptions and redemptions in the Fund to “every Business Day, meaning a day on which both the New York Stock Exchange and banks in Ireland are open for business, or such other day(s) as the Directors may determine and notify in advance to Shareholders.”; (2) the investment policy of the Fund was amended to provide that the Sub-Fund will no longer invest in open-ended collective investment schemes and to clarify in respect of the real estate investment trusts (“REITs”) that the Sub-Fund may invest in, that any REITs in which the Sub-Fund invests will be transferable securities or will be constituted as closed-ended collective investment schemes which may be treated as transferable securities in accordance with the UCITS Regulations.

On 13<sup>th</sup> March 2020, the fourth addendum to the prospectus was noted by the Central Bank of Ireland. Gemini Capital Management (Ireland) Limited replaced GemCap UK Limited as Global Distributor for the Company. GemCap UK Limited is no longer regulated by the FCA.

On 24<sup>th</sup> June 2020, Gemini Investment Management Limited changed its name to GemCap UK Limited.

#### **COVID 19**

Since early January 2020, global financial markets have been monitoring and reacting to the Coronavirus (Covid-19) that is believed to have originated in Wuhan, China. To date, the virus has infected over 18.8 million people worldwide, with at least 706,000 having succumbed to the virus. The most confirmed cases are now concentrated in the USA with over 4,830,000 cases and over 159,000 deaths. While containment efforts may have helped to slow the growth of the virus, in March 2020, global financial markets reacted sharply to the news that the virus was continuing to spread, as well as concerns regarding the larger economic impact this may have on a global scale. Factories around the world continue to cope with shortages as Chinese suppliers struggle to resume normal operations. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak which at this point is not fully known.

The GemCap Investment Funds (Ireland) Plc Board has been monitoring the outbreak as markets reacted to the pandemic with increased volatility and uncertainty. Since the onset of the pandemic the Board has also noted the operational risks that are posed to the Company and its service providers due to global and local movement restrictions that have been enacted by various governments. COVID-19 pandemic is an unprecedented event and the eventual impact on the global economy and markets will largely depend on the scale and duration of the outbreak. The Board will continue to monitor this situation.

The Gemini Capital Management (Ireland) Limited team continues to monitor this situation closely on behalf of the Company and has put in place measures to safeguard its ability to provide services to the Company and each Fund. At this time there is close and ongoing communication with the investment managers. There have not been any significant net redemptions from the Funds. All redemptions in the Funds have been met fully and in a timely manner. The Funds continue to be managed in accordance with their investment objectives, investment policies and risk profiles.

# GemCap Investment Funds (Ireland) Plc

## Notes forming part of the Financial Statements

(Continued)

### 14. TAXATION

The Company will be regarded as resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland. It is intended that the Directors of the Company will conduct the affairs of the Company in a manner that will allow for this.

The Directors have been advised that the Company is an investment undertaking within the meaning of Section 739B of the Taxes Consolidation Act (“TCA”) and therefore is not chargeable to Irish tax on its relevant income or relevant gains so long as the Company is resident for tax purposes in Ireland only. On this basis, under current Irish law and practice it should generally not be chargeable to Irish tax on its income and gains. However, Irish tax may still arise on occurrence of a “Chargeable Event” in respect of the Company.

Shareholders, other than Irish residents, who complete a declaration confirming that they are neither Irish residents nor ordinarily residents, will not be liable to Irish tax on income or gains arising to them from their investment in the Company and no tax will be deducted on distributions from the Company or payments by the Company in respect of a redemption or other disposal of their investment.

In the absence of an appropriate declaration, the Company will be liable to Irish tax on the occurrence of a chargeable event.

A chargeable event includes any distribution to shareholders or any redemption or transfer of shares. A chargeable event does not include:

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

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.

### 15. EXCHANGE RATES USED IN THIS REPORT

The following exchange rates were used for TAREVF to translate assets and liabilities into one \$:

	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>
Australian Dollar	1.449065	1.425110
Canadian Dollar	1.357600	1.298351
Swiss Franc	0.947450	0.967600
Danish Krone	6.632487	6.662181
Euro	0.890076	0.891583
Great British Pound	0.807037	0.755002
Hong Kong Dollar	7.750496	7.792471
Israelische Schekel	-	3.453396
Japanese Yen	107.975036	108.664943
South Korean Won	-	1,156.069364
Norwegian Krone	9.625288	8.777705
New Zealand Dollar	1.549667	1.485443
Swedish Krona	9.318188	9.367681
Singapore Dollar	1.393600	1.345050
South African Rand	-	13.998544

# **GemCap Investment Funds (Ireland) Plc**

## **Notes forming part of the Financial Statements**

(Continued)

### **16. COMMITMENTS AND CONTINGENT LIABILITIES**

At the financial period end date, the Company had no commitments and contingent liabilities.

### **17. SOFT COMMISSION ARRANGEMENTS**

The Investment Manager may effect transactions through the agency of another person with whom the Investment Manager has an arrangement under which that party will, from time to time, provide or procure for the Investment Manager as research. Under such arrangements, no direct payment is made or required to be made for such services or benefits, but instead the Investment Manager undertakes to place business with that party. For the avoidance of doubt, such services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments. In such case, the Investment Manager as the case may be, shall ensure that such arrangements shall assist in the provision of investment services to the relevant Fund and the broker/counterparty to the arrangement has agreed to provide best execution to the relevant Fund.

During the period ended 30<sup>th</sup> June 2020 and year ended 31<sup>st</sup> December 2019, only Third Avenue Management LLC has entered into such research arrangements with brokers in respect of which services used to support the investment decision process were received.

### **18. SUBSEQUENT EVENTS**

There were no significant events to note after the financial period end.

### **19. APPROVAL OF FINANCIAL STATEMENTS**

The Directors authorised the financial statements for issue on 18<sup>th</sup> August 2020.

# GemCap Investment Funds (Ireland) Plc

## Appendix 1

### 1. Cybersecurity Risk

Cybersecurity breaches may occur allowing an unauthorised party to gain access to assets of the Funds, Shareholder data, or proprietary information, or may cause the Company, the Investment Manager, the Distributor, the Administrator or the Depositary to suffer data corruption or lose operational functionality. The Funds may be affected by intentional cybersecurity breaches which include unauthorised access to systems, networks, or devices (such as through “hacking” activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of Shareholder data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the Company, the Investment Manager, the Distributor, the Administrator, the Depositary, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, Shareholders may lose some or all of their invested capital. In addition, such incidents could affect issuers in which a Sub-Fund invests, and thereby cause a Sub-Fund’s investments to lose value, as a result of which investors, including the relevant Sub-Fund and its Shareholders, could potentially lose all or a portion of their investment with that issuer. Cybersecurity breaches may occur allowing an unauthorised party to gain access to assets of the Funds, Shareholder data, or proprietary information, or may cause the Company, the Investment Manager, the Distributor, the Administrator or the Depositary to suffer data corruption or lose operational functionality.

# GemCap Investment Funds (Ireland) Plc

## Appendix 2

### Total Expense Ratios

The annualised total expense ratios for the financial period are calculated by the Administrator and are set out in the table below.

The total expense ratio calculation includes all annual operating costs and excludes bank interest, foreign exchange, transaction and dealing costs, and withdrawn taxes on dividends and interest in compliance with the guidelines set out by the Swiss Funds and Asset Management Association (SFAMA) and with the Guidance 1/05 UCITS Regulations.

<b>Sub-Fund</b>	<b>Total Expense Ratio For financial period ended 30 June 2020</b>
<b>Third Avenue Real Estate Value Fund</b>	
Class A1 – USD Class	1.88%
Class A4 – USD Institutional Class	1.37%
Class A5 – EUR Institutional Class	1.37%
Class D4 – USD Institutional Dist Class	1.37%

### Performance Data

The performance of the Third Avenue sub-funds is determined in accordance with the directives of the Swiss Fund Association (SFA) and is confronted in each case with the appropriate reference index or the appropriate Benchmark. The performance of each sub-fund for the respective financial periods is as follows:

		<b>YTD Total Return</b>
Third Avenue Real Estate Value Fund - A1 USD	IE00B57HGY48	-21.17%
Third Avenue Real Estate Value Fund - A4 USD	IE00B6WFK718	-20.98%
Third Avenue Real Estate Value Fund - A5 EUR	IE00B6WFK825	-22.85%
Third Avenue Real Estate Value Fund - D4 USD	IE00BYM5K887	-20.97%

The past performance is no indication of current or future performance and the performance data do not take account of the commissions and costs incurred on the issue and redemption of units.

In Switzerland, the Fund's prospectus, Key Investor Information Documents, the Articles of Association/Incorporation and the annual- and semi-annual reports may be obtained free of charge from the Swiss Representative and Paying Agent, RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH-8027 Zurich.

# **GemCap Investment Funds (Ireland) Plc**

## **Informationen für Anleger in der Schweiz**

### **1. Vertreter**

Die Vertretungsstelle in der Schweiz ist RBC Investor Services Bank S.A., Esch-sur-Alzette, Niederlassung Zürich, Bleicherweg 7, CH-8027 Zürich (die „Vertretungsstelle in der Schweiz“ ist zusammen mit der Zahlstelle in der Schweiz, die „Vertretungs- und Zahlungsstelle in der Schweiz“).

### **2. Zahlstelle**

Die Zahlstelle in der Schweiz ist RBC Investor Services Bank S.A., Esch-sur-Alzette, Niederlassung Zürich, Bleicherweg 7, CH-8027 Zürich (die „Zahlstelle in der Schweiz“ ist zusammen mit der Vertretungsstelle in der Schweiz, die „Vertretungs- und Zahlungsstelle in der Schweiz“).

### **3. Ort, an dem die entsprechenden Dokumente bezogen werden können**

Der Prospekt, die Dokumente mit den wesentlichen Informationen für Anlegerinnen und Anleger, die Gesellschaftssatzung sowie die Jahres- und Halbjahresberichte können kostenlos von der Vertretungsstelle bezogen werden.

Eine Liste aller Käufe und Verkäufe während des Berichtszeitraums ist ebenfalls kostenlos bei der Vertretungsstelle erhältlich.