

PROSPERITY CAPITAL MANAGEMENT SICAV

Société d'investissement à capital variable
(a Luxembourg domiciled open-ended investment company)

Unaudited semi-annual report as at June 30, 2023

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No subscription can be received on the basis of these financial statements. Subscriptions are only valid if made on the basis of the current prospectus accompanied by the Key Investor Information Documents ("KIIDs"), the Key Information Documents ("KIDs"), the latest annual report, including audited financial statements, and the most recent unaudited semi-annual report, if published thereafter.

PROSPERITY CAPITAL MANAGEMENT SICAV

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PROSPERITY CAPITAL MANAGEMENT SICAV

Organisation of the SICAV

REGISTERED OFFICE	15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
BOARD OF DIRECTORS OF THE SICAV	
CHAIRMAN	Mr John ALLDIS, Chairman of the Board of Directors, Carne Global Financial Services Luxembourg 3, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg
MEMBERS	Mr Joseph KEANE, Director, Prosperity Capital Management (UK) Ltd, 3 rd Floor, 207 Regent Street, London W1B 3HH, United Kingdom Ms Veronica BUFFONI, Director, Carne Global Financial Services Luxembourg 3, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg Mr Cédric BIART, Director, 15, avenue J.F. Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg
CENTRAL ADMINISTRATION AND MANAGEMENT COMPANY	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY	
CHAIRMAN	Mr Marc BRIOL, Chief Executive Officer Pictet Asset Services, Banque Pictet & Cie SA, 60, route des Acacias, CH-1211 Geneva 73, Switzerland
MEMBERS	Mr Dorian JACOB, Managing Director, Chief Executive Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg Mr Geoffroy LINARD DE GUERTECHIN, Independent Director, 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg Mrs Christel SCHAFF, Independent Director, 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since April 27, 2023)

PROSPERITY CAPITAL MANAGEMENT SICAV

Organisation of the SICAV (continued)

MEMBERS OF THE MANAGEMENT COMMITTEE

Mr Dorian JACOB, Chief Executive Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Abdellali KHOKHA, Conducting Officer in charge of Risk Management, Conducting Officer in charge of Compliance, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Pierre BERTRAND, Conducting Officer in charge of Fund Administration of Mainstream Funds and Valuation, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Frédéric BOCK, Conducting Officer in charge of Fund Administration of Alternative Funds, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (until June 30, 2023)

Mr Thomas LABAT, Conducting Officer in charge of the Portfolio Management FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since July 26, 2023)

INVESTMENT MANAGER AND GLOBAL DISTRIBUTOR

Prosperity Capital Management (UK) Ltd, 3rd Floor, 207 Regent Street, London W1B 3HH, United Kingdom

DEPOSITARY BANK

Bank Pictet & Cie (Europe) AG, *succursale de Luxembourg* (formerly Pictet & Cie (Europe) S.A., until May 25, 2023), 15A, avenue J.-F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

REVISEUR D'ENTREPRISES AGRÉÉ

KPMG Audit, *Société à responsabilité limitée*, 39, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

LEGAL ADVISOR AS TO LUXEMBOURG LAW

Elvinger Hoss Prussen, 2, place Winston Churchill, BP 425, L-2014 Luxembourg, Grand Duchy of Luxembourg

LEGAL ADVISOR AS TO RUSSIAN LAW

CMS International B.V. Presnenskaya Nab., 10, 123317, Moscow, Russian Federation

PROSPERITY CAPITAL MANAGEMENT SICAV

General information

PROSPERITY CAPITAL MANAGEMENT SICAV (the "SICAV") publishes an annual report, including audited financial statements, within four months after the end of the business year and an unaudited semi-annual report within two months after the end of the period to which it refers.

Annual reports, including audited financial statements, and semi-annual reports provide information on each sub-fund and, on a consolidated basis, the SICAV as a whole.

The following documents are also available, free of charge, and copy thereof may be obtained at the registered office of the SICAV:

- (i) the Articles of Incorporation;
- (ii) the annual report, including audited financial statements, and semi-annual reports of the SICAV;
- (iii) the Prospectus;
- (iv) the KIIDs;
- (v) the KIDs; and
- (vi) a copy of the changes in the investment portfolio for the period from January 1, 2023 to June 30, 2023

Additional information is made available by the Management Company at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations. This additional information includes the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the SICAV, the policy for placing orders to deal on behalf of the SICAV with other entities, the best execution policy as well as the arrangements relating to the fee, commission or non-monetary benefit in relation to the investment management and administration of the SICAV.

A detailed schedule of changes in the securities portfolios for the sub-fund for the period ending June 30, 2023 is available free of charge upon request at the registered office of the SICAV and from the representative in each country in which the SICAV is authorised for distribution.

PROSPERITY CAPITAL MANAGEMENT SICAV

Distribution abroad

DISTRIBUTION IN AND FROM SWITZERLAND

In Switzerland, this document may only be provided to qualified investors within the meaning of Art. 10 Para. 3 and 3ter CISA.

Representative and Paying Agent

The representative in Switzerland is Bastions Partners Office SA (the "Representative"), with its registered office in Route de Chêne 61A, 1208 Genève, Switzerland. The paying agent in Switzerland is Banque Heritage SA, with its registered office in Route de Chêne 61, 1208 Genève, Switzerland.

Place of distribution of reference documents

The Prospectus, the Key Information Documents ("KIDs"), the Articles of Incorporation, the annual and semi-annual reports of the SICAV, and a breakdown of the purchases and sales of the SICAV during the financial period under review can be obtained free of charge from the registered office of the Representative in Switzerland.

DISTRIBUTION IN LIECHTENSTEIN

Paying Agent in Liechtenstein

Volksbank AG
Feldkircher Str. 2
FL-9494 Schaan

The current prospectus, the KIIDs, the key information documents, the articles of incorporation and the annual and semi-annual reports are available free of charge from the Paying Agent in Liechtenstein.

Any notices and amendments to the current prospectus and the articles of incorporation must be published in a Liechtenstein newspaper, the "*Liechtensteiner Vaterland*".

For the period from January 1, 2022 to February 25, 2022, the subscription and redemption prices of the shares of the SICAV were published at least twice per month in a Liechtenstein newspaper, the "*Liechtensteiner Vaterland*". Since February 28, 2022, the NAV has been suspended.

The place of execution and jurisdiction for shares distributed in Liechtenstein is Schaan.

PROSPERITY CAPITAL MANAGEMENT SICAV

Statement of net assets as at June 30, 2023

	COMBINED	PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)
	EUR	USD
ASSETS		
Investments in securities at acquisition cost (note 2.f)	192,394,417.20	209,902,275.76
Net unrealised loss on investments	-175,601,841.17	-191,581,578.23
Investments in securities at market value (note 2.d)	16,792,576.03	18,320,697.53
Cash at banks (note 2.d)	4,377,210.30	4,775,535.68
Other receivables	86,648.87	94,533.90
	21,256,435.20	23,190,767.11
LIABILITIES		
Investment management fee payable (note 4)	463,373.52	505,540.43
"Taxe d'abonnement" payable (note 3)	9,956.21	10,862.22
Other fees payable (note 9)	90,646.94	98,895.80
Other liabilities	59,070.78	64,446.21
	623,047.45	679,744.66
TOTAL NET ASSETS AS AT JUNE 30, 2023	20,633,387.75	22,511,022.45
TOTAL NET ASSETS AS AT DECEMBER 31, 2022	18,489,747.37	19,733,188.88
TOTAL NET ASSETS AS AT DECEMBER 31, 2021	201,797,731.64	229,484,327.28

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

PROSPERITY CAPITAL MANAGEMENT SICAV

Statement of operations and changes in net assets for the period ended June 30, 2023

	COMBINED	PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)
	EUR	USD
NET ASSETS AT THE BEGINNING OF THE PERIOD	18,489,747.37	19,733,188.88
INCOME		
Dividends, net (note 2.h)	764,298.77	833,849.83
	<u>764,298.77</u>	<u>833,849.83</u>
EXPENSES		
Investment management fees (note 4)	463,373.52	505,540.43
Depositary Bank and Central Administration fees (note 7)	146.50	159.83
Audit and legal fees	72,376.28	78,962.51
Directors' fees (note 8)	23,197.44	25,308.40
Printing and publishing fees	587.11	640.54
"Taxe d'abonnement" (note 3)	9,242.79	10,083.88
Transaction fees (note 2.i)	5,375.06	5,864.19
Other expenses (note 6)	82,022.63	89,486.68
	<u>656,321.33</u>	<u>716,046.46</u>
NET INVESTMENT INCOME	107,977.44	117,803.37
Net realised loss on sales of investments (note 2.e)	-3,636,955.00	-3,967,917.27
Net realised loss on foreign exchange	-1,568,643.84	-1,711,390.16
NET REALISED LOSS	-5,097,621.40	-5,561,504.06
Change in net unrealised appreciation:		
- on investments	7,643,757.06	8,339,337.63
INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS	2,546,135.66	2,777,833.57
Revaluation difference on the net assets at the beginning of the period*	-402,495.28	
NET ASSETS AT THE END OF THE PERIOD	20,633,387.75	22,511,022.45

* The difference mentioned above results from the conversion of the net assets at the beginning of the period (for the sub-funds denominated in currencies other than USD) at exchange rates applicable on December 31, 2022 and exchange rates applicable on June 30, 2023.

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

PROSPERITY CAPITAL MANAGEMENT SICAV

Number of shares outstanding and net asset value per share

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		30.06.2023	30.06.2023	31.12.2022	31.12.2021
PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)					
A EUR	EUR	51,058.39	15.89*	14.28	149.20
A USD	USD	214,622.68	13.08*	11.50	127.48
B EUR	EUR	163,645.54	16.18*	14.48	149.31
B USD	USD	8,755.78	13.78*	12.06	132.01
F EUR	EUR	296,657.49	12.26*	11.06	112.38
I USD	USD	282,709.09	25.82*	22.64	248.84
S EUR	EUR	31,015.93	19.73*	17.70	183.74
X EUR	EUR	167,547.53	21.18*	18.83	190.53

* The NAV calculation has been suspended since February 28, 2022. The net asset value per share disclosed above as at June 30, 2023 is an indicative NAV and is not an official NAV. The basis for determination of the indicative NAV is disclosed in note 2a) to the financial statements.

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

PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)

Statement of investments and other net assets as at June 30, 2023 (expressed in USD)

Description	Currency	Quantity	Market value (note 2)	% of net assets
I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>BERMUDA</i>				
VEON -ADR SPONS.-	USD	21,757.00	444,713.08	1.98
			444,713.08	1.98
<i>BRITISH VIRGIN ISLANDS</i>				
LENTA -GDR SPONSORED- REG.S *	USD	3.00	0.00	0.00
VKCO -GDR SPONS.- -S- *	USD	821,908.00	0.00	0.00
			0.00	0.00
<i>CYPRUS</i>				
MD MED GROUP INVESTMENT GDR -SPONS.- *	USD	876,670.00	0.00	0.00
			0.00	0.00
<i>JERSEY</i>				
POLYMETAL INTERNATIONAL *	GBP	254,431.00	0.00	0.00
			0.00	0.00
<i>KAZAKHSTAN</i>				
HALYK SAVINGS BANK OF KAZAKHSTAN GDR -SPONS.-S-	USD	284,954.00	4,000,754.16	17.77
			4,000,754.16	17.77
<i>RUSSIA</i>				
EN+ GROUP INTERNATIONAL *	USD	342,530.00	0.00	0.00
ETALON GROUP GDR -SPONS.- REG.S *	USD	2,673,075.00	0.00	0.00
FGC UES *	USD	448,204,883.00	0.00	0.00
GAZPROM *	RUB	4,530,053.00	0.00	0.00
IDGC CENTER & VOLGA *	USD	755,104,498.00	0.00	0.00
LENTA *	USD	517,435.00	0.00	0.00
LSR GROUP *	USD	507,577.00	0.00	0.00
LUKOIL OIL COMPANY *	RUB	214,867.00	0.00	0.00
MAGNIT *	USD	99,090.00	0.00	0.00
MAGNITOGORSK IRON & STEEL WORKS *	USD	2,974,223.00	0.00	0.00
NOVOLIPETSK STEEL *	USD	236,160.00	0.00	0.00
OGK-2 *	USD	363,327,889.00	0.00	0.00
ROS AGRO GDR -SPONS.- *	USD	274,500.00	0.00	0.00
ROSNEFT OIL COMPANY *	USD	2,193,522.00	0.00	0.00
ROSSETI CENTRE *	USD	563,271,909.00	0.00	0.00
ROSSETTI SOUTH *	USD	1,361,692,836.00	0.00	0.00
SBERBANK OF RUSSIA *	RUB	3,142,471.00	0.00	0.00
SURGUTNEFTGAS PUBLIC *	USD	16,057,698.00	0.00	0.00
T PLUS PJSC *	USD	79,833,588.00	0.00	0.00
VTB BANK *	USD	15,021,586,651.00	0.00	0.00
X5 RETAIL GROUP GDR -SPONS.- *	USD	297,402.00	0.00	0.00
			0.00	0.00

* Refer to note 2.a

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

PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)

Statement of investments and other net assets as at June 30, 2023 (expressed in USD) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>SWEDEN</i>				
ENERGYO SOLUTION RUSSIA *	SEK	370,555.00	0.00	0.00
			0.00	0.00
<i>UKRAINE</i>				
MHP GDR -SPONS.- -S-	USD	2,328,154.00	8,730,577.50	38.79
			8,730,577.50	38.79
<i>UNITED KINGDOM</i>				
BANK OF GEORGIA GROUP	GBP	544.00	20,229.72	0.09
EVRAZ *	GBP	581,449.00	0.00	0.00
PETROPAVLOVSK *	GBP	43,977,688.00	0.00	0.00
TBC BANK GROUP	GBP	163,186.00	5,124,423.07	22.76
			5,144,652.79	22.85
TOTAL I.			18,320,697.53	81.39
II. OTHER TRANSFERABLE SECURITIES				
SHARES				
<i>CYPRUS</i>				
MRIYA AGRO HOLDING GDR -SPONS.- *	EUR	1,490,861.00	0.00	0.00
			0.00	0.00
TOTAL II.			0.00	0.00
III. UNITS OF INVESTMENT FUNDS				
<i>CAYMAN ISLANDS</i>				
NEW RUSSIAN GENERATION B USD *	USD	6,785,357.66	0.00	0.00
			0.00	0.00
TOTAL III.			0.00	0.00
TOTAL INVESTMENTS			18,320,697.53	81.39
CASH AT BANKS			4,775,535.68	21.21
OTHER NET LIABILITIES			-585,210.76	-2.60
TOTAL NET ASSETS			22,511,022.45	100.00

* Refer to note 2.a

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

PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)

Geographical and industrial classification of investments as at June 30, 2023

Geographical classification

(in % of net assets)	
Ukraine	38.79
United Kingdom	22.85
Kazakhstan	17.77
Bermuda	1.98
Russia	0.00
Cayman Islands	0.00
Jersey	0.00
Cyprus	0.00
British Virgin Islands	0.00
Sweden	0.00
	81.39

Industrial classification

(in % of net assets)	
Banks and credit institutions	40.62
Food and other agricultural products	38.79
Communications	1.98
Oil and gas	0.00
Public utilities	0.00
Food and soft drinks	0.00
Mining and steelworks	0.00
Gold	0.00
Units of investment funds	0.00
Precious metals and stones	0.00
Construction and building materials	0.00
Agriculture and fisheries	0.00
Holding and finance companies	0.00
Internet, software and IT services	0.00
Gastronomy	0.00
Electronics and electrical equipment	0.00
Utilities electric	0.00
Retail and supermarkets	0.00
	81.39

PROSPERITY CAPITAL MANAGEMENT SICAV

Notes to the financial statements as at June 30, 2023

NOTE 1

GENERAL

PROSPERITY CAPITAL MANAGEMENT SICAV (the "SICAV") is a limited liability company organised as a *société d'investissement à capital variable* incorporated in Luxembourg on January 30, 2013 for an unlimited duration. The SICAV is subject to the provisions of the Law of August 10, 1915 on commercial companies, as amended (the 1915 Law), and of Part I of the amended Law of December 17, 2010 (the 2010 Law) relating to undertakings for collective investment ("UCIs").

The SICAV qualifies as an undertaking for collective investment in transferable securities ("UCITS") under article 1(2) of the Directive 2009/65/EC, as modified. Directive 2014/91/EU of the European Parliament and the Council of July 23, 2014 on the coordination of laws, regulations and administrative provisions relating to UCIs in transferable securities modifying Directive 2009/65/EC was implemented in national law under the Luxembourg Law of May 10, 2016 amending the 2010 Law.

The Articles of Incorporation were published in the *Mémorial C, Recueil Spécial des Sociétés et Associations du Grand-Duché de Luxembourg* on February 18, 2013 and deposited with the *Registre de Commerce et des Sociétés* of Luxembourg, where they are available for inspection.

The share capital of the SICAV shall at any time be equal to the total net assets of the various sub-funds and is represented by registered shares of no par value and fully paid up. The minimum capital is EUR 1,250,000.

The SICAV has appointed FundPartner Solutions (Europe) S.A., a public limited company (*société anonyme*) with registered office at 15, avenue J.F. Kennedy, L-1855 Luxembourg, as its management company as of July 2, 2015. It is registered on the official list of Luxembourg management companies governed by Chapter 15 of the 2010 Law.

a) Sub-fund in activity

As of June 30, 2023, no sub-fund is available to investors because of the NAV suspension as of February 28, 2022. For the period from January 1, 2022 to February 25, 2022, the following sub-fund was available:

- PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG) (denominated in US Dollars)

b) Significant events and material changes

On February 24, 2022, Russia invaded Ukraine. In addition to tragic human consequences of the war, economic consequences included: suspension of trading on the Moscow Stock Exchange on February 25, 2022, suspension of trading of various depositary receipts, and various sanctions being imposed on Russian individuals and companies and retaliatory sanctions by the Russian government on foreign entities.

PROSPERITY CAPITAL MANAGEMENT SICAV

Notes to the financial statements as at June 30, 2023 (continued)

(i) NAV suspension

The SICAV had an exposure of 75% of its Net Asset Value ("NAV") to Russian companies as of February 25, 2022. Due to the above sanctions, it was not possible for the SICAV to trade its Russian securities on the Moscow Stock Exchange or any other stock markets since February 25, 2022 such that the Board of Directors of the SICAV determined to suspend the calculation of the net asset value of the sub-fund on February 28, 2022. It is unknown as to when sanctions will be lifted and as of the date of the publication of these financial statements, the NAV of the sub-fund is still suspended.

(ii) Restricted cash ("C-type accounts")

The Russian government and Central Bank have imposed restrictions on the use of rubles held by persons and entities in accounts with institutions outside of Russia, or by entities from certain "unfriendly" jurisdictions (as determined by the Russian government). As the Company's ruble accounts with Pictet and Cie are in Luxembourg, and the Company is domiciled in Luxembourg (listed as "unfriendly"), all ruble amounts must be held in restricted "C-type accounts", and dividends paid by Russian investee companies must be paid to these accounts. Currently, the use of these funds is limited to the payment of Russian taxes, the acquisition of Russian sovereign bonds and the payment of commissions and fees to the bank servicing these accounts. As at December 31, 2022, the SICAV had a total cash amount of RUB 124,931,211.62 (USD 1,711,386.46) held in the restricted "C-type accounts". As at June 30, 2023, the SICAV does not held cash in the restricted "C-type accounts".

(iii) Investment manager fees

Following the suspension of the NAV on February 28, 2022 and considering that 75% of the NAV was concentrated in Russia, the basis of remuneration of the investment manager was changed as from the date of NAV suspension and investors were informed accordingly. The remuneration of the investment manager takes into account the work and effort necessary for the investment manager to continue to exist and perform its duties for the best interest of the investors of the SICAV. The table below shows the investment manager fee remuneration over a three years period:

30.06.2023 (USD)	2022 (USD)	2021 (USD)	2020 (USD)
505,540.43	1,560,747.21**	3,719,010.27	3,684,093.25

** Of which USD 496,847.43, was generated before the NAV suspension date of February 28, 2022.

c) Share classes

As of June 30, 2023, no share classes are available for subscription/redemption, due to the suspension of the NAV calculations on February 28, 2022. For the period from January 1, 2022 to February 25, 2022, the following share classes were available for subscription/redemption:

- A EUR
- A USD
- B EUR
- B USD
- F EUR
- I USD

PROSPERITY CAPITAL MANAGEMENT SICAV

Notes to the financial statements as at June 30, 2023 (continued)

- S EUR
- X EUR

Class A and B shares are capitalisation shares and may be held by natural persons or legal entities.

Class F share is called the founder share Class, it has only one investor who has been invested in the SICAV from its inception.

The issue of Class I and Class IP shares is restricted to institutional investors within the meaning of Article 174 (2) of the 2010 Law ("Institutional Investors").

Class S shares are shares with no rebate to be paid and which may be offered in certain limited circumstances for distribution in certain countries and through distributors, platforms and/or brokers/dealers who (i) have separate fee arrangements with their clients and (ii) who, at the discretion of the Board of Directors of the SICAV and/or the Global Distributor, may be considered wholesale investors (i.e. intermediaries (such as platforms) providing financial services to other financial institutions, rather than to individuals) by dealing in large volume and/or providing services to other investors. In addition, Class S shares may be offered to professional investors and/or other investors at the discretion of the Board of Directors of the SICAV and/or the Global Distributor.

Class R shares are restricted to Institutional Investors specially approved by the Board of Directors of the SICAV and/or the Global Distributor.

Class X shares are restricted to investors who are approved by the Board of Directors of the SICAV and are party to a discretionary management agreement with the Investment Manager or one of its affiliates (including any sub-fund of the SICAV).

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) General

The financial statements are prepared in accordance with generally accepted accounting principles and presented in accordance with the legal reporting requirements applicable in Luxembourg relating to UCIs.

Going concern:

As the SICAV had an exposure of 75% of its Net Asset Value to Russian companies as of February 25, 2022 and considering that it was not possible to trade those Russian securities on the Moscow Stock Exchange or any other stock markets after February 25, 2022 due to above-mentioned sanctions, the Board of Directors of the SICAV resolved to suspend the calculation of the SICAV's NAV as well as the issuance and redemption of shares as of February 28, 2022. As of the date of the publication of these financial statements, the situation remains unchanged with the SICAV's NAV being still suspended and it is unknown as to when sanctions will be lifted and when trading will be possible for the SICAV in relation to its investments made in Russian companies.

PROSPERITY CAPITAL MANAGEMENT SICAV

Notes to the financial statements as at June 30, 2023 (continued)

Although the NAV of the SICAV is suspended, the Board of Directors have performed an assessment of the SICAV's ability to continue as a going concern. Taking into account the liquid assets and the value of tradable investments of the Company as at financial period end, as well as average yearly expenses of the SICAV, the Board of Directors have assessed the SICAV has sufficient liquidity to continue operating for the foreseeable future such that the going concern principle for preparation of the financial statements remains appropriate.

Basis of NAV calculation:

As at June 30, 2023 the NAV of SICAV was estimated at USD 22,511,022.45.

This NAV is an indicative NAV as at June 30, 2023 and is not an official NAV. The official NAV calculation is suspended, and shareholders cannot subscribe into nor redeem from the sub-fund.

It is important to note that immediately following the Russian invasion of Ukraine, the MOEX suspended trading in all securities. Since the invasion, the SICAV has not been able to participate in any real market for the Russian listed securities it holds in its portfolio. On March 24, 2022, the MOEX resumed trading, however this trading was restricted to residents of Russia. As the MOEX market is currently inaccessible by the SICAV, the Investment Manager and the Board of Directors of the SICAV would like to stress that an accurate valuation of the MOEX traded portion of its portfolio is not possible and any attempt is arbitrary and unreliable.

As part of determining the indicative NAV for the purpose of the financial statements as of June 30, 2023, the Board of Directors have applied a conservative valuation approach whereby the Russian securities were valued at "zero" because of the impossibility to trade those Russian securities, retrieve fair market values and overall global market uncertainty. This zero-value assigned to those Russian securities may not reflect their intrinsic value but rather the fact that there is no open and accessible stock exchange market on which those securities can be dealt with.

The SICAV received an amount of USD 2.7 million from the sale of two securities which were conservatively valued at zero in the balance sheet at June 30, 2023.

b) Foreign exchange translation

Assets and liabilities expressed in currencies other than the sub-fund's reporting currency are translated into the currency of the sub-fund at the exchange rate prevailing at the reporting date.

Income and expenses in currencies other than the sub-fund's reporting currency are translated into the currency of the sub-fund at the exchange rate prevailing on the transaction date.

Resulting realised and variation on unrealised foreign exchange gains and losses are included in the statement of operations and changes in net assets.

c) Combined financial statements

The combined financial statements of the SICAV are equal to the sum of the various corresponding positions in the financial statements of each sub-fund converted into euros (EUR) at the exchange rate prevailing at the date of the financial statements.

PROSPERITY CAPITAL MANAGEMENT SICAV

Notes to the financial statements as at June 30, 2023 (continued)

At the date of the financial statements, the exchange rate is the following:

1 USD = 0.91659043 EUR

d) Valuation of assets

1) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as the SICAV considers appropriate in such case to reflect the true value thereof;

2) Liquid assets and money market instruments are valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, are valued in the same manner.

3) Transferable securities and money market instruments which are quoted or dealt in on any stock exchange or dealt in on any other Regulated Market are, where such transferable security or money market instrument has been traded since the last Valuation Point, valued according to the following principles:

- (i) Where the last trade price falls within the bid/ask spread at the applicable Valuation Point on the stock exchange or any other Regulated Market on which it is traded, such transferable security or money market instrument is valued at the last trade price; and
- (ii) Where the last trade price at which such transferable security or money market instrument has been traded on the applicable Valuation Day falls outside the bid/ask spread at the relevant Valuation Point on the stock exchange and any other Regulated Market on which it is traded, such transferable security or money market instrument is valued at the average of the bid and ask price at this Valuation Point;

4) Transferable securities and money market instruments which have not been traded on any stock exchange or any other Regulated Market since the last Valuation Point shall be valued at the average of the closing bid and closing ask price at which it traded most recently prior to the applicable Valuation Day. For the purpose of this provision, the reference to "closing" bid or ask price means to be the last bid or ask price of the relevant transferable securities and money market instruments at the Valuation Point on the stock exchange or other Regulated Market on which the relevant transferable securities and money market instruments traded most recently prior to the applicable Valuation Day;

5) Units or shares in UCIs are valued on the basis of their last available NAV;

6) In the event that any of the transferable securities and money market instruments held in the SICAV's portfolios are not quoted or dealt in on any stock exchange, over-the-counter market or other Regulated Market or if, with respect to transferable securities and money market instruments quoted or dealt in on any stock exchange or dealt in on any over-the-counter market or other Regulated Market, the price as determined pursuant to the above valuation rules is not representative of the fair market value of the relevant transferable securities and money market instruments, the value of such transferable securities and money market instruments is determined based on the reasonably foreseeable sales price determined prudently and in good faith by the Board of Directors of the SICAV.

In that respect, please refer to information in note 2a) - sub-section "basis of NAV calculation".

PROSPERITY CAPITAL MANAGEMENT SICAV

Notes to the financial statements as at June 30, 2023 (continued)

e) Net realised gain/loss on sales of investments

The net realised gain/loss on sales of investments is calculated on the basis of the weighted average cost of the investments sold.

f) Cost of investment securities

Cost of investment securities in currencies other than the sub-fund's reporting currency is converted into the sub-fund's reporting currency at the exchange rate applicable at purchase date.

g) Formation expenses

Formation expenses are amortised on a straight line basis over a period of 5 years.

h) Income

Dividends are recorded net of withholding tax at ex-date. Interest is recorded on an accrual basis.

i) Transaction fees

The transaction fees represent the costs incurred by each sub-fund in connection with purchases and sales of investments.

Transactions fees include brokerage fees, bank commissions and other transaction fees. They are included in the statement of operations and changes in net assets.

NOTE 3

"TAXE D'ABONNEMENT"

The SICAV is not subject to taxation in Luxembourg on its income, profits or gains.

No stamp duty, capital duty or other tax are payable in Luxembourg upon the issue of the shares of the SICAV.

The SICAV is however subject to a subscription tax ("*taxe d'abonnement*") levied at the rate of 0.05% per annum based on its NAV at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax of 0.01% per annum is applicable to Classes of the sub-fund which are reserved to one or more institutional investors.

PROSPERITY CAPITAL MANAGEMENT SICAV

Notes to the financial statements as at June 30, 2023 (continued)

NOTE 4 INVESTMENT MANAGEMENT FEES

For the period from January 1, 2022 to February 25, 2022, the Investment Manager is entitled to an investment management fee payable monthly by the sub-fund PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG) at the following rates:

Class A : 2.50% of the NAV per annum
Class B : 1.50% of the NAV per annum
Class F : 1.75% of the NAV per annum
Class I : 1.875% of the NAV per annum
Class S : 2.00% of the NAV per annum
Class X : none

From the time of suspension of the NAV to June 30, 2023, the Investment Manager's remuneration was adapted accordingly as described in Note 1 b) (iii).

NOTE 5 PERFORMANCE FEES

For the period from January 1, 2022 to February 25, 2022, the Investment Manager receives out of the portion of the NAV attributable to the Class B shares, a performance fee equal to 15.00% of the excess of the NAV attributable to the Class B shares, before deduction of accrued performance fees, over the Target NAV (as defined in the Prospectus).

There were no performance fees for the period ending June 30, 2023.

The performance fee is accrued at each valuation day and becomes payable on the last valuation day of the year. In the case of redemptions, the pro rata portion of the accrued performance fee attributable to those shares becomes payable immediately upon the valuation day as of which the shares are redeemed.

NOTE 6 MANAGEMENT COMPANY FEES

The Management Company is entitled to a management company fee payable quarterly in arrears by the SICAV at a rate of up to 0.05% of the net assets (or estimated net assets from the date of NAV suspension) per annum with a minimum of EUR 50,000. Management company fees are recorded under the caption "Other expenses" in the statement of operations and changes in net assets.

No fees were charged for the period.

NOTE 7 DEPOSITARY BANK AND CENTRAL ADMINISTRATION FEES

The Depositary Bank is entitled to charge the SICAV a commission payable quarterly in arrears of a maximum of up to 0.04% of the average NAV (or estimated net assets from the date of NAV suspension) per annum with a minimum of up to EUR 40,000 for acting as Depositary Bank.

The Depositary Bank is also entitled to charge the SICAV an oversight fee of 0.01% of the average Net Asset Value of each sub-fund per annum.

PROSPERITY CAPITAL MANAGEMENT SICAV

Notes to the financial statements as at June 30, 2023 (continued)

The centrale administration function, performed by the Management Company, is entitled to charge the SICAV a commission payable quarterly in arrears of a maximum of up to 0.06% of the average NAV (or estimated net assets from the date of NAV suspension) per annum with a minimum of up to EUR 60,000 for acting as Central Administration of the SICAV.

NOTE 8

RELATED PARTY TRANSACTIONS

a) Directors' fees

Each Director may receive a fee to be determined by the Annual General Meeting (the "AGM") of shareholders. In addition, directors may be reimbursed for any other expenses they incur in fulfilling their duties to the SICAV, to the extent that these expenses are deemed reasonable.

An amount of EUR 23,197.44 has been paid as directors' fees during the period.

b) Investments

The SICAV has an investment representing 0.00% of its period end NAV in the Class B shares of New Russian Generation Limited, a closed ended fund domiciled in the Cayman Islands. The investment manager of New Russian Generation Limited is Prosperity Capital Management Limited, with registered office at Windward 1, Regatta Office Park, Cayman Islands KY1-1103. Prosperity Capital Management Limited is a related party of the Investment Manager and Global Distributor of the fund. Refer to note 2.d. The zero valuation of this investment is linked to the fact that the underlying investments of this closed ended fund are all Russian securities and are currently not tradable.

NOTE 9

OTHER FEES PAYABLE

As at June 30, 2023, the other fees payable include mainly directors fees and audit fees.

NOTE 10

SUBSCRIPTION AND REDEMPTION COMMISSION

A subscription fee of up to 2.5%, and a redemption fee of 0.5%, calculated as a percentage of the NAV of the shares subscribed/redeemed, may be charged by the SICAV on behalf of the relevant Class of shares (except for Class F and Class X shares) and may be payable to the Global Distributor.

Swing Pricing

If on any Valuation Day the aggregate transactions in shares of a sub-fund result in a net increase or decrease of shares which exceeds a threshold set by the Board of Directors of the SICAV from time to time for that sub-fund (relating to the cost of market dealing for that sub-fund), the NAV of the sub-fund may be adjusted by an amount (not exceeding 2% of that NAV) which reflects both the estimated fiscal charges and dealing costs that may be incurred by the sub-fund and the estimated bid/offer spread of the assets in which the sub-fund invests. The adjustment is an addition when the net movement results in an increase of all shares of the sub-fund and a deduction when it results in a decrease.

PROSPERITY CAPITAL MANAGEMENT SICAV

Notes to the financial statements as at June 30, 2023 (continued)

Dilution Levy

The SICAV has the power to charge a dilution levy of up to 1% of the applicable NAV on individual subscriptions or redemptions, such dilution levy to accrue to the affected sub-fund. The SICAV operates this measure in a fair and consistent manner to reduce dilution and only for that purpose and such dilution levy is not to be applied if the swing pricing mechanism is used.

The Board of Directors of the SICAV decided on May 17, 2013 not to apply the swing pricing at least during the first year of the SICAV. Additionally, the Board of Directors of the SICAV has not taken any further decision to start the application of the swing pricing since the launch of the SICAV.

NOTE 11

SUBSEQUENT EVENTS

The SICAV received an amount of USD 2.7 million from the sale of two securities which were conservatively valued at zero in the balance sheet at June 30, 2023.

PROSPERITY CAPITAL MANAGEMENT SICAV

Total Expense Ratio ("TER")

Pursuant to the "Guidelines on the calculation and disclosure of the total expense ratio (TER) of collective investment schemes" of May 16, 2008 (version of August 5, 2021) of the Asset Management Association Switzerland ("AMAS"), the SICAV is obliged to publish a TER for the latest 12-month period.

The TER is defined as the ratio between the total operating expenses (operating charges primarily consist of management and investment advisory fees, depositary fees, bank charges and interest, service fees, performance fees, taxes and duties) and the relevant sub-fund's / Classes of share average NAV (calculated on the basis of the daily average of the total net assets for the relevant period) expressed in its reference currency.

For the period from January 1, 2022 to February 25, 2022, the TER were the following:

Class	Currency	Annualised TER including performance fees	Annualised TER excluding performance fees
PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)			
A EUR	EUR	2.86%*	2.86%*
A USD	USD	2.86%*	2.86%*
B EUR	EUR	3.48%*	1.84%*
B USD	USD	2.36%*	1.84%*
F EUR	EUR	2.07%*	2.07%*
I USD	USD	2.20%*	2.20%*
S EUR	EUR	2.33%*	2.33%*
X EUR	EUR	0.32%*	0.32%*

* The annualized TER has been calculated based over the NAV period until the NAV was suspended. No official NAV was calculated since then.

PROSPERITY CAPITAL MANAGEMENT SICAV

Performance

The performance per Class of shares was calculated by comparing the net assets per share as at June 30, 2023 with the net assets per share as at December 31, 2022.

The performance was calculated at the end of each period according to the "Guidelines on the calculation and publication of the performance data of collective investment schemes" of May 16, 2008 (version of August 5, 2021) of the Asset Management Association Switzerland ("AMAS").

The performance is based on historical data, which is no guide to current or future performance. Commissions and fees levied for the issue or redemption of shares, as applicable, have not been taken into account in this performance calculation.

Performances for share classes as at June 30, 2023 were as follows:

Class	Currency	Performance for the period ending June 30, 2023	Performance for the period ending December 31, 2022	Performance for the period ending February 25, 2022	Performance for the financial year ending December 31, 2021	Performance for the financial year ending December 31, 2020
A EUR	EUR	13.74%*	-90.43% **	-44.41% ***	19.51%	-10.69%
A USD	USD	11.28%*	-90.98% **	-43.69% ***	10.23%	-2.25%
B EUR	EUR	14.26%*	-90.30% **	-44.32% ***	19.28%	-9.75%
B USD	USD	11.77%*	-90.86% **	-43.60% ***	11.25%	-1.27%
F EUR	EUR	10.89%*	-90.16% **	-43.62% ***	12.38% ****	-
I USD	USD	14.05%*	-90.90% **	-44.36% ***	10.97%	-1.60%
S EUR	EUR	11.47%*	-90.37% **	-43.64% ***	20.12%	-10.24%
X EUR	EUR	12.46%*	-90.12% **	-43.47% ***	22.50%	-8.43%

* For the period from January 1, 2023 to June 30, 2023, based on the values in these financial statements.

** For the period from January 1, 2022 to December 31, 2022, based on the values in these financial statements.

*** Performance calculated by using the date of the last official NAV.

**** The performance of Share Classes launched during the period was calculated by comparing the net assets per Share as at the launch date of the Share Class with the net assets per Share at the end of the period.

PROSPERITY CAPITAL MANAGEMENT SICAV

Other information to Shareholders

1. Securities Financing Transactions Regulation ("SFTR")

As at June 30, 2023, the SICAV is in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse. Nevertheless, no corresponding transactions were carried out during the period referring to the financial statements.

2. Information on risk measurement

The sub-funds' global risk exposure is monitored by using the Commitment approach. In that respect, financial derivatives instruments are converted into their equivalent position in the underlying asset. The global risk exposure shall not exceed the sub-fund's NAV.

3. Sustainable Finance Disclosure Regulation ("SFDR")

Within the meaning of SFDR (regulation EU 2019/2088 of November 27, 2019 on sustainability-related disclosures in the financial services sector), the sub-fund does not promote environmental and/or social characteristics nor has a sustainable investment as its objective.

For the purpose of the "taxonomy" regulation (regulation EU 2020/852 of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending the EU regulation 2019/2088), the investments underlying the sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

