

McKinley Capital Management Funds Plc

an open-ended investment company with variable capital and segregated liability between sub-funds incorporated on 14 November 2008 in Ireland and authorised by the Central Bank of Ireland under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended

**Unaudited Interim Report and Financial Statements
For the period ended 31 December 2016**

McKinley Capital Management Funds Plc

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McKinley Capital Management Funds Plc

DIRECTORS AND OTHER INFORMATION

Board of Directors

John Hamrock (Irish)*
Deborah Lamb (U.S.)
John Skelly (Chairman) (Irish)*

**independent director*

Registered Office

Guild House
Guild Street
International Financial Services Centre
Dublin 1
Ireland

Registered Number 464355

Administrator, Registrar and Transfer Agent

BNY Mellon Fund Services (Ireland) Designated Activity
Company
Guild House
Guild Street
International Financial Services Centre
Dublin 1
Ireland

Depositary

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

Company Secretary

Carne Global Financial Services Limited
2nd Floor, Block E, Iveagh Court
Harcourt Road
Dublin 2
Ireland

Investment Manager

McKinley Capital Management, LLC
3301 C Street, Suite 500
Anchorage, Alaska, USA 99503

Legal Advisers in Ireland

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

Independent Auditors

Ernst & Young
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

McKinley Capital Management Funds Plc

BACKGROUND TO THE COMPANY

The following information is derived from and should be read in conjunction with the full text and definitions section of the prospectus (the “Prospectus”) of McKinley Capital Management Funds Plc (the “Company”).

Structure

The Company is an umbrella fund with segregated liability between sub-funds established as an open-ended, variable capital investment company, incorporated on 14 November 2008 as a public limited company under the laws of Ireland. The Company is authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended (the “UCITS Regulations”) and was authorised by the Central Bank on 27 March 2009. As at the date of this report, the Company currently has one active sub-fund (“Fund”) as follows:

Fund Name	Date of approval by Central Bank	Launch Date
McKinley Capital Dividend Growth Fund	8 June 2010	30 September 2010
McKinley Capital Emerging Markets Fund*	23 December 2010	31 March 2011

* McKinley Capital Emerging Markets Fund has been closed to new subscriptions since 9 March 2016 and approval was withdrawn by the Central Bank on 5 January 2017 at the request of the Company.

A Fund may consist of one or more classes of shares. The following classes of shares have been approved by the Central Bank in respect of the McKinley Capital Dividend Growth Fund but have not yet launched:

- Class I EUR Distributing,
- Class II EUR Distributing,
- Class III EUR Accumulating,
- Class IV EUR Accumulating NV,
- Class V EUR Accumulating NV,
- Class VI EUR Accumulating NV,
- Class VI USD Accumulating NV,
- Class VII Hedged USD Accumulating NV,
- Class VII Hedged CAD Accumulating,
- Class VII Hedged GBP Accumulating, and
- Class VII Hedged AUD Accumulating.

A separate pool of assets will not be maintained for each class within a sub-fund. Further classes of shares may be issued on advance notification to and in accordance with the requirements of, the Central Bank.

Class II EUR Accumulating share class, Class IV USD Accumulating NV share class, Class V USD Accumulating NV share class and Class VII Hedged SEK Accumulating share class in the McKinley Capital Dividend Growth Fund were launched on 31 January 2011, 30 September 2013, 31 May 2016 and 27 February 2015 respectively. Class I EUR Accumulating share class was launched on 30 September 2010 and closed on 30 September 2013. The shares of the McKinley Capital Dividend Growth Fund are not listed on any exchange at the date of this report.

Class I EUR Accumulating share class in the McKinley Capital Emerging Markets Fund was launched on 31 March 2011. McKinley Capital Emerging Markets Fund has been closed to new subscriptions since 9 March 2016 and approval was withdrawn by the Central Bank on 5 January 2017 at the request of the Company.

McKinley Capital Management Funds Plc

BACKGROUND TO THE COMPANY (continued)

Investment objectives and policies

McKinley Capital Dividend Growth Fund

The Fund aims to achieve its investment objective, as set out in the Prospectus, while spreading investment risks through investments in transferable securities and liquid financial assets in accordance with the UCITS Regulations.

The investment objective of the Fund is to seek to achieve long term growth of capital independent of stock market direction. The Fund may invest in exchange traded or over the counter derivative instruments, such as futures, options and swaps, the value of which will be based upon the anticipated and subsequently realised dividends of the issuers of equity securities which are listed, traded or dealt on regulated markets. The Fund may also take long (synthetic short) positions in companies and/or related financial derivative instruments that are expected to outperform (underperform) the equity markets and/or for hedging purposes. The Fund may also invest in financial derivative instruments for investment and efficient portfolio management purposes, further details of which are set out in the Prospectus. As the Fund will invest in derivative instruments, the Fund may have a leveraged portfolio. Leverage will not exceed 100% of the Fund's net asset value. The issuers of the underlying equity securities may be located anywhere in the world (including the U.S. and emerging market countries), across all industries, sectors and product lines and a cross selection of small, medium and large capitalisation issuers. The Fund may also invest directly in the equities of such issuers that are expected to pay dividends and which are listed, traded or dealt on regulated markets. The Fund may also invest up to 10% of its net asset value in open-ended collective investment schemes and ETFs within the meaning of Regulation 68(1)(e) of the UCITS Regulations. The base currency of the McKinley Capital Dividend Growth Fund is EUR.

Please refer to the Prospectus for a complete description of the investment objectives and policies of the Fund and the risks associated therewith.

McKinley Capital Management Funds Plc

INVESTMENT MANAGER'S REPORT

McKinley Capital Dividend Growth Fund (the "Fund") For the period ended 31 December 2016

Performance of the Fund - Class II EUR Accumulating Shares for the trailing six months was -1.15% (EUR, net of all fees and expenses) versus -0.17% for the Eonia Total Return Index*. During that same period, the Fund - Class IV USD Accumulating NV Shares posted -6.71% (USD, net of all fees and expenses) and the Fund - Class V USD Accumulating NV shares posted -6.23% (USD, net of all fees and expenses). The Fund - Class VII Hedged SEK Accumulating shares posted a -2.03% return (SEK, net of all fees and expenses) during the previous trailing six months.

During the period the results for the McKinley Capital Dividend Growth Strategy ("the Strategy") were certainly mixed. The Strategy's objective is to generate high single-digit returns while keeping volatility to a fraction of that and indeed in the past few years the Sharpe ratio has been consistently between 1.00 and 2.00. In order to minimize volatility, the Strategy is highly diversified: it invests in a concentrated selection of dividend futures and also several highly diversified systematic strategies which are based on the quantitative roots of McKinley Capital, a global growth specialist. While dividend futures this year have been profitable, those returns have been offset by losses in the systematic strategies. In 2016, risk factors have been extremely volatile and growth and momentum strategies have performed very poorly.

The discretionary component of the Strategy was profitable. Contributors during the period were the dividend futures in ENI SpA and Credit Agricole SA. The Red Electrica Corp SA dividend futures detracted from performance. The contracts remain attractive and the change in price was due to a technical factor and not due to any fundamental reason. Exposure to Atlantia SpA and Iberdrola SA dividend futures also detracted from performance in the Strategy during the time period.

**This index is used for illustrative purposes only. There is no guarantee that the Fund will outperform the index.*

**McKinley Capital Management, LLC
January 2016**

McKinley Capital Management Funds Plc

HALF YEARLY MANAGEMENT REPORT

Business review

The results of operations are set out in the Statement of Comprehensive Income. Further information on risk management objectives and policies are detailed below.

The assets under management are detailed in the Statement of Financial Position.

At this time, the directors of the Company (the “Directors”) do not anticipate any changes in the structure or investment objectives of the Fund.

Dividends

Each share class is designated as a distributing share class or an accumulating share class. Accumulating share classes do not make any distributions whereas the Company proposes to declare a distribution in respect of the distributing share classes, which may be paid out of net income (if any) of the Fund. As of 31 December 2016, none of the distributing share classes were launched.

Significant events during the period

Please refer to Note 15 for details of significant events during the period.

Subsequent events

Please refer to Note 16 for details of subsequent events.

Risk management objectives and disclosures

The Company’s investment activities expose it to various types of risk, which are associated with the financial instruments and markets in which it invests. Details of the risks inherent in investing in the Company are disclosed in Note 7 and in the prospectus.

Related parties

All related party transactions and changes during the period ended 31 December 2016 are detailed in Note 9.

Connected person transactions

Regulations 41 of the Central Bank UCITS Regulations “Restrictions on transactions with connected persons” requires that any transactions between a UCITS and a connected person is conducted at arm’s length and must be in the best interest of the shareholders of the UCITS. The Directors are satisfied that:

- (i) there are arrangements (evidenced by written procedures) in place to ensure that all transactions with connected persons are carried out on an arm’s length basis and are in the best interests of the shareholders; and
- (ii) all transactions with connected persons entered into during the financial period ended 31 December 2016 complied with the obligations that are prescribed by Regulations 41 (1) of the Central Bank UCITS Regulations.

McKinley Capital Management Funds Plc

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Notes	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund* EUR	Total EUR
Current assets				
Cash balances	3	2,290,110	-	2,290,110
Margin on derivative contracts	3	904,099	-	904,099
Collateral on swaps	3	3,752,959	-	3,752,959
Receivable for investments sold		60,441	-	60,441
Other receivables	4	139,964	-	139,964
Financial assets at fair value through profit or loss	1,7	10,946,535	-	10,946,535
		18,094,108	-	18,094,108
Current liabilities				
Accrued expenses and other payables	5	96,082	-	96,082
Financial liabilities at fair value through profit or loss	1,7	567,372	-	567,372
		663,454	-	663,454
Net assets attributable to holders of redeemable participating shares		17,430,654	-	17,430,654
<u>Class II EUR Accumulating</u>				
Number of redeemable participating shares	6	57,069	-	
Net asset value per redeemable participating share		EUR 131.196	-	
Net asset value		EUR 7,487,199	-	
<u>Class IV USD Accumulating NV</u>				
Number of redeemable participating shares	6	100,220	-	
Net asset value per redeemable participating share		USD 86.157	-	
Net asset value		USD 8,634,610	-	
<u>Class V USD Accumulating NV</u>				
Number of redeemable participating shares	6	11,865	-	
Net asset value per redeemable participating share		USD 92.847	-	
Net asset value		USD 1,101,653	-	
<u>Class VII Hedged SEK Accumulating</u>				
Number of redeemable participating shares	6	66,410	-	
Net asset value per redeemable participating share		SEK 100.246	-	
Net asset value		SEK 6,657,254	-	

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

* McKinley Capital Emerging Markets Fund has been closed to new subscriptions since 9 March 2016 and approval was withdrawn by the Central Bank on 5 January 2017 at the request of the Company.

McKinley Capital Management Funds Plc

STATEMENT OF FINANCIAL POSITION (continued) AS AT 30 JUNE 2016

	Notes	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund* EUR	Total EUR
Current assets				
Cash balances	3	4,272,221	9,729	4,281,950
Margin on derivative contracts	3	1,432,324	-	1,432,324
Collateral on swaps	3	4,252,959	-	4,252,959
Receivable for investments sold		561,265	-	561,265
Other receivables	4	120,156	18,118	138,274
Financial assets at fair value through profit or loss	1,7	8,603,089	-	8,603,089
		19,242,014	27,847	19,269,861
Current liabilities				
Accrued expenses and other payables	5	158,528	27,847	186,375
Financial liabilities at fair value through profit or loss	1,7	898,258	-	898,258
		1,056,786	27,847	1,084,633
Net assets attributable to holders of redeemable participating shares		18,185,228	-	18,185,228
<u>Class II EUR Accumulating</u>				
Number of redeemable participating shares	6	60,910	-	
Net asset value per redeemable participating share		EUR 132.718	-	
Net asset value		EUR 8,083,892	-	
<u>Class IV USD Accumulating NV</u>				
Number of redeemable participating shares	6	100,220	-	
Net asset value per redeemable participating share		USD 92.349	-	
Net asset value		USD 9,255,208	-	
<u>Class V USD Accumulating NV**</u>				
Number of redeemable participating shares	6	10,000	-	
Net asset value per redeemable participating share		USD 98.736	-	
Net asset value		USD 987,362	-	
<u>Class VII Hedged SEK Accumulating</u>				
Number of redeemable participating shares	6	80,001	-	
Net asset value per redeemable participating share		SEK 102.309	-	
Net asset value		SEK 8,184,781	-	

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

* McKinley Capital Emerging Markets Fund has been closed to new subscriptions since 9 March 2016 and approval was withdrawn by the Central Bank on 5 January 2017 at the request of the Company.

** This share class was launched on 31 May 2016.

McKinley Capital Management Funds Plc

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2016

	Notes	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund* EUR	Total EUR
Investment income/(expense)				
Net losses on financial assets and financial liabilities at fair value through profit or loss	1,2	(233,252)	-	(233,252)
Dividend income		101,645	-	101,645
		(131,607)	-	(131,607)
Operating expenses				
Investment management fee	8	63,042	-	63,042
Fee reimbursement from Investment Manager	8	(183,746)	-	(183,746)
Depositary fee	8	40,658	-	40,658
Administration fee	8	95,447	-	95,447
Directors' fee	8	15,500	-	15,500
Auditors' fee		10,081	-	10,081
Other expenses	8	67,870	-	67,870
		108,852	-	108,852
Net investment income/(expense)		(240,459)	-	(240,459)
Finance costs				
Interest expense		(14,180)	-	(14,180)
Loss before tax		(254,639)	-	(254,639)
Taxation				
Withholding taxes		(15,301)	-	(15,301)
Change in net assets attributable to holders of redeemable participating shares from operations		(269,940)	-	(269,940)

Gains and losses arise solely from continuing operations with the exception of McKinley Capital Emerging Markets Fund which has discontinued operations. There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.

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

* McKinley Capital Emerging Markets Fund has been closed to new subscriptions since 9 March 2016 and approval was withdrawn by the Central Bank on 5 January 2017 at the request of the Company.

McKinley Capital Management Funds Plc

STATEMENT OF COMPREHENSIVE INCOME (continued) FOR THE PERIOD ENDED 31 DECEMBER 2015

	Notes	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund EUR	Total EUR
Investment income/(expense)				
Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss	1, 2	330,805	(408,231)	(77,426)
Dividend income		101,543	32,507	134,050
		432,348	(375,724)	56,624
Operating expenses				
Performance fee	8	15,729	-	15,729
Investment management fee	8	65,205	12,447	77,652
Fee reimbursement from Investment Manager	8	(120,035)	(98,109)	(218,144)
Depository fee	8	17,157	23,992	41,149
Administration fee	8	90,584	29,703	120,287
Directors' fee	8	7,750	7,750	15,500
Auditors' fee		8,670	6,100	14,770
Other expenses	8	36,073	32,230	68,303
		121,133	14,113	135,246
Net investment income/(expense)		311,215	(389,837)	(78,622)
Finance costs				
Interest expense		(7,982)	-	(7,982)
Profit/(loss) before tax		303,233	(389,837)	(86,604)
Taxation				
Withholding taxes		(9,938)	(5,399)	(15,337)
Change in net assets attributable to holders of redeemable participating shares from operations		293,295	(395,236)	(101,941)

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

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

McKinley Capital Management Funds Plc

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE PERIOD ENDED 31 DECEMBER 2016

Notes	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund* EUR	Total EUR
Net assets attributable to holders of redeemable participating shares at beginning of period	18,185,228	-	18,185,228
Change in net assets attributable to holders of redeemable participating shares from operations	(269,940)	-	(269,940)
	17,915,288	-	17,915,288
Share transactions			
Proceeds from redeemable participating shares issued	192,663	-	192,663
Cost of redeemable participating shares redeemed	(677,297)	-	(677,297)
Net decrease in net assets from share transactions	(484,634)	-	(484,634)
Net assets attributable to holders of redeemable participating shares at end of period	17,430,654	-	17,430,654
Share transactions (in units):			
<u>Class II EUR Accumulating</u>			
Shares in issue at beginning of period	60,910	-	
Shares issued during the period	-	-	
Shares redeemed during the period	(3,841)	-	
Shares in issue at end of period	57,069	-	
6			
<u>Class IV USD Accumulating NV</u>			
Shares in issue at beginning of period	100,220	-	
Shares issued during the period	-	-	
Shares redeemed during the period	-	-	
Shares in issue at end of period	100,220	-	
6			
<u>Class V USD Accumulating NV</u>			
Shares in issue at beginning of period	10,000	-	
Shares issued during the period	1,865	-	
Shares redeemed during the period	-	-	
Shares in issue at end of period	11,865	-	
6			
<u>Class VII Hedged SEK Accumulating</u>			
Shares in issue at beginning of period	80,001	-	
Shares issued during the period	2,560	-	
Shares redeemed during the period	(16,151)	-	
Shares in issue at end of period	66,410	-	
6			

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

* McKinley Capital Emerging Markets Fund has been closed to new subscriptions since 9 March 2016 and approval was withdrawn by the Central Bank on 5 January 2017 at the request of the Company.

McKinley Capital Management Funds Plc

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (continued) FOR THE PERIOD ENDED 31 DECEMBER 2015

	Notes	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Growth Fund EUR	Total EUR
Net assets attributable to holders of redeemable participating shares at beginning of period		14,721,792	2,763,191	17,484,983
Change in net assets attributable to holders of redeemable participating shares from operations		293,295	(395,236)	(101,941)
		15,015,087	2,367,955	17,383,042
Share transactions				
Proceeds from redeemable participating shares issued		644,877	-	644,877
Cost of redeemable participating shares redeemed		(264,687)	-	(264,687)
Net increase in net assets from share transactions		380,190	-	380,190
Net assets attributable to holders of redeemable participating shares at end of period		15,395,277	2,367,955	17,763,232
Share transactions (in units):				
<u>Class I EUR Accumulating</u>				
Shares in issue at beginning of period		-	18,550	
Shares issued during the period		-	-	
Shares redeemed during the period		-	-	
Shares in issue at end of period	6	-	18,550	
<u>Class II EUR Accumulating</u>				
Shares in issue at beginning of period		48,423	-	
Shares issued during the period		-	-	
Shares redeemed during the period		(311)	-	
Shares in issue at end of period	6	48,112	-	
<u>Class IV USD Accumulating NY</u>				
Shares in issue at beginning of period		100,220	-	
Shares issued during the period		-	-	
Shares redeemed during the period		-	-	
Shares in issue at end of period	6	100,220	-	
<u>Class VII Hedged SEK Accumulating</u>				
Shares in issue at beginning of period		24,674	-	
Shares issued during the period		59,100	-	
Shares redeemed during the period		(20,067)	-	
Shares in issue at end of period	6	63,707	-	

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

McKinley Capital Management Funds Plc

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 DECEMBER 2016

	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund* EUR	Total EUR
Cash flows from operating activities			
Decrease in net assets attributable to holders of redeemable units from operations	(269,940)	-	(269,940)
Adjustment for:		-	
Dividend income	(101,645)	-	(101,645)
Withholding taxes	15,301	-	15,301
	<u>(356,284)</u>	-	<u>(356,284)</u>
Decrease in margin accounts	528,225	-	528,225
Decrease in collateral accounts	500,000	-	500,000
Net decrease in other receivables and accrued expenses	(92,841)	(9,729)	(102,570)
Decrease in receivable for investments sold	500,824	-	500,824
Increase in financial assets at fair value through profit or loss	(2,343,446)	-	(2,343,446)
Decrease in financial liabilities at fair value through profit or loss	(330,886)	-	(330,886)
Cash used in operations	(1,594,408)	(9,729)	(1,604,137)
Dividend received	96,931	-	96,931
Net cash used in operating activities	(1,497,477)	(9,729)	(1,507,206)
Cash flows from financing activities			
Proceeds from redeemable shares issued	192,663	-	192,663
Redemption of redeemable shares	(677,297)	-	(677,297)
Net cash used in financing activities	(484,634)	-	(484,634)
Net decrease in cash and cash equivalents	(1,982,111)	(9,729)	(1,991,840)
Cash balances at beginning of period	4,272,221	9,729	4,281,950
Cash balances at end of period	2,290,110	-	2,290,110

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

* McKinley Capital Emerging Markets Fund has been closed to new subscriptions since 9 March 2016 and approval was withdrawn by the Central Bank on 5 January 2017 at the request of the Company.

McKinley Capital Management Funds Plc

STATEMENT OF CASH FLOW (continued) FOR THE PERIOD ENDED 31 DECEMBER 2015

	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund EUR	Total EUR
Cash flows from operating activities			
Increase/(decrease) in net assets attributable to holders of redeemable units from operations	293,295	(395,236)	(101,941)
Adjustment for:			
Dividend income	(101,543)	(32,507)	(134,050)
Withholding taxes	9,938	5,399	15,337
	201,690	(422,344)	(220,654)
Increase in margin accounts	(41,224)	-	(41,224)
Increase in collateral accounts	(800,000)	-	(800,000)
Net (decrease)/increase in other receivables and accrued expenses	13,119	(16,725)	(3,606)
Decrease in receivable for investments sold	-	7,252	7,252
Decrease in financial assets at fair value through profit or loss	1,911,593	386,027	2,297,620
Increase in financial liabilities at fair value through profit or loss	499,902	-	499,902
Cash provided by/(used in) operations	1,785,080	(45,790)	1,739,290
Dividend received	93,377	32,052	125,429
Net cash provided by/(used in) operating activities	1,878,457	(13,738)	1,864,719
Cash flows from financing activities			
Proceeds from redeemable shares issued	644,877	-	644,877
Redemption of redeemable shares	(264,687)	-	(264,687)
Net cash used in financing activities	380,190	-	380,190
Net increase/(decrease) in cash and cash equivalents	2,258,647	(13,738)	2,244,909
Cash balances at beginning of period	940,861	50,948	991,809
Cash balances at end of period	3,199,508	37,210	3,236,718

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

McKinley Capital Management Funds Plc

NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies

The principal accounting policies and estimation techniques applied in the preparation of these financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended 30 June 2016.

Basis of preparation

The interim financial statements for the period ended 31 December 2016 have been prepared in accordance with IAS 34 “Interim Financial Reporting” and Irish Statute comprising the Companies Act 2014, the UCITS Regulations and the Central Bank UCITS Regulations. The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2016.

New accounting standards issued

At the date of approval of these financial statements, there were no standards, interpretations or amendments to existing standards that are effective for annual periods beginning on or after 1 July 2016 that would have a material impact on the financial statements of the Company.

At the date of approval of these financial statements, the following standards, interpretations or amendments to existing standards were in issue but not yet effective:

- IFRS 9 “Financial instruments” (issued 12 November 2009, revised in October 2010, November 2013 and July 2014). IFRS 9 is effective for annual periods beginning on or after 1 January 2018 and has not been early adopted by the Company.
- IFRS 9 replaces most of the guidance of IAS 39 that relates to classification and measurement of financial instruments. The completed IFRS 9 (as revised in 2014) contains the requirements for a) the classification and measurement of financial assets and financial liabilities, b) impairment methodology and c) general hedge accounting.

IFRS 9 establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash-flow characteristics of the financial asset. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in the entity’s own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

McKinley Capital Management Funds Plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss

An analysis of net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss is as follows:

	Realised gains/ (losses) included in the Statement of Comprehensive Income EUR	Unrealised gains/ (losses) included in the Statement of Comprehensive Income EUR	Total EUR
31 December 2016			
McKinley Capital Dividend Growth Fund			
Equities	226,458	567,704	794,162
Futures	(87,242)	429,360	342,118
Total return swaps*	(973,616)	(217,033)	(1,190,649)
Foreign exchange contracts	(277,967)	99,084	(178,883)
	(1,112,367)	879,115	(233,252)
McKinley Capital Emerging Markets Fund**			
Equities	-	-	-
Participatory notes	-	-	-
Foreign exchange contracts	-	-	-
	-	-	-
Total	(1,112,367)	879,115	(233,252)
<hr/>			
	Realised gains/ (losses) included in the Statement of Comprehensive Income EUR	Unrealised gains/ (losses) included in the Statement of Comprehensive Income EUR	Total EUR
31 December 2015			
McKinley Capital Dividend Growth Fund			
Equities	320,285	(271,087)	49,198
Futures	207,744	(348,428)	(140,684)
Total return swaps*	436,070	(108,380)	327,690
Foreign exchange contracts	40,388	54,213	94,601
	1,004,487	(673,682)	330,805
McKinley Capital Emerging Markets Fund			
Equities	(70,918)	(315,443)	(386,361)
Participatory notes	(15,868)	(2,932)	(18,800)
Foreign exchange contracts	(3,097)	27	(3,070)
	(89,883)	(318,348)	(408,231)
Total	914,604	(992,030)	(77,426)

* All costs and returns on total return swaps accrue to the Fund in full.

** McKinley Capital Emerging Markets Fund has been closed to new subscriptions since 9 March 2016 and approval was withdrawn by the Central Bank on 5 January 2017 at the request of the Company.

McKinley Capital Management Funds Plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Cash, margin and cash collateral balances

Cash, margin and cash collateral balances are held at the following credit institutions:

	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund* EUR	Total EUR
31 December 2016			
Cash balances			
BNY Mellon Trust Company (Ireland) Limited**	1,565,562	-	1,565,562
Societe Generale Newedge UK Limited	724,548	-	724,548
	2,290,110	-	2,290,110
Margin on derivative contracts			
Societe Generale Newedge UK Limited	904,099	-	904,099
	904,099	-	904,099
Collateral on swaps***			
Morgan Stanley	2,452,959	-	2,452,959
Societe Generale Corporate and Investment Banking	1,300,000	-	1,300,000
	3,752,959	-	3,752,959

	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund* EUR	Total EUR
30 June 2016			
Cash balances			
BNY Mellon Trust Company (Ireland) Limited**	2,831,895	9,729	2,841,624
Societe Generale Newedge UK Limited	1,440,326	-	1,440,326
	4,272,221	9,729	4,281,950
Margin on derivative contracts			
Societe Generale Newedge UK Limited	1,432,324	-	1,432,324
	1,432,324	-	1,432,324
Collateral on swaps***			
Morgan Stanley	2,952,959	-	2,952,959
Societe Generale Corporate and Investment Banking	1,300,000	-	1,300,000
	4,252,959	-	4,252,959

* McKinley Capital Emerging Markets Fund has been closed to new subscriptions since 9 March 2016 and approval was withdrawn by the Central Bank on 5 January 2017 at the request of the Company.

** Cash is held with the global sub-custodian, BNY Mellon Brussels SA/NV (Belgian Bank), on behalf of the Depositary, BNY Mellon Trust Company (Ireland) Limited.

*** Collateral on swaps is cash collateral denominated in Euro, with open maturities. Collateral is based on bilateral collateral agreements and held by brokers in pooled accounts.

McKinley Capital Management Funds Plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Other receivables (amounts falling due within one year)

	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund* EUR	Total EUR
31 December 2016			
Fee reimbursement receivable from Investment Manager (Note 8)	93,300	-	93,300
Interest and dividends receivable	30,694	-	30,694
Directors' fee prepaid	1,310	-	1,310
Depository fee prepaid	14,660	-	14,660
	139,964	-	139,964

	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund* EUR	Total EUR
30 June 2016			
Fee reimbursement receivable from Investment Manager (Note 8)	71,032	18,118	89,150
Interest and dividends receivable	41,281	-	41,281
Spot contracts receivable	6,259	-	6,259
Directors' fee prepaid	1,584	-	1,584
	120,156	18,118	138,274

* McKinley Capital Emerging Markets Fund has been closed to new subscriptions since 9 March 2016 and approval was withdrawn by the Central Bank on 5 January 2017 at the request of the Company.

5. Accrued expenses and other payables (amounts falling due within one year)

	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund* EUR	Total EUR
31 December 2016			
Administration fee payable	23,221	-	23,221
Auditors' fee payable	7,852	-	7,852
Other expenses payable	29,662	-	29,662
Investment management fee payable (Note 8)	35,347	-	35,347
	96,082	-	96,082

McKinley Capital Management Funds Plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Accrued expenses and other payables (amounts falling due within one year) (continued)

	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund* EUR	Total EUR
30 June 2016			
Administration fee payable	52,098	4,880	56,978
Depository fee payable	15,321	-	15,321
Auditors' fee payable	18,065	20,295	38,360
Performance fee payable	2,877	-	2,877
Other expenses payable	35,449	2,672	38,121
Investment management fee payable (Note 8)	34,715	-	34,715
Spot contracts payable	3	-	3
	158,528	27,847	186,375

* McKinley Capital Emerging Markets Fund has been closed to new subscriptions since 9 March 2016 and approval was withdrawn by the Central Bank on 5 January 2017 at the request of the Company.

6. Share capital

Authorised

The Directors are empowered to issue up to five hundred billion shares of no par value in the Company at the net asset value per share on such terms that they may think fit.

Subscriber shares

As at 31 December 2016 and 30 June 2016, two subscriber shares are in issue. The two subscriber shares are held by McKinley Capital Management, LLC (the "Investment Manager") and Deborah Lamb, Director of the Company, respectively. The subscriber shares do not form part of the net asset value of the Company.

Redeemable participating shares

The issued redeemable participating share capital is at all times equal to the net asset value of the Company. Redeemable participating shares are redeemable at the holder's option and are classified as financial liabilities. The initial subscription price per share of each Fund during the initial offer period shall be the initial offer price, further details of which are set out in the Prospectus. Thereafter, the subscription price per share of each Fund shall be the net asset value per share next determined.

7. Financial instruments and associated risks

Company risk

The Prospectus sets out a comprehensive disclosure of the risks that the Company faces and readers of these financial statements should therefore refer to the Prospectus to ensure they have a full understanding of these risks.

The Company has in place risk management programmes that seek to limit the potential adverse effects of these risks on the Fund's financial performance.

Financial risk management process

In order to achieve the investment objectives the Fund buys, sells or holds financial assets and liabilities. As a consequence the Fund is exposed to, among other things, market risk, credit risk and liquidity risk arising from the financial instruments it holds.

The Investment Manager's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund may use Financial Derivative Instruments ("FDI") to moderate certain risk exposures.

McKinley Capital Management Funds Plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Financial instruments and associated risks (continued)

Global exposure

UCITS funds are required to monitor exposures on a daily basis by utilising either the commitment approach or the value at risk (“VaR”) approach when FDI are held by the Funds. The Investment Manager utilises the commitment approach in monitoring the exposures of the Fund as market risk can be adequately monitored through this method. Derivatives will primarily be used to: a) gain exposure to equity investments where it is difficult to directly access those investments; and/or b) make investments in the dividends of listed equities through the use of swaps, futures and/or options. FDI positions are subject to risks that have the potential to influence the value of the Fund.

Market risk

This is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, currency risk and interest rate risk.

Price risk

This is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or other factors affecting similar financial instruments traded in the market.

Currency risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund invest in securities that are denominated in currencies other than the EUR. Accordingly the value of the Fund’s assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Fund will necessarily be subject to foreign exchange risks.

Interest rate risk

Interest rate risk is composed of fair value interest rate risk and cash flow interest rate risk. Fair value interest rate risk is defined as the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. This risk arises in respect of financial instruments whose fair value is affected by changes in interest rates. Cash flow interest rate risk is the yield risk arising from changes in interest rates, i.e. changes in interest rates would have a direct impact on the yield generated by the Fund over the period. Interest rates are monitored and their potential impact on securities being considered for purchase is evaluated by the Investment Manager.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. This includes counterparty risk and issuer risk.

Liquidity risk

Liquidity risk is the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price. The McKinley Capital Dividend Growth Fund is exposed to cash redemptions of redeemable participating shares three times each month. The Fund therefore invests its assets in investments that are traded in an active market and can be readily disposed of. The McKinley Capital Emerging Markets Fund has ceased trading, therefore it is no longer subject to liquidity risk in relation to meeting redemption requirements.

Capital management

As a result of the ability to issue, repurchase and resell shares, the capital of the Company can vary depending on the demand for redemptions and subscriptions to the Company. The Company is not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase or resale of redeemable shares.

The Company’s objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its Prospectus.
- To achieve consistent returns while safeguarding capital by investing in diversified portfolio, by participating in derivative and other advanced capital markets and by using various investment strategies and hedging techniques.
- To maintain sufficient liquidity to meet the expenses of the Company, and to meet redemption requests as they arise.
- To maintain sufficient size to make the operation of the Company cost-efficient.

The Company must at all times maintain a minimum issued share capital to the value of EUR 300,000.

McKinley Capital Management Funds Plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Financial instruments and associated risks (continued)

Fair value estimation

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgement by the Investment Manager. The Investment Manager considers observable data to be those market data that are readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments, whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities. The Company does not adjust the quoted price for these instruments.

The table below analyses within the fair value hierarchy the Fund’s financial assets and liabilities measured at fair value:

	Level 1 EUR	Level 2 EUR	Total EUR
31 December 2016			
McKinley Capital Dividend Growth Fund			
<u>Financial assets at fair value through profit or loss</u>			
Equities	10,045,310	-	10,045,310
Futures	830,213	-	830,213
Unrealised gain on total return swaps	-	17,656	17,656
Unrealised gain on foreign exchange contracts	-	53,356	53,356
	10,875,523	71,012	10,946,535
<u>Financial liabilities at fair value through profit or loss</u>			
Futures	(350,513)	-	(350,513)
Unrealised loss on total return swaps	-	(193,995)	(193,995)
Unrealised loss on foreign exchange contracts	-	(22,864)	(22,864)
	(350,513)	(216,859)	(567,372)

McKinley Capital Management Funds Plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Financial instruments and associated risks (continued)

Fair value estimation (continued)

	Level 1 EUR	Level 2 EUR	Total EUR
30 June 2016			
McKinley Capital Dividend Growth Fund			
<u>Financial assets at fair value through profit or loss</u>			
Equities	7,682,389	-	7,682,389
Futures	780,584	-	780,584
Unrealised gain on total return swaps	-	84,486	84,486
Unrealised gain on foreign exchange contracts	-	55,630	55,630
	8,462,973	140,116	8,603,089
<u>Financial liabilities at fair value through profit or loss</u>			
Futures	(730,244)	-	(730,244)
Unrealised loss on total return swaps	-	(43,792)	(43,792)
Unrealised loss on foreign exchange contracts	-	(124,222)	(124,222)
	(730,244)	(168,014)	(898,258)

All other assets and liabilities including cash balances as at 31 December 2016 and 30 June 2016 are carried at amortised cost. Their carrying values are a reasonable appreciation of fair value. As such, Level 2 is deemed to be the most appropriate categorisation for these financial instruments.

There were no transfers between levels during the period ended 31 December 2016 or during the year ended 30 June 2016.

Offsetting of financial assets and financial liabilities

As at 31 December 2016 and 30 June 2016 the McKinley Capital Dividend Growth Fund was subject to two master netting arrangements with the counterparties for its investment in Total Return Swaps (“TRS”).

The following tables present the Fund’s financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

Description	A	B	C	D			E
	Gross amounts of recognised financial assets EUR	Gross amounts of recognised financial liabilities set-off in the statement of financial position EUR	Net amounts of financial assets presented in the statement of financial position EUR	Related amounts not set-off in the statement of financial position			Net amount EUR
				Financial Instruments EUR	Cash collateral EUR		
31 December 2016							
Morgan Stanley	17,656	-	17,656	17,656	-		-
30 June 2016							
Morgan Stanley	78,158	-	78,158	43,792	-		34,366
Societe Generale Corporate and Investment Banking	6,328	-	6,328	-	-		6,328

McKinley Capital Management Funds Plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Financial instruments and associated risks (continued)

Offsetting of financial assets and financial liabilities (continued)

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

Description	A	B	C	D		E
	Gross amounts of recognised financial liabilities EUR	Gross amounts of recognised financial assets set-off in the statement of financial position EUR	Net amounts of financial liabilities presented in the statement of financial position EUR	Related amounts not set-off in the statement of financial position		Net amount EUR
				Financial Instruments EUR	Cash collateral EUR	
31 December 2016						
Morgan Stanley	77,341	-	77,341	17,656	59,685	-
Societe Generale Corporate and Investment Banking	116,654	-	116,654	-	116,654	-
30 June 2016						
Morgan Stanley	43,792	-	43,792	43,792	-	-

Amounts in D above relate to amounts subject to set-off that do not qualify for offsetting under B above. This includes amounts which are subject to set-off against the asset (or liability) disclosed in 'A' which have not been offset in the statement of financial position, and any financial collateral (including cash collateral), both received and pledged.

The Fund and its counterparties have elected to settle all transactions on a gross basis however, each party has the option to settle all open contracts on a net basis in the event of default of the other party.

8. Operating expenses

Investment management and performance fee

The investment management fee for each class in issue as at the period end is as follows:

McKinley Capital Dividend Growth Fund:

Under the investment management agreement, the Company will pay to the Investment Manager an annual investment management fee as set out below. Each class of shares will represent a different asset based fee schedule paid to the Investment Manager.

Class II and Class V shares: The Investment Manager will receive 0.25% of the net asset value of the Class II/Class V shares of the Fund. In addition, the Investment Manager shall be entitled to receive a fee relating to the performance of the net asset value per share of the Class II/Class V shares (the "Performance Fee").

Class IV shares: The Investment Manager will receive 1.25% of the net asset value of the Class IV shares of the Fund.

Class VII shares: The Investment Manager will receive 1.75% of the net asset value of the Class VII shares of the Fund. In addition, the Investment Manager shall be entitled to receive a fee relating to the performance of the net asset value per share of the Class VII shares (the "Performance Fee").

McKinley Capital Management Funds Plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Operating expenses (continued)

Investment management and performance fee (continued)

The Performance Fee shall be calculated in accordance with the Prospectus and accrued on each dealing day and payable quarterly in arrears in respect of each performance period. The Performance Fee rate is equal to 20 per cent for Class II shares and Class V shares, and 10 per cent for Class VII shares, of the excess of the net asset value (“NAV”) per share at the end of a performance period (as defined in the Prospectus) over the target NAV per share, multiplied by the weighted average number of shares of the relevant class in issue during the performance period. The target NAV per share is equal to the NAV per share at the end of the previous performance period multiplied by the relevant benchmark, or the high water mark (as defined in the Prospectus), whichever is the greater. In calculating the NAV per share for Performance Fee purposes no deduction is made on account of Performance Fees accrued in the performance period and any dividends or income distributed to shareholders during the performance period are added back. All other payments and expenses are deducted.

The Investment Manager has agreed to fee waivers as follows:

McKinley Capital Dividend Growth Fund:

The Investment Manager has agreed, in any fiscal period, to waive all or a portion of its investment management fee payable in respect of the McKinley Capital Dividend Growth Fund to the extent necessary to ensure that, excluding investment management and performance fees (as applicable), the total fees and expenses do not exceed 0.5% of the net asset value attributable to the Fund. Any additional fees and expenses relating to the Fund shall be discharged by the Investment Manager.

Fees charged by the Investment Manager and the amounts due at the period end are included in the “Investment Management fee” and “Accrued expenses and other payables” figures shown in the Statement of Comprehensive Income and Statement of Financial Position, respectively. Fees reimbursed by the Investment Manager and the amounts receivable at the period end are included in the “Fee reimbursement from Investment Manager” and “Other receivables” figures shown in the Statement of Comprehensive Income and Statement of Financial Position, respectively.

Administration fee

BNY Mellon Fund Services (Ireland) Designated Activity Company, (the “Administrator”), is entitled to an administration fee of up to 0.075% per annum of the net asset value of the Fund, subject to a total minimum annual fee for the first Fund of USD 188,000. The minimum annual fee for subsequent Funds launched is USD 65,000. Further the Administrator is entitled to a fee of USD 5,000 per annum per share class (first share class free). The fee is calculated and accrued on each dealing day and payable monthly in arrears. In addition, the Administrator is entitled to be reimbursed its reasonable vouched out-of-pocket expenses, transaction and account fees.

Fees charged by the Administrator and the amounts due at the period end are included in the “Administration fee” and “Accrued expenses and other payables” figures shown in the Statement of Comprehensive Income and Statement of Financial Position, respectively.

Depositary fee

The Depositary’s fees are subject to a total maximum fee of 0.40% of the net asset value of the Fund per annum (together with value added tax (V.A.T.), if any, thereon) exclusive of transaction charges, which shall be at normal commercial rates, (plus V.A.T., if any) subject to a minimum annual fee of USD 15,000 per Fund. The fees payable to the Depositary will vary depending on the location of the assets of the Fund. The Depositary fee is calculated and accrued on each dealing day and is payable monthly in arrears.

The Company is responsible for all reasonably vouched out-of-pocket expenses (including registration and safekeeping charges, charges for cable, telephone calls, courier deliveries, travelling and hotel expenses in respect of meetings held outside of Ireland) incurred by the Depositary in the performance of its duties. In addition, the Depositary is entitled to be reimbursed its reasonable fees and customary agent’s charges paid by the Depositary to any sub-custodian (which shall be charged at normal commercial rates) together with V.A.T., if any, thereon.

In addition to the above custody charges, the Depositary charges a minimum of USD 40,250 for its services (such as cash monitoring, subscription/redemption monitoring, NAV oversight, investment compliance, and income verification) and an additional USD 1,000 per Fund related to the monitoring and servicing of the umbrella cash account.

McKinley Capital Management Funds Plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Operating expenses (continued)

Depository fee (continued)

Note that in association with the services described in the current Depository Agreement, the above described fee structure was implemented. In total this represented an overall increase to the total fees paid by the Company to the Depository annually of approximately USD 6,250.

Shareholder expenses

A contingent deferred sales charge of up to 2% may be imposed on repurchase proceeds paid to a shareholder who redeems their shares within the first two years after the shareholder's purchase of such shares.

Directors' fee

The articles of association provide that the Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. It is provided in the Prospectus that the aggregate amount of Directors' remuneration in any one year currently does not exceed EUR 80,000. Directors shall be entitled to be reimbursed their reasonable vouched out-of-pocket expenses.

Directors' fees for the period were as follows: John Hamrock EUR 10,000 (31 December 2015: EUR 10,000) and John Skelly EUR 5,500 (31 December 2015: EUR 5,500). Deborah Lamb is not entitled to receive a Director's fee. The fees earned by the Directors during the periods ended 31 December 2016 and 31 December 2015 were for their services as Directors to the Company.

Other expenses

The following tables show a breakdown of other expenses for the period ended 31 December 2016 and 31 December 2015:

31 December 2016	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund* EUR	Total EUR
Financial Regulatory Levy	1,739	-	1,739
Insurance Fees	2,924	-	2,924
Legal Fees	6,554	-	6,554
Miscellaneous Fees	7,725	-	7,725
Performance and Risk Analysis Fees	691	-	691
Price Publication Fees	15,627	-	15,627
Proxy Services Expense	5,432	-	5,432
Registration Fees	1,860	-	1,860
Secretarial and Oversight Support Fees	22,293	-	22,293
Tax Preparation Fees	3,025	-	3,025
	67,870	-	67,870

* McKinley Capital Emerging Markets Fund has been closed to new subscriptions since 9 March 2016 and approval was withdrawn by the Central Bank on 5 January 2017 at the request of the Company.

McKinley Capital Management Funds Plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Operating expenses (continued)

Other expenses (continued)

31 December 2015	McKinley Capital Dividend Growth Fund EUR	McKinley Capital Emerging Markets Fund EUR	Total EUR
Financial Regulatory Levy	870	870	1,740
Insurance Fees	2,079	2,079	4,158
Legal Fees	3,529	3,529	7,058
Miscellaneous Fees	5,325	3,343	8,668
Performance Reporting Fee	567	567	1,134
Price Publication Fees	7,814	7,814	15,628
Proxy Services Expense	1,387	1,387	2,774
Registration Fees	1,860	-	1,860
Secretarial and Oversight Support Fees	11,129	11,129	22,258
Tax Preparation Fees	1,513	1,512	3,025
	36,073	32,230	68,303

9. Related party transactions and balances

John Skelly, a Director of the Company, is an employee of Carne Global Financial Services Limited, the company secretary, which also provides director support services, designated person services and global registration services to the Company. Carne Global Financial Services Limited earned EUR 23,500 (31 December 2015: EUR 25,626) in respect of services provided during the period.

For the financial period ended 31 December 2016, John Skelly and John Hamrock earned Directors' fees of EUR 5,500 (31 December 2015: EUR 5,500) and EUR 10,000 (31 December 2015: EUR 10,000), respectively. These fees were earned for their services as Directors to the Company.

Deborah Lamb, a Director of the Company, since 1 July 2016, is also an employee of the Investment Manager and holds one subscriber share of the Company as detailed in Note 6. Deborah Lamb is not entitled to receive a Directors' fee for the financial period ended 31 December 2016 (31 December 2015: Nil).

Other than as disclosed above, the Directors had no interests in the shares of the Company at 31 December 2016 or 30 June 2016.

There were no transactions made by entities related to the Investment Manager during the periods ended 31 December 2016 and 31 December 2015.

Entities related to the Investment Manager had the following holdings in the Funds:

Fund/Share class	Related party	Holding (shares)	Share class %	Fund %
31 December 2016				
McKinley Capital Dividend Growth Fund				
Class II EUR Accumulating	Robert A. Gillam	2,387	4%	2%
30 June 2016				
McKinley Capital Dividend Growth Fund				
Class II EUR Accumulating	Robert A. Gillam	2,387	4%	2%

No entities related to the Investment Manager have made any transactions after the period end.

McKinley Capital Management Funds Plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Taxation

Under current Irish law and practice the Company qualifies as an investment undertaking under Section 739(b) of the Taxes Consolidation Act, 1997 and is not therefore generally chargeable to Irish tax on its relevant income or relevant gains.

No stamp, transfer or registration tax is payable in Ireland on the issue, redemption or transfer of shares in the Company. Distributions and interest on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreement in operation between Ireland and other countries. The Company may not, therefore, be able to reclaim withholding tax suffered by it in particular countries.

To the extent that a chargeable event arises in respect of a shareholder, the Company may be required to deduct tax in connection with that chargeable event and pay the tax to the Irish Revenue Commissioners. A chargeable event can include dividend payments to shareholders, appropriation, cancellation, redemption, repurchase or transfer of shares, or a deemed disposal of shares every 8 years beginning from the date of acquisition of those shares. Certain exemptions can apply. To the extent that Shareholders have appropriate tax declarations in place with the Company there may be no requirement to deduct tax.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders. Withholding taxes are disclosed as a separate line item in the Statement of Comprehensive Income.

The Finance Act, 2010 provides that the Irish Revenue Commissioners may grant approval for investment funds marketed outside of Ireland to make payments to non-resident investors without deduction of Irish tax where no relevant declaration is in place, subject to meeting the "equivalent measures". A company wishing to receive approval must apply in writing to the Irish Revenue Commissioners confirming compliance with the relevant conditions. As at 31 December 2016, the Company had not applied for approval from the Irish Revenue Commissioners.

11. Soft commission arrangements

In accordance with the safe harbour arrangements as defined under the SEC 1934 Act, section 28(e) Soft Dollar Interpretative release effective July 2006, the Investment Manager may utilise soft dollar payments for eligible research services including but not limited to second and third party research reports, trade analytics, advice on execution strategies, and execution services. Soft commissions arrangements affecting the Company during the period ended 31 December 2016 amounted to EUR 16,436 (31 December 2015: Nil).

12. Efficient portfolio management

To the extent stated in the investment objectives and policies of a Fund in the Prospectus, a Fund may invest in FDI for efficient portfolio management purposes or to protect against foreign exchange rate risks, subject to the conditions and within the limits laid down by the Central Bank. As at the period end, McKinley Capital Dividend Growth Fund held investments in futures contracts and in foreign exchange contracts which are used for efficient portfolio management. These contracts are disclosed in the Portfolio of Investments.

For UCITS which have engaged in efficient portfolio management techniques, disclosures are required under the UCITS Regulations. A UCITS is required to disclose the revenues arising from repurchase agreements and stock lending transactions for the entire reporting period together with the direct and indirect operational costs and fees incurred. During the periods ended 31 December 2016 and 31 December 2015, the Fund did not enter into any repurchase agreements or stock lending transactions.

McKinley Capital Management Funds Plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Exchange rates

The following exchange rates were used for conversion between EUR and the respective currencies:

Currency Name	Currency	31 December 2016	30 June 2016
Australian Dollar	AUD	1.4578	1.4889
Brazilian Real	BRL	3.4217	3.5582
Canadian Dollar	CAD	1.4124	1.4349
Chilean Peso	CLP	705.0761	734.7538
Chinese Yuan	CNY	7.3077	7.3730
Colombian Peso	COP	3,156.4529	3,241.8792
Danish Krone	DKK	7.4341	-
Hong Kong Dollar	HKD	8.1527	8.6109
Indonesian Rupiah	IDR	14,231.3758	14,611.8335
Israeli Shekel	ILS	4.0515	-
Japanese Yen	JPY	123.0039	114.6138
Korean Won	KRW	1,269.7310	1,278.8712
Malaysian Ringgit	MYR	4.7179	4.4288
Mexican Peso	MXN	21.7958	20.2667
New Zealand Dollar	NZD	1.5154	1.5552
Norwegian Krone	NOK	9.0888	9.2819
Philippine Peso	PHP	52.1992	52.2785
Polish Zloty	PLN	4.4052	4.3777
Pound Sterling	GBP	0.8537	0.8326
Qatari Riyal	QAR	3.8281	4.0416
Russian Ruble	RUB	64.6507	71.0039
Singapore Dollar	SGD	1.5229	1.4948
South African Rand	ZAR	14.4500	16.3485
Swedish Krona	SEK	9.5802	9.3855
Swiss Franc	CHF	1.0716	1.0835
Taiwan Dollar	TWD	34.1164	35.7465
Thai Baht	THB	37.6882	38.9841
Turkish Lira	TRY	3.7088	3.1914
United States Dollar	USD	1.0515	1.1099

14. Commitments and contingent liabilities

There were no significant commitments or contingent liabilities as at 31 December 2016 (30 June 2016: Nil).

15. Significant events during the period

Effective 1 July 2016, Deborah Lamb, a Director of the Company, rejoined the Investment Manager as its Chief Compliance Officer.

A UCITS V compliant Depositary Agreement between the Company and the Depositary was executed and filed with the Central Bank on 26 August 2016.

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

16. Subsequent events

Approval for McKinley Capital Emerging Markets Fund was withdrawn by the Central Bank on 5 January 2017 at the request of the Company.

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

17. Approval of financial statements

The financial statements were approved by the Directors on 16 February 2017.

McKinley Capital Management Funds Plc

PORTFOLIO OF INVESTMENTS AS AT 31 DECEMBER 2016

McKinley Capital Dividend Growth Fund

Holdings	Description	Fair Value EUR	% of net assets
	Australia (30 June 2016: 4.87%)	704,579	4.03
1,880	Aristocrat Leisure Ltd	19,977	0.11
1,970	Aurizon Holdings Ltd	6,820	0.04
340	Australia & New Zealand Banking Group Ltd	7,091	0.04
10,870	Australian Agricultural Co Ltd	12,631	0.07
820	Bendigo & Adelaide Bank Ltd	7,145	0.04
400	BHP Billiton Ltd	6,872	0.04
2,460	BlueScope Steel Ltd	15,650	0.09
1,092	Caltex Australia Ltd	22,803	0.13
26,320	Cleanaway Waste Management Ltd	22,194	0.13
4,270	Coca-Cola Amatil Ltd	29,625	0.17
500	Cochlear Ltd	42,007	0.24
1,570	Credit Corp Group Ltd	19,309	0.11
3,560	Crown Resorts Ltd	28,262	0.16
8,020	CSR Ltd	25,401	0.15
11,805	Downer EDI Ltd	49,286	0.28
4,470	DuluxGroup Ltd	19,122	0.11
1,800	GUD Holdings Ltd	12,920	0.07
3,320	GWA Group Ltd	6,737	0.04
4,450	JB Hi-Fi Ltd	85,542	0.49
820	Macquarie Group Ltd	48,975	0.28
5,070	Metcash Ltd	7,925	0.05
3,840	Mineral Resources Ltd	31,906	0.18
5,770	Nanosonics Ltd	12,302	0.07
4,610	NEXTDC Ltd	11,504	0.07
9,650	Orora Ltd	19,781	0.11
4,690	Pact Group Holdings Ltd	21,703	0.12
640	Ramsay Health Care Limited	29,967	0.17
3,900	Sandfire Resources NL	15,079	0.09
3,260	Super Retail Group Ltd	23,131	0.13
6,800	Virtus Health Ltd	29,089	0.17
330	Woodside Petroleum Ltd	7,049	0.04
410	Woolworths Ltd	6,774	0.04
	Austria (30 June 2016: 0.52%)	13,800	0.08
120	Lenzing AG	13,800	0.08
	Belgium (30 June 2016: 0.32%)	16,436	0.09
540	Econocom Group SA/NV	7,528	0.04
80	Solvay SA	8,908	0.05
	Canada (30 June 2016: 2.28%)	572,551	3.29
630	Advantage Oil & Gas Ltd	4,065	0.02
130	Agnico Eagle Mines Ltd	5,192	0.03
410	Air Canada	3,966	0.02
4,290	Algonquin Power & Utilities Corp	34,573	0.20
280	AutoCanada Inc	4,580	0.03
520	BCE Inc	21,351	0.12

McKinley Capital Management Funds Plc

PORTFOLIO OF INVESTMENTS (continued) AS AT 31 DECEMBER 2016

McKinley Capital Dividend Growth Fund (continued)

Holdings	Description	Fair Value EUR	% of net assets
Canada (30 June 2016: 2.28%) (continued)			
590	BRP Inc/CA	11,835	0.07
890	Canadian Energy Services & Technology Corp	4,824	0.03
1,080	Canyon Services Group Inc	5,372	0.03
2,030	Capital Power Corp	33,366	0.19
520	Cascades Inc	4,452	0.03
2,300	Cenovus Energy Inc	33,035	0.19
7,817	Centerra Gold Inc	34,789	0.20
2,630	Crescent Point Energy Corp	33,960	0.19
650	Enbridge Inc	25,985	0.15
2,186	Enerflex Ltd	26,371	0.15
2,070	Klondex Mines Ltd	9,154	0.05
2,250	Lucara Diamond Corp	4,839	0.03
430	MAG Silver Corp	4,497	0.03
720	Medical Facilities Corp	8,951	0.05
240	Metro Inc.	6,819	0.04
310	Mullen Group Ltd	4,349	0.02
380	Pan American Silver Corp	5,445	0.03
500	Parkland Fuel Corp	9,952	0.06
2,220	Premier Gold Mines Ltd	4,021	0.02
700	Richmont Mines Inc	4,319	0.02
190	Ritchie Bros Auctioneers Inc	6,123	0.04
560	Rogers Communications Inc	20,520	0.12
920	ShawCor Ltd	23,330	0.13
250	Silver Wheaton Corp	4,588	0.03
1,180	Toronto-Dominion Bank/The	55,287	0.32
2,740	Transcontinental Inc.	43,019	0.25
4,410	Veresen Inc	40,907	0.23
110	Vermilion Energy Inc	4,397	0.03
10,377	Western Forest Products Inc	13,877	0.08
570	Westshore Terminals Investment Corp	10,441	0.06
Denmark (30 June 2016: 0.50%)		144,386	0.82
340	Ambu A/S	12,966	0.07
360	Dfds A/S	15,622	0.09
140	NKT Holding A/S	9,395	0.05
680	Royal Unibrew A/S	24,934	0.14
850	Spar Nord Bank A/S	9,261	0.05
1,650	Sydbank A/S	48,650	0.28
4,830	TDC A/S	23,558	0.14
Finland (30 June 2016: 0.83%)		225,532	1.30
630	Fortum OYJ	9,179	0.05
720	Kone OYJ	30,650	0.18
750	Neste Oyj	27,375	0.16
1,010	Orion Oyj	42,713	0.25
2,530	Stora Enso OYJ	25,831	0.15
1,170	Tieto OYJ	30,326	0.17
1,080	UPM-Kymmene OYJ	25,207	0.14
2,450	Valmet OYJ	34,251	0.20

McKinley Capital Management Funds Plc

PORTFOLIO OF INVESTMENTS (continued) AS AT 31 DECEMBER 2016

McKinley Capital Dividend Growth Fund (continued)

Holdings	Description	Fair Value EUR	% of net assets
	France (30 June 2016: 0.92%)	892,400	5.10
14,930	Accor SA	528,970	3.03
130	Atos SE	13,033	0.07
610	BNP Paribas SA	36,936	0.21
980	Gaztransport Et Technigaz SA	40,273	0.23
40	Kering	8,532	0.05
1,360	Neopost SA	40,419	0.23
420	Renault SA	35,494	0.20
240	Rubis SCA	18,799	0.11
100	SEB SA	12,875	0.07
460	Technip SA	31,193	0.18
16,600	Vallourec SA	108,730	0.62
1,060	Veolia Environnement SA	17,146	0.10
	Germany (30 June 2016: 1.30%)	239,599	1.37
1,550	Aareal Bank AG	55,436	0.32
80	adidas AG	12,012	0.07
130	Aurubis AG	7,124	0.04
1,240	Evotec AG	9,228	0.05
130	LANXESS AG	8,106	0.05
1,040	Leoni AG	35,199	0.20
380	Pfeiffer Vacuum Technology AG	33,752	0.19
560	RIB Software AG	6,975	0.04
2,075	Suedzucker AG	47,082	0.27
777	Talanx AG	24,685	0.14
	Hong Kong (30 June 2016: 0.48%)	446,538	2.57
6,000	Cafe de Coral Holdings Ltd	18,486	0.11
2,300	CLP Holdings Ltd	20,076	0.12
8,000	Dah Sing Financial Holdings Ltd	51,404	0.29
20,000	First Pacific Co Ltd/Hong Kong	13,280	0.08
5,000	Great Eagle Holdings Ltd	22,633	0.13
6,000	Hang Lung Properties Ltd	12,084	0.07
13,000	Kerry Properties Ltd	33,524	0.19
5,000	Luk Fook Holdings International Ltd	12,404	0.07
4,500	MTR Corp Ltd	20,783	0.12
18,000	New World Development Co Ltd	18,082	0.10
34,000	Realord Group Holdings Ltd	22,284	0.13
24,000	Sino Land Co Ltd	34,165	0.20
19,000	SJM Holdings Ltd	14,152	0.08
7,600	Swire Properties Ltd	19,925	0.11
4,000	Television Broadcasts Ltd	12,496	0.07
28,500	WH Group Ltd	21,891	0.13
3,000	Wheelock & Co Ltd	16,042	0.09
80,000	Xinyi Glass Holdings Ltd	62,136	0.36
6,000	Yue Yuen Industrial Holdings Ltd	20,691	0.12
	Ireland (30 June 2016: Nil)	73,998	0.42
7,700	C&C Group PLC	29,799	0.17
660	CRH PLC	21,750	0.12
1,030	Smurfit Kappa Group PLC	22,449	0.13

McKinley Capital Management Funds Plc

PORTFOLIO OF INVESTMENTS (continued) AS AT 31 DECEMBER 2016

McKinley Capital Dividend Growth Fund (continued)

Holdings	Description	Fair Value EUR	% of net assets
	Israel (30 June 2016: Nil)	34,748	0.20
6,150	Bank Hapoalim BM	34,748	0.20
	Italy (30 June 2016: 3.73%)	1,595,661	9.16
1,330	Amplifon SpA	12,037	0.07
690	Buzzi Unicem SpA	15,532	0.09
125,266	Buzzi Unicem SpA Rsp	1,444,317	8.29
1,240	Davide Campari-Milano SpA	11,520	0.07
5,490	Enel SpA	22,992	0.13
520	Interpump Group SpA	8,086	0.05
14,480	Iren SpA	22,531	0.13
440	Recordati SpA	11,845	0.07
1,400	Societa Cattolica di Assicurazioni SCRL	7,798	0.04
11,391	Unipol Gruppo Finanziario SpA	39,003	0.22
	Japan (30 June 2016: 5.92%)	1,050,935	6.01
300	Advantest Corp	4,799	0.03
200	Asahi Holdings Inc	3,302	0.02
2,600	Astellas Pharma Inc	34,310	0.20
200	Brother Industries Ltd	3,428	0.02
200	Coca-Cola East Japan Co Ltd	4,188	0.02
100	DIC Corp	2,886	0.02
5,000	Dowa Holdings Co Ltd	36,333	0.21
1,600	DTS Corp	32,383	0.19
1,800	EPS Holdings Inc	19,927	0.11
1,000	Fuji Electric Co Ltd	4,926	0.03
900	Fuji Heavy Industries Ltd	34,909	0.20
100	Fujibo Holdings Inc	2,699	0.02
1,000	Fujitsu Ltd	5,279	0.03
200	Hitachi Kokusai Electric Inc	3,971	0.02
2,000	Hokuhoku Financial Group Inc	32,789	0.19
2,000	Iida Group Holdings Co Ltd	36,040	0.21
800	KDDI Corp	19,244	0.11
700	Kitz Corp	3,636	0.02
1,900	Koei Tecmo Holdings Co Ltd	31,767	0.18
2,200	K's Holdings Corp	36,605	0.21
9,000	KYB Corp	41,478	0.24
2,600	Kyowa Exeo Corp	35,546	0.20
700	Mandom Corp	28,676	0.16
600	Matsumotokiyoshi Holdings Co Ltd	28,091	0.16
5,700	Mitsubishi Chemical Holdings Corp	35,119	0.20
1,600	Mitsubishi Corp	32,383	0.19
1,900	Mitsubishi Tanabe Pharma Corp	35,412	0.20
19,300	Mizuho Financial Group Inc	32,912	0.19
1,700	Modec Inc	25,812	0.15
100	Morinaga & Co Ltd/Japan	3,963	0.02
600	NET One Systems Co Ltd	3,648	0.02
200	Nichiha Corp	4,698	0.03
300	Nihon Parkerizing Co Ltd	3,343	0.02
2,900	Nihon Unisys Ltd	34,650	0.20

McKinley Capital Management Funds Plc

PORTFOLIO OF INVESTMENTS (continued) AS AT 31 DECEMBER 2016

McKinley Capital Dividend Growth Fund (continued)

Holdings	Description	Fair Value EUR	% of net assets
Japan (30 June 2016: 5.92%) (continued)			
500	Nikkiso Co Ltd	4,515	0.03
200	Nippon Koei Co Ltd	4,210	0.02
15,900	Nippon Light Metal Holdings Co Ltd	31,922	0.18
3,700	Nissan Motor Co Ltd	35,352	0.20
1,000	North Pacific Bank Ltd	3,918	0.02
1,000	NTT DOCOMO Inc	21,645	0.12
4,000	Osaki Electric Co Ltd	39,568	0.23
7,400	Penta-Ocean Construction Co Ltd	33,984	0.19
3,900	Sanwa Holdings Corp	35,345	0.20
300	Sega Sammy Holdings Inc	4,240	0.02
100	Shima Seiki Manufacturing Ltd	3,214	0.02
300	Showa Denko KK	4,082	0.02
1,400	Sumitomo Forestry Co Ltd	17,615	0.10
100	Sumitomo Seika Chemicals Co Ltd	3,727	0.02
2,400	T-Gaia Corp	37,123	0.21
2,300	Toshiba Plant Systems & Services Corp	28,790	0.17
1,000	Tsugami Corp	5,454	0.03
3,000	Wacoal Holdings Corp	33,236	0.19
600	Yumeshin Holdings Co Ltd	3,843	0.02
Macau (30 June 2016: Nil)		33,028	0.19
8,000	Sands China Ltd	33,028	0.19
Netherlands (30 June 2016: 0.52%)		140,360	0.81
1,020	BE Semiconductor Industries NV	32,273	0.19
892	Brunel International NV	13,728	0.08
520	Corbion NV	13,224	0.08
200	EXOR NV	8,196	0.05
1,420	Koninklijke Ahold Delhaize NV	28,443	0.16
340	Koninklijke DSM NV	19,366	0.11
560	Koninklijke Vopak NV	25,130	0.14
New Zealand (30 June 2016: 0.89%)		90,837	0.53
8,279	Contact Energy Ltd	25,461	0.15
1,950	Fletcher Building Ltd	13,641	0.08
3,310	Mercury NZ Ltd	6,466	0.04
9,480	Spark New Zealand Ltd.	21,334	0.12
3,660	Trade Me Group Ltd	12,101	0.07
2,470	Z Energy Ltd	11,834	0.07
Norway (30 June 2016: 0.17%)		88,258	0.50
1,130	Aker BP ASA	19,206	0.11
640	Leroy Seafood Group ASA	33,873	0.19
580	Salmar ASA	16,468	0.09
1,700	Storebrand ASA	8,588	0.05
480	TGS Nopec Geophysical Co ASA	10,123	0.06
Portugal (30 June 2016: 0.22%)		50,800	0.29
3,580	Galp Energia SGPS SA	50,800	0.29

McKinley Capital Management Funds Plc

PORTFOLIO OF INVESTMENTS (continued) AS AT 31 DECEMBER 2016

McKinley Capital Dividend Growth Fund (continued)

Holdings	Description	Fair Value EUR	% of net assets
	Singapore (30 June 2016: 0.74%)	164,875	0.95
25,100	Cache Logistics Trust	13,337	0.08
13,500	CapitaLand Commercial Trust	13,107	0.08
14,600	CapitaLand Mall Trust	18,054	0.10
3,700	City Developments Ltd	20,097	0.12
19,000	Keppel REIT	12,713	0.07
41,900	Sheng Siong Group Ltd	25,974	0.15
9,200	StarHub Ltd	16,959	0.10
3,600	Venture Corp Ltd	23,333	0.13
24,600	Yanlord Land Group Ltd	21,301	0.12
	Spain (30 June 2016: 0.45%)	212,542	1.23
300	Construcciones y Auxiliar de Ferrocarriles SA	11,490	0.07
5,160	Distribuidora Internacional de Alimentacion SA	24,071	0.14
3,550	Iberdrola SA	22,131	0.13
7,790	Mapfre SA	22,591	0.13
1,130	Red Electrica Corp SA	20,255	0.12
5,360	Repsol SA (Right)	1,887	0.01
5,360	Repsol SA	71,931	0.41
980	Tecnicas Reunidas SA	38,186	0.22
	Sweden (30 June 2016: 0.47%)	273,776	1.57
1,880	Axfood AB	28,072	0.16
6,217	Cloetta AB	18,605	0.11
1,030	Elekta AB	8,656	0.05
2,050	Husqvarna AB	15,145	0.09
1,000	ICA Gruppen AB	28,977	0.17
1,140	Intrum Justitia AB	36,541	0.21
2,920	Lindab International AB	22,242	0.13
1,180	Loomis AB	33,357	0.19
2,800	Mycronic AB	28,612	0.16
390	NCC AB	9,166	0.05
870	Nordea Bank AB	9,190	0.05
1,570	Skanska AB	35,213	0.20
	Switzerland (30 June 2016: 1.27%)	284,921	1.64
440	ABB Ltd	8,817	0.05
670	Cembra Money Bank AG	46,379	0.27
30	Emmi AG	17,254	0.10
50	Inficon Holding AG	17,119	0.10
380	Kardex AG	33,767	0.19
970	Kudelski SA	15,972	0.09
24	Schweiter Technologies AG	25,748	0.15
11	Sika AG	50,202	0.29
90	Sulzer AG	8,816	0.05
50	Swisscom AG	21,275	0.12
60	Valora Holding AG	16,191	0.09
90	Ypsomed Holding AG	15,533	0.09
30	Zurich Insurance Group AG	7,848	0.05

McKinley Capital Management Funds Plc

PORTFOLIO OF INVESTMENTS (continued) AS AT 31 DECEMBER 2016

McKinley Capital Dividend Growth Fund (continued)

Holdings	Description	Fair Value EUR	% of net assets
	United Kingdom (30 June 2016: 5.41%)	865,407	4.95
1,990	Admiral Group PLC	42,566	0.24
1,380	Ashtead Group PLC	25,527	0.15
270	ASOS PLC	15,691	0.09
620	AstraZeneca PLC	32,211	0.18
390	AVEVA Group PLC	8,579	0.05
1,730	BBA Aviation PLC	5,738	0.03
10,660	Beazley PLC	48,361	0.28
620	BGEO Group PLC	21,660	0.12
3,595	Bovis Homes Group PLC	34,513	0.20
1,010	BP PLC	6,026	0.03
9,250	Card Factory PLC	27,399	0.16
12,340	Carillion PLC	34,110	0.20
1,510	CVS Group PLC	19,499	0.11
4,530	DS SMITH Plc	21,644	0.12
3,940	Electrocomponents PLC	21,989	0.13
1,850	G4S PLC	5,090	0.03
5,439	GKN PLC	21,122	0.12
3,000	HomeServe PLC	21,776	0.12
3,020	HSBC Holdings PLC	23,226	0.13
1,550	IG Group Holdings PLC	8,966	0.05
837	Imperial Tobacco	34,714	0.20
900	Inchcape PLC	7,397	0.04
1,960	J D Wetherspoon PLC	20,377	0.12
940	Johnson Matthey PLC	35,018	0.20
1,610	Morgan Advanced Materials PLC	5,380	0.03
1,750	National Grid PLC	19,497	0.11
3,370	Old Mutual PLC	8,179	0.05
7,260	Paragon Group of Cos PLC/The	35,257	0.20
660	Renishaw PLC	19,534	0.11
6,030	Rentokil Initial PLC	15,687	0.09
805	Rio Tinto Ltd	33,057	0.19
2,240	Rotork PLC	6,325	0.04
3,320	Serco Group PLC	5,570	0.03
1,240	Smiths Group PLC	20,557	0.12
300	Spirax-Sarco Engineering PLC	14,695	0.08
6,006	Tate & Lyle PLC	49,748	0.29
1,710	Telit Communications PLC	5,506	0.03
2,691	Travelport Worldwide Ltd	36,045	0.21
4,779	Tullett Prebon PLC	24,243	0.14
3,711	Vesuvius PLC	17,175	0.10
260	Weir Group PLC/The	5,753	0.03
	United States (30 June 2016: 10.44%)	1,829,343	10.52
620	AbbVie Inc	36,883	0.21
170	Air Products & Chemicals Inc	23,227	0.13
1,807	Ally Financial Inc	32,650	0.19
2,070	American Eagle Outfitters Inc	29,831	0.17
230	Amgen Inc	31,946	0.18
580	AngioDynamics Inc	9,295	0.05

McKinley Capital Management Funds Plc

PORTFOLIO OF INVESTMENTS (continued) AS AT 31 DECEMBER 2016

McKinley Capital Dividend Growth Fund (continued)

Holdings	Description	Fair Value EUR	% of net assets
United States (30 June 2016: 10.44%) (continued)			
220	Applied Materials Inc	6,744	0.04
50	Argan Inc	3,351	0.02
200	Arlington Asset Investment Corp	2,816	0.02
680	B&G Foods Inc	28,294	0.16
270	Boeing Co/The	39,931	0.23
40	Broadcom Ltd	6,717	0.04
270	Central Garden & Pet Co	8,487	0.05
190	CEVA Inc	6,056	0.03
430	Chimera Investment Corp	6,953	0.04
1,140	Cisco Systems Inc	32,728	0.19
680	Cogent Communications Holdings Inc	26,712	0.15
390	CryoLife Inc	7,095	0.04
280	Cummins Inc	36,354	0.21
100	DigitalGlobe Inc	2,722	0.02
330	Dominion Resources Inc/VA	24,011	0.14
508	Domtar Corp	18,836	0.11
210	Douglas Dynamics Inc	6,713	0.04
430	Dow Chemical Co/The	23,374	0.13
70	Drew Industries Inc	7,165	0.04
180	Eaton Corp PLC	11,472	0.07
110	eBay Inc	3,103	0.02
2,180	Ennis Inc	35,931	0.21
190	Envestnet Inc	6,363	0.04
1,118	Essendant Inc	22,198	0.13
1,030	Exar Corp	10,548	0.06
1,420	Extreme Networks Inc	6,785	0.04
1,770	Federated Investors Inc	47,552	0.27
2,600	Flex Ltd	35,493	0.20
740	Garmin Ltd	34,088	0.20
1,100	General Motors Co	36,407	0.21
510	Gilead Sciences Inc	34,694	0.20
120	Greenhill & Co Inc	3,158	0.02
200	Greif Inc	9,749	0.06
80	Hancock Holding Co	3,276	0.02
130	Hill-Rom Holdings Inc	6,933	0.04
310	HMS Holdings Corp	5,348	0.03
2,970	HP Inc	41,870	0.24
60	Independent Bank Group Inc	3,557	0.02
653	Intel Corp	22,500	0.13
230	International Business Machines Corp	36,268	0.21
1,251	International Game Technology PLC	30,329	0.17
1,660	Jabil Circuit Inc	37,327	0.21
850	Johnson Controls International PLC	33,260	0.19
210	Koppers Holdings Inc	8,040	0.05
150	Landauer Inc	6,854	0.04
300	LegacyTexas Financial Group Inc	12,272	0.07
800	LivePerson Inc	5,738	0.03
100	LogMeIn Inc	9,172	0.05
130	Lydall Inc	7,638	0.04
110	Masimo Corp	7,043	0.04

McKinley Capital Management Funds Plc

PORTFOLIO OF INVESTMENTS (continued) AS AT 31 DECEMBER 2016

McKinley Capital Dividend Growth Fund (continued)

Holdings	Description	Fair Value EUR	% of net assets
United States (30 June 2016: 10.44%) (continued)			
723	McGrath RentCorp	26,917	0.15
430	Navient Corp	6,712	0.04
560	NetApp Inc	18,763	0.11
100	NetScout Systems Inc	2,992	0.02
2,549	New Residential Investment Corp	38,066	0.22
360	NMI Holdings Inc	3,642	0.02
300	Nu Skin Enterprises Inc	13,617	0.08
100	NuVasive Inc	6,399	0.04
100	NVIDIA Corp	10,140	0.06
120	NxStage Medical Inc	2,988	0.02
810	OMNOVA Solutions Inc	7,695	0.04
985	Outfront Media Inc	23,272	0.13
80	Packaging Corp of America	6,446	0.04
630	Paychex Inc	36,436	0.21
140	PDF Solutions Inc	2,999	0.02
80	Powell Industries Inc	2,964	0.02
610	Prudential Financial Inc	60,302	0.35
530	QUALCOMM Inc	32,828	0.19
460	Quest Diagnostics Inc	40,160	0.23
430	Raven Industries Inc	10,294	0.06
40	REX American Resources Corp	3,752	0.02
120	Rush Enterprises Inc	3,637	0.02
1,700	Sandy Spring Bancorp Inc	64,583	0.37
886	SpartanNash Co	33,280	0.19
80	Spectra Energy Corp	3,123	0.02
60	Standard Motor Products Inc	3,033	0.02
230	Surmodics Inc	5,550	0.03
140	Symantec Corp	3,177	0.02
470	TE Connectivity Ltd	30,933	0.18
1,408	Telephone & Data Systems Inc	38,616	0.22
360	Tesoro Corp	29,907	0.17
11	Texas Pacific Land Trust	3,101	0.02
600	TTM Technologies Inc	7,769	0.04
4,305	Two Harbors Investment Corp	35,662	0.20
190	Ubiquiti Networks Inc	10,433	0.06
30	Ulta Salon Cosmetics & Fragrance Inc	7,266	0.04
540	Valero Energy Corp	35,048	0.20
140	Vascular Solutions Inc	7,461	0.04
130	VMware Inc	9,723	0.06
190	Vocera Communications Inc	3,337	0.02
410	WEC Energy Group Inc	22,844	0.13
1,770	Western Union Co/The	36,522	0.21
756	WestRock Co	36,462	0.21
800	Xerox Corp	6,635	0.04
Total investment in equity securities		10,045,310	57.62

McKinley Capital Management Funds Plc

PORTFOLIO OF INVESTMENTS (continued) AS AT 31 DECEMBER 2016

McKinley Capital Dividend Growth Fund (continued)

Holdings	Description	Fair Value EUR	% of net assets			
	Open future contracts (30 June 2016: 4.29%)	830,213	4.74			
840	Eni SpA SSDF (GR) Exp Dec 2018	252,400	1.45			
80	Credit Agricole SSDF (EUX) Exp Dec 2018	88,000	0.50			
1,350	France Telecom SSDF (EUX) Exp Dec 2017	81,000	0.46			
38	DJ Euro Stoxx 50 (EUX) Exp Dec 2021	54,720	0.31			
120	Credit Agricole SSDF (EUX) Exp Dec 2017	54,000	0.31			
200	BASF SSDF (EUX) Exp Dec 2018	47,000	0.27			
840	Credit Agricole SSDF (EUX) Exp Dec 2017	37,800	0.22			
100	Deutsche Telekom SSDF (NA) Exp Dec 2018	35,000	0.20			
275	Vinci SSDF (EPR) Exp Dec 2017	30,096	0.17			
255	Deutsche Post (EUX) Exp Dec 2017	26,450	0.15			
38	S & P 500 (CME) Exp Dec 2018	17,598	0.10			
780	Royal Philips SSDF (EUX) Exp Dec 2017	17,380	0.10			
308	SNAM SSDF (EPR) Exp Dec 2018	15,400	0.09			
(10)	S & P 500 Emini (CME) Exp Mar 2017	15,057	0.09			
100	Eni SpA SSDF (GR) Exp Dec 2017	14,300	0.08			
50	Deutsche Telekom (NA) Exp Dec 2019	12,500	0.07			
75	Vinci SSDF (EPR) Exp Dec 2018	7,500	0.04			
1,500	Banco Santander SSDF (EPR) Exp Dec 2017	7,500	0.04			
200	GDF Suez SSDF (EUX) Exp Dec 2017	5,000	0.03			
50	Deutsche Post (EUX) Exp Dec 2018	5,000	0.03			
(2)	S&P/TSE 60 (MSE) Exp Mar 2017	2,481	0.01			
(8)	OMXS30 (SSE) Exp Jan 2017	2,231	0.01			
12	Red Electrica SSDF (NA) Exp Dec 2018	1,800	0.01			
7	Solvay SSDF (EUX) Exp Dec 2017	-	-			
7	Solvay SSDF (EUX) Exp Dec 2017	-	-			
Notional	Total return swaps (30 June 2016: 0.46%)*	17,656	0.10			
857,709	TRS FL USD Basket 17-Apr-2018	13,116	0.08			
217,988	TRS FL SGD Basket 07-Jun-2018	2,286	0.01			
1,716,426	TRS FL HKD Basket 07-Jun-2018	2,254	0.01			
Foreign exchange contracts (30 June 2016: 0.31%)						
Buy	Sell	Amount (Buy)	Amount (Sell)	Expiry Date	Unrealised Gain EUR	% of net assets
EUR	AUD	819,338	(1,170,500)	17-Mar-2017	21,311	0.12
EUR	GBP	773,911	(650,000)	17-Mar-2017	14,345	0.08
SEK	EUR	6,784,543	(696,487)	20-Jan-2017	11,125	0.06
EUR	CAD	476,404	(669,800)	17-Mar-2017	3,843	0.02
EUR	SGD	294,399	(447,700)	17-Mar-2017	1,912	0.01
EUR	JPY	1,154,463	(141,935,900)	17-Mar-2017	819	-
SEK	EUR	4,400	(458)	20-Jan-2017	1	-
					53,356	0.29
Financial assets at fair value through profit or loss					10,946,535	62.75

McKinley Capital Management Funds Plc

PORTFOLIO OF INVESTMENTS (continued) AS AT 31 DECEMBER 2016

McKinley Capital Dividend Growth Fund (continued)

Holdings	Description	Fair Value EUR	% of net assets			
	Open future contracts (30 June 2016: (4.02%))	(350,513)	(2.00)			
200	Deutsche Bank (EUX) Exp Dec 2017	(154,000)	(0.88)			
(65)	DJ Euro Stoxx 50 (EUX) Exp Dec 2018	(79,050)	(0.45)			
92	Red Electrica SSDF (NA) Exp Dec 2017	(36,800)	(0.21)			
(7)	Nikkei 225 (SGX) Exp Mar 2017	(19,032)	(0.11)			
100	Repsol SSDF (EPR) Exp Dec 2017	(15,152)	(0.09)			
(20)	Euro Stoxx 50 (EUX) Exp Mar 2017	(12,600)	(0.07)			
(11)	CAC 40 Euro (MNP) Exp Mar 2017	(10,610)	(0.06)			
(5)	FTSE 100 (ICF) Exp Mar 2017	(9,366)	(0.05)			
(100)	Repsol SSDF (EUX) Exp Dec 2017	(5,000)	(0.03)			
(2)	SPI 200 Index (SFE) Exp Mar 2017	(3,942)	(0.02)			
(3)	Swiss Market IX (EUX) Exp Mar 2017	(3,834)	(0.02)			
(1)	Hang Seng (HKG) Exp Jan 2017	(1,127)	(0.01)			
Notional	Total return swaps (30 June 2016: (0.24%))*	(193,995)	(1.11)			
1,406,522	TRS FL EUR Basket 14-Sep-2018	(116,654)	(0.67)			
849,814	TRS FL EUR Basket 06-Jun-2018	(25,853)	(0.15)			
386,833	TRS FL GBP Basket 19-Apr-2018	(14,173)	(0.08)			
335,274	TRS FL CAD Basket 08-Jun-2018	(9,633)	(0.06)			
428,579	TRS FL AUD Basket 20-Mar-2017	(8,640)	(0.05)			
63,524,613	TRS EL JPY Basket 29-Nov-2017	(7,486)	(0.04)			
399,387	TRS FL CHF Basket 06-Jun-2018	(5,486)	(0.03)			
661,454	TRS FL DKK Basket 20-Jul-2018	(2,913)	(0.02)			
2,554,618	TRS FL SEK Basket 07-Jun-2018	(2,507)	(0.01)			
36,677	TRS FL NZD Basket 08-Jun-2018	(650)	-			
Foreign exchange contracts (30 June 2016: (0.68%))						
Buy	Sell	Amount (Buy)	Amount (Sell)	Expiry Date	Unrealised Loss EUR	% of net assets
EUR	USD	1,831,915	(1,948,700)	17-Mar-2017	(12,431)	(0.07)
EUR	SEK	285,397	(2,781,900)	17-Mar-2017	(4,866)	(0.03)
EUR	HKD	596,434	(4,921,800)	17-Mar-2017	(4,450)	(0.03)
EUR	CHF	296,297	(318,500)	17-Mar-2017	(1,097)	(0.01)
EUR	SEK	7,678	(73,811)	20-Jan-2017	(20)	-
					(22,864)	(0.14)
Financial liabilities at fair value through profit or loss					(567,372)	(3.25)
Net current assets					7,051,491	40.50
Total Net assets					17,430,654	100.00

McKinley Capital Management Funds Plc

PORTFOLIO OF INVESTMENTS (continued) AS AT 31 DECEMBER 2016

McKinley Capital Dividend Growth Fund (continued)

Analysis of portfolio	% of total assets
Transferable securities admitted to an official stock exchange	55.52
Financial derivative instruments dealt in on a regulated market	4.59
OTC financial derivative instruments	0.39
Other assets	39.50
Total assets	100.00

*Total return swaps are created based on baskets of securities.

The counterparty for the futures contracts is Societe Generale Newedge UK Limited. The counterparties for the total return swaps are Morgan Stanley and Societe Generale Corporate and Investment Banking. The counterparty for the foreign exchange contracts is BNY Mellon New York.

McKinley Capital Management Funds Plc

STATEMENT OF CHANGES IN COMPOSITION OF PORTFOLIO FOR THE PERIOD ENDED 31 DECEMBER 2016

McKinley Capital Dividend Growth Fund

Material Purchases	Nominal	Cost EUR
Accor SA	29,590	1,009,030
Buzzi Unicem Spa	64,978	738,426
Repsol SA	7,190	90,869
Vallourec SA	16,600	88,223
Venture Corp Ltd	13,800	83,649
JB Hi-Fi Ltd	4,450	83,447
Sigma Pharmaceuticals Ltd	85,280	75,870
Toronto-Dominion Bank/The	1,870	73,604
Cochlear Ltd	770	72,933
Tate & Lyle PLC	8,425	70,728
Dah Sing Financial Holdings Ltd	11,600	68,588
BNP Paribas SA	1,380	67,517
BlueScope Steel Ltd	11,690	67,118
C&C Group PLC	17,930	65,439
Xinyi Glass Holdings Ltd	80,000	63,446
Yue Yuen Industrial Holdings Ltd	17,000	62,741
Mitsubishi Tanabe Pharma Corp	3,500	62,302
Sun Hung Kai Properties	5,000	61,335
Sino Land Co Ltd	42,000	61,152
International Game Technology PLC	2,791	60,958

Material Sales	Nominal	Proceeds EUR
Accor SA	14,660	509,110
Tokyo Electron Ltd	1,000	82,262
Sigma Pharmaceuticals Ltd	85,280	80,038
Aristocrat Leisure Ltd	7,830	79,459
Wharf Holdings Ltd/The	12,000	75,144
SATS Ltd	20,800	64,627
Venture Corp Ltd	10,200	64,616
Sun Hung Kai Properties	5,000	63,818
AGL Energy Ltd	4,700	62,175
Credit Agricole	5,120	60,441
British American Tobacco PLC	1,140	60,252
SKYCITY Entertainment Group Ltd	19,410	59,662
McMillan Shakespeare Ltd	6,780	59,371
Auckland International Airport Ltd	13,160	58,560
Daiwa House Industry Co Ltd	2,300	56,878
Mitsubishi Tanabe Pharma Corp	3,200	55,401
BlueScope Steel Ltd	9,230	54,969
Schouw & Co	1,000	54,945
Imperial Tobacco	1,150	54,695
Direct Line Insurance Group PLC	13,090	54,066

McKinley Capital Management Funds Plc

APPENDIX: SECURITIES FINANCING TRANSACTIONS REGULATION (SFTR) FOR THE PERIOD ENDED 31 DECEMBER 2016

I. Global Data

The following table shows the gross notional values of each total return swap held at the reporting date expressed as a percentage of the Fund's Net Asset Value at the reporting date.

McKinley Capital Dividend Growth Fund

	Total return swap Notional EUR	% of net assets
31 December 2016		
TRS FL EUR Basket 14-Sep-2018	1,523,176	8.74%
TRS FL EUR Basket 06-Jun-2018	875,668	5.02%
TRS FL USD Basket 17-Apr-2018	801,693	4.60%
TRS EL JPY Basket 29-Nov-2017	523,827	3.01%
TRS FL GBP Basket 19-Apr-2018	467,061	2.68%
TRS FL CHF Basket 06-Jun-2018	378,079	2.17%
TRS FL AUD Basket 20-Mar-2017	302,455	1.74%
TRS FL SEK Basket 07-Jun-2018	268,882	1.54%
TRS FL CAD Basket 08-Jun-2018	246,854	1.42%
TRS FL HKD Basket 07-Jun-2018	208,022	1.19%
TRS FL SGD Basket 07-Jun-2018	140,713	0.81%
TRS FL DKK Basket 20-Jul-2018	91,886	0.53%
TRS FL NZD Basket 08-Jun-2018	24,855	0.14%
	5,853,171	33.58%

II. Concentration Data

The table below shows the counterparties with respect to outstanding total return swap transactions at the reporting date.

McKinley Capital Dividend Growth Fund

Counterparty	Counterparty Country of Establishment	Fair value Total return swaps EUR
31 December 2016		
Morgan Stanley	United States	(59,685)
Societe Generale Corporate and Investment Banking	France	(116,654)
		(176,339)

III. Transaction Data

The table below summarises total return swaps into relevant maturity groupings based on the remaining period at 31 December 2016 to the contractual maturity date.

McKinley Capital Dividend Growth Fund

	Total return swaps EUR
31 December 2016	
Less than 1 day	-
One day to one week	-
One week to one month	-
One to three months	(8,640)
Three months to one year	(7,486)
Above one year	(160,213)
	(176,339)

McKinley Capital Management Funds Plc

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