



Société d'investissement à capital variable (SICAV)

Semi-Annual Report and Unaudited Financial Statements
June 30, 2020

R.C.S. Luxembourg B202 249

Semi-Annual Report and Unaudited Financial Statements do not constitute an offer or invitation to subscribe or purchase shares. Subscriptions are valid only if made on the basis of the current Prospectus, accompanied by the key investor information document ("KIID") and the latest Annual Report and most recent Semi-Annual Report if published thereafter.

SMEAD FUNDS

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Organisation of the Fund

Registered office of the Fund

49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Board of Directors of the Fund

Cole Smead, CFA (Chairman)
President
2777 East Camelback Road
Suite 375,
Phoenix, AZ 85016
USA

Steven LeMire
Chief Compliance Officer
Smead Capital Management, Inc.
2777 East Camelback Road
Suite 375,
Phoenix, AZ 85016
USA

Antonio Thomas
Independent Director
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Bertrange 8401, Luxembourg
Grand Duchy of Luxembourg

Management Company

Duff & Phelps (Luxembourg) Management Company
S.à.r.l.
Air Building
1, rue Jean Piret
L-2350 Luxembourg
Grand Duchy of Luxembourg

Depositary, Administrator* and Paying Agent*

State Street Bank International GmbH
Luxembourg Branch
49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Paying and Information Agent in Austria

Unicredit Bank Austria AG
Schottengasse 6-8
1010 Vienna
Austria

Information Agent in Germany

CACEIS Bank Deutschland GmbH
Lilienthalallee 34 - 36
80939 Munich
Germany

Investment Manager*

Smead Capital Management, Inc.
2777 East Camelback Road
Suite 375,
Phoenix, AZ 85016
USA

Global Distributor*

Smead Capital Management (UK) Ltd.
5 New Street Square,
London EC4A 3TW,
United Kingdom

Independent Auditors

Ernst & Young S.A.
35E, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Legal Adviser

Arendt & Medernach S.A.
41A, avenue J.F. Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

* These functions have been delegated by the Management Company.

General Information

Incorporation

Smead Funds (the "Fund") is a public limited company (*société anonyme*) incorporated on December 4, 2015 under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Fund is subject to Part I of the Luxembourg law of December 17, 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.

The Fund is registered with the Luxembourg Trade and Companies Register under number B 202 249. The Articles of Incorporation have been published in the Mémorial C, Recueil des Sociétés et Associations of the Grand-Duchy of Luxembourg.

Communications and reports to shareholders

1. Periodic reports

The financial statements of the Fund are prepared in accordance with the Luxembourg GAAP.

Annual reports including Audited Financial Statements for the year ended December 31, unaudited semi-annual reports for the six months ended June 30 and the list of changes made to the composition of the securities portfolio are available to shareholders free of charges upon request from the Fund and/or the Management Company or from www.smeadcap.com.

Annual reports are available within four months of the financial year-end and semi-annual reports are available within two months of the end of the six-month period.

The Reference Currency of the Fund is USD.

2. Information to shareholders

a) Net asset value

The publication of the Net Asset Values takes place on the next Business Day after a Valuation Day. The Net Asset Value per Share of each Share Class is available from the Administrator during normal business hours and is published on www.smeadcap.com.

b) Subscription and redemption prices

The subscription and redemption prices of shares in each sub-fund, category or class of shares of the Fund are published daily at the Depositary Bank and from the banks ensuring of financial services.

c) Notifications to shareholders

Notices of all general meetings will be published in the Mémorial and a Luxembourg newspaper and sent to all registered shareholders by ordinary mail.

SMEAD FUNDS

Investment Manager's Report

Dear Shareholders,

Thanks to the effects of the coronavirus (COVID-19) on the stock market, the Smead US Value UCITS Fund - I ACC USD Share Class (the Fund) (Bloomberg: SMVUSIU) has been to hell and back in the first half of 2020. In the second quarter, on the way back from hell, we posted a gain of 21.45%*, versus a gain in the S&P 500 NR Index of 20.37% and a gain of 14.05% for the Russell 1000 Value Net Index. For those of you who know us well, you won't be surprised that we think this quarter's advantage against the S&P 500 could be very representative of what the future might look like if value investing rears its ugly head in the competition against growth/momentum strategies.

For the first six months, our loss of 17.49% trailed the 3.37% loss of the S&P 500 NR Index and the Russell 1000 Value Net Index loss of 16.62%. Hell was especially violent for value investors like us as much of the US economy was shutdown. In forty years of investing in common stocks, the decline in February-April in companies which were already statistically cheaper, ranks among the most violent we've ever seen.

Our best performing securities in the second quarter were eBay (EBAY), Lennar (LEN) and Target (TGT). All three are excellent companies which fit our eight criteria. Two of them, eBay and Target, are also what we call "misery stocks." It means that their business and market share are being positively impacted by the misery created by people staying at home and only shopping at essential businesses.

Lennar is the most shocking, because in March nobody thought housing would respond to the deep freeze that the COVID-19 pandemic put on anything economically sensitive! Instead, the coastal city dwellers and millennials are fighting over suburban houses away from the crowds. You could say that we were one of the few stock picking organizations to have held on to their faith in the home builders. Our faith comes from the incredible long-term demographics as millennials overwhelm the 30-45-year-old age cohort.

In a quarter like the one which just ended, there wasn't much downside attribution. Wells Fargo (WFC), which has spent most of the last three years in the doghouse, gained the least. Two new holdings, Amerco (UHAL) and Ulta (ULTA), weren't owned long enough to gain much ground on the way back from hell.

For six months, eBay (EBAY), Home Depot (HD) and Lennar were the best gainers. Home Depot has remained open as an essential business and folks stuck at home have used their extra time to give their homes and yards a facelift. A great number of treasures found in the process of cleaning garages and attics went up for sale on eBay.

Our early entry into energy via Occidental Petroleum (OXY) hurt results in the first quarter and our first half return, as Saudi Arabia parlayed COVID-19 misery into wiping out oil production in the US. We sold it on the way down and shifted that capital to financially-stronger Chevron Corporation (CVX). Discovery Inc. (DISCA) fell on fears of advertising drop-offs and cancellation of the Olympic Games which they planned to broadcast in Europe. Macerich (MAC) got hit the hardest, percentage wise, as COVID-19 has made retailing a nightmare, temporarily. Whether that is permanent is probably to be determined by how soon the US will get back to 90% of prior economic strength.

SMEAD FUNDS

Investment Manager's Report



Source: Cypress Capital, "The Benjamin Button Bull Market"

UBS has recently commissioned research on the history of value investing versus growth investing in the US.ⁱ As the chart above shows, we are in the 100th percentile over the years since 1963. This means that value is the cheapest versus growth it has been in 57 years. We are excited about our position when that worm turns, because our portfolio is the cheapest in relation to the S&P 500 as it has been since we formed our company in 2007. Thank you for your ongoing confidence!

William Smead
Lead Portfolio Manager

Tony Scherrer, CFA
Co-Portfolio Manager

Cole Smead, CFA
Co-Portfolio Manager

*I ACC USD Share Class performance includes impact of fees waived.

ⁱ Source: UBS Research

https://players.brightcove.net/1197194721001/default_default/index.html?videoId=6169141634001

SMEAD FUNDS

Smead US Value UCITS Fund (in USD)

Statistics

		June 30, 2020	December 31, 2019	December 31, 2018
Net Asset Value	USD	81,056,356.12	100,861,307.85	93,953,780.11
Net asset value per share				
A Acc (USD)	USD	356.04	433.80	349.20
I Acc (EUR)	EUR	329.90	400.23	312.93
I Acc (GBP)	GBP	477.64	537.53	445.66
I Acc (USD)	USD	370.28	448.75	357.34
I Dis (GBP)	GBP	475.52	536.88	444.91
M Acc (USD)*	USD	352.74	-	-
Number of shares				
A Acc (USD)		28,635	23,749	21,088
I Acc (EUR)		46,827	48,249	42,526
I Acc (GBP)		1,729	1,863	10,484
I Acc (USD)		139,018	148,150	180,230
I Dis (GBP)		1,022	1,509	1,805
M Acc (USD)*		1,174	-	-

* Share Class launched on March 30, 2020.

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

SMEAD FUNDS

Smead US Value UCITS Fund (in USD)

Statement of Net Assets as at June 30, 2020

	Notes	USD
Assets		
Investment in securities at cost		69,549,911.63
Unrealised appreciation on securities		10,331,433.60
<hr/>		
Investment in securities at market value	3.2	79,881,345.23
Cash at bank		1,189,897.45
Dividends receivable		74,584.42
Formation expenses, net of amortization	3.3	32,384.99
Receivable from Investment Manager		31,417.37
Receivable on subscription		18,676.09
<hr/>		
Total assets		81,228,305.55
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Liabilities		
Payable on redemption		101,903.59
Accrued expenses		70,045.84
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Total liabilities		171,949.43
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Net assets at the end of the period		81,056,356.12
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The accompanying notes form an integral part of these financial statements.

SMEAD FUNDS

Smead US Value UCITS Fund (in USD)

Statement of Operations and Changes in Net Assets For the period ending June 30, 2020

	Notes	USD
Income		
Dividends (net of withholding taxes)	3.5	850,751.90
Total income		850,751.90
Expenses		
Management fees	4	492,025.06
Administration fees		108,696.35
Professional fees		50,444.57
Depository fees		18,822.37
Director fees and expenses	5	17,885.14
Taxation	6	5,663.40
Insurance fees		2,148.88
Transaction fees		1,289.38
Formation expenses amortised	3.3	25,183.34
Other expenses		21,463.26
Less: Fee waived	7	(193,998.47)
Total expenses		549,623.28
Net investment gain		301,128.62
Net realised appreciation/(depreciation) on:		
Investments	3.6	(2,033,280.62)
Foreign currencies transactions	3.1	1,700.89
Net realised loss for the period		(2,031,579.73)
Net change in unrealised appreciation/(depreciation) on:		
Investments	3.6	(17,169,017.41)
Currencies	3.1	(104.62)
Decrease in net assets as a result of operations		(18,899,573.14)
Proceeds received on subscription of shares		8,066,278.65
Net amount paid on redemption of shares		(8,971,657.24)
Net assets at the beginning of the period		100,861,307.85
Net assets at the end of the period		81,056,356.12

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

SMEAD FUNDS

Smead US Value UCITS Fund (in USD)

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the period	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the period
A Acc (USD)	23,749	7,833	(2,947)	28,635
I Acc (EUR)	48,249	3,221	(4,643)	46,827
I Acc (GBP)	1,863	272	(406)	1,729
I Acc (USD)	148,150	7,096	(16,228)	139,018
I Dist (GBP)	1,509	138	(624)	1,022
M Acc (USD)*	-	1,658	(484)	1,174

*Share Class launched on March 30,2020.

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

SMEAD FUNDS

Smead US Value UCITS Fund (in USD)

Securities Portfolio as at June 30, 2020

Quantity	Name	Currency	Market Value in USD	% of net assets
Transferable securities admitted to an official exchange listing				
Equities				
United States				
8,831	ACCENTURE PLC-CL A	USD	1,896,192.32	2.31
2,674	AMERCO	USD	808,056.06	1.00
47,962	AMERICAN EXPRESS CO	USD	4,565,982.40	5.63
22,361	AMGEN INC	USD	5,274,065.46	6.51
134,246	BANK OF AMERICA CORP	USD	3,188,342.50	3.93
12,315	BERKSHIRE HATHAWAY INC-CL B	USD	2,198,350.65	2.71
729	BOOKING HOLDINGS INC	USD	1,160,815.86	1.43
9,479	CARTER'S INC	USD	764,955.30	0.94
31,731	CHEVRON CORP	USD	2,920,587.13	3.60
67,164	COMCAST CORP-SPECIAL-CL A	USD	2,618,052.72	3.23
3,889	CREDIT ACCEPANTANCE CORP	USD	1,629,529.89	2.01
212,834	DISCOVERY COMMUNICATIONS-CL A	USD	4,490,797.40	5.54
41,643	DR HORTON INC	USD	2,309,104.35	2.85
80,045	EBAY INC	USD	4,198,360.25	5.18
14,178	HOME DEPOT INC	USD	3,551,730.78	4.38
36,782	JPMORGAN CHASE & CO	USD	3,459,714.92	4.27
74,293	LENNAR CORP-CL A	USD	4,577,934.66	5.65
191,121	MACERICH CO	USD	1,714,355.37	2.12
40,104	MERCK & CO INC	USD	3,101,242.32	3.83
1,701	NVR INC	USD	5,543,133.75	6.84
2,998	PAYPAL HOLDINGS INC	USD	522,341.54	0.64
65,705	PFIZER INC	USD	2,148,553.50	2.65
29,004	QUALCOMM INC	USD	2,645,454.84	3.26
30,949	SIMON PROPERTY GROUP INC	USD	2,116,292.62	2.61
7,454	STARBUCKS CORP	USD	548,539.86	0.68
43,993	TARGET CORP	USD	5,276,080.49	6.51
3,646	ULTA BEAUTY INC	USD	741,669.32	0.92
20,822	WALT DISNEY CO	USD	2,321,861.22	2.86
91,793	WELLS FARGO & CO	USD	2,349,900.80	2.90
			78,641,998.28	97.02
Money Market Funds				
United States				
1,232,128	STATE STREET GLOBAL ADVISORS – US LIQUIDITY FUND	USD	1,239,346.95	1.53
Total securities portfolio			79,881,345.23	98.55
Summary of net assets				
Total securities portfolio			79,881,345.23	98.55
Cash at bank			1,189,897.45	1.47
Other assets and liabilities			(14,886.56)	(0.02)
Total net assets			81,056,356.12	100.00

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

SMEAD FUNDS

Smead US Value UCITS Fund (in USD)

Portfolio Breakdowns

Nature allocation	% of portfolio	% of net assets
Equities	98.45	97.02
Money Market Funds	1.55	1.53
	100.00	98.55

Country allocation	% of portfolio	% of net assets
United States	100.00	98.55
	100.00	98.55

Top Ten Holdings

Top Ten Holdings	Sector	Market Value USD	% of net assets
NVR INC	Consumer Discretionary	5,543,133.75	6.84
TARGET CORP	Consumer Discretionary	5,276,080.49	6.51
AMGEN INC	Health Care	5,274,065.46	6.51
LENNAR CORP-CL A	Consumer Discretionary	4,577,934.66	5.65
AMERICAN EXPRESS CO	Financials	4,565,982.40	5.63
DISCOVERY COMMUNICATIONS-CL A	Consumer Discretionary	4,490,797.40	5.54
EBAY INC	Communications	4,198,360.25	5.18
HOME DEPOT INC	Consumer Discretionary	3,551,730.78	4.38
JPMORGAN CHASE & CO	Financials	3,459,714.92	4.27
BANK OF AMERICA CORP	Financials	3,188,342.50	3.93

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

SMEAD FUNDS

Notes to the Financial Statements as at June 30, 2020

1. Organisation

Smead Funds (the “Fund”) is a public limited company (*société anonyme*) incorporated on December 4, 2015 under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Fund is subject to Part I of the Luxembourg law of December 17, 2010, relating to undertakings for collective investment, as amended or supplemented from time to time.

The Fund is registered with the Luxembourg Trade and Companies Register under number B202 249. The Articles of Incorporation have been published in the Mémorial C, Recueil des Sociétés et Associations of the Grand-Duchy of Luxembourg.

The Fund is organised as an umbrella structure. At June 30, 2020, the Fund offered shares in one Sub-Fund (the “Sub-Fund”), as shown below:

Sub-Fund	Launch date	Base Currency
Smead US Value UCITS Fund (the “Sub-Fund”)	February 22, 2016	United States dollar (“USD”)

The objective of the Sub-Fund is to provide investors with long-term capital appreciation.

2. Shares of the Fund

The Sub-Fund may comprise distributing Shares (Distribution Shares) and non-distributing Shares (Accumulation Shares). Distribution Shares and Accumulation Shares issued within the same Sub-Fund are represented by different Share Classes.

Certain Shares Classes are reserved to specified categories of investors such as Institutional Investors, investors investing through a specified distribution channel or investors who are residents of or domiciled in specific jurisdictions.

In particular, the Sub-Fund may offer Currency Hedged Share Classes. The Fund may use various techniques and instruments, such as forward contracts and currency swaps, in accordance with the provisions of the Prospectus, intended to limit the impact of exchange rate movements between the Reference Currency of the Sub-Fund and that of a Currency Hedged Share Class on the performance of such Share Class. The costs and any benefit of currency hedging transactions will be allocated solely to the Currency Hedged Share Class to which the hedging relates.

As at June 30, 2020, Shares in the Sub-Fund are offered for subscription in the form of Class A and Class I Shares (exclusively reserved for Institutional Investors) and Class M Shares (reserved for certain Institutional Investors like discretionary portfolio managers and financial managers of UCITS/UCI).

As at June 30, 2020, the following Share classes are active:

Sub-Fund	Sub-Fund Base Currency	Class of Shares / Currency	Launch Date
Smead US Value UCITS Fund	USD	Class I Acc (EUR)	February 22, 2016
		Class I Acc (GBP)	February 22, 2016
		Class I Acc (USD)	February 22, 2016
		Class I Dis (GBP)	April 25, 2016
		Class A Acc (USD)	November 18, 2016
		Class M Acc (USD)	March 30, 2020

Notes to the Financial Statements as at June 30, 2020 (continued)

3. Significant Accounting Policies

The financial statements of the Fund are prepared and presented in accordance with Luxembourg legal and regulatory requirements relating to Undertakings for Collective Investment as described by Luxembourg authorities for Luxembourg investment funds. They are prepared in accordance with accounting policies generally accepted in Luxembourg.

3.1 Currency conversion

The accounts of the Sub-Fund are kept in United States Dollars and the financial statements are expressed in the same currency. The acquisition cost of securities purchased in a currency other than United States Dollars is converted into the currency of the Sub-Fund on the basis of the exchange rates prevailing on the date on which the securities are acquired.

Income and expenses denominated in a currency other than United States Dollars are converted into the currency of the Sub-Fund on the basis of the exchange rates prevailing on the transaction date. At the closing date of the financial period, the security valuations (determined as described below), receivables, bank deposits and debts denominated in a currency other than that of the sub-fund are converted into United States Dollars on the basis of the exchange rates prevailing at that date; the foreign exchange differences resulting from the conversion of receivables, bank deposits and debts are included in the net realised gain/loss on foreign exchange transactions in the Statement of Operations and Changes in Net Assets for the financial period. Unrealised gains or losses on foreign cash accounts, receivable or payable amounts being recorded under the caption "Change in unrealised appreciation / (depreciation) on foreign currencies".

3.2 Valuation of investments

Transferable Securities and Money Market Instruments which are quoted, listed or traded on an exchange or regulated market are valued at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors determines on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation.

Transferable Securities and Money Market Instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, are valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

3.3 Formation expenses

Formation expenses are amortised on a linear basis over a five-year period.

3.4 Transactions on investments in securities

Purchases and sales of financial investments in securities are recognised using trade date plus one accounting basis.

3.5 Income and expenses

Dividends are recorded on ex-date. Dividends are recorded net of any non-recoverable withholding tax.

Operating expenses are recognised on an accrual basis.

Notes to the Financial Statements as at June 30, 2020 (continued)

3.6 Net realised gains/losses on sales of investments

Gains and losses realised on the sale of securities are determined on the basis of the average acquisition cost.

Gains and losses unrealised on available-for-sale securities are not reported on the income statement until the securities are sold.

4. Management fees

The Management Company and the Investment Manager are each entitled to a part of the Management Fee. The Management Fee is calculated daily as a percentage of the average Net Asset Value of the Share Class and paid out of the assets of the Sub-Fund and Share Class. The Management Fee will accrue on each Valuation Day and will be payable monthly in arrears at the maximum rate of 1.85% for A Share Class and 1.05% for I Share Classes. The Management Company is also entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Extraordinary expenses which are incurred by the Management Company as a result of special assignments from the Fund or of events outside of the ordinary course of business can be charged separately provided these expenses have been notified and agreed by the Fund in advance except where contrary to applicable law or regulations.

5. Director fees and expenses

The members of the Board of Directors are entitled to receive a fee in consideration for their function. However, members of the Board of Directors who are also directors, officers or employees of the Investment Manager or its affiliates will not receive any fees as directors of the Fund.

During the period ended June 30, 2020 the Fund paid to Mr Antonio Thomas a remuneration of EUR 25,000 (USD 28,079) on a gross annual basis out of the assets of the Fund:

- Cash in an aggregate amount of EUR 10,000 (EUR 9,700 as net amount); and
- Shares of the Fund in an aggregate amount of EUR 15,000 (EUR 12,000 as net amount), consisting in 38 shares of the Smead US Value UCITS Fund – A Acc (USD).
- Payment of 5,000 euro as Administration contributions.
- Request to buy FX 26,700 EUR vs USD.

As at June 30, 2020, the total number of shares held by Mr Antonio in Smead US Value UCITS Fund – A Acc (USD) was 38 shares, with a total value of USD 13,530.

6. Taxation

Under Luxembourg law, the Fund is liable in Luxembourg for a subscription tax (taxe d'abonnement) of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of the respective Share Class at the end of the relevant quarter. A reduced tax rate of 0.01% per annum of the net assets will be applicable to Share Classes which are only sold to and held by Institutional Investors. Such tax is payable quarterly and calculated on the net assets of such Share Class at the end of the relevant quarter.

Dividends, interest and capital gains on securities issued in certain countries may be subject to non-recoverable withholding or capital gain taxes imposed by such countries. Withholding tax, deducted in certain countries, may not be refundable in certain instances.

SMEAD FUNDS

Notes to the Financial Statements as at June 30, 2020 (continued)

7. Cap on fees and expenses

The fees and expenses are capped to a maximum annual percentage of the Net Asset Value as per an agreement with the Investment Manager.

Maximum annual percentages applicable as at June 30, 2020 were as follows:

Share Class	Maximum annual %
A Acc (USD)	2.25%
I Acc (EUR)	1.15%
I Acc (GBP)	1.15%
I Acc (USD)	1.15%
I Dist (GBP)	1.15%
M Acc (USD)	1.30%

8. Transaction costs

For the period ended June 30, 2020, the Sub-Fund incurred transaction costs for 19,139 USD, which have been defined as brokerage fees, certain taxes and certain depositary fees relating to the purchase and sale of transferable securities, money market instruments or other eligible assets. Of these transaction costs, 12,759 USD were soft dollar commissions that paid for research and execution systems. All these costs are included in the Statement of Operations and Changes in Net Assets as Net change in unrealised appreciation / (depreciation) on Investments and Net realised gain/ (loss) on Investments.

9. Exchange Rates

The exchange rates used in the conversion of the Fund's assets or liabilities denominated in other currencies than United States Dollar are the following:

1 USD = 0.890353 EUR

1 USD = 0.809323 GBP

10. Changes in the composition of the portfolio and latest Prospectus

The report on changes in the composition of the portfolio of the sub-fund and latest Prospectus is available upon request and free of charge at the registered office of the Fund.

11. Significant Events

The emergence of COVID 19 (coronavirus) has created economic and financial disruptions in the global economy which has led to operational challenges that could impair the Smead US Value UCITS Fund's ability to manage or conduct some of its businesses around the world. In line with many national and local guidelines, Smead Capital Management, has followed guidelines in accordance with its Business Continuity Procedures (BCP). This allows for Smead Capital Management to operate from its office locations or remote sites.

Given the disruptions in the financial markets, Smead Capital Management and the Fund are closely tracking their operational capacity. Additionally, the financial effects of the outbreak have a high degree of uncertainty, given that they are dependent on external factors such as the spread of the virus and the measures taken by the various governments and central banks. Smead Capital Management, and the Fund, have already observed significant volatility in the global marketplace which could have an impact on their financial results and financial position in the future. Smead Capital Management and the Fund continues to execute its investment discipline, which may cause higher turnover, due to the heightened volatility. Smead Capital Management is also maintaining an active dialogue with all its relevant global vendors and service providers during this period.

A new Share Class M Acc (USD) launched on March 30, 2020.

Notes to the Financial Statements as at June 30, 2020 (continued)

12. Subsequent Events

There were no material events which occurred after the end of the financial period, which would have a bearing on the understanding of the financial statements.

Additional Information

Portfolio Turnover Rate (PTR)

The PTR has the regulatory intention to provide investors with an indicator of the impact of trading costs within a given fund.

If the PTR of the Fund is next to zero, it means that the transactions were made in order to invest funds or sell assets received from unit subscription or redemptions. A negative PTR indicates that the total of the subscriptions and the redemptions exceeded the value of the security transactions of the portfolio. A positive PTR indicates that the value of the security transactions exceeded that of the Fund unit transactions.

The formula used to calculate the PTR is:

$$\frac{(\text{Purchase of securities} + \text{Sales of securities}) - (\text{investor subscriptions} + \text{Redemptions})}{(\text{Average Fund Value during the period})} * 100$$

The portfolio turnover rate for the period ended June 30, 2020 was 33.16%

Risk Management

The global exposure of the Smead Fund is monitored via daily Commitment approach.

Securities Financing Transaction Regulation

Securities Financing Transaction Regulation ("SFTR") introduces reporting requirements for securities financing transactions ("SFTs") and total return swaps.

A Security Financing Transaction ("SFT") is defined as per Article 3 (11) of the SFTR as:

- a repurchase/reverse repurchase agreement,
- securities or commodities lending and securities or commodities borrowing,
- a buy-sell back transaction or sell-buy back transaction, or
- a margin lending transaction.

Smead Fund did not hold any total return swaps or enter in security financing transactions during the period ended June 30, 2020.