JABCAP (LUX)

Société d'Investissement à Capital Variable

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Annual Report and Audited Financial Statements

For the Year Ended
December 31, 2018

Audited Financial Statements
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BOARD OF DIRECTORS	William Blackwell (Chairman)* Carne Global Financial Services (Luxembourg) S.à r.l. (Director) *Appointed on 19 April 2018
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	Tracey McDermott Gemini Governance & Advisory Solutions S.à r.l. (Managing Director)
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Management and Service Providers (Continued)

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Report of the Board of Directors
Convertible Bonds Sub-Fund

Equity markets were off to a strong start with the DAX Index rising +2.1% and the S&P500 Index +5.66% in January. Despite a pullback at month end, macro data remained resolutely positively oriented. Meanwhile, news flow in Europe was dominated by the continuation of the German coalition talks, with the SPD narrowly voting to go ahead with formal coalition talks despite a major push from the center-left party's youth wing to back out. Carillon made headline news when it was forced into liquidation, which served as a timely reminder that credit risk had not gone away. In the US, news flow was dominated by the temporary shutdown of the Federal government and by President Trump's speech in Davos which highlighted the success of his administration at cutting regulation and taxes. While Equity markets were strong, rates markets were weak with the 10-Year Bunds and Treasuries widening +24bp and +30bp, respectively. While moves of such magnitude had often coincided with a sell-off in other asset classes, corporate bond spreads remained firm on both sides of the Atlantic with both European and US high yield indices reporting positive returns for January.

The Fund started the year with a further consecutive month of strong absolute and relative performance. North America was once more the driver of profits, helped by a positive contribution from the Asian portfolio. Europe, Japan and emerging markets finished the month slightly up. Financial and technology were the strongest sectors and only industrial, basic materials and utilities were modestly down.

February saw equity markets correct violently as the S&P500 and Dax indexes fell -3.7% and -5.7% as volatility re-priced meaningfully higher and rates markets re-assessed the FED rate hike trajectory in light of higher than expected hourly earning growths. What exactly caused this sell-off was still unclear but we were certain volatility was unlikely to return to the extreme low level seen in 2017. We noted however that after the initial sell-off, the S&P500 Index rebounded strongly over the second half of the month to end slightly above where it started the year. On the rates front, 10-Year Treasuries continued their upward trajectory and nearly touched the 3.0% mark before stabilising between 2.8% to 2.9%. Key factors behind this move included the concomitant equity sell-off but also the release of optimistic FED minutes with Jay Powell also making his debut as the new Chairman of the Fed. During his address to Congress, Jay Powell gave a markedly bullish assessment of the US economic outlook but let it be known that he would tolerate a burst of volatility in financial markets in order to avoid an "overheated economy". On the macro front, the numbers coming out of the US were resolutely positive with Q4 GDP coming at 2.5% QoQ annualised and both manufacturing and service PMI in the mid-fifties. In Europe, macro data remained positively oriented albeit maybe not as positively as we had grown accustomed to with Manufacturing PMI dipping to 58.6. In Japan, the Topix index fell 3.7% over the month. Governor Kuroda was also re-appointed.

The Fund recorded a slight loss for the month and gave back a little bit of January's performance but showed otherwise a resilient performance. North America continued to make a positive contribution while the other regions made a loss. By sectors, technology was once more the strongest contributor while industrials was the weakest.

Report of the Board of Directors (Continued)
Convertible Bonds Sub-Fund

March saw no signs of volatility coming down, with a combination of a tightening monetary environment, rising inflation and trade-war rhetoric driving equity market valuations down. Both the S&P500 and the DAX indices fell significantly for the month, bringing their Q1 decline to -1.2% and -8.3%, respectively. The Tech sector was hit particularly hard by the combination of the Cambridge Analytica scandal engulfing Facebook, President Trump eying tax changes for Amazon and Tesla suffering a fatal casualty. Meanwhile, 10-Year Treasuries tightened -12bp to 2.81% over March as investors sought refuge from the heightened volatility engulfing riskier assets. However, while rates tightened, credit spreads widened and pushed both the US and Europe high yield markets to report negative returns for March against a backdrop of heavy issuance. While flatter yield curves had historically been associated with deteriorating economic conditions, the current move looked to us as more technical and front-end driven as US companies repatriate cash and the US government issue a record number of T-Bills to fund its deficit. Macro-wise, we saw a continuation of the February's trend with the US continuing to report strong numbers but Europe showing some signs of a moderation in its growth trajectory as a weaker US Dollar and negative news flow about protectionist policies cast a long shadow on its export driven economy. Japan was not immune to the headwinds engulfing both US and European equity markets and also saw the TOPIX index fall materially.

The Fund reported a negative performance for the month against the backdrop of adverse equity market performance. All regions reported a loss. US financials and Japanese consumer cyclical were the main loss-contributors while US basic materials made a positive contribution to performance.

April saw some recovery for risky assets after a very volatile month of March. The DAX index rose +4.3% over the month while the European XOVER index tightened circa -12bp on the credit side. In contrast, the S&P500 index only rose +0.3% for April as headlines around Nafta, trade with China, immigration reform and Presidential tweets on Amazon took their toll. Interestingly, the 10-Year Treasuries did briefly break the 3% mark before ending the month below this level without ill effects so far. Q1 earning season was shaping up to be very strong (S&P 500 was tracking toward +10% revenue growth so far) as we had expected but this failed to move valuations meaningfully. We noted however that volatility had tended to come down from its elevated February-March level with the VIX ending at 15.9 and we saw this as a sign that the market was somewhat learning to take what comes out of the US administration in its strides. On the macro front, data did seem to indicate an inflexion point in the trajectory of the Eurozone economy. The latter was growing albeit maybe not as fast as it used to do. The combination of a weak dollar over February-March and concerns about rising protectionism must have somewhat dented business optimism. The US in contrast remained positively skewed with manufacturing PMI improving sequentially and inflation getting ever closer to the 2% mark. In Japan, April saw the Topix index strongly rebound +3.6% despite some high profile earning misses.

The Fund reported a positive performance for the month on the back of better equity valuations. By regions, both Europe and Japan were net contributors while North America and Asia were flat. European consumer cyclical and financials were the biggest contributors to performance while North American basic materials were the loss leaders.

Report of the Board of Directors (Continued)
Convertible Bonds Sub-Fund

May saw the return of political uncertainty to the forefront, with a populist government coming to power in Italy and a change of government in Spain. While the Dax index was broadly unchanged for the month at -0.1%, this hides a +/-4% intra-month swing as the positive momentum inherited from April came to a brutal and unexpected halt as the market grew increasingly concerned about the implication for the Eurozone of the planned Italian expansionary fiscal policy. Without much surprise peripheral equity markets like Italy or Spain were down -8% and -6% for the month, respectively. Outside the realm of politics, the European Q1 results season came to a close with companies generally reporting better than expected numbers. Macro data on the other hand continued to indicate that the pace of economic improvement, whilst positive, appeared to be slowing down. In contrast with Europe, the S&P500 index reported a strong performance for May and ended the month +2.4% higher. The Q1 reporting season was very strong both when compared to the previous year and expectations. US macro data remained resolutely positively oriented. US equity markets were not immune to the developments happening in Europe but recovered much more rapidly after a successful Italian bond auction. In Japan, the Topix index fell some -2% in a choppy month interrupted by Golden week holiday. Japan was not immune to the political turmoil in Europe and the rhetoric concerning North Korean and China coming out of the White House.

The Fund's performance was slightly up for May, a month that experienced significant intra-month volatility on the back of heightened political risks. By region, North America made a positive contribution, Europe was flat while Japan reported a loss. Non-cyclical consumers and tech were the biggest contributors to performance while Japanese industrials were the loss leaders.

June saw the Dax index close -2.4% lower in a month once more dominated by political risk. June started on a positive note with an agreement between the USA and North Korea followed by the ECB announcing its long-awaited tapering of its quantitative easing programme in a positive fashion. The Dax index initially rose +4% over the first half of the month but the rally quickly reversed on the news that the Trump administration was considering applying new tariffs on $200bn worth of imports from China while the recently formed populist Italian government brought attention to the tensions regarding immigration running through the EU. Not even a very dovish Sintra conference by Chairman Draghi was sufficient to offset the negative sentiment despite the ECB's reiterating its pledge to remain patient and take a gradual approach to monetary tightening. Meanwhile, the FED hiked rates by 25bp for the second time this year, as expected, and raised its median dots without derailing the S&P500 index upward trajectory and hinted about 4 rate hikes for 2018 instead of the 3 originally penciled in by the market. That said, the specter of a trade war following the White House announcement led to the S&P 500 index retracing its earlier gains. On the data front, the Eurozone appeared to slow further, with weaker than expected data. In contrast, the US looked earmarked for a very strong Q2.

The Fund recorded a loss for June as the possibility of a trade war between the US and China pushed our Asia ex-Japan names lower in the second half of the month. By region, North America was broadly flat but Japan and Asia and to a lesser extent Europe were down. US basic materials was the biggest contributor whilst financials and Asian tech names were the biggest loss leaders.

Report of the Board of Directors (Continued)
Convertible Bonds Sub-Fund

July saw the Dax index recover from the previous month's drop and rise +4.1%. The reporting season got underway in Europe with mixed results. Most European companies reported strong top line growth, but earnings have so far tracked 5% below consensus with 7% more beats than misses. On the macro front, Q2 GDP numbers came in at 0.3% QoQ which is a deceleration from Q1's 0.4% and slightly below expectations and thus confirming that while we expected the European economy to continue to grow, the phase of rapid economic acceleration was probably behind us as political risk (trade wars, immigration crisis, weak German government, unpredictable US government, Italian risk… etc) had re-emerged. Meanwhile in the US, the S&P 500 index rose +3.7% during the month despite renewed US-China trade pressure. Earning season was focused on the big tech names, with Google reporting a top and bottom-line beat and Amazon reporting a strong quarter. Chairman Powell had his first semi-annual testimony to the Senate banking committee during which he stressed that the jobs market had continued to strengthen and suggested that risks from US trade policy can to some extent be balanced by fiscal stimulus. In Japan, the Topix index gained 1.3% in an eventful month that started with flood wreaking havoc on production and consumption and speculation that the BoJ would change its policy which were ultimately proven to be unfounded.

The Fund was flat in July, with gains over the first three weeks getting reversed in the fourth as trade war rhetoric re-emerged. The Fund's regional allocations to Japan and North America were up, Europe was flat and unsurprisingly Asia was down. North American financials was the biggest contributor whilst Asian financials were the biggest detractor to performance.

August saw the DAX index give up most of the previous month's gains and fall -3.4% for the month. Earning season came to a close with companies generally reporting better than expected revenues which however did not necessarily translate into bottom-line beats. On the European macro front, Italy was in the limelight once more as negotiation for its upcoming budget started in earnest. In the US, August saw the S&P500 index rise +3.03% and touched the index all-time-high of 2916.50 on August 29th. In Japan, the Topix index fell -1% for the month as trade tariff concerns and macro concern dominated activity in a low volume environment. Outside of developed markets, Turkey took centre stage as the Turkish Lira fell -30% on a raft of bad headlines. Argentina in the meantime saw the pesos devalue a further -35% despite the government having announced austerity measures and having hiked the intraday lending rate to 60%.

The Fund reported a positive performance in August. By region, North America was up on the back of a buoyant tech market while Europe was broadly flat and Japan and Asia down on trade war fears. By sectors, tech and telecom were the biggest positive contributors while Asian technology was the biggest detractor to performance.

September saw the DAX index fall -0.9% in a month once more dominated by political headlines. Italy announced a budget deficit of 2.4% of GDP for 2019-2021 which was wider by the market. Meanwhile, the EU leaders assembled at the Salzburg summit delivered a reality check to Theresa May and her Chequers plan. On the macro front, September Eurozone manufacturing PMI declined further to 53.3. In the US, the S&P500 index rose +0.6% in a month that saw Amazon join Apple in the trillion market cap club. US headlines were mostly driven by the on-going trade tensions with China with the US announcing a 10% tariff on $200bn of Chinese imports and the upcoming mid-term elections on November 6th. The FOMC hiked rates a further 25bp to 2.25% as was expected. In Japan, the Nikkei index breached 23k and finished the month close to a 27 year high. The Topix index rose +5.5% as the yen's weakness and Shinzo Abe's third consecutive victory as LDP leader was seen as beneficial to Japanese exporters.

The Fund was down for the month, as technology names suffered from the on-going trade tension between the US and China and overshadowed a good contribution from Japan and Asia. By sector, technology was by far the biggest looser while basic material across all regions made the biggest positive contribution.

Report of the Board of Directors (Continued)
Convertible Bonds Sub-Fund

October saw markets correct violently in a manner reminiscent of the last financial crisis, with both global bonds and equity markets selling-off in tandem. The Dax fell -6.5% for the month, led on the way down by Tech (-9%), Cap goods (-9%) and Chemicals (-8%). Many long term concerns the market may have had (demand in China, trade wars, input cost inflation, Italy, rising rate environment…etc) simultaneously come to the boil and lead to a synchronous and wide-spread reassessment of valuation levels across multiple asset classes. This negative sentiment was reinforced further by a lacklustre start to the Q3 earning season that saw more EPS misses than beats and some high-profile profit warnings. Macro data was equally unsupportive, with declining PMI numbers. The US did not fare much better, with the S&P 500 falling -6.8% for October and thus experiencing its single biggest month on month decline since September 2011. By sectors, loss leaders were energy (-11%), consumer discretionary (-11%), industrials (-11%) and technology (-8%). Credit spreads meanwhile took their queue from the equity markets and widened on average, leading to both IG and HY markets experiencing negative returns for the month. Meanwhile in Japan, the Topix fell -9.4% led by commodity related sectors on fears of a Chinese slowdown and semi-conductors as US-China trade tensions took centre stage. There was simply no place to hide in October.

The Fund reported a heavily loss for October as our overweight to US and Europe tech and Japanese CB hurt us. All sectors and regions reported a negative contribution.

Volatility picked up meaningfully in November after the violent correction seen during the previous month. The Italian budget and Brexit dominated the headlines in Europe. On the earnings front, the lacklustre Q3 earning season saw little sign of improvement as a combination of concern about the global growth outlook and creeping margin pressure led to a slew of earnings downward revisions. Macro data remained downward oriented with a further decline in PMI and in IFO expectations. In the US, while the S&P500 index ended the month up +1.7%, this hid a very volatile month which saw the index move by more than 6% intra-month. Unsurprisingly, the best performing sectors were Healthcare and Real Estate which would indicate that investors still remained cautious. On the news front, US headlines were dominated by the US midterm elections with the Democrats winning the House of Representatives but the Republicans retaining the Senate. Trade war rhetoric remained elevated with US sanctions on Iran oil kicking in though a greater number than expected countries received waivers. Positive news came out of the Fed with Chairman Powell saying that the rates are “just below” the neutral level which could indicate that the FED may pause its hiking cycle in 2019. Macro data was also more supportive than in the previous month with PMIs stabilising, unemployment rate still falling and wage growth rising. All in all, it struck us as if underlying fundamentals were overshadowed by difficulty to predict headlines which led to knee-jerk reactions in a low liquidity environment.

Despite a rebound and positive contribution from North American Technology names, the Fund reported a further loss in November owing to its continued exposure to European Technology and Japanese Telecom companies. This situation was further exacerbated by our exposure to a steel company whose share price fell heavily following a disappointing Q3 and a higher than expected cash outflow.

On December 17th, the board of directors of the Company decided to suspend the calculation of the net asset value, as well as subscriptions, redemptions and conversions of shares of the JABCAP (LUX) – Convertible Bonds Fund.

The last few years have become particularly difficult for active managers and although 2017 was a strong year, 2018 has been an especially challenging year. As a result and with much deliberation, the investment manager has decided to cease most of the current investment management activities and return capital to investors whilst reviewing new investment management options.

Report of the Board of Directors
Global Balanced Sub-Fund

Equity markets were off to a strong start with the DAX Index rising +2.1% and the S&P500 Index +5.66% in January. Despite a pullback at month end, macro data remained resolutely positively oriented. Meanwhile, news flow in Europe was dominated by the continuation of the German coalition talks, with the SPD narrowly voting to go ahead with formal coalition talks despite a major push from the center-left party's youth wing to back out. Carillon made headline news when it was forced into liquidation, which served as a timely reminder that credit risk had not gone away. In the US, news flow was dominated by the temporary shutdown of the Federal government and by President Trump's speech in Davos which highlighted the success of his administration at cutting regulation and taxes. While Equity markets were strong, rates markets were weak with the 10-Year Bunds and Treasuries widening +24bp and +30bp, respectively. While moves of such magnitude had often coincided with a sell-off in other asset classes, corporate bond spreads remained firm on both sides of the Atlantic with both European and US high yield indices reporting positive returns for January.

January was a strong month for the Fund as asset allocators returned to markets from the Christmas break and we saw an acceleration in flows, especially from retail investors, into equities ahead of what we had expected to be a strong earnings season. We maintained our positioning towards the upper end of our risk limits and this resulted in a 7.4% return for the Fund vs the MSCI World Index +3.8% with the USA and Japan as our largest geographic over-weights.

February saw equity markets correct violently as the S&P500 and Dax indexes fell -3.7% and -5.7% as volatility re-priced meaningfully higher and rates markets re-assessed the FED rate hike trajectory in light of higher than expected hourly earning growths. What exactly caused this sell-off was still unclear but we were certain volatility was unlikely to return to the extreme low level seen in 2017. We noted however that after the initial sell-off, the S&P500 Index rebounded strongly over the second half of the month to end slightly above where it started the year. On the rates front, 10-Year Treasuries continued their upward trajectory and nearly touched the 3.0% mark before stabilising between 2.8% to 2.9%. Key factors behind this move included the concomitant equity sell-off but also the release of optimistic FED minutes with Jay Powell also making his debut as the new Chairman of the Fed. During his address to Congress, Jay Powell gave a markedly bullish assessment of the US economic outlook but let it be known that he would tolerate a burst of volatility in financial markets in order to avoid an "overheated economy". On the macro front, the numbers coming out of the US were resolutely positive with Q4 GDP coming at 2.5% QoQ annualised and both manufacturing and service PMI in the mid-fifties. In Europe, macro data remained positively oriented albeit maybe not as positively as we had grown accustomed to with Manufacturing PMI dipping to 58.6. In Japan, the Topix index fell 3.7% over the month. Governor Kuroda was also re-appointed.

Asia caused the bulk of our losses this month as the USD at one point weakened more than -4% causing an approximately 10% fall in the Nikkei but unlike in the USA the market only rebounded 50% while in Europe the rebound was similar. The Fund was down 7% leaving it flat for the year-to-date.

Report of the Board of Directors (Continued)
Global Balanced Sub-Fund

March saw no signs of volatility coming down, with a combination of a tightening monetary environment, rising inflation and trade-war rhetoric driving equity market valuations down. Both the S&P500 and the DAX indices fell significantly for the month, bringing their Q1 decline to -1.2% and -8.3%, respectively. The Tech sector was hit particularly hard by the combination of the Cambridge Analytica scandal engulfing Facebook, President Trump eying tax changes for Amazon and Tesla suffering a fatal casualty. Meanwhile, 10-Year Treasuries tightened -12bp to 2.81% over March as investors sought refuge from the heightened volatility engulfing riskier assets. However, while rates tightened, credit spreads widened and pushed both the US and Europe high yield markets to report negative returns for March against a backdrop of heavy issuance. While flatter yield curves had historically been associated with deteriorating economic conditions, the current move looked to us as more technical and front-end driven as US companies repatriate cash and the US government issue a record number of T-Bills to fund its deficit. Macro-wise, we saw a continuation of the February's trend with the US continuing to report strong numbers but Europe showing some signs of a moderation in its growth trajectory as a weaker US Dollar and negative news flow about protectionist policies cast a long shadow on its export driven economy. Japan was not immune to the headwinds engulfing both US and European equity markets and also saw the TOPIX index fall materially.

The Fund endured a poor month as we looked to take advantage of market weakness and took our risk limits up toward their maximum levels. We bought at what we felt was the dip but the market fell further in the last 10 days of the month. The combination of slowing growth momentum, soft warnings from banks and the ongoing trade war rhetoric from the Trump administration combined to cause a strong risk off move at the wrong time for us as the market began to price in fears around growth, which we felt were unfounded, with tech and banks (two of our largest over-weights across the portfolio) taking the brunt of the sell-off.

April saw some recovery for risky assets after a very volatile month of March. The DAX index rose +4.3% over the month while the European XOVER index tightened circa -12bp on the credit side. In contrast, the S&P500 index only rose +0.3% for April as headlines around Nafta, trade with China, immigration reform and Presidential tweets on Amazon took their toll. Interestingly, the 10-Year Treasuries did briefly break the 3% mark before ending the month below this level without ill effects so far. Q1 earning season was shaping up to be very strong (S&P 500 was tracking toward +10% revenue growth so far) as we had expected but this failed to move valuations meaningfully. We noted however that volatility had tended to come down from its elevated February-March level with the VIX ending at 15.9 and we saw this as a sign that the market was somewhat learning to take what comes out of the US administration in its strides. On the macro front, data did seem to indicate an inflexion point in the trajectory of the Eurozone economy. The latter was growing albeit maybe not as fast as it used to do. The combination of a weak dollar over February-March and concerns about rising protectionism must have somewhat dented business optimism. The US in contrast remained positively skewed with manufacturing PMI improving sequentially and inflation getting ever closer to the 2% mark. In Japan, April saw the Topix index strongly rebound +3.6% despite some high profile earning misses.

US Dollar strength helped Japan to rebound and both Japan and Europe were outperformers in April which benefitted the positioning of the Fund. We maintained our risk limits at constant levels through-out much of the month as we looked to crystallise gains on much of our single stock selection. The Fund returned 1.41% during the month while the MSCI World Index posted a return of 1.94%.

Report of the Board of Directors (Continued)
Global Balanced Sub-Fund

May saw the return of political uncertainty to the forefront, with a populist government coming to power in Italy and a change of government in Spain. While the Dax index was broadly unchanged for the month at -0.1%, this hides a +/-4% intra-month swing as the positive momentum inherited from April came to a brutal and unexpected halt as the market grew increasingly concerned about the implication for the Eurozone of the planned Italian expansionary fiscal policy. Without much surprise peripheral equity markets like Italy or Spain were down -8% and -6% for the month, respectively. Outside the realm of politics, the European Q1 results season came to a close with companies generally reporting better than expected numbers. Macro data on the other hand continued to indicate that the pace of economic improvement, whilst positive, appeared to be slowing down. In contrast with Europe, the S&P500 index reported a strong performance for May and ended the month +2.4% higher. The Q1 reporting season was very strong both when compared to the previous year and expectations. US macro data remained resolutely positively oriented. US equity markets were not immune to the developments happening in Europe but recovered much more rapidly after a successful Italian bond auction. In Japan, the Topix index fell some -2% in a choppy month interrupted by Golden week holiday. Japan was not immune to the political turmoil in Europe and the rhetoric concerning North Korean and China coming out of the White House.

During the month, we had adjusted our exposures reducing Europe throughout the month and the combination of this and our US holdings helped us to outperform the MSCI World Index. In the end only the US and the commodity exposed FTSE posted significantly positive returns in May resulting in the MSCI World Index delivering +1.27% while the Fund outperformed +2.98%.

June saw the Dax index close -2.4% lower in a month once more dominated by political risk. June started on a positive note with an agreement between the USA and North Korea followed by the ECB announcing its long-awaited tapering of its quantitative easing programme in a positive fashion. The Dax index initially rose +4% over the first half of the month but the rally quickly reversed on the news that the Trump administration was considering applying new tariffs on $200bn worth of imports from China while the recently formed populist Italian government brought attention to the tensions regarding immigration running through the EU. Not even a very dovish Sintra conference by Chairman Draghi was sufficient to offset the negative sentiment despite the ECB’s reiterating its pledge to remain patient and take a gradual approach to monetary tightening. Meanwhile, the FED hiked rates by 25bp for the second time this year, as expected, and raised its median dots without derailing the S&P500 index upward trajectory and hinted about 4 rate hikes for 2018 instead of the 3 originally penciled in by the market. That said, the specter of a trade war following the White House announcement led to the S&P 500 index retracing its earlier gains. On the data front, the Eurozone appeared to slow further, with weaker than expected data. In contrast, the US looked earmarked for a very strong Q2.

The combination of trade war and FX uncertainty caused a spill-over and contagion causing investors to unwind China exposure causing the Shanghai Composite index to fall -8.01% versus the MSCI Word index +0.33%. This hurt our exposures there in financials and tech especially which impacted the Fund’s performance, which posted a negative performance for the month being down -5.15%.

July saw the market focus away from macro concerns and refocus on company news flow. As we had been looking for in the event, earning season came in strong especially in the US. Tax benefits continued to flow through US corporate PnLs boosted by a strong economic backdrop. Even Europe showed a return to positive earnings growth in Q2 as we began to pass the peak in Euro related drags on earnings. Both regions outperformed the MSCI World Index in July accordingly albeit masked significant underlying divergence at a single stock level as positioning caused lots of consensus longs to underperform on good numbers and at the same time for significant short squeezes in consensus underweights. Our risk exposures remained stable throughout the month and both regions contributed positively to our returns for the month. Asia was a source of weakness this month as a number of our names were weak on a mix of company specific factors and earnings that failed to meet heightened expectations which off-set strength elsewhere. As a result, the Fund ended the month -0.57%.

Report of the Board of Directors (Continued)
Global Balanced Sub-Fund

August was a difficult month for the Fund despite the MSCI World Index +1.34%. It was very much a tale of USA vs Rest of the World as the S&P500 index delivered +3.03%. Themes that once again stood out was a strong USA tech sector with the Nasdaq up over 6.0% as flows continue to chase structural growth and indeed our US tech holdings were a decent performer for the Fund. However at the same time the end of earnings season meant once again markets were dominated by macro factors which were amplified given the lower market liquidity over the traditional summer holiday period. Continued concerns on Trump trade wars and a stronger US Dollar impacted international markets with issues in EM markets such as Turkey and Argentina adding to concerns around flows and the ongoing US Dollar driven tightening in global financial conditions. At the same time a re-focus on Chinese macro deceleration and Yuan FX weakness resulted in another weak month in the region as traders speculated USDCNY could re-test 7.00 with concerns around devaluation. Therefore, Asian names and tech in particular were impacted including our holdings. European markets were not immune to the sell-off given it is one of the most exposed regions to trade and as a result European indices continued to weaken on trade fears but also on rumblings around the upcoming Italian budget process due in the second half of September which meant Europe continued to be for sale for global investors.

September was a generally more muted month for the MSCI World Index at an index level. A weaker first half for markets on macro fears and profit warnings from auto companies began to give way to a bounce as evidence emerged from various conferences and corporate road shows that outside of the auto sector, which was being impacted by new testing regulations and a slow-down in China, demand looked to remain robust and that trade concerns did not seem to be impacting management teams. At the same time, US data in particular remained very strong and added weight to these management comments. In addition, some consolatory tones from the Italian government gave markets hope that the final budget outcome may be less bad then originally feared. We maintained our exposures in the first half of the month but then reduced risk to lock in the rally in the second half of the month as we looked to take a more balanced view into the key month of October.

October proved to be a tough month for investors across all investment strategies. We had flagged that the market would be looking for evidence of the auto slowdown (WLTP and China) infecting other parts of the market and that the overhangs from trade and politics would likely result in muted outlooks. So it came to pass. Auto exposed tech was the obvious area of the market and a consensus long amongst trend following funds including our own and to our detriment we did not reduce risks to this sector ahead of the reporting season. However beyond Auto, commentary from a variety of semi names from Samsung to Amazon all gave outlooks below market expectations resulting in big sell-offs and even those names who reported in-line numbers saw their shares de-rate as the market extrapolated the view that growth going forward was set to moderate. Industrial sectors too bore the brunt of the de-rating on in-line numbers in many instances, as the market took comments around increasing input costs as a sign margins were peaking. This combination of a moderation in growth guidance and the same time as higher costs and higher bond yields caused significant de-rating in equities with the MSCI World Index down 6.80% for the month with nearly all regions delivering negative results as trade fears began to show up in numbers. The risk unwinds of consensus long positions and the fact that all strategies saw drawdowns in October only made the sell-down worse as funds looked to de-gear and de-gross to reduce risk. Tech and industrials were big sectors for us across the various regions and we were surprised by the violence of the moves that disconnected valuations from the underlying fundamentals and ultimately led to our underperformance on the month.

Report of the Board of Directors (Continued)
Global Balanced Sub-Fund

Volatility picked up meaningfully in November after the violent correction seen during the previous month. It was another difficult month for the Fund. While we initially benefitted from the post US mid-term election pop in markets, this quickly reversed. The initial removal of uncertainty in the US moved to a re-focus on falling economic momentum, continued political uncertainty in Europe and fears around trade wars which had started to show up in the Q3 results season coupled with the ongoing tightening brought about by central banks withdrawing stimulus. This caused an unwind in risk assets into the middle of the month driven by a combination of forced selling by quant and retail funds. We started the month at the upper end of our risk limits and were impacted by the speed and severity of this correction in markets which then forced to cut and reduce risk close to the lows mid-month. However, this meant we locked in the losses while the markets proceeded to rebound into the much anticipated G20 meeting towards month end compounding the hit to the Fund. We were also overweight tech and financials which brought the bulk of the losses this month with tech being one of the last momentum sectors to unwind but with the Nasdaq still being one of the strongest markets year to date.

The market correction that started in November gathered momentum in December, with the DAX falling -6% in very thin markets. To put things in perspective, December brought the total correction from January high to -20% and made of 2018 the worst year for the DAX since the 2008 crisis. US equity markets were even worse, with the S&P falling -9% for December and bringing 2018 to a -6% loss. The VIX rose sharply to an intra-month high of 36.27 on Christmas Eve, nearly touching February 2019 highs. Japan did not fare better with Topix falling -10% for December and ending on a negative note with the exception of Treasuries which rallied 31bp and gold that rose +5%, there was nowhere to hide.

Against this backdrop, the Fund reported a loss of -12.26% mainly impacted by its exposure to the US and Japan in Communications, Tech and Financial sectors. The Fund ended the year down 46.38% (class P EUR).

The last few years have become particularly difficult for active managers and although 2017 was a strong year, 2018 has been an especially challenging year. As a result and with much deliberation, the investment manager has decided to cease most of the current investment management activities and return capital to investors whilst reviewing new investment management options.

Report of the Board of Directors
European Credit Opportunities Sub-Fund

January had been volatile for financial markets. Equities began on a very strong note, with the Eurostoxx Index rallying as much as 4% and the S&P 500 over 7%, only to sell off sharply into month end. Credit had been a different story: US and European high yield markets could only manage +0.25%, though this hid a spread tightening of approximately 40 bps (ICE BofAML US and European B-rated indices); and investment grade posted losses of 0.5-1% (ICE BofAML US and European A-rated indices).

The Fund returned 1.63% for the month. Performance was led by exposure to financials, which tend to outperform in rising rate environments, as well as by investments in floating rate bonds and our bund hedge – the Fund's net duration had been near zero. Relatively cautious net and gross exposures also meant volatility was low, with the Fund's intra-month peak only 13bps higher than the close.

February saw volatility spike higher in financial markets. The ICE BofAML Single-B Euro High Yield Index dropped as low as -1.8% and the ICE BofAML US High Yield Index as low as -2.4%. In equities the Euro Stoxx Index troughed at -9% below its end of January high and the S&P 500 at -10%. All managed only modest rebounds into month-end, and these were more pronounced for US markets and for equities.

The Fund avoided much of this volatility, being slightly down -0.29% thanks to hedging and to its relatively cautious exposure. Towards month-end, as markets rebounded, levered equity positions helped. Also, a short in the euro-denominated bonds of a meat producer added to Fund performance after the company reported poor earnings.

March saw a resumption of weakness in financial markets, as macro concerns over European growth and Trump trade tariffs predominated. Although this was relatively broad-based, European equities had been the underachievers and in March the Eurostoxx equity index dropped -5%, taking it to -11% below its January high.

While these numbers were almost identical to the S&P 500, the Eurostoxx had lost approximately a year's worth of appreciation, while the S&P was only back to its early November 2017 level – notably, however, giving up all its post Trump election gains.

Amongst credit markets, US high yield had underperformed, losing -1.1% in price terms in March, for a total of -2.4% year-to-date (YTD), compared to -0.6% and -1.5% for Europe, respectively. These numbers are better when one nets back income.

In the Fund, the hedging book lost money in March, primarily due to our Bund short, as yields came down around 15bps. The Fund's levered equity book also lost money in March. The Fund posted a negative performance for the month being down -0.84%.

After an extended period of underperformance, April saw European risk assets regain ground against the US. Equities led the charge, with the Euro Stoxx Index (SX5E) up 5.4% compared to a rise in the S&P 500 Index (SPX) of 1.6%. This took the SX5E to +0.9% and the SPX to -1%, year-to-date (YTD).

European high yield performance was similar for the US and Europe, at +0.67% for the ICE US High Yield Index, compared to +0.65% for its European counterpart, putting Europe at +0.25% YTD versus -0.25% in the US. Investment grade returns, with their high correlation to underlying government bonds, had been volatile, with the US underperforming. The ICE 5-7-year single-A rated index was down 2.7% year-to-date versus -0.4% for its European equivalent.

Against this backdrop, the Fund continued to carry risk hedges and shorts and to be vigilant about taking profits and cutting losses when risk/reward ratios become unfavourable, posting a performance of 0.88%.

Report of the Board of Directors (Continued)
European Credit Opportunities Sub-Fund

With Italian political risk leading the way, and additional pressure from emerging markets, May was a difficult month for European risk assets. The Eurostoxx equity index (SX5E) closed the month -2% lower, with an intra-month high-low of -4.7% and the ICE European High Yield Index (ICE) lost -1.2% for the month, with an intra month high-low of -1.9%. Year-to-date the SX5E was at -0.3% and the ICE at -1.0%. Italian risk was hard-hit, with the FTSE MIB equity index dropping -13% over two weeks and the 10-Year Italian sovereign bond losing around -10% as its yield spiked from 1.8% to 3.2%. Contagion was broad-based.

The Fund did not escape market volatility. Our net long exposure to high yield and relatively high exposure to banks hurt performance. Our energy-related exposure offset losses to some degree. Brent at $70+ changed the cash flows of energy-related issuers dramatically, which should have lead to significant, near-term deleveraging. The contribution from our hedging book was flat in May. The Fund was down -0.88% for the month.

June saw the first half of 2018 end on a down note for risk assets. Following a pattern seen several times this year, the month started positively, with the ICE European and US High Yield Indices rallying around 0.5% and equities over 3%. Markets couldn’t hold onto these gains, however, and, ended down -0.2% and -0.8% in high yield and at 0.0% and -0.7% in equities, in the US and Europe, respectively.

The Fund logged a slightly negative month, losing -0.46%. Weakness was again centred in the financial sector, which continued to give back some of the gains from earlier months. In our distressed book, our levered equity holding in a restructured geoscience company, also gave back some earlier gains. We had significantly reduced both our equity and financial sector exposures in response to the step-up in volatility and less encouraging European economic data.

After a volatile and, on the whole, weak first half, July saw the third quarter begin on a stronger note. For the month the ICE European High Yield Index (ICE) finished up +1.5% and the Euro Stoxx equity index (SX5E) rose +3.8%. US credit and equity markets managed similar gains. Even emerging markets rose, with benchmark equity (EEM) and bond (EMBI) indices both up around +2%.

The Fund’s low risk exposure and a lack of portfolio credit events in July saw us underperform markets during the month. For the year, however, we were still outpacing market returns. We remained of the view that a focus on individual credit alpha, with a relatively low exposure to market beta, remained preferable in this environment. Politically-driven macro risk was the most visible concern. The potential for a trade war had dominated recent headlines and was driving volatility in a broad range of assets. Ongoing weakness in China and emerging markets – still well down for the year – was largely due to this, in our view, and had the potential to spread.

With a notable exception in the US, August was a weak month for many risk assets. Driven by concerns over emerging markets and Italy, as well as ongoing trade tariff politics, European credit and equity posted negative returns, with both the Euro Stoxx equity index (SX5E) and the ICE European HY bond index dipping again into negative territory on a year-to-date basis.

The focus of this weakness was a sharp acceleration of the sell-off in emerging markets and continued weakness in Italian securities. In credit, the JP Morgan High Yield Emerging Markets Bond Index (EMBI) lost -5% in August (-12% YTD), with the most active Turkish government bond posting a near -10% intra month drop (-28% YTD). The active Italian 10-Year Government Bond dropped -4% (-9% YTD).

The Fund posted a small loss for the month. We had been cautiously positioned with low gross and net exposures but were hit by some volatility in positions with emerging market operating exposures and by hedging costs, including our short Bund position. Losses were partially offset by long positions in energy-exposed issuers, as well as carry from our broader portfolio.

Report of the Board of Directors (Continued)
European Credit Opportunities Sub-Fund

Risk-assets were mixed in September, as investors reacted to a news on Italy, Brexit, emerging markets and trade tariffs – and, to a resurgence of "risk-free" government bond yields. The US, underpinned by growth data, had shrugged off these concerns, but European and emerging markets continued to be volatile and weak, with rebounds short-lived and punishing.

Credit had outperformed in aggregate, but not without its share of punishing pitfalls. Riskier issuer spreads tightened modestly in September, despite the news flow above, with the ICE European and US high yield indices posting +0.28% and +0.58% returns for the month, respectively. The renewed rise in risk-free yields, however, put pressure on higher quality credits, with the ICE Single-A, European and US indices losing -0.38% and -0.58%, respectively.

Our approach was to remain cautious, paying some hedging costs while selectively pursuing individual longs and shorts - and resisting the temptation to chase market rebounds.

October was a weak month for financial markets, including, for the first time in a while, the US. The S&P 500 and the Eurostoxx equity indices lost -6% and -7%, respectively, for the month. Tech stocks were especially hard hit, with the NASDAQ down over -12% at its intra month low and closing out the month down more than -9%.

Credit was also weak in October. Both US and European B-rated indices (ICE/Bank of America Merrill Lynch) lost over -2% in price terms. The Fund did take a hit as well, down by -1.01% and -0.76% in the retail ("R") share classes in EUR and USD, respectively.

Our approach was to reduce our gross and net exposures and to increase our tail-hedging. This hadn't allowed us to avoid losses, unfortunately, as bond longs weakened, while the market sell-off had not been sufficient to trigger tail-hedges. In addition, our duration hedge hurt performance as the correlation of risky assets to risk-free bonds flipped.

November was another volatile and weaker month for financial markets and particularly for European credit. Most markets began positively, extending a rebound that began in October. In Europe, the Eurostoxx equity index (SX5E) rose +1.5% in the first week of the November and the ICE/BAML European B-rated bond index (ICE) rose +0.7%. These gains then reversed sharply, however, with the SX5E dropping -4% and the ICE -4.4%. Equities managed another rebound into month end, closing November down -0.76% but credit lagged, closing -3.1% on the month, net of +0.5% in interest.

The Fund also found this period challenging, losing -1.3% in November. We had reacted to this environment by increasing our cautious positioning, raising cash and near cash (extremely liquid, short term, government bills) to over 50%, and continuing to use tail hedges. We had also employed single-name shorts, though given the extent of the sell-off in credit, opted for less volatile credits. This positioning had helped us keep losses well below the market level but was not enough to offset them altogether.

December saw a weak year end with a weak month. Equities, credit, commodities, and emerging markets all performed poorly and all closed the year in negative territory and, in many cases, retraced several years' worth of gains.

Our approach to this market through year-end had been one of caution. We had drastically reduced net and gross exposures and raised cash to high levels. The Fund posted a small negative performance of -0.96% during the month bringing the year to date performance to -3.83% (class R EUR).

The last few years have become particularly difficult for active managers and although 2017 was a strong year, 2018 has been an especially challenging year. As a result and with much deliberation, the investment manager has decided to cease most of the current investment management activities and is reviewing new investment management options for the Fund.

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Independent auditor's report

To the Shareholders of JABCAP (LUX)
Carré Bonn
20, rue de la Poste
L-2346 Luxembourg

Opinion

We have audited the financial statements of JABCAP (LUX) (the "Fund") and of each of its sub-funds, which comprise the statements of assets and liabilities and the portfolios of investments as at December 31, 2018, and the statements of operations and changes in net assets for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund and of each of its sub-funds as at December 31, 2018, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (the "Law of July 23, 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under those Law and standards are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund and those charged with governance for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.

- Conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

M Ferguson

Michael Ferguson

Luxembourg, March 26, 2019

Schedule of Investments
Convertible Bonds
As at December 31, 2018

Quantity/ nominal value	*Currency*	*Security description*	*Market value EUR*	*Percentage of net assets*
TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO OFFICIAL EXCHANGE LISTING				
SHARES AND WARRANTS				
		Japan		
56,605	JPY	Edion	487,249	1.36 %
Total Shares and Warrants			**487,249**	**1.36 %**
BONDS				
		Austria		
200,000	USD	AMS AG - 0.875% - 28.09.22	121,289	0.33 %
		Belgium		
7,000,000	EUR	Belgium Treasury Certificates - 0.000% - 07.03.19	7,010,507	19.52 %
		France		
100,000	EUR	Vallourec - 4.125% - 04.10.22	451,000	1.26 %
		Germany		
7,000,000	EUR	German Treasury Bill - 0.000% - 10.04.19	7,016,065	19.54 %
		Japan		
160,000,000	JPY	Iwatani - 0.000% - 22.10.20	1,315,469	3.66 %
130,000,000	JPY	Mitsubishi Chemical - 0.000% - 30.03.22	1,039,316	2.89 %
120,000,000	JPY	Sankyo - 0.000% - 23.07.20	965,102	2.69 %
400,000	USD	Oita Bank - 0.000% - 18.12.19	334,265	0.93 %
			3,654,152	10.17 %
		Netherlands		
4,000,000	EUR	Dutch Treasury Certificates - 0.000% - 29.03.19	4,008,000	11.16 %
500,000	EUR	Shop Apotheke Europe - 4.500% - 19.04.23	510,000	1.42 %
			4,518,000	12.58 %
		Portugal		
200,000	EUR	Espirito Santo Financial Group - 3.125% - 02.12.18	–	0.00 %
		Singapore		
1,500,000	SGD	OUE - 1.500% - 13.04.23	833,650	2.32 %
		South Africa		
1,000,000	USD	Sibanye Gold - 1.875% - 26.09.23	663,395	1.85 %
		Taiwan		
800,000	USD	Asia Cement - 0.000% - 21.09.23	708,523	1.97 %
500,000	USD	Wisdom Marine Lines Co. Ltd. - 0.000% - 10.04.20	458,435	1.28 %
			1,166,958	3.25 %
		United Kingdom		
1,200,000	USD	Sequa Petroleum - 5.000% - 29.04.20	–	0.00 %
Total Bonds			**25,435,016**	**70.82 %**
Total Transferable Securities and Money Market Instruments Admitted to Official Exchange Listing			**25,922,265**	**72.18 %**

The accompanying notes form an integral part of these Financial Statements

Schedule of Investments (Continued)
Convertible Bonds
As at December 31, 2018

Quantity/ nominal value	*Currency*	*Security description*	*Market value EUR*	*Percentage of net assets*
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
BONDS				
		China		
700,000	USD	Momo - 1.250% - 01.07.25	485,177	1.35 %
		Israel		
100,000	USD	Wix - 0.000% - 01.07.23	83,555	0.23 %
		Japan		
50,000,000	JPY	Hazama - 0.000% - 29.03.19	445,523	1.24 %
		Switzerland		
400,000	CHF	Idorsia - 0.750% - 17.07.24	296,862	0.83 %
		United States of America		
1,300,000	USD	Accelerate Diagnostics - 2.500% - 15.03.23	830,095	2.31 %
400,000	USD	Acorda Therapeutics - 1.750% - 15.06.21	294,272	0.82 %
200,000	USD	Air Transport Services - 1.125% - 15.10.24	167,220	0.47 %
300,000	USD	Calamp - 2.000% - 01.08.25	210,225	0.59 %
1,900,000	USD	Clovis Oncology - 1.250% - 01.05.25	1,163,443	3.24 %
250,000	USD	Ligand Pharmaceuticals - 0.750% - 15.05.23	195,108	0.54 %
300,000	USD	Marriott Vacations World - 1.500% - 15.09.22	226,271	0.63 %
350,000	USD	ON Semiconductor - 1.625% - 15.10.23	327,974	0.91 %
200,000	USD	Pacira Pharmaceuticals - 2.375% - 01.04.22	175,733	0.49 %
150,000	USD	Splunk - 0.500% - 15.09.23	129,426	0.36 %
900,000	USD	Sunpower - 4.000% - 15.01.23	624,782	1.74 %
400,000	USD	Voya Financial - 0.250% - 01.05.23	316,759	0.88 %
			4,661,308	12.98 %
Total Bonds			**5,972,425**	**16.63 %**
Total Transferable Securities Dealt In On Another Regulated Market			**5,972,425**	**16.63 %**
Total Investments in Securities			**31,894,690**	**88.81 %**
Other Assets Less Liabilities			**4,018,371**	**11.19 %**
Total Net Assets			**35,913,061**	**100.00 %**

Schedule of Investments (Continued)
Convertible Bonds
As at December 31, 2018

Open forward foreign exchange contracts (Please refer to Note 3(f))*

Settlement date	*Currency*	*Amount purchased*	*Currency*	*Amount sold*	*Counterparty*	*Unrealised gain/(loss) EUR*
UNREALISED GAINS						
PORTFOLIO HEDGING						
Jan 31, 2019	USD	6,300,000	EUR	5,502,246	UBS	13,758
SHARE CLASS HEDGING						
Jan 31, 2019	CHF	337,679	EUR	298,002	CBN**	2,104
Jan 31, 2019	GBP	637,297	EUR	704,236	CBN**	4,406
						6,510
Total Unrealised Gains						**20,268**
UNREALISED LOSSES						
PORTFOLIO HEDGING						
Jan 31, 2019	CHF	440,000	EUR	389,181	UBS	(1,861)
Jan 31, 2019	JPY	518,000,000	EUR	4,079,164	UBS	(45,215)
Jan 31, 2019	SGD	1,400,000	EUR	892,812	UBS	(2,524)
						(49,600)
SHARE CLASS HEDGING						
Jan 31, 2019	USD	18,465,871	EUR	16,096,134	CBN**	(8,877)
Total Unrealised Losses						**(58,477)**
Total Open Forward Foreign Exchange Contracts						**(38,209)**

* Please refer to Note 9 for collateral disclosure.
** Citco Bank Nederland N.V.

Schedule of Investments (Continued)
Convertible Bonds
As at December 31, 2018

Open purchased options contracts (Please refer to Note 3(h))*

Expiration date	*Number of contracts*	*Purchased option description*	*Currency*	*Counterparty*	*Market value EUR*
Feb 12, 2019	90,000,000	Onoken, Call Option (Ascot)	JPY	Mizuho	5,615
Mar 1, 2019	50,000,000	Asics Corporation, Call Option (Ascot)	JPY	Mizuho	597
Mar 1, 2019	20,000,000	Asics Corporation, Call Option (Ascot)	JPY	Nomura Holdings	345
Mar 13, 2019	90,000,000	GS Yuasa Corporation, Call Option (Ascot)	JPY	Deutsche Bank	1,253
Mar 13, 2019	80,000,000	GS Yuasa Corporation, Call Option (Ascot)	JPY	Mizuho	987
Mar 13, 2019	50,000,000	GS Yuasa Corporation, Call Option (Ascot)	JPY	Mizuho	656
Jul 23, 2019	100,000,000	Casio Computer, Call Option (Ascot)	JPY	Mizuho	–
Sep 13, 2019	25,000,000	Aeon Financial Service, Call Option (Ascot)	JPY	Mizuho	607
Dec 12, 2019	50,000,000	Kyodo Printing, Call Option (Ascot)	JPY	Mizuho	4
Dec 18, 2019	800,000	Oita Bank, Call Option (Ascot)	USD	Nomura Holdings	–
Mar 4, 2020	140,000,000	Lixil Toyo Sash Shoji, Call Option (Ascot)	JPY	Deutsche Bank	–
Mar 4, 2020	120,000,000	Lixil Toyo Sash Shoji, Call Option (Ascot)	JPY	Mizuho	–
Jun 5, 2020	200,000,000	T&D Holdings, Call Option (Ascot)	JPY	DAIWA Capital Markets Europe Ltd.	–
Jun 18, 2020	70,000,000	IIDA Group Holdings, Call Option (Ascot)	JPY	Mizuho	4,823
Dec 22, 2020	70,000,000	Trans Cosmos, Call Option (Ascot)	JPY	Deutsche Bank	–
Apr 27, 2021	200,000,000	Sapporo Holdings, Call Option, (Ascot)	JPY	Mizuho	4,423
Dec 1, 2021	70,000,000	ResortTrust, Call Option (Ascot)	JPY	Mizuho	–
Nov 6, 2022	1,400,000	Hon Hai Precision Industry, Call Option (Ascot)	USD	Citibank	2,287
Mar 15, 2023	200,000,000	Sumitomo Metal Mining, Call Option (Ascot)	JPY	Deutsche Bank	–
Total Open Purchased Options Contracts					**21,597**

* Please refer to Note 9 for collateral disclosure.

Schedule of Investments (Continued)
Convertible Bonds
As at December 31, 2018

Outstanding contracts for difference (Please refer to Note 3(j))*

	Security description	*Holdings*	*Unrealised gain/(loss) EUR*
UNREALISED GAINS			
Deutsche Bank			
Euro	Shop Apotheke Europe	(3,801)	10,762
	Vallourec	(25,000)	51,723
Japanese Yen	Edion	(41,400)	50,310
	Hazama	(70,000)	34,399
	Sankyo	(6,000)	9,081
			156,275
HSBC			
Japanese Yen	IIDA Group Holdings	(18,000)	10,541
	Mitsubishi Chemical	(22,000)	12,337
			22,878
UBS			
Euro	Vallourec	(40,000)	53,789
Japanese Yen	Edion	(26,000)	29,369
	Iwatani	(26,000)	43,595
Swiss Franc	Idorsia	(6,000)	3,179
United States Dollar	Momo	(9,400)	19,352
	ON Semiconductor	(11,300)	12,657
			161,941
Total Unrealised Gains			**341,094**
UNREALISED LOSSES			
Deutsche Bank			
United States Dollar	Wix	(300)	(1,771)
HSBC			
Japanese Yen	Macromill	33,000	(169,870)
	Onoken	(24,000)	(4,685)
			(174,555)
Morgan Stanley			
United States Dollar	Splunk	(600)	(2,630)
UBS			
United States Dollar	Ligand Pharmaceuticals	(1,000)	(2,194)
Total Unrealised Losses			**(181,150)**
Total Outstanding Contracts For Difference			**159,944**

* Please refer to Note 9 for collateral disclosure.

Schedule of Investments
Global Balanced
As at December 31, 2018

Quantity/ nominal value	*Currency*	*Security description*	*Market value EUR*	*Percentage of net assets*
TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO OFFICIAL EXCHANGE LISTING				
SHARES AND WARRANTS				
		United States of America		
10,526	USD	Century Aluminum	67,189	0.33 %
Total Shares and Warrants			**67,189**	**0.33 %**
BONDS				
		Belgium		
3,000,000	EUR	Belgium Treasury Certificates - 0.000% - 07.03.19	3,004,503	14.93 %
		France		
1,000,000	EUR	CMA CGM - 5.250% - 15.01.25	837,290	4.16 %
1,000,000	EUR	CMA CGM - 6.500% - 15.07.22	931,430	4.63 %
800,000	EUR	Vallourec - 2.250% - 30.09.24	488,520	2.42 %
800,000	EUR	Vallourec - 6.375% - 15.10.23	595,424	2.96 %
700,000	USD	Altice France - 7.375% - 01.05.26	560,819	2.79 %
			3,413,483	16.96 %
		Germany		
4,000,000	EUR	German Treasury Bill - 0.000% - 10.04.19	4,009,180	19.92 %
1,400,000	USD	Deutsche Bank - 7.500% - 30.04.25	990,575	4.92 %
			4,999,755	24.84 %
		Italy		
1,250,000	EUR	Banca Monte - 5.375% - 18.01.28	748,438	3.72 %
		Spain		
600,000	USD	Banco Bilbao Vizcaya Argentaria - 6.125% - 16.11.27	438,670	2.18 %
		Switzerland		
400,000	USD	UBS - 7.125% - 19.02.20	351,298	1.75 %
		United Kingdom		
600,000	USD	Barclays - 7.750% - 15.09.23	505,093	2.51 %
		United States of America		
1,750,000	USD	Revlon Consumer Products - 6.250% - 01.08.24	809,902	4.02 %
Total Bonds			**14,271,142**	**70.91 %**
Total Transferable Securities and Money Market Instruments Admitted to Official Exchange Listing			**14,338,331**	**71.24 %**
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
BONDS				
		United Kingdom		
300,000	USD	Lloyds Banking Group - 7.500% - 27.09.25	252,312	1.26 %
Total Bonds			**252,312**	**1.26 %**
Total Transferable Securities Dealt In On Another Regulated Market			**252,312**	**1.26 %**
Total Investments in Securities			**14,590,643**	**72.50 %**
Other Assets Less Liabilities			**5,534,831**	**27.50 %**
Total Net Assets			**20,125,474**	**100.00 %**

The accompanying notes form an integral part of these Financial Statements

Schedule of Investments (Continued)
Global Balanced
As at December 31, 2018

Open forward foreign exchange contracts (Please refer to Note 3(f))*

Settlement date	*Currency*	*Amount purchased*	*Currency*	*Amount sold*	*Counterparty*	*Unrealised gain/(loss) EUR*
UNREALISED GAINS						
PORTFOLIO HEDGING						
Jan 31, 2019	JPY	120,000,000	EUR	944,980	UBS	10,475
Jan 31, 2019	USD	4,500,000	EUR	3,930,176	UBS	9,826
						20,301
SHARE CLASS HEDGING						
Jan 31, 2019	CHF	2,037,591	EUR	1,798,175	CBN**	12,697
Jan 31, 2019	GBP	816,943	EUR	902,750	CBN**	5,648
						18,345
Total Unrealised Gains						**38,646**
UNREALISED LOSSES						
PORTFOLIO HEDGING						
Jan 31, 2019	CAD	760,000	EUR	490,868	UBS	(4,531)
Jan 31, 2019	GBP	100,000	EUR	110,695	UBS	(500)
Jan 31, 2019	HKD	25,000,000	EUR	2,790,990	UBS	(7,532)
						(12,563)
SHARE CLASS HEDGING						
Jan 31, 2019	USD	18,103,985	EUR	15,780,688	CBN**	(8,702)
Total Unrealised Losses						**(21,265)**
Total Open Forward Foreign Exchange Contracts						**17,381**

* Please refer to Note 9 for collateral disclosure.
** Citco Bank Nederland N.V.

Schedule of Investments (Continued)
Global Balanced
As at December 31, 2018

Open futures contracts (Please refer to Note 3(g))*

Expiration date	*Number of contracts*	*Future description*	*Currency*	*Counterparty*	*Notional value EUR*	*Unrealised gain/(loss) EUR*
UNREALISED GAINS						
Mar 2019	(14)	Topix Index Future	JPY	UBS	(1,698,369)	73,946
Total Unrealised Gains						**73,946**
UNREALISED LOSSES						
Jan 2019	(10)	Hang-Seng Index Future	HKD	UBS	(1,414,074)	(28,430)
Total Unrealised Losses						**(28,430)**
Total Open Futures Contracts						**45,516**

* Please refer to Note 9 for collateral disclosure.

Schedule of Investments (Continued)
Global Balanced
As at December 31, 2018

Outstanding contracts for difference (Please refer to Note 3(j))*

	Security description	*Holdings*	*Unrealised gain/(loss) EUR*
UNREALISED GAINS			
UBS			
British Pound	Shire	21,092	12,090
Euro	Vallourec	(40,000)	53,789
			65,879
Total Unrealised Gains			**65,879**
UNREALISED LOSSES			
HSBC			
Japanese Yen	Macromill	65,400	(445,584)
Total Unrealised Losses			**(445,584)**
Total Outstanding Contracts For Difference			**(379,705)**

* Please refer to Note 9 for collateral disclosure.

Schedule of Investments (Continued)
Global Balanced
As at December 31, 2018

Outstanding total return swaps (Please refer to Note 3(i))*

Counterparty	*Description*	*Notional amount*	*Maturity date*	*Currency*	*Unrealised loss EUR*
Morgan Stanley	Receive performance on basket of securities Pay EURO EONIA AVERAGE +45bps	32,599,198	Sep 29, 2019	EUR	(40,200)
Total Outstanding Total Return Swaps					**(40,200)**

The asset, sector and geographical breakdown of the underlying basket securities is as follows:

	Percentage of basket market value	
ASSET CLASS BREAKDOWN		
Equities	2.08	%
Options	0.02	%
Cash and other	97.90	%
Total	**100.00**	**%**
SECTOR BREAKDOWN		
Health Care	0.81	%
Materials	0.65	%
Information Technology	0.62	%
Other	97.92	%
Total	**100.00**	**%**
GEOGRAPHIC BREAKDOWN		
Eurozone	114.80	%
Cayman Islands	1.43	%
Sweden	0.04	%
Hungary	0.01	%
United Kingdom	(0.02)	%
Singapore	(0.05)	%
Switzerland	(0.10)	%
Norway	(0.11)	%
Japan	(0.78)	%
Canada	(1.72)	%
United States of America	(2.77)	%
Hong Kong	(10.73)	%
Total	**100.00**	**%**

* Please refer to Note 9 for collateral disclosure.

Schedule of Investments
European Credit Opportunities
As at December 31, 2018

Quantity/ nominal value	*Currency*	*Security description*	*Market value EUR*	*Percentage of net assets*
TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO OFFICIAL EXCHANGE LISTING				
BONDS				
		Belgium		
3,000,000	EUR	Belgium Treasury Certificates - 0.000% - 07.03.19	3,004,503	9.19 %
		France		
4,000,000	EUR	French Discount Treasury Bill - 0.000% 06.02.19	4,002,840	12.24 %
3,000,000	EUR	French Discount Treasury Bill - 0.000% 20.02.19	3,003,270	9.19 %
			7,006,110	21.43 %
		Germany		
4,000,000	EUR	German Treasury Bill - 0.000% - 10.04.19	4,009,180	12.26 %
		Luxembourg		
500,000	EUR	Balta Group - 7.750% - 15.09.22	377,663	1.16 %
		Marshall Islands		
1,648,000	USD	Global Ship Lease - 9.875% - 15.11.22	1,401,994	4.29 %
		Netherlands		
4,000,000	EUR	Dutch Treasury Certificates - 0.000% - 29.03.19	4,008,000	12.26 %
4,000,000	EUR	Dutch Treasury Certificates - 0.000% - 31.01.19	4,002,900	12.24 %
1,800,000	USD	NIBC Bank - floating rate - 24.03.19	1,092,386	3.35 %
			9,103,286	27.85 %
		United Kingdom		
3,500,000	EUR	Channel Link - floating rate - 30.12.50	1,995,000	6.10 %
Total Bonds			**26,897,736**	**82.28 %**
Total Transferable Securities and Money Instruments Admitted to Official Exchange Listing			**26,897,736**	**82.28 %**
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
BONDS				
		Norway		
1,100,000	USD	DNO ASA - 8.750% - 31.05.23	934,116	2.86 %
Total Bonds			**934,116**	**2.86 %**
Total Transferable Securities Dealt In On Another Regulated Market			**934,116**	**2.86 %**
Total Investments In Securities			**27,831,852**	**85.14 %**
Other Assets Less Liabilities			**4,858,620**	**14.86 %**
Total Net Assets			**32,690,472**	**100.00 %**

Schedule of Investments (Continued)
European Credit Opportunities
As at December 31, 2018

Open forward foreign exchange contracts (Please refer to Note 3(f))*

Settlement date	*Currency*	*Amount purchased*	*Currency*	*Amount sold*	*Counterparty*	*Unrealised gain/(loss) EUR*
UNREALISED GAINS						
PORTFOLIO HEDGING						
Jan 31, 2019	USD	4,520,000	EUR	3,947,643	UBS	9,870
SHARE CLASS HEDGING						
Jan 31, 2019	GBP	870,562	EUR	962,001	CBN**	6,020
Total Unrealised Gains						**15,890**
UNREALISED LOSSES						
SHARE CLASS HEDGING						
Jan 31, 2019	USD	21,924,782	EUR	19,111,161	CBN**	(10,539)
Total Unrealised Losses						**(10,539)**
Total Open Forward Foreign Exchange Contracts						**5,351**

Open purchased options contracts (Please refer to Note 3(h))*

Expiration date	*Number of contracts*	*Purchased option description*	*Currency*	*Counterparty*	*Market Value EUR*
Jan 18, 2019	250	STOXX50E, Put Option, Strike Price 2725	EUR	UBS	22,250
Total Open Purchased Options Contracts					**22,250**

* Please refer to Note 9 for collateral disclosure.
** Citco Bank Nederland N.V.

The accompanying notes form an integral part of these Financial Statements

Schedule of Investments (Continued)
European Credit Opportunities
As at December 31, 2018

Outstanding credit default swaps (Please refer to Note 3(k))*

Counterparty	*Security description*	*Notional amount*	*Maturity date*	*Currency*	*Market value EUR*
ASSETS					
J.P. Morgan	Marks & Spencer	(2,000,000)	Dec 20, 2023	EUR	132,863
Total Assets					**132,863**
LIABILITIES					
Barclays	IBM 36bps	(3,000,000)	Jun 20, 2023	USD	(25,845)
Total Liabilities					**(25,845)**
Total Outstanding Credit Default Swaps					**107,018**

Outstanding contracts for difference (Please refer to Note 3 (j))*

	Security description	*Holdings*	*Unrealised gain EUR*
UNREALISED GAINS			
Deutsche Bank			
Euro	Europcar 5.750% 15.06.22	(1,000,000)	35,700
Euro	Autodis 4.375% 01.05.22	(1,500,000)	49,333
Total Unrealised Gains			**85,033**

* Please refer to Note 9 for collateral disclosure.

Statement of Net Assets
As at December 31, 2018

	Note	*Combined EUR*	*Convertible Bonds* EUR*	*Global Balanced EUR*	*European Credit Opportunities EUR*
Assets					
Investments in securities, at market value		74,317,185	31,894,690	14,590,643	27,831,852
Acquisition cost:		77,660,146	33,636,643	15,866,715	28,156,788
Cash at bank		12,248,477	3,170,050	6,159,877	2,918,550
Restricted cash	9	6,577,804	1,481,439	3,371,176	1,725,189
Amounts receivable on sale of investments		114,589	71,355	43,009	225
Interest and dividends receivable		391,448	49,991	270,698	70,759
Cost of establishment	3e	72,953	–	–	72,953
Unrealised gain on futures contracts	3g	73,946	–	73,946	–
Unrealised gain on forward foreign exchange contracts	3f	74,804	20,268	38,646	15,890
Unrealised gain on contracts for difference	3j	492,006	341,094	65,879	85,033
Options contracts, at market value	3h	43,847	21,597	–	22,250
Credit default swaps, at market value	3k	132,863	–	–	132,863
Other receivables, prepaid expenses and other assets		7,471	–	–	7,471
Total assets		94,547,393	37,050,484	24,613,874	32,883,035
Liabilities					
Amounts payable on purchase of investments		709,046	709,046	–	–
Interest and dividends payable		20,003	5,287	8,895	5,821
Investment management fee payable	4a	116,501	48,337	30,530	37,634
Depositary and administration fee	4c	84,318	29,051	28,500	26,767
Performance fee payable	4b	29	–	–	29
Taxe d'abonnement payable	6	8,884	3,403	2,537	2,944
Unrealised loss on futures contracts	3g	28,430	–	28,430	–
Unrealised loss on forward foreign exchange contracts	3f	90,281	58,477	21,265	10,539
Unrealised loss on contracts for difference	3j	626,734	181,150	445,584	–
Credit default swaps, at market value	3k	25,845	–	–	25,845
Total return swaps, at market value	3i	40,200	–	40,200	–
Redemptions payable		3,755,924	–	3,755,924	–
Other liabilities		312,191	102,672	126,535	82,984
Total liabilities		5,818,386	1,137,423	4,488,400	192,563
Total net assets		88,729,007	35,913,061	20,125,474	32,690,472
Historical total net assets					
December 31, 2017			31,177,093	58,856,074	35,625,486
December 31, 2016			35,183,121	45,090,636	22,533,196

* On December 17, 2018, the Board of Directors of the Company decided to suspend the calculation of the net asset value, as well as subscriptions, redemptions and conversions of shares of the JABCAP (LUX) – Convertible Bonds Fund.

Statement of Operations and Changes in Net Assets
For the year ended December 31, 2018

	Note	***Combined EUR***	***Convertible Bonds* EUR***	***Global Balanced EUR***	***European Credit Opportunities EUR***
Net assets at the beginning of the year		125,658,653	31,177,093	58,856,074	35,625,486
Income					
Dividend income, net	3c	1,239,028	–	1,117,431	121,597
Interest on bonds, net	3c	1,764,650	311,970	349,107	1,103,573
Bank interest		23,469	6,615	16,854	–
Interest on contracts for difference	3j	547,599	343,857	203,742	–
Other income		44,742	5,376	7,502	31,864
Total income		3,619,488	667,818	1,694,636	1,257,034
Expenses					
Investment management fee	4a	1,773,972	661,166	701,851	410,955
Depositary and administration fee	4c	517,523	178,257	177,789	161,477
Management company fee	4d	83,479	27,754	28,084	27,641
Audit and professional fee		138,965	49,238	51,447	38,280
Directors' fee		54,883	19,242	19,242	16,399
Taxe d'abonnement	6	48,718	15,683	17,054	15,981
Amortisation of cost of establishment	3e	32,880	873	–	32,007
Bank and broker interest		180,044	46,005	92,438	41,601
Interest on contracts for difference	3j	1,054,328	620,529	388,582	45,217
Interest on total return swaps	3i	34,987	–	34,987	–
Interest on credit default swaps	3k	56,028	–	–	56,028
Dividend expense, net		105,736	105,736	–	–
Other fees	4e	467,300	139,718	207,141	120,441
		4,548,843	1,864,201	1,718,615	966,027
Performance fee	4b	133,316	4,663	41,289	87,364
Total expenses		4,682,159	1,868,864	1,759,904	1,053,391
Net investment (loss)/gain		(1,062,671)	(1,201,046)	(65,268)	203,643

* On December 17, 2018, the Board of Directors of the Company decided to suspend the calculation of the net asset value, as well as subscriptions, redemptions and conversions of shares of the JABCAP (LUX) – Convertible Bonds Fund.

Statement of Operations and Changes in Net Assets (Continued)
For the year ended December 31, 2018

	Note	*Combined EUR*	*Convertible Bonds* EUR*	*Global Balanced EUR*	*European Credit Opportunities EUR*
Net realised gain/(loss) on sale of investments		1,416,415	2,254,919	(331,442)	(507,062)
Net realised gain/(loss) on forward foreign exchange contracts	3f	186,029	(709,132)	598,900	296,261
Net realised gain/(loss) on futures contracts	3g	(279,854)	(408,855)	186,377	(57,376)
Net realised gain/(loss) on foreign exchange	3d	(143,848)	(88,107)	(687)	(55,054)
Net realised gain/(loss) on options contracts	3h	(912,250)	(14,188)	(582,074)	(315,988)
Net realised gain/(loss) on contracts for difference	3j	(14,323,088)	(3,613,778)	(11,820,006)	1,110,696
Net realised gain/(loss) on credit default swaps	3k	7,258	–	–	7,258
Net realised gain/(loss) on total return swaps	3i	(915,447)	–	(915,447)	–
Net realised gain/(loss) for the year		(14,964,785)	(2,579,141)	(12,864,379)	478,735
Net change in unrealised gain/(loss) on investments		(2,100,866)	(919,489)	(549,033)	(632,344)
Net change in unrealised gain/(loss) on forward foreign exchange contracts	3f	439,297	88,483	266,010	84,804
Net change in unrealised gain/(loss) on futures contracts	3g	92,810	–	118,410	(25,600)
Net change in unrealised gain/(loss) on foreign exchange	3d	132,557	5,900	93,191	33,466
Net change in unrealised gain/(loss) on options contracts	3h	(2,306,754)	(2,332,223)	47,019	(21,550)
Net change in unrealised gain/(loss) on contracts for difference	3j	435,050	100,714	286,314	48,022
Net change in unrealised gain/(loss) on credit default swaps	3k	216,142	–	–	216,142
Net change in unrealised gain/(loss) on total return swaps	3i	(5,079,363)	–	(5,079,363)	–
Net change in unrealised gain/(loss) for the year		(8,171,127)	(3,056,615)	(4,817,452)	(297,060)
Increase/(decrease) in net assets as a result of operations		(24,198,583)	(6,836,802)	(17,747,099)	385,318
Movements in share capital					
Subscriptions		33,910,400	17,353,975	7,426,655	9,129,770
Redemptions**		(46,648,859)	(5,781,205)	(28,410,156)	(12,457,498)
Equalisation		7,396	–	–	7,396
Increase/(decrease) in net assets as a result of movements in share capital		(12,731,063)	11,572,770	(20,983,501)	(3,320,332)
Net assets at the end of the year		88,729,007	35,913,061	20,125,474	32,690,472

* On December 17, 2018, the Board of Directors of the Company decided to suspend the calculation of the net asset value, as well as subscriptions, redemptions and conversions of shares of the JABCAP (LUX) – Convertible Bonds Fund.

** Distributions amounted to €190,702 for JABCAP (LUX) - European Credit Opportunities Class P-Dist. (USD) - (Hedged). Please refer to Note 5 for details.

Statement of Changes in the Number of Shares
For the year ended December 31, 2018

	Shares outstanding at the beginning of the year	***Shares subscribed***	***Shares redeemed***	***Shares outstanding at the end of the year***
JABCAP (LUX) - Convertible Bonds				
JABCAP (LUX) - Convertible Bonds Class I (EUR)	24,568.580	86,935.890	–	111,504.470
JABCAP (LUX) - Convertible Bonds Class R (CHF) - (Hedged)	3,218.500	467.300	–	3,685.800
JABCAP (LUX) - Convertible Bonds Class R (EUR)	72,375.850	19,967.840	11,748.570	80,595.120
JABCAP (LUX) - Convertible Bonds Class R (GBP) - (Hedged)	6,973.740	179.230	–	7,152.970
JABCAP (LUX) - Convertible Bonds Class R (USD) - (Hedged)	155,668.080	44,953.980	44,933.090	155,688.970
JABCAP (LUX) - Convertible Bonds Class Z (USD) - (Hedged)	27,408.700	–	–	27,408.700
JABCAP (LUX) - Global Balanced				
JABCAP (LUX) - Global Balanced Class N (EUR)	98,397.550	–	97,633.770	763.780
JABCAP (LUX) - Global Balanced Class N (GBP) - (Hedged)	616.770	–	–	616.770
JABCAP (LUX) - Global Balanced Class N (USD) - (Hedged)	25,931.320	–	–	25,931.320
JABCAP (LUX) - Global Balanced Class P (EUR)	23,147.510	341.820	16,218.590	7,270.740
JABCAP (LUX) - Global Balanced Class P (GBP) - (Hedged)	1,397.870	–	336.100	1,061.770
JABCAP (LUX) - Global Balanced Class P (USD) - (Hedged)	69,512.000	868.530	25,079.880	45,300.650
JABCAP (LUX) - Global Balanced Class R (CHF) - (Hedged)	85,286.210	433.990	51,834.060	33,886.140
JABCAP (LUX) - Global Balanced Class R (EUR)	35,164.330	14,226.110	34,755.430	14,635.010
JABCAP (LUX) - Global Balanced Class R (GBP) - (Hedged)	10,216.030	148.920	–	10,364.950
JABCAP (LUX) - Global Balanced Class R (USD) - (Hedged)	177,597.420	25,563.590	55,472.880	147,688.130
JABCAP (LUX) - Global Balanced Class Z (EUR)[a]	–	8,400.000	4,200.000	4,200.000
JABCAP (LUX) - Global Balanced Class Z (USD) - (Hedged)	27,361.500	30,006.170	809.720	56,557.950

[a] New share class launched on January 8, 2018.

Statement of Changes in the Number of Shares (Continued)
For the year ended December 31, 2018

	Shares outstanding at the beginning of the year	*Shares subscribed*	*Shares redeemed*	*Shares outstanding at the end of the year*
JABCAP (LUX) - European Credit Opportunities				
JABCAP (LUX) - European Credit Opportunities Class I (EUR)	37,848.380	5,268.940	9,426.630	33,690.690
JABCAP (LUX) - European Credit Opportunities Class P (EUR)[a]	4,974.950	0.610	4,975.560	–
JABCAP (LUX) - European Credit Opportunities Class P (GBP) - (Hedged)[b]	1,000.000	–	1,000.000	–
JABCAP (LUX) - European Credit Opportunities Class P-Dist. (USD) - (Hedged)	41,736.130	46,781.650	18,266.870	70,250.910
JABCAP (LUX) - European Credit Opportunities Class R (EUR)	30,502.990	1,116.160	1,106.540	30,512.610
JABCAP (LUX) - European Credit Opportunities Class R (GBP) - (Hedged)	8,850.000	0.760	1,850.760	7,000.000
JABCAP (LUX) - European Credit Opportunities Class R (USD) - (Hedged)	41,648.750	47,576.790	5,908.940	83,316.600
JABCAP (LUX) - European Credit Opportunities Class Z (EUR)	127,499.100	–	72,210.400	55,288.700
JABCAP (LUX) - European Credit Opportunities Class Z (GBP) - (Hedged)	1,276.980	0.160	–	1,277.140
JABCAP (LUX) - European Credit Opportunities Class Z (USD) - (Hedged)	53,999.820	–	–	53,999.820

[a] Share class redeemed on December 20, 2018.
[b] Share class redeemed on December 27, 2018.

Statistical Information

	Net asset value per share in share class currency		
	December 31, 2018	***December 31, 2017***	***December 31, 2016***
Net asset value per share in share class currency			
JABCAP (LUX) - Convertible Bonds[(a)]			
JABCAP (LUX) - Convertible Bonds Class I (EUR)	98.58	120.24	110.05
JABCAP (LUX) - Convertible Bonds Class R (CHF) - (Hedged)	91.35	113.48	104.81
JABCAP (LUX) - Convertible Bonds Class R (EUR)	96.76	119.35	109.81
JABCAP (LUX) - Convertible Bonds Class R (GBP) - (Hedged)	88.94	108.73	99.67
JABCAP (LUX) - Convertible Bonds Class R (USD) - (Hedged)	101.41	121.87	110.81
JABCAP (LUX) - Convertible Bonds Class Z (USD) - (Hedged)	97.32	114.59	103.06
JABCAP (LUX) - Global Balanced			
JABCAP (LUX) - Global Balanced Class N (EUR)	65.19	120.81	97.36
JABCAP (LUX) - Global Balanced Class N (GBP) - (Hedged)	66.51	122.63	98.11
JABCAP (LUX) - Global Balanced Class N (USD) - (Hedged)	69.28	125.08	98.89
JABCAP (LUX) - Global Balanced Class P (EUR)	63.01	117.52	95.17
JABCAP (LUX) - Global Balanced Class P (GBP) - (Hedged)	63.36	117.44	94.43
JABCAP (LUX) - Global Balanced Class P (USD) - (Hedged)	66.67	120.97	96.13
JABCAP (LUX) - Global Balanced Class R (CHF) - (Hedged)	59.83	112.09	91.28
JABCAP (LUX) - Global Balanced Class R (EUR)	63.41	118.27	95.79
JABCAP (LUX) - Global Balanced Class R (GBP) - (Hedged)	68.07	126.15	106.59
JABCAP (LUX) - Global Balanced Class R (USD) - (Hedged)	67.66	122.77	97.55
JABCAP (LUX) - Global Balanced Class Z (EUR)[(b)]	51.33	–	–
JABCAP (LUX) - Global Balanced Class Z (USD) - (Hedged)	57.42	102.13	79.54

[(a)] On December 17, 2018, the Board of Directors of the Company decided to suspend the calculation of the net asset value, as well as subscriptions, redemptions and conversions of shares of the JABCAP (LUX) – Convertible Bonds Fund.

[(b)] New share class launched on January 8, 2018.

Statistical Information (Continued)

	Net asset value per share in share class currency		
	December 31, 2018	***December 31, 2017***	***December 31, 2016***
Net asset value per share in share class currency (Continued)			
JABCAP (LUX) - European Credit Opportunities			
JABCAP (LUX) - European Credit Opportunities Class I (EUR)	100.58	103.61	–
JABCAP (LUX) - European Credit Opportunities Class P (EUR)[(a)]	–	101.86	–
JABCAP (LUX) - European Credit Opportunities Class P (GBP) - (Hedged)[(b)]	–	108.93	104.51
JABCAP (LUX) - European Credit Opportunities Class P-Dist. (USD) - (Hedged)	94.03	100.40	–
JABCAP (LUX) - European Credit Opportunities Class R (EUR)	103.70	107.83	104.01
JABCAP (LUX) - European Credit Opportunities Class R (GBP) - (Hedged)	105.65	108.93	104.51
JABCAP (LUX) - European Credit Opportunities Class R (USD) - (Hedged)	108.46	110.20	104.75
JABCAP (LUX) - European Credit Opportunities Class Z (EUR)	108.59	110.89	105.25
JABCAP (LUX) - European Credit Opportunities Class Z (GBP) - (Hedged)	102.30	103.59	–
JABCAP (LUX) - European Credit Opportunities Class Z (USD) - (Hedged)	113.64	113.39	105.98

[(a)] Share class redeemed on December 20, 2018.
[(b)] Share class redeemed on December 27, 2018.

Statistical Information (Continued)

	Net asset value per share in share class currency		
	December 31, 2018	***December 31, 2017***	***December 31, 2016***
Total net assets in share class currency			
JABCAP (LUX) - Convertible Bonds			
JABCAP (LUX) - Convertible Bonds Class I (EUR)	10,991,910	2,954,030	2,703,703
JABCAP (LUX) - Convertible Bonds Class R (CHF) - (Hedged)	336,705	365,221	372,598
JABCAP (LUX) - Convertible Bonds Class R (EUR)	7,798,121	8,638,048	14,791,209
JABCAP (LUX) - Convertible Bonds Class R (GBP) - (Hedged)	636,197	758,270	7,974
JABCAP (LUX) - Convertible Bonds Class R (USD) - (Hedged)	15,788,450	18,971,524	15,402,394
JABCAP (LUX) - Convertible Bonds Class Z (USD) - (Hedged)	2,667,351	3,140,793	2,824,752
JABCAP (LUX) - Global Balanced			
JABCAP (LUX) - Global Balanced Class N (EUR)	49,794	11,886,921	475,640
JABCAP (LUX) - Global Balanced Class N (GBP) - (Hedged)	41,020	75,636	60,514
JABCAP (LUX) - Global Balanced Class N (USD) - (Hedged)	1,796,493	3,243,549	2,564,411
JABCAP (LUX) - Global Balanced Class P (EUR)	458,140	2,720,398	8,435,711
JABCAP (LUX) - Global Balanced Class P (GBP) - (Hedged)	67,279	164,168	132,004
JABCAP (LUX) - Global Balanced Class P (USD) - (Hedged)	3,020,070	8,409,172	7,048,861
JABCAP (LUX) - Global Balanced Class R (CHF) - (Hedged)	2,027,458	9,559,850	7,577,487
JABCAP (LUX) - Global Balanced Class R (EUR)	928,011	4,158,816	3,830,844
JABCAP (LUX) - Global Balanced Class R (GBP) - (Hedged)	705,518	1,288,794	134,150
JABCAP (LUX) - Global Balanced Class R (USD) - (Hedged)	9,992,120	21,803,245	14,418,182
JABCAP (LUX) - Global Balanced Class Z (EUR)[a]	215,571	–	–
JABCAP (LUX) - Global Balanced Class Z (USD) - (Hedged)	3,247,458	2,794,392	2,148,990

[a] New share class launched on January 8, 2018.

Statistical Information (Continued)

	Net asset value in share class currency		
	December 31, 2018	***December 31, 2017***	***December 31, 2016***
Total net asset in share class currency (Continued)			
JABCAP (LUX) - European Credit Opportunities			
JABCAP (LUX) - European Credit Opportunities Class I (EUR)	3,388,497	3,921,326	–
JABCAP (LUX) - European Credit Opportunities Class P (EUR)[(a)]	–	506,744	–
JABCAP (LUX) - European Credit Opportunities Class P (GBP) - (Hedged)[(b)]	–	108,934	104,510
JABCAP (LUX) - European Credit Opportunities Class P-Dist. (USD) - (Hedged)	6,605,776	4,190,156	–
JABCAP (LUX) - European Credit Opportunities Class R (EUR)	3,164,104	3,289,067	2,392,246
JABCAP (LUX) - European Credit Opportunities Class R (GBP) - (Hedged)	739,565	964,065	731,567
JABCAP (LUX) - European Credit Opportunities Class R (USD) - (Hedged)	9,036,834	4,589,572	314,250
JABCAP (LUX) - European Credit Opportunities Class Z (EUR)	6,003,537	14,137,792	13,419,421
JABCAP (LUX) - European Credit Opportunities Class Z (GBP) - (Hedged)	130,649	132,280	–
JABCAP (LUX) - European Credit Opportunities Class Z (USD) - (Hedged)	6,136,676	6,123,132	5,723,063

(a) Share class redeemed on December 20, 2018.
(b) Share class redeemed on December 27, 2018.

Notes to the Financial Statements
For the year ended December 31, 2018

1. ORGANISATION

JABCAP (LUX) (the "Company") is an open-ended investment company incorporated under the laws of Luxembourg as a *Société d'Investissement à Capital Variable* ("SICAV") in accordance with the provisions of Part I of the law of December 17, 2010 governing undertakings for collective investment, as may be amended (the "Law"). The Company was incorporated for an unlimited period on August 5, 2010 under the name of JABCAP (LUX). The Articles of the Company have been published in the Mémorial C, *Recueil Spécial des Sociétés et Associations* of the Grand Duchy of Luxembourg on August 30, 2010.

The Company is registered at the *Registre du Commerce et des Sociétés* under number B 155045.

As at December 31, 2018, the Company is comprised of three Sub-Funds:

- JABCAP (LUX) - Convertible Bonds
- JABCAP (LUX) - Global Balanced
- JABCAP (LUX) - European Credit Opportunities

At all times the Company's capital will be equal to the Net Asset Value ("NAV") of the Company and will not fall below the minimum capital required by Luxembourg law.

The following share classes were subscribed:

- Accumulation Share Class I ("Class I Shares") in EUR
- Accumulation Share Class N ("Class N Shares") in EUR, GBP, USD
- Accumulation Share Class P ("Class P Shares") in EUR, GBP, USD
- Accumulation Share Class R ("Class R Shares") in CHF, EUR, GBP, USD
- Accumulation Share Class Z ("Class Z Shares") in EUR, GBP, USD
- Distribution Share Class P ("Class P-Dist. Shares") in USD

2. INVESTMENT OBJECTIVE

Convertible Bonds Sub-Fund investment objective
The investment objective of the Sub-Fund is to seek capital growth in absolute terms by investing primarily in a diversified portfolio of convertible bonds. The Sub-Fund is expected to dynamically adjust its exposure to convertible bonds in response to market conditions.

Global Balanced Sub-Fund investment objective
The investment objective of the Sub-Fund is to seek to achieve long term capital appreciation through a top down active asset allocation policy that seeks to invest in a diversified portfolio of global equities, equity-linked instruments, fixed income and other money market and foreign exchange instruments. The Sub-Fund is expected to dynamically adjust its exposures to equities, fixed income and cash in response to market conditions.

Notes to the Financial Statements (Continued)
For the year ended December 31, 2018

2. INVESTMENT OBJECTIVE (Continued)

European Credit Opportunities Sub-Fund investment objective
The investment objective of the Sub-Fund is to produce consistent absolute returns with low volatility and risk in all market conditions, regardless of the direction of interest rates or default rates.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) General
The financial statements are prepared in accordance with Luxembourg GAAP and in accordance with Luxembourg regulations relating to Undertakings for Collective Investment in Transferable Securities ("UCITS").

(b) Investment valuation
In determining the value of the assets of the Company:

(i) the value of any cash on hand or in deposits, bills, demand notes and accounts receivables, prepaid expenses, dividends and interests matured but not yet received shall be valued at the par-value of the assets except however if it appears that such value is unlikely to be received. In such a case, subject to the approval of the Board of Directors, the value shall be determined by deducting a certain amount to reflect the true value of these assets;

(ii) the value of assets which are listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally the principal market for such assets;

(iii) the value of assets dealt in on any other regulated market is based on the last available price;

(iv) in the event that any assets are not listed or dealt in on any stock exchange or on any other regulated market, or if, with respect to assets listed or dealt in on any stock exchange, or other regulated market as aforesaid, the price as determined pursuant to sub-paragraph (ii) or (iii) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith;

(v) the market value of forward or options contracts not traded on exchanges or on other regulated markets shall mean their fair value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The market value of futures or options contracts traded on exchanges or on other regulated markets shall be based upon the last available settlement prices of these contracts on exchanges and regulated markets on which the particular futures or options contracts are traded by the Company. Provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable. Interest rate swaps will be valued at their market value established by reference to the applicable interest rate curve;

Notes to the Financial Statements (Continued)
For the year ended December 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Investment valuation (continued)

(vi) all other securities and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors.

(c) Investment transactions and investment income

Investment transactions are recorded on a trade date basis. Realised gains and losses on sales of investments are calculated using the first-in-first-out (“FIFO”) method.

Dividend income is accrued on the ex-dividend date. Interest income is recorded on the accrual basis.

(d) Conversion of foreign currencies

The books and records of the JABCAP (LUX) - Convertible Bonds, JABCAP (LUX) - Global Balanced and JABCAP (LUX) - European Credit Opportunities Sub-Funds are denominated in EUR. Amounts denominated in other currencies are translated into EUR on the following basis: (i) investment valuations and other assets and liabilities initially expressed in other currencies are converted each business day into EUR using currency exchange rates prevailing on each such business day and (ii) purchases and sales of foreign investments, income and expenses are converted into EUR using currency exchange rates prevailing on the respective dates of such transactions.

Net realised gains and losses on foreign exchange represent: (i) foreign exchange gains and losses from the holding and sale of foreign currencies, (ii) gains and losses between trade date and settlement date on securities transactions and (iii) gains and losses arising from the difference between amounts of dividends and interest recorded and the amounts actually received.

The resulting gains and losses on translation are included in “Net realised gain/(loss) on foreign exchange” in the Statement of Operations and Changes in Net Assets.

The accounts of the Company are maintained in EUR.

The EUR exchange rates applied as at December 31, 2018 are as follows:

1 EUR =	1.6260	AUD	1 EUR =	4.2814	ILS	1 EUR =	10.1679	SEK
1 EUR =	1.5602	CAD	1 EUR =	125.5826	JPY	1 EUR =	1.5609	SGD
1 EUR =	1.1255	CHF	1 EUR =	1272.2599	KRW	1 EUR =	37.0220	THB
1 EUR =	7.8773	CNY	1 EUR =	22.5215	MXN	1 EUR =	6.0596	TRY
1 EUR =	7.4661	DKK	1 EUR =	9.9053	NOK	1 EUR =	34.9847	TWD
1 EUR =	0.8985	GBP	1 EUR =	1.7062	NZD	1 EUR =	1.1452	USD
1 EUR =	8.9694	HKD	1 EUR =	60.1871	PHP	1 EUR =	16.4684	ZAR
1 EUR =	320.8850	HUF	1 EUR =	4.2895	PLN			

Notes to the Financial Statements (Continued)
For the year ended December 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Cost of establishment

The total costs and expenses of establishment for JABCAP (LUX) - Convertible Bonds, JABCAP (LUX) - Global Balanced and JABCAP (LUX) - European Credit Opportunities were €16,082, €296,506 and €160,040, respectively. These costs and expenses are being amortised on a straight-line basis over a period of 5 years from the date on which each Sub-Fund commenced business. Total costs and expenses of establishment for JABCAP (LUX) - Convertible Bonds and JABCAP (LUX) - Global Balanced were fully written off as at December 31, 2018.

(f) Forward foreign exchange contracts

Unrealised gains or losses on outstanding forward foreign exchange contracts are valued on the basis of currency exchange rates prevailing at the relevant valuation date. The changes in such amounts are included in the Statement of Operations and Changes in Net Assets under "Net change in unrealised gain/(loss) on forward foreign exchange contracts". When a contract is closed, the realised gain or loss is recorded under "Net realised gain/(loss) on forward foreign exchange contracts" in the Statement of Operations and Changes in Net Assets. Unrealised gains or losses are recorded under "Unrealised gain/(loss) on forward foreign exchange contracts" in the Statement of Net Assets.

(g) Futures contracts

Regulated financial futures contracts are valued at the last available exchange settlement price for which the contracts are traded on. Initial margin deposits are made upon entering into the contracts and can be either in cash or securities. During the year the contracts are open, changes in the value of the contracts are recognised as unrealised gains or losses by "marking-to-market" on a daily basis to reflect the market value of the contracts at the end of each business day's trading. Variation margin payments are made or received, depending upon whether losses or gains are incurred. When a contract is closed, the Company records a realised gain or loss equal to the difference between the proceeds from, or cost of, the closing transaction and the initial cost of the contract in "Net realised gain/(loss) on futures contracts" in the Statement of Operations and Changes in Net Assets. Unrealised gains or losses are recorded under "Unrealised gain/(loss) on futures contracts" in the Statement of Net Assets.

(h) Options contracts

Options are valued at the latest available settlement price of these contracts on exchanges and regulated markets on which they are traded. Options purchased are recorded as investments. When the exercise of an option results in a cash settlement, the difference between the premium and the settlement proceeds is accounted for as a realised gain or loss. When securities are acquired or delivered upon exercise of an option, the acquisition cost or sale proceeds are adjusted by the amount of the premium. When an option is closed, the difference between the premium and the cost to close the position is accounted for as a realised gain or loss. When an option expires, the premium is accounted for as a realised gain for options written or as a realised loss for options purchased and is recorded under "Net realised gain/(loss) on options contracts" in the Statement of Operations and Changes in Net Assets. The market values are recorded under "Options contracts, at market value" in the Statement of Net Assets.

Notes to the Financial Statements (Continued)
For the year ended December 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Total return swaps

The Company may enter into swap contracts in which the Company and the counterparty agree to exchange payments where one or both parties pay the returns generated by a security, instrument, basket or index thereof. The payments made by the Company to the counterparty and vice versa are calculated by reference to a specific security, index, or instruments and an agreed upon notional amount. Any such underlying security or instrument must be a transferable security and any such index must be an index which meets the criteria as set out in the 2010 Law.

Total return swap contracts are valued by reference to the mark to market value based on the market value of the underlying asset. The relevant indices include, but are not limited to, currencies, interest rates, prices and total return on interest rates indices, fixed income indices and stock indices.

Financing costs are recorded under “Interest on total return swaps” in the Statement of Operations and Changes in Net Assets. Unrealised gains or losses are recorded under “Total return swaps, at market value” in the Statement of Net Assets. The changes in such amounts are included in the Statement of Operations and Changes in Net Assets under “Net change in unrealised gain/(loss) on total return swaps”. When a contract is closed, the realised gain or loss is recorded under “Net realised gain/(loss) on total return swaps” in the Statement of Operations and Changes in Net Assets.

As at December 31, 2018, JABCAP (LUX) - Global Balanced has entered into a total return swap on a basket of securities. The swap is comprised of positions in a diversified selection of stocks which is continuously monitored and amended by the Investment Manager. Further detail on this position can be found in the Schedule of Investments on page 29.

(j) Contracts for difference

Contracts for difference are valued based on the closing market price of the underlying security. Upon entering into contracts for difference, the Company may be required to pledge to the broker an amount of cash and or other assets equal to a certain percentage of the contract amount (“initial margin”). Subsequently, payments known as “variation margin” are made or received by the Company periodically, depending on fluctuations in the value of the underlying security. During the year contracts are open, changes in the value of contracts are recognised as unrealised gains and losses by “marking-to-market” at each valuation point in order to reflect the changes in the value of the underlying security. Realised gains or losses upon closure of the contract are equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The open contracts for difference are included in the Statement of Net Assets on the basis of the unrealised gain or loss attributable to each contract as at the end of the year.

The contracts are subject to a daily financing charge and income, usually applied at a previously agreed rate, which is accounted for as interest income for short contracts for difference, and as interest expense for long contracts for difference positions.

Notes to the Financial Statements (Continued)
For the year ended December 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Credit default swaps

Credit default swaps contracts in which the Company pays or receives an interest flow in return for the counterparty accepting all or part of the risk of default or failure to pay, of a reference entity on which the swap is written. Where the Company has bought protection the maximum potential loss is the value of the premium flows the Company is contracted to pay until maturity of the contract. Where the Company has sold protection the maximum potential loss is the nominal value of the protection sold, payable when a credit event of one or more referenced credits occurs. The nature of the credit event is established by the buyer and seller at the inception of the transaction and such events include bankruptcy, insolvency, rating agency downgrade and failure to meet payment obligations when due. Risks may arise from unanticipated movements in interest rates or the occurrence of a credit event whereby changes in the market values of the underlying financial instruments may be in excess of the amounts shown on the Statement of Net Assets.

(l) ASCOTS

ASCOTS are over-the-counter options contracts on convertible bonds with major multinational brokers that are used to separate a convertible bond into its two components: 1) a bond and 2) an option to acquire stock, which allow the Company to invest in the optionality component of a predetermined specific notional amount of a convertible bond.

4. FEES AND EXPENSES

(a) Investment management fee

In respect of each class of a Sub-Fund, the Investment Manager is entitled to receive a monthly investment management fee equal to the pro-rated annual rate per annum of the NAV of the shares of the relevant class (before deduction of any accrued but uncrystallised performance fee and taxe d'abonnement). The investment management fee is calculated and accrued as of each Valuation Day and payable monthly in arrears.

The Investment Manager may from time to time and in its sole discretion and out of its own resources decide to rebate to some or all shareholders (including the Directors), their agents or to intermediaries, part or all of the investment management fee. The Investment Manager will also, out of its own resources and investment management fee, pay any fees payable to the Principal Distributor for its services to the Company.

As at December 31, 2018, there were no rebates made by the Investment Manager.

During the year, the investment management fee amounted to the following percentage figures:

JABCAP (LUX) - Convertible Bonds

Share Class I	1.00 %
Share Class R	2.00 %
Share Class Z	0.00 %

Notes to the Financial Statements (Continued)
For the year ended December 31, 2018

4. FEES AND EXPENSES (Continued)

(a) Investment management fee (continued)

JABCAP (LUX) - Global Balanced

Share Class N	1.50 %
Share Classes P and R	2.00 %
Share Class Z	0.00 %

JABCAP (LUX) - European Credit Opportunities

Share Class I	1.00 %
Share Classes P and R	2.00 %
Share Class Z	0.00 %

(b) Performance fee

Each Sub-Fund pays to the Investment Manager a performance fee, which is calculated in respect of each six month period ending on June 30 and December 31 in each year (a "Calculation Period"). The performance fee is calculated and accrued as an expense of the relevant class at each Valuation Day and is payable to the Investment Manager in arrears within 14 days of the end of each Calculation Period after calculation of the performance fee by the Central Administration.

If a redemption is made from the relevant class as of a date other than June 30 or December 31, a performance fee (if accrued as of the date of such redemption) shall be crystallised in respect of the shares being redeemed.

For the JABCAP (LUX) - Convertible Bonds and JABCAP (LUX) - Global Balanced Sub-Funds, the performance fee in respect of each share is equal to 20% of the appreciation in the NAV per share of the relevant class during that Calculation Period above the High Watermark of that class. The High Watermark is the greater of the Initial Offer Price of the relevant class and the highest NAV per share of the relevant class achieved as at the end of any previous Calculation Period (if any). The Sub-Funds do not operate performance fee equalisation and in certain circumstances a performance fee may be charged to shares which have not appreciated in value (for example, when an investor subscribes for shares at a time when the NAV per share of the relevant class is greater than the High Watermark of that class). Also, all holders of shares of the same class may not have the same amount of capital per share at risk in the Company and certain investors may get a "free ride" (for example, when an investor subscribes for shares at a time when the NAV per share of the relevant class is less than the High Watermark of that class).

For the JABCAP (LUX) - European Credit Opportunities, the performance fee payable to the Investment Manager is calculated on a share by share basis so that each share is charged a performance fee which equates precisely with that share's performance. For each Calculation Period, the performance fee in respect of each share will be equal to 20% of the appreciation in the NAV of that share during that Calculation Period above the Base NAV per share.

Notes to the Financial Statements (Continued)
For the year ended December 31, 2018

4. FEES AND EXPENSES (Continued)

(b) Performance fee (continued)

The Base NAV per share is the greater of (1) the NAV per share of the relevant class at the time of issue of that share and (2) the highest NAV per share of that class achieved as at the end of any previous Calculation Period (if any) during which such share was in issue. Shares which are acquired in the secondary market will be treated as if they were issued on the date of the acquisition at the most recent Subscription Price for these purposes. The performance fee in respect of each Calculation Period will be calculated by reference to the NAV before deduction for any accrued performance fee.

This method of calculation ensures that (i) any performance fee is charged only to those shares which have appreciated in value, (ii) all holders of shares of the same class have the same amount of capital per share at risk in the Company and (iii) all shares of the same class have the same NAV per share.

For the avoidance of doubt, a performance fee shall be payable from the Company to the Investment Manager in respect of the Class Z Shares for all Sub-Funds.

For all Sub-Funds, the performance fee will normally be payable to the Investment Manager in arrears within 14 calendar days of the end of each Calculation Period. However, in the case of shares redeemed during a Calculation Period, the accrued performance fee in respect of those shares is payable within 14 calendar days after the date of redemption. In the event of a partial redemption, shares will be treated as redeemed on a FIFO basis.

For JABCAP (LUX) - Convertible Bonds, the performance fee for the year ended December 31, 2018 was €4,663, none of which remained payable at year end.

For JABCAP (LUX) - Global Balanced, the performance fee for the year ended December 31, 2018 was €41,289, none of which remained payable at year end.

For JABCAP (LUX) - European Credit Opportunities, the performance fee for the year ended December 31, 2018 was €87,364 of which €29 remained payable at year end.

(c) Depositary and administration fees

The Depositary and Central Administration fees are calculated based on the month end NAV of the relevant Sub-Fund, subject to minimums, accrued on each Valuation Day and paid out monthly in arrears.

It is not intended that the fees payable for the Depositary and Central Administration services out of each Sub-Fund's assets exceed 0.50% per annum of the relevant Sub-Fund's average assets calculated with reference to the same period. If, nevertheless, the fees for the Depositary and Central Administration services should exceed the cap of 0.50% of the average assets per annum, the Investment Manager will reimburse the exceeding amount to the Sub-Fund. The aforementioned cap is accrued on each Valuation Day and, if applicable, paid into the Sub-Fund by the Investment Manager annually in arrears.

Notes to the Financial Statements (Continued)
For the year ended December 31, 2018

4. FEES AND EXPENSES (Continued)

(c) Depositary and administration fees (continued)

The above mentioned cap of 0.50% per annum does not cover fees payable to the Central Administration or the Depositary for services other than Depositary and Central Administration services, such as (without being limited thereto) Company tax services, Company secretarial services, Company regulatory and compliance reporting services or fees for system access and reporting services.

For JABCAP (LUX) - Convertible Bonds, the depositary and administration fees for the year ended December 31, 2018 were €178,257 of which €29,051 remained payable at year end.

For JABCAP (LUX) - Global Balanced, the depositary and administration fees for the year ended December 31, 2018 were €177,789 of which €28,500 remained payable at year end.

For JABCAP (LUX) - European Credit Opportunities, the depositary and administration fees for the year ended December 31, 2018 were €161,477 of which €26,767 remained payable at year end.

(d) Management company fee

The Management Company will receive a management company fee for the provision of its services. The fee payable shall not exceed 0.04% per annum, subject to a minimum monthly fee per Sub-Fund of up to €2,250, calculated on the basis of the NAV attributable to the Company on the last Valuation Day of each month, and paid out monthly in arrears.

(e) Other fees

"Other fees" in the Statement of Operations and Changes in Net Assets consists of various professional fees including tax reporting services fees, financial statement preparation fees as well as banking fees, publication fees, registration fees and other miscellaneous fees.

5. DISTRIBUTION POLICY

Whether Accumulation or Distribution shares will be issued in relation to a particular Sub-Fund will be described in the relevant Prospectus. The Board of Directors reserves the right to introduce a distribution policy that may vary between Sub-Funds and different classes of shares in issue.

During the year, a dividend of 2.5% amounting to €190,702, was declared and paid on share class JABCAP (LUX) - European Credit Opportunities Class P-Dist. (USD) - (Hedged).

Notes to the Financial Statements (Continued)
For the year ended December 31, 2018

6. TAXATION

The Company is not liable to any Luxembourg tax on profits or income. The Company is, however, liable in Luxembourg to a taxe d'abonnement of 0.05% per annum of its NAV, such tax being payable quarterly on the basis of the value of the aggregate NAV of the Company at the end of the relevant calendar quarter. No such tax is payable on the value of assets which consist of units or shares of other Luxembourg funds that have already been subject to such tax. No stamp duty or other tax is payable in Luxembourg on the issue of shares. No Luxembourg tax is payable on the realised capital appreciation of the assets of the Company.

A reduced taxe d'abonnement rate of 0.01% per annum or an exemption of the taxe d'abonnement will be applicable to certain classes of shares reserved for institutional investors pursuant to article 174(2)c of the UCI Law of December 17, 2010 relating to Undertakings for Collective Investment.

The effective rates applicable to the classes of shares offered in the Convertible Bonds, Global Balanced and European Credit Opportunities Sub-Funds are as follows:

- Class I Shares - 0.01% per annum of the NAV payable quarterly
- Class N Shares - 0.05% per annum of the NAV payable quarterly
- Class P Shares - 0.05% per annum of the NAV payable quarterly
- Class R Shares - 0.05% per annum of the NAV payable quarterly
- Class Z Shares - 0.05% per annum of the NAV payable quarterly

7. STATEMENT OF CHANGES IN INVESTMENTS

A statement giving the changes in the portfolio of investments for the year under review can be obtained free of charge from the registered office of the Company.

8. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or if both parties are under the control of a common entity.

The Investment Manager and the Directors are related parties to the Company.

(a) Investment Manager

The Company is managed by Jabre Capital Partners S.A. and Jabre Capital Partners S.A. receives from the Company an investment management fee and a performance fee as disclosed in Notes 4(a) and 4(b), respectively.

(b) Directors' interests

The Board of Directors are responsible for the overall management and control of the Company in accordance with the Articles. The Board of Directors are further responsible for the implementation of the Company's investment objective and policies as well as for oversight of the administration and operations of the Company. The total remuneration paid to Carne Global Financial Services (Luxembourg) S.à r.l and Gemini Governance & Advisory Solutions S.à r.l. for Directors' Services for the year ended December 31, 2018 were €24,235 and €20,910, respectively, inclusive of V.A.T. This amount does not include Directors Insurance of €5,418 which is included within "Other fees" in the Statement of Operations and Changes in Net Assets.

Notes to the Financial Statements (Continued)
For the year ended December 31, 2018

8. RELATED PARTY TRANSACTIONS (Continued)

(b) Directors' interests (continued)

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Company and the shares are set out below:

- Mr. Riachi and Mrs. Khazaneh are both employees of the Investment Manager.

- The Directors or companies of which they are officers or employees may subscribe for shares in the Company. Their applications for shares will rank *pari passu* with all other applications. As at December 31, 2018, none of the Directors owned any shares in the Company.

- Previously, Mr. Egan was an employee of companies under common ownership and control of the "Carne group". However, effective April 19, 2018, he resigned and was replaced by Mr. Blackwell, an employee of companies under common ownership and control of the "Carne group". Mr. Blackwell is a Director of the Management Company of the Company. The Management Company, which receives a management fee as disclosed in Note 4 (d), is also a part of the Carne group of companies.

Notes to the Financial Statements (Continued)
For the year ended December 31, 2018

9. COLLATERAL ON DERIVATIVES

The collateral associated with swaps, futures, forwards and options has been recorded in the Statement of Net Assets under "Restricted cash".

As at December 31, 2018, amounts held/(received) as collateral with brokers were as follows:

	EUR equivalent
JABCAP (LUX) - Convertible Bonds	
Cash of 93 AUD held as collateral by Morgan Stanley	57
Cash of 19,067 CHF held as collateral by Deutsche Bank	16,941
Cash of (652) CHF received as collateral by HSBC	(579)
Cash of 1,056 CHF held as collateral by Morgan Stanley	938
Cash of 410,682 DKK held as collateral by Deutsche Bank	55,006
Cash of 9,608 EUR held as collateral by Citibank	9,608
Cash of 329 EUR held as collateral by Credit Suisse	329
Cash of 445,606 EUR held as collateral by Deutsche Bank	445,606
Cash of 1,545,914 EUR held as collateral by HSBC	1,545,914
Cash of (99,971) EUR received as collateral by Morgan Stanley	(99,971)
Cash of 5,270 EUR held as collateral by Nomura	5,270
Cash of 391,646 EUR held as collateral by UBS	391,646
Cash of (1,680) GBP received as collateral by HSBC	(1,870)
Cash of (6,297) GBP received as collateral by Morgan Stanley	(7,009)
Cash of (779,354) HKD received as collateral by UBS	(86,890)
Cash of 1,870,428 JPY held as collateral by Deutsche Bank	14,894
Cash of (45,051,765) JPY received as collateral by HSBC	(358,742)
Cash of 13,061 JPY held as collateral by Morgan Stanley	104
Cash of 1,013,829 JPY held as collateral by UBS	8,073
Cash of 76,961 SEK held as collateral by Deutsche Bank	7,569
Cash of 18 TRY held as collateral by UBS	3
Cash of 3,244 USD held as collateral by Credit Suisse	2,833
Cash of 7,732 USD held as collateral by Deutsche Bank	6,752
Cash of (754,914) USD received as collateral by HSBC	(659,198)
Cash of 205,267 USD held as collateral by Morgan Stanley	179,241
Cash of 5,628 USD held as collateral by UBS	4,914
Total	**1,481,439**

Notes to the Financial Statements (Continued)
For the year ended December 31, 2018

9. COLLATERAL ON DERIVATIVES (Continued)

	EUR equivalent
JABCAP (LUX) - Global Balanced	
Cash of 967 AUD held as collateral by Deutsche Bank	595
Cash of 26,301 AUD held as collateral by Morgan Stanley	16,175
Cash of 287 CHF held as collateral by Deutsche Bank	255
Cash of (48,851) CHF received as collateral by HSBC	(43,404)
Cash of 810 CHF held as collateral by Morgan Stanley	720
Cash of 75,400 DKK held as collateral by HSBC	10,099
Cash of 26,624 EUR held as collateral by Credit Suisse	26,624
Cash of (40,418) EUR received as collateral by Deutsche Bank	(40,418)
Cash of 1,405,742 EUR held as collateral by HSBC	1,405,742
Cash of 1,026,042 EUR held as collateral by Morgan Stanley	1,026,042
Cash of 470,005 EUR held as collateral by UBS	470,005
Cash of 344 GBP held as collateral by Deutsche Bank	383
Cash of (96,426) GBP received as collateral by HSBC	(107,321)
Cash of (1,528) GBP received as collateral by Morgan Stanley	(1,701)
Cash of 143,546 GBP held as collateral by UBS	159,766
Cash of 230,793 HKD held as collateral by Deutsche Bank	25,731
Cash of (13,033) HKD received as collateral by HSBC	(1,453)
Cash of (10,763) HKD received as collateral by Morgan Stanley	(1,200)
Cash of 1,915,414 HKD held as collateral by UBS	213,549
Cash of 13,428,174 JPY held as collateral by Deutsche Bank	106,927
Cash of (40,842,737) JPY received as collateral by HSBC	(325,226)
Cash of (20,672,283) JPY received as collateral by UBS	(164,611)
Cash of 11,450 KRW held as collateral by Deutsche Bank	9
Cash of 6,533 NZD held as collateral by Morgan Stanley	3,829
Cash of 36,096 PLN held as collateral by UBS	8,415
Cash of 1,007 SEK held as collateral by Deutsche Bank	99
Cash of 193 SEK held as collateral by UBS	19
Cash of 18 TRY held as collateral by Morgan Stanley	3
Cash of 30 TRY held as collateral by UBS	5
Cash of 3,546 USD held as collateral by Deutsche Bank	3,096
Cash of 662,409 USD held as collateral by Morgan Stanley	578,422
Total	**3,371,176**

Notes to the Financial Statements (Continued)
For the year ended December 31, 2018

9. COLLATERAL ON DERIVATIVES (Continued)

	EUR equivalent
JABCAP (LUX) - European Credit Opportunities	
Cash of 168 CHF held as collateral by Deutsche Bank	149
Cash of 579,188 EUR held as collateral by Deutsche Bank	579,188
Cash of 484,709 EUR held as collateral by J.P. Morgan	484,709
Cash of 170,040 EUR held as collateral by Morgan Stanley	170,040
Cash of 72,931 EUR held as collateral by UBS	72,931
Cash of 452,452 USD held as collateral by Barclays	395,086
Cash of 6,268 USD held as collateral by Deutsche Bank	5,473
Cash of 347 USD held as collateral by Morgan Stanley	303
Cash of 19,823 USD held as collateral by UBS	17,310
Total	**1,725,189**

10. TRANSACTION COSTS

For the year ended December 31, 2018, the Company incurred transaction costs which have been defined as brokerage fees relating to purchase or sale of transferable securities, money market instruments or eligible assets.

JABCAP (LUX) - Convertible Bonds	€107,749
JABCAP (LUX) - Global Balanced	€844,658
JABCAP (LUX) - European Credit Opportunities	€12,224

11. SUBSEQUENT EVENT

Subsequent to December 31, 2018, JABCAP (LUX) - Convertible Bonds has returned 97% of capital to investors on March 5, 2019.

Appendix I – Total Expense Ratios (Unaudited)
As at December 31, 2018

The Total Expense Ratio ("TER") represents the total operating cost charged to each class as a percentage of the Sub-Fund's average net assets and includes the impact of expenses reimbursed by related parties. The total operating cost comprises expenses as summarised in the Statement of Operations and Changes in Net Assets. Overdraft interest, interest on contracts for difference and interest on total return swaps are excluded from the calculation.

Sub-Fund Name	*TER % excluding performance fee*	*TER % including performance fee*
JABCAP (LUX) - Convertible Bonds I (EUR)	1.97 %	1.97 %
JABCAP (LUX) - Convertible Bonds R (CHF) - (Hedged)	3.01 %	3.01 %
JABCAP (LUX) - Convertible Bonds R (EUR)	3.01 %	3.04 %
JABCAP (LUX) - Convertible Bonds R (GBP) - (Hedged)	3.01 %	3.01 %
JABCAP (LUX) - Convertible Bonds R (USD) - (Hedged)	3.01 %	3.02 %
JABCAP (LUX) - Convertible Bonds Z (USD) - (Hedged)	1.01 %	1.01 %
JABCAP (LUX) - Global Balanced N (EUR)	2.30 %	4.55 %
JABCAP (LUX) - Global Balanced N (GBP) - (Hedged)	2.68 %	2.68 %
JABCAP (LUX) - Global Balanced N (USD) - (Hedged)	2.68 %	2.68 %
JABCAP (LUX) - Global Balanced P (EUR)	3.11 %	3.12 %
JABCAP (LUX) - Global Balanced P (GBP) - (Hedged)	3.15 %	3.15 %
JABCAP (LUX) - Global Balanced P (USD) - (Hedged)	3.12 %	3.13 %
JABCAP (LUX) - Global Balanced R (CHF) - (Hedged)	3.05 %	3.05 %
JABCAP (LUX) - Global Balanced R (EUR)	3.11 %	3.11 %
JABCAP (LUX) - Global Balanced R (GBP) - (Hedged)	3.17 %	3.17 %
JABCAP (LUX) - Global Balanced R (USD) - (Hedged)	3.15 %	3.15 %
JABCAP (LUX) - Global Balanced Class Z (EUR) [a]	1.10 %	1.10 %
JABCAP (LUX) - Global Balanced Z (USD) - (Hedged)	1.26 %	1.33 %
JABCAP (LUX) - European Credit Opportunities Class I (EUR)	1.93 %	2.04 %
JABCAP (LUX) - European Credit Opportunities Class P (EUR)[b]	2.94 %	2.95 %
JABCAP (LUX) - European Credit Opportunities Class P (GBP) - (Hedged)[c]	2.36 %	2.45 %
JABCAP (LUX) - European Credit Opportunities Class P-Dist. (USD) - (Hedged)	2.95 %	3.09 %
JABCAP (LUX) - European Credit Opportunities Class R (EUR)	2.96 %	3.51 %
JABCAP (LUX) - European Credit Opportunities Class R (GBP) - (Hedged)	2.96 %	3.15 %
JABCAP (LUX) - European Credit Opportunities Class R (USD) - (Hedged)	2.96 %	3.10 %
JABCAP (LUX) - European Credit Opportunities Class Z (EUR)	0.95 %	1.14 %
JABCAP (LUX) - European Credit Opportunities Class Z (GBP) - (Hedged)	0.98 %	1.26 %
JABCAP (LUX) - European Credit Opportunities Class Z (USD) - (Hedged)	0.96 %	1.40 %

[a] New share class launched on January 8, 2018.
[b] Share class redeemed on December 20, 2018.
[c] Share class redeemed on December 27, 2018.

Appendix II – Calculation Method of the Risk Exposure (Unaudited)
As at December 31, 2018

Global exposure using the VaR approach

Sub-Fund Name	*Market Risk*	*Limit*	*Max usage of reg limit*	*Min usage of reg limit*	*Average usage of reg limit*	*Reference portfolio*	*Model*	*Confidence Interval*	*Holding Period*	*Effective Observation Period*
JABCAP (LUX) - Convertible Bonds	Absolute	20%	8.90%	0.80%	5.50%	n/a	Monte Carlo Simulation/ Historical	99%	20 days	250 days
JABCAP (LUX) - Global Balanced	Absolute	20%	18.10%	2.80%	11.00%	n/a	Monte Carlo Simulation/ Historical	99%	20 days	250 days
JABCAP (LUX) - European Credit Opportunities	Absolute	20%	8.76%	0.34%	0.93%	n/a	Monte Carlo Simulation/ Historical	99%	20 days	250 days

Sub-Fund Name	**Leverage***	
	Average	***Max***
JABCAP (LUX) - Convertible Bonds	312.30%	411.20%
JABCAP (LUX) - Global Balanced	370.20%	494.40%
JABCAP (LUX) - European Credit Opportunities	100.80%	336.14%

* Sum of notionals on a bi-monthly basis.

Global exposure is a fund's global exposure to general and specific market risks which might lead to a significant change in the fund's value. The Company has adopted a VaR approach in the quantification of its global exposure. This has been supplemented by the employment of scenario and stress tests in the evaluation of the portfolio's sensitivity to a range of factors, for example interest rate risk, volatility, credit spreads as well as predefined market scenarios as well as back tests to monitor the ongoing accuracy of the VaR model.

As the Sub-Funds are sophisticated users of Financial Derivative Instruments, the Risk Unit utilises the internal model approach which relies on absolute VaR figures calculated on the Risk Metrics engine.

Broadridge Paladyne was used to compute and report Value-at-Risk for the different portfolios as well as sensitivities, exposure statistics and Stress Testing statistics for a portfolio of financial instruments. The methodology used enables risk evaluation across asset classes, securities, geographical areas and risk horizons.

The Broadridge Paladyne methodology is based on representing each security in terms of the risk factors that drive it. The factors cover all asset classes and all types of market risk, and include equity prices, commodity prices and curves, exchange rates, interest rate curves, and credit spread curves, together with implied volatility surfaces for multiple asset types.

Appendix II – Calculation Method of the Risk Exposure (Unaudited) (Continued)
As at December 31, 2018

In accordance with the risk profile of the Sub-Funds, the absolute 20% VaR limit has been applied to each Sub-Fund. This has been justified on the basis that the Sub-Funds may extensively make use of derivatives and that the Sub-Funds do not actively track any benchmark or reference index. The VaR is calculated daily using a Monte Carlo approach with a full revaluation of the corresponding Sub-Fund portfolio.

Model's methodology
The standard Broadridge Paladyne model is a historical VaR method. All the factors driving the value of each instrument are used to reprice the position for every single business day in a 1 year window. The resulting price shocks are aggregated into a VaR number with a 99% confidence interval.

The full revaluation of the instruments takes place using historical market moves observed in a window of 1 year of all the factors driving the value of each of the instruments in the portfolio.

Mathematical assumptions and foundations
Using Risk Metrics VaR the values of the underlying factors are simulated based on multivariate normal distribution over 10,000 cycles. For each cycle, there is a full repricing of the instruments. The PnL is obtained by summing the repriced instruments and the distribution of the PnL is given by the values of these 10,000 simulated portfolios.

Using Broadridge Paladyne VaR the values of the underlying factors are simulated using a historical simulation over a one year horizon. For each day, there is a full repricing of the instruments. The simulated PnL is obtained by adding the repriced positions together.

The data relevant to the Sub-Funds for both VaR models are:

- Discount or yield curves
- Credit spread
- Spot currency rates
- Forward price curves
- Market index
- CDS spread curves
- Volatility surfaces

In calculating the VaR, the following parameters will be used:

- A confidence level of 99%
- A holding period of 20 business days
- A historical observation period of not less than 1 year
- The absolute VaR will not be greater than 20% of the NAV
- Quarterly data set updates, or more frequent when market prices are subject to material changes
- Daily calculation

Appendix II – Calculation Method of the Risk Exposure (Unaudited) (Continued)
As at December 31, 2018

Back testing
Back testing will be performed on a monthly basis for each business day and the model will be adapted/changed if the back testing results are not satisfactory. Backtesting results are communicated to the Management Company on a monthly basis and to the Board of Directors on a quarterly basis.

Stress testing
Stress tests will be performed daily based on specific scenarios. For the Company, a program of stress tests has been devised including some historical scenarios and combinations of percentage changes in equity, credit and volatility indicators. All instruments are repriced at each scenario. Stress testing results are communicated to the Management Company on a monthly basis. The stress runs on a daily basis after the close of the US markets.

Leverage
Leverage is calculated based on the sum of notionals approach as set out by the CSSF and in line with the ESMA Guidelines (2012/ESMA/429).

Appendix III – Securities Financing Transactions Regulation (Unaudited)
As at December 31, 2018

The Company is subject to the Regulation (EU) 2015/2365 on Transparency of Securities Financing Transactions and of Reuse and Amending Regulation (EU) No 648/2012 of the European Parliament ("SFTR"). The regulation was issued on November 25, 2015 effective for UCITS funds from January 12, 2016. The disclosure requirements accompanying this regulation are effective for annual reports published after January 13, 2017. This regulation has therefore been adopted for these financial statements dated December 31, 2018 due to the date the financial statements are available to be issued falling after this effective date.

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

- a repurchase transaction;
- securities or commodities lending and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction; or
- a margin lending transaction.

The regulation also covers transactions that are commonly referred to as total return swaps ("Swaps"). The Company has also included contracts for difference in its definition of Swaps as at December 31, 2018. As at December 31, 2018, each of the Sub-Funds held Swaps.

As at December 31, 2018, the Company did not engage in any other SFT.

In implementing the investment strategy, the Company does not receive collateral as a result of its trading activities and therefore the disclosures in relation to collateral received, being those over concentration data and aggregate transaction data, are not applicable and have not been included.

Global data
The amount of securities and commodities on loan as a proportion of total lendable assets (excluding cash and cash equivalents) was 0% as at December 31, 2018.

The following table reflects the amount of assets engaged in each type of SFT or Swap expressed as an absolute amount in € and as a percentage of each Sub-Funds' net assets as at December 31, 2018:

	JABCAP (LUX) - Convertible Bonds Absolute Amount (€)	*JABCAP (LUX) - Global Balanced Absolute Amount (€)*	*JABCAP (LUX) - European Credit Opportunities Absolute Amount (€)*
Type of Asset			
Swaps	522,244	551,663	85,033

	JABCAP (LUX) - Convertible Bonds % of net assets	*JABCAP (LUX) - Global Balanced % of net assets*	*JABCAP (LUX) - European Credit Opportunities % of net assets*
Type of Asset			
Swaps	1.45 %	2.74 %	0.26 %

Appendix III – Securities Financing Transactions Regulation (Unaudited) (Continued)
As at December 31, 2018

Concentration data

The following table reflects the top (up to) 10 counterparties of each type of SFT and Swap separately as at December 31, 2018, by name of counterparty and gross volume of outstanding transactions:

	JABCAP (LUX) - Convertible Bonds €	*JABCAP (LUX) - Global Balanced* €	*JABCAP (LUX) - European Credit Opportunities* €
Counterparty			
Deutsche Bank	158,046	–	85,033
HSBC	197,433	445,584	–
Morgan Stanley	2,630	40,200	–
UBS	164,135	65,879	–

	JABCAP (LUX) - Convertible Bonds €	*JABCAP (LUX) - Global Balanced* €	*JABCAP (LUX) - European Credit Opportunities* €
Maturity			
<1 day	–	–	–
1 day to 1 week	–	–	–
1 month to 3 months	–	–	–
3 months to 1 year	–	40,200	–
>1 year	–	–	85,033
Open transactions	522,244	511,463	–

All trades open at the end of the year have been transacted with counterparties established in the United Kingdom through bilateral settlement.

Data on collateral reuse

As at December 31, 2018, the Company is not in receipt of collateral and therefore there is no collateral reuse. The Company's current prospectus does not specify a maximum percentage of collateral available for reuse. The proportion of collateral held in segregated accounts, in pooled accounts or any other accounts is 0%.

Safekeeping of collateral received and granted by the Company as part of SFT trading

The Company has no custody accounts in existence specifically for the safekeeping of collateral received. The Company has not elected to segregate collateral with 100% of collateral granted held in pooled accounts.

Data on return and cost for each type of SFT and Swap

The following table reflects the return and cost for each type of Swap for the year ended December 31, 2018:

	JABCAP (LUX) - Convertible Bonds €	*JABCAP (LUX) - Global Balanced* €	*JABCAP (LUX) - European Credit Opportunities* €
Swaps	(3,513,064)	(17,528,502)	1,158,718

Appendix IV – Remuneration Policy (Unaudited)
As at December 31, 2018

Investment Management Company Remuneration Policy

The Investment Management Company has designed and implemented a remuneration policy (the "Remuneration Policy") which to the extent that the Company qualifies under the proportionality rules, complies with the provisions on remuneration as set out by the European Directive 2009/65/EC ("UCITS Directive"), as amended by Directive 2014/91/EU ("UCITS V Directive") as implemented into Luxembourg in the Law of 10 May 2016 (the "2016 Law").

The Investment Management Company has developed and implemented remuneration policies and practices that are consistent with and promote a sound and effective risk management of the Fund, do not encourage risk-taking which is inconsistent with the risk profiles/rules governing the Fund, and do not impair compliance with the Investment Management Company's duty to act in the best interest of the Fund and ultimately its investors.

The Board of Directors of the Investment Management Company is responsible for the design and implementation of the Remuneration Policy and reviews this on a regular basis as part of its supervisory function. In reviewing the Compensation Policy, the Board of Directors of the Investment Management Company will consider whether the remuneration framework operates as intended and that the risk profile, long-term objectives and goals of the Fund are adequately reflected.

Proportion of the total remuneration of the staff of the UCITS attributable to JABCAP (LUX), indicating the number of beneficiaries, as of December 31, 2018

The below table represents the proportion of the total remuneration of the staff of the Investment Management company attributable to all funds it manages, taking into account AIFs and UCITS.

The proportion allocated to JABCAP (LUX) has been calculated using a weighted Asset Under Management based on the number of all funds[1] managed by the Investment Management Company.

	Number of beneficiaries[3]	*Fixed remuneration*[4]	*Variable remuneration*[5]	*Total remuneration*[6]
Staff[7]	38	€1,093,054	€353,755	€1,446,809
Senior Management[2]	10	€466,503	€125,805	€592,308
Risk Takers[8]	2	€124,208	€207,991	€332,199

[1]Funds = single funds and sub-funds of umbrella structures.

[2]Senior staff = all trading staff and senior management who have a significant role at the Investment Manager.

[3]Number of beneficiaries = average number of employees for the period of the Investment Management Company's financial year 2018.

[4]Fixed remuneration = consists of salaries paid during the Investment Management Company financial year 2018 including employer social security, pension contribution, other non-monetary benefits like car allowance but excluding payments in relation to secondment services.

[5]Variable remuneration = consists of annual bonuses paid during the Investment Management Company's financial year 2018 in accordance with the compensation policy.

[6]Total remuneration = sum of fixed remuneration and variable remuneration paid during the Investment Management Company's financial year 2018.

[7]Staff = including Senior Management and Risk Takers.

[8]Risk Takers = staff members of the Investment Management Company whose actions might have a material impact on the risk profile of the UCITS, including Senior Management.

Appendix IV – Remuneration Policy (Unaudited) (Continued)
As at December 31, 2018

Management Company Remuneration Policy

The Management Company has designed and implemented a remuneration policy (the "Remuneration Policy") in line with the provisions on remuneration as set out by the European Directive 2009/65/EC ("UCITS Directive"), as amended by Directive 2014/91/EU ("UCITS V Directive") as implemented into Luxembourg in the Law of 10 May 2016 (the "2016 Law").

The Management Company has developed and implemented remuneration policies and practices that are consistent with and promote a sound and effective risk management of the Fund, do not encourage risk-taking which is inconsistent with the risk profiles/rules governing the Fund, and do not impair compliance with the Management Company's duty to act in the best interest of the Fund and ultimately its investors.

The Board of Directors of the Management Company is responsible for the design, implementation and regular review of the Remuneration Policy. In reviewing the Remuneration Policy, the Board of Directors of the Management Company will consider whether the remuneration framework operates as intended and ensure that the risk profile, long-term objectives and goals of the Fund are adequately reflected. No material amendments were made to the Remuneration Policy and no irregularities were uncovered during the period under review.

Proportion of the total remuneration of the staff of the Management Company attributable to JABCAP (LUX), as of December 31, 2018[1]

The proportion of the total remuneration attributable to JABCAP (LUX) has been calculated on a pro rata basis and on the basis of the total AUM of UCITS managed by the Management Company.

	Number of beneficiaries	*Total remuneration[2]*	*Fixed remuneration in % of total*	*Variable remuneration in % of total*
Total remuneration paid to Identified Staff[3] by the Management Company during the financial year	7	€1,764,117	2.85%	0.89%

[1]31 December is the financial year end of the Management Company

[2]Total remuneration = sum of fixed remuneration and variable remuneration paid during the Management Company's financial year

[3]Identified Staff comprises = Chief Executive Officer, Conducting Officers and Head of Legal and Compliance