

Anaxis AM European Equities

French FCP (mutual fund)

Annual Report as of 31 December 2015



Asset Management Company: ANAXIS ASSET MANAGEMENT

Registered office: 9, rue Scribe, 75009 Paris

Custodian: BNP Paribas Securities Services

Publication of issue and redemption prices: available to unit-holders at the management company's offices.



Contents

Contents	2
Section I: Management report	3
1. Investment orientation	3
2. Investment policy.....	8
Section II: Annual Financial Statements	10
1. Balance sheet – Assets.....	10
2. Balance sheet – Liabilities	11
3. Off-balance sheet.....	12
4. Income statement.....	13
Section III: Annual Financial Statements - Notes	14
1. Accounting rules and methods	14
2. Change in net assets	17
3. Additional disclosures 1	18
4. Additional disclosures 2	19
5. Breakdown of payables and receivables by type.....	20
6. Breakdown by legal or economic type of instrument	21
7. Breakdown of assets, liabilities and off-balance sheet items by type of interest rate.....	22
8. Breakdown of assets, liabilities and off-balance sheet items by residual maturity	23
9. Breakdown of assets, liabilities and off-balance sheet items by quotation currency	24
10. Distribution of earnings	25
11. Statement of income and other characteristics items	27
12. Inventory of financial instruments.....	29

Section I: Management report

1. Investment orientation

- **Classification** : Stocks from European Union countries.
- **Investment objective** : The Fund's objective is to capture the development of the European economy while seeking to limit the risk of significant portfolio variations. To this end, the Fund invests predominantly in European Union equities via a dynamic allocation determined by the asset management company. Companies are selected for their value creation, sound business model, upside potential and dividend consistency, without reference to a benchmark index. There is some risk that the Fund will not achieve the established objective.
- **Benchmark index** : None. The investment objective is not expressed relative to a benchmark index. Having said that, the Fund's results may be compared ex-post to the performance and volatility of the Dow Jones Stoxx Europe 600 (dividends reinvested). This index lists 600 small, mid and large cap companies spanning 18 European countries: Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. The investment strategy aims to generate more regular earnings than those of the main European stock market indices, with less extreme declines in difficult periods and a slower rise in supportive periods.
- **Investment Strategy**
 - a. **Description of strategies used** : The objective must be achieved by building a portfolio comprised predominantly of European Union equities. This portfolio will evolve over time with the implementation of a discretionary management style. The Fund invests up to 100% of its assets in equities listed on European regulated markets and at least 75% of its stocks are eligible for PEAs (French personal equity plans) at all times.

General approach

The management strategy is based first and foremost on an extensive financial analysis of the companies in the investment universe. The aim is to build a robust and diversified allocation from among individual stock picks, without referring to a benchmark index but with a preference for large caps. The Fund is actively managed but does not seek to capture short-term market trends. It offers a conviction-based management approach and seeks to achieve its objective through a combination of medium-term capital gains and regular dividends.

Financial Analysis

The portfolio managers look for value-creating companies offering regular growth, whose shares hold upside potential. They lean toward a tight selection of stocks in which the portfolio management team believes strongly.

However, their analysis is based in part on assumptions and projections, which are uncertain by nature. This is why they prioritise:

- sectors that are the least sensitive to economic cycles (e.g. telecoms, healthcare, infrastructures);
- companies within each sector that, in their view, offer the best visibility and are least exposed to economic fluctuations.

The analysis aims to select companies whose shares appear less volatile than the market in general and are at attractive levels (again, in comparison to the market and in light of economic conditions observed).

Our portfolio team’s convictions must be backed up by an analysis of each company’s balance sheet, income statement, business model, strategy, Management quality, competitive position, barriers to entry, margins and financial ratios.

In addition to this analysis, an estimate must be determined of the company’s theoretical value according to different methods, which is then compared to its market value, and its valuation multiples must be calculated.

Finally, the company’s dividend policy is considered to be a significant component, but is not a decisive factor in itself. The fact that our portfolio managers take into account the regular payment of high dividends is a positive factor; however, they do keep in mind that past dividends do not necessarily mean future dividends, which are not guaranteed.

Quantitative filters

Quantitative tools may initially be used to filter the investment universe (consisting mainly of members of the Dow Jones Stoxx Europe 600 index). These tools do not call into question the primarily fundamental and discretionary nature of the management style adopted. They are used to guide research and analysis efforts toward attractive stocks in terms of quality, growth, valuation, market risk and return.

Geographic criteria

The Fund gives preference to equities listed on European markets. At all times, it invests at least 90% of its assets in European Union equities and at least 75% of these must be listed equities. Up to 10% of its holdings may be issued by companies in non-EU member countries, such as Swiss companies, international companies listed on US markets or companies established in emerging countries, as opportunities arise.

Geographic exposure (main quotation markets)	Minimum	Maximum
European Union	90%	100%
Other country	0%	10%

Sector criteria

The investment strategy seeks to obtain solid sectorial diversification, with a maximum of 25% per sector. All economic sectors may be considered. However, the Fund prefers non-cyclical, stable or regularly expanding sectors.

Moreover, the Fund does not invest in securities issued by banks or other financial institutions. It should be noted that this exclusion does not apply to financial holding companies and financing structures sometimes used by industrial or service groups.

Capitalization criteria

In principle, the Fund can invest in companies of all cap sizes as long as they are listed on regulated markets. However, it gives priority to market caps of more than EUR 1 billion. Companies below this threshold do not exceed 25% of the allocation.

Management of foreign exchange risk

The Fund’s reference currency is the euro. Foreign exchange risk generated by any investments in foreign currencies is generally hedged in favour of the euro. Foreign exchange risk is hedged via forward forex transactions or OTC derivatives. Such hedged may prove partial or imperfect. A tolerance exposure threshold of 25% of has been defined.

Voting policy

The voting rights attached to portfolio securities are subject to a specific internal voting policy. This policy is available on the website of the portfolio management company or upon simple request at the company.

b. Categories of assets used : 1. Non derivative assets

Shares

The Fund is eligible for PEAs (French personal equity plans) and at all times at least 75% of its assets are equities listed on European Union regulated markets. It may invest in any EU member country exchanges, including in: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom. The Fund may also invest up to 10% of its assets in other European countries such as Norway or Switzerland, and in other continents (including in emerging countries).

The geographic or sector breakdown is not determined in advance and depends on the companies selected (subject to the applicable investment constraints) by the portfolio management team in charge of the Fund. However, the Fund does not invest in the financial sector.

Maximum exposure to the equity markets is 100% of the Fund's assets. Market caps of less than EUR 1 billion do not exceed 25% of the allocation.

Debt securities and money market instruments

The Fund may invest into interest rate instruments up to 25% in order to reduce or to diversify its exposure to the stock markets. These instruments may come from public or from private issuer, with a floating or fixed rate.

More particularly, the Fund may invest up to 25% in high yield (speculative-grade) corporate bonds and non-rated securities. The analysis and selection of debt instruments are made independently from rating agencies.

Stocks may be denominated in EUR or in other currencies, insofar as the asset management company considers it possible to set up a foreign exchange hedge under reasonable conditions.

Clarifications on the legal nature of rate instruments

- Negotiable debt securities of any kind;
- Fixed-, variable- or floating-rate bonds;
- Negotiable medium-term notes (BMTNs);
- Euro medium-term notes (EMTN), excluding structured EMTNs or including forward financial instruments;
- Convertible bonds;
- Inflation-indexed bonds;
- Treasury notes;
- Commercial papers;
- Certificates of deposit.

UCITS

The Fund may invest up to 10% of its assets in other UCITS subject to European Directive 2009/65/EC, without any limitation in terms of regulatory classification. The purpose of this use may be the diversification of investments or strategies, or cash management.

2. Derivatives

The Fund may invest in the regulated, organized or OTC futures markets for the purpose of carrying out forex hedging transactions or adjusting the portfolio's stock market sensitivity (upward or downward). Instruments used may include, in particular, futures, forward foreign exchange contracts and simple interest rate swaps within the limit of 100% of its net assets, without building any synthetic exposure that would lead to expose the Fund to the stock markets more than 1x its net assets.

Clarifications on derivatives:

Type of markets in which the Fund may invest:

- regulated,
- organized,
- OTC.

Risks to which the portfolio management team plans to expose the Fund:

- Equity,
- Foreign exchange.

Types of transactions, all of which are limited to the achievement of the investment objective:

- hedging,
- exposure.

Types of instruments used:

- futures,
- swaps,
- forward foreign exchange contracts.

Strategy for using derivatives to achieve the investment objective:

- hedging of foreign exchange risk,
- hedging of equity risk,
- creation of a synthetic equity exposure.

3. Securities with embedded derivatives

Convertible bonds

The Fund may invest up to 25% of its assets in convertible bonds (indexed bonds, bonds redeemable into shares, etc.), warrants or related securities.

4. Deposits

For the purpose of managing its cash holdings, the Fund may carry out deposits with one or more credit institutions, within the limit of 25% of its assets.

5. Cash loans

The Fund does not borrow cash. Nevertheless, it may have a temporary debit balance, within the limit of 10%, due to transactions related to the Fund's payment flows: investments, divestments and liabilities transactions.

6. Temporary securities lending and borrowing

None.

- **Overall risk** : The method chosen by the asset management company to calculate the overall risk ratio of the UCITS (exposure via forward financial instruments) is the commitment calculation method.
- **Contracts constituting financial guarantees** : None.
- **Risk profile** : **Your money will be predominantly invested in financial instruments selected by the portfolio management company. These instruments will be subject to market trends and developments.**
- a. **Main risks** : Capital risk: The Fund does not offer any guarantee or protection. There is a risk that subscribers will not recover all of the capital initially invested.

Risk that the Fund's performance differs from its management objective: The management objective is not subject to any explicit or implicit guarantee. Its achievement depends, among other factors, on market trends, management choices, fees, events impacting the companies the securities of which are held by

the Fund, and, for each investor, of its subscription and redemption dates. There is a risk that the Fund will not allow the investor to reach the proclaimed target.

Risk linked to discretionary portfolio management: As the Fund is managed on a discretionary basis; there is a risk that the portfolio management team will not select the top-performing securities. Consequently, the Fund may underperform its investment objective and the investment choices made may lead to a decrease in the Fund's NAV (net asset value).

Equity risk: The Fund's exposure to the stock market ranges between 75% and 100%. The Fund's NAV will decrease if this market declines.

Risk associated with small and middle capitalisations: The Fund may hold small- and mid-cap stocks; specifically up to 25% of its assets may be invested in companies with a market cap of less than EUR 1 billion. In general, these stocks offer lower liquidity. They may prove more difficult to sell or only find a buyer at lower-than-expected prices, which can cause the Fund's NAV to decline.

Interest rate risk: Up to 25% of the Fund's net assets may be exposed to the bond market. When interest rates rise, bond prices fall. These fluctuations may lead to a decrease in the Fund's NAV. The portfolio's sensitivity may vary within a range of 0 to 1.

Credit risk: Up to 25% of the Fund's net assets may be exposed to the bond market. The Fund may hold corporate bond of low credit quality. There is a risk that the issuer's rating will be downgraded, which may lead to a decrease in the price of the security and thus the Fund's NAV.

Risk associated with holding convertible bonds: Up to 25% of the Fund's net assets may be exposed to the convertible bond market. The value of convertible bonds depends on several factors such as interest rate levels, changes in prices of underlying securities and changes in prices of embedded derivatives. These various factors can lead to a decrease in the Fund's NAV.

Risk associated with commitments in financial instruments: The use of financial contracts may cause a more significant and more rapid decline in the Fund's NAV than the decline on the markets in which it is invested.

Foreign exchange risks: Up to 50% of the Fund's assets may be invested in securities denominated in currencies other than the Fund's reference currency (EUR). The foreign exchange risk associated with these investments will be hedged with the aim of keeping this exposure under 25% (all currencies combined). This exposure may lead to a decrease in the Fund's NAV.

b. Ancillary risks

: Risk linked to investments in UCITS: There are liquidity risks and risks of losses associated with potential investments in UCITS, within the limit of 10% of the Fund's net assets.

Risks associated with investments in emerging markets: The NAV may undergo greater variations due to potential investments, within the limit of 10% of the Fund's assets, in shares listed on emerging markets. Such markets may experience sharp price variations; in addition, their operating and supervisory conditions may differ from the standards prevailing on the major international markets.

Counterparty risk: This risk arises from the use of financial contracts negotiated over the counter with market counterparties. These transactions expose the Fund to the risk of default by one or more counterparties and may lead to a decrease in the Fund's NAV.

Risk linked to inflation: The Fund may be exposed to inflation risk, i.e. a widespread increase in prices.

- **Guarantee or protection** : None.
- **Minimum recommended investment period** : 5 years.
- **Auditors** : PWC Sellam

2. Investment policy

Fund Management Comments

The fund's performance was driven by very supportive markets during the first five months of the year. Starting in June, the problems surrounding Greece (which on 30 June defaulted on a €1.6 billion loan granted by the IMF), falling oil and commodity prices, turbulence in China and Brazil, financial woes plaguing a number of major groups, and the Volkswagen scandal all contributed to the market's subsequent decline.

The portfolio maintained its positioning. The portfolio managers gave preference to European Union large caps and did not invest in the financial sector. The ideal issuers are companies showing consistent growth, generating economic value and whose shares have upside potential.

Another aim of the issuer analysis is to select companies whose shares are expected to be less volatile than the market in general, and thus put together a robust portfolio capable of withstanding challenging market conditions.

The fund's beta with the Stoxx Europe 600 ex-financials is 0.80, meaning that the amplitude of price variations is lower for the fund than for the index.

Maximum exposure to foreign exchange risk was raised from 5% to 25% as from 5 February 2015.

Performance

The different unit categories delivered the following performances over the year:

Unit	2015 performance
E1 FR0011911189	+11.49%
I FR0011911197	+12.19%

Source: BNP Paribas Fund Services, Anaxis Asset Management. Each performance is indicated net of fees in the currency of denomination of the unit category in question, adjusted for any dividends. The data provided only cover one half-year and as such may not be considered as representative. Furthermore, past performances are not reliable indicators of future performances.

Dividends

As the fund only offers capitalisation units, dividends are not paid out in respect of the previous fiscal year.

Measurement of overall risk

The commitment method is used to measure overall risk. The fund's leverage is limited to 100% of net assets.

Information on portfolio management activity in 2015

At end-2014, the portfolio held 39 equities and 6 HY bonds comprising 8.1% of net assets. The entire bond bucket was sold in 2015 and the number of equities raised to 42.

Several small adjustments were made over the course of the year for profit-taking, to reduce exposure to equities with less upside potential, to take advantage of lower share prices on high-quality companies or simply to improve the portfolio's diversification. The fund's AuM increased from €7.2 million to €19.0 million over the year.

The largest investment line, in Korian (retirement homes), was gradually built up between April and December 2015 and accounted for 3.35% of net assets. Only one other line was over 3%: Compass (3.18%), which was already one of the top positions the previous year, alongside L'Oréal and AB-Inbev. Grandvision (optical retailer) is another new position started in 2015, coming in at No. 5 in terms of asset allocation.

Swiss equities made up less than 10% of net assets at the end of the year and will not go any higher, due to the fund's classification (European Union equities).

Information on financial contracts

The fund only used forward foreign exchange contracts entered into with BNP Paribas Securities Services. The purpose of these contracts was to hedge against foreign exchange risk arising from investments in currencies other than the EUR, for example when the fund bought securities denominated in GBP or CHF.

No financial contracts were used over the course of 2015 in order to generate additional exposure to a given market or underlying instrument, nor were any financial guarantees implemented for this purpose.

Securities and affiliated funds

The fund does not invest in securities issued by the portfolio management company or affiliated entities.

At no time over the course of 2015 did the fund hold any units or shares in collective investment undertakings managed by Anaxis Asset Management or affiliated entities.

Affiliated unitholders

When the fund was launched, 2,500 I units were purchased by Swiss-law company Anaxis S.A., which is owned and controlled by the same people as portfolio management company Anaxis Asset Management S.A.

ESG criteria

Anaxis Asset Management predominantly bases its investment process on economic and financial analysis. It does not explicitly take into consideration criteria such as an issuer's respect for the environment, corporate social responsibility or good governance (ESG criteria).

Eligibility for PEAs (French personal equity plans)

This UCITS is PEA-eligible, i.e. at least 75% of its holdings are PEA-eligible at all times. As at 31/12/2015, 82.62% of the fund's holdings were PEA-eligible.

Intermediation and other fees

Anaxis Asset Management does not charge intermediation or account activity fees on the transactions carried out for the fund. The company does not receive rebates from the custodian or from any other service provider or intermediary involved in the management of the fund.

The provision for custodian and accounting delegation fees is 0.10% (annualised).

The decision-making and intermediation fees are below the regulatory maximum.

Intermediary selection procedure

The portfolio managers work with intermediaries which are required to be on the list of intermediaries approved by the portfolio management company in accordance with internal procedures. This list is prepared on the basis of objective criteria that notably take into consideration the quality of service provided and pricing conditions. Additional information may be obtained on request from the portfolio management company or downloaded from its website at www.anaxis-am.com.

Significant post-closing events

None.

Section II: Annual Financial Statements

1. Balance sheet – Assets

	FY ended 31/12/2015	FY ended 31/12/2014
Net fixed assets - Share	-	-
Deposits	-	-
Financial instruments	17 276 997.82	7 119 818.42
Equities and equivalent securities	17 276 997.82	6 536 274.40
Traded on a regulated or equivalent market	17 276 997.82	6 536 274.40
Not traded on a regulated or equivalent market	-	-
Bonds and equivalent securities	-	383 689.24
Traded on a regulated or equivalent market	-	383 689.24
Not traded on a regulated or equivalent market	-	-
Debt securities	-	199 854,78
Traded on a regulated or equivalent market – Negotiable debt securities	-	-
Traded on a regulated or equivalent market – Other debt instruments	-	199 854.78
Not traded on a regulated or equivalent market	-	-
Investments in mutual funds	-	-
Standard UCITS and AIFs for non -professional investors and equivalent funds from other EU member states	-	-
Other funds for non-professional investors and equivalent funds from other EU member states	-	-
Standard professional funds and equivalent funds from other EU member states and listed securitisation undertakings	-	-
Other professional funds and equivalent funds from other EU member states and unlisted securitisation undertakings	-	-
Other non-European undertakings	-	-
Temporary security transactions	-	-
Receivables representing reverse repurchase agreement	-	-
Receivables representing securities loaned	-	-
Borrowed securities	-	-
Securities given under repurchase agreements	-	-
Other temporary transactions	-	-
Forward financial instruments	-	-
Transactions on a regulated or equivalent market	-	-
Other transactions	-	-
Other financial instruments	-	-
Receivables	2 725 461.66	2 705 418.96
Foreign currency forward exchange transactions Other	2 725 461,66	2 700 803.24
Other	-	4 615,72
Cash accounts	1 946 036.72	129 771.38
Cash	1 946 036.72	129 771,38
TOTAL ASSETS	21 948 496.20	9 955 008.76

2. Balance sheet – Liabilities

	FY ended 31/12/2015	FY ended 31/12/2014
Equity		
Capital	19 252 268.46	7 228 985.30
Undistributed net capital gains/losses from previous years (a)	-	-
Retained earnings (a)	-	-
Net capital gains and losses for the financial year (a,b)	- 163 808.76	-47 747.70
Income for the financial year (a,b)	-75 898.93	-11 088.16
Total equity	19 012 561.77	7 170 149.44
(=Amount representative of net assets)		
Financial instruments	-	-
Sales of financial instruments	-	-
Temporary securities transactions	-	-
Debts representing securities sold under repurchase agreements	-	-
Debts representing securities borrowed	-	-
Other temporary transactions	-	-
Forward financial transactions	-	-
Transactions on a regulated or equivalent market	-	-
Other transactions	-	-
Debts	2 863 052.92	2 784 574.67
Forward currency transactions	2 701 723.86	2 714 604.21
Others	161 329.06	69 970.46
Cash accounts	72 882.51	284.65
Bank overdrafts	72 882.51	284.65
Borrowings	-	-
TOTAL LIABILITIES	21 948 496,20	9 955 008,76

(a) Including adjustment accounts

(b) Minus interim dividends paid during the financial year

3. Off-balance sheet

	FY ended 31/12/2015	FY ended 31/12/2014
Hedging transactions	None	None
Commitments on regulated or equivalent markets	-	-
OTC commitments	-	-
Other commitments	-	-
Other transactions	None	None
Commitments on regulated or equivalent markets	-	-
OTC commitments	-	-
Other commitments	-	-

4. Income statement

	FY ended 31/12/2015	FY ended 31/12/2014
Income on financial transactions		
Income on equity and similar securities	252 472.48	52 793.72
Income on bonds and similar securities	15375.00	3 090.28
Income on debt instruments	8 375.00	-
Income on forward financial instruments	-	-
Income on temporary purchases and sales of securities	-	-
Income on deposits and cash accounts	-	19.60
Other financial income	-	-
TOTAL (I)	276 222.48	55 903.60
Charges on financial transactions		
Charges on temporary purchases and sales of securities	-	-
Charges on forward financial instruments	-	-
Charges on financial debt	-995.96	-293.92
Other financial charges	-	-
TOTAL (II)	-995.96	-293.92
Income on financial transactions (I + II)	275 226.52	55 609.68
Other income (III)	-	-
Administrative fees and depreciation expenses (IV)	-278 246.35	-69 970.46
Net income for the financial year (I + II + III + IV)	-3 019.83	-14 360.78
Income adjustment for the financial year (V)	-72 879.10	3 272.62
Interim dividends paid in respect of the financial year (VI)	-	-
income (I + II + III + IV + V + VI)	-75 898.93	-11 088.16

Section III: Annual Financial Statements - Notes

1. Accounting rules and methods

The undertaking complied with ANC (Accounting Standards Authority) Regulation No. 2014-01 of 14 January 2014 governing the chart of accounts of open-ended mutual funds.

Exceptionally, the fiscal year lasted 6 months and 15 days. The fund has opted for the EUR as its accounting currency.

All marketable securities comprising the portfolio were recognised at historic cost, excluding fees.

Any non-euro-denominated futures and options held in the portfolio are translated into the accounting currency at the Paris exchange rate observed at the valuation date.

The portfolio's value is determined on each NAV calculation date and on the balance sheet date, in accordance with the followings methods:

Marketable securities

- Listed securities: market value - including accrued coupons (closing price at D)

However, any marketable securities whose price was not observed on the valuation date, or that were quoted by contributors and whose price was corrected, as well as securities not traded on a regulated market, are measured under the responsibility of the portfolio management company (or the Board of Directors for corporate funds structures) at their probable trade value. Prices are corrected by the portfolio management company based on its knowledge of the issuers and/or markets.

- Mutual funds: at the last known NAV; failing that, at the last estimated value. The net asset values of foreign mutual funds determined on a monthly basis are confirmed by the fund administrators. Valuations are updated weekly on the basis of estimates provided by the fund administrators and validated by the fund manager.
- ETFs : at the last known NAV; failing that, at the last estimated value.
- Debt securities and similar negotiable instruments that are not involved in significant transactions are measured using an actuarial method; the interest rate used is the rate applicable to equivalent securities adjusted, where applicable, for a differential reflecting the issuer's intrinsic characteristics. In the absence of sensitivity, securities with a residual maturity of three months are measured at the last rate to maturity. For securities with a maturity of less than three months, interest is calculated on a straight-line basis.
- EMTNs are marked-to-market at prices provided by the counterparties. These valuations are checked by the portfolio management company.

Futures and options

Futures: settlement price at D.

The calculation of the off-balance sheet valuation is based on the nominal, the settlement price and, where applicable, the exchange rate.

Options: closing price at D or, failing that, the last known price.

OTC options: these options are marked-to-market based on prices provided by the counterparties. These valuations are checked by the portfolio management company.

The off-balance sheet valuation is calculated for the underlying equivalent based on the delta, the price of the underlying and, where applicable, the exchange rate.

Currency Futures: the constituent currencies are re-measured at the price taken at D, with any premium/discount calculated according to the contract expiry date.

Term Deposits: terms deposits are recorded and measured at their nominal amount, even if they have a maturity of more than three months. Accrued interest is then added to this amount. However, some

contracts include specific terms and conditions in the event of early redemption, in order to incorporate the impact of an increase in the counterparty's cost of funds curve. This impact may be subtracted from accrued interest, which cannot be negative. Accordingly, term deposits are at the very least measured at their nominal value.

Interest rate swaps:

- for swaps with an expiry of less than three months, interest is calculated on a straight-line basis.
- swaps with an expiry of more than three months are marked-to-market.

Synthetic products (combining a security and a swap) are recognised globally. Interest receivable on swaps is calculated on a straight-line basis.

Asset swaps and synthetic products are marked-to-market. The valuation of asset swaps is based on the valuation of the hedged securities, minus the impact of the change in credit spreads. This impact is measured using the average spreads provided by four counterparties surveyed monthly, corrected for a margin according to the issuer's rating.

The off-balance sheet commitment linked to swaps is recorded at their nominal value.

Structured swaps (swaps with embedded options): these swaps are marked-to-market at prices provided by the counterparties. These valuations are checked by the portfolio management company.

The off-balance sheet commitment linked to structured swaps is recorded at their nominal value.

Management fees

- E1 unit: 2.00% maximum (incl. VAT)
- I unit: 1.25% maximum (incl. VAT)

Management fees are calculated on the basis of net assets. They are expensed directly in the Fund's income statement.

Management fees cover all expenses invoiced to the Fund, with the exception of transaction fees. Transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the account activity fee, where applicable, that may be charged by the custodian and the portfolio management company.

External management fees

0.10% with tax (maximum) of net assets, with any surplus covered by the portfolio management company.

Incentive fee

10% with tax of the any performance beyond an annualised net performance of 7%.

With each NAV calculation, the fund's excess return is defined as the positive difference between the fund's net assets, before factoring in any provision for incentive fees and after factoring in fixed management fees, and the net assets of a notional fund with an annualised net performance of 7% and recording the same subscriptions and redemptions as the actual fund. With each NAV calculation, a provision in the amount of 10% (with tax) of the excess return or, where applicable, a provision reversal if the fund underperforms, is recognised. In the event of redemptions, the share of the incentive fee associated with the redeemed units is permanently paid to the fund. Aside from these cases, the annual period taken into consideration when calculating incentive fees is the financial year. However, the initial fees were calculated over a period ranging from the Fund's inception date (16 June 2014) to 31 December 2015.

Chargebacks of management fees

None.

Interest recognition method

Fixed income is recognised using the redeemed coupon method.

Distribution of earnings

Capitalisation for E1 and I units.

Allocation of net capital gains

Capitalisation for E1 and I units.

Changes affecting the Fund

None.

2. Change in net assets

	FY ended 31/12/2015	FY ended 31/12/2014
Net assets at start of financial year	7 170 149.44	-
Subscriptions (including subscription fees paid to the Fund)	12 928 838.71	7 937 360.67
Redemptions (minus fees paid to the Fund)	-2 003 298.84	-970 355.66
Capital gains realised on deposits and financial instruments	490 945.52	60 971.48
Capital losses realised on deposits and financial instruments	-301 532.97	-59 162.78
Capital gains realised on forward financial instruments	-	-
Capital losses realised on forward financial instruments	-	-
Transaction fees	-43 068.38	-29 592.35
Foreign exchange differences	-63 309.34	-20 810.75
Change in valuation difference on deposits and financial instruments	836 856.46	266 099.61
Valuation difference Year N	1 102 956.07	266 099.61
Valuation difference Year N-1	-266 099.61	-
Change in valuation difference on forward financial instruments	-	-
Valuation difference Year N	-	-
Valuation difference Year N-1	-	-
Distribution for the previous year based on net capital gains and losses	-	-
Distribution for the previous year based on income	-	-
Net income for the financial year before accruals	-3 019.83	-14 360.78
Interim dividend(s) paid during the financial year based on net capital gains and losses	-	-
Interim dividend(s) paid during the financial year based on income	-	-
Other items	-	-
NET ASSETS AT END OF FINANCIAL YEAR	19 012 560.77	7 170 149.44

3. Additional disclosures 1

	FY ended 31/12/2015
Commitments given or received	None
Commitments given or received (capital guarantee or other commitments)(*)	-
Present value of financial instruments in portfolio constituting collateral	None
Financial instruments received as collateral and not recorded in the balance sheet	-
Financial instruments pledged as collateral and maintained on the initial balance sheet line	-
Financial instruments held in portfolio issued by service provider or entities belonging to its group	None
Deposits	-
Equities	-
Fixed income securities	-
UCITS	-
Temporary purchases and sales of securities	-
Swaps (nominal)	-
Present value of borrowed financial instruments	None
Securities sold under repurchase agreements	-
Securities purchased under resale agreements	-
Borrowed securities	-

(*) Information concerning guaranteed UCITS is provided in the accounting rules and methods.

4. Additional disclosures 2

Issues and redemptions during the accounting period	FY ended 31/12/2015 Units	
Category E1 (currency: EUR)		
Number of securities issued	64 412.3265	
Number of securities redeemed	18 194.6101	
Category I (currency: EUR)		
Number of securities issued	50 000.0000	
Number of securities redeemed	120.0000	
Subscription and redemption fees	Amount (EUR)	
Amount of subscription fees received	-	
Amount of redemption fees received	-	
Amount of subscription fees received and charged back	-	
Amount of redemption fees received and charged back	-	
Management fees	Amount (EUR)	% of average net assets
Category E1 (Currency: EUR)		
Fixed operating and management fees	196 402.82	2.10
Incentive fees	3 313.79	-
Other fees	-	-
Category I (Currency: EUR)		
Fixed operating and management fees	79 845.30	1.65
Incentive fees	-1 315.56	-
Other fees	-	-
Management fees charged back (all units combined)		
	-	-

(*) For UCITS with a financial year of not equal to 12 months, the percentage of average net assets is the annualised average rate.

5. Breakdown of payables and receivables by type

	FY ended 31/12/2015
Breakdown of receivables by type	
Deposits in euro	-
Deposits in other currencies	-
Cash collateral	-
Valuation of forward currency purchases	-
Exchange value of forward currency sales	2 725 461.66
Other sundry debtors	-
Coupons receivable	-
TOTAL RECEIVABLES	2 725 461.66
Breakdown of payables by type	
Deposits in euro	-
Deposits in other currencies	-
Cash collateral	-
Provision for borrowing costs	-
Valuation of forward currency sales	2 701 723.86
Exchange value of forward currency purchases	-
Fees and expenses not paid	161 329.06
Other sundry creditors	-
Provision for liquidity risk	-
TOTAL PAYABLES	2 863 052.92

6. Breakdown by legal or economic type of instrument

	FY ended 31/12/2015
Assets	None
Bonds and similar securities	
Indexed bonds	-
Convertible bonds	-
Participating securities	-
Other bonds and similar securities	-
Debt securities	
<i>Traded on a regulated market</i>	
Treasury notes	-
Other negotiable debt securities	-
Other debt securities	-
<i>Not traded on a regulated market</i>	-
Liabilities	None
Sales of financial instruments	
Equities	-
Bonds	-
Others	-
Off-balance sheet	None
Hedging transactions	
Fixed income	-
Equities	-
Others	-
Other transactions	
Fixed income	-
Equities	-
Others	-

7. Breakdown of assets, liabilities and off-balance sheet items by type of interest rate

	Fixed rate	Variable rate	Adjustable rate	Others
Assets	None	None	None	
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt securities	-	-	-	-
Temporary securities transactions	-	-	-	-
Cash accounts	-	-	-	1 946 036.72
Liabilities	None	None	None	
Temporary securities transactions	-	-	-	-
Cash accounts	-	-	-	72 882.51
Off-balance sheet	None	None	None	None
Hedging transactions	-	-	-	-
Other transactions	-	-	-	-

8. Breakdown of assets, liabilities and off-balance sheet items by residual maturity

	0 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	More than 5 years
Assets		None	None	None	None
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Cash accounts	1 946 036.72	-	-	-	-
Liabilities		None	None	None	None
Temporary securities transactions	72 882.51	-	-	-	-
Financial accounts	-	-	-	-	-
Off-balance sheet	None	None	None	None	None
Hedging transactions	-	-	-	-	-
Other operations	-	-	-	-	-

9. Breakdown of assets, liabilities and off-balance sheet items by quotation currency

	CHF	EUR	GBP	NOK	SEK
Assets		None	None	None	None
Deposits	-	-	-	-	-
Equities and similar securities	1 569 262.46	1 463 433.58	2 358 991.64	-	1 290 625.74
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Mutual fund securities	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Other financial instruments	-	-	-	-	-
Receivables	-	-	-	-	-
Cash accounts	-	0.03	-	3.28	4 070.43
Liabilities		None		None	None
Sales of financial instruments	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Payables	1 617 289.07		1 084 434.79	-	-
Cash accounts	0.26	-	72 882.25	-	-
Off-balance sheet	None	None	None	None	None
Hedging transactions	-	-	-	-	-
Other operations	-	-	-	-	-

Only the five currencies whose amount is most representative of the Fund's net assets are included in this table.

10. Distribution of earnings

Category: E1 (currency: EUR)	FY ended 31/12/2015	FY ended 31/12/2014
Statement of allocation of amounts available for distribution related to income		
Amounts remaining to be distributed		
Retained earnings	-	-
Income	-73 842.16	-12 577.55
TOTAL	-73 842.16	-12 577.55
Allocation		
Distribution	-	-
Retained earnings for the financial year	-	-
Capitalisation	-73 842.16	-12 577.55
TOTAL	-73 842.16	-12 577.55
Information concerning securities entitling the holder to dividends		
Number of securities	-	-
Unit distribution	-	-
Tax credits associated with the distribution of earnings		
Overall amount of tax credits associated with the distribution of earnings :	-	-
for financial year	-	-
for financial year N-1	-	-
for financial year N-2	-	-
for financial year N-3	-	-
for financial year N-4	-	-
Statement of allocation of amounts available for distribution related to net capital gains		
Amounts remaining to be distributed		
Undistributed net capital gains and losses from previous financial years	-	-
Net capital gains and losses for the financial year	-98 430.85	-36 503.85
Interim dividends paid on net capital gains and losses for the financial year	-	-
TOTAL	-98 430.85	-36 503.85
Allocation		
Distribution	-	-
Retained earnings for the financial year	-	-
Undistributed net capital gains and losses	-98 430.85	-36 503.85
TOTAL	-98 430.85	-36 503.85
Information concerning securities entitling the holder to dividends		
Number of securities	-	-
Unit distribution	-	-

Category: I (currency: EUR)
**FY ended
31/12/2015**
**FY ended
31/12/2014**

Statement of allocation of amounts available for distribution related to income

Amounts remaining to be distributed

Retained earnings	-	-
Income	-2 056.77	-1 489.39
TOTAL	-2 056.77	-1 489.39

Allocation

Distribution	-	-
Retained earnings for the financial year	-	-
Capitalisation	-2 056.77	-1 489.39
TOTAL	-2 056.77	-1 489.39

Information concerning securities entitling the holder to dividends

Number of securities	-	-
Unit distribution	-	-

Tax credits associated with the distribution of earnings

Overall amount of tax credits associated with the distribution of earnings :	-	-
for financial year	-	-
for financial year N-1	-	-
for financial year N-2	-	-
for financial year N-3	-	-
for financial year N-4	-	-

Statement of allocation of amounts available for distribution related to net capital gains

Amounts remaining to be distributed

Undistributed net capital gains and losses from previous financial years	-	-
Net capital gains and losses for the financial year	-65 377.91	-11 243.85
Interim dividends paid on net capital gains and losses for the financial year	-	-
TOTAL	-65 377.91	-11 243.85

Allocation

Distribution	-	-
Retained earnings for the financial year	-	-
Undistributed net capital gains and losses	-65 377.91	-11 243.85
TOTAL	-65 377.91	-11 243.85

Information concerning securities entitling the holder to dividends

Number of securities	-	-
Unit distribution	-	-

11. Statement of income and other characteristics items

Category: E1 (currency: EUR)	16/06/2014 (1)	31/12/2014	31/12/2015
Amounts remaining to be distributed	100.00	102.22	113.96
Net assets (in € thousands)	2 618.00	5 477.02	11 373.45
Number of securities	26 180.0000	53 577.2710	99 794.9874
Payment date	16/06/2014	31/12/2014	31/12/2015
Unit distribution based on net capital gains and losses (including interim dividends)(in €)		-	-
Unit distribution based on income (including interim dividends)(in €)		-	-
Unit tax credit (*) Individuals (in €)		-	-
Unit capitalisation based on net capital gains and losses		-0.68	-0.98
Unit capitalisation based on income		-0.23	-0.73

Category: I (currency: EUR)	16/06/2014 (1)	31/12/2014	31/12/2015
Amounts remaining to be distributed	100.00	102.57	115.07
Net assets (in € thousands)	628.00	1 693.13	7 639.11
Number of securities	6 280.0000	16 506.4683	66 386.4683
Payment date	16/06/2014	31/12/2014	31/12/2015
Unit distribution based on net capital gains and losses (including interim dividends)(in €)		-	-
Unit distribution based on income (including interim dividends)(in €)		-	-
Unit tax credit (*) Individuals (in €)		-	-
Unit capitalisation based on net capital gains and losses		-0.68	-0.98
Unit capitalisation based on income		-0.09	-0.03

- (1) First valuation date.
- (*) The unit tax credit is determined at the payment date, in accordance with the Tax Instruction of 04/03/93 (Inst. 4 K-1-93). Theoretical amounts, calculated according to the rules applicable to individuals, are shown here for information purposes. Instruction 4 J-2-99 of 08/11/99 also stipulates that beneficiaries of a tax credit other than individuals calculate the amount of the tax credit to which they are entitled under their own responsibility.

12. Inventory of financial instruments

Asset items and name of securities	Quantity	Price	Quotation currency	Present value	% rounded of net assets
Traded on a regulated or equivalent market				17 276 997.82	90.87
AIR LIQUIDE	2 200,00	103,65	EUR	228 030,00	1,20
ANHEUSER-BUSCH INBEV	4 583,00	114,40	EUR	524 295,20	2,76
ASML HOLDING NV	5 649,00	82,55	EUR	466 324,95	2,45
ATLANTIA	10 244,00	24,50	EUR	250 978,00	1,32
ATLAS COPCO AB	18 788,00	208,40	SEK	427 533,86	2,25
BAYER	4 874,00	115,80	EUR	564 409,20	2,97
BRENTAG	10 212,00	48,28	EUR	493 035,36	2,59
CHRISTIAN DIOR	3 020,00	156,75	EUR	473 385,00	2,49
CIE FINANCIERE RICHEMON	4 612,00	72,10	CHF	305 798,42	1,61
COMPASS GROUP PLC	38 451,00	11,75	GBP	612 983,18	3,22
CTS EVENTIM	14 827,00	36,74	EUR	544 743,98	2,87
ELTEL AB-W/I	9 960,00	84,50	SEK	91 898,47	0,48
ESSENTRA PLC	36 689,00	8,28	GBP	412 163,25	2,17
ESSILOR INTL	2 564,00	115,05	EUR	294 988,20	1,55
FRESENIUS	7 751,00	65,97	EUR	511 333,47	2,69
GIVAUDAN NOM.	228,00	1 823,00	CHF	382 236,53	2,01
GRANDVISION NV- W/I	19 308,00	27,66	EUR	534 059,28	2,81
GRIFOLS CL.B	6 777,00	29,92	EUR	202 733,96	1,07
HENNES MAURITZ S.B	14 797,00	302,10	SEK	488 108,81	2,57
HERMES INTERNATIONAL	1 645,00	311,75	EUR	512 828,75	2,70
INGENICO	3 975,00	116,50	EUR	463 087,50	2,44
ISS A/S	16 130,00	248,70	DKK	537 547,79	2,83
KORIAN	18 933,00	33,68	EUR	637 663,44	3,35
LINDE	1 443,00	133,90	EUR	193 217,70	1,02
MTU AERO ENGINES HOLDINGS	4 942,00	90,10	EUR	445 274,20	2,34
NOVO NORDISK A/S-B	9 904,00	399,90	DKK	530 724,29	2,79
NOVOZYMES A/S-B SHARES	8 920,00	330,60	DKK	395 161,50	2,08
OREAL	3 453,00	155,30	EUR	536 250,90	2,82
PERNOD RICARD	4 994,00	105,20	EUR	525 368,80	2,76
PLASTIC OMNIUM	15 273,00	29,33	EUR	447 957,09	2,36
PROSIEBENSAT.1 MEDIA AG	12 061,00	46,77	EUR	564 032,67	2,97
RENTOKIL INITIAL	227 728,00	1,59	GBP	492 192,80	2,59
RIGHTMOVE	7 673,00	41,25	GBP	429 429,82	2,26
ROCHE HOLDING BJ	1 932,00	276,40	CHF	491 084,05	2,58
ROTORK SHS	96 670,00	1,83	GBP	239 625,66	1,26
SABMILLER PLC	3 126,00	40,70	GBP	172 596,93	0,91
SGS NOM.	222,00	1 911,00	CHF	390 143,46	2,05
SKF SIE B	18 896,00	137,20	SEK	283 084,60	1,49

SUEZ ENVIRONNEMENT	19 320,00	17,26	EUR	333 463,20	1,75
UNILEVER	11 700,00	40,54	EUR	474 306,30	2,49
WIRECARD AG	3 034,00	46,50	EUR	141 081,00	0,74
ZODIAC AEROSPACE	10 550,00	21,98	EUR	231 836,25	1,22
Forward financial instruments				-	-
Margin calls				-	-
Swaps				-	-
Receivables				2 725 461.66	14.34
Payables				-2 863 052.92	-15.06
Deposits				-	-
Other cash accounts				1 873 154.21	9.85
Liabilities				19 012 560.77	100.00