G FUND

Open-ended investment company with variable capital (Société d'Investissement à Capital Variable)

Audited annual report

as at 29/02/16

R.C.S. (Trade and Companies Register) Luxembourg No. B 157527

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Contents

Details of changes in the securities portfolio for the year ended 29 February 2016 may be obtained free of charge from the registered office of the SICAV.

Organisation and Administration

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REGISTRAR AND TRANSFER AGENT

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Board of Directors

Chairman

Mr J-M. Catala, Head of Business Development, Groupama Asset Management, Paris

Members

Mr A. Ganet, Head of International Business Development, Groupama Asset Management, Paris

Mr T. Goudin, Head of Marketing and Customer Support, Groupama Asset Management, Paris

Mr H. Chabadel, Head of Investment Solutions, Groupama Asset Management, Paris

Mr A. De Salins, Chief Investment Officer, Groupama Asset Management, Paris (until 30 September 2015)

Mr B. Duclos, Head of Operations, Groupama Asset Management, Paris

Audit report

To the shareholders of
G FUND

We have conducted the audit of the accompanying financial statements of G FUND (the “SICAV”) and each of its sub-funds, including the statement of assets and the securities portfolio as at 29 February 2016, the statement of operations and changes in net assets for the year ended on that date, and the notes comprising a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Board of Directors of the SICAV for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements, in accordance with the legal and regulatory requirements relating to the preparation and presentation of financial statements in force in Luxembourg, as well as the internal control that it deems necessary to allow for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Responsibility of the Statutory Auditor

Our responsibility, based on our audit, is to express an opinion on these financial statements. We conducted our audit in accordance with the International Auditing Standards as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (Financial Sector Supervisory Commission, CSSF). Those standards require us to comply with ethical rules and to plan and conduct the audit in order to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit involves the implementation of procedures to gather audit evidence about the amounts and information disclosed in the financial statements. These procedures are selected based on the judgement of the Statutory Auditor, as is the assessment of the risk that the financial statements contain material misstatements, whether due to fraud or error. In making this risk assessment, the Statutory Auditor takes into account the internal control implemented by the entity relating to the preparation and fair presentation of the financial statements, in order to set out audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion as to the effectiveness of the entity’s internal control mechanism. An audit also includes an assessment of the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the SICAV’s Board of Directors, as well as an assessment of the overall presentation of the financial statements.

We believe that the audit evidence gathered is sufficient and appropriate as a basis for our opinion.

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R.Luxembourg Trade and Companies Register no. B 65 477 – VAT LU25482518

Opinion

In our opinion, the financial statements give a true and fair view of the assets and financial position of G FUND and each of its sub-funds as at 29 February 2016, as well as the results of their transactions and changes in net assets for the year ended on that date, in accordance with the legal and regulatory requirements relating to the preparation and presentation of financial statements in force in Luxembourg.

Other matter

The additional information included in the annual report was reviewed as part of our duties, but was not subject to specific audit procedures pursuant to the standards described above. As a result, we express no opinion on this information. Nevertheless, said information does not call for any particular comment from us in the context of the financial statements taken as a whole.

PricewaterhouseCoopers, Société coopérative (a cooperative company) Luxembourg, XX 2016
Represented by

Laurent Marx

G FUND

Combined

G FUND
Combined

Financial Statements as at 29/02/16

Statement of Assets as at 29/02/16

Expressed in EUR

Assets		**943,859,543.66**
Securities portfolio at assessed value	Note 2	848,715,188.11
Purchase price		*860,721,112.83*
Unrealised loss on securities portfolio		*-12,005,924.72*
Options purchased at market value	Note 2, 8	2,941,095.59
Options purchased at purchase price		*3,292,959.24*
Cash at bank and liquidities		62,710,974.36
Interest receivable on swap contracts		211,708.33
Interest receivable on bonds		7,972,998.91
Interest receivable on bank accounts		632.61
Receivables on sale of investments		644,394.65
Subscriptions receivable		14,846,426.16
Dividends receivable	Note 2	366,279.91
Unrealised net gain on forward currency contracts	Note 2, 6	4,281,392.37
Unrealised net gain on futures contracts	Note 2, 7	583,963.28
Unrealised net gain on swap contracts	Note 2, 9	104,942.00
Receivables on swap contracts	Note 2	479,547.38
Liabilities		**22,093,885.19**
Options sold at market value	Note 2, 8	1,085,040.00
Options sold at purchase price		*1,199,362.00*
Bank debts payable on demand		413,009.30
Payables on purchases of investments		12,176,572.15
Interest payable on swap contracts		625,557.72
Subscription tax payable	Note 5	16,580.97
Performance fee payable	Note 3	4,828,529.99
Redemptions payable		738,887.63
Unrealised net loss on forward currency contracts	Note 2, 6	63.29
Unrealised net loss on futures contracts	Note 2, 7	620,505.13
Unrealised net loss on swap contracts	Note 2, 9	958,008.38
Management and advisory fee payable	Note 3	276,182.72
Administration and custodian fee payable	Note 4	57,777.05
Payables on swap contracts	Note 2	217,383.24
Other liabilities		79,787.62
Net asset value		**921,765,658.47**

G FUND
Combined

Statement of Operations and Changes in Net Assets from 01/03/15 to 29/02/16

Expressed in EUR

Income		**20,591,153.29**
Net dividends	Note 2	3,584,263.02
Net interest on bonds	Note 2	15,604,041.43
Bank interest payable on demand		12,841.27
Other financial income		1,662.00
Interest on swaps		1,388,345.57
Expenses		**13,766,390.63**
Amortisation of costs of incorporation	Note 2	9,234.19
Management and advisory fee	Note 3	2,649,749.74
Custodian fee	Note 4	176,584.51
Subscription tax	Note 5	80,888.99
Administration fee	Note 4	246,995.00
Performance fee	Note 3	4,828,529.99
Professional and legal fees		146,983.36
Interest on bank overdraft		69,906.95
Transaction fees	Note 2	1,070,401.82
Interest on swaps		4,140,507.55
Other expenses		346,608.53
Net investment income		**6,824,762.66**
Net profit/loss realised on:		
- sale of securities	Note 2	3,863,820.41
- options	Note 2	1,030,823.40
- forward currency contracts	Note 2	-302,403.77
- futures contracts	Note 2	-3,082,953.80
- swap contracts	Note 2	277,203.87
- foreign exchange		3,480,709.78
Net profit realised		**12,091,962.55**
Change in unrealised net gain/loss on:		
- securities portfolio		-45,082,912.32
- options	Note 2	431,771.98
- forward currency contracts	Note 2	5,680,956.36
- futures contracts	Note 2	-590,183.57
- swap contracts	Note 2	1,601,008.74
Reduction in net assets resulting from transactions		**-25,867,396.26**
Dividends paid	Note 12	-9,528,405.53
Accumulation share subscriptions		526,290,913.44
Distribution share subscriptions		172,142,256.82
Accumulation share redemptions		-260,987,279.97
Distribution share redemptions		-56,767,065.25
Increase in net assets		**345,283,023.25**
Net assets at the beginning of the year		**576,482,635.22**
Net assets at the end of the year		**921,765,658.47**

G FUND

– European Small and Mid Cap

Management report

February 2016

After a bearish start to the month, continuing the trend first observed in January, February finally saw the global equity markets return to better fortunes, and there were just as many reasons after the event (the US economy was in good shape at last, the central banks remained accommodative, etc.) to explain this upturn as there had been to explain the market downturn at the start of the year. In this still-volatile context, our Fund ultimately posted a very slight decline over the month.

Among the positive contributions to performance over the month, Sartorius Stedim (+12.50%), the specialist in production equipment for the biotechnology sector, took top billing once again after publishing remarkable annual results showing record organic growth of more than 19% over the year and the announcement of projected growth for 2016 of between 12% and 16% (between 10.5% and 14.50% in organic terms). Buoyed by an acceleration of growth on its markets and the continuation of its gains in market share, the company also increased its targets for 2020 in terms of growth opportunities for its income and its margins.

Still in the medical field, dental implant manufacturer Straumann (+7.10%) demonstrated the relevance of its industrial strategy once again with the announcement of remarkable organic growth of 9% in the fourth quarter, driven primarily by strong operational performances in Europe and Asia Pacific, and operational leverage that remains solid, allowing an increase in the group’s margin of more than 200 basis points in 2015.

Testing specialist Eurofins Scientific (+8.40%) bounced back strongly in February, after a period of consolidation over several months, and the company published fourth-quarter organic growth of 9.50%, significantly above the long-term organic growth target of 5%, which, after the 8% gain recorded in the third quarter, reflected a clear period of very strong momentum across all of its markets both in terms of geographic regions and business lines.

Finally, driven by the momentum of automation, with demand remaining strong for its robotics solutions for the industrial sector, the robotics specialist Kuka (+21.60%) continued to benefit from increasing its stake in the Chinese industrial company Midea, after its equity interest crossed the 10% threshold at the start of the month.

At the other end of the spectrum, several stocks associated with the digital economy were among the negative contributors to performance. Stocks in the field of electronic payments suffered over the period with the decline of Ingenico (-14.30%) as a result of its 2016 margin target being reduced, as the management exercised its usual sense of caution at the start of the year, due to an expected increase in investments in preparation for the group’s future growth. We also saw a marked decline in the online payment specialist Wirecard (-21.20%) which, in a context of exacerbated volatility, appeared to come under attack by hedge funds in the form of the circulation in the market by an unidentified source of a purported critical analysis note about the company, in a move that was similar to attacks of the same type made against the company in 2010 and more recently during the previous summer; in each case, the reports proved to be unfounded.

Management Report (continued)

January 2016

After a significant increase in the last quarter of 2015, January 2016 was marked by a phase of clear consolidation for our fund, in a context of high volatility on the global stock markets.

While several niche stocks were able to perform well, supported by excellent annual earnings announcements and favourable prospects, many companies saw their securities consolidate across all sectors.

Among the positive contributions over the month, the European leader in software for the healthcare sector, Compugroup (+9.20%), enjoyed further good performance and continued to benefit from the official launch in December of a new electronic health card in Germany in the next few quarters, a project in which the company is one of the main architects. Several stocks in the dynamic healthcare sector, such as Straumann (dental implants, -0.30%) and Sartorius (equipment for biotechnology production, -1.50%) also proved to have very resilient profiles.

In terms of niche consumer spending, Danish jeweller Pandora (+5.20%) rose in the wake of the announcement of organic annual sales growth of +29%, reflecting the excellent performance of its strategy of international expansion.
Lastly, we noted the positive performance of Autoneum (+7.50%), specialising in insulation in the automotive sector and Wirecard (+0%), the online payment company, following the announcement of positive annual earnings.

As indicated, several positions ended the month on a marked downturn, particularly in the fields of industry, digitisation of the economy and niche consumer spending and services.
Among the largest negative contributions, we noted such stocks as Zooplus (-20.50%), a player in online pet product distribution, Nemetschek (-8.90%), the European market leader in 3D software for architects and Dignity (-11.90%), a funeral services specialist in the United Kingdom.

Similarly, industrial stocks suffered, as did Swedish polymer specialist Nolato (-13.40%), despite good annual results.
Finally, we observed that many Italian stocks, which posted some of the best performances in the portfolio in 2015, clearly consolidated at the beginning of this year; these included high-end coffee machine manufacturer De'Longhi (-20.70%) and high-end brake manufacturer Brembo (-15.60%).

December 2015

After the strong performances recorded in October and November, our fund posted a slight increase in December, ending a record year in terms of absolute and relative performance on a positive note.

Among the positive contributors over the month were architecture software specialist Nemetschek (+9.70%), which continued its good run in the wake of strong operating momentum thanks to the success of its 3D design software and its expansion in the North American market. Furthermore, the Group is continuing its targeted acquisition policy, with the announcement of its takeover of Finnish publisher Solibri, which provides software to test 3D models prior to the planning and construction phases, and which, like Bluebeam in 2014, means it can continue to expand its services for the attractive construction sector.

Management Report (continued)

Also in the field of the digital economy, ticketing specialist CTS Eventim (+9.70%) continued to benefit from the switch from paper tickets to a paperless format, via its distribution platform.

In the industrial automation sector, Swiss firm Interroll (+10.70%) benefited from ongoing high demand worldwide for its equipment, particularly its new modular platform for new generation components and conveyors, while the multi-channel e-commerce and distribution revolution made companies rethink their logistics systems.

In the field of consumer goods, the Italian company De'Longhi reported further strong growth (+6.70%) in the wake of its announcement in November of excellent quarterly results which illustrated, through organic growth of +9%, the relevance of its industrial strategy with the continued strong growth and gains in market share of its high-end coffee machines business line.

Lastly, we also saw positive contributions from the British veterinary clinic group CVS (+3.90%) and the Swedish polymer specialist Nolato (+3.60%).

One of the most substantial negative contributions over the period came from the test service specialist Eurofins Scientific (-9.60%), as the company announced then cancelled a 6.5% capital increase. This was achieved as the company's stock came close to its record high, following the publication of excellent quarterly results, several consecutive upward revisions of its annual targets since October and without information regarding its use, there was a clear lack of appetite for the transaction. Intended to give the company every means, in addition to its recent bond issues, to continue its policy of external growth, the failure to complete the planned capital increase did not prevent the announcement, during the month, of three new acquisitions in the field of environmental testing in Austria and Norway. It will be up to the management, over the coming months, to provide further explanations regarding the appropriateness of such an operation in the context of its growth strategy. Despite this decline at the year-end, Eurofins posted a rise over the year of +52.30% and is one of the largest positive contributors to the performance of our fund.

November 2015

Continuing the significant upturn seen in October, November was very favourable for European small and mid-cap companies. Our Fund performed well once again, ending the month on a new high for the year.

Once more, several of the Fund's stocks contributed to this performance in a very favourable environment thanks to the announcement of good results for Q3.

In services, Teleperformance, the outsourced customer relationship management specialist (+8.70%) further benefited from its relevant strategy of international rollout and diversification in its key business sectors, with organic growth of +7% Q3. Remaining in the services field, CVS Group (+12.70%) continued its good run, making the most of its strategy combining organic growth and consolidation of its veterinary clinic market the United Kingdom.

Management Report (continued)

In the field of the digital economy, the European market leader in software for doctors Compugroup (+22.40%) posted robust performance over the month as the vote on healthcare in the German parliament neared, potentially giving the go-ahead for a new electronic healthcare card in Germany over the next few quarters. The company is one of the main architects of this project that could greatly speed up its growth in the coming years.

Lastly, against a backdrop of good quarterly results demonstrating the strength of their manufacturing strategies, we saw positive contributions in consumer stocks present in market niches like high-end coffee machine maker De'Longhi (+16.80%) and UK kitchen specialist Howden Joinery (+14.30%).

Negative contributions over the period included the German mobile telephony operator Drillisch (-12.20%) and outsourced financial services company Leonteq (-14%), which suffered from profit-taking over the month.

October 2015

October proved to be very positive for equity markets, after two patchy months in a climate featuring the marked return of volatility. Our Fund, which showed great resilience during this jittery period, performed well once again, ending the month with strong growth and reaching a new high for the year.

Many of the Fund's stocks stood out once again with excellent operational performance and targets revised upwards as the Q3 results period got underway.

Thanks to momentum in terms of innovation in the medical sector, Sartorius Stedim (+20.80%), the specialist in production equipment for the biotechnology industry, posted record organic growth of +30% over the quarter, illustrating the excellent vitality of its main markets in both North America and Europe. For the third time in three quarters, the company made upwards revisions in its expectations in terms of annual growth and margin.

Test laboratory specialist Eurofins Scientific (+19.90%) also posted organic growth of +8%, up over the quarter, and revised its growth objective for sales upwards, both annually and in the medium term. After doubling its sales in the past five years, the group aims to double them again by 2020 to reach €4 billion in income by pursuing its strategy combining organic growth and acquisitions.

Nemetschek (+16.80%) posted a quarter-on-quarter acceleration of its organic growth, of more than +16% in Q3, and revised its expected annual growth upwards. The company continues to benefit from the success of its 3D software for architects and the strong growth, particularly in North America, of its recent acquisition, Bluebeam Software.

We also saw a major positive contribution from Ubisoft (+50.70%), which benefited from the acquisition of share capital by Vivendi, which now has a holding of 10.40%. Vivendi's CEO Vincent Bolloré wants to see cooperation between his group and the world no. 3 in video games – which has so far been refused by its CEO Yves Guillemot, who along with his brothers holds a 9% stake in the company – and does not rule out the launch of a takeover bid for all of the capital in the long term.

Management Report (continued)

Lastly, several stocks also stood out in the digital economy sector, such as Zooplus (+17.70%), in niche financial services such as Grenke Leasing (+17.90%), in machinery for the food processing industry such as IMA (+17.60%) and in the industrial field relating to the automotive value chain such as Brembo (+15.90%), Dürr (+20.70%) and Melexis (+10.60%).

September 2015

Though for equity markets, September saw a continuation of the correction that began the previous month, our Fund held up well over the period as a result, amongst other things, of the continued positive performance of several key stocks in our basket.

Among the positive contributions to performance was mobile telephony operator Drillisch (+17.80%), which continued its uptick led by robust operating momentum and encouraging initial results, especially after the "investor day" held last August, connected with the success of its ambitious growth strategy for its subscriber base thanks to the innovative agreement signed with MBA MVNO last year.
We also saw good performance from Nemetschek (+7.80%), the specialist in 3D software for architects, which continued its strong operational momentum and deployment, particularly in the United States thanks to the success of its acquisition of Bluebeam in 2014.

UK veterinary clinic specialist CVS Group (+5.30%) again posted excellent performance over the month after announcing annual results that showed its strong operating momentum supported by an acquisition and market consolidation strategy for veterinary services in the UK.

Still in the field of the digital economy, stocks linked to digital payment were much sought after. After several months with no obvious trend despite excellent operational performances, Wirecard posted strong growth of +15% over the period, while the company should see the commercial launch by Orange in France of its smartphone-based virtual wallet/contactless payment solution in the coming months. This performance also came in the context of the forthcoming IPO of its competitor Worldpay, after the takeover bid made by Ingenico was rejected. The leading multi-channel payment stock, which initially continued its decline, bounced back at the end of the month, posting only a moderate fall of 2.30%.

There were negative contributions over the period from several stocks as they fell victim to profit-taking after their excellent performance in previous months; these included Sartorius Stedim (-6.90%), Eurofins (-8.10%) and Leonteq (-23.50%), whose downturn was exacerbated in a climate of high market volatility due to a downgrade by analysts. It should be noted that the specialist in outsourced structured products' stock still showed high growth over the year of +59.50%.

As was the case the previous month, some securities in the automotive value chain such as Duerr (-9%) or Melexis (-6.90%) continued to consolidate against a backdrop of questions about the Chinese automotive market added to the Volkswagen scandal. Lastly, Zodiac (-24.40%) posted a sharp decline after the announcement of significant provisions, as the company continued to suffer the repercussions of its manufacturing organisation failure within its head office division and its inability to deliver to its clients on time, incurring additional costs and penalties.

Management Report (continued)

AUGUST 2015

After the significant upturn in July, thanks to excellent quarterly results for several major stocks in our Fund, August ended with a net fall in our portfolio, offset in part by the previous month’s performance. The period was marked in particular by a return of volatility to the wider equity market in a mixed climate of concerns about the real health of the Chinese economy, a correction of the Chinese stock markets – which fell by as much as they had risen without economic justification during previous quarters – and commodities prices that were still at their lowest levels. Stocks considered to be exposed to China, particularly related to capital goods and the automotive sphere - which includes many German securities - suffered as they had done the previous month.

Among the best performances over the month, we saw strong positive contributions from German media specialist Stroër which continued its good run with an increase of +16.40% over the month. Simultaneously with the reporting of further strong quarterly operating performance and an increase in its annual targets, the group announced the acquisition from Deutsche Telekom of the internet portal T-online and Interactive Media, a major player in digital marketing, continuing the Group’s transformation from a specialist in display signage to a dominant player in online advertising in Germany. The transaction, part-paid in stock, also saw Deutsche Telekom take a 13% holding in Stroër’s capital.

Among other good news this month, of note was the sound performance from Swiss Interroll Holding (+13.20%), in the wake of a further positive earnings announcement, continuing to benefit from high demand for its logistics equipment - new-generation conveyors and components - worldwide, particularly in America and Asia. We also saw further good performance by the German mobile telephony operator Drillisch (+4.80%), whose excellent quarterly results reflect the continuation of its strong business momentum. Lastly, we saw the resilience of the major structural positions of Sartorius Stedim (+0.60%), Pandora (+0.60%) and Eurofins Scientific (+0.20%) in the Fund.

As stated, several stocks considered as potentially affected by a slowdown in certain segments of the Chinese economy continued to fall during the month. These included companies linked to the automotive sphere, from suppliers like brake manufacturer Brembo (-9.90%) or manufacturer of semi-conductors for onboard electronic systems Melexis (-8.60%) and U-blox (-9.50%) to industrial automation specialists Duerr (-8%) and Kuka (-9%).

In the digital economy field, Ingenico (-7.50%) was down over the period after its strong performance in July, while rumours at the very end of the month, not commented upon by the company, talked of potential interest by the French multichannel payment specialist in its British competitor Worldpay. Though such an acquisition may make sense from an industrial point of view, thus speeding up its deployment strategy in payment services, the stock’s decline could be explained, given the size of the potential target (a market capitalisation close to that of Ingenico is talked of), by the possibility of a capital increase to support its financing.

Management Report (continued)

July 2015

July ended with very good performance for our stock selection and a new annual high for our Fund.

Stocks profiting from the market momentum created by the digital economy were among the best contributors to the Fund's positive performance over the month. The software specialist for the architecture and construction sectors Nemetschek (+16.70) continued its good run, taking advantage of the strong momentum for its 3D design and planning products, which play a key role in modernising and optimising the construction process. Multi-channel payment solutions specialist Ingenico rose 13.3% in a climate of excellent half-yearly results showcasing the group's strong performance in its international roll-out, particularly in North America.

Thanks to the momentum of innovation in the medical sector, Sartorius Stedim, which specialises in production equipment for the biotechnology industry, posted growth of +14.80% over the month, after the announcement of renewed strong organic growth in its sales of +19% and in its order book of +25% in the first six months of the year. Test laboratory specialist Eurofins Scientific further improved its annual stock market performance (+9.50%), as the company continued its strategy of expansion through external growth in the niche clinical diagnostics field both in Europe and the United States.

Automotive equipment manufacturer HellermannTyton skyrocketed by +37.3% following the announcement of a takeover bid by U.S. firm Delphi Automotive.

Lastly, we saw a major contribution from stocks in the niche services field like Leonteq (+34.9%) in finance and Dignity (+14.30%) in funeral services.

Among those stocks contributing negatively to performance, we saw profit-taking on Compugroup (-8.40%) and a second month of decline for Melexis (-6.60%), two stocks that made significant contributions to the portfolio's performance during the first six months of the year. From a wider perspective, also of note was the decline, as in June, of several German industrial stocks such as Duerr (-10.20%) and GEA (-3.70%), as fears grew of a more pronounced slowdown in Chinese economic growth and its potential impact on demand for capital goods in the sector. Lastly, we saw a downturn in the performance of several stocks, which were rightly or wrongly considered as sensitive to falling oil prices, such as Essentra (-8%), Hexagon (-9.40%) and Ashtead (-10.60%).

June 2015

After five months of uninterrupted growth, June appeared to be a month of consolidation for our Fund, which ended the period on a moderate decline.

The stocks that made a positive contribution to the performance included the advertising campaign specialist Stroër Media (+10%) which continued to profit from its strategy of transformation towards being a digital multi-channel media player in Germany. Still in the digital economy, we also saw continued good performances by Zooplus (+6.50%), an online retailer of animal products, and Compugroup (+4%), the European market leader in software for the healthcare sector. In the field of medical technology innovation, Sartorius Stedim (+2.90%) continued its smooth growth seen since the start of the year. Lastly, we noted the good performance of Danish jeweller Pandora (+5.30%) and UK kitchen manufacturer Howden Joinery (+2.70%).

Management Report (continued)

While Kuka (+4.20%), the robots and industrial assembly lines specialist, posted further growth over the year, our industrial stocks declined in June. Of note in the field of machinery for the food processing industry were the consolidations of IMA (-12.8%) and GEA (-9.50%) and, in the field of industrial automation, Dürr (-10.20%). In the civil aviation sector, Zodiac (-12.10%) ended the month down following the announcement of mixed quarterly results, as it continued to feel the effects of the additional costs linked to the re-establishment of industrial operations in its “seats” activity.

Several stocks in the automotive innovation field, which had been strong contributors to performance since the beginning of the year, were also subject to consolidation over the month, as were the on-board electronics specialists Melexis (-9.40%) and u-blox (-8.80%). In the semiconductor sector, we also observed the decline of AMS (-26.70%), after the publication of articles in the press which suggested that the company may lose a contract with Apple. We remain confident in the company’s ability to generate significant organic growth in the next few quarters and years, irrespective of whether the Apple contract is lost, given its numerous opportunities for development in sensors for smartphones and other digital devices, as well as on-board electronics systems for cars.

May 2015

May was another favourable month for our strategy with a high alpha generation for our selection of securities and positive contributions by many stocks among the Fund’s largest investments.

Innovation in the automotive sector was, once again, a strong contributor to performance with growth by the high-end brakes specialist Brembo (+10%) and, in the field of on-board electronics systems, the communication and tracking unit specialist u-blox (+17.80%).

Also of note was Eurofins Scientific (+10%), which continued its great run at the beginning of the year with high-quality results announcements and continued expansion in the United States, as well as Sartorius Stedim (+5.90%), the largest holding in the portfolio, which continued to enjoy good market momentum as a result of robust organic growth in sales reported in recent quarters, such as the +22% increase recorded in Q1 2015.

Stocks profiting from the market momentum created by the digital economy recorded good performances. They included Stroër Media (+14.80%), a specialist in advertising campaigns, which continued to transform its economic model through the development of an online advertising platform in Germany; Zooplus (+22%), one of the European leaders in online sales of products for cats and dogs; and Compugroup (+19.70%), the European leader in software for the healthcare sector, and a key player in the project to launch a new electronic health card in Germany over the coming quarters.

Lastly, we witnessed a good run on stocks active in the field of industrial automation and production lines, such as robot and production line specialists Kuka (+13%).

April 2015

After a first quarter in which a record performance was achieved, our Fund continued its momentum by posting a slight rise in April.

Once again, several of the Fund’s significant positions published excellent results over the first quarter and were rewarded by the market.

Management Report (continued)

Sartorius Stedim, a unique player in the field of production lines for the biotechnology industry, published first-quarter revenue growth of +33%, including +22% in organic growth, demonstrating the company's excellent momentum in the markets in which it operates, particularly in North America where, in line with its performance in 2014, the company continued to develop with impressive organic growth of +31.20%. In pole position in the Fund, the stock improved over the month by +15.60% while its parent Sartorius, also in the portfolio, skyrocketed by +25.60%. We also saw strong growth in veterinary clinic specialist CVS Group (+16.60%) which continued to benefit from its strategy combining organic growth and consolidation via acquisition.

Another of the Fund's significant positions, the payment solutions specialist Ingenico (+9.50%), continued its strong commercial momentum with another solid quarter of revenue growth of 53%, including 17% in organic growth, driven once again by North America where sales were up by 63%.

Lastly, the German mobile telephony operator Drillisch continued its good run with a rise of +13.20%, bringing its growth since the beginning of the year to +39.90%. The end of the month saw the announcement by United Internet of its acquisition of a 9.10% stake in the company, bringing its holding to 20.70%, and confirming its ambitious growth strategy, specifically via the innovative MVNO agreement signed last year with Telefonica Deutschland, which guarantees access to its network by securing a fixed portion of its capacity, not just paying for the volume used.

Among the disappointments over the month, Kuka (-11%), Dürr (-10%) and Brembo (-6.10%) were all subject to profit-taking after their good performances in previous months.

March 2015

After a remarkable first two months of the year, further positive performance was recorded in March, marking the end of a record first quarter for our Fund, as our selection of securities continued its good operational and stock market performance in a favourable environment – for the equity market as a whole – created by the ECB's accommodative monetary policy, the weakness of the euro and oil prices at record lows.
Stocks related to innovation in the automotive field were among the leading contributors to the Fund's performance over the month. U-blox, a company specialising in GPS and communications chip sets and modules, which are central to the concept of the connected car, was up by +20.20% after the publication of excellent annual operating results and very favourable prospects in terms of revenue growth for the coming year. Melexis, a manufacturer of semiconductors for cars, also profited from the rise of on-board electronics, reporting an increase of +7.10%. The world leader in high-end brakes, Brembo, continued its good run with an increase of +12.80% over the month after announcing excellent annual results, as it reaped the benefits of a successful growth strategy in terms of products, client sectors and regions. Finally, automotive insulation specialist Autoneum saw its development strategy bear fruit, particularly in North America, rising by +26.10% over the month.

In the industrial field, bottling lines specialist Krones reflected the momentum in demand from the food processing industry with the announcement at the end of December of an order book that was up by +8.70%. The security was up by +12.40% over the month.

Among the negative contributions over the period, we saw profit-taking on Teleperformance (-7.60%), the customer relationship management specialist, following its strong stock market performance in a favourable climate as the dollar strengthened against the euro.

The assets of the G FUND – European Small and Mid Cap G Fund Europe Small and Mid stood at €89.7m on 29 February 2016.

Past performance is no guarantee of future results.

G FUND – European Small and Mid Cap

Financial Statements as at 29/02/16

Statement of Assets as at 29/02/16

Expressed in EUR

Assets		**90,461,436.73**
Securities portfolio at assessed value	Note 2	86,521,483.25
Purchase price		*85,453,443.76*
Unrealised gain on securities portfolio		*1,068,039.49*
Cash at bank and liquidities		3,793,583.14
Receivables on sale of investments		146,370.34
Liabilities		**803,716.44**
Bank debts payable on demand		12,115.81
Subscription tax payable	Note 5	1,498.89
Performance fee payable	Note 3	762,518.25
Management and advisory fee payable	Note 3	18,344.08
Administration and custodian fee payable	Note 4	6,223.53
Other liabilities		3,015.88
Net asset value		**89,657,720.29**

Change in the number of shares outstanding from 01/03/15 to 29/02/16

	Shares outstanding as at 01/03/15	**Shares subscribed**	**Shares redeemed**	**Shares outstanding as at 29/02/16**
- Classe IC EUR Accumulation shares	50.000	5,451.000	0.000	5,501.000
- Classe GD EUR Distribution shares	10,000.723	60,367.483	9,999.723	60,368.483
- Classe NC EUR Accumulation shares	500.000	0.000	0.000	500.000

G FUND – European Small and Mid Cap

Key Figures

	Year ended:	**29/02/16**	**28/02/15**
Total Net Assets	EUR	89,657,720.29	12,708,485.70
- Classe IC EUR		EUR	EUR
Accumulation shares			
Number of shares		5,501.000	50.000
Net asset value per share		1,355.99	1,258.18
- Classe GD EUR		EUR	EUR
Distribution shares			
Number of shares		60,368.483	10,000.723
Net asset value per share		1,360.50	1,258.18
- Classe NC EUR		EUR	EUR
Accumulation shares			
Number of shares		500.000	500.000
Net asset value per share		134.62	125.82

The notes are an integral part of these financial statements

G FUND – European Small and Mid Cap

Securities portfolio as at 29/02/16

Expressed in EUR

Quantity	Name	Listing currency	Assessed value	% net assets
	Securities listed on an official stock exchange and/or traded on another regulated market		86,521,483.25	96.50
	Equities		**86,521,483.25**	**96.50**
	Germany		*24,382,981.44*	*27.19*
5,998	BERTRANDT AG	EUR	567,050.92	0.63
48,377	COMPUGROUP HOLDING AKT	EUR	1,781,966.80	1.99
61,247	CTS EVENTIM AG	EUR	1,984,096.57	2.21
41,302	DRILLISCH	EUR	1,545,314.33	1.72
17,918	DUERR AG	EUR	981,010.50	1.09
17,298	GEA GROUP AG	EUR	703,596.15	0.78
9,879	GRENKELEASING NAMENS-AKT.	EUR	1,810,326.75	2.02
2,257	ISRA VISION SYSTEMS	EUR	144,267.44	0.16
13,321	JUNGHEINRICH VORZ.STIMMRECHTSLOS	EUR	931,537.53	1.04
16,281	KRONES	EUR	1,611,819.00	1.80
24,505	KUKA AG	EUR	2,104,979.50	2.35
64,087	NEMETSCHEK	EUR	2,560,275.65	2.86
34,181	NORMA GROUP - NAMEN AKT	EUR	1,634,877.23	1.82
6,017	SARTORIUS VORZ.OHNE STIMMRECHT.	EUR	1,427,834.10	1.59
38,595	STROEER OUT-OF-HOME MEDIA A	EUR	2,052,096.15	2.29
47,047	WIRECARD AG	EUR	1,720,038.32	1.92
7,322	ZOOPLUS	EUR	821,894.50	0.92
	Belgium		*2,083,173.95*	*2.32*
44,337	MELEXIS NV	EUR	2,083,173.95	2.32
	Denmark		*4,407,287.71*	*4.92*
28,456	CHRISTIAN HANSEN	DKK	1,617,162.83	1.80
23,949	PANDORA	DKK	2,790,124.88	3.12
	France		*15,332,678.82*	*17.10*
114,870	ALTRAN TECHNOLOGIES SA	EUR	1,260,698.25	1.41
9,904	EUROFINS SCIENTIFIC	EUR	3,249,502.40	3.62
27,141	INGENICO GROUP	EUR	2,530,626.84	2.82
10,912	SARTORIUS STED	EUR	4,129,100.80	4.61
40,485	TELEPERFORMANCE SA	EUR	2,881,722.30	3.21
48,579	UBISOFT ENTERTAINMENT	EUR	1,281,028.23	1.43
	Italy		*7,561,209.70*	*8.43*
8,898	BANCA IFIS SPA	EUR	239,356.20	0.27
71,150	BREMBO	EUR	2,706,546.00	3.01
82,456	DE LONGHI SPA	EUR	1,793,418.00	2.00
32,898	IMA (INDUSTRIA MACCHINE AUTOMATICHE)	EUR	1,603,777.50	1.79
10,876	REPLY SPA	EUR	1,218,112.00	1.36
	Royaume-Uni		*15,105,626.75*	*16.85*
751,587	ADVANCED MEDICAL SOLUTIONS	GBP	1,665,212.95	1.86
73,536	ASHTEAD GROUP	GBP	871,453.94	0.97
287,608	CVS GROUP PLC	GBP	2,812,634.35	3.13
85,822	DIGNITY	GBP	2,766,072.67	3.08
117,047	ESSENTRA PLC	GBP	1,252,734.67	1.40
348,589	HOWDEN JOINERY GROUP	GBP	2,201,873.58	2.46
58,548	INCHCAPE	GBP	554,918.20	0.62
38,339	MONDI PLC	GBP	635,295.47	0.71
113,645	PORVAIR PLC	GBP	435,442.40	0.49
42,749	ST JAME’S PLACE CAPITAL	GBP	470,419.93	0.52
154,925	WORKSPACE GROUP PLC R.E.I.T.	GBP	1,439,568.59	1.61
	Sweden		*6,263,621.45*	*6.99*
71,524	HEXAGON -B-	SEK	2,243,304.11	2.51
71,395	INTRUM JUSTITIA AB	SEK	2,009,747.54	2.24
85,287	NOLATO -B- FREE	SEK	2,010,569.80	2.24
	Switzerland		*11,384,903.43*	*12.70*
8,102	AUTONEUM HOLDING AG	CHF	1,613,362.59	1.80
3,201	INTERROLL-HOLDING NOM.	CHF	2,265,723.53	2.53
3,253	LEONTEQ AG	CHF	285,561.82	0.32
6,962	PARTNERS GROUP HLDG NAMEN AKT	CHF	2,333,640.27	2.60
8,404	STRAUMANN HOLDING REG	CHF	2,519,957.49	2.81
13,001	U BLOX HOLDING AG NAMEN AKT	CHF	2,366,657.73	2.64

The notes are an integral part of these financial statements

Total securities portfolio	**86,521,483.25**	**96.50**

The notes are an integral part of these financial statements

G FUND – European Small and Mid Cap

Statement of Operations and Changes in Net Assets from 01/03/15 to 29/02/16

Expressed in EUR

Income		**190,942.48**
Net dividends	Note 2	190,935.89
Bank interest payable on demand		6.59
Expenses		**1,129,547.71**
Management and advisory fee	Note 3	85,216.36
Custodian fee	Note 4	8,957.12
Subscription tax	Note 5	4,773.06
Administration fee	Note 4	16,728.42
Performance fee	Note 3	762,518.25
Professional and legal fees		6,395.02
Interest on bank overdraft		975.92
Transaction fees	Note 2	226,883.98
Other expenses		17,099.58
Net investment losses		**-938,605.23**
Net profit/loss realised on:		
- sale of securities	Note 2	-298,288.48
- forward currency contracts	Note 2	-311.09
- foreign exchange		91,459.79
Net loss realised		**-1,145,745.01**
Change in unrealised net gain/loss on:		
- securities portfolio		-1,520,357.07
Reduction in net assets resulting from transactions		**-2,666,102.08**
Accumulation share subscriptions		7,260,860.21
Distribution share subscriptions		86,383,039.58
Distribution share redemptions		-14,028,563.12
Increase in net assets		**76,949,234.59**
Net assets at the beginning of the year		**12,708,485.70**
Net assets at the end of the year		**89,657,720.29**

The notes are an integral part of these financial statements

G FUND
– Euro Small and Mid Cap

Management report

G FUND – Euro Small and Mid Cap - Feeder Fund of Groupama Avenir Euro

February 2016

After a bearish start to the month, continuing the trend first observed in January, February finally saw the global equity markets return to better fortunes, and there were just as many reasons after the event (the US economy was in good shape at last, the central banks remained accommodative, etc.) to explain this upturn as there had been to explain the market downturn at the start of the year. In this still-volatile context, our Fund ultimately posted a very slight decline over the month.

Among the positive contributions to performance over the month, Sartorius Stedim (+12.50%), the specialist in production equipment for the biotechnology sector, took top billing once again after publishing remarkable annual results showing record organic growth of more than 19% over the year and the announcement of projected growth for 2016 of between 12% and 16% (between 10.50% and 14.50% in organic terms). Buoyed by an acceleration of growth on its markets and the continuation of its gains in market share, the company also increased its targets for 2020 in terms of growth opportunities for its income and its margins.

Testing specialist Eurofins Scientific (+8.40%) bounced back strongly in February, after a period of consolidation over several months, and the company published fourth-quarter organic growth of 9.50%, significantly above the long-term organic growth target of 5%, which, after the 8% gain recorded in the third quarter, reflected a clear period of very strong momentum across all of its markets both in terms of geographic regions and business lines.

Driven by the momentum of automation, with demand remaining strong for its robotics solutions for the industrial sector, the robotics specialist Kuka (+21.60%) continued to benefit from increasing its stake in the Chinese industrial company Midea, after its equity interest crossed the 10% threshold at the start of the month.

Other positive contributions included the excellent performances of manufacturers of machinery for the food processing industry such as GEA (+5.30%) and IMA (+8.70%).

At the other end of the spectrum, several stocks associated with the digital economy were among the negative contributors to performance. Stocks in the field of electronic payments suffered over the period with the decline of Ingenico (-14.30%) as a result of its 2016 margin target being reduced, as the management exercised its usual sense of caution at the start of the year, due to an expected increase in investments in preparation for the group’s future growth. We also saw a marked decline in the online payment specialist Wirecard (-21.20%) which, in a context of exacerbated volatility, appeared to come under attack by hedge funds in the form of the circulation in the market by an unidentified source of a purported critical analysis note about the company, in a move that was similar to attacks of the same type made against the company in 2010 and more recently during the previous summer; in each case, the reports proved to be unfounded. In the same field, we saw profit-taking on architect software specialist Nemetschek (-4.80%) and professional network Xing (-11.80%).

January 2016

After a significant increase in the last quarter of 2015, January 2016 was marked by a phase of clear consolidation for our fund, in a context of high volatility on the global stock markets.
While several niche stocks were able to perform well, supported by announcements of excellent annual results and favourable prospects, many companies saw their securities consolidate across all sectors.

Management Report (continued)

Among the positive contributions over the month, the European leader in software for the healthcare sector, Compugroup (+9.20%), enjoyed further good performance and continued to benefit from the official launch in December of a new electronic health card in Germany in the next few quarters, a project in which the company is one of the main architects.

German company GEA (+3.20%) benefited from the announcement of a very strong order intake in Q4, marking a return to better fortunes for the specialist in food processing industrial equipment after a less favourable period. The company also confirmed the successful implementation of its "Fitfor2020" restructuring plan, which should enable it to substantially increase its margins during the coming years.

Finally we noted the strong resilience of online payment specialist Wirecard (+0%) – after the announcement of further favourable annual results – and outsourced services operator Teleperformance (-1%).
As indicated, many positions ended the month in decline to varying degrees.
Among the negative contributors were stocks linked to the digital economy, such as Zooplus (-20.50%), the online retailer of animal products, and Nemetschek (-8.90%), the European leader in 3D software for architects, both of which were among the best performers in 2015.

Also of note was the decline recorded by several securities in the field of industrial automation, such as the robotics specialist Kuka (-15%) and paint line specialist Dürr (-15.70%).
Finally, as the year began, we observed the consolidation of several Italian stocks, which had been among the best performers in 2015, such as the high-end coffee machine manufacturer De'Longhi (-20.70%) and brake specialist Brembo (-15.60%).

December 2015

After the strong performances recorded in October and November, our fund posted a slight increase in December, ending a record year in terms of absolute and relative performance on a positive note.

Among the positive contributors over the month were architecture software specialist Nemetschek (+9.70%), which continued its good run in the wake of strong operating momentum thanks to the success of its 3D design software and its expansion in the North American market. Furthermore, the Group is continuing its targeted acquisition policy, with the announcement of its takeover of Finnish publisher Solibri, which provides software to test 3D models prior to the planning and construction phases, and which, like Bluebeam in 2014, means it can continue to expand its services for the attractive construction sector.

Also in the field of the digital economy, ticketing specialist CTS Eventim (+9.70%) continued to benefit from the switch from paper tickets to a paperless format, via its distribution platform.

In the field of consumer goods, the Italian company De'Longhi reported further strong growth (+6.70%) in the wake of its announcement in November of excellent quarterly results which illustrated, through organic growth of +9%, the relevance of its industrial strategy with the continued strong growth and gains in market share of its high-end coffee machines business line.

Management Report (continued)

Finally, we also saw positive contributions from the Italian specialist in niche financial services Banca IFIS (+14.90%) and logistics solutions provider Interroll (+10.70%).

One of the most substantial negative contributions over the period came from the test service specialist Eurofins Scientific (-9.60%), as the company announced then cancelled a 6.5% capital increase. This was achieved as the company's stock came close to its record high, following the publication of excellent quarterly results, several consecutive upward revisions of its annual targets since October and without information regarding its use, there was a clear lack of appetite for the transaction. Intended to give the company every means, in addition to its recent bond issues, to continue its policy of external growth, the failure to complete the planned capital increase did not prevent the announcement, during the month, of three new acquisitions in the field of environmental testing in Austria and Norway. It will be up to the management, over the coming months, to provide further explanations regarding the appropriateness of such an operation in the context of its growth strategy. Despite this decline at the year-end, Eurofins posted a rise over the year of +52.30% and is one of the largest positive contributors to the performance of our fund.

November 2015

Continuing the strong upturn seen in October, November was very favourable for small and mid-cap companies in the eurozone. Our Fund performed well once again, ending the month on a new high for the year.

Once more, several of the Fund's stocks contributed to this performance in a very favourable environment thanks to the announcement of good results for Q3.

In services, Teleperformance, the outsourced customer relationship management specialist (+8.70%) further benefited from its relevant strategy of international rollout and diversification in its key business sectors, with organic growth of +7% Q3.
In the field of the digital economy, the European market leader in software for doctors Compugroup (+22.40%) posted robust performance over the month as the vote on healthcare in the German parliament neared, potentially giving the go-ahead for a new electronic healthcare card in Germany over the next few quarters. The company is one of the main architects of this project that could greatly speed up its growth in the coming years.

In the same field, the specialist in 3D software for architects, Nemetschek (+10.90%), continued its good stock market run following its excellent announcement in the previous month, demonstrating the strong operational momentum from which the group benefits thanks to the success of its 3D design software and its expansion in the North American market.

Lastly, in a context of strong quarterly results demonstrating the soundness of their industrial strategies, we saw positive contributions from stocks linked to innovation in the automotive field, such as the manufacturer of high-end brakes, Brembo (+10.30%), and connections systems specialist Norma Group (+12.80%).

Negative contributions over the period included the German mobile telephony operator Drillisch (-12.20%) and outsourced financial services company Leonteq (-14%), which suffered from profit-taking over the month.

Management Report (continued)

October 2015

October proved to be very positive for equity markets, after two patchy months in a climate featuring the marked return of volatility. Our Fund, which showed great resilience during this jittery period, performed well once again, ending the month with strong growth and reaching a new high for the year.
Many of the Fund's stocks stood out once again with excellent operational performance and targets revised upwards as the Q3 results period got underway.

Thanks to momentum in terms of innovation in the medical sector, Sartorius Stedim (+20.80%), the specialist in production equipment for the biotechnology industry, posted record organic growth of +30% over the quarter, illustrating the excellent vitality of its main markets in both North America and Europe. For the third time in three quarters, the company made upwards revisions in its expectations in terms of annual growth and margin.

Test laboratory specialist Eurofins Scientific (+19.90%) also posted organic growth of +8%, up over the quarter, and revised its growth objective for sales upwards, both annually and in the medium term. After doubling its sales in the past five years, the group aims to double them again by 2020 to reach €4 billion in income by pursuing its strategy combining organic growth and acquisitions.

Nemetschek (+16.80%) posted a quarter-on-quarter acceleration of its organic growth, of more than +16% in Q3, and revised its expected annual growth upwards. The company continues to benefit from the success of its 3D software for architects and the strong growth, particularly in North America, of its recent acquisition, Bluebeam Software.
We also saw a major positive contribution from Ubisoft (+50.70%), which benefited from the acquisition of share capital by Vivendi, which now has a holding of 10.40%. Vivendi's CEO Vincent Bolloré wants to see cooperation between his group and the world no. 3 in video games – which has so far been refused by its CEO Yves Guillemot, who along with his brothers holds a 9% stake in the company – and does not rule out the launch of a takeover bid for all of the capital in the long term.

Lastly, several stocks also stood out in the digital economy sector, such as Zooplus (+17.70%), in niche financial services such as Grenke Leasing (+17.90%), in machinery for the food processing industry such as IMA (+17.60%) and in the industrial field relating to the automotive value chain such as Brembo (+15.90%), Dürr (+20.70%) and Melexis (+10.60%).

September 2015

Though for equity markets, September saw a continuation of the correction that began the previous month, our Fund held up well over the period as a result of the continued positive performance of several key stocks in our basket.

Among the positive contributions to performance was mobile telephony operator Drillisch (+17.80%), which continued its uptick led by robust operating momentum and encouraging initial results, especially after the "investor day" held last August, connected with the success of its ambitious growth strategy for its subscriber base thanks to the innovative agreement signed with MBA MVNO last year.
We also saw good performance from Nemetschek (+7.80%), the specialist in 3D software for architects, which continued its strong operational momentum and deployment, particularly in the United States thanks to the success of its acquisition of Bluebeam in 2014.

Management Report (continued)

Securities related to digital payment were the focus of investors' attention. After several months with no obvious trend despite excellent operational performances, Wirecard posted strong growth of +15% over the period, while the company should see the commercial launch by Orange in France of its smartphone-based virtual wallet/contactless payment solution in the coming months. This performance also came in the context of the forthcoming IPO of its competitor Worldpay, after the takeover bid made by Ingenico was rejected. The leading multichannel payment stock, which initially continued its decline, bounced back at the end of the month, posting only a moderate fall of -2.30%.

Also in the field of the digital economy, stocks such as CTS Eventim (+6.20%), Compugroup (+7.30%) and Ubisoft (+8.50%) all demonstrated good resilience.

There were negative contributions over the period from several stocks as they fell victim to profit-taking after their excellent performance in previous months; these included Sartorius Stedim (-6.90%), Eurofins (-8.10%) and Leonteq (-23.50%), whose downturn was exacerbated in a climate of high market volatility due to a downgrade by analysts. It should be noted that the specialist in outsourced structured products' stock still showed high growth over the year of +59.50%.

As was the case the previous month, some securities in the automotive value chain such as Duerr (-9%) or Melexis (-6.90%) continued to consolidate against a backdrop of questions about the Chinese automotive market added to the Volkswagen scandal. Lastly, Zodiac (-24.40%) posted a sharp decline after the announcement of significant provisions, as the company continued to suffer the repercussions of its manufacturing organisation failure within its head office division and its inability to deliver to its clients on time, incurring additional costs and penalties.

AUGUST 2015

After the significant upturn in July, thanks to excellent quarterly results for several major stocks in our Fund, August ended with a net fall in our portfolio, offset in part by the previous month's performance. The period was marked in particular by a return of volatility to the wider equity market in a mixed climate of concerns about the real health of the Chinese economy, a correction of the Chinese stock markets – which fell by as much as they had risen without economic justification during previous quarters – and commodities prices that were still at their lowest levels. Stocks considered to be exposed to China, particularly related to capital goods and the automotive sphere - which includes many German securities - suffered as they had done the previous month.

Among the best performances over the month, we saw strong positive contributions from German media specialist Stroër which continued its good run with an increase of +16.40% over the month. Simultaneously with the reporting of further strong quarterly operating performance and an increase in its annual targets, the group announced the acquisition from Deutsche Telekom of the internet portal T-online and Interactive Media, a major player in digital marketing, continuing the Group's transformation from a specialist in display signage to a dominant player in online advertising in Germany. The transaction, part-paid in stock, also saw Deutsche Telekom take a 13% holding in Stroër's capital.

Among other satisfying results over the month, we saw sound performance in the wake of more positive results from Xing (+18.70%), which continues to blaze a trail as the benchmark in online professional networking in Germany and neighbouring German-speaking countries. We also saw further good performance by the German mobile telephony operator Drillisch (+4.80%), whose excellent quarterly results reflect the continuation of its strong business momentum. Finally, we saw the resilience of the Fund's major structural positions in Sartorius Stedim (+0.60%) and Eurofins Scientific (+0.20%). As stated, several stocks considered as potentially affected by a slowdown in certain segments of the Chinese economy continued to fall during the month. This includes companies

Management Report (continued)

linked to the automotive sphere, from suppliers like brake manufacturer Brembo (-9.9%) or manufacturer of semi-conductors for onboard electronic systems Melexis (-8.60%) to industrial automation specialists Duerr (-8%) and Kuka (-9%). Also of note was the decline of stocks linked to the food processing industry, such as IMA (-12.80%) and GEA (-9.70%).

In the digital economy field, Ingenico (-7.50%) was down over the period after its strong performance in July, while rumours at the very end of the month, not commented upon by the company, talked of potential interest by the French multichannel payment specialist in its British competitor Worldpay. Though such an acquisition may make sense from an industrial point of view, thus speeding up its deployment strategy in payment services, the stock's decline could be explained, given the size of the potential target (a market capitalisation close to that of Ingenico is talked of), by the possibility of a capital increase to support its financing.

July 2015

July ended with very good performance for our stock selection and a new annual high for our Fund.

Stocks profiting from the market momentum created by the digital economy were among the best contributors to the Fund's positive performance over the month. Nemetschek (+16.70%) and Rib Software (+14.90%), both specialists in software for the architecture and construction sectors, continued their good stock market runs, taking advantage of the strong momentum for their 3D design and planning products, which play a key role in modernising and optimising construction processes. Multi-channel payment solutions specialist Ingenico rose +13.30% in a climate of excellent half-yearly results showcasing the group's strong performance in its international roll-out, particularly in North America.

Thanks to the momentum of innovation in the medical sector, Sartorius Stedim, which specialises in production equipment for the biotechnology industry, posted growth of +14.80% over the month, after the announcement of renewed strong organic growth in its sales of +19% and in its order book of +25% in the first six months of the year. Test laboratory specialist Eurofins Scientific further improved its annual stock market performance (+9.50%), as the company continued its strategy of expansion through external growth in the niche clinical diagnostics field both in Europe and the United States.

Finally, we should mention the strong contribution from several stocks in the field of niche financial services, such as Leonteq (+34.90%) and Banca IFIS (+16.50%).

Among those stocks contributing negatively to performance, we saw profit-taking on Compugroup (-8.40%) and a second month of decline for Melexis (-6.60%), two stocks that made significant contributions to the portfolio's performance during the first six months of the year. While Zodiac (-7%) ended the month down as it continued to feel the effect of its disappointing results announcement in the previous month, from a wider perspective, also of note was the decline, as in June, of several German industrial stocks such as Dürr (-10.20%) and GEA (-3.70%), as fears grew of a more pronounced slowdown in Chinese economic growth and its potential impact on demand for capital goods in the sector.

Management Report (continued)

June 2015

After five months of uninterrupted growth, June appeared to be a month of consolidation for our Fund, which ended the period on a moderate decline.

The stocks that made a positive contribution to the performance included the advertising campaign specialist Stroër Media (+10%) which continued to profit from its strategy of transformation towards being a digital multi-channel media player in Germany. Still in the digital economy, we also saw continued good performances by Zooplus (+6.50%), an online retailer of animal products, and Compugroup (+4%), the European market leader in software for the healthcare sector. In the field of medical technology innovation, Sartorius Stedim (+2.90%) continued its smooth growth seen since the start of the year.

While Kuka (+4.20%), the robots and industrial assembly lines specialist, posted further growth over the year, our industrial stocks declined in June. Of note in the field of machinery for the food processing industry were the consolidations of IMA (-12.8%) and GEA (-9.50%) and, in the field of industrial automation, Duerr (-10.20%). In the civil aviation sector, Zodiac (-12.10%) ended the month down following the announcement of mixed quarterly results, as it continued to feel the effects of the additional costs linked to the re-establishment of industrial operations in its “seats” activity.

Several stocks in the automotive innovation field, which had been strong contributors to performance since the beginning of the year, were also subject to consolidation over the month, as were the on-board electronics specialists Melexis (-9.40%) and u-blox (-8.80%). In the semiconductor sector, we also observed the decline of AMS (-26.70%), after the publication of articles in the press which suggested that the company may lose a contract with Apple. We remain confident in the company’s ability to generate significant organic growth in the next few quarters and years, irrespective of whether the Apple contract is lost, given its numerous opportunities for development in sensors for smartphones and other digital devices, as well as on-board electronics systems for cars.

May 2015

May was another favourable month for our strategy with a high alpha generation for our selection of securities and positive contributions by many stocks among the Fund’s largest investments.

Of particular note were Eurofins Scientific (+10%), which continued its great run at the beginning of the year with high-quality results announcements and continued expansion in the United States, and Sartorius Stedim (+5.90%), the largest position in the portfolio, which continued to enjoy good market momentum as a result of strong organic growth in sales reported in recent quarters, such as the +22% increase recorded in Q1 2015.

Innovation in the automotive sector was, once again, a strong contributor to performance with growth by the high-end brakes specialist Brembo (+10%) and, in the field of on-board electronics systems, the communication and tracking unit specialist u-blox (+17.80%).

Stocks profiting from the market momentum created by the digital economy recorded good performances. They included Stroër Media (+14.80%), a specialist in advertising campaigns, which continued to transform its economic model through the development of an online advertising platform in Germany; Zooplus (+22%), one of the European leaders in online sales of products for cats and dogs; and Compugroup (+19.70%), the European leader in software for the healthcare sector, and a key player in the project to launch a new electronic health card in Germany over the coming quarters.

Management Report (continued)

Finally, we noted the good performances of stocks active in the field of industrial automation and production lines, such as Kuka (+13%), a specialist in robotics and production lines, and IMA (+8.30%), which specialises in machinery for the food processing sector.

April 2015

After a first quarter in which a record performance was achieved, our Fund continued its momentum by posting a slight rise in April.
Once again, several of the Fund's significant positions published excellent results over the first quarter and were rewarded by the market.

Sartorius Stedim, a unique player in the field of production lines for the biotechnology industry, published first-quarter revenue growth of +33%, including +22% in organic growth, demonstrating the company's excellent momentum in the markets in which it operates, particularly in North America where, in line with its performance in 2014, the company continued to develop with impressive organic growth of +31.20%. In pole position in the Fund, the stock improved over the month by +15.6% while its parent Sartorius, also in the portfolio, skyrocketed by +25.60%.

Another of the Fund's significant positions, the payment solutions specialist Ingenico (+9.50%), continued its strong commercial momentum with another solid quarter of revenue growth of 53%, including 17% in organic growth, driven once again by North America where sales were up by 63%.

Lastly, the German mobile telephony operator Drillisch continued its good run with a rise of +13.20%, bringing its growth since the beginning of the year to +39.90%. The end of the month saw the announcement by United Internet of its acquisition of a 9.10% stake in the company, bringing its holding to 20.70%, and confirming its ambitious growth strategy, specifically via the innovative MVNO agreement signed last year with Telefonica Deutschland, which guarantees access to its network by securing a fixed portion of its capacity, not just paying for the volume used.

Among the disappointments over the month, Kuka (-11%), Dürr (-10%) and Brembo (-6.10%) were all subject to profit-taking after their strong performances in previous months. One of the Fund's minor positions, the plasma specialist Biotest, suffered a marked decline (-27.60%). The company, which in parallel to its promising main activity of plasma derivatives extraction, diversified by establishing a pipeline of medications for the pharmaceutical sector suffered a failure of one of its drugs in development. This setback raised questions regarding the relevance of this strategy, which also led us to reduce its weight in the portfolio during recent weeks.

March 2015

After a remarkable first two months of the year, further positive performance was recorded in March, marking the end of a record first quarter for our Fund, as our selection of securities continued its good operational and stock market performance in a favourable environment – for the equity market as a whole – created by the ECB's accommodative monetary policy, the weakness of the euro and oil prices at record lows.
Stocks related to innovation in the automotive field were among the leading contributors to the Fund's performance over the month. U-blox, a company specialising in GPS and communications chip sets and modules, which are central to the concept of the connected car, was up by +20.20% after the publication of excellent annual operating results and very favourable prospects in terms of revenue growth for the coming year. Melexis, a manufacturer of semiconductors for cars, also profited from the rise of on-board electronics, reporting an increase of +7.10%. Lastly, the world leader in high-end brakes, Brembo, continued its good run with an increase of +12.8% over the month after announcing excellent

Management Report (continued)

annual results, as it reaped the benefits of a successful growth strategy in terms of products, client sectors and regions.

In the industrial field, bottling lines specialist Krones reflected the momentum in demand from the food processing industry with the announcement at the end of December of an order book that was up by +8.70%. The security was up by +12.40% over the month.

Finally, we noted the good performance over the month of our selection of Italian stocks, all sectors combined, including Interpump (+11.9%) in the industrial sector, De'Longhi (+15.50%) in consumer goods, and Banca IFIS (+13.10%) in financial services.

Among the negative contributions over the period, we saw profit-taking on stocks such as customer relationship management specialist Teleperformance (-7.60%), and Zodiac (-4.10%) and Lisi (-8.80%) in the civil aviation sector following their good stock market performances in a favourable climate as the dollar strengthened against the euro.

The Fund's assets G FUND – Euro Small and Mid Cap were €0.9m as at 29 February 2016.

Financial Statements as at 29/02/16

Statement of Assets as at 29/02/16

Expressed in EUR

Assets		**902,654.96**
Securities portfolio at assessed value	Note 2	902,377.65
Purchase price		*877,304.10*
Unrealised gain on securities portfolio		*25,073.55*
Cash at bank and liquidities		277.31
Liabilities		**986.33**
Subscription tax payable	Note 5	51.88
Management and advisory fee payable	Note 3	890.96
Administration and custodian fee payable	Note 4	16.60
Other liabilities		26.89
Net asset value		**901,668.63**

Change in the number of shares outstanding from 01/03/15 to 29/02/16

	Shares outstanding as at 01/03/15	**Shares subscribed**	**Shares redeemed**	**Shares outstanding as at 29/02/16**
- Class IC EUR Accumulation shares	100.000	203.000	50.000	253.000
- Class NC EUR Accumulation shares	1,000.000	3,540.000	500.000	4,040.000

Key Figures

	Year ended:	**29/02/16**	**28/02/15**
Total Net Assets	EUR	901,668.63	246,571.25
- Classe IC EUR		EUR	EUR
Accumulation shares			
Number of shares		253.000	100.000
Net asset value per share		1,379.55	1,232.86
- Classe NC EUR		EUR	EUR
Accumulation shares			
Number of shares		4,040.000	1,000.000
Net asset value per share		136.79	123.29

G FUND – Euro Small and Mid Cap

Securities portfolio as at 29/02/16

Expressed in EUR

Quantity	Name	Listing currency	Assessed value	% net assets
	Shares/Units of UCITS/UCIs		902,377.65	100.08
	Shares/Units of investment funds		**902,377.65**	**100.08**
	France		*902,377.65*	*100.08*
41	GROUPAMA AVENIR EURO -O- CAP	EUR	902,377.65	100.08
	Total securities portfolio		**902,377.65**	**100.08**

The notes are an integral part of these financial statements

G FUND – Euro Small and Mid Cap

Statement of Operations and Changes in Net Assets from 01/03/15 to 29/02/16

Expressed in EUR

Expenses		**8,235.55**
Management and advisory fee	Note 3	7,275.77
Custodian fee	Note 4	62.17
Subscription tax	Note 5	261.46
Professional and legal fees		78.99
Interest on bank overdraft		22.54
Transaction fees	Note 2	212.30
Other expenses		322.32
Net investment losses		**-8,235.55**
Net profit/loss realised on:		
- sale of securities	Note 2	28,130.84
Net profit realised		**19,895.29**
Change in unrealised net gain/loss on:		
- securities portfolio		-23,910.75
Reduction in net assets resulting from transactions		**-4,015.46**
Accumulation share subscriptions		785,292.34
Accumulation share redemptions		-126,179.50
Increase in net assets		**655,097.38**
Net assets at the beginning of the year		**246,571.25**
Net assets at the end of the year		**901,668.63**

The notes are an integral part of these financial statements

G FUND
– Total Return All Cap Europe

Management report

March 2015 - February 2016

The Fund is invested in European equities and aims to favour asymmetric performance and controlled volatility. It aims to invest 90-100% of its assets in upturns on equity markets and to lessen the impact of downturns with a target investment of 70%. To achieve this, the Fund invests in two components:

- a core portfolio invested in low-risk companies with high visibility. This portion helps to control the Fund's volatility and lessen the impact of standard downturns.
- an opportunistic portion used by the manager to invest in identified growth themes. The portion is firstly invested in recovery stocks, growth niches or M&A targets and additionally, it may contain derivatives which help to strengthen the asymmetric nature of performance.

During the year, the investment policy was as follows:

March

Market fluctuations:

The upturn seen at the start of the year is ongoing. The effective start of stock buybacks by the ECB, the continued fall of the euro and the relapse in oil prices contributed to this, as did several encouraging economic indicators. The MSCI Europe ended the month at +1.70%.
In terms of sectors, the automotive, insurance, and chemicals sectors led the way, while mining, oil and utilities sectors lagged behind. In geographical terms, Germany, Portugal and Italy outperformed, in contrast to the United Kingdom, Sweden and Norway.

Changes in investments and performance:

Allocation between portions: the weight of the opportunistic portion remained close to 28% over the month.

Core portion:
The portfolio posted an increase of +1.60%, while underweight positions in financials and oil cancelled one another out and the overweight position on the UK slightly penalised the portion. In connection with the uptick in household purchasing power, we opened a line in Delhaize, a distributor whose streamlining is bearing fruit in the United States, with the potential for improved margins in Belgium. Our position in Topdanmark was sold off.

Opportunistic portion:
The strategy outperformed (+2.60%). Our overweight position on Italy, and our underweight position on the UK both paid off, offsetting the underperformance of the biotech basket (Genfit -43%, Innate -18%). We started a position in Italcementi following its good results in Q4, while in addition the merger of the second and fifth-largest Italian cement manufacturing groups will give a boost to its local market. We also opened a position on Faurecia, the leading global car engineering company, working in emission control and AMS, and specialising in sensors for the automotive and medical industries, and a major partner of Apple, which plans to double its income while increasing its margins by 2020. Banco de Sabadell and Norwegian Air Shuttle exited the portfolio.
The estimated portfolio beta fell from 0.94 to 0.92.

The Fund posted a performance of +2%, compared with +1.70% for the MSCI Europe.

Management Report (continued)

April

Market fluctuations:

April blew hot and cold, with first of all the continuation of the trend seen at the beginning of the year for stock market indices amid good macroeconomic figures and the encouraging corporate results. However, this was followed by a sharp downturn in the second half of the month, triggered by significant profit-taking in the bond market. Le The MSCI Europe ended the month at equilibrium (0%).
In terms of sectors, energy and commodities led the way, while insurance and chemicals lagged behind. Geographically, countries with high exposure to commodities such as Great Britain (3%) and Norway (3%) outperformed, in contrast to exporters such as Germany (-4%), Finland (-4%) and southern Europe.

Changes in investments and performance:

Allocation between portions: the weight of the opportunistic portion was increased and approaching 30% at month end.

Core portion:
The portfolio posted a fall of -0.80%, suffering from its underweight to oil and profits taken on the dollar securities. Apart from some marginal strengthening, we sold our position in William Hill due to the uncertain result of elections in the UK and the risks for the gambling sector in the event of a Labour victory.

Opportunistic portion:
The strategy outperformed (+1.50%). The underweight UK position and the overweight position to Italy penalised the Fund but this was more than offset by the biotech basket (Galapagos +70%, Innate +94%). Following the offer on BG, and in anticipation of similar operations, we strengthened our position in the oil sector with lines created in BG and Repsol. We also added Société Générale to strengthen our cyclic sensitivity in the eurozone. We sold out our BHP line. The estimated portfolio beta fell from 0.92 to 0.88 due to put options on the Euro Stoxx 50.
The Fund posted performance of -0.20% compared to 0% for the MSCI Europe.

May

Market fluctuations:

May was a month of peaks and troughs, guided by the Spanish then the UK elections, with surprising outcomes, still mixed U.S. economic statistics, the same uncertainty about the Greek situation, but mergers and acquisitions activity which reached new heights across the pond and accelerated in Europe. The MSCI Europe ended the month at +1.40%.
In terms of sectors, technology, transport and leisure led the way, while energy and commodities lagged behind. In geographical terms, Italy, the Netherlands and Belgium outperformed, in contrast to Germany and Spain.

Changes in investments and performance:

Allocation between portions: the weight of the opportunistic portion was slightly reduced from 30% to 29% over the month.

Management Report (continued)

Core portion:
The portfolio posted an increase of +2.80%, primarily thanks to a good stock selection in the industrial (Qinetiq +19%, Capita +11%), healthcare (Fresenius +9%, Recordati +8%) and distribution (Delhaize +13%, Kingfisher +9%) sectors. We sold our position in Centrica and strengthened that of chemicals where M&A is topical, starting positions in Symrise, a producer of ingredients, aromas and flavours for various consumer sectors, and Yara, the leading global producer of nitrogen fertilisers.

Opportunistic portion:
The strategy underperformed (+1.10%). Our sound selection in healthcare (Galapagos +40%), and commodities (Aperam +10%) did not manage to offset disappointments in cyclical consumer goods (Puma -20%) and transport (EasyJet -10%). We sold our Post NL position, with the best of the good news seemingly now behind us. The estimated portfolio beta was raised to 0.92 from 0.88 the previous month.

The Fund posted a performance of +2.10%, compared with +1.40% for the MSCI Europe.

June

Market fluctuations:

June was a very volatile month, with the Greek crisis, the sudden confirmed drop in the Chinese economy, and M&A activity in Europe (led by Actelion, Delhaize, K+S, Bouygues Telecom, etc.). At the end of the month, Greek uncertainty won over, and in anticipation of the referendum, the MSCI Europe closed down -4.60%.
In terms of sectors, telecommunications, distribution and banking led the way, while technology, public utilities and commodities fell behind. Geographically, the eurozone was in surprisingly better shape than the UK, Swiss and Swedish markets.

Changes in investments and performance:

Allocation between portions: the weight of the opportunistic portion was slightly reduced from 29% to 28% over the month.

Core portion:
The portfolio posted a fall of -4.50%, in line with the index over this up-and-down month in which defensive sectors did not outperform. We started three new lines. Astrazeneca confirmed the value of its immuno-oncology portfolio. CapGemini unveiled ambitious new goals for growth and margins following the takeover of Igate. Syngenta, a leader in agrochemicals, presented a promising profile, trading at well below the Monsanto offer. Lines in Edenred and Munich Re were closed.

Opportunistic portion:
The strategy was down -4.30%. There was little deviation linked to allocation, good news from DBV Technology, NOS and USG People, and less good news from some biotechs and AMS, which allegedly lost a major contract with Apple. We started lines in Duerr in the niche growth category and strengthened our M&A theme with Dutch telephone operator KPN, and Smurfit Kappa, the European market leader in cardboard packaging. The estimated portfolio beta was lowered to 0.91 from 0.92 the previous month.

The Fund posted a performance of -4.40%, compared with -4.60% for the MSCI Europe.

Management Report (continued)

July:

Market fluctuations:

Volatility was still very present in July. The month started with negotiations between Greece and its creditors, and as soon as an agreement was reached, concerns rose about Asia with persistent fears regarding long-term growth in China. In the United States, the Fed still would not be drawn on the timing of its rate hike, while in Europe the earnings season contained positive surprises overall, and M&A activity remained buoyant. The MSCI Europe closed up at +4.00%.

In terms of sectors, consumer goods, health and real estate led the way, while sectors more exposed to the Chinese cycle, such as energy, automotive and commodities, lagged behind. In geographical terms, Switzerland, France and Italy fared better than countries linked to commodities and China (Norway, the UK and Germany).

Changes in investments and performance:

Allocation between portions: the weight of the opportunistic portion rose from 28% to 30% over the month.

Core portion:
The portfolio posted a 5.80% increase, benefiting from its overweight to healthcare, its underweight to the automotive sector and commodities and a major stock selection effect, with the announcement of good results from Recordati, Ingenico and Reckitt Benkiser.

Opportunistic portion:
The strategy also outperformed: +5,50%. The sector allocation penalised due to its overweight positions in the automotive sector, hospitality and leisure and commodities, but the stock selection effect won the day, with good performance from DBV, Puma and Italcementi, subject to a takeover bid from HeidelbergCement. We started a new line in Cellectis which has recognised know-how in genome engineering and is working on innovative cancer therapies. Our Ubi Banca line was sold off, as was Galapagos. The estimated portfolio beta rose from 0.91 to 0.92.

The Fund posted a performance of +5.50%, compared with +4.00% for the MSCI Europe.

August

Market fluctuations:

August was another very turbulent month. The slowdown in the Chinese economy prompted a fall in all commodities and the prospect of an imminent US rate hike did nothing to help matters. Emerging economies paid the resulting price. In this month of downturns overall, the MSCI Europe closed down -8.40%.
The most domestic sectors of real estate, construction and hospitality and leisure led the way, while sectors exposed to emerging growth such as commodities, energy, and chemicals lagged behind. In geographical terms, exporting countries underperformed.

Management Report (continued)

Changes in investments and performance:

Allocation between portions: the weight of the opportunistic portion rose from 30% to 33% over the month.

Core portion:
The portfolio posted a fall of -7.40% due to its overweight position in real estate, its underweight position in banks and a selection effect in distribution and food.

Opportunistic portion:
The strategy also outperformed: -5,80%. The overweight to hospitality and leisure was favourable, as was the relatively good performance of ERG, Puma and Italian people’s banks. We started four new lines at the market low point: these included three niche leaders, Melexis in automotive sensors, Nemetschek in software modelling for architecture and Dialog in semi-conductors for smartphones (specialising in Bluetooth and energy savings); then Liberbank, a Spanish regional bank undergoing restructuring, which could spark the interest of the biggest national players. The line in Repsol was closed. The estimated portfolio beta rose from 0.90 to 0.92.

The Fund posted a performance of -6.80%, compared with -8.40% for the MSCI Europe.

September

Market fluctuations:

The markets again fell victim to weakness in September. The Fed did not raise rates, stating that the outlook for the US economy had not “fundamentally changed”. The market saw risks of a global economic slowdown. In this context of increased stress, only three sectors did well: beverages, marked by the declaration of interest by ABI on SABMiller, HPC & tobacco benefiting from its defensive nature, and tourism. Other sectors continued to fall, in particular commodities and automotive affected by the Volkswagen scandal. The MSCI Europe ended the month down by -4.30%.

Changes in investments and performance:

Allocation between portions: the weight of the opportunistic portion rose from 33% to 31% over the month.

Core portion:
The portfolio posted a fall of -2.30%, benefiting from its defensive sector positioning and a favourable selection effect in industry and telecoms. The portion was once more exposed to the Nordic countries with lines taken in ICA Grupen, SCA, SEB, Topdanmark and Swedbank to the detriment of AstraZeneca, Kingfisher, Qinetiq, Sanofi and Zurich Insurance.

Opportunistic portion:
The strategy was down -4.20%. Low weighting on defensive sectors was damaging, but offset by the underweight to the automotive sector, the overweight to hospitality and leisure and the relatively strong performance by Valeo, Teleperformance and IAG. Our biotech portfolio suffered over the month, and Galapagos was reduced, as was Telecom Italia to take advantage of the excessive fall in some stocks. Exposure to the oil sector was strengthened while banking was reduced and portfolio hedging was enhanced via put options on the Euro Stoxx 50. The estimated portfolio beta remained stable at 0.90.

The Fund posted a performance of -2.80%, compared with -4.30% for the MSCI Europe.

Management Report (continued)

October

Market fluctuations:

There was a sudden U-turn in the markets at the start of the month, which, despite disappointing economic figures in the U.S., meant a sharp rotation in favour of all the stocks, sectors and styles that were lagging behind. The central banks then amplified the trend, with the ECB opening the door to new monetary easing measures in December and China lowering its key interest rates. The Fed at last got around to talking about a rate hike and a fairly mixed results season on both sides of the Atlantic did not prevent the MSCI Europe from closing the month up +8.3%. The leading sectors were automotive (+18%), commodities (+13%) and energy (+12%), while other sectors also fared well, namely banking (+4%), media (+4%) and healthcare (+5%).

Changes in investments and performance:

Allocation between portions: the weight of the opportunistic portion rose from 31% to 30% over the month.

Core portion:
The portfolio posted an increase of +7.50% though it suffered from a slight mid-cap bias, its absence from the automotive sector and a negative selection effect on technology and industry stocks. The Hugo Boss line was sold following disappointing results.

Opportunistic portion:
The strategy was up +7.20%. The absence of oil stocks put the fund at a disadvantage, as did Dialog and AMS in the semi-conductor domain. Rio Tinto was strengthened and lines in Gamesa, a parts supplier for the wind-power industry, Kuka, a manufacturer of industrial robots and OVS, the leader in Italian low-cost clothing were started. Puma was reduced. We sold "small" Stoxx futures in order to hedge this structural bias in the portfolio, and swapped our positions in energy futures in favour of bank futures. The estimated beta of the portfolio remained at around 0.90.

The Fund posted a performance of +7.40%, compared with +8.30% for the MSCI Europe.

November

Market fluctuations:

There was a new upturn in the markets in November. After the tension of August and September and Mario Draghi's speech at the end of October, the markets focused on the prospect of the continuation, or indeed the strengthening of European quantitative easing (fall in deposit rate of at least 10bp, increase in asset repurchasing, including corporate bonds, etc.) and an extension of TLTRO. In contrast, the United States is heading towards a slow rise in rates, despite mixed statistics. The tragic events of Friday 13 November had little impact on indices, with the MSCI Europe ending the month up +2.70%. The leading sectors were those benefiting from the weak euro: automotive (+8%), technology (+6%) and industrial (+6%), way ahead of commodities (-6%), real estate (-2%) and sectors exposed to tourism. The eurozone outperformed in Europe led by Germany (+8%).

Changes in investments and performance:

Allocation between portions: the weight of the opportunistic portion remained stable at 30% over the month.

Core portion:
The portfolio posted an increase of +3.70%, primarily outperforming on distribution (Ahold, Delhaize) and technology (Ingenico, Sage). We diversified our real estate portion via Swiss Prime Site in Switzerland and Beni Stabili in Italy, before taking up lines in Thales that should benefit from more

Management Report (continued)

obliging budgets in defence, Ryanair which continues to post good results and to gain market share, ABB, a high-quality engineering company with restructuring potential and Britvic, the soft drinks producer that will benefit from surfing the “smart consumption” wave. These purchases were made to the detriment of Bertrandt, Syngenta, Sky, Shire and Royal Dutch Shell whose potential now seems limited.

Opportunistic portion:
The strategy was up +2.10%. It suffered from its exposure to tourism (Melia, EasyJet, IAG). Electrolux was introduced, after major cost efforts were made - this stock is highly exposed to European recovery and the price no longer reflects the possible authorisation from the DoJ for its bid on GE Appliance. Erg and BG Group were sold and an Oil & Gas future was purchased to maintain exposure to the sector. The estimated beta of the portfolio remained at around 0.90.

The Fund posted a performance of +3.10%, compared with +2.70% for the MSCI Europe.

December

Market fluctuations:

December, as so often during 2015, made the macro the centre of attention. Initially, the ECB disappointed expectations by not extending its QE to the desired extent, and OPEC did not announce any reduction in its oil production. Then, in line with expectations, the Fed upped its key interest rates by 25 bp, and its policy will remain accommodative until the US economy returns to normal. The MSCI Europe closed down over the month at -5.3%. The leading sectors were those benefiting from low oil prices and defensive stocks: travel & leisure (+1%), healthcare (-2%) and public utilities (-3%), way ahead of the more cyclical sectors of commodities (-12%), oil (-11%) and chemicals (-8%). The eurozone underperformed, due to indecision on the part of the ECB and the Spanish elections.

Changes in investments and performance:

Allocation between portions: the weight of the opportunistic portion was reduced to 28% (compared to 30%) over the month.

Core portion:
The portfolio posted a -3.70% drop but it did primarily outperform on exposure to oil and tourism, and a sound selection of industrial stocks (Fraport, Amadeus and Thales).

Opportunistic portion:
The strategy was down -4.10%. Like the core portion, it benefited from low exposure to oil and strong weighting to tourism. In terms of selection, the end of discussions with General Electrics penalised Electrolux, while USG People was subject to a takeover bid from Japanese firm Recruit Holdings. We reduced our position in AMS, strengthened Gamesa and sold our oil futures following the OPEC meeting. The estimated portfolio beta fell from 0.90 to 0.87.

The Fund posted a performance of -3.70%, compared with -5.30% for the MSCI Europe.

January

Market fluctuations:

January 2016 will be remembered by many as the worst start to the year since 1970. European markets were all down, fully in line with December, against a backdrop of a continuing fall in oil prices and likely contagion to the banking sector, alongside increasing concerns over Chinese growth. The Fed’s rate hike in December was not neutral. Macroeconomic data published during the month was rather disappointing. The ECB meeting in mid-January saw Mario Draghi reiterate that he was ready to act to counter the threat looming over European growth and

Management Report (continued)

opened the door to other stimuli. The MSCI Europe closed the month down -6.20%. The leading sectors were food processing, consumer goods and energy, which benefited at the end of the month from hopes of a synchronized cut in production from various players. Conversely, the automotive, banking and mining sectors were strongly affected. In geographical terms, peripheral countries (Italy -13%, Spain -8%) and exporters (Germany -9%, Sweden -7%) underperformed.

Changes in investments and performance:

Allocation between portions: the weight of the opportunistic portion was reduced to 23% (compared to 28%) over the month.

Core portion:
The portfolio posted a fall of -3.7%, outperforming its underexposure in banking and automotive stocks and a favourable stock selection in defence, food distribution, and the good performance of Randgold (+20%). A great many positions were strengthened, the most notable being Fresenius, Henkel, Britvic and Berendsen.

Opportunistic portion:
Our strategy suffered (-11.10%), since high exposure to Italy and peripheral banks, biotechnology and tourism were costly. The portion was reduced as a whole, with particular emphasis on the banking, biotech and mining sectors. After the surrender on oil, half of our bank futures were swapped for oil & gas futures. Some call options were initiated, so we could remain exposed in the event that “bludgeoning” announcements were made by central banks. The estimated portfolio beta remained close to 0.87.

The Fund posted a performance of -5.7%, compared with -6.2% for the MSCI Europe.

February

Market fluctuations:

February was V-shaped, with a sharp fall at the start of the month (-11%) fuelled by low oil prices, concerns over Chinese growth and the repercussions of the energy crisis for the financial system, before finding salvation in the hope of intervention from the Chinese state and central banks, with Mr Draghi restating his message of “unlimited” support for the economy. The MSCI Europe closed the month down -2.2%. The leading sectors were commodities (+17%), far ahead of leisure (+2%) and energy (+1%). Insurance (-6%), public utilities (-6%) and banks (-5%) lagged behind. Geographically speaking, disparities were still strong, with underperformance in southern Europe and good performance in “commodities” countries such as Norway, Sweden and the UK.

Changes in investments and performance:

Allocation between portions: the weight of the opportunistic portion was increased to 24% (compared to 23%) over the month.

Core portion:
The portfolio posted a fall of -2%. The effects of underexposure to the oil and banking sectors cancelled one another out. Disappointment surrounding the results published by Ingenico or ICA was also offset by the fantastic run by Randgold (+28%) and the stock selection in healthcare and real estate. Many positions were strengthened, most notably in the real estate sector while ICA, SEB and Qiagen were reduced.

Opportunistic portion:
Our strategy outperformed (-0.80%). Despite its high Italian exposure, it benefited from the upturn in commodities and its technology stocks. Our Smurfit Kappa and IAG lines were sold, while Rio Tinto was reduced to allow for the strengthening of some holdings that were too severely penalised, such as Nemetschek, the automotive sector or the Italian sphere. The estimated portfolio beta was up again, at +0.89.

The Fund posted a performance of -1.70%, compared with -2.20% for the MSCI Europe.

Management Report (continued)

Over the period, the net asset value rose from €1,558.87 as at 27/02/15 to €1,463.37 at 29/02/16, with the performance of the subfundG FUND – Total Return All Cap Europe standing at -6.13%. The performance of the benchmark index, MSCI Europe net dividends reinvested, stood at 13.43% over the period.

Past performance is no guarantee of future results.

Financial Statements as at 29/02/16

Statement of Assets as at 29/02/16

Expressed in EUR

Assets		**258,849,131.60**
Securities portfolio at assessed value	Note 2	248,059,348.94
Purchase price		*246,609,842.68*
Unrealised gain on securities portfolio		*1,449,506.26*
Options purchased at market value	Note 2, 8	64,015.00
Options purchased at purchase price		*104,083.00*
Cash at bank and liquidities		9,745,090.43
Subscriptions receivable		36,324.04
Dividends receivable	Note 2	366,279.91
Unrealised net gain on futures contracts	Note 2, 7	578,073.28
Liabilities		**3,474,723.73**
Subscription tax payable	Note 5	4,265.20
Performance fee payable	Note 3	2,611,453.06
Redemptions payable		719,036.29
Management and advisory fee payable	Note 3	105,120.39
Administration and custodian fee payable	Note 4	14,238.11
Other liabilities		20,610.68
Net asset value		**255,374,407.87**

Change in the number of shares outstanding from 01/03/15 to 29/02/16

	Shares outstanding as at 01/03/15	**Shares subscribed**	**Shares redeemed**	**Shares outstanding as at 29/02/2016**
- Class IC EUR Accumulation shares	13,723.705	156,248.277	24,609.870	145,362.112
- Class GC EUR Accumulation shares	8,845.391	1,481.470	977.000	9,349.861
- Class GD EUR Distribution shares	25,877.510	9,243.126	7,706.510	27,414.126
- Class NC EUR Accumulation shares	100.000	732.932	0.000	832.932

G FUND – Total Return All Cap Europe

Key Figures

	Year ended:	**29/02/16**	**28/02/15**	**28/02/14**
Total Net Assets	EUR	255,374,407.87	68,029,672.94	66,142,933.17
- Class IC EUR		EUR	EUR	EUR
Accumulation shares				
Number of shares		145,362.112	13,723.705	7,982.230
Net asset value per share		1,443.20	1,542.71	1,291.54
- Class GC EUR		EUR	EUR	EUR
Accumulation shares				
Number of shares		9,349.861	8,845.391	15,318.603
Net asset value per share		1,463.37	1,558.87	1,293.98
- Class GD EUR		EUR	EUR	EUR
Distribution shares				
Number of shares		27,414.126	25,877.510	32,904.000
Net asset value per share		1,159.48	1,277.31	1,094.05
Dividend per share (Note 12)		40.29	33.00	0.00
- Class NC EUR		EUR	EUR	EUR
Accumulation shares				
Number of shares		832.932	100.000	100.000
Net asset value per share		143.06	153.52	128.54

G FUND – Total Return All Cap Europe

Securities portfolio as at 29/02/16

Expressed in EUR

Quantity	Name	Listing currency	Assessed value	% net assets
Securities listed on an official stock exchange and/or traded on another regulated market			246,022,586.94	96.33
Equities			**246,022,586.94**	**96.33**
	Germany		*43,165,147.90*	*16.89*
134,600	COMMERZBK	EUR	1,009,365.40	0.40
40,000	DAIMLER AG REG SHS	EUR	2,524,000.00	0.99
52,000	DEUTSCHE BOERSE AG REG SHS	EUR	3,960,840.00	1.54
238,000	DEUTSCHE TELEKOM AG REG SHS	EUR	3,681,860.00	1.43
148,900	DEUTSCHE WOHNEN AG	EUR	3,629,437.50	1.42
22,000	DUERR AG	EUR	1,204,500.00	0.47
57,000	FRAPORT AG	EUR	3,037,530.00	1.19
75,000	FRESENIUS AG	EUR	4,566,000.00	1.78
24,000	FRESENIUS MEDICAL CARE AG & CO KGAA	EUR	1,866,480.00	0.73
38,000	GEA GROUP AG	EUR	1,545,650.00	0.61
47,500	HENKEL AG & CO KGAA	EUR	4,409,900.00	1.72
16,500	KUKA AG	EUR	1,417,350.00	0.56
32,500	MERCK KGAA	EUR	2,548,325.00	1.00
65,000	NEMETSCHEK	EUR	2,596,750.00	1.02
8,500	PUMA AG	EUR	1,677,900.00	0.66
59,000	SYMRISE AG	EUR	3,489,260.00	1.37
	Austria		*917,852.52*	*0.36*
33,000	AMS	CHF	917,852.52	0.36
	Belgium		*8,781,364.50*	*3.44*
15,800	GALAPAGOS GENOMICS NV	EUR	610,749.00	0.24
39,000	GROUPE DELHAIZE	EUR	3,644,940.00	1.43
38,300	MELEXIS NV	EUR	1,799,525.50	0.70
35,000	WAREHOUSING DISTRIBUTION DE PAUW SICAFI	EUR	2,726,150.00	1.07
	Denmark		*2,507,423.87*	*0.98*
118,000	TOPDANMARK AS	DKK	2,507,423.87	0.98
	Spain		*7,244,775.00*	*2.84*
81,000	AMADEUS IT HOLDINGS -A-	EUR	3,010,365.00	1.18
117,000	GAMESA CORPORACION TECNOLOGICA	EUR	2,041,650.00	0.80
771,000	LIBERBANK	EUR	817,260.00	0.32
140,000	MELIA HOTELS	EUR	1,375,500.00	0.54
	France		*32,147,786.50*	*12.59*
44,000	ATOS	EUR	2,959,000.00	1.16
42,000	CAP GEMINI SA	EUR	3,221,400.00	1.26
23,700	CELLECTIS-NOM	EUR	523,770.00	0.21
64,000	DANONE	EUR	4,110,720.00	1.61
18,800	DBV TECHNOLOGIES	EUR	900,990.00	0.35
22,600	ERYTECH PHARMA	EUR	479,120.00	0.19
75,000	FAURECIA	EUR	2,351,625.00	0.92
18,500	GAZTRANSPORT ET TECHNIGAZ SA	EUR	528,452.50	0.21
10,700	GENFIT	EUR	304,896.50	0.12
32,000	INGENICO GROUP	EUR	2,983,680.00	1.17
78,000	INNATE PHARMA NOM -A-	EUR	925,860.00	0.36
21,000	LVMH	EUR	3,229,800.00	1.26
43,500	SOCIETE GENERALE SA	EUR	1,410,487.50	0.55
27,500	TELEPERFORMANCE SA	EUR	1,957,450.00	0.77
43,500	THALES	EUR	3,193,335.00	1.25
24,000	VALEO SA	EUR	3,067,200.00	1.20
	Ile de Jersey		*5,304,931.38*	*2.08*
166,000	EXPERIAN GROUP	GBP	2,518,635.37	0.99
33,500	RANDGOLD RESSOURCES LTD	GBP	2,786,296.01	1.09
	Ireland		*3,028,420.00*	*1.19*
212,000	RYANAIR HLDGS	EUR	3,028,420.00	1.19
	Italy		*15,764,342.40*	*6.17*
117,000	ASTM	EUR	1,175,850.00	0.46
290,000	AUTOGRILL SPA	EUR	2,109,750.00	0.82
345,000	BANCA POPOLARE DELL'EMILIA ROMAGNA SCARL	EUR	1,624,950.00	0.64
130,000	BANCO POPOLARE AZ. POST RAGGRUPPAMEN	EUR	984,750.00	0.39
2,875,000	BENI STABILI SPA	EUR	1,702,000.00	0.67
500,000	ENEL SPA	EUR	1,852,000.00	0.73
180,100	ITALCEMENTI SPA	EUR	1,858,632.00	0.72
240,000	OVS	EUR	1,341,600.00	0.53

The notes are an integral part of these financial statements

Securities portfolio as at 29/02/16

Expressed in EUR

Quantity	Name	Listing currency	Assessed value	% net assets
100,000	RECORDATI SPA	EUR	2,221,000.00	0.86
246,600	TELECOM ITALIA SPA	EUR	221,693.40	0.09
942,000	TELECOM ITALIA SPA RISP NON CONV	EUR	672,117.00	0.26
	Luxembourg		*2,043,600.00*	*0.80*
65,000	APERAM REG	EUR	2,043,600.00	0.80
	Norway		*3,795,750.74*	*1.49*
163,000	STATOIL ASA	NOK	2,187,157.22	0.86
45,000	YARA INTERNATIONAL ASA	NOK	1,608,593.52	0.63
	Netherlands		*20,770,953.00*	*8.13*
241,000	AHOLD	EUR	4,873,020.00	1.92
22,000	GEMALTO NV	EUR	1,288,540.00	0.50
53,500	HEINEKEN NV	EUR	3,967,560.00	1.55
400,000	KONINKLIJKE KPN NV	EUR	1,363,600.00	0.53
62,000	KONINKLIJKE VOPAK	EUR	2,604,310.00	1.02
90,000	QIAGEN NV	EUR	1,772,100.00	0.69
42,000	UNILEVER NV	EUR	1,665,090.00	0.65
187,800	USG PEOPLE NV	EUR	3,236,733.00	1.27
	Portugal		*1,162,798.00*	*0.46*
182,000	NOS REG SHS	EUR	1,162,798.00	0.46
	United Kingdom		*56,537,831.92*	*22.13*
538,000	BAE SYSTEMS PLC	GBP	3,539,746.06	1.39
72,000	BRITISH AMERICAN TOBACCO PLC	GBP	3,624,932.67	1.42
410,000	BRITVIC PLC	GBP	3,644,093.88	1.43
220,000	CAPITA GROUP	GBP	2,827,241.25	1.11
332,000	COMPASS GRP PLC	GBP	5,390,688.73	2.10
274,000	DAVIS SERVICE GROUP PLC	GBP	4,079,953.83	1.60
99,000	DIAGEO PLC	GBP	2,360,407.85	0.92
28,650	DIALOG SEMICONDUCTOR	EUR	872,106.00	0.34
52,000	EASYJET PLC	GBP	1,004,386.30	0.39
175,000	GLAXOSMITHKLINE PLC	GBP	3,141,111.97	1.23
98,500	IMPERIAL TOBACCO GROUP PLC	GBP	4,702,658.07	1.84
42,000	NEXT PLC	GBP	3,644,093.88	1.43
45,500	RECKITT BENCKISER GROUP PLC	GBP	3,828,139.03	1.50
39,200	RIO TINTO PLC	GBP	957,250.22	0.37
490,000	SAGE GROUP	GBP	3,748,685.39	1.47
233,000	SMITH AND NEPHEW PLC	GBP	3,505,309.73	1.37
940,000	THOMAS COOK GRP	GBP	1,261,049.12	0.49
46,800	UNILEVER PLC	GBP	1,855,913.81	0.73
905,000	VODAFONE GROUP	GBP	2,550,064.13	1.00
	Sweden		*11,278,919.87*	*4.42*
77,000	ELECTROLUX -B- FREE	SEK	1,664,218.17	0.65
55,000	ICA GRUPPEN AB	SEK	1,505,210.43	0.59
150,000	SKANDINAVISKA ENSKILDA BANKEN -A-	SEK	1,351,764.04	0.53
144,000	SVENSKA CELLULOSA SCA AB-SHS-B-	SEK	3,960,974.04	1.55
150,000	SWEDBANK -A-	SEK	2,796,753.19	1.10
	Switzerland		*31,570,689.34*	*12.36*
232,000	ABB LTD REG SHS	CHF	3,837,368.32	1.50
62	CHOCOLADEFABRIKEN LINDT.SPRUENGLI NOM.	CHF	3,931,574.57	1.54
82,500	NESTLE SA REG SHS	CHF	5,343,975.24	2.09
37,000	NOVARTIS AG REG SHS	CHF	2,449,685.83	0.96
30,000	ROCHE HOLDING AG GENUSSSCHEIN	CHF	7,124,376.27	2.79
46,000	SWISS PRIME SITE AG-NAMEN AKT	CHF	3,547,126.22	1.39
65,000	SWISS RE NAMEN AKT	CHF	5,336,582.89	2.09
Shares/Units of UCITS/UCIs			2,036,762.00	0.80
	Shares/Units of investment funds		**2,036,762.00**	**0.80**
	Luxembourg		*2,036,762.00*	*0.80*
1,900	G FUND - ALPHA FIXED INCOME -ID- EUR DIS	EUR	2,036,762.00	0.80
Derivative instruments			64,015.00	0.03
	Options		**64,015.00**	**0.03**
	Germany		*64,015.00*	*0.03*
295	DJ EURO STOXX 50 MAR 2750 21.03.16 PUT	EUR	64,015.00	0.03
Total securities portfolio			**248,123,363.94**	**97.16**

The notes are an integral part of these financial statements

G FUND – Total Return All Cap Europe

Statement of Operations and Changes in Net Assets from 01/03/15 to 29/02/16

Expressed in EUR

Income		**2,794,903.48**
Net dividends	Note 2	2,786,747.01
Net interest on bonds	Note 2	1,042.11
Bank interest payable on demand		5,840.26
Other financial income		1,274.10
Expenses		**4,043,898.18**
Amortisation of costs of incorporation	Note 2	2,504.03
Management and advisory fee	Note 3	738,133.91
Custodian fee	Note 4	38,906.88
Subscription tax	Note 5	17,905.29
Administration fee	Note 4	48,766.80
Performance fee	Note 3	2,611,453.06
Professional and legal fees		20,832.18
Interest on bank overdraft		31,005.49
Transaction fees	Note 2	486,863.98
Other expenses		47,526.56
Net investment losses		**-1,248,994.70**
Net profit/loss realised on:		
- sale of securities	Note 2	1,904,240.99
- options	Note 2	-123,702.00
- forward currency contracts	Note 2	158,166.55
- futures contracts	Note 2	-1,838,037.93
- foreign exchange		1,069,858.40
Net loss realised		**-78,468.69**
Change in unrealised net gain/loss on:		
- securities portfolio		-9,325,515.19
- options	Note 2	11,772.00
- futures contracts	Note 2	443,423.28
Reduction in net assets resulting from transactions		**-8,948,788.60**
Dividends paid	Note 12	-1,201,269.72
Accumulation share subscriptions		233,909,308.29
Distribution share subscriptions		11,598,486.60
Accumulation share redemptions		-38,510,048.48
Distribution share redemptions		-9,502,953.16
Increase in net assets		**187,344,734.93**
Net assets at the beginning of the year		**68,029,672.94**
Net assets at the end of the year		**255,374,407.87**

G FUND
– European Convertible Bonds

G FUND – European Convertible Bonds

Management report

Management policy G FUND – European Convertible Bonds 2015-2016

March 2015

Markets over the period:

March saw the continuation of the upturn seen at the beginning of the year (MSCI EMU and Europe +3% and +1.70%): the effective start of stock buybacks by the ECB, the continued fall of the euro and the relapse in oil prices contributed to this, as did several encouraging indicators. Cyclical exposure, currency effects and yield made their mark, resulting in outperformance in the insurance, banking, automotive, chemical and healthcare sectors. Conversely, energy, mining and utilities remained neglected, and commodities prices remained depressed.

Convertible bond universe:

The ECI-Europe index rose +0.64% over the month and +7.68% over the quarter. Primary activity (at last!) got back into its stride, with four issues of over 4 billion including two "jumbo" issues strengthening Italy's presence: Telecom Italia for €2 billion, with a sizeable conversion premium (70%) offset by a respectable coupon of 1.125% over 7 years, along with Aabar exchangeable for Unicredit at €2 billion. Whilst a convertible bond with a bank as its underlying is welcome, the issue does have some disadvantages: the issuer is unrated and non-OECD (Abu Dhabi investment fund in which a 90% stake is held by IPIC, a sovereign government fund rated AA2 by Moody's) and conversion is only possible 6 months prior to maturity, thus weakening the bond floor in the event of a bear market. Both the other issues, Market Tech (a property development project in Camden Town) and Heidelberger Druck are, in contrast, two small issues whose capitalisation size means they do not fall within our investment criteria. No major fall in price is expected in the asset class, though the pool lost a number of stocks (conversion on TUI and Dialog, tender on Aabar in Daimler, repayment of Air France 2015, etc.).

Portfolio and Outlook:

The portfolio rose +0.95% over the month (9.89% since late 2014) with very sparse contributions.

Over the period, we bought/strengthened positions on peripheral countries and cyclicals (Aperam, Saf Holland, Prysmian, Evonik, Telecom Italia and Unicredit). Conversely, we sold/reduced positions on Siemens (high valuation), Vedanta, Elekta (poor outlook), Air France and SAS (redemptions). Furthermore, we regretfully sold our Ingenico stocks (restriction of maximum carry of 3 months following conversion). In terms of synthetic convertibles, we took profits on Cap Gemini.

After three exceptional months, consolidation is possible but it seems to us that the environment remains favourable (falling euro, falling oil prices, less austerity, QE from the ECB, extremely low rates, possibility of M&A, etc.). The portfolio therefore remained in "risk-on" mode in terms of the delta, but we will continue to work on the portfolio's convexity and use part of the outperformance achieved to increase the level of protection in the portfolio.

APRIL 2015:

Markets over the period:

After a good first two weeks, we witnessed the unwinding of positions which until then had been winning and consensual! Euro-dollar parity thus corrected from 1.05 to 1.12, the yield on German Bund 10Y rates increased from 0.05 to 0.31% and oil prices increased significantly. Similarly, profit-taking affected stock markets, which ended the month rather slackly in Europe. In terms of sectors, energy and commodities led the way, while insurance and chemicals lagged behind. Geographically, countries with high exposure to commodities such as Great Britain (+3%) and Norway (+3%) outperformed, in contrast to exporters such as Germany (-4%) and southern Europe, due to concerns over Greece.

Management Report (continued)

Convertible bond universe:

The ECI Europe index rose by +0.07%. The main event over the period was Nokia's transaction on Alcatel, potentially triggering ratchet clauses, which are particularly attractive for 2018. In the longer term, the low price offered by Nokia and the results it announced significantly affected the performance of both stocks. Unibail held a tender on its 2018 issue (€750 million) to avoid dilution, with a parallel offering of a new issue maturing in 2022 (€500 million) released with a premium of 37% and negative yield, which did not prevent the stock's value from rising sharply after issue.

At the same time, TUI and Dialog stocks went to conversion and Daimler/Aabar was repaid (tender). In this situation of a restricted pool, it is likely that the relative cost of the asset class will persist and negative-yield issues will proliferate.

Portfolio and Outlook:

The portfolio was down -0.22% over the month. The positions in Alcatel, Aperam and Outokumpu weighed on the portfolio's performance (-36bp), as did the credit portion of the portfolio (-13 bps). Over the period, we tended to reduce the portfolio's directional delta: disposals/reductions were focused on the real estate sector, which seems well valued (Gecina, Unibail), and on Unicredit/Aabar. The TUI shares received following conversion were swapped for options so as to achieve better convexity. In semi-conductors, we purchased Micron (US convertible) and AMS (synthetic) which we preferred to ST Microelectronics where we are largely underweight. We restructured our hedges at the end of the period so as to freeze a portion of the performance achieved during the slide. The portfolio, maturing in mid-May, remains well hedged up to a level of 3,375 on the Euro Stoxx 50. May also looks like being more difficult in a market driven primarily by flows which could quickly lead to significant volatility. In this context, the portfolio was reduced to delta-neutral against its index.

MAY 2015:

Markets over the period:

May was a month of peaks and troughs, guided by the Spanish then the UK elections, with surprising outcomes, still mixed U.S. economic statistics, the same uncertainty about the Greek situation, but mergers and acquisitions activity which reached new heights across the pond and accelerated in Europe. The MSCI Europe ended the month at +1.40%. In terms of sectors, technology, transport and leisure led the way, while energy and commodities lagged behind.

Convertible bond universe:

The ECI Europe index rose by +0.21%. The primary market was back with a bang, with six new issues including one "jumbo" €3 billion issue on an Americamobile exchangeable for KPN which easily found takers and another exchangeable with Haniel for Metro (€500 million). The other issues included Maurel & Prom (€115 million), biotech company Ablynx (€100 million) and Salvepar (€150 million, portfolio company). Faced with these issues, the premium noted on the blue-chip issues was very slightly reduced. Since valuations remained attractive for issuers in a less favourable environment (rising yields and a more uncertain equity market), we may well see a relatively active primary market in June.

Management Report (continued)

Portfolio and Outlook

The portfolio rose +0.86% over the month. The upturn in Alcatel, good performance from Dialog, Aperam, and Sol Melia were the best contributors. The credit portion made a net contribution of zero over the month.
Over the period, disposals/reductions concerned Technip and STM as well as shares received following conversions on Orpéa, TUI and Gécina. Conversely, we invested in the primary issues from AM/KPN and Haniel/Metro. We also came back to Drillisch (good fundamentals, support thanks to the increase in United Internet’s holding), the Immofinanz to Buwog exchangeable (very attractive ratchet clause) and Cap Gemini (lower cost of the convertible, considerable potential improvement in margins, acquisition of Igate, and so on). These three transactions also fall within the scope of our M&A theme, which seems attractive.
The portfolio maturing in mid-June remains partially hedged between 3,500 and 3,250 (Euro Stoxx 50 hedging) because June is a potentially volatile month (Greece, rate tensions, etc.) The portfolio has an equity sensitivity of 0.39, very close to that of its index and the portfolio’s rate sensitivity remains moderate (2.28).

June 2015

Markets over the period:

June was a very volatile month, with the Greek crisis, the sudden confirmed drop in the Chinese economy, and M&A activity in Europe (led by Actelion, Delhaize, K+S, Bouygues Telecom, etc.). At the end of the month, Greek uncertainty won over, and in anticipation of the referendum, the MSCI Europe closed down -4.60%. The telecoms, distribution and banking sectors led the way, while technology, public utilities and commodities lagged behind. Geographically, the eurozone was surprisingly in better fettle than the UK, Swiss and Swedish markets.

Convertible bond universe:

The ECI-Europe index fell -2.20%. On the primary market, activity was sustained with six issues, including four in euros, bringing the value of issues to nearly €12 billion since the start of the year: the new issues are Salzgitter 0% 2022 (€168 million), Neopost 3.375% perpetual (€265 million), Ingenico 0% 2022 (€500 million), Airbus 0% 2022 (€500 million), Implenia 0.5% 2022 (CHF 175 million) and British Land 0% 2020 (£350 million). Only Implenia (Construction primarily in Switzerland) and Airbus are “newcomers” to the asset class. Ingenico and Airbus are clearly to be filed under “opportunistic issues” (low yield, high premium and valuation).

Portfolio and Outlook:

The portfolio was down -2.43% over the month. The downturns in Alcatel, Faurecia, Deutsche Post and the credit portion contributed negatively to performance while in contrast, positive contributions were scarce (from Telecom Italia, Cap Gemini and Kuka).

Over the period, disposals/reductions were focused primarily on exchangeables, Casino/Rallye (potential of deterioration in the credit leg), Evonik/Gabriel (profit-taking) and MOL/Cez et Rémy Cointreau/Orpar (both expensive valuations). Conversely, we bought/strengthened Cap Gemini, Deutsche Wohnen (sharp downturn of the share) and Ingenico (primary). On our synthetic convertibles portion, on the one hand we reduced the credit leg to 15% of assets and on the other, on the equity leg, we implemented exposure to Roche Holding.

The portfolio maturing in mid-July remains partially hedged by Euro Stoxx 50 hedges covering 6% of the portfolio in nominal terms, to cope with uncertainty about the outcome of the Greek referendum. The portfolio has equity sensitivity of 0.40 and rate sensitivity of 1.90.
The Fund’s performance over the first half was +7.90%, better than its benchmark index (+5.60%).

Management Report (continued)

July 2015

Markets over the period:

Volatility was still very present in July. The month started with negotiations between Greece and its creditors, and as soon as an agreement was reached, concerns rose about Asia with persistent fears regarding long-term growth in China. In the United States, the Fed still would not be drawn on the timing of its rate hike, while in Europe the earnings season contained positive surprises overall, and M&A activity remained buoyant. The consumer goods, health and real estate sectors led the way, while sectors more exposed to the Chinese cycle, like energy, automotive and commodities, lagged behind. In geographical terms, Switzerland, France and Italy fared better than countries linked to commodities and China (Norway, the UK and Germany).

Convertible bond universe:

The ECI Europe index rose by +1.72%. "Summer" primary activity, though with four new issues: a newcomer in Rocket Internet 3% 2022 (€550 million), a German holding company investing in web companies. Beni Stabili that issued stock maturing in 2021 (€200M) to finance the withdrawal from listing of the 2018 stock (€225M). Sainsbury's, which issued a hybrid perpetual convertible bond carrying a coupon of 2.875% with a call date of 2021. The favourable step-up conditions in 2021 for investors (the coupon would be more than 10%) strengthen the likelihood of redemption-conversion on the call date. Lastly, the South African investment grade distributor Steinhoff issued €1 billion of 7Y euro convertible bonds with a coupon of 1.25% to finance share redemptions. In terms of valuation, it is interesting to note the very strong performance of convertibles during the Greek crisis, with the asset class suffering few if any redemptions.

Portfolio and Outlook:

After coping well during the downturn, the Fund largely benefited from the positive outcome of the Greek crisis on both the share and credit portions. The portfolio rose 2.19% over the month. The main contributors were TUI, Melia Hotel, Orpea and the credit portion. Conversely, the Fund was penalised by Dialog semi, Faurecia and its underweight position in Telecom Italia.

Disposals/reductions over the period were focused primarily on property companies (Foncière des Régions, Béni Stabili), Swiss Life (technical relative cost), KPN and BKW (profit-taking). Conversely, we bought/strengthened Snam and Aperam at the market low-point, then Ingenico and Micron as well as Sainsbury's and Steinhoff in the primary market.

In synthetic convertibles, we took profits on Cap Gemini and EuroStoxx50 calls, setting up an exposure on Dialog.
The credit rebound was used to reduce both the portion and its duration. Furthermore, crossover hedging was implemented at levels of 267 for 3% of the portfolio.

The portfolio remained overexposed on delta, and for mid-August maturities, remains partially protected by hedges (9% of the portfolio in nominal) on Euro Stoxx 50 from 3550. The portfolio's rate sensitivity remains low.
The Fund's performance since the beginning of the year is +10.05%, in excess of its benchmark (+7.42%).

Management Report (continued)

AUGUST 2015

Markets over the period:

August was another very turbulent month. The slowdown in the Chinese economy prompted a fall in all commodities and the prospect of an imminent US rate hike did nothing to help matters. Emerging economies paid the resulting price. In this month of downturns overall, the MSCI Europe closed down -8.40%. The most domestic sectors (real estate, construction and hospitality and leisure) led the way, while sectors exposed to emerging growth (commodities, energy, automotive and chemicals) lagged behind. Exporting countries underperformed.

Convertible bond universe:

The Exane Convertibles Europe index closed down -2.95%. No primary market transactions were seen in this unsettled summer climate. In terms of valuation, we did not see any sudden stalling since the asset class was not subject to substantial redemptions. However, there were specific events, with falling valuations affecting Cap Gemini for instance (removed from the index), Alcatel 19 and 20 (may not be convertible into Nokia stock) and credit stress on Abengoa, as well as in the mining or oil sector (CGGVeritas, etc.).

Portfolio and Outlook:

The Fund fell back (-2.53%) but showed its resilience compared to its benchmark, with performance of 42bp despite a delta overexposure: the favourable stock-picking on convertibles (overweight positions in hospitality and leisure, underweight positions in Deutsche Post, Telecom Italia, etc.) more than offset the negative contribution from the credit portion (-20 bps). Meanwhile, portfolio hedges played their part with a contribution of 49bp (40 in options on equity indices and 9 on crossover contract). There was little movement over the period in convertibles: Camfin/Pirelli were removed while Peugeot was reduced. Following the downturn, we set up a synthetic convertible on Valeo, which was particularly punished by the markets. More activity on the portfolio's hedge component: profit-taking on the crossover hedge, roll of puts on indices which became very in the money towards more convex options (strike 3100 on the Eurostoxx50 and 1860 on the S&P 500), allowing a portion of the gains to be frozen while remaining hedged. At the end of the month, the portfolio remained overweight in delta terms, and therefore positioned to take advantage of a potential rebound. Performance since the beginning of the year stood at 7.53%, i.e. 328 bp more than the benchmark index, the Exane Eci Europe. For comparison, the MSCI Europe (net dividends reinvested) and IBoxx high yield made 7.38% and 1.48% respectively.

September 2015

Markets over the period:

There were further moments of weakness in the markets in September (Stoxx 600 -4.10%) as the Fed did not implement its rate hike, amid concerns about emerging countries (weakness of commodities, fall in the Brazilian real and in Glencore), and specific risk with the Volkswagen scandal (-42%). Unsurprisingly, the commodities, automotive and banking sectors significantly underperformed. In contrast, defensive sectors outperformed, specifically Food & Beverages and Property assets, bolstered by the interest of Abi Inbev in SABMiller and of Deutsche Wohnen in Leg Immo. On the credit market, there was a further widening of spreads against a backdrop of reduced liquidity.

Convertible bond universe:

In this environment, the asset class fared remarkably well, with the Exane Convertible Europe index posting a limited fall of -0.27%. Four new issues were released nonetheless: SGL Carbon 2020 (€167 million, coupon 3.50%), America movil exchangeable for KPN 2018 (€750 million, mandatory format, coupon 5.50%), Brait (South African investment company, £350 million, coupon 2.75%) and National Grid 2020 (UK gas distribution, £400 million, coupon 0.90%). Only the last stock is expected to feature

Management Report (continued)

in the Exane Convertible Europe. Technically, we saw a slight downturn in valuations on the large-cap portion.

Portfolio and Outlook:

The Fund held up well (-0.43%) but specifically had to deal with the significant downturns in Outopumku (profit warning) and Aperam as well as Faurecia (VW deceit) and Dialog (acquisition of Amtel deemed too expensive). Conversely, the positions in Alcatel, Leg Immo (takeover bid from Deutsche Wohnen with a premium of 13%) and Drillisch (rumoured bid for United Internet) contributed positively to performance. Note also that the Fund was not invested in convertibles from Volkswagen (-36% over the month), Abengoa (-37%), Repsol (-20%), or Nyrstar (-19%). Transactions over the period: on the purchase side, we introduced TAG Immo (candidate for consolidation of German property sector) and made a modest investment in the primary convertible on America Mobile into KPN and National Grid. In terms of disposals, we reduced our holding in Steinhoff which had proved very resilient and sold off large-cap convertibles with relatively expensive valuations such as Ingenico and Fresenius ME. In synthetic convertibles, we again reduced the credit portion and the equity leg, took profits on Valeo at the start of the period and implemented bullish exposure to Airbus and Cap Gemini (technically expensive convertibles). As regards portfolio hedges, we used 14 bp to give the Fund 12% of protection in nominal terms on put sec or put spread vehicles. The portfolio was thus hedged from 3.125 on the Euro Soxx50 and even more deeply from 3.000.

At the end of the period, the Fund was slightly overexposed on delta but at the same time showed defensive aspects by way of improved convexity thanks to the contribution of significant portfolios hedges. There was underexposure to both extremes of the market, with technically expensive convertibles on the one hand, and on so-called “distressed” convertibles on the other.

The rise in the Fund since the beginning of the year was 7.07%, compared with 3.96% for the Exane Convertible Europe index.

OCTOBER 2015:

Markets over the period:

There was a sharp market turnaround, caused primarily by the central banks, with the ECB opening the door to new monetary easing measures in December and China lowering its key interest rates. The MSCI Europe ended the month at +8.30%. The leading sectors were automotive (+18%), commodities (+13%) and energy (+12%), while other sectors also fared well, namely banking (+4%), media (+4%) and healthcare (+5%).

Convertible bond universe:

With a performance of 4.30%, the Exane Convertibles Europe index posted remarkable performance, helped by the higher relative cost of the asset class (contribution to performance of just above 1%). This higher relative cost is fuelled by high repayment-conversion prospects in the next three months, even though the primary market has hardly been prolific since the summer: in October, there were just two new issues, with BIM exchangeable for Elior for €200 million and Marine Harvest for €340 million. Both fared very well. The month was also noteworthy for some special situations: the bid by Deutsche Wohnen for Leg Immo (subsequently abandoned) and then Vonovia for Deutsche Wohnen, the latter having two convertibles in the pool with very attractive ratchets. Good progress was made by Telecom Italia, a heavyweight in the pool (with Niel taking a stake in the capital after Bolloré) and the launch of Nokia’s bid for Alcatel after obtaining all the authorisations.

Management Report (continued)

Portfolio and Outlook:

The Fund was up sharply by +3.83%: Telecom Italia, Alcatel, Faurecia, Fresenius SE, and Deutsche Wohnen were the main contributors, along with the credit portion (+36bp). Conversely, the cost of hedges (19 bp) and the increased price of the asset class penalised the Fund (compared to the benchmark). Amongst transactions made, we purchased/strengthened Air France (potential for upward revaluation of the share and cheap convertible), Metro and Iberdrola, two mixed profiles. We also invested in the primary market (BIM/Elio and Marine Harvest). Conversely, we reduced our holdings in Alcatel and Snam. In terms of portfolio hedges, and given the upturn in the markets, Fund hedging was relatively low at the end of the month. Convertibles made up approximately 80% of the portfolio and synthetic convertibles, with 13% of corporate bonds, accounted for 15% to the portfolio's equity risk. This percentage may rise due to a significant premium on some convertible issues that are good candidates for swaps with synthetic convertibles. Since the beginning of the year, the Fund has risen +11.16%, compared with 8.43% for the Exane Convertibles Europe index.

November 2015

Markets over the period:

The markets remained high in November (MSCI Europe +2.70%), driven by the extension of the ECB QE programme and the uncertainty surrounding the Fed, where the markets expect a rate hike followed by an accommodative discourse. The leading sectors were those benefiting from the weak euro: automotive (+8%), technology (+6%) and industrial (+6%), way ahead of commodities (-6%), real estate (-2%) and sectors exposed to tourism. ECB expectations also led to a sharp fall in the euro against the dollar as well as tight compression of rates and credit spreads.

Convertible bond universe:

the Exane Convertibles Europe index rose 0.88% (underlyings +2.90%), much better than the Exane Convertibles Euro index (+0.17%) due to the positive impact of the fall of the euro. The relatively weak performance compared to underlyings was due to a fall in valuations, following a great deal of primary activity made up of eight new issues for €4.3 billion: well-known issuers on the convertible market such as IAG (€1 billion on two issues), Iberdrola (€500 million), as well as new "investment grade" names such as Vodafone (£600 million) and Total ($1.2 billion). The last three issues had a more "midcap" profile, with Brenntag AG (distribution of chemical products, $500 million), Torino exchangeable for Iren spa (Italian utilities) and Aurelius (investment company, €165 million). It should be noted that the issues from Total, Vodafone and Iberdrola are non-dilutive issues with slightly downgraded technical clauses (European call, up-and-down dividend protection, rather unattractive ratchets). However, this primary issue is right on time to replace the planned removals of a number of issues from the pool (Alcatel, Snam, Kering, Peugeot, Faurecia, etc.).

Portfolio and Outlook:

The Fund rose strongly by +1.37%: in a context of falling convertibles prices, the "synthetic convertibles" portion fared particularly well, both on the credit leg and the equity leg. As regards convertibles, the fund benefited from sound performance by Aperam, Qiagen, KPN, and Cap Gemini. In terms of transactions, the upturn in the Fund's assets led us primarily to strengthen existing lines (Buzzi, Nexity) and to buy on the primary market (Brenntag, IAG, Vodafone, etc.) In synthetic convertibles, we purchased an Airbus Dec 2017 call (the convertible has an expensive valuation). As for disposals, we sold Métro (price too high and sharp rise of the share). Lastly, we swapped the Marine Harvest equity issuance for its little sister which has a more convex mixed profile. Overall, we significantly reduced our delta overexposure to return to a neutral profile as the ECB deadline approached. The Fund also put hedges in place for 5% of the portfolio in nominal terms on maturities falling in December and January, hedging the portfolio below

Management Report (continued)

3375 on the Euro Stoxx 50. The portfolio rose 12.69% from the beginning of the year (+9.39% for the benchmark).

December 2015

Markets over the period:

December was an erratic month, with the disappointment of ECB announcements at the start of the month partially offset by the positive response to the Fed's rate hike. In the background, the downward pressure on oil and fears over emerging markets continued to weigh down on markets, which lost ground over the period. Unsurprisingly, basic materials, energy, chemicals and Spain (elections without majority) underperformed, while healthcare and public utilities fared better. Convertible bond universe: the Exane Convertibles Europe index fell -1.63% (underlyings -2.69%) in December. We saw two primary issues with Aroundtown (€200 million, real estate) and Basilea Pharma (CHF 200 million, Swiss biotech) bringing total issues for 2015 to €21 billion, which makes it a good year and allows for the replacement of removals-conversions in the bond pool. Overall, the year was marked by the high number of investment grade issues, either as classic convertibles, or in a newer "equity-linked" non-dilutive form (Total, Vodafone, National Grid, Iberdrola, etc.). At period-end, valuations on high-quality mixed issues remained relatively tight.

Portfolio and Outlook:

The Fund (-1.15%) showed particular resilience: the selection was positive (positive contributions from Also, Elior, Brenntag and Faurecia and low weighting in the portfolio to Peugeot, STMicroelectronics, St Micro and Casino, which underperformed) and portfolio hedges in equities and rates, generating performance of 23 bp. Transactions in the portfolio mainly consisted of finding the best exit strategy on convertibles arriving at their conversion date (Kering, Peugeot, Snam and Alcatel). In contrast, purchases focused on stocks falling sharply, on the one hand Rallye for Casino following the attack by activist investor Muddy Waters Capital and Salzgitter for Aurubis following a profit warning. In synthetic convertibles, we purchased SNAM (good visibility following the regulator's decisions and high yield). Overall, the Fund returned to a neutral delta profile with a cash safety net allowing it to take advantage of primary issues at the start of 2016. The Fund retained its hedges (5% of the portfolio in nominal terms on January maturities hedging the portfolio below 3375 on the Euro Stoxx 50). In the end, the portfolio posted a positive performance over 2015 at +11.39% (+7.60% for the benchmark). Over three years, the portfolio posted gains of +31.79% with volatility limited to 6.55.

January 2016

Markets over the period:

A very poor start to the year (MSCI Europe -6.30%) fuelled by concerns over Chinese growth, the fall in commodity prices, spearheaded by oil, and the weakness of the banking sector. The major losers were banks, the automotive and mining sectors as well as the Dax and Italian MIB (banks on the slide) while food processing, distribution and utilities put up resistance. High-yield credit widened its spread (+52bp for the Crossover at 376bp).

Convertible bond universe:

the Exane Convertibles Europe index fell -3.89% due to the fall of underlying equities (-6.90%) and a negative valuation effect from a technical fall in price on the mixed convertibles market. Added to this was specific risk, with a number of securities suffering on their credit portion such as Aabar/Unicredit (oil + Abu Dhabi risk), Rallye/Casino (excessive debt), Steinhoff (emerging risk), Rocket Internet or CGG Veritas. As a result of these reductions, the pool is currently more attractive with on the one hand, mixed issues that are less expensive and the return of positive

Management Report (continued)

actuarial yield on approximately half of the European pool. Despite the adverse climate, we noted two primary issues, Safran (€665 million in aviation; in which we invested) and Technip (€375 million; oil and gas production from which we stayed away, given that credit seemed too expensive).

Portfolio and Outlook:

The Fund fell sharply (-3.53%) but outperformed its index: the process of the Fund, through swapping expensive convertibles for synthetic convertibles and implementing hedges to strengthen the convexity helped lessen the impact of the fall in technical valuations and that of the markets (gain of 26bp on hedges). As regards stock-picking, underexposure to Telecom Italia and Rocket Internet were favourable. In terms of transactions, we strengthened those stocks that fell sharply, on which we remain positive (Fresenius, Qiagen and Safran) as well as on convertibles that have again become affordable (Metro and National Grid). Conversely, we sold off Brenntag after a great run and Vodafone (rather uninviting technical characteristics). Overall, the Fund remains on a neutral delta profile, with increased hedging of 5 to 11% of the portfolio in nominal terms (maturing in February) which would be optimum up to 2750 on the Euro Stoxx 50. Generally, G Fund European Convertibles showed resilience in this risk-off market phase, given that since the end of November 2015, the portfolio (-4.63%) has only in fact suffered 85% of the benchmark's fall (-5.46%).

February 2016

Markets over the period:

February was V-shaped. The sharp fall at the start of the month (low oil prices, concerns over Chinese growth and doubts over the robustness of the financial system), found salvation in the hope of intervention from the Chinese state and central banks, with Mr Draghi restating his message of "unlimited" support for the economy. The leading sectors were commodities (+17%), far ahead of leisure (+2%) and energy (+1%). Insurance (-6%), public utilities (-6%) and banks (-5%) lagged behind. High-yield credit started to widen (+40bp for the Crossover index at 408bp after hitting 487bp during the month). Convertible bond universe: the Exane ECI Europe index fell -1.81% due to the fall in underlying equities (-3.6%) and a negative valuation effect from a technical fall in price on the mixed convertibles market. As a result of these reductions, the pool is currently more attractive with on the one hand, mixed issues that are less expensive and the return of positive actuarial yield on approximately half of the European pool. This month saw two primary issues with LVMH (US$545 million, in which we invested) and Grand City Properties (€400 million; German residential property, in which we invested).

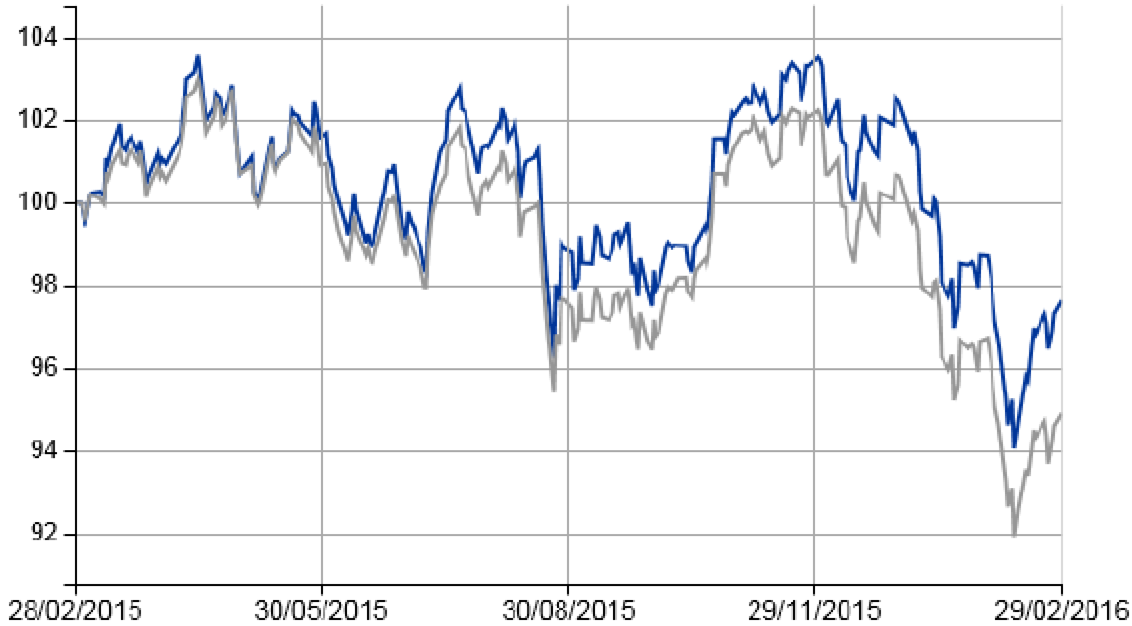
Portfolio and Outlook:

The Fund (-1.11%) fell but significantly outperformed its benchmark: the process of the Fund, through swapping expensive convertibles for synthetic convertibles and implementing hedges to strengthen the convexity helped lessen the impact of the fall in technical valuations and that of the markets (gain of 12bp on hedges). In terms of stock-picking, our underexposure to Telecom Italia, Ingenico, Rocket, IAG and UK property was favourable. In terms of transactions, we strengthened on mixed convertibles that fell in price such as Suez Environnement and Haniel for Metro and even discounted securities such as IAG 2020 and STM 2019. We strengthened on the automotive sector via synthetic convertibles on Valeo and Faurecia. Conversely, we sold off end-of-lines in Total, Brenntag and Rocket Internet. The credit portion was strengthened with good value purchases on Areva 2017 then 2016 (expected capital increase), Kaufmann 2019 (planned IPO), BPIM (upcoming consolidation of Italian banks) and the Crossover credit index. Overall, the fall in the markets did not push us to increase the relative delta, and the Fund remained on a slightly overexposed delta profile, with hedges up to 7% of the portfolio in nominal terms (maturing in March) which will come into play below 2800 on the Euro Stoxx 50. In contrast, we began strengthening the portfolio's credit portion. In global terms, G Fund European Convertible proved its

Management Report (continued)

resilience in this risk-off market phase, given that since the end of November 2015, the portfolio (-5.70%) has only in fact suffered 79% of the benchmark's fall (-7.17%).

Ultimately, the performance of the Fund's IC class G FUND – European Convertible Bonds over the period was -2.38% compared with -5.10% for the EXANE ECI Convertibles Europe benchmark at period end.



Past performance is no guarantee of future results.

G FUND – European Convertible Bonds

Financial Statements as at 29/02/16

Statement of Assets as at 29/02/16

Expressed in EUR

Assets		**246,881,556.41**
Securities portfolio at assessed value	Note 2	214,871,501.49
Purchase price		*217,516,456.62*
Unrealised loss on securities portfolio		*-2,644,955.13*
Options purchased at market value	Note 2, 8	2,872,040.59
Options purchased at purchase price		*3,163,876.24*
Cash at bank and liquidities		12,775,291.38
Interest receivable on swap contracts		49,305.56
Interest receivable on bonds		1,512,607.05
Interest receivable on bank accounts		632.61
Subscriptions receivable		14,389,100.00
Unrealised net gain on forward currency contracts	Note 2, 6	344,870.73
Unrealised net gain on swap contracts	Note 2, 9	66,207.00
Liabilities		**10,301,267.36**
Options sold at market value	Note 2, 8	1,037,590.00
Options sold at purchase price		*1,094,362.00*
Payables on purchases of investments		7,300,814.84
Interest payable on swap contracts		23,666.67
Subscription tax payable	Note 5	4,106.29
Performance fee payable	Note 3	1,449,928.92
Unrealised net loss on futures contracts	Note 2, 7	182,638.60
Management and advisory fee payable	Note 3	51,016.76
Administration and custodian fee payable	Note 4	12,908.79
Payables on swap contracts	Note 2	217,383.24
Other liabilities		21,213.25
Net asset value		**236,580,289.05**

Change in the number of shares outstanding from 01/03/15 to 29/02/16

	Shares outstanding as at 01/03/15	**Shares subscribed**	**Shares redeemed**	**Shares outstanding as at 29/02/16**
- Class IC EUR Accumulation shares	23,345.051	65,522.390	10,766.420	78,101.021
- Class GD EUR Distribution shares	100,732.454	3,035.745	0.000	103,768.199
- Class NC EUR Accumulation shares	49,004.510	175,005.529	204,964.510	19,045.529

G FUND – European Convertible Bonds

Key Figures

		Year ended:	**29/02/16**	**28/02/15**	**28/02/14**
Total Net Assets		EUR	236,580,289.05	171,172,858.08	123,659,747.66
- Class IC EUR			EUR	EUR	EUR
Accumulation shares					
Number of shares			78,101.021	23,345.051	0.000
Net asset value per share			1,312.32	1,344.31	0.00
Distribution shares					
Number of shares			0.000	0.000	22,575.051
Net asset value per share			0.00	0.00	1,194.68
- Class GD EUR			EUR	EUR	EUR
Distribution shares					
Number of shares			103,768.199	100,732.454	80,000.998
Net asset value per share			1,268.60	1,323.49	1,207.86
Dividend per share (Note 12)			27.00	36.70	0.00
- Class NC EUR			EUR	EUR	EUR
Accumulation shares					
Number of shares			19,045.529	49,004.510	500.000
Net asset value per share			128.43	132.04	117.86

G FUND – European Convertible Bonds

Securities portfolio as at 29/02/16

Expressed in EUR

Quantity	Name	Listing currency	Assessed value	% net assets
	Securities listed on an official stock exchange and/or traded on another regulated market		214,871,501.49	90.82
	Equities		**2,150,608.10**	**0.91**
	France		*2,150,608.10*	*0.91*
68,589	FAURECIA	EUR	2,150,608.10	0.91
	Bonds		**18,754,948.29**	**7.93**
	United States of America		*1,183,390.00*	*0.50*
1,300,000	XPO LOGISTICS REGS 5.75.15-21 15/06S	EUR	1,183,390.00	0.50
	France		*2,017,810.00*	*0.85*
1,000,000	AREVA SA EMTN 3,875 09-16 23/09A	EUR	1,002,710.00	0.42
1,000,000	FIN GAILLON EMTN REGS 7.00.14-19 30/09S	EUR	1,015,100.00	0.43
	Cayman Islands		*2,192,432.47*	*0.93*
2,250,000	UPCB FINANCE 144A 7.25.11-21 15/11S	USD	2,192,432.47	0.93
	Italy		*5,605,560.83*	*2.37*
700,000	BANCO POPOLARE 3.50.14-19 14/03A	EUR	707,000.00	0.30
1,500,000	BANCO POPOLARE REGS 2.75.15-20 27/07A	EUR	1,473,750.00	0.62
2,500,000	TELECOM ITALIA EMTN 6,375 04-19 24/06A	GBP	3,424,810.83	1.45
	Luxembourg		*3,871,574.99*	*1.64*
3,300,000	MATTERHORN TEL REGS 3,625 15-22 01/05S	CHF	2,607,493.99	1.11
1,300,000	WIND ACQUISITION FIN 4.00.14-20 15/07S	EUR	1,264,081.00	0.53
	Netherlands		*3,884,180.00*	*1.64*
1,200,000	LGE HOLDCO VI BV 7,125 14-24 15/05S	EUR	1,288,680.00	0.54
1,500,000	SCHAEFFLER FIN 6,875 13-18 15/08S	EUR	1,542,900.00	0.66
1,000,000	UPC HOLDING REGS 6,375 12-22 15/09S	EUR	1,052,600.00	0.44
	Convertible bonds		**177,201,546.76**	**74.89**
	Germany		*30,323,689.00*	*12.82*
400,000	CANCOM CV 0,875 14-19 27/03A	EUR	455,248.00	0.19
800,000	DEUTSCHE EUROSHOP CV 1.75.12-17 20/11S	EUR	1,032,192.00	0.44
3,000,000	DEUTSCHE POST CV 0.60.12-19 06/12A	EUR	3,680,400.00	1.56
2,300,000	DEUTSCHE WOHNEN CV 0,875 14-21 08/09A	EUR	3,045,430.00	1.29
1,000,000	DEUTSCHE WOHNEN REGS CV 0.50.13-20 22/11S	EUR	1,458,000.00	0.62
700,000	DRILLISCH AG CV 0.75.13-18 12/12S	EUR	1,277,990.00	0.54
4,200,000	FRESENIS REGS CV 0.00.14-19 24/09U	EUR	5,635,770.00	2.37
4,500,000	HANIEL FIN DEUTSC CV 0.00.15-20 12/05U	EUR	4,465,575.00	1.89
900,000	KUKA CV 2.00.13-18 12/02S	EUR	2,071,134.00	0.88
2,000,000	LEG IMMOBILIEN CV 0.50.14-21 01/07S	EUR	2,895,400.00	1.22
2,400,000	RAG STIFTUNG CV 0.00.14-18 31/12U	EUR	2,531,400.00	1.07
300,000	ROCKET INTERNET CV 3.00.15-22 22/07S	EUR	230,850.00	0.10
1,000,000	TAG IMMOBILIEN CV 5.50.12-19 28/06S	EUR	1,544,300.00	0.65
	Austria		*4,868,755.00*	*2.06*
1,100,000	CONWERT IMMOBILIEN CV 4.50.12-18 06/09S	EUR	1,372,360.00	0.58
3,500,000	STEINHOFF FIN CV 1.25.15-22 11/08S	EUR	3,496,395.00	1.48
	Belgium		*4,790,189.10*	*2.02*
300,000	ABLYNX NV CV 3.25.15-20 27/05S	EUR	340,260.00	0.14
10,200	COFINIMMO SA CV 2.00.13-18 20/06A	EUR	1,215,213.97	0.51
208,250	ECONOCOM GRP SA CV 1.50.14-19 15/01A	EUR	2,383,515.13	1.01
800,000	SAGERPAR REGS CV 0,375 13-18 09/10A	EUR	851,200.00	0.36
	United Arab Emirates		*1,524,400.00*	*0.64*
2,000,000	AABAR INVEST CV 0.50.15-20 27/03S	EUR	1,524,400.00	0.64
	Spain		*11,501,970.00*	*4.86*
700,000	INTL CONSOL AIRLIN CV 1.75.13-18 31/05S	EUR	1,172,010.00	0.50
6,400,000	INTL CONSOLIDATED CV 0.25.15-20 17/11S	EUR	5,975,040.00	2.52
900,000	INTL CONSOLIDATED CV 0,614 15-22 17/11S	EUR	833,040.00	0.35
1,500,000	LA CAXA CV 1.00.13-17 25/11S	EUR	1,484,475.00	0.63
1,500,000	MELIA HOTELS INTL SA CV 4.50.13-18 04/04Q	EUR	2,037,405.00	0.86
	United States of America		*3,967,409.89*	*1.68*
400,000	INCYTE CV 0,375 14-18 15/11S	USD	577,657.73	0.24
1,600,000	MICRON TECHNOLOGY CV 3.00.13-43 15/11S	USD	1,026,574.02	0.43
1,800,000	NATIONAL GRIDS CV 0.90.15-20 02/11S	GBP	2,363,178.14	1.01
	Finland		*3,248,200.00*	*1.37*
1,700,000	OUTOKUMPU CV 3,255 15-20 26/02S	EUR	1,307,980.00	0.55
1,800,000	SOLIDIUM CV 0.00.14-18 04/09U	EUR	1,940,220.00	0.82
	France		*40,285,797.61*	*17.03*
170,000	AIR FRANCE KLM CV 2.03.13-23 15/02A	EUR	1,934,940.34	0.82

Expressed in EUR

Quantity	Name	Listing currency	Assessed value	% net assets
750,000	ALCATEL LUCENT CV 0.00.14-19 30/01U	EUR	3,082,500.00	1.30
77,709	BIM CV 2.50.15-20 13/11A	EUR	1,972,555.06	0.83
1,800,000	BNP PARIBAS CV 0.25.13-16 27/09A	EUR	1,813,320.00	0.77
10,000	FONCIERE DES REGIONS CV 0,875 13-19 01/04S	EUR	957,941.27	0.40
40,400	FONCIERE DES REGIONS CV 3.34.11-17 01/01S	EUR	3,807,203.75	1.61
9,333	LVMH MOET HENNESSY CV 0.00.16-21 16/02U	USD	2,261,033.17	0.96
56,581	MICHELIN SA -ML- CV 0.00.07-17 01/01U	EUR	7,884,562.35	3.33
59,870	NEXITY SA CV 0,625 14-20 01/01S	EUR	3,066,323.41	1.30
47,360	ORPEA CV 1.75.13-20 01/01S	EUR	3,793,472.18	1.60
16,000	RALLYE CV 1.00.13-20 02/10A	EUR	1,203,743.61	0.51
74,485	SAFRAN SA CV 0.00.16-20 31/10U	EUR	6,934,702.47	2.93
75,000	SUEZ ENV CV (SHS) 0.00.14-20 27/02U	EUR	1,573,500.00	0.67
	Jersey		*9,185,264.65*	*3.88*
1,000,000	BRITISH LAND CV 1.50.12-17 10/09S	GBP	1,400,474.54	0.59
1,500,000	CARILLION FINANCE CV 2.50.14-19 19/12S	GBP	1,846,671.80	0.78
200,000	DERWENT LONDON CAP CV 1,125 13-19 24/07S	GBP	279,274.08	0.12
1,700,000	GABRIEL FINANCE CV 2.00.13-16 26/11S	EUR	1,674,500.00	0.71
1,200,000	GREAT PORTLAND CV 1.00.13-18 10/09S	GBP	1,700,654.09	0.72
1,400,000	PT JERSEY LTD CV 0.50.14-19 19/11A	EUR	1,664,670.00	0.70
500,000	ST MODWEN PROP REGS CV 2,875 14-19 06/03S	GBP	619,020.14	0.26
	Cayman Islands		*832,359.30*	*0.35*
1,000,000	SIEM KAPITAL INC CV 1.00.12-19 12/09S	USD	832,359.30	0.35
	Italy		*11,758,797.00*	*4.97*
1,500,000	BENI STABILI CV 2,625 13-19 17/04S	EUR	1,688,025.00	0.71
2,000,000	BUZZI UNICEM CV 1,375 13-19 17/07S	EUR	2,311,400.00	0.98
400,000	FCT HOLDING SRL CV 0,625 15-20 30/11A	EUR	409,492.00	0.17
2,000,000	PRYSMIAN CV 1.25.13-18 08/03S	EUR	2,158,600.00	0.91
1,200,000	SAFILO CV 1.25.14-19 22/05S	EUR	1,049,520.00	0.44
4,300,000	TELECOM ITALIA CV 1,125 15-22 26/03S	EUR	4,141,760.00	1.76
	Luxembourg		*13,533,435.69*	*5.72*
1,000,000	APERAM REGS CV 0,625 14-21 08/07S	USD	986,240.86	0.42
2,000,000	APERAM REGS CV 2,625 13-20 30/09S	USD	3,086,466.33	1.30
2,700,000	GBL VERWALTUNG CV 1.25.13-17 07/02A	EUR	2,735,370.00	1.16
2,000,000	GRAND CITY PRO CV 0.25.16-22 02/03S	EUR	2,053,000.00	0.87
1,100,000	SAF HOLLAND CV 1.00.14-20 12/09S	EUR	1,209,158.50	0.51
3,000,000	TELECOM ITALIA CV 6,125 13-16 15/11A	EUR	3,463,200.00	1.46
	Norway		*1,558,875.00*	*0.66*
1,500,000	MARINE HARVEST CV 0,125 15-20 05/11S	EUR	1,558,875.00	0.66
	Netherlands		*25,179,641.65*	*10.64*
1,600,000	ACS ACTIVIDADES CV 1,625 14-19 27/03Q	EUR	1,672,800.00	0.71
1,700,000	ACS ACTIVIDADES CV 2,625 13-18 22/10Q	EUR	1,892,270.00	0.80
8,000,000	AMERICA MOVIL CV 5.50.15-18 17/09Q	EUR	8,174,400.00	3.45
1,300,000	IBERDROLA INTL CV 0.00.15-22 11/11U	EUR	1,269,320.00	0.54
5,800,000	QIAGEN FINANCE CV 0,375 14-19 19/03S	USD	5,575,003.46	2.35
1,000,000	SALZGITTER FIN CV 2.00.10-17 08/11A	EUR	1,055,150.00	0.45
700,000	SONAE INV CV 1,625 14-19 11/06S	EUR	673,610.00	0.28
4,000,000	STMICROELCTRONICS NV CV 0.00.14-19 03/07U	USD	3,287,138.19	1.39
1,500,000	VASTNED RETAIL CV 1,875 14-19 10/04S	EUR	1,579,950.00	0.67
	Portugal		*2,029,755.00*	*0.86*
1,950,000	PARPUBLICA SGPS SA CV 5.25.10-17 28/09A	EUR	2,029,755.00	0.86
	United Kingdom		*3,461,910.24*	*1.46*
1,300,000	IMMARSAT CV 1.75.07-17 16/11S	USD	1,675,146.10	0.71
1,400,000	VODAFONE GROUP CV 0.00.15-20 26/11U	GBP	1,786,764.14	0.75
	Sweden		*1,715,984.89*	*0.73*
15,000,000	AB INDUSTRIVARDEN CV 0.00.14-19 15/05U	SEK	1,715,984.89	0.73
	Switzerland		*7,435,112.74*	*3.14*
1,340,000	BASILEA PHARMA CV REG S 2.75.15-22 23/12S	CHF	1,119,473.30	0.47
1,000,000	IMPLENIA CV 0.50.15-22 30/06A	CHF	925,060.06	0.39
3,250,000	SCHINDLER HLDG CV REGS 0,375 13-17 05/06A	CHF	3,252,102.20	1.37
400,000	SWISS LIFE HLDG CV 0.00.13-20 02/12U	CHF	444,594.34	0.19
1,800,000	SWISS PRIME SITE CV. 1,875 11-16 21/06A	CHF	1,693,882.84	0.72
Obligations à taux flottant			**16,764,398.34**	**7.09**
	Belgium		*6,068,327.50*	*2.57*
1,800,000	SOLVAY SA FL.R 15-17 01/12Q	EUR	1,807,830.00	0.76
4,250,000	UCB FL.R 11-XX 18/03A	EUR	4,260,497.50	1.81

G FUND – European Convertible Bonds

Securities portfolio as at 29/02/16

Expressed in EUR

Quantity	Name	Listing currency	Assessed value	% net assets
	France		*6,612,199.42*	*2.79*
1,300,000	BNP PARIBAS FL.R 14-XX 25/11A	EUR	1,186,250.00	0.50
800,000	BPCE FL.R 09-XX 30/09S	EUR	1,016,232.00	0.43
1,600,000	BPCE REG S FL.R 09-XX 29/06S	USD	1,812,577.42	0.76
1,500,000	NATIXIS PERPETUAL FL.R 07-49 18/10A	EUR	1,561,875.00	0.66
500,000	PICARD GROUPE REGS FL.R 13-19 01/08Q	EUR	498,265.00	0.21
600,000	SOGECAP SA FL.R 14-49 29/12A	EUR	537,000.00	0.23
	Netherlands		*1,206,180.00*	*0.51*
1,000,000	ASR NEDERLAND FL.R 09-XX 26/10A	EUR	1,206,180.00	0.51
	United Kingdom		*2,877,691.42*	*1.22*
2,400,000	J SAINSBURY PLC FL.R 15-49 30/01S	GBP	2,877,691.42	1.22
Derivative instruments			1,834,450.59	0.78
Options			**1,834,450.59**	**0.78**
	Germany		*1,188,800.00*	*0.51*
375	ADIDAS DEC 92.00.19.12.16 CALL	EUR	496,500.00	0.21
300	AIRBUS GROUP DEC 84.0 18.12.17 CALL	EUR	66,900.00	0.03
250	DJ EUR STOXX 50 JUN 4100 20.06.16 CALL	EUR	250.00	0.00
300	DJ EUR STOXX 50 MAR 2300 21.03.16 PUT	EUR	2,100.00	0.00
200	DJ EUR STOXX 50 MAR 2550 21.03.16 PUT	EUR	8,800.00	0.00
300	DJ EUR STOXX 50 MAR 2800 21.03.16 PUT	EUR	94,200.00	0.04
200	DJ EURO STOXX 50 MAR 2850 21.03.16 PUT	EUR	89,200.00	0.04
-1,100	DJ EURO STOXX 50 MAR 2700 21.03.16 PUT	EUR	-161,700.00	-0.07
70	DJ EURO STOXX 50 MAR 2750 21.03.16 PUT	EUR	15,190.00	0.01
-80	EURX EURO BUND MAR 161.5 25.03.16 CALL	EUR	-99,200.00	-0.04
850	FRESENIUS DEC 68.0 18.12.17 CALL	EUR	514,250.00	0.22
-850	FRESENIUS MAR 68.00.21.03.16 CALL	EUR	-12,750.00	-0.01
2,000	SUEZ ENV MAR 17.50.21.03.16 CALL	EUR	18,000.00	0.01
-2,000	SUEZ ENV MAR 18.50.21.03.16 CALL	EUR	-4,000.00	0.00
3,500	TELECOM ITALIA DEC 1.60.15.12.17 CALL	EUR	98,000.00	0.04
-3,600	TELECOM ITALIA SEP 1.25.16.09.16 CALL	EUR	-93,600.00	-0.04
70	UNIBAIL RODAMCO DEC 280 18.12.17 CALL	EUR	65,660.00	0.03
250	VALEO SA APR 120 18.04.16 CALL	EUR	290,500.00	0.12
-250	VALEO SA APR 130 18.04.16 CALL	EUR	-143,750.00	-0.06
-250	VALEO SA APR 140 18.04.16 CALL	EUR	-55,750.00	-0.02
	France		*15,275.00*	*0.01*
685	FAURECIA MAR 32 18.03.16 CALL	EUR	70,555.00	0.04
-1,370	FAURECIA MAR 34 18.03.16 CALL	EUR	-60,280.00	-0.03
1,000	GDF SUEZ DEC 20.00 16.12.16 CALL	EUR	5,000.00	0.00
	Italy		*474,320.00*	*0.20*
1,600	SNAM JUN 5.00.17.06.16 CALL	EUR	297,920.00	0.13
-1,600	SNAM JUN 5.40.17.06.16 CALL	EUR	-89,280.00	-0.04
-3,600	TELECOM ITALIA SEP 0.80.16.09.16 PUT	EUR	-296,280.00	-0.13
3,600	TELECOM ITALIA SEP 0.95.16.09.16 PUT	EUR	561,960.00	0.24
	Netherlands		*58,800.00*	*0.02*
4,200	KONINKLIJKE JUN 3.2 17.06.16 PUT	EUR	79,800.00	0.03
-4,200	KONINKLIJKE JUN 4.2 17.06.16 CALL	EUR	-21,000.00	-0.01
	Switzerland		*97,255.59*	*0.04*
125	ROCHE HLDG DEC 280.0 19.12.16 CALL	CHF	97,255.59	0.04
Total securities portfolio			**216,705,952.08**	**91.60**

The notes are an integral part of these financial statements

G FUND – European Convertible Bonds

Statement of Operations and Changes in Net Assets from 01/03/15 to 29/02/16

Expressed in EUR

Income		**3,318,409.65**
Net dividends	Note 2	19,782.42
Net interest on bonds	Note 2	3,245,919.71
Bank interest payable on demand		3,212.45
Other financial income		157.20
Interest on swaps		49,337.87
Expenses		**2,529,368.94**
Amortisation of costs of incorporation	Note 2	2,469.36
Management and advisory fee	Note 3	492,743.20
Custodian fee	Note 4	44,564.18
Subscription tax	Note 5	20,418.75
Administration fee	Note 4	55,832.75
Performance fee	Note 3	1,449,928.92
Professional and legal fees		39,609.93
Interest on bank overdraft		11,846.41
Transaction fees	Note 2	270,621.83
Interest on swaps		67,833.34
Other expenses		73,500.27
Net investment income		**789,040.71**
Net profit/loss realised on:		
- sale of securities	Note 2	6,232,255.11
- options	Note 2	1,459,260.92
- forward currency contracts	Note 2	56,389.24
- futures contracts	Note 2	-437,962.63
- swap contracts	Note 2	77,730.78
- foreign exchange		1,073,354.49
Net profit realised		**9,250,068.62**
Change in unrealised net gain/loss on:		
- securities portfolio		-15,904,383.63
- options	Note 2	382,409.98
- forward currency contracts	Note 2	1,089,502.57
- futures contracts	Note 2	-348,832.60
- swap contracts	Note 2	66,207.00
Reduction in net assets resulting from transactions		**-5,465,028.06**
Dividends paid	Note 12	-2,739,710.09
Accumulation share subscriptions		111,386,836.62
Distribution share subscriptions		3,949,997.02
Accumulation share redemptions		-41,724,664.52
Increase in net assets		**65,407,430.97**
Net assets at the beginning of the year		**171,172,858.08**
Net assets at the end of the year		**236,580,289.05**

G FUND
– Euro High Yield Bonds

Management report

The year 2015 began with a sudden rise in the Swiss franc and the announcement of QE by the ECB, and ended with the first long-awaited rate increase by the Fed, after seven years of status quo. Unprecedented events occurred throughout the year.

On 15 January, the SNB surprised the markets by discontinuing the EUR/CHF floor price of 1.20 established three years earlier at the height of the European sovereign debt crisis, boosting the currency by 40%. No fewer than 43 central banks relaxed their monetary policies in 2015. Bond yields on the short and intermediate parts of yield curves in Europe tumbled into negative territory: as such, in Germany, all government bonds with maturities of less than seven years posted negative returns during the year; nearly half of the German debt market occasionally headed into negative territory at a time when the 10-year Bund reached a historic low of 0.07%, on 20 April. The German 2-year rate moved into negative territory in August 2014 to reach -0.345 at the end of 2015 (having stood at around -0.10 at the start of the year), with a low of -0.44 on 2 December before the ECB's last meeting of the year.

The ECB launched its first round of QE in early March 2015. Public sector asset purchases began on 9 March with a monthly amount of €60 billion, as announced on 22 January and including ABS and covered bonds. The ECB bought bonds with negative yields, up to the deposit rate limit, and the purchase programme was initially scheduled to run until September 2016 (i.e. a total of €1,000 billion in assets purchased). New measures were announced in December, including further easing required to reach the medium-term inflation targets: the deposit rate fell by 10 bps from -0.20% to -0.30%, QE was extended by six months from September 2016 to at least March 2017, regional and local authority debt was incorporated into the purchase programme, and TLTROs were extended from June 2016 to the end of 2017 at the earliest.

On inflation-linked bonds, the € index achieved performance of 2.12% over the year compared to -0.71% for the global index: the ECB's monetary easing policy supported the drop in real interest rates, particularly in peripheral countries. A highlight in the context of a marked decline in commodities prices, particularly for energy, the break-even inflation rate achieved a positive performance in France of 0.32%.

The markets wobbled at the end of August and the beginning of September as the Chinese stock markets collapsed, capital outflows accelerated and foreign exchange reserves saw a record fall, confirming the 2015 crash in emerging countries amid a context of sharp falls in commodities prices.

Market volatility, which increased illiquidity on the bond markets, made a major comeback in 2015, fuelled by the uncertainty surrounding the Fed, the fall in the outlook for global growth and China in particular (the surprise devaluation of the yuan on 11 August having exacerbated concerns regarding the world's second largest economy), the fall in oil prices and the return of specific risk on the credit market. The mining and energy sector was hit particularly hard (Anglo American, Glencore), as were VW, Areva, Abengoa, Novo Banco, and RWE. The performances of IG credit were negative in both relative (-0.93%) and absolute terms (-0.56%): only financials achieved a positive absolute performance (+0.29%), with better results for subordinated bank debt (+1.49%) than for senior debt (0.15%). The HY market, meanwhile, posted a positive absolute performance of 0.47% over 2015.

The Greek saga continued: the country once again came close to leaving the eurozone after defaulting on its commitments to the IMF. A referendum on a third international bailout was held at the end of June, after negotiations between Greece and its creditors broke down. A period of political uncertainty followed, accompanied by the introduction of capital controls. An agreement was finally reached on 13 July after several weeks of negotiations, but the Greek banks and the stock exchange were forced to close.

Management Report (continued)

Eurozone government bonds achieved an absolute performance of 1.65% in 2015, and were the best performers in the aggregate European universe: Italy, Latvia and Malta posted the strongest performances, of 4.83%, 5.12% and 7.66% respectively; only Austria posted a negative performance (-0.15%). At the end of the year, Portugal and Spain experienced renewed political risk: the results of the general elections in these two countries made forming governments complicated.

In government bonds, the US outperformed Germany by 0.51%, with absolute performance of 0.84%.

- **January**: In the constructive context for the credit segment(s) over the first few weeks of 2015, we continued to rebalance the portfolio (historically invested up to 80% in investment grade credit), not only by selling part of our bond exposure with a view to reinvesting in high yield, but also by building up directional exposure of 45% to the HY segment via HY Total Return Swaps (iBoxxMJA) maturing in March 2015. In other words, from January, the G Fund Euro HY Bonds Fund was fully exposed to its benchmark universe, posting: 1. a beta in Credit Delta TS of 1.30 and 2. a risk budget expressed in TE limited to 120bp.

- **February**: Despite renewed volatility (fuelled by the ups-and-downs of Greek news) February remained marked by a good appetite for risk from investors. In line with January, we continued to rebalance the bond portion of the Fund on the HY market to favour opportunities offered by the primary market (ThyssenKrupp, Picard and Cemex). At period end, our cash exposure to the investment grade segment was limited to 27% (i.e. 10% less than at the end of the previous month).

- **March**: In the much less favourable climate of an end-of-quarter marked by the (excessive) abundance of primary issues and the clear desire, not only from a number of investors to crystallise their gains from the start of the year, but also from market-makers to ease their passage into Q2, we underperformed, with a downturn in the market. In fact, we suffered not only from our directional overexposure to the market (via TRS ending in the second half of the month), but also the lack of effectiveness of an optional crossover hedging strategy (which proved to be more correlated to equity than to HY cash), and the sector positioning of our portfolio’s cash portion (underexposure to French retail in contrast to overexposure to Spanish infrastructure).

- **April**: During this constructive period, despite rather harsh political and economic news (from Greek negotiations to U.S. growth), we wished to return to a more neutral stance while continuing to diversify the bond portion of our portfolio, given the rise in political risks (in Greece, the UK, Spain etc.). We conducted this operation, over and above our decision not to roll our TRS positions maturing in March, by establishing a cash portion of 5%.

- **May**: Facing markets weakened by the lack of a political solution to the Greek situation, we chose to remain neutral in Credit Delta TS. We also increased our cash to 10% and implemented an optional strategy of payer-spreads on the crossover maturing in June (350-400).

Management Report (continued)

- **June**: In a climate of volatility, still fuelled by the ups-and-downs of negotiations between the IMF, the European Union and the Greek government, we worked to diversify our portfolio (establishing a "portfolio funds" position of 10% in TRS) and on our credit derivatives position to protect against extreme risk and to build up strength faced with a crossover which remained higher than 350bp.

- **July**: The lifting of the Greek mortgage during the month was not really beneficial, if only because it was quickly followed by a rise in concerns over Chinese growth. Our decision to increase our exposure to the HY segment via TRS if a policy solution to the Greek crisis could be reached will thus have had little positive impact. This occurred as we suffered from our optional and directional exposure to a particularly volatile crossover index during the first part of the month. At the end of the period, we started: 1. to clip our bond positions exposed to emerging markets; 2. to establish a cash portion of near-certain short call bonds to reduce the volatility of our portfolio.

- **August**: Over the summer, which was marked by ongoing fears over China and a fall in the price of oil to below $40 a barrel, and thus a weakness of risky assets, we maintained the positioning of B over BB in our portfolio and continued with the strategies undertaken in July.

- **September**: In a climate marked by twofold persistence (the accommodative stance of central banks and the weight of the European political environment), as well as the appearance of idiosyncratic risks in the IG universe, we chose to clip all our cyclical positions (in particular, our exposure to automotive parts manufacturers) and those exposed to commodities, while maintaining our position of favouring class B over BB. In addition, we decided not to roll our position in TRS maturing during the month, thus showing our commitment to underexposure in the segment.

- **October**: The particularly accommodative tone of Mario Draghi and the interventions of the Chinese central bank brought about a rebound on the high yield segment – by posting performance of 3.11% over the period, the HEC4 index offset all of its underperformance in September. In this context, we chose to return to a more neutral position in our positioning – a decision we made to allow greater efficiency via TRS HY positions.

Management Report (continued)

- **November**: Decisions were awaited from various central bankers and the start of a period of divergence in monetary policies were at the centre of market activity in the penultimate month of the year. As was the case with the IG segment, financial issues fuelled the HY market during these few weeks, as it closed with a positive performance despite the materialisation of several idiosyncratic risks – OI, Petrobras, and more immediately for the GFund Euro HY Fund (see the size of our direct exposure to this issuer), Abengoa (the engineering/construction/concessions group that chose to place itself under legal protection from Spanish bankruptcies due to the deterioration of the immediate liquidity situation).

- **December**: The inability of the European Central Bank to live up to its own expectations brought about in the context of a first rate increase across the Atlantic, as well as the continued fears regarding China (emerging markets) and falling oil prices, led to a decline in high-risk assets (the HY segment posted a loss of 1.01%). Against this backdrop, we reduced our beta to 0.85 in Credit Delta TS and closed the year with a cash portion of €7.8m.

- **January**: The continued weakness of oil prices and a peak in concern around the growth prospects of the Chinese economy prompted volatility to rise and investors to employ risk aversion tactics. Against this backdrop, and despite a defensive position consistent with our positioning at the end of the calendar year, we underperformed, not only due to the materialisation of idiosyncratic stress (COFP in particular), but also because of our diversification outside the index (with huge underperformance by German real Estate – Vonovia, Grand City, following a sector repositioning of several hedge funds) and the nature of our financial exposure (Spanish, Italian and Irish AT1).

- **February**: Following a first fortnight that continued the trends seen in January, credit markets, in particular the HY segment, were given some added breathing space by the price of crude, which firstly stabilised before increasing. The best performances were seen in sectors that had suffered most since the beginning of 2016 (Metals & Mining). As for the energy sector, it stabilised, closing the month at -1.76% vs. -1.20% for the HEC4 index. Against this backdrop, we worked on the granularity of the portfolio, forming new bond positions on Ontex, Rexam and Wienerberger.

Over the period from 28/02/15 to 29/02/16, the performance of the Fund's GD unit, G FUND – Euro High Yield Bonds, was down 8.30% in total return vs. a benchmark index (BofA-ML HEC4) down 4.45%. The net asset value of this Fund unit fell from €1,273.88 to €1,124.17 over the period.

Meanwhile, the fund posted volatility of 5.63% vs. its benchmark index's volatility of 4.54%.

Past performance is no guarantee of future results.

Financial Statements as at 29/02/16

Statement of Assets as at 29/02/16

Expressed in EUR

Assets		**85,850,423.79**
Securities portfolio at assessed value	Note 2	76,204,553.93
Purchase price		*79,145,218.24*
Unrealised loss on securities portfolio		*-2,940,664.31*
Options purchased at market value	Note 2, 8	5,040.00
Options purchased at purchase price		*25,000.00*
Cash at bank and liquidities		7,975,109.65
Interest receivable on swap contracts		31,052.78
Interest receivable on bonds		1,136,643.12
Receivables on sale of investments		498,024.31
Liabilities		**1,505,853.93**
Options sold at market value	Note 2, 8	47,450.00
Options sold at purchase price		*105,000.00*
Bank debts payable on demand		893.49
Payables on purchases of investments		1,020,295.31
Subscription tax payable	Note 5	1,409.74
Unrealised net loss on futures contracts	Note 2, 7	7,500.00
Unrealised net loss on swap contracts	Note 2, 9	400,996.40
Management and advisory fee payable	Note 3	9,965.08
Administration and custodian fee payable	Note 4	6,121.50
Other liabilities		11,222.41
Net asset value		**84,344,569.86**

Change in the number of shares outstanding from 01/03/15 to 29/02/16

	Shares outstanding as at 01/03/15	**Shares subscribed**	**Shares redeemed**	**Shares outstanding as at 29/02/16**
- Class ID EUR Distribution shares	110.000	0.000	0.000	110.000
- Class GD EUR Distribution shares	77,232.213	0.000	2,367.519	74,864.694
- Class NC EUR Accumulation shares	500.000	0.000	0.000	500.000

The notes are an integral part of these financial statements

G FUND – Euro High Yield Bonds

Key Figures

		Year ended:	**29/02/16**	**28/02/15**	**28/02/14**
Total Net Assets		EUR	84,344,569.86	98,591,243.88	94,991,146.05
- Class ID EUR			EUR	EUR	EUR
Distribution shares					
Number of shares			110.000	110.000	110.000
Net asset value per share			1,129.31	1,282.51	1,200.42
Dividend per share (Note 12)			47.26	43.02	0.00
- Class GD EUR			EUR	EUR	EUR
Distribution shares					
Number of shares			74,864.694	77,232.213	79,686.001
Net asset value per share			1,124.17	1,273.88	1,189.66
Dividend per share (Note 12)			46.99	42.65	0.00
- Class NC EUR			EUR	EUR	EUR
Accumulation shares					
Number of shares			500.000	500.000	500.000
Net asset value per share			119.19	130.83	118.70

G FUND – Euro High Yield Bonds

Securities portfolio as at 29/02/16

Expressed in EUR

Quantity	Name	Listing currency	Assessed value	% net assets
Securities listed on an official stock exchange and/or traded on another regulated market				
			68,409,203.93	81.11
Bonds			**53,761,268.93**	**63.74**
	Germany		*4,061,115.05*	*4.81*
1,000,000	BILFINGER BERGER SE 2,375 12-19 07/12A	EUR	988,320.00	1.17
500,000	COMMERZBANK 6,375 11-19 22/03A	EUR	552,160.00	0.65
500,000	HAPAG-LLOYD AG 7.75.13-18 01/10S	EUR	500,280.05	0.59
300,000	PROGROUP AG REGS 5,125 15-22 01/05S	EUR	306,090.00	0.36
1,000,000	TECHEM EMTN REGS 6,125 12-19 01/10S	EUR	1,049,000.00	1.25
500,000	TRIONISTA HOLDCO REGS 6,875 13-21 30/04S	EUR	522,000.00	0.62
150,000	UNITYMEDIA HESSEN REGS4.00.14-25 15/01S	EUR	143,265.00	0.17
	Australia		*508,900.00*	*0.60*
500,000	HORIZON HOLDINGS III 5,125 15-22 01/08S	EUR	508,900.00	0.60
	Austria		*478,360.00*	*0.57*
500,000	SAPPI PAPIER HOLDNG G 3,375 15-22 01/04S	EUR	478,360.00	0.57
	Belgium		*262,525.00*	*0.31*
250,000	ONTEX GROUP REGS 4.75.14-21 15/11S	EUR	262,525.00	0.31
	Canada		*395,000.00*	*0.47*
500,000	BOMBARDIER REGS EMTN 6,125 10-21 15/05S	EUR	395,000.00	0.47
	Spain		*814,610.00*	*0.97*
500,000	BANKIA 3.50.14-19 17/01A	EUR	518,405.00	0.62
300,000	CAMPOFRIO REGS 3,375 15-22 15/03S	EUR	296,205.00	0.35
	United States of America		*1,107,360.00*	*1.31*
200,000	ARDAGH REGS 4.25.14-22 15/01S	EUR	197,060.00	0.23
1,000,000	XPO LOGISTICS REGS 5.75.15-21 15/06S	EUR	910,300.00	1.08
	France		*17,763,647.00*	*21.06*
500,000	AREVA SA EMTN 3,875 09-16 23/09A	EUR	501,355.00	0.59
1,500,000	CEGEDIM 6.75.13-20 01/04S	EUR	1,563,375.00	1.85
1,000,000	CERBA EUROPEAN LAB 7.00.13-20 01/02S	EUR	1,029,680.00	1.22
750,000	CMA CGM REGS 7.75.15-21 15/01A	EUR	562,500.00	0.67
1,000,000	EUROFINS SCIENTIFIC 2.25.15-22 27/01A	EUR	939,710.00	1.11
1,000,000	FIN GAILLON EMTN REGS 7.00.14-19 30/09S	EUR	1,015,100.00	1.20
500,000	HOMEVI REGS 6,875 14-21 15/08S	EUR	522,260.00	0.62
750,000	ITALCEMENTI FINANCE 6,125 13-18 21/02A	EUR	817,312.50	0.97
550,000	LABEYRIE FINE FOODS 5,625 14-21 15/03S	EUR	565,180.00	0.67
1,500,000	LOXAM SAS 7,375 13-20 24/01S	EUR	1,563,900.00	1.86
750,000	NOVAFIVES SAS REGS 4.50.14-21 30/06S	EUR	601,500.00	0.71
1,200,000	NOVALIS SAS REGS 3.00.15-22 30/04S	EUR	1,158,360.00	1.37
1,000,000	PAPREC HOLDING REGS 5.25.15-22 01/04S	EUR	910,000.00	1.08
1,000,000	PICARD BONDCO REGS 7.75.15-20 01/02S	EUR	1,056,250.00	1.25
500,000	RALLYE 5.00.12-18 15/10A	EUR	437,360.00	0.52
1,000,000	REXEL 3.25.15-22 15/06S	EUR	942,600.00	1.12
1,250,000	SMCP SAS 8,875 13-20 15/06S	EUR	1,314,812.50	1.56
1,500,000	SPCM REGS 2,875 15-23 15/06S	EUR	1,387,950.00	1.65
300,000	TEREOS FINANCE GROUP 4.25.13-20 04/03A	EUR	275,346.00	0.33
400,000	VALLOUREC SA 3.25.12-19 02/08A	EUR	300,068.00	0.36
300,000	VALLOUREC SA 4.25.11-17 14/02A	EUR	299,028.00	0.35
	Ireland		*2,720,173.00*	*3.23*
300,000	ARDEGH PKG REGS 9.25.10-20 15/10S	EUR	312,105.00	0.37
900,000	ARYZTA 4.50.14-XX 21/11A	EUR	886,518.00	1.05
1,000,000	EUROPCAR 5.75.15-22 15/06S	EUR	1,002,800.00	1.19
500,000	SMURFIT KAPPA ACQ 3.25.14-21 01/06S	EUR	518,750.00	0.62
	Italy		*5,854,921.00*	*6.94*
500,000	ASSICURAZ GENERALI 7.75.12-42 12/12A	EUR	574,375.00	0.68
800,000	FINMEC FINANCE 4.50.13-21 19/01A	EUR	864,600.00	1.03
500,000	INTESA SAN PAOLO 6,625 13-23 13/09A	EUR	579,640.00	0.69
750,000	INTESA SANPAOLO SUB 7.00.16-XX 19/01S	EUR	696,585.00	0.83
800,000	MONTE PASCHI SIENA 3,625 14-19 01/04A	EUR	764,000.00	0.91
1,000,000	SALINI 6,125 13-18 01/08A	EUR	1,071,500.00	1.26
400,000	TELECOM ITALIA CAP 4.50.14-21 25/01A	EUR	429,260.00	0.51
500,000	TELECOM ITALIA EMTN 5.25.10-22 10/02A	EUR	551,000.00	0.65
300,000	UNICREDIT SPA 6,125 11-21 19/04A	EUR	323,961.00	0.38
	Japan		*393,800.00*	*0.47*
400,000	SOFTBANK GROUP 4.00.15-27 30/01S	EUR	393,800.00	0.47

G FUND – Euro High Yield Bonds

Securities portfolio as at 29/02/16

Expressed in EUR

Quantity	Name	Listing currency	Assessed value	% net assets
	Luxembourg		*9,958,439.20*	*11.81*
400,000	ARCELORMITTAL EMTN 5.75.12-18 29/03A	EUR	399,440.00	0.47
1,062,164	CIRSA FUNGING 8.75.10-18 15/05S	EUR	1,067,581.18	1.27
1,000,000	DUFRY FIN SCA 4.50.14-22 15/07S	EUR	1,020,100.00	1.21
200,000	DUFRY FINANCE SCA REGS4.50.15-23 01/08S	EUR	201,520.02	0.24
500,000	FALCON GERMANY REGS 9.00.13-20 15/07S	EUR	521,300.00	0.62
600,000	FIAT INDUSTRIAL EMTN 6.25.11-18 09/03A	EUR	639,030.00	0.76
1,000,000	GALAPAGOS SA REGS 5,375 14-21 15/06S	EUR	915,300.00	1.09
500,000	GAZPROM 3,389 13-20 20/03A	EUR	476,250.00	0.56
300,000	KIRK BEAUTY ONE REGS 8.75.15-23 15/07S	EUR	294,780.00	0.35
1,000,000	MAGNOLIA BC REGS 9.00.13-20 01/08S	EUR	1,057,150.00	1.25
200,000	ONORATO ARMATORI SPA 7.75.16-23 15/02S	EUR	195,738.00	0.23
1,500,000	PLAY FINANCE 2 SA 5.25.14-19 01/02S	EUR	1,530,150.00	1.82
300,000	TELENET FIN V REGS 6.75.12-24 15/08S	EUR	324,030.00	0.38
700,000	WIND ACQUI.FIN 4.00.14-20 15/07S	EUR	675,570.00	0.80
700,000	ZINC CAPITAL REGS 8,875 11-18 11/05S	EUR	640,500.00	0.76
	Mexico		*635,625.00*	*0.75*
750,000	CEMEX SAB DE CV 4,375 15-23 05/03S	EUR	635,625.00	0.75
	Netherlands		*7,461,818.68*	*8.85*
1,000,000	ADRIA BIDCO REGS 7,875 13-20 15/11S	EUR	1,045,100.00	1.24
300,000	ALTICE REGS 7.25.14-22 15/05S	EUR	286,530.00	0.34
500,000	BHARTI AIRTEL 3,375 14-21 20/05A	EUR	516,250.00	0.61
1,050,000	CARLSON WAGNLIT REGS 7.50.12-19 15/06S	EUR	1,086,298.50	1.30
1,000,000	EDP FINANCE EMTN 2,625 14-22 18/01A	EUR	965,650.00	1.14
250,000	GRUPO ANTOLIN DUTCH 4.75.14-21 01/04S	EUR	253,200.00	0.30
543,000	LOUIS DREYFUS 3,875 13-18 30/07A	EUR	506,760.18	0.60
500,000	SCHAEFFLER FINANCE 2.75.14-19 15/05S	EUR	504,190.00	0.60
1,000,000	SCHAEFFLER FINANCE 5.75.14-21 15/11S	EUR	1,047,500.00	1.24
1,000,000	SM MTH AUTO GRP REGS 4,125 14-21 15/07S	EUR	875,300.00	1.04
200,000	ZIGGO BOND CO 4,625 15-25 15/01S	EUR	187,520.00	0.22
200,000	ZIGGO FIN REGS 3.75.15-25 15/01S	EUR	187,520.00	0.22
	United Kingdom		*1,344,975.00*	*1.59*
750,000	EPHIOS BONDCO 6.25.15-22 01/07S	EUR	763,200.00	0.90
400,000	TA MANUFACTURING REGS 3,625 15-23 15/04S	EUR	334,200.00	0.40
250,000	WORLDPAY FINANCE 3.75.15-22 15/11S	EUR	247,575.00	0.29
Floating-rate bonds			**14,647,935.00**	**17.37**
	Austria		*297,213.00*	*0.35*
300,000	WIENERBERGER AG FL.R 07-49 09/02A	EUR	297,213.00	0.35
	Spain		*1,424,979.00*	*1.69*
500,000	BANCO SANT REGS SUB FL.R 14-XX 11/09Q	EUR	432,495.00	0.51
500,000	BANKIA SA FL.R 14-24 22/05A	EUR	461,250.00	0.55
600,000	BCO BILBAO VIZCAYA FL.R 15-XX 18/05Q	EUR	531,234.00	0.63
	France		*3,092,648.00*	*3.66*
400,000	BNP PARIBAS FL.R 14-XX 25/11A	EUR	365,000.00	0.43
1,000,000	CASA TIER 1 EUR FL.R 14-49 08/04Q	EUR	943,820.00	1.12
400,000	SOCIETE GENERALE REGS FL.R 14-XX 07/04S	EUR	369,848.00	0.44
400,000	SOLVAY FIN SUB FL.R 13-XX 12/05A	EUR	379,280.00	0.45
1,000,000	VEOLIA ENVIRONNEMENT FL.R 13-XX 16/04A	EUR	1,034,700.00	1.22
	Ireland		*1,763,000.00*	*2.09*
1,100,000	ALLIED IRISH BK SUB FL.R 15-25 26/11A	EUR	1,001,000.00	1.19
800,000	BANK IRELAND FL.R 14-24 11/06A	EUR	762,000.00	0.90
	Italy		*2,062,590.00*	*2.45*
500,000	GUALA CLOSURES REGS FL.R 12-19 15/11Q	EUR	499,940.00	0.59
500,000	INTESA SANPAOLO SPA FL.R 08-XX 20/06A	EUR	531,250.00	0.63
1,000,000	UNICREDIT SPA EMTN FL.R 13-25 28/10A	EUR	1,031,400.00	1.23
	Luxembourg		*2,133,891.00*	*2.53*
1,300,000	GRANDE CITY PROPERT. FL.R 15-XX 18/02A	EUR	1,163,916.00	1.38
500,000	WIND ACQUISITION FIN FL.R 14-20 15/07Q	EUR	475,725.00	0.56
500,000	XEFIN LUX REGS FL.R 14-19 01/06Q	EUR	494,250.00	0.59
	Netherlands		*2,038,160.00*	*2.42*
1,200,000	DT ANNINGTON FI SUB FL.R 14-XX 17/12A	EUR	1,120,680.00	1.33
300,000	GAS NAT FENOSA REGS FL.R 14-XX 30/11A	EUR	267,285.00	0.32
700,000	TELEFONICA EUROPE FL.R 14-XX 04/12A	EUR	650,195.00	0.77
	United Kingdom		*1,551,804.00*	*1.84*
300,000	NEW LOOK SECURED I FL.R 15-22 01/07Q	EUR	294,444.00	0.35

G FUND – Euro High Yield Bonds

Securities portfolio as at 29/02/16

Expressed in EUR

Quantity	Name	Listing currency	Assessed value	% net assets
1,000,000	RBS SUB FL.R 14-24 25/03A	EUR	961,080.00	1.14
300,000	REXAM PLC FL.R 07-67 29/06A	EUR	296,280.00	0.35
	Sweden		*283,650.00*	*0.34*
300,000	VOLVO TREAS REGS SUB FL.R 14-75 10/06A	EUR	283,650.00	0.34
Shares/Units of UCITS/UCIs			7,795,350.00	9.24
Shares/Units of investment funds			**7,795,350.00**	**9.24**
	Ireland		*7,795,350.00*	*9.24*
76,500	ISHARES PLC MARKIT IBOXX EUR HY BD DIS	EUR	7,795,350.00	9.24
Derivative instruments			-42,410.00	-0.05
Options			**-42,410.00**	**-0.05**
	Luxembourg		*-42,410.00*	*-0.05*
10,000,000	IXOVER245M OTC MAR 3,500 16.03.16 PUT	EUR	5,040.00	0.01
-10,000,000	IXOVER245M OTC MAR 4,500 16.03.16 CALL	EUR	-47,450.00	-0.06
Total securities portfolio			**76,162,143.93**	**90.30**

G FUND – Euro High Yield Bonds

Statement of Operations and Changes in Net Assets from 01/03/15 to 29/02/16

Expressed in EUR

Income		**4,070,256.85**
Net interest on bonds	Note 2	3,795,984.58
Bank interest payable on demand		261.15
Interest on swaps		274,011.12
Expenses		**520,798.23**
Amortisation of costs of incorporation	Note 2	2,489.50
Management and advisory fee	Note 3	136,200.09
Custodian fee	Note 4	22,655.72
Subscription tax	Note 5	8,746.82
Administration fee	Note 4	29,937.77
Professional and legal fees		20,247.71
Interest on bank overdraft		1,828.70
Transaction fees	Note 2	8,011.93
Interest on swaps		249,263.57
Other expenses		41,416.42
Net investment income		**3,549,458.62**
Net profit/loss realised on:		
- sale of securities	Note 2	-1,983,244.10
- options	Note 2	-191,530.00
- futures contracts	Note 2	-51,470.00
- swaps	Note 2	-3,012,681.68
Net loss realised		**-1,689,467.16**
Change in unrealised net gain/loss on:		
- securities portfolio		-5,842,868.27
- options	Note 2	37,590.00
- futures contracts	Note 2	53,410.00
- swap contracts	Note 2	-281,725.45
Reduction in net assets resulting from transactions		**-7,723,060.88**
Dividends paid	Note 12	-3,523,090.57
Distribution share redemptions		-3,000,522.57
Reduction in net assets		**-14,246,674.02**
Net assets at the beginning of the year		**98,591,243.88**
Net assets at the end of the year		**84,344,569.86**

G FUND
– Alpha Fixed Income

Management report

March 2015 - February 2016

During the year, the investment policy was as follows:

In March, despite a favourable macroeconomic and monetary environment (including the implementation of QE in Europe), the credit markets suffered considerably. The end of the quarter and the abundance of the primary market, particularly from US issuers, actually weighed on the market. Although our directional exposure was hedged, we still suffered from the widening of bid-ask spreads. In a fund valued at bid price, this results in a pro-cyclical rise in volatility. This situation worsened even further due to the implementation of new credit alpha strategies (including base purchases and single-name CDS long positions against the index) aimed at taking advantage of price inconsistencies that had emerged during this shock. However, the acquisition of new securities valued at bid price was initially costly in terms of performance. Nevertheless, the credit alpha recorded in March still rose to 24 bps (79 bps ytd) and we remain very confident in the outlook for the Fund.

In April, there was consolidation in the bond market. Furthermore, this consolidation was accompanied by high volatility. The Fund's directional risk hedges worked perfectly, and these disjointed movements gave the Fund new opportunities for base purchases. Over the month, the credit alpha made around 10 bps (89 bps ytd), primarily on a single-name short position against the Crossover index.

In May, interest rates continued to rise, paralysing the credit market. Naturally, this led to further price inconsistencies, however we were forced to wait for prices to stabilise at the end of the month before we could start taking advantage of them by initiating new strategies. We remain very confident about the future, even though the credit alpha was only able to generate 6 bps over the month. Unusually, we even lost out on a base purchase (Banco Popolare), despite it being sold at a historic low. In contrast, we recorded gains on two strategies that we brought to a close: Portugal Telecom, a basic purchase acquired at -84 bps in February and then sold at +10 bps. The second was a hedge purchased on EDF to bet on the electricity company contributing to the bailout of Areva (CDS bought at 46, sold at 52.50).

In June, the Greek impasse led to a collapse in the credit and bond markets. Yet surprisingly, this collapse came at a time of relative calm, and was mainly as a result of investors wishing to increase their cash portion in a largely illiquid market, rather than a serious concern about the solvency of issuers. This aversion to holding real securities was highly detrimental to our base CDS purchases, though. In fact, although they had been entirely immunised against pure interest rate and credit risks, they were not protected against liquidity crises. And the return on the CDS portion only partially offset the losses recorded on real securities. This utterly extraordinary market situation, unprecedented in the years since Lehman, explained the very negative alpha credit for the month (around -37 bps, +59 bps ytd). However, it absolutely did not call into question the suitability of the Fund's procedures, including its significant rebound abilities, especially as we took advantage of further price inconsistencies at the end of the month, which reached levels that had been unimaginable just a few weeks before. Furthermore, to reduce volatility, we sold the two most unstable bases, Banco Popolare and Credit Suisse. These sales were used in particular to finance a diversifying strategy, namely the purchase of Terna 21 against BTP future, which made a gain of 7 bps over the month.

In July, the credit market began to normalise thanks to a slight return of liquidity. Our long CDS bases appreciated slightly thanks to the gain recorded on real securities, which allowed the credit alpha to rise by 16 bps over the month (+75 bps ytd). However, these portfolio bases were a long way from fulfilling their appreciation potential. In fact, these positions were still valued at historically low levels, which gave us confidence with regard to future performance.

Management Report (continued)

In August, the markets panicked at the idea of a major slowdown in the Chinese economy. This fear led spreads and interest rates to widen significantly. However, due to its non-directional nature, the Fund was not impacted by this downward correction. The persistent low level of liquidity was still preventing the Fund from making significant gains on credit alpha strategies, though (a gain of just 4 bps over the month, 79 bps ytd). Nevertheless, the strategies in the portfolio still had very significant appreciation potential, which gave us confidence with regard to future performance.

In September, the credit market suffered a collapse and unusually violent volatility, fuelled primarily by concerns about China and VW. In this chaotic context, the Fund experienced unusual volatility and sold off just one credit alpha of 6 bps (85 bps ytd). Our beneficial strategies included our long Casino/long CDS Rallye hybrid, an arbitrage benefiting from the implicit subordination of the Rallye debt to Casino debt. We also sold the Glencore/Anglo American spread twice. The first sale made 11 bps, but the second cost us the same amount and led to a peak in Fund volatility at month-end. In contrast, our base purchases generated a net loss; and for the same reasons as in June and July, namely because strong pressure on positions in real securities linked to low liquidity did not impact on the value of CDS used for hedging purposes. However much we drastically reduced our risk budget on these strategies, it was still difficult to be fully protected given that these bases focus mainly on HY securities with indices that lost 2.5% over the month. The portfolio strategies still had significant appreciation potential, however, and the almost illiquid market was the only thing holding this potential back. Lastly, the crisis uncovered several arbitrage opportunities.

In October, the Fund generated a credit alpha of 45 bps (130 bps ytd). The primary contribution came from long base positions. These strategies benefitted from the improvement in liquidity that came with the start of a new quarter and the prospect of European QE. Furthermore, our long Casino/long Rallye hedge hybrid, playing on implicit subordination, also posted significant performance and we sold a spread of 50 bps (bought at -140 bps). Lastly, the long Anglo American hedge/short Glencore hedge, which had been a source of increased volatility in September, also contributed very generously to the credit alpha. It should be noted that portfolio strategies still held significant potential for appreciation.

In November, the credit arbitrage strategies yielded 43 bps (173 bps ytd). The main contributors included our Glencore spread sales against Anglo American, which were very profitable once more, and we closed the position (sold at 85 bps, redeemed at 60 bps). In addition, our EDF protection sales against the Main index were also profitable. In effect, we had profited from protection purchases by banks, who wanted to hedge currency swaps traded with the electricity company, to set up a position. We had gambled that the rising cost of protection brought about by these purely technical purchases would be quickly digested by the market. The spread was sold at 15 bps, to be redeemed later that month at just 8 bps. It should be noted that this type of strategy has a bright future, with the generalisation of CDS “clearing” expected to increase banks’ activity in terms of hedging transactions. After the events of the summer, the portfolio strategies still held significant potential for appreciation.

In December, the credit market suffered from a drop in liquidity and activity linked to the forthcoming year-end, but this was also a result of news concerning the oil and mining sectors, as well as the plunge in Novo Banco bonds. Although FATF did not suffer from these problems, this context was still unfavourable in terms of adding new strategies. Consequently, the credit alpha was limited to 9 bps (183 bps in total over 2015). However, the portfolio strategies still held significant potential for appreciation.

Management Report (continued)

In January, the spectre of a hard landing for the global economy and commodities prompted panic in the financial markets. This fear weighed on liquidity, which led to losses on some of our CDS base purchases. However, the cost was greatly limited due to the volatility reduction measures for these strategies, put in place after the first massive shock on credit during the third quarter of 2015. Furthermore, our massive protection purchases via indices also contributed to reduced costs. Lastly, the disarray within the market allowed us to seize new opportunities, including a base purchase on Anglo American that proved very profitable over the month. Ultimately, the credit alpha amounted to 9 bps over the month. We had great confidence for the future; the portfolio held valuable positions at their lowest ever levels, which therefore gave them strong potential for gains.

In February, the credit market was sent into freefall by the concern around the Chinese slowdown, which was still palpable after several months, combined with falling oil prices and banking revenue. However, the Fund was completely immune to this due to its hedges against extreme risk (including long positions on the Main and Fin senior indices). It should be noted that at month-end, in order to optimise our hedging, we replaced our long position on Main with a hedging position at relative value, gambling on the decompression of the Crossover/Main indices. The credit alpha was 9 bps over the month (18 bps ytd). Many of the Fund's positions were valued at very low levels, in particular one of our base purchase strategies, which we hoped would recover rapidly.

Over the period, the net asset value rose from €1,063.64 as at 28/02/15 to €1,072.51 as at 29/02/16, with the performance of the G FUND – Alpha Fixed Income sub-fund at 0.83%.

Past performance is no guarantee of future results.

Financial Statements as at 29/02/16

Statement of Assets as at 29/02/16

Expressed in EUR

Assets		**152,372,680.88**
Securities portfolio at assessed value	Note 2	121,943,151.59
Purchase price		*129,491,863.96*
Unrealised loss on securities portfolio		*-7,548,712.37*
Cash at bank and liquidities		21,984,739.21
Interest receivable on swap contracts		79,283.33
Interest receivable on bonds		3,905,715.77
Subscriptions receivable		421,002.12
Unrealised net gain on forward currency contracts	Note 2, 6	3,786,757.48
Receivables on swap contracts	Note 2	252,031.38
Liabilities		**4,344,997.01**
Bank debts payable on demand		150,000.00
Payables on purchases of investments		3,163,456.00
Interest payable on swap contracts		511,563.27
Subscription tax payable	Note 5	3,516.83
Performance fee payable	Note 3	4,629.76
Redemptions payable		19,851.34
Unrealised net loss on swap contracts	Note 2, 9	411,826.81
Management and advisory fee payable	Note 3	57,188.69
Administration and custodian fee payable	Note 4	9,021.66
Other liabilities		13,942.65
Net asset value		**148,027,683.87**

Change in the number of shares outstanding from 01/03/15 to 29/02/16

	Shares outstanding as at 01/03/15	**Shares subscribed**	**Shares redeemed**	**Shares outstanding as at 29/02/16**
- Class IC EUR Accumulation shares	119,260.951	132,735.192	155,360.242	96,635.901
- Class ID EUR Distribution shares	1,000.000	0.000	0.000	1,000.000
- Class PC EUR Accumulation shares	0.000	11,947.447	0.000	11,947.447
- Class GD EUR Distribution shares	8,313.634	9,878.929	3,123.199	15,069.364
- Class NC EUR Accumulation shares	109,795.787	187,372.413	146,419.500	150,748.700

G FUND – Alpha Fixed Income

Key Figures

	Year ended:	**29/02/16**	**28/02/15**	**28/02/14**
Total Net Assets	EUR	148,027,683.87	147,927,676.64	139,568,581.64
- Class IC EUR		EUR	EUR	EUR
Accumulation shares				
Number of shares		96,635.901	119,260.951	87,582.917
Net asset value per share		1,072.51	1,063.64	1,046.27
- Class ID EUR		EUR	EUR	EUR
Distribution shares				
Number of shares		1,000.000	1,000.000	5,998.760
Net asset value per share		997.19	1,003.97	1,010.28
Dividend per share (Note 12)		15.09	23.31	0.00
- Class PC EUR		EUR	EUR	EUR
Accumulation shares				
Number of shares		11,947.447	0.000	0.000
Net asset value per share		1,012.04	0.00	0.00
- Class GD EUR		EUR	EUR	EUR
Distribution shares				
Number of shares		15,069.364	8,313.634	38,988.718
Net asset value per share		1,032.13	1,039.38	1,046.14
Dividend per share (Note 12)		15.62	24.14	0.00
- Class NC EUR		EUR	EUR	EUR
Accumulation shares				
Number of shares		150,748.700	109,795.787	10,530.257
Net asset value per share		104.42	104.11	102.95

G FUND – Alpha Fixed Income

Securities portfolio as at 29/02/16

Expressed in EUR

Quantity	Name	Listing currency	Assessed value	% net assets
	Securities listed on an official stock exchange and/or traded on another regulated market		121,943,151.59	82.38
	Bonds		**52,189,197.40**	**35.26**
	Germany		*8,041,175.06*	*5.43*
8,000,000	GERMAN TREASURY BILL ZCP 16-17 25/01	EUR	8,041,175.06	5.43
	United States of America		*3,178,880.00*	*2.15*
3,200,000	IBM 1.75.16-28 07/03A	EUR	3,178,880.00	2.15
	France		*1,062,230.00*	*0.72*
1,000,000	PEUGEOT 5,625 12-17 11/07A	EUR	1,062,230.00	0.72
	Irlande		*3,117,405.00*	*2.11*
3,050,000	BANK OF IRELAND SUB 10.00.11-16 30/07A	EUR	3,117,405.00	2.11
	Italy		*13,781,326.15*	*9.31*
10,000,000	TELECOM ITALIA EMTN 7,375 09-17 15/12A	GBP	13,781,326.15	9.31
	Luxembourg		*13,495,842.50*	*9.12*
12,950,000	FIAT FINANCE TRADE 7.75.12-16 17/10A	EUR	13,495,842.50	9.12
	United Kingdom		*4,696,592.99*	*3.17*
3,000,000	ANGLO AMER CAP REG-S 6,875 08-18 01/05A	GBP	3,747,979.99	2.53
950,000	OTE PLC EMTN 4,625 06-16 20/05A	EUR	948,613.00	0.64
	Switzerland		*4,815,745.70*	*3.25*
5,000,000	CLARIANT 2.50.12-18 26/09A	CHF	4,815,745.70	3.25
	Floating-rate bonds		**69,753,954.19**	**47.12**
	Australia		*2,055,522.00*	*1.39*
2,100,000	BHP BILLITON FIN FL.R 15-79 22/10A	EUR	2,055,522.00	1.39
	Spain		*5,345,602.50*	*3.61*
5,750,000	BANCO SABADELL-SUB- FL.R 06-XX 20/09A	EUR	5,345,602.50	3.61
	United States of America		*4,625,162.00*	*3.12*
4,600,000	UNITED TECHNOLOGIE FL.R 16-18 22/02Q	EUR	4,625,162.00	3.12
	France		*27,128,962.14*	*18.33*
18,000,000	BNP PARIBAS SUB FL.R 06-16 19/04A	GBP	22,160,754.14	14.97
4,900,000	BNP PARIBAS SUB FL.R 07-XX 13/04A	EUR	4,968,208.00	3.36
	Netherlands		*30,598,705.55*	*20.67*
11,282,000	ABN AMRO BANK NV FL.R 06-XX 10/03A	EUR	11,300,502.48	7.63
11,600,000	GENERALI FINANCE FL.R 06-XX 16/06A	EUR	11,641,412.00	7.87
6,000,000	GENERALI FINANCE BV FL.R 06-XX 16/06A	GBP	7,656,791.07	5.17
	Total securities portfolio		**121,943,151.59**	**82.38**

The notes are an integral part of these financial statements

G FUND – Alpha Fixed Income

Statement of Operations and Changes in Net Assets from 01/03/15 to 29/02/16

Expressed in EUR

Income		**7,259,234.87**
Net interest on bonds	Note 2	6,524,285.50
Bank interest payable on demand		316.19
Other financial income		44.52
Interest on swaps		734,588.66
Expenses		**4,581,570.37**
Amortisation of costs of incorporation	Note 2	1,071.56
Management and advisory fee	Note 3	782,485.53
Custodian fee	Note 4	36,738.80
Subscription tax	Note 5	17,563.16
Administration fee	Note 4	48,639.44
Performance fee	Note 3	4,629.76
Professional and legal fees		30,483.66
Interest on bank overdraft		18,857.42
Transaction fees	Note 2	19,414.44
Interest on swaps		3,531,911.19
Other expenses		89,775.41
Net investment income		**2,677,664.50**
Net profit/loss realised on:		
- sale of securities	Note 2	-2,774,986.84
- forward currency contracts	Note 2	-369,893.87
- futures contracts	Note 2	-622,276.70
- swap contracts	Note 2	3,355,317.13
- foreign exchange		458,359.72
Net profit realised		**2,724,183.94**
Change in unrealised net gain/loss on:		
- securities portfolio		-7,713,300.19
- forward currency contracts	Note 2	4,249,441.10
- futures contracts	Note 2	15,120.00
- swap contracts	Note 2	1,749,998.46
Increase in net assets resulting from transactions		**1,025,443.31**
Dividends paid	Note 12	-299,257.83
Accumulation share subscriptions		172,928,615.98
Distribution share subscriptions		10,300,000.00
Accumulation share redemptions		-180,626,387.47
Distribution share redemptions		-3,228,406.76
Increase in net assets		**100,007.23**
Net assets at the beginning of the year		**147,927,676.64**
Net assets at the end of the year		**148,027,683.87**

G FUND
– European Equity High Dividend*

G FUND – European Equity High Dividend*

Change in the number of shares outstanding from 01/03/15 to 28/10/2015

	Shares outstanding as at 01/03/15	Shares subscribed	Shares redeemed	Shares outstanding as at 28/10/15
- Class ID EUR Distribution shares	50.000	0.000	50.000	0.000
- Class GD EUR Distribution shares	13,197.000	7,044.552	20,241.552	0.000
- Class ND EUR Distribution shares	500.000	0.000	500.000	0.000

Key Figures

	Period/year ended:	**28/10/15**	**28/02/15**	**28/02/14**
Total Net Assets	EUR	0.00	18,650,597.72	16,609,736.58
- Class ID EUR		EUR	EUR	EUR
Distribution shares				
Number of shares		0.000	50.000	50.000
Net asset value per share		0.00	1,414.55	1,263.89
Dividend per share (Note 12)		73.87	64.69	44.88
- Class GD EUR		EUR	EUR	EUR
Distribution shares				
Number of shares		0.000	13,197.000	13,197.000
Net asset value per share		0.00	1,402.64	1,249.09
Dividend per share (Note 12)		73.31	63.98	44.25
- Class ND EUR		EUR	EUR	EUR
Distribution shares				
Number of shares		0.000	500.000	500.000
Net asset value per share		0.00	138.36	124.36
Dividend per share (Note 12)		7.22	6.36	4.43

* liquidated on 28 October 2015

G FUND – European Equity High Dividend*

Statement of Operations and Changes in Net Assets from 01/03/15 to 28/10/2015

Expressed in EUR

Income		**589,536.19**
Net dividends	Note 2	586,797.70
Net interest on bonds	Note 2	2,422.99
Bank interest payable on demand		315.50
Expenses		**88,233.12**
Amortisation of costs of incorporation	Note 2	699.74
Management and advisory fee	Note 3	26,619.13
Custodian fee	Note 4	3,042.58
Subscription tax	Note 5	1,142.29
Administration fee	Note 4	9,396.62
Professional and legal fees		2,147.62
Interest on bank overdraft		378.23
Transaction fees	Note 2	23,497.91
Other expenses		21,309.00
Net investment income		**501,303.07**
Net profit/loss realised on:		
- sale of securities	Note 2	2,230,629.40
- futures contracts	Note 2	5,500.00
- foreign exchange		743,905.25
Net profit realised		**3,481,337.72**
Change in unrealised net gain/loss on:		
- securities portfolio		-3,771,863.86
- futures contracts	Note 2	-4,000.00
Reduction in net assets resulting from transactions		**-294,526.14**
Dividends paid	Note 12	-974,775.57
Distribution share subscriptions		9,625,323.63
Distribution share redemptions		-27,006,619.64
Reduction in net assets		**-18,650,597.72**
Net assets at beginning of period		**18,650,597.72**
Net assets at end of period		**0.00**

* liquidated on 28 October 2015

G FUND
– Flexible Allocation

Management report

From 27/02/2015 to 29/02/2016:

Performance

Over the period, the G FUND – Flexible Allocation sub-fund recorded a performance of -3.45%. Management is discretionary and is not compared with a benchmark index, therefore.

The performance obtained over the period is no guarantee of the UCITS' future results.

Market situation

It was a mixed period, with regular peaks in volatility and more significant movement than seen previously. Equities were in the red over these 12 months: the eurozone had a particularly tough time, losing 15.30%, Japan fell by 13.20% in JPY and the US market adjusted by just 6.20% in USD. Emerging markets continued to underperform developed countries, with the global MSCI index dropping by 23.40% in USD over the period. As far as credit is concerned, emerging debt in local currency lost 14.50% and US HY continued to suffer from the poor performance of the WTI, adjusting by more than 8% in USD, while €HY suffered somewhat less with a drop of 3.80%. Non-speculative credit adjusted by more than 1% on both sides of the Atlantic and hard currency emerging market debt was in positive territory, at 1.40%.

As regards interest rates, the 10-year T Notes saw erratic movement within the range of 1.65%-2.50%.

Management

In March, we increased our positions in US equities, as they had lagged significantly behind their European counterparts from the very start of the year. We also introduced a position in Indian equities as we were convinced that the actions of the Modi government and Raghuram Rajan's monetary policy would be likely to support strong and self-sustaining economic growth. In April, we increased our exposure to European equities on the dip and we supplemented our position in Indian equities. We also launched an investment in the Asia region on a larger scale. In May, we added a position in US bonds, which we considered portfolio insurance, following an upward movement in interest rates in the early part of the period. In June, we took some profits on Japanese equities, which had risen sharply since the beginning of the year. We also trimmed our high-yield position, which had performed well up to that point. In July, following the progress on the Greek issue, we strengthened our exposure to European equities. At the end of the summer, we closed our positions in Asian equities and in India due to increased concern regarding China. In October, we took profits on the T-Notes and in November, following the rate hike, we returned to the US duration once more. At year-end, we liquidated our position in Japanese equities, preferring to take our profits as the equities were entering a turbulent period. Meanwhile, faced with deteriorating oil prices, we also closed our investments in US high-yield bonds.
At the start of 2016, we strengthened our positions in equities on the dip, and we took profits on the T-Notes.

Outlook

Once again, the period was marked by spikes in volatility, which made for an environment packed with tough decisions.

We expect that 2016 will follow a similar trend, and the start of the year did not change this perspective.
Once more, we will strive to limit the effect of the negative gamma inherent in our investment process through contrasting management and a construction favouring opportunistic investment in assets or hedging strategies.

Financial Statements as at 29/02/16

Statement of Assets as at 29/02/16

Expressed in EUR

Assets		**25,711,012.42**
Securities portfolio at assessed value	Note 2	23,510,744.81
Purchase price		*23,900,568.93*
Unrealised loss on securities portfolio		*-389,824.12*
Cash at bank and liquidities		1,940,150.35
Interest receivable on swap contracts		9,861.11
Interest receivable on bonds		211,521.15
Unrealised net gain on swap contracts	Note 2, 9	38,735.00
Liabilities		**579,783.07**
Bank debts payable on demand		250,000.00
Subscription tax payable	Note 5	418.92
Unrealised net loss on futures contracts	Note 2, 7	323,146.53
Management and advisory fee payable	Note 3	1,249.24
Administration and custodian fee payable	Note 4	2,366.42
Other liabilities		2,601.96
Net asset value		**25,131,229.35**

Change in the number of shares outstanding from 01/03/15 to 29/02/16

	Shares outstanding as at 01/03/15	**Shares subscribed**	**Shares redeemed**	**Shares outstanding as at 29/02/16**
- Class IC EUR Accumulation shares	1.000	0.000	0.000	1.000
- Class GD EUR Distribution shares	25,000.000	0.000	0.000	25,000.000
- Class NC EUR Accumulation shares	10.000	0.000	0.000	10.000

G FUND – Flexible Allocation

Key Figures

	Year ended:	**29/02/16**	**28/02/15**	**28/02/14**
Total Net Assets	EUR	25,131,229.35	26,195,369.78	1,999.88
- Class IC EUR		EUR	EUR	EUR
Accumulation shares				
Number of shares		1.000	1.000	1.000
Net asset value per share		1,012.67	1,048.91	999.94
- Class GD EUR		EUR	EUR	EUR
Distribution shares				
Number of shares		25,000.000	25,000.000	0.000
Net asset value per share		1,005.17	1,047.73	0.00
Dividend per share (Note 12)		5.27	0.00	0.00
- Class NC EUR		EUR	EUR	EUR
Accumulation shares				
Number of shares		10.000	10.000	10.000
Net asset value per share		101.12	104.78	99.99

G FUND – Flexible Allocation

Securities portfolio as at 29/02/16

Expressed in EUR

Quantity	Name		Listing currency	Assessed value	% net assets
Securities listed on an official stock exchange and/or traded on another regulated market				21,286,840.88	84.70
Bonds				**21,286,840.88**	**84.70**
	Germany			*3,627,750.00*	*14.44*
3,500,000	GERMANY -06-	3.75.06-17 04/01A	EUR	3,627,750.00	14.44
	Spain			*6,995,218.88*	*27.83*
3,600,000	ROYAUME DESPAGNE ZCP 16-09-16		EUR	3,601,168.88	14.32
3,300,000	SPAIN	4.25.11-16 31/10A	EUR	3,394,050.00	13.51
	France			*3,618,288.00*	*14.40*
3,600,000	FRANCE OAT	0.25.13-16 25/11A	EUR	3,618,288.00	14.40
	Italy			*7,045,584.00*	*28.03*
3,300,000	ITALY	5.75.01-16 25/07A	EUR	3,374,844.00	13.43
3,600,000	ITALY BTP	2.75.13-16 15/11A	EUR	3,670,740.00	14.60
Shares/Units of UCITS/UCIs				2,223,903.93	8.85
Shares/Units of investment funds				**2,223,903.93**	**8.85**
	France			*2,223,903.93*	*8.85*
971	GROUPAMA ENTREPRISES FCP -I- CAP		EUR	2,223,903.93	8.85
Total securities portfolio				**23,510,744.81**	**93.55**

G FUND – Flexible Allocation

Statement of Operations and Changes in Net Assets from 01/03/15 to 29/02/16

Expressed in EUR

Income		**766,063.57**
Net interest on bonds	Note 2	598,545.05
Bank interest payable on demand		768.83
Other financial income		186.18
Interest on swaps		166,563.51
Expenses		**81,604.24**
Management and advisory fee	Note 3	15,435.90
Custodian fee	Note 4	5,745.15
Subscription tax	Note 5	2,551.89
Administration fee	Note 4	10,025.53
Professional and legal fees		11,337.74
Interest on bank overdraft		1,693.62
Transaction fees	Note 2	14,884.66
Other expenses		19,929.75
Net investment income		**684,459.33**
Net profit/loss realised on:		
- sale of securities	Note 2	-918,806.85
- forward currency contracts	Note 2	65,145.27
- futures contracts	Note 2	140,457.68
- swap contracts	Note 2	248,677.52
- foreign exchange		46,215.97
Net profit realised		**266,148.92**
Change in unrealised net gain/loss on:		
- securities portfolio		47,915.48
- forward currency contracts	Note 2	-39,030.00
- futures contracts	Note 2	-658,774.25
- swap contracts	Note 2	-548,650.58
Reduction in net assets resulting from transactions		**-932,390.43**
Dividends paid	Note 12	-131,750.00
Reduction in net assets		**-1,064,140.43**
Net assets at the beginning of the year		**26,195,369.78**
Net assets at the end of the year		**25,131,229.35**

G FUND
– Alpha Fixed Income II

Management report

March 2015 - February 2016

During the year, the investment policy was as follows:

In March, despite a favourable macroeconomic and monetary environment (including the implementation of QE in Europe), the credit markets suffered considerably. The end of the quarter and the abundance of the primary market, particularly from US issuers, actually weighed on the market. Although our directional exposure was hedged, we still suffered from the widening of bid-ask spreads. In a fund valued at bid price, this results in a pro-cyclical rise in volatility. This situation worsened even further due to the implementation of new credit alpha strategies (including base purchases and single-name CDS long positions against the index) aimed at taking advantage of price inconsistencies that had emerged during this shock. However, the acquisition of new securities valued at bid price was initially costly in terms of performance.

In April, there was consolidation in the bond market. Furthermore, this consolidation was accompanied by high volatility. The Fund’s directional risk hedges worked perfectly, And these disjointed movements gave the Fund new opportunities for base purchases.

In May, interest rates continued to rise, paralysing the credit market. Naturally, this led to further price inconsistencies, however we were forced to wait for prices to stabilise at the end of the month before we could start taking advantage of them by initiating new strategies.

In June, the Greek impasse led to a collapse in the credit and bond markets. Yet surprisingly, this collapse came at a time of relative calm, and was mainly as a result of investors wishing to increase their cash portion in a largely illiquid market, rather than a serious concern about the solvency of issuers. This aversion to holding real securities was highly detrimental to our base CDS purchases, though. In fact, although they had been entirely immunised against pure interest rate and credit risks, they were not protected against liquidity crises. And the return on the CDS portion only partially offset the losses recorded on real securities. This was an utterly extraordinary market situation, unprecedented in the years since Lehman. However, it absolutely did not call into question the suitability of the Fund’s procedures, including its significant rebound abilities, especially as we took advantage of further price inconsistencies at the end of the month, which reached levels that had been unimaginable just a few weeks before.

In July, the credit market began to normalise thanks to a slight return of liquidity.
In August, the markets panicked at the idea of a major slowdown in the Chinese economy. This fear led spreads and interest rates to widen significantly. However, due to its non-directional nature, the Fund was not impacted by this downward correction.

In September, the credit market suffered a collapse and unusually violent volatility, fuelled primarily by concerns about China and VW. The crisis uncovered several arbitrage opportunities.

In October, the strategies benefitted from the improvement in liquidity that came with the start of a new quarter and the prospect of European QE.

In December, the credit market suffered from a drop in liquidity and activity linked to the forthcoming year-end, but this was also a result of news concerning the oil and mining sectors, as well as the plunge in Novo Banco bonds. Although FATF 2 did not suffer from these problems, this context was still unfavourable in terms of adding new strategies.

Management Report (continued)

In January, the spectre of a hard landing for the global economy and commodities prompted panic in the financial markets. This fear weighed on liquidity, which led to losses on some of our CDS base purchases. However, the cost was greatly limited due to the volatility reduction measures for these strategies, put in place after the first massive shock on credit during the third quarter of 2015. We had great confidence for the future; the portfolio held valuable positions at their lowest ever levels, which therefore gave them strong potential for gains.

In February, the credit market was sent into freefall by the concern around the Chinese slowdown, which was still palpable after several months, combined with falling oil prices and banking revenue.

Over the period, the net asset value rose from €1,016.39 as at 28/02/15 to €1,010.82 as at 29/02/16, with the performance of the G FUND – Alpha Fixed Income II sub-fund at -0.55%.

Past performance is no guarantee of future results.

Financial Statements as at 29/02/16

Statement of Assets as at 29/02/16

Expressed in EUR

Assets		**33,066,639.70**
Securities portfolio at assessed value	Note 2	28,815,613.05
Purchase price		*29,161,832.75*
Unrealised loss on securities portfolio		*-346,219.70*
Cash at bank and liquidities		3,455,502.03
Interest receivable on swap contracts		42,205.55
Interest receivable on bonds		370,148.91
Unrealised net gain on forward currency contracts	Note 2, 6	149,764.16
Unrealised net gain on futures contracts	Note 2, 7	5,890.00
Receivables on swap contracts	Note 2	227,516.00
Liabilities		**945,276.47**
Payables on purchases of investments		692,006.00
Interest payable on swap contracts		90,327.78
Subscription tax payable	Note 5	485.42
Unrealised net loss on swap contracts	Note 2, 9	145,185.17
Management and advisory fee payable	Note 3	12,719.79
Administration and custodian fee payable	Note 4	2,838.15
Other liabilities		1,714.16
Net asset value		**32,121,363.23**

Change in the number of shares outstanding from 01/03/15 to 29/02/16

	Shares outstanding as at 01/03/15	**Shares subscribed**	**Shares redeemed**	**Shares outstanding as at 29/02/16**
- Class IC EUR Accumulation shares	1.000	0.000	0.000	1.000
- Class GD EUR Distribution shares	32,425.000	0.000	0.000	32,425.000
- Class NC EUR Accumulation shares	10.000	0.000	0.000	10.000

The notes are an integral part of these financial statements

G FUND – Alpha Fixed Income II

Key Figures

	Year ended:	**29/02/16**	**28/02/15**	**28/02/14**
Total Net Assets	EUR	32,121,363.23	32,960,159.23	5,545,850.74
- Class IC EUR		EUR	EUR	EUR
Accumulation shares				
Number of shares		1.000	1.000	1.000
Net asset value per share		1,010.82	1,016.39	999.96
- Class GD EUR		EUR	EUR	EUR
Distribution shares				
Number of shares		32,425.000	32,425.000	5,544.000
Net asset value per share		990.57	1,016.44	999.97
Dividend per share (Note 12)		20.31	0.00	0.00
- Class NC EUR		EUR	EUR	EUR
Accumulation shares				
Number of shares		10.000	10.000	10.000
Net asset value per share		100.14	101.03	99.99

G FUND – Alpha Fixed Income II

Securities portfolio as at 29/02/16

Expressed in EUR

Quantity	Name	Listing currency	Assessed value	% net assets
	Securities listed on an official stock exchange and/or traded on another regulated market		25,814,069.05	80.37
	Bonds		**16,905,459.94**	**52.64**
	Germany		*2,508,363.43*	*7.81*
2,500,000	ALLEMAGNE ZCP 270716	EUR	2,508,363.43	7.81
	United States of America		*1,811,099.00*	*5.64*
1,100,000	AMGEN 2.00.16-26 25/02A	EUR	1,115,719.00	3.48
700,000	IBM 1.75.16-28 07/03A	EUR	695,380.00	2.16
	France		*5,926,687.51*	*18.46*
1,100,000	HAVAS SA 1,875 15-20 08/12A	EUR	1,105,863.00	3.44
4,800,000	REPUBLIQUE FRANCAISE ZCP 010217	EUR	4,820,824.51	15.02
	Ireland		*1,230,852.00*	*3.83*
400,000	ALLIED IRISH BANKS 7,375 15-XX 03/12S	EUR	332,976.00	1.04
900,000	FCA CAPITAL IRELAND 1.25.15-18 13/06A	EUR	897,876.00	2.79
	Netherlands		*2,432,838.00*	*7.57*
900,000	ACHMEA BV 0,875 15-18 17/09A	EUR	908,433.00	2.83
1,500,000	LEASEPLAN CORP 1,375 15-18 24/09A	EUR	1,524,405.00	4.74
	United Kingdom		*2,995,620.00*	*9.33*
3,000,000	OTE PLC EMTN 4,625 06-16 20/05A	EUR	2,995,620.00	9.33
	Floating-rate bonds		**8,908,609.11**	**27.73**
	Australia		*734,115.00*	*2.29*
750,000	BHP BILLITON FIN FL.R 15-79 22/10A	EUR	734,115.00	2.29
	Canada		*900,099.00*	*2.80*
900,000	CANADIAN IMPERIAL FL.R 15-17 08/09Q	EUR	900,099.00	2.80
	United States of America		*1,005,470.00*	*3.13*
1,000,000	UNITED TECHNOLOGIE FL.R 16-18 22/02Q	EUR	1,005,470.00	3.13
	France		*1,846,729.51*	*5.75*
1,500,000	BNP PARIBAS SUB FL.R 06-16 19/04A	GBP	1,846,729.51	5.75
	Netherlands		*2,904,756.00*	*9.04*
2,900,000	ABN AMRO BANK NV FL.R 06-XX 10/03A	EUR	2,904,756.00	9.04
	United Kingdom		*1,517,439.60*	*4.72*
1,535,000	FCE BANK FL.R 15-19 17/09Q	EUR	1,517,439.60	4.72
	Shares/Units of UCITS/UCIs		3,001,544.00	9.34
	Shares/Units of investment funds		**3,001,544.00**	**9.34**
	Luxembourg		*3,001,544.00*	*9.34*
2,800	G FUND - ALPHA FIXED INCOME -ID- EUR DIS	EUR	3,001,544.00	9.34
	Total securities portfolio		**28,815,613.05**	**89.71**

The notes are an integral part of these financial statements

G FUND – Alpha Fixed Income II

Statement of Operations and Changes in Net Assets from 01/03/15 to 29/02/16

Expressed in EUR

Income		**601,594.16**
Net interest on bonds	Note 2	459,278.19
Bank interest payable on demand		1,041.00
Interest on swaps		141,274.97
Expenses		**499,039.23**
Management and advisory fee	Note 3	161,894.64
Custodian fee	Note 4	7,215.76
Subscription tax	Note 5	3,012.09
Administration fee	Note 4	13,361.49
Professional and legal fees		7,627.37
Interest on bank overdraft		882.78
Transaction fees	Note 2	7,142.08
Interest on swaps		276,469.45
Other expenses		21,433.57
Net investment income		**102,554.93**
Net profit/loss realised on:		
- sale of securities	Note 2	-284,407.66
- forward currency contracts	Note 2	-231,509.35
- futures contracts	Note 2	-4,550.00
- swaps	Note 2	-423,171.55
- foreign exchange		-1,675.46
Net loss realised		**-842,759.09**
Change in unrealised net gain/loss on:		
- securities portfolio		-350,460.45
- forward currency contracts	Note 2	381,105.98
- futures contracts	Note 2	16,690.00
- swap contracts	Note 2	615,179.31
Reduction in net assets resulting from transactions		**-180,244.25**
Dividends paid	Note 12	-658,551.75
Reduction in net assets		**-838,796.00**
Net assets at the beginning of the year		**32,960,159.23**
Net assets at the end of the year		**32,121,363.23**

G FUND

– Absolute Return Bonds

Management report

Annual management policy from 31 December 2014 to 31 December 2015

Interest rate markets

The year 2015 began with a sudden rise in the Swiss franc and the announcement of QE by the ECB, and ended with the first much-awaited rate increase by the Fed, after seven years of status quo. Unprecedented events occurred throughout the year.

On 15 January, the SNB surprised the markets by discontinuing the EUR/CHF floor price of 1.20 established three years earlier at the height of the European sovereign debt crisis, boosting the currency by 40%. No fewer than 43 central banks relaxed their monetary policies in 2015. Bond yields on the short and intermediate parts of yield curves in Europe tumbled into negative territory: as such, in Germany, all government bonds with maturities of less than seven years posted negative returns during the year; nearly half of the German debt market occasionally headed into negative territory at a time when the 10-year Bund reached a historic low of 0.07%, on 20 April. The German 2-year rate moved into negative territory in August 2014 to reach -0.345 at the end of 2015 (having stood at around -0.10 at the start of the year), with a low of -0.44 on 2 December before the ECB's last meeting of the year.

The ECB launched its first round of QE in early March 2015. Public sector asset purchases began on 9 March with a monthly amount of €60 billion, as announced on 22 January and including ABS and covered bonds. The ECB bought bonds with negative yields, up to the deposit rate limit, and the purchase programme was initially scheduled to run until September 2016 (i.e. a total of €1,000 billion in assets purchased). New measures were announced in December, including further easing required to reach the medium-term inflation targets: the deposit rate fell by 10 bps from -0.20% to -0.30%, QE was extended by six months from September 2016 to at least March 2017, regional and local authority debt was incorporated into the purchase programme, and TLTROs were extended from June 2016 to the end of 2017 at the earliest.

On inflation-linked bonds, the € index achieved performance of 2.12% over the year compared to -0.71% for the global index: the ECB's monetary easing policy supported the drop in real interest rates, particularly in peripheral countries. A highlight in the context of a marked decline in commodities prices, particularly for energy, the break-even inflation rate achieved a positive performance in France of 0.32%.

The markets wobbled at the end of August and the beginning of September as the Chinese stock markets collapsed, capital outflows accelerated and foreign exchange reserves saw a record fall, confirming the 2015 crash in emerging countries amid a context of sharp falls in commodities prices.

Market volatility, which increased illiquidity on the bond markets, made a major comeback in 2015, fuelled by the uncertainty surrounding the Fed, the fall in the outlook for global growth and China in particular (the surprise devaluation of the yuan on 11 August having exacerbated concerns regarding the world's second largest economy), the fall in oil prices and the return of specific risk on the credit market. The mining and energy sector was hit particularly hard (Anglo American, Glencore), as were VW, Areva, Abengoa, Novo Banco, and RWE. The performances of IG credit were negative in both relative (-0.93%) and absolute terms (-0.56%): only financials achieved a positive absolute performance (+0.29%), with better results for subordinated bank debt (+1.49%) than for senior debt (0.15%). The HY market, meanwhile, posted a positive absolute performance of 0.47% over 2015.

Management Report (continued)

The Greek saga continued: the country once again came close to leaving the eurozone after defaulting on its commitments to the IMF. A referendum on a third international bailout was held at the end of June, after negotiations between Greece and its creditors broke down. A period of political uncertainty followed, accompanied by the introduction of capital controls. An agreement was finally reached on 13 July after several weeks of negotiations, but the Greek banks and the stock exchange were forced to close.

Eurozone government bonds achieved an absolute performance of 1.65% in 2015, and were the best performers in the aggregate European universe: Italy, Latvia and Malta posted the strongest performances, of 4.83%, 5.12% and 7.66% respectively; only Austria posted a negative performance (-0.15%). At the end of the year, Portugal and Spain experienced renewed political risk: the results of the general elections in these two countries made forming governments complicated.

In government bonds, the US outperformed Germany by 0.51%, with absolute performance of 0.84%.

The portfolio was ramped up during June and July.

AUGUST POSITIONING

Theme 1: An improving economic situation in the eurozone and ever-abundant liquidity
Strategy 1: Short-term carry via exposure to corporate HY and to subordinated financials
Strategy 2: Position on the tightening of the Portuguese 10-year vs. Italian 10-year following the Portuguese supply and the widening linked to Greece
Strategy 3: Mixed allocation of convertible bonds, decorrelated from changes in interest rates

Theme 2: The United States, a growing economy with a central bank ready to raise its interest rates
Strategy 1: Flattening of the US rate curve in the 2-5 year range
Strategy 2: Long dollar position against the euro
Strategy 3: Long break-even inflation position in the 7 year range

The events of August led Theme 1 to slightly underperform, with the risk-averse environment having penalised the short-term carry strategy and the convertible bonds portion.
The "long break-even US inflation" strategy of our second theme, as well as a tactical short position on US interest rates, reached their stop levels with the sharp downturn in oil prices, and were cut short. In contrast, our flattening position and our tactical long Bund position made positive contributions to performance.

As far as specific risk is concerned, we had a long position on Abengoa's 2016 credit, which fell sharply in value following rumours of fraud and doubts over the company's ability to repay its debt. We cut this position, realising a loss of 20 bps on the portfolio.

SEPTEMBER POSITIONING

Theme 1: An improving economic situation in the eurozone and ever-abundant liquidity
Strategy 1: Short-term carry via exposure to corporate HY and to subordinated financials
Strategy 2: Position on the tightening of the Portuguese 10-year vs. Italian 10-year following the Portuguese supply and the widening linked to Greece
Strategy 3: Mixed allocation of convertible bonds, decorrelated from changes in interest rates

Management Report (continued)

Theme 2: The United States, a growing economy with a central bank ready to raise its interest rates
Strategy 1: Long dollar position against the euro
Strategy 2: Widening of the 5Y5Y Euro spread versus its US equivalent, linked to variances in monetary policies
Strategy 3: Light short position on 10-year US rates

The events of September continued to weigh on the carry strategy. We reduced our overall duration before the meeting of the Fed as we thought it likely that rates would be hiked and therefore moved to protect the portfolio. Unfortunately, the rate hike failed to materialise and this, plus Janet Yellen's very "dovish" stance, fuelled volatility and risk aversion, as well as bringing about a flight to quality. High-risk assets suffered and our reduced duration in this period was not sufficient to offset the losses caused on the carry strategy.

In terms of specific risk, we took a position in OI Brazil/Portel on 02/08/2016 which suffered following events in Brazil. Mr Guimaraes, CFO, confirmed that "OI SA's debt is protected against Brazil's currency slump and the phone company will be able to meet its obligations into 2017", which gave us reason to hold the position until its maturity five months later.

OCTOBER POSITIONING

Theme 1: An improving economic situation in the eurozone and ever-abundant liquidity
Strategy 1: Short-term carry via exposure to corporate HY and to subordinated financials
Strategy 2: Position on the tightening of the Portuguese 10-year vs. Italian 10-year following the Portuguese supply and the widening linked to Greece
Strategy 3: Mixed allocation of convertible bonds, decorrelated from changes in interest rates
Strategy 4: Positioning on the flattening of the German 5-30 year curve

Theme 2: The United States, a growing economy and a central bank giving itself time
Strategy 1: Long dollar position against the euro
Strategy 2: Selling volatility in EURUSD and USDJPY

In October, the recovery in appetite for risk was beneficial to the portfolio. The short-term carry positions performed well over this month, which allowed for the recovery of all September losses. Similarly, our exposure to convertible bonds made a positive contribution to the Fund's performance. Mario Draghi's dovish stance led to a fall in eurozone interest rates, a tightening of peripheral spreads (excluding Portugal) and a depreciation of the euro against the dollar. The resulting increase in portfolio sensitivity to 1.80 (vs. 0.75 at the start of the month) through an allocation on core and Spanish interest rates, along with our long dollar positioning against the euro, also made a positive contribution to portfolio performance.

Over the month, we increased our exposure to subordinated financials via LT2 issues and short-term perpetual bonds with call options.
Our positions selling volatility in EURUSD and USDJPY also added 3 bps to the portfolio.

Lastly, the primary market reopened towards the end of the period and we invested in Daimler 2020 and Santander 2020, issues that offered more than 20 bps in premiums compared to the secondary market.

Management Report (continued)

NOVEMBER POSITIONING

Theme 1: An improving economic situation in the eurozone and ever-abundant liquidity
Strategy 1: Short-term carry via exposure to corporate HY and to subordinated financials
Strategy 2: Position on the tightening of the Portuguese 10-year vs. Italian 10-year
Strategy 3: Mixed allocation of convertible bonds, decorrelated from changes in interest rates
Strategy 4: Positioning on the flattening of the German 5-30 year curve
Strategy 5: Position on the tightening of the German 10-year vs. French 10-year

Theme 2: The United States, a growing economy and a central bank giving itself time
Strategy 1: Long dollar position against the euro
Strategy 2: Portfolio hedging position through the purchase of a yen against dollar call option

The recovery in appetite for risk observed in October continued into November. Short-term carry positions therefore continued to perform well over the month. The relaxation of rates and the tightening of peripheral spreads in anticipation of additional measures from the ECB were also beneficial to the portfolio.

We maintained our overall sensitivity around 1.5 and strengthened our positioning on convertible bonds, increasing it to 3% of the Fund. Convertible bonds took advantage of a market that was expected to shrink in early 2016, a small and mid-cap universe, and renewed M&A activity.

We took profits on our long 10-year OAT vs. 10-year Bund position, which was entered into at a spread of 37 bps and exited at 32 bps.

We actively participated in the primary credit market, in high-beta corporate and financial issuers (including Solvay, Seb, Havas, Magna, BNP, Santander, LBP and HSBC). Our investments on the primary market made a positive contribution to performance over the month.

Lastly, the strong tightening of risk premiums over the previous two months prompted us to hedge the portfolio by purchasing a yen against dollar call option, in order to protect the portfolio in case of a risk off or disappointing Fed measures.

DECEMBER POSITIONING

Theme 1: An improving economic situation in the eurozone and ever-abundant liquidity
Strategy 1: Short-term carry via exposure to corporate HY and to subordinated financials
Strategy 2: Position on the tightening of the Portuguese 10-year vs. Italian 10-year
Strategy 3: Mixed allocation of convertible bonds, decorrelated from changes in interest rates
Strategy 4: Positioning on the flattening of the German 5-10 year curve
Strategy 5: Purchase of French and Italian inflation-linked bonds

Theme 2: The United States, a growing economy and a central bank giving itself time
Strategy 1: Long dollar position against the euro
Strategy 2: Portfolio hedging position through the purchase of a yen against dollar call option

Management Report (continued)

After two months of risk, the market experienced a slight correction in December. Mario Draghi disappointed expectations when he held a press conference announcing a rate hike, in particular on the short parts of curves. Moreover, the legislative elections in Spain demonstrated the inability to decide on a clear political direction. The most likely outcome seemed to be a scenario similar to that in Portugal, with a left-wing alliance, but Spanish assets came under pressure in the waiting period. Under these conditions, the rate hike actually penalised the Fund in December, despite the portfolio's low sensitivity. Over the month, we opened exposure to European inflation-linked bonds. We think that the base effect over the coming months and the low level of oil prices seem favourable to this asset class.
Finally, the disappointment at the ECB and the Fed's dovish stance contributed negatively to our long dollar against euro exposure, despite the first rate hike.

JANUARY AND FEBRUARY POSITIONING

Theme 1: An improving economic situation in the eurozone and ever-abundant liquidity
Strategy 1: Short-term carry via exposure to corporate HY and to subordinated financials
Strategy 2: Position on the tightening of the Portuguese 10-year vs. Italian 10-year
Strategy 3: Mixed allocation of convertible bonds, decorrelated from changes in interest rates
Strategy 4: Positioning on the flattening of the German 5-10 year curve
Strategy 5: Exposure to inflation-linked French and German bonds

Theme 2: The United States, a growing economy and a central bank giving itself time
Strategy 1: Long dollar position against the euro

The portfolio suffered from the sharp decline in high-risk assets in the early part of the year.

Our long positions in credit and convertible bonds suffered in this environment. Similarly, falling oil prices had a negative effect on our exposure to European inflation.

We maintained our overall sensitivity at around 1.5.

Our position on the flattening of the German 5-10 year curve provided some protection for the portfolio in this period of market shock.

Over the period, the net asset value of G FUND – Absolute Return Bonds GD – D fell from €1,000 as at 26/05/2015 to €986.42 as at 29/02/2016, with performance at -1.36%, against -0.12% for the benchmark index.
Over the period, the net asset value of G FUND – Absolute Return Bonds IC-C fell from €1,000 as at 26/05/2015 to €985.93 as at 29/02/2016, with performance at -1.41%, against -0.12% for the benchmark index.
Over the period, the net asset value of G FUND – Absolute Return Bonds NC-C fell from €100 as at 26/05/2015 to €98.35 as at 29/02/2016, with performance at -1.65%, against -0.12% for the benchmark index.

The performance obtained over the period is no guarantee of future results.

Financial Statements as at 29/02/16

Statement of Assets as at 29/02/16

Expressed in EUR

Assets		**49,764,007.17**
Securities portfolio at assessed value		47,886,413.40
Purchase price		*48,564,581.79*
Unrealised loss on securities portfolio		*-678,168.39*
Cash at bank and liquidities		1,041,230.86
Interest receivable on bonds		836,362.91
Liabilities		**137,280.85**
Subscription tax payable	Note 5	827.80
Unrealised net loss on forward currency contracts	Note 2, 6	63.29
Unrealised net loss on futures contracts	Note 2, 7	107,220.00
Management and advisory fee payable	Note 3	19,687.73
Administration and custodian fee payable	Note 4	4,042.29
Other liabilities		5,439.74
Net asset value		**49,626,726.32**

Change in the number of shares outstanding from 26/05/2015 to 29/02/16

	Shares outstanding as at 26/05/15	**Shares subscribed**	**Shares redeemed**	**Shares outstanding as at 29/02/16**
- Class IC EUR Accumulation shares	0.000	10.000	0.000	10.000
- Class GD EUR Distribution shares	0.000	50,290.010	0.000	50,290.010
- Class NC EUR Accumulation shares	0.000	100.000	0.000	100.000

G FUND – Absolute Return Bonds

Key Figures

	Period ended:	**29/02/16**
Total Net Assets	EUR	49,626,726.32
- Class IC EUR		EUR
Accumulation shares		
Number of shares		10.000
Net asset value per share		985.93
- Class GD EUR		EUR
Distribution shares		
Number of shares		50,290.010
Net asset value per share		986.42
- Class NC EUR		EUR
Accumulation shares		
Number of shares		100.000
Net asset value per share		98.35

The notes are an integral part of these financial statements

Securities portfolio as at 29/02/16

Expressed in EUR

Quantity	Name	Listing currency	Assessed value	% net assets
	Securities listed on an official stock exchange and/or traded on another regulated market		46,198,282.73	93.09
	Bonds		**30,305,092.65**	**61.06**
	Germany		*200,610.00*	*0.40*
200,000	DAIMLER 0,625 15-20 05/03A	EUR	200,610.00	0.40
	Belgium		*433,564.00*	*0.87*
400,000	FORTIS BANK 5,757 07-17 04/10A	EUR	433,564.00	0.87
	Spain		*3,153,812.00*	*6.36*
500,000	CAMPOFRIO REGS 3,375 15-22 15/03S	EUR	493,675.00	0.99
500,000	FADE 2.25.13-16 17/12A	EUR	508,500.00	1.02
1,000,000	FADE 3,875 13-18 17/03A	EUR	1,074,650.00	2.18
300,000	SANTAN CONSUMER FI 1.50.15-20 12/11A	EUR	302,367.00	0.61
700,000	SPAIN STRIP 2.75.14-24 31/10A	EUR	774,620.00	1.56
	France		*5,658,219.29*	*11.39*
500,000	ALD INTERNATIONAL 2.00.13-17 26/05A	EUR	510,160.00	1.03
300,000	BNP PARIBAS 2.75.15-26 27/01A	EUR	300,543.00	0.61
250,000	BNP PARIBAS 7,781 08-XX 02/07A	EUR	271,960.00	0.55
500,000	BPCE 4.00.05-17 18/02A	EUR	515,715.00	1.04
500,000	CNCEP PERP 6,117 07-XX 30/10A	EUR	521,815.00	1.05
1,000,000	FRANCE OAT INDEXEE 1.30.10-19 25/07A	EUR	1,140,664.29	2.29
200,000	HAVAS SA 1,875 15-20 08/12A	EUR	201,066.00	0.41
400,000	ILIAD SA 4,875 11-16 01/06A	EUR	404,200.00	0.81
500,000	LAGARDERE 4,125 12-17 31/10A	EUR	523,660.00	1.05
300,000	PEUGEOT 7,375 13-18 06/03A	EUR	336,363.00	0.68
200,000	RALLYE SA 7,625 09-16 04/11A	EUR	203,656.00	0.41
200,000	RCI BANQUE 1,375 15-20 17/11A	EUR	202,962.00	0.41
500,000	WENDEL INVESTISSEMENT 4,375 05-17 09/08A	EUR	525,455.00	1.05
	Ireland		*1,443,215.00*	*2.91*
500,000	BK IRELAND (GOV&CO) 2.00.14-17 08/05A	EUR	509,285.00	1.04
300,000	FCA CAPITAL IRELAND 1.25.15-18 13/06A	EUR	299,292.00	0.60
300,000	FGA CAPITAL IRE EMTN 2,875 14-18 26/01A	EUR	309,591.00	0.62
300,000	SMURFIT KAPPA REGS 5,125 12-18 15/09S	EUR	325,047.00	0.65
	Italy		*8,063,788.03*	*16.24*
500,000	BUZZI UNICEM 5,125 09-16 09/12A	EUR	516,625.00	1.04
500,000	FINMEC FINANCE 4,375 12-17 05/12A	EUR	529,730.00	1.07
400,000	INTESA SAN PAOLO 5.00.12-17 28/02A	EUR	419,144.00	0.84
300,000	INTESA SANPAOLO 6,625 08-18 08/05A	EUR	321,231.00	0.65
700,000	ITALY BTP 0.70.15-20 01/05S	EUR	711,634.00	1.43
2,000,000	ITALY BTP 3.50.13-18 01/06S	EUR	2,157,240.00	4.35
1,000,000	ITALY BTPS 0.75.14-18 15/01S	EUR	1,014,720.00	2.04
1,000,000	ITALY INFL. INDEX 2.35.14-24 15/09S	EUR	1,139,488.03	2.30
500,000	MONTE DEI PASCHI 3.50.12-17 20/03S	EUR	515,875.00	1.04
400,000	UNICREDIT 4,875 12-17 07/03A	EUR	418,604.00	0.84
300,000	UNICREDITO SPA -219- 5.75.07-17 26/09A	EUR	319,497.00	0.64
	Luxembourg		*722,688.00*	*1.46*
500,000	ARCELORMITTAL SA 9,375 09-16 03/06A	EUR	512,430.00	1.04
200,000	FIAT FINANCE TRADE 7.00.12-17 23/03A	EUR	210,258.00	0.42
	Norway		*500,180.00*	*1.01*
500,000	SANTANDER CONSUMER BK 0,625 15-18 20/04A	EUR	500,180.00	1.01
	Netherlands		*4,611,320.00*	*9.29*
200,000	ACHMEA BV 0,875 15-18 17/09A	EUR	201,874.00	0.41
500,000	ACHMEA HYPOTH REGS 2.00.13-18 23/01A	EUR	515,170.00	1.04
500,000	DT ANNINGTON FINANCE 2,125 13-16 25/07A	EUR	503,800.00	1.02
500,000	EDP FINANCE 5.75.12-17 21/09A	EUR	536,855.00	1.08
500,000	EDP FINANCE EMTN 4.75.09-16 26/09A	EUR	511,880.00	1.03
500,000	F.VAN LANSCHOT EMTN 2,875 12-16 17/10A	EUR	508,135.00	1.02
500,000	F.VAN LANSCHOT EMTN 3,125 13-18 05/06A	EUR	525,995.00	1.06
500,000	GENERAL MOTORS 0.85.15-18 23/02A	EUR	498,540.00	1.00
300,000	LEASEPLAN CORP 1,375 15-18 24/09A	EUR	304,881.00	0.61
500,000	SCHAEFFLER FINANCE 2.75.14-19 15/05S	EUR	504,190.00	1.02
	Portugal		*2,475,120.00*	*4.99*
500,000	BRISA C RODOV 6,875 12-18 02/04A	EUR	555,650.00	1.12
300,000	METRO DE LISBOA 5.75.09-19 04/02A	EUR	332,040.00	0.67
500,000	PORTUGAL 2,875 15-25 15/10A	EUR	501,360.00	1.01
1,000,000	PORTUGAL 4.45.08-18 15/06A	EUR	1,086,070.00	2.19

G FUND – Absolute Return Bonds

Securities portfolio as at 29/02/16

Expressed in EUR

Quantity	Name	Listing currency	Assessed value	% net assets
	United Kingdom		*2,841,558.33*	*5.73*
2,000,000	CREDIT SUISSE LONDRES ZCP 060616	EUR	1,995,762.33	4.02
300,000	HSBC HOLDINGS 6.25.08-18 19/03A	EUR	331,521.00	0.67
500,000	TESCO 5,875 08-16 12/09A	EUR	514,275.00	1.04
	Sweden		*201,018.00*	*0.41*
200,000	NORDEA BANK AB 1,875 15-25 10/11A	EUR	201,018.00	0.41
Obligations convertibles			**372,060.00**	**0.75**
	Spain		*93,360.00*	*0.19*
100,000	INTL CONSOLIDATED CV 0.25.15-20 17/11S	EUR	93,360.00	0.19
	France		*278,700.00*	*0.56*
2,000	MICHELIN SA -ML- CV 0.00.07-17 01/01U	EUR	278,700.00	0.56
Floating-rate bonds			**15,521,130.08**	**31.28**
	Germany		*732,844.00*	*1.48*
700,000	MUNICH RE SUB FL.R 07-XX 29/06A	EUR	732,844.00	1.48
	Belgium		*200,870.00*	*0.40*
200,000	SOLVAY SA FL.R 15-17 01/12Q	EUR	200,870.00	0.40
	United States of America		*2,766,078.00*	*5.57*
1,000,000	BANK OF AMERICA-SUB- FL.R 06-18 28/03Q	EUR	986,520.00	1.99
800,000	GOLDMAN SACHS FL.R 14-19 20/10Q	EUR	793,328.00	1.60
500,000	GOLDMAN SACHS GROUP FL.R 15-18 11/09Q	EUR	498,605.00	1.00
500,000	MERRILL LYNCH EMTN FL.R 06-18 14/09Q	EUR	487,625.00	0.98
	France		*4,055,309.41*	*8.17*
400,000	AXA EMTN PERP. SUB FL.R 06-XX 06/07A	EUR	405,944.00	0.82
300,000	BNP PARIBAS FL.R 14-26 20/03A	EUR	303,810.00	0.61
800,000	BNP PARIBAS SUB FL.R 06-16 19/04A	GBP	984,922.41	1.98
350,000	BNP PARIBAS SUB FL.R 07-XX 13/04A	EUR	354,872.00	0.72
200,000	CAP GEMINI SA FL.R 15-18 02/07Q	EUR	201,322.00	0.41
400,000	CNP ASSURANCES SA FL.R 06-XX 22/12A	EUR	401,404.00	0.81
400,000	LA BANQUE POSTALE FL.R 15-27 19/11A	EUR	401,740.00	0.81
500,000	RCI BANQUE SA FL.R 14-17 27/11Q	EUR	498,180.00	1.00
500,000	SOCIETE AUT PARIS RHINFL.R 14-19 31/03Q	EUR	503,115.00	1.01
	Jersey		*1,337,705.00*	*2.70*
800,000	HSBC CAP FDG SUB FL.R 04-XX 29/12A	EUR	802,400.00	1.62
500,000	UBS CAPITAL FL.R 07-XX 29/12A	EUR	535,305.00	1.08
	Ittaly		*1,007,230.00*	*2.03*
500,000	INTESA SANPAOLO SUB FL.R 10-XX 01/06A	EUR	504,970.00	1.02
500,000	UNICREDIT FL.R 14-17 10/04Q	EUR	502,260.00	1.01
	Netherlands		*3,094,366.67*	*6.24*
550,000	ABN AMRO BANK NV FL.R 06-XX 10/03A	EUR	550,902.00	1.12
400,000	ALLIANZ FIN SUB -XW- FL.R 05-XX 28/02A	EUR	407,428.00	0.82
200,000	ELM BV/SWISS LIFE-EMTN-FL.R 07-XX 12/04A	EUR	206,226.00	0.42
250,000	GENERALI FIN SUB FL.R 14-XX 21/11A	EUR	224,302.50	0.45
500,000	GENERALI FINANCE FL.R 06-XX 16/06A	EUR	501,785.00	1.01
300,000	ING VERZEKERINGEN FL.R 02-27 07/05A	EUR	312,708.00	0.63
300,000	SIEMENS FIN NV FL.R 06-66 14/09A	GBP	388,430.17	0.78
500,000	VONOVIA FINANCE BV FL.R 15-17 15/12Q	EUR	502,585.00	1.01
	United Kingdom		*1,914,127.00*	*3.86*
500,000	FCE BANK FL.R 15-19 17/09Q	EUR	494,280.00	1.00
500,000	FCE BANK PLC FL.R 15-18 10/02Q	EUR	493,960.00	1.00
600,000	FCE BANK PLC FL.R 16-18 11/08Q	EUR	599,808.00	1.20
300,000	RBS FL.R 12-22 16/03A	EUR	326,079.00	0.66
	Sweden		*412,600.00*	*0.83*
400,000	SWEDBANK GMTN FL.R 12-22 05/12A	EUR	412,600.00	0.83
Shares/Units of UCITS/UCIs			1,688,130.67	3.40
Shares/Units of investment funds			**1,688,130.67**	**3.40**
	France		*380,030.67*	*0.77*
166	GROUPAMA ENTREPRISES FCP -I- CAP	EUR	380,030.67	0.77
	Luxembourg		*1,308,100.00*	*2.63*
1,000	G FUND - EUROPEAN CONVERTIBLE BONDS -ID- EUR DIS	EUR	1,308,100.00	2.63
Total securities portfolio			**47,886,413.40**	**96.49**

G FUND – Absolute Return Bonds

Statement of Operations and Changes in Net Assets from 26/05/2015 to 29/02/16

Expressed in EUR

Income		**1,000,212.04**
Net interest on bonds		976,563.30
Bank interest payable on demand		1,079.30
Interest on swaps		22,569.44
Expenses		**284,095.06**
Management and advisory fee	Note 3	203,745.21
Custodian fee	Note 4	8,696.15
Subscription tax	Note 5	4,514.18
Administration fee	Note 4	14,306.18
Professional and legal fees		8,223.14
Interest on bank overdraft		2,415.84
Transaction fees	Note 2	12,868.71
Interest on swaps		15,030.00
Other expenses		14,295.65
Net investment income		**716,116.98**
Net profit/loss realised on:		
- sale of securities	Note 2	-271,702.00
- options	Note 2	-113,205.52
- forward currency contracts	Note 2	19,609.48
- futures contracts	Note 2	-274,614.22
- swap contracts	Note 2	31,331.67
- foreign exchange		-768.38
Net profit realised		**106,768.01**
Change in unrealised net gain/loss on:		
- securities portfolio		-678,168.39
- forward currency contracts	Note 2	-63.29
- futures contracts	Note 2	-107,220.00
Reduction in net assets resulting from transactions		**-678,683.67**
Accumulation share subscriptions		20,000.00
Distribution share subscriptions		50,285,409.99
Increase in net assets		**49,626,726.32**
Net assets at beginning of period		**0.00**
Net assets at end of period		**49,626,726.32**

G FUND

Notes to the Financial Statements

Notes to the Financial Statements at 29 February 2016

Note 1 - General information

G FUND (the "SICAV") is an open-ended investment company with variable capital incorporated under Luxembourg law on 13 December 2010, in accordance with Part I of the Law of 17 December 2010, as amended, relating to undertakings for collective investment (the "Law of 2010").

The Board of Directors of the SICAV has appointed, with effect from 6 April 2013, Groupama Asset Management as Management Company in accordance with the provisions of Article 119 of the Law of 17 December 2010, as amended.

As at 29 February 2016, the sub-funds, share classes and sub-classes set out below are active:

Subfund name	Share classes	Associated sub-classes
G FUND – European Small and Mid Cap	I G N	IC GD NC
G FUND – Euro Small and Mid Cap	I N	IC NC
G FUND – Total Return All Cap Europe	I G N	IC GC et GD NC
G FUND – European Convertible Bonds	I G N	IC GD NC
G FUND – Euro High Yield Bonds	I G N	ID GD NC
G FUND – Alpha Fixed Income	I P G N	IC et ID PC GD NC
G FUND – Flexible Allocation	I G N	IC GD NC
G FUND – Alpha Fixed Income II	I G N	IC GD NC
G FUND – Absolute Return Bonds (launched on 26 May 2015)	I G N	IC GC NC

The Board of Directors of the SICAV decided to create a new "P" share class in the G FUND – Alpha Fixed Income sub-fund, with effect from 15 June 2015.

The Board of Directors of the SICAV decided to launch the G FUND – Absolute Return Bonds sub-fund, with effect from 26 May 2015.

The Board of Directors of the SICAV decided to liquidate the G FUND – European Equity High Dividend sub-fund with effect from 28 October 2015.

Notes to the Financial Statements at 29 February 2016 (continued)

Note 1 - General information (continued)

Class I and class P shares may only be acquired by institutional investors as defined by the guidelines or recommendations issued periodically by the Luxembourg supervisory authority.
Class G shares may only be acquired by investors belonging to companies, subsidiaries and regional banks of Groupama SA.
Class N shares may be acquired by all types of investors.

The main objective of the SICAV is to achieve capital growth over the long and medium term, with the goal of spreading investment risks and passing on to its shareholders the income from asset management.

Note 2 - Significant accounting policies

Presentation of the financial statements

The financial statements of the SICAV are prepared in accordance with the regulations in force in Luxembourg relating to Undertakings for Collective Investment.

1. Valuation of the securities portfolio

The value of the transferable securities held in the portfolio of each sub-fund is determined based on the last known trading price on any stock exchange where such securities are listed or admitted for trading. The value of securities traded on another regulated market is determined in a similar way.

For securities not listed on an official stock exchange and not traded on another regulated market, and for securities admitted to such an exchange or market whose last known trading price is not representative, the Board of Directors of the SICAV will make an assessment based on the probable realisation value, which is estimated with prudence and in good faith.

Units of UCITS and/or other UCIs are valued at their last known net asset value per share.
Feeder fund investments in the master fund are valued at the last net asset value per share published by the master fund.

The securities portfolio is valued at the latest available prices used when calculating the net asset value (“NAV”), that is to say the closing price on 29 February 2016.

Money market instruments with a maturity of less than 3 months are valued using the amortised cost method.

Any gains or losses realised on the sale of investments are calculated based on the average cost.

2. Valuation of forward currency contracts

Outstanding forward currency contracts are valued at the financial year-end with reference to the exchange rate applicable to the residual term of the contract. The unrealised gain or loss on forward currency contracts is set out in the statement of assets, under the item “Unrealised net gain/loss on forward currency contracts”, while changes in these amounts and the amount realised are set out in the statement of operations and changes in net assets under the items “Change in unrealised net gain/loss on forward currency contracts” and “Net profit/loss realised on forward currency contracts” respectively (Note 6).

Note 2 - Significant accounting policies (continued)

3. Valuation of futures contracts

The valuation of futures contracts traded on regulated markets is based on the latest available settlement price for these contracts on regulated markets where such futures contracts are traded by the SICAV. The unrealised gain or loss on futures contracts is set out in the statement of assets, under the item “Unrealised net gain/loss on futures contracts”, while changes in these amounts and the amount realised are set out in the statement of operations and changes in net assets under the items “Change in unrealised net gain/loss on futures contracts” and “Net profit/loss realised on futures contracts” respectively (Note 7).

4. Valuation of options

Options are valued at their last known price at the financial year-end.

Swaptions are valued on a marked-to-market basis each time the net asset value is calculated.

Any unrealised gain or loss on options/swaptions bought and sold is set out in the statement of assets, subtracting the amounts of the “Options purchased at purchase price” and “Options sold at purchase price” items respectively from the amounts of the “Options purchased at market value” and “Options sold at market value” items. Changes in these amounts and the amount realised are set out in the statement of operations and changes in net assets under the items “Change in unrealised net gain/loss on options” and “Net profit/loss realised on options” respectively (Note 8).

5. Valuation of swap contracts

Credit default swaps
A credit default swap (“CDS”) is a bilateral contract under which a counterparty (the buyer of protection) pays a periodic premium in return for a contingent payment by the seller of protection in the event of a credit event affecting one of the reference issuers. When the difference between the loss due to a credit event and the periodic premium is positive, the buyer of protection usually receives a corresponding amount of monetary compensation. When the difference is negative, a cash settlement is usually paid to the seller of protection.

CDS are valued on a marked-to-market basis each time the net asset value is calculated. The market value is based on the valuation items set out in the contracts.

Index swaps
An index swap is a bilateral contract under which a party makes a payment based on a predefined rate, which may be fixed or variable, while another party makes a payment based on the yield of an underlying index.

Index swaps are valued using the marked-to-market method at each net asset value based on the closing level of the index as determined by the calculation agent.

The unrealised gain or loss on the various types of swaps is set out in the statement of assets, under the item “Unrealised net gain/loss on swap contracts”, while changes in these amounts and the amount realised are set out in the statement of operations and changes in net assets under the items “Change in unrealised net gain/loss on swap contracts” and “Net profit/loss realised on swap contracts” respectively (Note 9).
Interest payable or receivable on swap contracts is calculated each time the net asset value is calculated, and set out in the statement of assets under the items “Interest receivable on swap contracts” and “Interest payable on swap contracts” and in the statement of operations and changes in net assets under the item “Interest on swaps”.

Notes to the Financial Statements at 29 February 2016 (continued)

Note 2 - Significant accounting policies (continued)

6. Income

Dividends are recorded as income on the date when the shares first become “ex-dividend”. Accrued interest on securities is provisioned on each net asset value calculation date.

7. Currency conversion

The combined financial statements of the SICAV are expressed in euros.

The purchase price of securities acquired in a currency other than the euro is converted into euros based on the exchange rates in force on the transaction date.

Income and expenses denominated in a currency other than the euro are converted based on the exchange rates in force on the transaction date.

At the financial year-end, assets and liabilities denominated in a currency other than the euro are converted based on the exchange rates in force on that date; exchange differences arising from this conversion are included in the net foreign exchange gain/loss for the year.

The exchange rates used to convert the SICAV’s assets and liabilities into currencies other than the euro are those effective on 29 February 2016:

EUR 1 =	1.47185	CAD	EUR 1 =	9.47225	NOK
EUR 1 =	1.08220	CHF	EUR 1 =	9.33225	SEK
EUR 1 =	7.45905	DKK	EUR 1 =	1.08655	USD
EUR 1 =	0.77970	GBP	EUR 1 =	19,65240	MXN
EUR 1 =	122.64435	JPY			

8. Costs of incorporation

Costs of incorporation are charged proportionally to the net assets of each sub-fund and amortised over a period of five years.

9. Transaction fees

Securities transaction fees are recorded separately from the purchase cost in the expense account entitled “Transaction fees”. Transaction fees include fees for the entry of each new trade by the relevant department of CACEIS Bank Luxembourg, brokerage fees and commercial fees linked to securities transactions, forward currency contracts, options, reverse repurchase agreements and futures contracts.

Notes to the Financial Statements at 29 February 2016 (continued)

Note 3 - Management fee and performance fee

Management fee

As compensation for its activities, the Management Company receives a management fee calculated as a percentage of the net asset value of each sub-fund and/or corresponding class and/or sub-class, paid monthly:

Subfund name	Share classes	Maximum annual fee[1]	Actual annual fee[1]
G FUND – European Small and Mid Cap	I G N	0.80% 0.22% 1.60%	0.80% 0.22% 1.60%
G FUND – Euro Small and Mid Cap	I N	0.80% 1.60%	0.80% 1.60%
G FUND – Total Return All Cap Europe	I G N	0.60% 0.22% 1.20%	0.60% 0.22% 1%
G FUND – European Convertible Bonds	I G N	0.50% 0.15% 1%	0.50% 0.15% 1%
G FUND – Euro High Yield Bonds	I G N	0.60% 0.15% 1.20%	0.15%[2] 0.15% 0.15%[3]
G FUND – Alpha Fixed Income	I P G N	0.50% 0.20% 0.50% 1%	0.50% 0.20% 0.50% 1%
G FUND – European Equity High Dividend[4]	I G N	0.55% 0.22% 1.10%	0.55% 0.22% 1.10%
G FUND – Flexible Allocation	I G N	0.90% 0.90% 1.50%	- 0.06% -
G FUND – Alpha Fixed Income II	I G N	1.10% 0.70% 1.70%	0.50%[5] 0.50% 0.50%[6]
G FUND – Absolute Return Bonds (launched on 26 May 2015)	I G N	0.80% 0.60% 1.60%	0.50%[7] 0.50%[5] 0.50%[6]

[1] annual rate excluding performance fee
[2] 0.50% until 15 September 2015
[3] 1.20% until 15 September 2015
[4] until its liquidation on 28 October 2015
[5] 0.60% until 15 September 2015
[6] 1.20% until 15 September 2015
[7] 0.80% until 15 September 2015

For sub-funds investing a substantial portion of their assets in other UCIs, the maximum level of management fees that may be charged to them and the maximum level of management fees that may be charged to the target funds, promoted or managed by Groupama Asset Management, or by any other related company in which the sub-funds invest, is 2% excluding any performance fee.

Notes to the Financial Statements at 29 February 2016 (continued)

Note 3 - Management fee and performance fee (continued)

Performance fee
The Management Company is entitled to receive a performance fee as defined below:

G FUND – European Small and Mid Cap: 20% of outperformance net of fees in relation to the MSCI Europe Small Cap benchmark index with net dividends reinvested.

G FUND – Total Return All Cap Europe: 20% of outperformance net of fees in relation to the MSCI Europe benchmark index with net dividends reinvested.

G FUND – European Convertible Bonds: 20% of outperformance net of fees in relation to the Exane Convertibles Europe benchmark index.

G FUND – Euro High Yield Bonds(1): 20% of outperformance net of fees in relation to the Merrill Lynch Euro High Yield BB-B Rated Constrained Index index.

G FUND – Alpha Fixed Income: 20% of outperformance net of fees in relation to the capitalised EONIA benchmark index +1.50% for I class sharesG et N, and 1.85% for P class shares.

G FUND – Flexible Allocation: 20% of outperformance net of fees in relation to the fixed rate of +7%.

G FUND – Alpha Fixed Income II: 20% of outperformance net of fees in relation to the capitalised EONIA benchmark index +4%.

G FUND – Absolute Return Bonds (launched on 26 May 2015): 20% of outperformance net of fees in relation to the capitalised EONIA index +3%.

(1) from 11 May 2015

The performance fee for these sub-funds and asset classes is calculated in accordance with the method described in the current prospectus.

For the year ended 29 February 2016, the total performance fee paid by the SICAV stood at €4,828,529.99.

Note 4 - Administration and custodian fee

In its capacity as delegated administrative agent, delegated transfer agent, delegated registrar and custodian bank, CACEIS Bank Luxembourg is entitled to the payment of an administration fee of up to 0.40% per annum for the N class, an administration fee of up to 0.20% per annum for the P class, and a fee of up to 0.30% per annum for the I et G classes, payable quarterly and calculated on the basis of the average net assets of the sub-class for the quarter in question. The actual administration fee rates used for the N, P, I et G classes, payable quarterly, are as follows:

Subfund name	Fee (in %)
G FUND – European Small And Mid Cap G FUND – Euro High Yield Bonds	0.025
G FUND – Total Return All Cap Europe G FUND – European Convertible Bonds G FUND – Alpha Fixed Income	0.020
G FUND – European Equity High Dividend* G FUND – Flexible Allocation G FUND – Alpha Fixed Income II G FUND – Absolute Return Bonds	0.03

* until its liquidation on 28 October 2015

Notes to the Financial Statements at 29 February 2016 (continued)

Note 4 - Administration and custodian fee(continued)

In addition to the fee described above, there is a fixed fee of €1,000 per sub-fund, payable quarterly.
The custodian fee received by CACEIS Bank Luxembourg is 0.01%, payable quarterly and calculated on the basis of the average net assets of the sub-class for the quarter in question. The SICAV also bears the sub-custodian fees included under the "Custodian fee" item.

For the G FUND – Euro Small and Mid Cap feeder sub-fund, the administration fee was not charged for the financial year ended 29 February 2016.

Note 5 - Subscription tax

The SICAV is governed by Luxembourg's tax laws. Pursuant to the laws and regulations currently in force in Luxembourg, it is subject to a subscription tax at an annual rate of 0.05%, payable quarterly and calculated on the basis of its net assets at the end of each quarter.
However, this rate is reduced to 0.01% in the cases and under the conditions referred to in Article 174 (2) of the Law of 2010, as amended, and in particular for the sub-funds and/or classes reserved for institutional investors.
Net assets invested in UCIs that are already subject to the subscription tax set out under Article 129 (3) of the Law of 17 December 2010, as amended, are exempt from the subscription tax.
There are no tax consequences for the feeder sub-fund in Luxembourg investing in the French master fund.

Note 6 - Forward currency contracts

As at 29 February 2016, the SICAV was engaged in the following forward currency contracts: See Note 10 for details on collateral.

G FUND – European Convertible Bonds

Currency	Purchase	Currency	Sale	Maturity	Unrealised gain/ loss EUR
EUR	4.934.420.85	CHF	5.325.000.00	23/03/16	11.799.46
EUR	826.908.71	USD	900.000.00	23/03/16	-892.57
EUR	689.919.32	SEK	6.400.000.00	23/03/16	3.996.52
EUR	8.145.607.87	GBP	5.950.000.00	23/03/16	518.855.47
EUR	1.202.040.88	CHF	1.300.000.00	23/03/16	275.26
EUR	1.955.664.22	SEK	18.000.000.00	23/03/16	26.503.51
SEK	18.000.000.00	EUR	1.940.961.56	23/03/16	-11.805.77
GBP	5.000.000.00	EUR	6.648.635.57	23/03/16	-239.364.14
GBP	2.600.000.00	EUR	3.371.535.42	23/03/16	-38.714.28
SEK	18.000.000.00	EUR	1.926.371.10	23/03/16	2.784.69
CHF	2.000.000.00	EUR	1.833.747.00	23/03/16	15.123.19
CHF	1.100.000.00	EUR	1.006.779.38	23/03/16	10.099.23
EUR	1.577.442.57	GBP	1.200.000.00	23/03/16	39.238.81
SEK	10.000.000.00	EUR	1.061.880.56	23/03/16	9.872.66
SEK	18.000.000.00	EUR	1.892.875.45	23/03/16	36.280.34
EUR	2.173.207.17	GBP	1.700.000.00	23/03/16	-5.947.96
EUR	3.993.708.82	USD	4.400.000.00	23/03/16	-53.349.74
GBP	1.800.000.00	EUR	2.287.221.67	23/03/16	20.116.05
		Total unrealised net gain on forward currency contracts:			**344,870.73**

The counterparties to the contracts are Natixis, CREDIT AGRICOLE INDOSUEZ PARIS, BNP Paribas, Société Générale, JP MORGAN et BARCLAYS BANK PLC London branch.

Notes to the Financial Statements at 29 February 2016 (continued)

Note 6 - Forward currency contracts (continued)

G FUND – Alpha Fixed Income

Currency	Purchase	Currency	Sale	Maturity	Unrealised gain/loss EUR
EUR	5.381.604.70	CHF	5.500.000.00	26/09/18	195.467.40
EUR	5.362.541.31	GBP	4.000.000.00	27/03/17	296.222.00
EUR	15.888.388.90	GBP	11.500.000.00	20/04/16	1.159.911.48
EUR	10.888.543.53	GBP	7.945.000.00	19/04/16	712.657.06
EUR	11.026.979.34	GBP	7.950.000.00	20/04/16	845.175.46
EUR	8.923.933.03	GBP	6.373.000.00	16/06/16	776.595.81
GBP	4.000.000.00	EUR	5.556.798.12	27/03/17	-486.941.40
EUR	3.271.069.80	GBP	2.379.000.00	19/04/16	224.081.07
EUR	3.187.555.78	GBP	2.500.000.00	02/05/18	63.588.60
		Total unrealised net gain on forward currency contracts:			**3,786,757.48**

The counterparties to the contracts are NATIXIS, CREDIT AGRICOLE INDOSUEZ PARIS, BNP PARIBAS and JP MORGAN.

G FUND – Alpha Fixed Income II

Currency	Purchase	Currency	Sale	Maturity	Unrealised gain/ loss EUR
EUR	2.186.213.11	GBP	1.590.000.00	19/04/16	149.764.16
		Total unrealised gain on forward currency contracts:			**149,764.16**

The counterparty to this contract is JP MORGAN.

G FUND – Absolute Return Bonds

Currency	Purchase	Currency	Sale	Maturity	Unrealised gain/ loss EUR
EUR	1.023.646.23	GBP	800.000.00	14/04/16	-1.227.53
MXN	9.000.000.00	USD	494.578.49	14/04/16	1.164.24
		Total unrealised net loss on forward currency contracts:			**-63.29**

The counterparties to the contracts are JP MORGAN and BARCLAYS BANK PLC LONDON BRANCH.

Note 7 - Open positions on futures contracts

As at 29 February 2016, the SICAV held the following positions on futures contracts traded with the broker Newedge: See Note 10 for details on collateral.

G FUND – Total Return All Cap Europe

Number of contracts Purchase/Sale	Description	Currency	Commitment EUR	Unrealised gain/ loss EUR
791	DJ EURO STOXX 50 BANK INDEX 03/16	EUR	3,994,550.00	90,865.00
222	DJ STOXX 50 INDICE 03/16	EUR	6,513,480.00	-118,700.00
200	DJ STOXX 600 OIL 03/16	EUR	2,595,000.00	205,940.00
-613	STOXX SMALL 200 INDEX 03/16	EUR	-7,328,415.00	363,435.00
25	FTSE 100 INDEX FUTURE 03/16	GBP	1,942,574.07	36,533.28
	Total unrealised net gain on futures contracts:			**578,073.28**

Notes to the Financial Statements at 29 February 2016 (continued)

Note 7 - Open positions on futures contracts (continued)

G FUND – European Convertible Bonds

Number of contracts Purchase/Sale	Description	Currency	Commitment EUR	Unrealised gain/ loss EUR
-55	DJ STOXX 50 INDICE 03/16	EUR	-1,613,700.00	-70,950.00
-35	EURO BUND FUTURE 10 YEARS 03/16	EUR	-5,830,300.00	-40,450.00
70	INGENICO 03/16	EUR	643,968.50	22,499.40
-200	KUKA AG 03/16	EUR	-1,717,996.00	-93,738.00
	Total unrealised net loss on futures contracts:			**-182,638.60**

G FUND – Euro High Yield Bonds

Number of contracts Purchase/Sale	Description	Currency	Commitmen t EUR	Unrealised gain/ loss EUR
-5	EURO BOBL FUTURE INDEX 03/16	EUR	-666,650.00	-7,500.00
	Total unrealised loss on futures contracts:			**-7,500.00**

G FUND – Flexible Allocation

Number of contracts Purchase/Sale	Description	Currency	Commitment EUR	Unrealised gain/ loss EUR
20	S&P 500 EMINI INDEX 03/16	USD	1,775,804.15	-73,949.66
38	NIKKEI 225 INDEX 03/16	JPY	493,573.49	-26,646.15
13	RUSSELL 2000 INDEX 03/16	USD	1,234,374.86	-90,690.72
67	DJ EURO STOXX 50 INDEX 03/16	EUR	1,965,780.00	-131,860.00
	Total unrealised loss on futures contracts:			**-323,146.53**

G FUND – Alpha Fixed Income II

Number of contracts Purchase/Sale	Description	Currency	Commitment EUR	Unrealised gain/ loss EUR
7	EURO BUND FUTURE 10 YEARS 03/16	EUR	1,166,060.00	44,590.00
-9	SJ FICTIF FOR FUTURE OATCO 03/16	EUR	-1,411,920.00	-38,700.00
	Total unrealised net gain on futures contracts:			**5,890.00**

G FUND – Absolute Return Bonds

Number of contracts Purchase/Sale	Description	Currency	Commitment EUR	Unrealised gain/ loss EUR
-31	EURO BOBL FUTURE 5 YEARS 03/16	EUR	-4,133,230.00	-46,500.00
-4	EURO BTP 03/16	EUR	-560,720.00	-1,440.00
-16	EURO BUND FUTURE 10 YEARS 03/16	EUR	-2,665,280.00	-57,280.00
-20	EURO SCHATZ FUTURE 2 YEARS 03/16	EUR	-2,240,000.00	-2,000.00
	Total unrealised loss on futures contracts:			**-107,220.00**

Notes to the Financial Statements at 29 February 2016 (continued)

Note 8 - Options

As at 29 February 2016, the SICAV was engaged in open positions on the following options, traded on a regulated market with the broker Newedge:

G FUND – Total Return All Cap Europe

Currency	Quantity	Description	Maturity	Strike	Commitment EUR	Unrealised gain/loss EUR
EUR	295	DJ EURO SO/PUT	21/03/16	2,750.00	8,112,500.00	-40,068.00
				Total:	**8,112,500.00**	**-40,068.00**

As at 29 February 2016, the unrealised capital loss on options was €40,068.00.

G FUND – European Convertible Bonds

Currency	Quantity	Description	Maturity	Strike	Commitment EUR	Unrealised gain/loss EUR
EUR	375	ADIDAS /CALL	19/12/16	92.00	3,450,000.00	285,750.00
EUR	1000	GDF SUEZ /CALL	16/12/16	20.00	2,000,000.00	-151,428.00
EUR	850	FRESENIUS /CALL	18/12/17	68.00	5,780,000.00	178,440.00
EUR	70	UNIBAIL ROD /CALL	18/12/17	280.00	1,960,000.00	-58,590.00
EUR	-2000	SUEZ ENV /CALL	21/03/16	18.50	3,700,000.00	102,000.00
EUR	250	DJ EURO STO /CALL	20/06/16	4,100.00	10,250,000.00	-143,500.00
EUR	-850	FRESENIUS /CALL	21/03/16	68.00	5,780,000.00	102,850.00
EUR	4200	KONINKLIJKE /PUT	17/06/16	3.20	1,344,000.00	-12,600.00
EUR	300	DJ EURO STO /PUT	21/03/16	2,800.00	8,400,000.00	-159,506.00
EUR	-4200	KONINKLIJKE /CALL	17/06/16	4.20	1,764,000.00	36,120.00
EUR	2000	SUEZ ENV /CALL	21/03/16	17.50	3,500,000.00	-157,200.00
EUR	-1100	DJ EURO STO /PUT	21/03/16	2,700.00	29,700,000.00	22,018.00
EUR	-1600	SNAM CALL	17/06/16	5.40	8,640,000.00	44,800.00
CHF	125	ROCHE HLDG /CALL	19/12/16	280.00	3,234,152.65	-60,367.65
EUR	3500	TELECOM ITAL /CALL	15/12/17	1.60	5,600,000.00	-225,225.00
EUR	1600	SNAM /CALL	17/06/16	5.00	8,000,000.00	59,120.00
EUR	-3600	TELECOM ITAL /CALL	16/09/16	1.25	4,500,000.00	68,400.00
EUR	300	AIRBUS GROUP /CALL	18/12/17	84.00	2,520,000.00	-80,250.00
EUR	200	DJ EURO STO /PUT	21/03/16	2,850.00	5,700,000.00	-7,603.00
EUR	70	DJ EURO STO /PUT	21/03/16	2,750.00	1,925,000.00	-44,404.00
EUR	200	DJ EURO STO /PUT	21/03/16	2,550.00	5,100,000.00	-1,997.00
EUR	-80	EURX EURO /CALL	25/03/16	161.50	12,920,000.00	-99,200.00
EUR	300	DJ EURO STO PUT	21/03/16	2,300.00	6,900,000.00	-17,306.00
EUR	685	FAURECIA /CALL	18/03/16	32.00	2,192,000.00	-479.00
EUR	-1370	FAURECIA /CALL	18/03/16	34.00	4,658,000.00	3,014.00
EUR	-250	VALEO SA /CALL	18/04/16	140.00	3,500,000.00	-18,250.00
EUR	3600	TELECOM ITAL /PUT	16/09/16	0.95	3,420,000.00	178,560.00
EUR	-3600	TELECOM ITAL /PUT	16/09/16	0.80	2,880,000.00	-123,480.00
EUR	-250	VALEO SA /CALL	18/04/16	130.00	3,250,000.00	-81,500.00
EUR	250	VALEO SA /CALL	18/04/16	120.00	3,000,000.00	126,750.00
				Total:	**165,567,152.65**	**-235,063.65**

As at 29 February 2016, the unrealised net loss on options was €235,063.65.

Notes to the Financial Statements at 29 February 2016 (continued)

Note 8 - Options (continued)

As at 29 February 2016, the G FUND - Euro High Yield Bonds sub-fund was committed to the following OTC swaption contracts:

G FUND – Euro High Yield Bonds

Currency	Quantity	Description	Maturity	Strike	Commitment EUR	Unrealised gain/loss EUR
EUR	-10000000	IXOVER245M /CALL	16/03/16	4.50	45,000,000.00	57,550.00
EUR	10000000	IXOVER245M /PUT	16/03/16	3.50	35,000,000.00	-19,960.00
				Total:	**80,000,000.00**	**37,590.00**

As at 29 February 2016, the net unrealised gain on OTC swaptions was €37,590.

The counterparty to these contracts is JP Morgan.

Note 9 - Swaps

As at 29 February 2016, the SICAV was committed to the following swap contracts:
See Note 10 for details on collateral.

Credit default swaps

G FUND – European Convertible Bonds

Nominal	Currency	Maturity	Underlying	Unrealised gain/loss EUR
-8,000,000	EUR	20/12/2020	SANOFI AVENTIS EMTN 4.125 09-19 11/10	-224,544.00
-4,000,000	EUR	20/12/2018	TELECOM ITALIA EMTN 5.375 04-19 29/01	97,076.00
5,000,000	EUR	20/12/2020	ITRAXX XOVER S24 V1 MKT	193,675.00
			Total unrealised net gain on credit default swaps:	**66,207.00**

The counterparties to the contracts are BNP PARIBAS LONDON BRANCH and GOLDMAN SACHS INTERNATIONAL.

G FUND – Euro High Yield Bonds

Nominal	Currency	Maturity	Underlying	Unrealised gain/loss EUR
2,000,000	EUR	20/12/19	FIAT CHRYSLER FIN. NORTH. US EMTN 5,625 07-17 12/06	57,402.00
2,000,000	EUR	20/12/19	TESCO PLC 6.00.99-29 14/12	-125,334.00
500,000	EUR	20/12/20	ARCELORMITTAL 6,125 08-18 01/06	-124,977.00
			Total unrealised net loss on credit default swaps:	**-192,909.00**

The counterparties to the contracts are BNP PARIBAS LONDON BRANCH and JP MORGAN.

Notes to the Financial Statements at 29 February 2016 (continued)

Note 9 - Swaps (continued)

G FUND – Alpha Fixed Income

Nominal	Currency	Maturity	Underlying	Unrealised gain/loss EUR
14,000,000	EUR	20/12/2020	ITRAXX EUR SNR FINANCIAL S24 V1 MKT	52,472.00
20,000,000	EUR	20/12/2020	ITRAXX EUROPE SERIE S24 V1 MKT	11,760.00
-5,000,000	EUR	20/12/2020	ITRAXX EUR SNR FINANCIAL S24 V1 MKT	-131,262.77
-2,500,000	EUR	20/06/2016	FIAT CHRYSLER FIN. NORTH. US EMTN 5,625 07-17 12/06	-26,750.00
-1,000,000	EUR	20/06/2016	OTE PLC EMTN 4.625 06-16 20/05	-4,999.00
-3,200,000	EUR	20/09/2016	FIAT CHRYSLER FIN. NORTH. US EMTN 5,625 07-17 12/06	-55,929.60
4,100,000	EUR	20/09/2019	SAFEWAY PLC 6.125 98-18 17/12	-28,572.90
11,600,000	EUR	20/09/2016	ASSICURAZIONI GENERALI 10.125 12-42 10/07	82,592.00
-5,300,000	EUR	20/06/2017	BNP PARIBAS 0.000 04-16 28/06	8,268.00
11,500,000	GBP	20/12/2017	TELECOM ITALIA EMTN 5.375 04-19 29/01	104,336.28
-5,500,000	CHF	20/09/2018	CLARIANT AG 3.125 11-17 09/06	-28,877.28
-7,500,000	GBP	20/06/2016	BNP PARIBAS 5.431 07-17 07/09	-68,093.49
-7,500,000	GBP	20/06/2016	BNP PARIBAS 5.431 07-17 07/09	-68,093.49
-7,000,000	EUR	20/09/2016	BANCO SABADELL 0.000 06-16 25/05	-84,791.00
-8,000,000	EUR	20/09/2016	ASSICURAZIONI GENERALI 10.125 12-42 10/07	56,960.00
-7,000,000	EUR	20/12/2020	SUEDZUCKER INT FIN 4.125 11-18 29/03	63,973.00
6,100,000	EUR	20/12/2020	ROLLS-ROYCE PLC 2.375 15-20 14/10	-142,355.70
-3,600,000	EUR	20/12/2020	DT LUFTHANSA EMTN 1.125 14-19 12/09	64,843.20
-3,000,000	GBP	20/06/2018	ANGLO AMERICAN CAP 4.450 10-20 27/09	175,617.54
-3,600,000	EUR	20/12/2020	DANONE 3.600 10-20 23/11	-78,807.60
5,000,000	EUR	20/12/2020	REPSOL INTL FINANCE 4.875 12-19 19/02	-646,090.00
-8,000,000	EUR	20/12/2018	REPSOL INTL FINANCE 4.875 12-19 19/02	489,032.00
5,000,000	EUR	20/12/2020	REPSOL INTL FINANCE 4.875 12-19 19/02	-646,090.00
-8,000,000	EUR	20/12/2018	REPSOL INTL FINANCE 4.875 12-19 19/02	489,032.00
			Total unrealised net loss on credit default swaps:	**-411,826.81**

The counterparties to the contracts are BNP PARIBAS LONDON BRANCH, GOLDMAN SACHS INTERNATIONAL, NOMURA INTERNATIONAL PLC and JP MORGAN et SOCIETE GENERALE PARIS.

G FUND – Flexible Allocation

Nominal	Currency	Maturity	Underlying	Unrealised gain/loss EUR
1,000,000	EUR	20/12/2020	ITRAXX XOVER S24 V1 MKT	38,735.00
			Total unrealised gain on credit default swaps:	**38,735.00**

The counterparty to the contract is SOCIETE GENERALE PARIS.

G FUND – Alpha Fixed Income II

Nominal	Currency	Maturity	Underlying	Unrealised gain/loss EUR
20,000,000	EUR	20/12/2020	ITRAXX EUROPE SERIE S24 V1 MKT	11,760.00
-5,000,000	EUR	20/12/2020	ITRAXX XOVER S24 V1 MKT	-131,262.77
-3,000,000	EUR	20/06/2016	OTE PLC EMTN 4.625 06-16 20/05	-14,997.00
-3,000,000	EUR	20/12/2020	SUEDZUCKER INT FIN 4.125 11-18 29/03	27,417.00
1,400,000	EUR	20/12/2020	ROLLS-ROYCE PLC 2.375 15-20 14/10	-32,671.80
-1,400,000	EUR	20/12/2020	DT LUFTHANSA EMTN 1.125 14-19 12/09	25,216.80
-1,400,000	EUR	20/12/2020	DANONE 3.600 10-20 23/11	-30,647.40
			Total unrealised net loss on credit default swaps:	**-145,185.17**

The counterparties to the contracts are BNP PARIBAS LONDON BRANCH, GOLDMAN SACHS INTERNATIONAL, JP MORGAN SECURITIES and SOCIETE GENERALE PARIS.

Notes to the Financial Statements at 29 February 2016 (continued)

Note 9 - Swaps (continued)

Index swap

G FUND – Euro High Yield Bonds

Nominal	Currency	Maturity	Flow received	Flow paid	Unrealised gain/loss EUR
10,000,000	EUR	21/03/16	IBOXX EURO LIQUID HIGH YIELD TRI	EUR EURIBOR 3 MONTHS	-208,087.40
Total unrealised loss on index swaps:					**-208,087.40**

The counterparty to the contract is GOLDMAN SACHS INTERNATIONAL.

Note 10 - Collateral

As at 29 February 2016, the collateral received or paid comprising margin deposits for futures and options contracts as well as collateral held or paid to reduce the exposure to OTC derivatives breaks down as follows:

Subfunds	Currency	Counterparty	Type of collateral	Amount of collateral received in euros	Amount of collateral paid in euros
G FUND – Total Return All Cap Europe	EUR	SOCIETE GENERALE	Cash	-	192,789.70
G FUND – European Convertible Bonds	EUR	SOCIETE GENERALE	Cash	-	218,232.90
G FUND – Euro High Yield Bonds	EUR	SOCIETE GENERALE	Cash	-	12,261.31
		BNP PARIBAS	Cash	-	160,000.00
		GOLDMAN SACHS INTERNATIONALE	Cash	-	235,000.00
G FUND – Alpha Fixed Income	EUR	SOCIETE GENERALE	Cash	-	175,000.00
		BNP PARIBAS	Cash	-	50,000.00
		JP MORGAN	Cash	150,000.00	-
G FUND – Flexible Allocation	EUR	SOCIETE GENERALE	Cash	250,000.00	696,958.20
		GOLDMAN SACHS INTERNATIONALE	Cash	-	14,994.10
G FUND – Alpha Fixed Income II	EUR	SOCIETE GENRALE	Cash	-	19,324.59
G FUND – Absolute Return Bonds	EUR	SOCIETE GENERALE	Cash	-	186,889.12

Notes to the Financial Statements at 29 February 2016 (continued)

Note 11 - Master fund and feeder fund

The G FUND – Euro Small and Mid Cap sub-fund (the “Feeder Sub-fund”) is a feeder sub-fund under Article 77 of the amended Law of 2010. Feeder sub-funds must invest at least 85% of their assets in the master funds.
The G FUND – Euro Small and Mid Cap sub-fund is a feeder sub-fund of the GROUPAMA AVENIR EURO French fund (the “Master Fund”). It will only invest in the “O” accumulation unit in the Master Fund.

As at 29 February 2016, the Feeder Sub-fund held 1,67% of the net assets of the “O” class of the Master Fund and 0,05% of the total net assets of the Master Fund.

The management objective of the Master Fund is to outperform its benchmark, the MSCI EMU Small Cap (closing), net dividends reinvested.

In order to achieve its management objective, the UCITS adopts an active management style and the manager will use two approaches:

- the top-down approach, which uses regional or country macroeconomic fundamentals such as the unemployment rate, inflation rate, GDP growth and interest rates.
- the bottom-up approach, which focuses on a company’s intrinsic qualities and valuation.

The investment universe is primarily composed of small and mid-cap equities from eurozone countries. The manager reserves the right to invest in large-cap companies.

With regard to the Master Fund, the fees, charges and expenses relating to investments are operating expenses and management fees, which cover all fees charged directly to the Master Fund with the exception of transaction fees.

As at 29 February 2016, the maximum operating and management fees charged to the Master Fund are 0.10%.

As at 29 February 2016, all fees charged to the Feeder Sub-fund and the Master Fund were as follows:

Feeder Sub-fund	**Total Fees in EUR**
G FUND – Euro Small and Mid Cap	381.83

Master Fund	**Total Fees in EUR**
GROUPAMA AVENIR EURO - Part O CAP	30.53

The total amount of fees was €412,36, i.e. 0.06% of net assets.

The prospectus, annual and semi-annual reports for the Master Fund, and information about these documents are available on the website at www.groupama-am.fr or by written request to the registered office: Groupama Asset Management, 25 rue de la Ville l’Evêque F-75008 Paris.

Notes to the Financial Statements at 29 February 2016 (continued)

Note 12 - Dividend distribution

During the General Meeting of Shareholders of 15 June 2015, it was resolved that dividends should be distributed to the SICAV's shareholders with an ex-date set at 15 June 2015 and payment scheduled on 18 June 2015.
Details of these dividend payments are given below:

Subfund name	Sub-class	Currency	Dividend per share
G FUND – Total Return All Cap Europe	GD	EUR	40.29
G FUND – European Convertible Bonds	GD	EUR	27.00
G FUND – Euro High Yield Bonds	ID GD	EUR EUR	47.26 46.99
G FUND – Alpha Fixed Income	ID GD	EUR EUR	15.09 15.62
G FUND – European Equity High Dividend	ID GD ND	EUR EUR EUR	73.87 73.31 7.22
G FUND – Flexible Allocation	GD	EUR	5.27
G FUND – Alpha Fixed Income II	GD	EUR	20.31

Note 13 – Cross-investments

As at 29 February 2016, the total amount of cross-investments was €6,346,406.00. Consequently, the total net asset value of the SICAV as at 29 February 2016 without cross-investments was €915,419,252.47.

These cross-investments relate to the following sub-funds:
- G FUND – Total Return All Cap Europe invests in G FUND – Alpha Fixed Income -ID- EUR DIS
- G FUND – Alpha Fixed Income II invests in G FUND – Alpha Fixed Income -ID- EUR DIS
- G FUND – Absolute Return Bonds invests in G FUND – European Convertible Bonds -ID- EUR DIS

Method used to calculate overall risk (unaudited information)

Commitment approach

The following sub-funds use the commitment approach to control and measure overall risk:

G FUND – European Small and Mid Cap
G FUND – Euro Small and Mid Cap
G FUND – Total Return All Cap Europe
G FUND – European Convertible Bonds
G FUND – Euro High Yield Bonds
G FUND – European Equity High Dividend
G FUND – Flexible Allocation
G FUND – Absolute Return Bonds (launched on 26 May 2015)

The overall risk for the sub-funds is calculated based on the commitment approach in line with the methodology set out in the ESMA 10-788 guidelines.

Absolute VaR method:

The G FUND – Alpha Fixed Income et G FUND – Alpha Fixed Income II sub-funds use the absolute VaR method to control and measure overall risk.

G FUND – Alpha Fixed Income:

The limit is set at 2.50% of the net asset value.

The use of the VaR limit during the financial year is expressed as follows as at 29 February 2016:

	1 month rolling	1 year rolling	31/12/2010
Number of breaches	0	6	20
Number of comments	21	247	1,278
Overrun frequency	0.00%	2.43%	1.56%
Confidence interval	1.00%	1.00%	1.00%
Maximum VaR	-2.83%	-2.83%	-2.83%
Minimum VaR	-1.16%	-0.19%	-0.07%
Average VaR	-1.79%	-0.93%	-0.68%

Based on the following input parameters:
- model used: history of underlyings making up the portfolio (revaluation of sensitivity)
- confidence interval: 99%
- holding period: 20 days
- observation period: 1 year with exponential smoothing

Method used to calculate overall risk (unaudited information) (continued)

Absolute VaR method: (continued)

G FUND – Alpha Fixed Income II:

The limit is set at 5% of the net asset value.

The use of the VaR limit during the period is expressed as follows as at 29 February 2016:

The portfolio was invested in money market funds as at 28/02/2014 and before that, it held liquidity because its assets under management were not sufficient to make investments.

	1 month rolling	1 year rolling	28/02/2014
Number of breaches	0	15	18
Number of comments	21	250	480
Overrun frequency	0.00%	6.00%	3.75%
Confidence interval	1.00%	1.00%	1.00%
Maximum VaR	-2.56%	-2.56%	-3.96%
Minimum VaR	-0.36%	-0.17%	-0.15%
Average VaR	-1.96%	-0.60%	-0.98%

Based on the following input parameters:
- model used: history of the underlying making up the portfolio (revaluation of sensitivity)
- confidence interval: 99%
- holding period: 20 days
- observation period: 1 year with exponential smoothing

G FUND – ABSOLUTE RETURN BOND:

The limit is set at 5% of the net asset value.

The use of the VaR limit during the period is expressed as follows as at 29 February 2016:

	1 month rolling	29/05/2015
Number of breaches	2	8
Number of comments	21	172
Overrun frequency	9.52%	4.65%
Confidence interval	1%	1%
Maximum VaR	-1.70%	-1.70%
Minimum VaR	-0.86%	-0.26%
Average VaR	-1.28%	-0.74%

Based on the following input parameters:
- model used: history of underlyings making up the portfolio (revaluation of sensitivity)
- confidence interval: 99%
- holding period: 20 days
- observation period: 1 year with exponential smoothing