

# **VECTOR**

Société d'Investissement à Capital Variable  
Annual Report and Audited Financial  
Statements as at  
December 31, 2016



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No notification pursuant to Sec. 310 of the German Capital Investment Code (Kapitalanlagegesetzbuch - KAGB) has been filed for the following Sub-Fund and the Shares of this Sub-Fund may not be marketed to investors in the Federal Republic of Germany :  
VECTOR - TOP MANAGERS MIXED



## DIRECTORS AND ADMINISTRATION

### REGISTERED OFFICE

20, boulevard Emmanuel Servais  
L - 2535 Luxembourg

### CHAIRMAN OF THE BOARD OF DIRECTORS

Mr Werner Smets  
Vector Asset Management S.A.  
370, route de Longwy  
L - 1940 Luxembourg

### BOARD OF DIRECTORS

Mr Thierry Vandeghinste  
Vector Asset Management S.A.  
370, route de Longwy  
L - 1940 Luxembourg

Mr Werner Smets  
Vector Asset Management S.A.  
370, route de Longwy  
L - 1940 Luxembourg

Mr Frits Carlsen  
Independent Director  
5, An Den Azengen  
Uebersyen L - 5380 Luxembourg

Mr Eric Grenouillet  
Orionis Management S.A.  
370, route de Longwy  
L - 1940 Luxembourg

Mr Stefan Duchateau  
Independent Director  
53, Steenhovenstraat  
3530 Houthalen - Belgium

### MANAGEMENT COMPANY

Vector Asset Management S.A.  
370, route de Longwy  
L - 1940 Luxembourg

### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr Werner Smets, chairman  
Decennium Capital BVBA represented by  
Mr Thierry Vandeghinste, director  
Mr Jan Bonroy, director  
Mr Marc Sallet, director

### INVESTMENT ADVISOR

VECTOR CONSEIL S.A.  
163, rue du Kiem  
L - 8030 Strassen

### DEPOSITARY BANK AND DOMICILIARY AGENT

Edmond de Rothschild (Europe)  
20, boulevard Emmanuel Servais  
L - 2535 Luxembourg

### ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT AND PAYING AGENT

Edmond de Rothschild Asset Management  
(Luxembourg)  
20, boulevard Emmanuel Servais  
L - 2535 Luxembourg

### APPROVED STATUTORY AUDITOR

BDO Audit  
Société anonyme  
1, rue Jean Piret  
L - 2350 Luxembourg

### LEGAL ADVISORS

ELVINGER, HOSS & PRUSSEN  
2, Place Winston Churchill  
BP 425  
L - 2014 Luxembourg

### BEARER SHARES DEPOSITARY

Until July 7, 2016

### EUROPEAN FUND ADMINISTRATION

2, Rue d'Alsace  
L - 1122 Luxembourg

## GENERAL INFORMATION

### INFORMATION TO THE SHAREHOLDERS

Notices concerning the Fund are published in newspapers designated by the Board of Directors, and, if prescribed by law, are published in the Mémorial, the official gazette of Luxembourg, and are lodged with the Registrar of the Luxembourg District Court.

The current Articles of Incorporation of the Fund are lodged with the Registrar of the Luxembourg District Court, from whom copies may be obtained.

The latest price for each Class of shares can be obtained at the registered office of the Fund on each Valuation Day. Such prices may also be published in such other newspaper(s) as the Board may from time to time determine.

Audited reports in respect of the preceding financial year and unaudited semi-annual reports of the Fund will be made available at the registered office of the Fund in Luxembourg. The audited reports and semi-annual reports will provide information on each Sub-Fund and, on a consolidated basis, the Fund as a whole.

Some classes of shares of the Fund may be listed on the Luxembourg Stock Exchange.

Subscriptions cannot be received on the basis of financial reports. Subscriptions are valid only if made on the basis of the current prospectus, supplemented by the last annual report and the most recent semi-annual report if published thereafter.

The prospectus, the key investor information documents, the articles, the audited annual and unaudited semi-annual reports - each in paper form -, a list of the changes in the investment portfolio during financial period as well as the issue, conversion and redemption prices and any notices to Shareholders in Germany can also be obtained free of charge from the German Paying and Information Agent:

Marcard, Stein & Co AG  
Ballindamm 36  
20095 Hamburg  
Germany.

### NET ASSET VALUE PER SHARE

The day on which the Net Asset Value of the shares is calculated (the "Valuation Day") by the Administrative Agent.

For VECTOR - NAVIGATOR and VECTOR - FLEXIBLE, the net asset value is calculated daily, on each Business Day;

For VECTOR - TOP MANAGERS MIXED, the net asset value is calculated weekly, with valuation day every last Business Day of the week.

Furthermore, at the end of each month, half-year and financial year, the Net Asset Value normally calculated as of the Valuation Day closest to the end of the relevant month, half-year or financial year will be replaced by a Net Asset Value calculated on the last calendar day of the period concerned.

Notwithstanding the valuation principles specified below, the Net Asset Value of the shares of each Sub-Fund at the end of any financial year, half-year or month will be calculated on the basis of the last available price at the end of the relevant financial year, half-year or month in question.

The Net Asset Value of shares of each Sub-Fund or Class in the Fund shall be expressed as a per share figure in such currency as the Board shall from time to time determine in respect of such Sub-Fund or Class and shall be determined in respect of any Valuation Day by dividing the net assets of the Fund corresponding to each Sub-Fund or Class by the number of shares of the relevant Sub-Fund or Class then outstanding and shall be rounded up or down to two decimal places.

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**REPORT ON THE ACTIVITIES**

With a gain of 11% 2016 turned out to be a rather fruitful year for equity investors. However, the year didn't really start off as a success: a cascade of bad news brought on double digit losses that plagued the stock markets well into February. Indeed, around the turn of the year investors were very preoccupied with the crashing oil price and a possible global recession. It took another round of Super Mario's famous "Bazooka" (=fiscal stimulus) and a dovish Janet Yellen for market sentiment to finally recover. While by the end of the quarter markets were still at a loss, they had rebounded significantly from their February lows: in little over a month the MSCI All Countries index had regained no less than 10% of its value.

The biggest political event of the second quarter undoubtedly was Brexit. Yet, its immediate market impact wasn't that detrimental to investors' wealth: while Brexit did cause indices around the globe to record significant losses in local currencies, the appreciation of the dollar softened the blow for European investors who held a global portfolio. Overall the MSCI All Countries was only down 2.7% in Euro-terms immediately after Brexit, which is a modest loss. Moreover, after the initial post referendum drawdowns, markets rebounded sharply during the early weeks of July as investors realized that any fallout from the decision to leave the European Union was unlikely to have a significant impact on global growth prospects.

Yet, 2016's biggest surprise came in the form of the US Presidential elections, where Donald Trump – contrary to the bookmakers' and pollsters' expectations – was elected as the 45<sup>th</sup> President of the United States. Whether Trump will make a good president remains to be seen, but it is undeniable that the stock markets were quite keen to see Mr. Trump in the Oval Office. The US markets in particular took an advance on the new administration's election promises of introducing additional fiscal stimulus in the form of tax cuts and increased infrastructure spending. Emerging markets understandably didn't react equally well to Donald Trump's victory. The president-elect's skeptical views on globalism made investors fearful of the impact renegotiated trade agreements might have on these export-oriented economies.

Overall, we have some mixed feelings about our funds' performance in 2016. While on the one hand Navigator and Flexible received several awards (De Tijd/L'Echo, Trends Fund Award and Morningstar Award) as best global equity and flexible allocation fund, we did not perform as well as we had hoped during the year. Even though Navigator's return of 6.05% is in line with the Morningstar Category, we did fail to beat our benchmark index by some margin. As Vector Flexible's performance heavily relies on the alpha provided by the same underlying pool of investments as Navigator, the fund also suffered. Its performance of 1.35% is again in line with the Morningstar Category, but below the target we had set for ourselves. Vector Top Managers Mixed did quite well, recording a return of 3.46%, which was 1.28% better than the category average.

Looking at the underlying factors, the main cause for the negative alpha we have seen lies in the factors that are directly derived from analysts' input: earnings revisions, analyst recommendations, etc. Almost all of these factors have underperformed in 2016. The model does of course not solely rely on these inputs, but they do have a relevant role to play in the overall score. Moreover, there has been a remarkable rally in low quality stocks (low earnings, trailing returns, etc.). Since we have a preference to invest in stocks that offer "quality at a reasonable price", we missed out on the upswing in 2016's most profitable market segments: mining and oil companies, and especially those whose profitability has been under heavy pressure over the last few years.

Luxembourg, March 16, 2017

Note: Indications and comparisons are historical and are not necessarily an indication of future results.

## REPORT OF THE REVISEUR D'ENTREPRISES AGRÉÉ

To the Shareholders of VECTOR  
20, boulevard Emmanuel Servais  
L-2535 Luxembourg

Following our appointment by the general meeting of shareholders, we have audited the accompanying financial statements of VECTOR and each of its sub-funds which comprise the combined statement of net assets, the statement of net assets and the statement of investments in securities and other net assets as at December 31, 2016, the combined statement of operations and the statement of operations and changes in net assets for the year ended and a summary of significant accounting policies and other explanatory information.

### *Responsibility Board of Directors of the SICAV's 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 Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the réviseur d'entreprises agréé*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the réviseur d'entreprises agréé's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the réviseur d'entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of VECTOR and each of its sub-funds as at December 31, 2016, and of the results of their operations and changes in their net assets for the year ended, in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements



*Other matter*

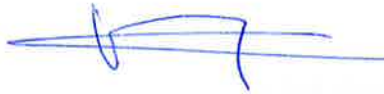
The Board of Directors of the SICAV is responsible for the other information. The other information comprises the information included in annual report but does not include the financial statements and our report of réviseur d'entreprises agréé thereon.

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

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

Luxembourg, March 21, 2017

BDO Audit  
Cabinet de révision agréé  
represented by



Patrick Terazzi

**COMBINED STATEMENT OF NET ASSETS**

December 31, 2016

(in EUR)

**ASSETS**

Portfolio:	(see notes)	
- Cost		215,374,523.18
- Net unrealised result		17,697,495.55
		<b>233,072,018.73</b>
Cash:		
- Cash at sight		3,409,903.18
- Cash at sight by the broker		1,086,857.76
Other assets:		
- Receivable on subscriptions		4,076,520.12
- Dividend receivable		250,495.36
- Receivable for investments sold		3,995,185.81
		<b>245,890,980.96</b>

**LIABILITIES**

Bank overdraft:		
- Cash at sight		1,057,810.45
- Cash at sight by the broker		782.17
Other liabilities:		
- Payable on redemptions		757,440.72
- Taxes and expenses payable		1,090,546.51
- Payable for investments purchased		3,995,185.81
- Unrealised loss on futures		72,600.00
		<b>6,974,365.66</b>

**NET ASSETS** **238,916,615.30**

**COMBINED STATEMENT OF OPERATIONS**

Year ended December 31, 2016

(in EUR)

**INCOME**

Income from investments:		
- Dividends, net		5,018,085.33
Other income		93,922.83
		<b>5,112,008.16</b>

**EXPENSES**

Bank interest, net		18,413.67
Fees:		
- Management fee	(see notes)	3,321,897.68
- Custodian fee and safekeeping charges	(see notes)	337,238.14
Other expenses:		
- Annual tax	(see notes)	111,654.73
- Amortisation of formation/reorganisation expenses		958.30
- Transaction fees	(see notes)	1,573,896.32
- Administration and other expenses		414,767.35
		<b>5,778,826.19</b>

**NET OPERATING RESULT (666,818.03)**

Net realised result on:		
- Sales of investments	(see notes)	(28,900.73)
- Foreign exchange		2,396,365.35

**NET REALISED RESULT 1,700,646.59**

Change in net unrealised appreciation/(depreciation) on:		
- Investments		9,932,172.94
- Futures		144,969.70

**NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS 11,777,789.23**

**STATEMENT OF NET ASSETS**

December 31, 2016

(in EUR)

**ASSETS**

Portfolio:	(see notes)	
- Cost		153,554,352.18
- Net unrealised result		9,399,161.13
		<b>162,953,513.31</b>
Cash:		
- Cash at sight		2,464,859.46
Other assets:		
- Receivable on subscriptions		3,861,861.15
- Dividend receivable		199,801.10
- Receivable for investments sold		3,282,906.41
		<b>172,762,941.43</b>

**LIABILITIES**

Bank overdraft:		
- Cash at sight		888,810.37
Other liabilities:		
- Payable on redemptions		452,648.00
- Taxes and expenses payable		798,318.56
- Payable for investments purchased		3,928,984.40
		<b>6,068,761.33</b>

**NET ASSETS****166,694,180.10**

Represented by:

54,369.670 Shares of category C1 with a value of	EUR	1,835.02	per share
22,418.499 Shares of category C2 with a value of	EUR	237.42	per share
2,208.308 Shares of category C3 with a value of	EUR	3,119.92	per share
123,283.400 Shares of category F with a value of	EUR	14.15	per share
4,968.265 Shares of category P with a value of	EUR	2,831.17	per share
17,412.753 Shares of category I1 with a value of	EUR	1,444.84	per share
9,221.234 Shares of category I2 with a value of	EUR	1,444.22	per share
867.483 Shares of category S with a value of	EUR	490.03	per share

The notes are an integral part of these financial statements.

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended December 31, 2016  
(in EUR)

<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	<b>182,675,502.22</b>
<b>INCOME</b>	
Income from investments:	
- Dividends, net	4,168,452.61
Other income	5.21
	<b>4,168,457.82</b>
<b>EXPENSES</b>	
Bank interest, net	10,249.90
Fees:	
- Management fee (see notes)	2,468,071.33
- Custodian fee and safekeeping charges (see notes)	277,644.35
Other expenses:	
- Annual tax (see notes)	88,092.21
- Amortisation of formation/reorganisation expenses	823.17
- Transaction fees (see notes)	1,339,741.22
- Administration and other expenses	290,805.18
	<b>4,475,427.36</b>
<b>NET OPERATING RESULT</b>	<b>(306,969.54)</b>
Net realised result on:	
- Sales of investments (see notes)	571,508.88
- Foreign exchange	1,994,333.40
<b>NET REALISED RESULT</b>	<b>2,258,872.74</b>
Change in net unrealised appreciation/(depreciation) on:	
- Investments	7,880,785.04
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<b>10,139,657.78</b>
<b>MOVEMENTS IN CAPITAL</b>	
Subscriptions of shares	46,029,935.84
Redemptions of shares	(72,150,915.74)
	<b>(26,120,979.90)</b>
<b>NET ASSETS AT THE END OF THE YEAR</b>	<b>166,694,180.10</b>

The notes are an integral part of these financial statements.

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**STATISTICAL INFORMATION**

Year ended December 31, 2016

**SHARES**

	<b>C1</b>	<b>C2</b>	<b>C3</b>	<b>F</b>	<b>P</b>
Shares outstanding at the beginning of the year	52,197.168	24,635.499	2,234.930	194,658.000	4,156.265
Subscriptions of shares	12,208.676	20,902.000	46.378	59,272.097	3,242.000
Redemptions of shares	(10,036.174)	(23,119.000)	(73.000)	(130,646.697)	(2,430.000)
<b>Shares outstanding at the end of the year</b>	<b>54,369.670</b>	<b>22,418.499</b>	<b>2,208.308</b>	<b>123,283.400</b>	<b>4,968.265</b>

**NET ASSET VALUE PER SHARE**

	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Highest	1,877.13 12.20.16	242.87 12.20.16	3,191.50 12.20.16	14.48 12.20.16	2,896.12 12.20.16
Lowest	1,455.68 02.11.16	188.34 02.11.16	2,474.94 02.11.16	11.23 02.11.16	2,245.85 02.11.16
<b>At the end of the year</b>	<b>1,835.02</b>	<b>237.42</b>	<b>3,119.92</b>	<b>14.15</b>	<b>2,831.17</b>

The notes are an integral part of these financial statements.

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**STATISTICAL INFORMATION**

Year ended December 31, 2016

**SHARES**

	<b>I1</b>	<b>I2</b>	<b>S</b>
Shares outstanding at the beginning of the year	32,584.892	16,563.234	247.495
Subscriptions of shares	8,289.879	739.000	882.429
Redemptions of shares	(23,462.018)	(8,081.000)	(262.441)
<b>Shares outstanding at the end of the year</b>	<b>17,412.753</b>	<b>9,221.234</b>	<b>867.483</b>

**NET ASSET VALUE PER SHARE**

	EUR	EUR	EUR
Highest	1,477.65 12.20.16	1,477.01 12.20.16	501.34 12.20.16
Lowest	1,138.53 02.11.16	1,138.05 02.11.16	390.47 02.11.16
<b>At the end of the year</b>	<b>1,444.84</b>	<b>1,444.22</b>	<b>490.03</b>

The notes are an integral part of these financial statements.

**CHANGES IN THE NUMBER OF SHARES,  
IN NET ASSETS AND  
IN NET ASSET VALUE PER SHARE**

Date	Share Class	Number of shares outstanding	Net Assets	Ccy	Net asset value per share
12.31.14	C1	48,374.515	74,722,964.70	EUR	1,544.67
	C2	22,797.499	4,543,513.79	EUR	199.30
	C3	2,541.598	6,656,693.75	EUR	2,619.10
	F	194,658.000	2,316,762.11	EUR	11.90
	P	1,806.443	4,301,057.82	EUR	2,380.95
	I1	6,827.622	8,174,372.29	EUR	1,197.25
	I2	1,327.234	1,590,603.46	EUR	1,198.43
	*07.20.15	S	7.310	3,651.96	EUR
12.31.15	C1	52,197.168	90,323,660.47	EUR	1,730.43
	C2	24,635.499	5,515,534.30	EUR	223.89
	C3	2,234.930	6,575,357.68	EUR	2,942.09
	F	194,658.000	2,597,975.50	EUR	13.35
	P	4,156.265	11,096,294.11	EUR	2,669.78
	I1	32,584.892	44,063,401.71	EUR	1,352.26
	I2	16,563.234	22,388,330.96	EUR	1,351.69
	S	247.495	114,947.49	EUR	464.44
12.31.16	C1	54,369.670	99,769,592.32	EUR	1,835.02
	C2	22,418.499	5,322,679.17	EUR	237.42
	C3	2,208.308	6,889,754.14	EUR	3,119.92
	F	123,283.400	1,744,890.89	EUR	14.15
	P	4,968.265	14,066,005.38	EUR	2,831.17
	I1	17,412.753	25,158,656.19	EUR	1,444.84
	I2	9,221.234	13,317,510.30	EUR	1,444.22
	S	867.483	425,091.71	EUR	490.03

\* First valuation

Potential difference is due to roundings.



**STATEMENT OF INVESTMENTS IN SECURITIES  
AND OTHER NET ASSETS**

December 31, 2016

(in EUR)

Quantity	Description	Ccy	Cost	Value per security	Market value (see notes)	% of net assets
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b>						
<b>EQUITIES</b>						
<b>BRAZIL</b>						
168,052	BANCO BRADESCO PFD ADR REPR 1	USD	1,315,266.95	8.710	1,387,755.58	0.83
189,059	SABESP	BRL	1,570,235.52	28.790	1,585,540.71	0.95
	<b>TOTAL BRAZIL</b>		<b>2,885,502.47</b>		<b>2,973,296.29</b>	<b>1.78</b>
<b>CANADA</b>						
33,610	BANK OF NOVA SCOTIA	CAD	1,788,822.27	74.760	1,776,462.53	1.07
47,895	INDUSTRIAL ALLIANCE INSURANCE AND FIN.	CAD	1,537,518.37	53.390	1,807,846.46	1.08
68,061	QUEBECOR -B- SUBORD.VOTING	CAD	1,813,966.85	37.320	1,795,781.20	1.08
94,950	TECK RESOURCES LTD -B-	CAD	1,960,711.81	26.870	1,803,735.60	1.08
134,442	VERESEN	CAD	1,182,945.50	13.110	1,246,090.09	0.75
	<b>TOTAL CANADA</b>		<b>8,283,964.80</b>		<b>8,429,915.88</b>	<b>5.06</b>
<b>CHINA</b>						
453,741	ENN ENERGY HOLDINGS LTD	HKD	1,900,563.06	31.900	1,769,987.87	1.06
9,663	NETEASE SPONS ADR REPR 25 SHS	USD	1,988,418.66	215.340	1,972,819.63	1.19
	<b>TOTAL CHINA</b>		<b>3,888,981.72</b>		<b>3,742,807.50</b>	<b>2.25</b>
<b>DENMARK</b>						
40,333	ROYAL UNIBREW A/S	DKK	1,720,120.60	272.600	1,478,660.11	0.89
	<b>TOTAL DENMARK</b>		<b>1,720,120.60</b>		<b>1,478,660.11</b>	<b>0.89</b>
<b>FRANCE</b>						
79,825	ALSTOM SA	EUR	1,865,873.34	26.175	2,089,414.78	1.25
92,429	ALTRAN TECHNOLOGIES SA	EUR	1,177,750.08	13.880	1,282,910.97	0.77
33,610	VINCI SA	EUR	2,044,634.90	64.700	2,174,596.27	1.31
	<b>TOTAL FRANCE</b>		<b>5,088,258.32</b>		<b>5,546,922.02</b>	<b>3.33</b>
<b>GERMANY</b>						
33,610	AURUBIS	EUR	1,655,482.83	54.800	1,841,852.79	1.10
67,221	DEUTSCHE POST AG REG SHS	EUR	1,861,629.18	31.235	2,099,644.96	1.26
25,208	SALZGITTER AG	EUR	832,027.59	33.550	845,723.01	0.51
	<b>TOTAL GERMANY</b>		<b>4,349,139.60</b>		<b>4,787,220.76</b>	<b>2.87</b>
<b>HUNGARY</b>						
33,610	MOL HUNGARIAN OIL AND GAS PLC -A-	HUF	1,720,139.81	20,635.000	2,245,484.87	1.35
	<b>TOTAL HUNGARY</b>		<b>1,720,139.81</b>		<b>2,245,484.87</b>	<b>1.35</b>
<b>INDONESIA</b>						
5,041,568	BANK NEGARA INDONESIA	IDR	1,844,273.59	5,525.000	1,960,198.99	1.18
840,261	UNITED TRACTORS	IDR	1,320,527.68	21,250.000	1,256,537.81	0.75
	<b>TOTAL INDONESIA</b>		<b>3,164,801.27</b>		<b>3,216,736.80</b>	<b>1.93</b>

The notes are an integral part of these financial statements.

Quantity	Description	Ccy	Cost	Value per security	Market value (see notes)	% of net assets
<b>IRELAND</b>						
16,805	ACCENTURE - SHS CLASS A	USD	1,734,347.63	117.130	1,866,220.57	1.12
	<b>TOTAL IRELAND</b>		<b>1,734,347.63</b>		<b>1,866,220.57</b>	<b>1.12</b>
<b>JAPAN</b>						
10,083	DAITO TRUST CONSTRUCTION CO LTD	JPY	1,414,499.62	17,580.000	1,440,906.95	0.86
98,311	DAITO TRUST CONSTRUCTION CO LTD	JPY	2,018,849.39	2,490.000	1,989,853.16	1.19
161,330	DAITO TRUST CONSTRUCTION CO LTD	JPY	2,079,413.18	1,607.000	2,107,428.87	1.26
436,936	DAITO TRUST CONSTRUCTION CO LTD	JPY	1,900,010.71	525.000	1,864,654.90	1.12
42,013	DAITO TRUST CONSTRUCTION CO LTD	JPY	1,488,950.95	4,912.000	1,677,506.39	1.01
94,109	DAITO TRUST CONSTRUCTION CO LTD	JPY	2,166,341.91	2,663.000	2,037,159.38	1.22
42,013	DAITO TRUST CONSTRUCTION CO LTD	JPY	733,549.27	2,345.000	800,845.37	0.48
20,166	DAITO TRUST CONSTRUCTION CO LTD	JPY	1,597,100.55	11,045.000	1,810,559.42	1.09
	<b>TOTAL JAPAN</b>		<b>13,398,715.58</b>		<b>13,728,914.44</b>	<b>8.23</b>
<b>LUXEMBOURG</b>						
142,844	ARCELORMITTAL SA REG SHS	EUR	791,983.05	7.016	1,002,196.47	0.60
84,026	TERNIUM SA -ADR 1/10 SHS-	USD	1,455,079.86	24.150	1,923,897.67	1.16
	<b>TOTAL LUXEMBOURG</b>		<b>2,247,062.91</b>		<b>2,926,094.14</b>	<b>1.76</b>
<b>MEXICO</b>						
302,494	GRUPO FINANCIERO BANORTE -O-	MXN	1,346,465.32	102.300	1,424,114.03	0.85
	<b>TOTAL MEXICO</b>		<b>1,346,465.32</b>		<b>1,424,114.03</b>	<b>0.85</b>
<b>PANAMA</b>						
23,527	COPA HOLDINGS SA	USD	1,983,872.96	90.830	2,026,059.42	1.22
	<b>TOTAL PANAMA</b>		<b>1,983,872.96</b>		<b>2,026,059.42</b>	<b>1.22</b>
<b>RUSSIA</b>						
252,078	ROSNEFT OIL-GDR-	USD	1,294,917.39	6.500	1,553,457.74	0.93
	<b>TOTAL RUSSIA</b>		<b>1,294,917.39</b>		<b>1,553,457.74</b>	<b>0.93</b>
<b>SOUTH KOREA</b>						
10,923	DOSSAN CO LTD	KRW	778,797.88	105,000.000	900,331.49	0.54
67,221	HANA FINANCIAL GROUP INC	KRW	1,593,228.03	31,250.000	1,648,958.78	0.99
15,965	HYUNDAI HEAVY INDUSTRIES CO LTD	KRW	1,877,992.05	145,500.000	1,823,418.62	1.09
75,624	KB INSURANCE CO LTD	KRW	1,680,847.80	26,150.000	1,552,329.79	0.93
8,403	POSCO	KRW	1,601,935.16	257,500.000	1,698,427.54	1.02
1,512	SAMSUNG ELECTRONICS CO LTD	KRW	1,960,475.97	1,802,000.000	2,139,425.08	1.28
17,645	SK INNOVATION	KRW	2,080,123.56	146,500.000	2,029,208.67	1.22
25,208	S-OIL CORP	KRW	1,669,663.34	84,700.000	1,676,001.70	1.01
	<b>TOTAL SOUTH KOREA</b>		<b>13,243,063.79</b>		<b>13,468,101.67</b>	<b>8.08</b>
<b>SWITZERLAND</b>						
6,050	ROCHE HOLDING AG GENUSSSCHEIN	CHF	1,312,342.57	232.600	1,312,688.83	0.79
	<b>TOTAL SWITZERLAND</b>		<b>1,312,342.57</b>		<b>1,312,688.83</b>	<b>0.79</b>
<b>THAILAND</b>						
5,041,568	IRPCP FOREIGN	THB	639,803.69	4.800	640,688.08	0.38
1,260,392	PTT GLOBAL CHEMICAL PUBLIC COMPANY LTD	THB	1,809,105.14	63.000	2,102,257.78	1.27
	<b>TOTAL THAILAND</b>		<b>2,448,908.83</b>		<b>2,742,945.86</b>	<b>1.65</b>
<b>TURKEY</b>						
949,495	AKBANK	TRY	2,254,837.52	7.820	2,001,254.14	1.20
1,680,523	EMLAK KONUT REIT	TRY	1,483,333.06	2.990	1,354,310.45	0.81
1,008,314	TURKIYE GARANTI BANKASI AS (NAMEN-AKT)	TRY	2,069,785.87	7.620	2,070,872.04	1.25
	<b>TOTAL TURKEY</b>		<b>5,807,956.45</b>		<b>5,426,436.63</b>	<b>3.26</b>
<b>UNITED KINGDOM</b>						
37,812	BRITISH AMERICAN TOBACCO PLC	GBP	1,909,038.30	46.215	2,047,177.18	1.23
42,013	COMPASS GRP PLC	GBP	710,712.41	15.010	738,772.39	0.44

The notes are an integral part of these financial statements.

Quantity	Description	Ccy	Cost	Value per security	Market value (see notes)	% of net assets
420,131	DOMINO S PIZZA	GBP	1,590,592.57	3.608	1,775,809.98	1.07
100,831	GLAXOSMITHKLINE PLC	GBP	1,872,804.86	15.620	1,845,109.89	1.11
252,078	INCHCAPE	GBP	1,963,540.97	7.020	2,073,090.81	1.24
42,013	JOHNSON MATTHEY	GBP	1,645,698.67	31.820	1,566,138.41	0.94
1,134,353	LADBROKES PLC	GBP	1,655,118.57	1.160	1,541,529.07	0.92
84,026	WPP 2012 PLC	GBP	1,652,761.94	18.160	1,787,622.47	1.07
	<b>TOTAL UNITED KINGDOM</b>		<b>13,000,268.29</b>		<b>13,375,250.20</b>	<b>8.02</b>
	<b>UNITED STATES OF AMERICA</b>					
30,249	ALTRIA GROUP	USD	1,478,333.30	67.620	1,939,288.85	1.16
33,610	AMDOCS LTD	USD	1,771,437.52	58.250	1,856,182.84	1.11
25,208	AMERICAN FINANCIAL GROUP	USD	1,665,720.58	88.120	2,106,010.71	1.26
11,764	AMGEN INC	USD	1,660,664.75	146.210	1,630,684.51	0.98
100,831	APOLLO GLOBAL MANAGEMENT -A-	USD	1,792,070.93	19.360	1,850,765.65	1.11
63,020	APPLIED MATERIALS INC	USD	1,610,654.13	32.270	1,928,080.06	1.16
28,569	AVERY DENNISON CORP	USD	1,984,305.80	70.220	1,901,973.99	1.14
50,416	BAXTER INTERNATIONAL INC	USD	2,098,087.53	44.340	2,119,394.35	1.27
37,812	BIG LOTS INC	USD	1,533,674.70	50.210	1,799,979.54	1.08
18,486	BOEING CO COM.	USD	2,326,198.49	155.680	2,728,477.25	1.63
30,249	BUNGE LTD	USD	1,711,578.00	72.240	2,071,786.85	1.24
55,457	CISCO SYSTEMS INC	USD	1,392,076.31	30.220	1,588,924.38	0.95
84,026	CORNING INC	USD	1,900,044.38	24.270	1,933,457.41	1.16
36,131	DICK'S SPORTING GOOD INC	USD	1,987,471.67	53.100	1,818,979.52	1.09
21,007	EI DU PONT DE NEMOURS & CO	USD	1,398,843.40	73.400	1,461,843.57	0.88
27,729	EXPRESS SCRIPTS	USD	1,726,499.93	68.790	1,808,439.91	1.08
55,457	FEDERATED INVESTORS INC -B-	USD	1,400,273.30	28.280	1,486,921.95	0.89
23,527	FOOT LOCKER INC	USD	1,351,014.78	70.890	1,581,276.58	0.95
13,444	HOME DEPOT INC	USD	1,541,719.46	134.080	1,709,026.58	1.03
8,403	ILLINOIS TOOL WORKS	USD	791,587.64	122.460	975,571.46	0.59
57,138	INTEL CORP	USD	1,649,095.77	36.270	1,964,813.36	1.18
134,442	INVESCO MORTGAGE CAPITAL INC	USD	1,764,272.89	14.600	1,860,962.71	1.12
4,201	JOHNSON AND JOHNSON	USD	396,308.57	115.210	458,907.35	0.28
21,847	LAM RESEARCH CORP	USD	1,981,263.61	105.730	2,189,961.16	1.31
67,221	LEGG MASON	USD	2,059,037.46	29.910	1,906,212.15	1.14
38,652	MACYS	USD	1,396,528.14	35.810	1,312,281.44	0.79
21,847	MANPOWER INC	USD	1,459,846.40	88.870	1,840,743.87	1.10
109,234	MICRON TECHNOLOGY	USD	2,006,718.78	21.920	2,270,119.58	1.36
6,218	NORTHROP GRUMMAN CORP	USD	1,397,048.90	232.580	1,371,099.33	0.82
138,643	NRG ENERGY WHEN ISSUED	USD	1,725,776.91	12.260	1,611,533.17	0.97
28,569	NU SKIN ENTERPRISES	USD	1,344,978.99	47.780	1,294,165.73	0.78
147,046	ON SEMICONDUCTOR CORP	USD	1,582,051.98	12.760	1,778,908.28	1.07
14,284	PARKER-HANNIFIN CORP	USD	1,578,373.55	140.000	1,896,015.10	1.14
21,847	PEPSICO INC	USD	2,051,094.50	104.630	2,167,177.12	1.30
71,422	PFIZER INC	USD	2,163,054.19	32.480	2,199,377.51	1.32
41,173	SEAGATE TECHNOLOGY PLC	USD	1,322,103.03	38.170	1,489,989.03	0.89
16,805	STRYKER CORP	USD	1,754,668.27	119.810	1,908,920.74	1.15
15,125	UNITEDHEALTH GROUP INC	USD	1,624,947.32	160.040	2,294,911.18	1.37
25,208	VALERO ENERGY	USD	1,324,914.35	68.320	1,632,803.58	0.98
16,805	WESTERN GAS PARTNERS	USD	931,181.66	58.760	936,217.20	0.56
	<b>TOTAL UNITED STATES OF AMERICA</b>		<b>64,635,521.87</b>		<b>70,682,185.55</b>	<b>42.39</b>
	<b>TOTAL EQUITIES</b>		<b>153,554,352.18</b>		<b>162,953,513.31</b>	<b>97.76</b>
	<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b>		<b>153,554,352.18</b>		<b>162,953,513.31</b>	<b>97.76</b>
	<b>TOTAL INVESTMENTS IN SECURITIES</b>		<b>153,554,352.18</b>		<b>162,953,513.31</b>	<b>97.76</b>
	Cash/(bank overdraft)				1,576,049.09	0.95
	Other assets and liabilities				2,164,617.70	1.29
	<b>TOTAL NET ASSETS</b>				<b>166,694,180.10</b>	<b>100.00</b>

The notes are an integral part of these financial statements.

**GEOGRAPHICAL CLASSIFICATION  
OF THE INVESTMENTS IN SECURITIES**  
December 31, 2016  
(in %)

<b>COUNTRIES</b>	<b>% of net assets</b>
United States of America	42.39
Japan	8.23
South Korea	8.08
United Kingdom	8.02
Canada	5.06
France	3.33
Turkey	3.26
Germany	2.87
China	2.25
Indonesia	1.93
Brazil	1.78
Luxembourg	1.76
Thailand	1.65
Hungary	1.35
Panama	1.22
Ireland	1.12
Russia	0.93
Denmark	0.89
Mexico	0.85
Switzerland	0.79
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>97.76</b>
Other assets/(liabilities) and liquid assets	2.24
<b>NET ASSETS</b>	<b>100.00</b>

**ECONOMIC CLASSIFICATION  
OF THE INVESTMENTS IN SECURITIES**  
December 31, 2016  
(in %)

<b>ECONOMIC SECTORS</b>	<b>% of net assets</b>
Electronics and semiconductors	8.45
Holding and finance companies	8.19
Pharmaceutical and cosmetics industry	6.70
Banks and other credit institutions	6.38
Oil	6.10
Retail trade	4.94
Data transmission	4.47
Mining industry	4.37
Energy and water supply	3.73
Miscellaneous trading companies	3.69
Chemicals	3.32
Tobacco and alcohol	3.28
Insurance	3.27
Internet and software services	3.07
Office supplies and computers	2.98
Mechanical engineering and industrial equipment	2.82
Real estate	2.79
Foodstuffs and non-alcoholic drinks	2.54
Aeronautical and astronomical industry	2.45
Hotels, restaurants and leisure	2.43
Healthcare, education & social services	1.37
Building and building materials	1.31
Transportation	1.26
Electrotechnical and electronic industry	1.25
Road vehicles	1.23
Miscellaneous services	1.12
Miscellaneous consumer goods	1.10
Non-ferrous metals	1.10
Graphic industry and publishing houses	1.07
Biotechnology	0.98
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>97.76</b>
Other assets/(liabilities) and liquid assets	2.24
<b>NET ASSETS</b>	<b>100.00</b>

**STATEMENT OF NET ASSETS**

December 31, 2016

(in EUR)

**ASSETS**

Portfolio:	(see notes)	
- Cost		29,191,598.72
- Net unrealised result		1,786,836.70
		<b>30,978,435.42</b>
Cash:		
- Cash at sight		468,584.49
- Cash at sight by the broker		1,086,857.76
Other assets:		
- Receivable on subscriptions		12,331.02
- Dividend receivable		37,983.39
- Receivable for investments sold		712,279.40
		<b>33,296,471.48</b>

**LIABILITIES**

Bank overdraft:		
- Cash at sight		169,000.08
- Cash at sight by the broker		782.17
Other liabilities:		
- Payable on redemptions		133,120.52
- Taxes and expenses payable		167,088.58
- Payable for investments purchased		66,201.41
- Unrealised loss on futures		72,600.00
		<b>608,792.76</b>

**NET ASSETS****32,687,678.72**

## Represented by:

12,668.047 Shares of category C1 with a value of	EUR	1,567.27	per share
637.000 Shares of category C3 with a value of	EUR	157.86	per share
20,554.122 Shares of category C4 with a value of	EUR	313.49	per share
281,847.535 Shares of category F with a value of	EUR	12.53	per share
139.676 Shares of category P with a value of	EUR	1,281.33	per share
1,787.083 Shares of category I1 with a value of	EUR	1,278.65	per share
616.935 Shares of category S with a value of	EUR	475.76	per share

The notes are an integral part of these financial statements.

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**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

Year ended December 31, 2016  
(in EUR)

<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>		<b>31,230,949.20</b>
<b>INCOME</b>		
Income from investments:		
- Dividends, net		692,329.16
Other income		0.27
		<b>692,329.43</b>
<b>EXPENSES</b>		
Bank interest, net		6,526.79
Fees:		
- Management fee	(see notes)	490,876.97
- Custodian fee and safekeeping charges	(see notes)	22,409.33
Other expenses:		
- Annual tax	(see notes)	15,304.23
- Amortisation of formation/reorganisation expenses		135.13
- Transaction fees	(see notes)	233,520.10
- Administration and other expenses		60,232.50
		<b>829,005.05</b>
<b>NET OPERATING RESULT</b>		<b>(136,675.62)</b>
Net realised result on:		
- Sales of investments	(see notes)	(1,549,017.79)
- Foreign exchange		370,385.17
<b>NET REALISED RESULT</b>		<b>(1,315,308.24)</b>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		1,539,299.33
- Futures		144,969.70
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>		<b>368,960.79</b>
<b>MOVEMENTS IN CAPITAL</b>		
Subscriptions of shares		7,754,596.41
Redemptions of shares		(6,666,827.68)
		<b>1,087,768.73</b>
<b>NET ASSETS AT THE END OF THE YEAR</b>		<b>32,687,678.72</b>

The notes are an integral part of these financial statements.

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**STATISTICAL INFORMATION**

Year ended December 31, 2016

**SHARES**

	<b>C1</b>	<b>C3</b>	<b>C4</b>	<b>F</b>	<b>P</b>
Shares outstanding at the beginning of the year	12,343.659	112.000	24,952.408	198,334.349	29.156
Subscriptions of shares	3,080.582	2,882.000	0.000	143,513.186	110.520
Redemptions of shares	(2,756.194)	(2,357.000)	(4,398.286)	(60,000.000)	(0.000)
<b>Shares outstanding at the end of the year</b>	<b>12,668.047</b>	<b>637.000</b>	<b>20,554.122</b>	<b>281,847.535</b>	<b>139.676</b>

**NET ASSET VALUE PER SHARE**

	EUR	EUR	EUR	EUR	EUR
Highest	1,608.01 12.16.16	161.96 12.16.16	321.63 12.16.16	12.86 12.16.16	1,314.63 12.16.16
Lowest	1,409.13 02.11.16	141.89 02.11.16	281.85 02.11.16	11.27 02.11.16	1,152.13 02.11.16
<b>At the end of the year</b>	<b>1,567.27</b>	<b>157.86</b>	<b>313.49</b>	<b>12.53</b>	<b>1,281.33</b>

The notes are an integral part of these financial statements.



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**STATISTICAL INFORMATION**

Year ended December 31, 2016

**SHARES**

	<b>II</b>	<b>S</b>
Shares outstanding at the beginning of the year	1,301.053	611.604
Subscriptions of shares	644.030	58.048
Redemptions of shares	(158.000)	(52.717)
<b>Shares outstanding at the end of the year</b>	<b>1,787.083</b>	<b>616.935</b>

**NET ASSET VALUE PER SHARE**

	EUR	EUR
Highest	1,311.47 12.16.16	488.23 12.16.16
Lowest	1,142.02 02.11.16	429.65 02.11.16
<b>At the end of the year</b>	<b>1,278.65</b>	<b>475.76</b>

The notes are an integral part of these financial statements.

**CHANGES IN THE NUMBER OF SHARES,  
IN NET ASSETS AND  
IN NET ASSET VALUE PER SHARE**

Date	Share Class	Number of shares outstanding	Net Assets	Ccy	Net asset value per share
12.31.14	C1	8,831.658	12,619,946.81	EUR	1,428.94
	C3	17.195	2,474.37	EUR	143.90
	C4	26,024.151	7,438,354.91	EUR	285.83
	F	198,334.349	2,253,400.82	EUR	11.36
	P	83.156	96,570.64	EUR	1,161.32
	I1	966.234	1,104,507.92	EUR	1,143.11
*04.16.15	S	3.997	1,992.01	EUR	498.38
12.31.15	C1	12,343.659	19,088,461.86	EUR	1,546.42
	C3	112.000	17,440.09	EUR	155.72
	C4	24,952.408	7,718,123.41	EUR	309.31
	F	198,334.349	2,452,305.41	EUR	12.36
	P	29.156	36,864.31	EUR	1,264.38
	I1	1,301.053	1,629,209.00	EUR	1,252.22
	S	611.604	288,545.12	EUR	471.78
12.31.16	C1	12,668.047	19,854,289.90	EUR	1,567.27
	C3	637.000	100,554.52	EUR	157.86
	C4	20,554.122	6,443,426.35	EUR	313.49
	F	281,847.535	3,531,865.04	EUR	12.53
	P	139.676	178,970.42	EUR	1,281.33
	I1	1,787.083	2,285,059.56	EUR	1,278.65
	S	616.935	293,512.93	EUR	475.76

\* First valuation

Potential difference is due to roundings.

**STATEMENT OF INVESTMENTS IN SECURITIES  
AND OTHER NET ASSETS**

December 31, 2016

(in EUR)

Quantity	Description	Ccy	Cost	Value per security	Market value (see notes)	% of net assets
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b>						
<b>EQUITIES</b>						
<b>BRAZIL</b>						
31,948	BANCO BRADESCO PFD ADR REPR 1	USD	250,040.10	8.710	263,820.62	0.81
35,941	SABESP	BRL	298,511.14	28.790	301,420.75	0.92
	<b>TOTAL BRAZIL</b>		<b>548,551.24</b>		<b>565,241.37</b>	<b>1.73</b>
<b>CANADA</b>						
6,390	BANK OF NOVA SCOTIA	CAD	340,065.79	74.760	337,716.13	1.03
9,105	INDUSTRIAL ALLIANCE INSURANCE AND FIN.	CAD	292,291.42	53.390	343,682.40	1.06
12,939	QUEBECOR -B- SUBORD.VOTING	CAD	344,845.92	37.320	341,388.72	1.04
18,050	TECK RESOURCES LTD -B-	CAD	372,743.02	26.870	342,900.90	1.05
25,558	VERESEN	CAD	224,885.00	13.110	236,889.16	0.72
	<b>TOTAL CANADA</b>		<b>1,574,831.15</b>		<b>1,602,577.31</b>	<b>4.90</b>
<b>CHINA</b>						
86,259	ENN ENERGY HOLDINGS LTD	HKD	361,308.38	31.900	336,485.26	1.03
1,837	NETEASE SPONS ADR REPR 25 SHS	USD	378,010.25	215.340	375,044.79	1.15
	<b>TOTAL CHINA</b>		<b>739,318.63</b>		<b>711,530.05</b>	<b>2.18</b>
<b>DENMARK</b>						
7,667	ROYAL UNIBREW A/S	DKK	327,005.19	272.600	281,102.11	0.86
	<b>TOTAL DENMARK</b>		<b>327,005.19</b>		<b>281,102.11</b>	<b>0.86</b>
<b>FRANCE</b>						
15,175	ALSTOM SA	EUR	354,713.66	26.175	397,210.22	1.22
17,571	ALTRAN TECHNOLOGIES SA	EUR	223,897.32	13.880	243,889.03	0.75
6,390	VINCI SA	EUR	388,697.30	64.700	413,403.73	1.26
	<b>TOTAL FRANCE</b>		<b>967,308.28</b>		<b>1,054,502.98</b>	<b>3.23</b>
<b>GERMANY</b>						
6,390	AURUBIS	EUR	314,717.17	54.800	350,147.21	1.07
12,779	DEUTSCHE POST AG REG SHS	EUR	353,906.82	31.235	399,155.04	1.22
4,792	SALZGITTER AG	EUR	158,173.41	33.550	160,776.99	0.49
	<b>TOTAL GERMANY</b>		<b>826,797.40</b>		<b>910,079.24</b>	<b>2.78</b>
<b>HUNGARY</b>						
6,390	MOL HUNGARIAN OIL AND GAS PLC -A-	HUF	327,008.84	20,635.000	426,880.08	1.31
	<b>TOTAL HUNGARY</b>		<b>327,008.84</b>		<b>426,880.08</b>	<b>1.31</b>
<b>INDONESIA</b>						
958,432	BANK NEGARA INDONESIA	IDR	350,607.42	5,525.000	372,645.53	1.14
159,739	UNITED TRACTORS	IDR	251,040.19	21,250.000	238,875.34	0.73
	<b>TOTAL INDONESIA</b>		<b>601,647.61</b>		<b>611,520.87</b>	<b>1.87</b>

The notes are an integral part of these financial statements.

Quantity	Description	Ccy	Cost	Value per security	Market value (see notes)	% of net assets
<b>IRELAND</b>						
3,195	ACCENTURE - SHS CLASS A	USD	329,709.84	117.130	354,779.67	1.09
	<b>TOTAL IRELAND</b>		<b>329,709.84</b>		<b>354,779.67</b>	<b>1.09</b>
<b>JAPAN</b>						
1,917	DAITO TRUST CONSTRUCTION CO LTD	JPY	268,904.82	17,580.000	273,925.01	0.84
18,689	DAITO TRUST CONSTRUCTION CO LTD	JPY	383,795.32	2,490.000	378,282.96	1.16
30,670	DAITO TRUST CONSTRUCTION CO LTD	JPY	395,308.85	1,607.000	400,634.81	1.22
83,064	DAITO TRUST CONSTRUCTION CO LTD	JPY	361,203.37	525.000	354,482.03	1.08
7,987	DAITO TRUST CONSTRUCTION CO LTD	JPY	283,058.46	4,912.000	318,903.97	0.98
17,891	DAITO TRUST CONSTRUCTION CO LTD	JPY	411,834.52	2,663.000	387,276.16	1.18
7,987	DAITO TRUST CONSTRUCTION CO LTD	JPY	139,452.09	2,345.000	152,245.49	0.47
3,834	DAITO TRUST CONSTRUCTION CO LTD	JPY	303,618.34	11,045.000	344,198.15	1.05
	<b>TOTAL JAPAN</b>		<b>2,547,175.77</b>		<b>2,609,948.58</b>	<b>7.98</b>
<b>LUXEMBOURG</b>						
27,156	ARCELORMITTAL SA REG SHS	EUR	150,560.70	7.016	190,523.53	0.58
15,974	TERNIUM SA -ADR 1/10 SHS-	USD	276,619.36	24.150	365,744.43	1.12
	<b>TOTAL LUXEMBOURG</b>		<b>427,180.06</b>		<b>556,267.96</b>	<b>1.70</b>
<b>MEXICO</b>						
57,506	GRUPO FINANCIERO BANORTE -O-	MXN	255,971.09	102.300	270,732.58	0.83
	<b>TOTAL MEXICO</b>		<b>255,971.09</b>		<b>270,732.58</b>	<b>0.83</b>
<b>PANAMA</b>						
4,473	COPA HOLDINGS SA	USD	377,146.09	90.830	385,165.99	1.18
	<b>TOTAL PANAMA</b>		<b>377,146.09</b>		<b>385,165.99</b>	<b>1.18</b>
<b>RUSSIA</b>						
47,922	ROSNEFT OIL-GDR-	USD	246,171.52	6.500	295,321.59	0.90
	<b>TOTAL RUSSIA</b>		<b>246,171.52</b>		<b>295,321.59</b>	<b>0.90</b>
<b>SOUTH KOREA</b>						
2,077	DOSSAN CO LTD	KRW	148,054.12	105,000.000	171,158.39	0.52
12,779	HANA FINANCIAL GROUP INC	KRW	302,882.16	31,250.000	313,476.90	0.96
3,035	HYUNDAI HEAVY INDUSTRIES CO LTD	KRW	357,017.50	145,500.000	346,642.76	1.06
14,376	KB INSURANCE CO LTD	KRW	319,539.20	26,150.000	295,107.16	0.90
1,597	POSCO	KRW	304,537.43	257,500.000	322,881.21	0.99
288	SAMSUNG ELECTRONICS CO LTD	KRW	372,698.18	1,802,000.000	406,717.47	1.25
3,355	SK INNOVATION	KRW	395,443.90	146,500.000	385,764.68	1.18
4,792	S-OIL CORP	KRW	317,412.97	84,700.000	318,617.93	0.97
	<b>TOTAL SOUTH KOREA</b>		<b>2,517,585.46</b>		<b>2,560,366.50</b>	<b>7.83</b>
<b>SWITZERLAND</b>						
1,150	ROCHE HOLDING AG GENUSSSCHEIN	CHF	249,484.16	232.600	249,549.98	0.76
	<b>TOTAL SWITZERLAND</b>		<b>249,484.16</b>		<b>249,549.98</b>	<b>0.76</b>
<b>THAILAND</b>						
958,432	IRPCP FOREIGN	THB	121,630.50	4.800	121,798.63	0.37
239,608	PTT GLOBAL CHEMICAL PUBLIC COMPANY LTD	THB	343,921.68	63.000	399,651.75	1.23
	<b>TOTAL THAILAND</b>		<b>465,552.18</b>		<b>521,450.38</b>	<b>1.60</b>
<b>TURKEY</b>						
180,505	AKBANK	TRY	428,658.07	7.820	380,450.35	1.16
319,477	EMLAK KONUT REIT	TRY	281,990.47	2.990	257,462.50	0.79
191,686	TURKIYE GARANTI BANKASI AS (NAMEN-AKT)	TRY	393,478.65	7.620	393,685.13	1.21
	<b>TOTAL TURKEY</b>		<b>1,104,127.19</b>		<b>1,031,597.98</b>	<b>3.16</b>
<b>UNITED KINGDOM</b>						
7,188	BRITISH AMERICAN TOBACCO PLC	GBP	362,919.57	46.215	389,180.60	1.19
7,987	COMPASS GRP PLC	GBP	135,110.67	15.010	140,445.04	0.43

The notes are an integral part of these financial statements.

Quantity	Description	Ccy	Cost	Value per security	Market value (see notes)	% of net assets
79,869	DOMINO S PIZZA	GBP	302,381.14	3.608	337,592.08	1.03
19,169	GLAXOSMITHKLINE PLC	GBP	356,031.38	15.620	350,766.40	1.07
47,922	INCHCAPE	GBP	373,280.86	7.020	394,106.94	1.21
7,987	JOHNSON MATTHEY	GBP	312,857.14	31.820	297,732.26	0.91
215,647	LADBROKES PLC	GBP	314,647.92	1.160	293,053.87	0.90
15,974	WPP 2012 PLC	GBP	314,199.91	18.160	339,837.70	1.04
	<b>TOTAL UNITED KINGDOM</b>		<b>2,471,428.59</b>		<b>2,542,714.89</b>	<b>7.78</b>
	<b>UNITED STATES OF AMERICA</b>					
5,751	ALTRIA GROUP	USD	281,039.98	67.620	368,670.38	1.13
6,390	AMDOCS LTD	USD	336,760.85	58.250	352,871.44	1.08
4,792	AMERICAN FINANCIAL GROUP	USD	316,663.42	88.120	400,365.21	1.22
2,236	AMGEN INC	USD	315,702.28	146.210	310,002.86	0.95
19,169	APOLLO GLOBAL MANAGEMENT -A-	USD	340,683.38	19.360	351,841.60	1.08
11,980	APPLIED MATERIALS INC	USD	306,194.96	32.270	366,539.52	1.12
5,431	AVERY DENNISON CORP	USD	377,228.38	70.220	361,576.61	1.11
9,584	BAXTER INTERNATIONAL INC	USD	398,858.96	44.340	402,909.51	1.23
7,188	BIG LOTS INC	USD	291,560.71	50.210	342,186.85	1.05
3,514	BOEING CO COM.	USD	442,224.22	155.680	518,699.81	1.60
5,751	BUNGE LTD	USD	325,381.19	72.240	393,859.04	1.20
10,543	CISCO SYSTEMS INC	USD	264,642.02	30.220	302,064.01	0.92
15,974	CORNING INC	USD	361,209.77	24.270	367,561.79	1.12
6,869	DICK'S SPORTING GOOD INC	USD	377,830.22	53.100	345,798.86	1.06
3,993	EI DU PONT DE NEMOURS & CO	USD	265,928.48	73.400	277,905.19	0.85
5,271	EXPRESS SCRIPTS	USD	328,217.94	68.790	343,795.22	1.05
10,543	FEDERATED INVESTORS INC -B-	USD	266,200.31	28.280	282,672.74	0.86
4,473	FOOT LOCKER INC	USD	256,835.97	70.890	300,610.12	0.92
2,556	HOME DEPOT INC	USD	293,090.07	134.080	324,896.15	0.99
1,597	ILLINOIS TOOL WORKS	USD	150,485.53	122.460	185,461.96	0.57
10,862	INTEL CORP	USD	313,502.95	36.270	373,522.74	1.14
25,558	INVESCO MORTGAGE CAPITAL INC	USD	335,398.81	14.600	353,780.12	1.08
799	JOHNSON AND JOHNSON	USD	75,340.63	115.210	87,241.03	0.27
4,153	LAM RESEARCH CORP	USD	376,650.04	105.730	416,324.69	1.27
12,779	LEGG MASON	USD	391,435.31	29.910	362,382.30	1.11
7,348	MACYS	USD	265,488.33	35.810	249,472.53	0.76
4,153	MANPOWER INC	USD	277,525.51	88.870	349,936.39	1.07
20,766	MICRON TECHNOLOGY	USD	381,489.21	21.920	431,563.28	1.32
1,182	NORTHROP GRUMMAN CORP	USD	265,587.33	232.580	260,654.17	0.80
26,357	NRG ENERGY WHEN ISSUED	USD	328,080.49	12.260	306,362.07	0.94
5,431	NU SKIN ENTERPRISES	USD	255,688.53	47.780	246,028.63	0.75
27,954	ON SEMICONDUCTOR CORP	USD	300,757.52	12.760	338,181.08	1.03
2,716	PARKER-HANNIFIN CORP	USD	300,058.23	140.000	360,443.78	1.10
4,153	PEPSICO INC	USD	389,925.30	104.630	411,993.30	1.26
13,578	PFIZER INC	USD	411,209.51	32.480	418,114.79	1.28
7,827	SEAGATE TECHNOLOGY PLC	USD	251,339.68	38.170	283,255.81	0.87
3,195	STRYKER CORP	USD	333,572.91	119.810	362,897.23	1.11
2,875	UNITEDHEALTH GROUP INC	USD	308,912.18	160.040	436,276.31	1.34
4,792	VALERO ENERGY	USD	251,874.13	68.320	310,405.71	0.95
3,195	WESTERN GAS PARTNERS	USD	177,023.19	58.760	177,980.48	0.54
	<b>TOTAL UNITED STATES OF AMERICA</b>		<b>12,287,598.43</b>		<b>13,437,105.31</b>	<b>41.10</b>
	<b>TOTAL EQUITIES</b>		<b>29,191,598.72</b>		<b>30,978,435.42</b>	<b>94.77</b>
	<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b>		<b>29,191,598.72</b>		<b>30,978,435.42</b>	<b>94.77</b>
	<b>TOTAL INVESTMENTS IN SECURITIES</b>		<b>29,191,598.72</b>		<b>30,978,435.42</b>	<b>94.77</b>
	Cash/(bank overdraft)				1,385,660.00	4.24
	Other assets and liabilities				323,583.30	0.99
	<b>TOTAL NET ASSETS</b>				<b>32,687,678.72</b>	<b>100.00</b>

The notes are an integral part of these financial statements.

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**GEOGRAPHICAL CLASSIFICATION  
OF THE INVESTMENTS IN SECURITIES**  
December 31, 2016  
(in %)

<b>COUNTRIES</b>	<b>% of net assets</b>
United States of America	41.10
Japan	7.98
South Korea	7.83
United Kingdom	7.78
Canada	4.90
France	3.23
Turkey	3.16
Germany	2.78
China	2.18
Indonesia	1.87
Brazil	1.73
Luxembourg	1.70
Thailand	1.60
Hungary	1.31
Panama	1.18
Ireland	1.09
Russia	0.90
Denmark	0.86
Mexico	0.83
Switzerland	0.76
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>94.77</b>
Other assets/(liabilities) and liquid assets	5.23
<b>NET ASSETS</b>	<b>100.00</b>

**ECONOMIC CLASSIFICATION  
OF THE INVESTMENTS IN SECURITIES**  
December 31, 2016  
(in %)

<b>ECONOMIC SECTORS</b>	<b>% of net assets</b>
Electronics and semiconductors	8.18
Holding and finance companies	7.94
Pharmaceutical and cosmetics industry	6.47
Banks and other credit institutions	6.18
Oil	5.90
Retail trade	4.78
Data transmission	4.32
Mining industry	4.23
Energy and water supply	3.61
Miscellaneous trading companies	3.59
Chemicals	3.21
Tobacco and alcohol	3.18
Insurance	3.18
Internet and software services	2.98
Office supplies and computers	2.90
Mechanical engineering and industrial equipment	2.73
Real estate	2.71
Foodstuffs and non-alcoholic drinks	2.46
Aeronautical and astronomical industry	2.40
Hotels, restaurants and leisure	2.36
Healthcare, education & social services	1.34
Building and building materials	1.26
Transportation	1.22
Electrotechnical and electronic industry	1.22
Road vehicles	1.20
Miscellaneous services	1.09
Miscellaneous consumer goods	1.07
Non-ferrous metals	1.07
Graphic industry and publishing houses	1.04
Biotechnology	0.95
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>94.77</b>
Other assets/(liabilities) and liquid assets	5.23
<b>NET ASSETS</b>	<b>100.00</b>

**STATEMENT OF NET ASSETS**

December 31, 2016

(in EUR)

**ASSETS**

Portfolio:	(see notes)	
- Cost		32,628,572.28
- Net unrealised result		6,511,497.72
		<b>39,140,070.00</b>
Cash:		
- Cash at sight		476,459.23
Other assets:		
- Receivable on subscriptions		202,327.95
- Dividend receivable		12,710.87
		<b>39,831,568.05</b>

**LIABILITIES**

Other liabilities:		
- Payable on redemptions		171,672.20
- Taxes and expenses payable		125,139.37
		<b>296,811.57</b>

**NET ASSETS** **39,534,756.48**

Represented by:

355.496 Shares of category A CAP with a value of	EUR	596.78	per share
26,995.415 Shares of category I CAP with a value of	EUR	1,226.19	per share
1,048.022 Shares of category I DIV with a value of	EUR	5,935.94	per share

The notes are an integral part of these financial statements.



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**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

Year ended December 31, 2016  
(in EUR)

<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>		<b>40,679,099.09</b>
<b>INCOME</b>		
Income from investments:		
- Dividends, net		157,303.56
Other income		93,917.35
		<b>251,220.91</b>
<b>EXPENSES</b>		
Bank interest, net		1,636.98
Fees:		
- Management fee	(see notes)	362,949.38
- Custodian fee and safekeeping charges	(see notes)	37,184.46
Other expenses:		
- Annual tax	(see notes)	8,258.29
- Transaction fees	(see notes)	635.00
- Administration and other expenses		63,729.67
		<b>474,393.78</b>
<b>NET OPERATING RESULT</b>		<b>(223,172.87)</b>
Net realised result on:		
- Sales of investments	(see notes)	948,608.18
- Foreign exchange		31,646.78
<b>NET REALISED RESULT</b>		<b>757,082.09</b>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		512,088.57
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>		<b>1,269,170.66</b>
<b>MOVEMENTS IN CAPITAL</b>		
Subscriptions of shares		1,812,027.26
Redemptions of shares		(4,116,528.11)
		<b>(2,304,500.85)</b>
<b>DIVIDEND PAID</b>		<b>(109,012.42)</b>
<b>NET ASSETS AT THE END OF THE YEAR</b>		<b>39,534,756.48</b>

The notes are an integral part of these financial statements.

**STATISTICAL INFORMATION**

Year ended December 31, 2016

**SHARES**

	<b>A CAP</b>	<b>I CAP</b>	<b>I DIV</b>
Shares outstanding at the beginning of the year	355.496	29,177.610	1,007.022
Subscriptions of shares	0.000	1,036.805	103.000
Redemptions of shares	(0.000)	(3,219.000)	(62.000)
<b>Shares outstanding at the end of the year</b>	<b>355.496</b>	<b>26,995.415</b>	<b>1,048.022</b>

**NET ASSET VALUE PER SHARE**

	EUR	EUR	EUR
Highest	598.12 12.16.16	1,228.70 12.16.16	5,948.09 12.16.16
Lowest	529.99 02.12.16	1,084.64 02.12.16	5,352.77 02.12.16
<b>At the end of the year</b>	<b>596.78</b>	<b>1,226.19</b>	<b>5,935.94</b>

The notes are an integral part of these financial statements.

**CHANGES IN THE NUMBER OF SHARES,  
IN NET ASSETS AND  
IN NET ASSET VALUE PER SHARE**

Date	Share Class	Number of shares outstanding	Net Assets	Ccy	Net asset value per share
12.31.14	A CAP	355.496	199,526.95	EUR	561.26
	I CAP	29,748.678	33,996,679.31	EUR	1,142.80
	I DIV	821.022	4,691,328.01	EUR	5,714.01
12.31.15	A CAP	355.496	205,995.79	EUR	579.46
	I CAP	29,177.610	34,582,735.52	EUR	1,185.25
	I DIV	1,007.022	5,890,367.78	EUR	5,849.29
12.31.16	A CAP	355.496	212,154.46	EUR	596.78
	I CAP	26,995.415	33,101,602.43	EUR	1,226.19
	I DIV	1,048.022	6,220,999.59	EUR	5,935.94

Potential difference is due to roundings.

**STATEMENT OF INVESTMENTS IN SECURITIES  
AND OTHER NET ASSETS**

December 31, 2016

(in EUR)

Quantity	Description	Ccy	Cost	Value per security	Market value (see notes)	% of net assets
<b>INVESTMENT FUNDS</b>						
<b>OPEN-ENDED INVESTMENT FUNDS</b>						
<b>FRANCE</b>						
2,100	ARTY CAP 3 DEC	EUR	2,560,280.66	1,549.770	3,254,517.00	8.24
2,500	CARMIGNAC PATRIMOINE -A- CAP 3 DEC	EUR	1,309,905.43	652.880	1,632,200.00	4.13
76,000	MAGELLAN -C- CAP	EUR	1,285,758.78	21.010	1,596,760.00	4.04
19	ODDO PROACTIF EUR CI EUR	EUR	2,432,615.07	156,105.410	2,966,002.79	7.50
2,750	TIKEH INC INCA-P- 4 DECIMALES	EUR	1,602,150.00	585.650	1,610,537.50	4.07
	<b>TOTAL FRANCE</b>		<b>9,190,709.94</b>		<b>11,060,017.29</b>	<b>27.98</b>
<b>GERMANY</b>						
200	ACATIS GANE VALUE EVENT FDS UI -B-	EUR	2,574,578.80	15,219.610	3,043,922.00	7.70
	<b>TOTAL GERMANY</b>		<b>2,574,578.80</b>		<b>3,043,922.00</b>	<b>7.70</b>
<b>LUXEMBOURG</b>						
250,000	ABERDEEN GL II APAC MLT ASSET-E2-FD	EUR	2,578,694.73	12.316	3,079,075.00	7.79
72,000	BLACKROCK GF GL ALLOC-D2-EUR-FD	EUR	2,296,639.24	51.430	3,702,960.00	9.37
17,800	DNCA INV SICAV EVOLUTIF -I- CAP	EUR	2,147,702.29	166.940	2,971,532.00	7.52
70,000	FRANK TEMP INV GBL TOT RET -I- CAP	EUR	1,237,054.05	26.720	1,870,400.00	4.73
28,397	FVS MUL OPP II -I- DIS	EUR	3,016,208.39	130.760	3,713,212.38	9.38
158,533	INV ASIA BAL -A- DIS REG S	EUR	1,753,733.87	10.690	1,694,717.13	4.29
200,000	NORDEA 1 SICAV STABLE RET -BI-	EUR	3,400,000.00	17.540	3,508,000.00	8.87
	<b>TOTAL LUXEMBOURG</b>		<b>16,430,032.57</b>		<b>20,539,896.51</b>	<b>51.95</b>
<b>UNITED KINGDOM</b>						
35,000	MCINROY & WOOD BAL-PERS-GBP	GBP	1,923,138.97	45.953	1,884,202.20	4.77
160,000	M&G DYNAMIC ALLOCATION -EUR- C ACC	EUR	2,510,112.00	16.325	2,612,032.00	6.60
	<b>TOTAL UNITED KINGDOM</b>		<b>4,433,250.97</b>		<b>4,496,234.20</b>	<b>11.37</b>
	<b>TOTAL OPEN-ENDED INVESTMENT FUNDS</b>		<b>32,628,572.28</b>		<b>39,140,070.00</b>	<b>99.00</b>
	<b>TOTAL INVESTMENT FUNDS</b>		<b>32,628,572.28</b>		<b>39,140,070.00</b>	<b>99.00</b>
	<b>TOTAL INVESTMENTS IN SECURITIES</b>		<b>32,628,572.28</b>		<b>39,140,070.00</b>	<b>99.00</b>
	Cash/(bank overdraft)				476,459.23	1.21
	Other assets and liabilities				(81,772.75)	(0.21)
	<b>TOTAL NET ASSETS</b>				<b>39,534,756.48</b>	<b>100.00</b>

The notes are an integral part of these financial statements.

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**GEOGRAPHICAL CLASSIFICATION  
OF THE INVESTMENTS IN SECURITIES**  
December 31, 2016  
(in %)

<b>COUNTRIES</b>	<b>% of net assets</b>
Luxembourg	51.95
France	27.98
United Kingdom	11.37
Germany	7.70
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>99.00</b>
Other assets/(liabilities) and liquid assets	1.00
<b>NET ASSETS</b>	<b>100.00</b>

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**ECONOMIC CLASSIFICATION  
OF THE INVESTMENTS IN SECURITIES**  
December 31, 2016  
(in %)

<b>ECONOMIC SECTORS</b>	<b>% of net assets</b>
Investment funds	99.00
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>99.00</b>
Other assets/(liabilities) and liquid assets	1.00
<b>NET ASSETS</b>	<b>100.00</b>

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2016

**GENERAL**

VECTOR (the "Fund") is a limited liability company organised as a société d'investissement à capital variable incorporated in Luxembourg on July 8, 2002 for an unlimited duration. The Fund is subject to the provisions of the Law of 1915 and of Part I of the Law of December 17, 2010 and is compliant with the Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS).

The Fund qualifies as an undertaking for collective investment in transferable securities under article 1(2) of the Directive.

The Articles were published in the Mémorial on July 30, 2002. The last amendments to the Articles were published in the Mémorial on August 27, 2010. The consolidated Articles have been deposited with the Registre de Commerce et des Sociétés of Luxembourg, where they are available for inspection.

The Fund is registered at the Luxembourg Register of Commerce under the number B 88 004.

As at December 31, 2016, the following Sub-Funds are available to investors:

- VECTOR - NAVIGATOR
- VECTOR - FLEXIBLE
- VECTOR - TOP MANAGERS MIXED.

The Board of Directors of the Fund may, at any time, decide to create additional Sub-Funds or issue additional classes of shares.

To ensure effective management, the Management Company is authorised to manage all or part of the assets of one or more Sub-Funds with other Sub-Funds in the Fund (pooling technique) or to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more Sub-Funds of the Fund with assets of other Luxembourg undertakings for collective investment or of one or more sub-funds of other Luxembourg undertakings for collective investment (hereinafter called "Party(ies) to co-managed assets") for which the Fund's Depositary Bank was appointed as depositary bank. These assets will be managed in accordance with the respective investment policy of the Parties to co-managed assets, each of which pursuing identical or comparable objectives. Parties to co-managed assets will only participate in co-managed

assets as stipulated in their respective prospectus and in accordance with their respective investment restrictions.

Each Party to co-managed assets will participate in co-managed assets in proportion to the assets contributed thereto by it. Assets will be allocated to each Party to co-managed assets in proportion to its contribution to co-managed assets. The entitlements of each Party to co-managed assets apply to each line of investment in the aforesaid co-managed assets.

The aforementioned co-managed assets will be formed by the transfer of cash or, if necessary, other assets from each Party to co-managed assets. Thereafter, the Management Company may regularly make subsequent transfers to co-managed assets. The assets can also be transferred back to a Party to co-managed assets for an amount not exceeding the participation of the said Party to co-managed assets.

Dividends, interest and other distributions deriving from income generated by co-managed assets will accrue to the Parties to co-managed assets in proportion to their respective investments. Such income may be kept by the Party to co-managed assets or reinvested in the co-managed assets.

All charges and expenses incurred in respect of co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to co-managed assets in proportion to its respective entitlement in the co-managed assets.

In the case of infringement to investment restrictions affecting a Sub-Fund of the Fund, when such a Sub-Fund takes part in co-management and even though the Management Company has complied with the investment restrictions applicable to the co-managed assets in question, the Management Company shall, or the Board shall ask the Management Company to, reduce the investment in question proportionally to the participation of the Sub-Fund concerned in the co-managed assets or, if necessary, reduce its participation in the co-managed assets so that investment restrictions for the Sub-Fund are observed.

## GENERAL (continued)

When the Fund is liquidated or when the Board or the Management Company decides - without prior notice - to withdraw the participation of the Fund or a Sub-Fund from co-managed assets, the co-managed assets will be allocated to Parties to co-managed assets proportionally to their respective participation in the co-managed assets.

Investors must be aware of the fact that such co-managed assets are employed solely to ensure effective management, and provided that all Parties to co-managed assets have the same depositary bank. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the assets and liabilities of each Sub-Fund will be constantly separated and identifiable.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) *Valuation of the investments in securities of each Sub-Fund*

The valuation of any transferable security and/or money market instrument admitted to trading on an official stock exchange or on any other Regulated Market that operates regularly, is recognised and open to the public, shall be based on the last available price in Luxembourg on the Valuation Day and, if this transferable security or instrument is traded on several markets, on the basis of the last available price of the principal market of this transferable security or instrument; if the last available price is not representative, the valuation shall be based on the probable realisation value estimated by the Board with prudence and in good faith.

Non-listed transferable securities or those not traded on a stock exchange or on any other Regulated Market operating regularly, recognised and open to the public shall be valued on the basis of the probable realisation value estimated by the Board with prudence and in good faith.

Units of undertakings for collective investment shall be valued on the basis of their last available net asset value.

### b) *Net realised gain or loss on sales of investments of each Sub-Fund*

Realised gains or losses on sales of investments are calculated on the basis of average cost of the investments sold.

### c) *Conversion of foreign currencies of each Sub-Fund*

The accounting records and the financial statements of each Sub-Fund are expressed in euros (EUR). Bank accounts, other net assets and market value of the investments in securities expressed in currencies other than EUR are converted into EUR at the exchange rates prevailing on the date of the statement of net assets.

Income and expenses in currencies other than EUR are converted into EUR at the rate of exchange prevailing at payment date.

### d) *Cost of investments in securities of each Sub-Fund*

Cost of investments in securities in currencies other than EUR is converted into EUR at the exchange rate applicable at purchase date.

### e) *Valuation of forward foreign exchange contracts*

Forward foreign exchange contracts on currencies are valued at the forward rate applicable at the statement of net assets date for the remaining period until maturity.

Gains or losses resulting from forward foreign exchange contracts are recognised in the statement of operations and changes in net assets.

### f) *Valuation of futures and options*

Futures and options shall be valued on the basis of the previous day's closing price on the relevant market. The prices used shall be the liquidation prices on futures markets.

In the financial statements, the options quantities include the size of the contract.

### g) *Valuation of swap contracts*

Swaps shall be valued at fair value based on the last known closing price of the underlying value.

### h) *Formation expenses*

Formation expenses are amortised on a straight line basis over a period of 5 years.



### EXCHANGE RATES AS AT DECEMBER 31, 2016

1	EUR	=	3.4329	BRL
			1.0720	CHF
			7.4356	DKK
			0.8536	GBP
			8.1777	HKD
			308.8650	HUF
			14,210.1198	IDR
			123.0208	JPY
			1,273.9271	KRW
			52.4343	PHP
			37.7712	THB
			1.0548	USD
			14.4237	ZAR
			1.4145	CAD
			3.7102	TRY
			21.7294	MXN

### COMMISSIONS ON ISSUE, CONVERSION AND REPURCHASE OF THE FUND'S SHARES

For all subscriptions during the year, the shares of each Sub-Fund of the Fund are issued at the Net Asset Value per share plus an entry fee as follows:

#### Sub-Fund NAVIGATOR:

1.00% max. for Classes C1, I2 and P  
3.00% max. for Classes C2, C3 and S  
0.75% max. for Class I1

#### Sub-Fund FLEXIBLE:

1.00% max. for Classes C1 and P  
3.00% max. for Classes C3 and S  
2.00% max. for Classes C4 and I1

#### Sub-Fund TOP MANAGERS MIXED:

2.00% max. for Classes A CAP, I CAP and I DIV.

The shares of the Fund are redeemed at the Net Asset Value per share. A redemption fee of up to 0.25% for Classes C1, C2, C3, C4, P, S and A CAP, may be charged in favor of the divested Class. The percentage of the redemption fee shall be the same for a same Class and for all redemption requests received on the same Valuation Day.

The shares of each Sub-Fund can be converted into shares of the same Class of any other Sub-Fund without charge.

### MANAGEMENT AND ADVISORY FEE

The Board is responsible for the management and control including the determination of investment policy of the Sub-Funds.

#### Management Company

The Board has appointed Vector Asset Management S.A. as Management Company of the Fund for an unlimited period. The Management Company will be responsible, on a day-to-day basis and under the supervision of the Board, for the provision of administration, investment management and marketing services in respect of all the Sub-Funds.

The Management Company fee is maximum 0.15% p.a., for VECTOR - NAVIGATOR and VECTOR - FLEXIBLE and 0.18% p.a. for VECTOR - TOP MANAGERS MIXED, calculated as an average percentage of the Net Asset Value per quarter of the Sub-Fund and payable quarterly.

The Management Company performs itself the investment management functions for the whole Sub-Funds of the Fund but has delegated the central administration functions to Edmond de Rothschild (Europe).

The Management Company will ensure that the Fund complies with the investment restrictions and the investment policies.

The Management Company will be remunerated partly directly by the Fund, partly through Vector Conseil S.A. for its functions.

#### Investment Advisor

Pursuant to an agreement dated as of July 15, 2003 and amended for the last time on November 15, 2010, the Fund has appointed Vector Conseil S.A., 163, rue du Kiem, L-8030 Strassen, Grand Duchy of Luxembourg to advise the Board on the management of the assets of the Sub-Funds NAVIGATOR, FLEXIBLE and TOP MANAGERS MIXED.

Vector Conseil S.A. will receive the investment management and performance fees and paid by the Fund and will remunerate the Management Company by mutual agreement between the Investment Advisor and the Management Company.

## MANAGEMENT AND ADVISORY FEE (continued)

The Management and Advisory Fee are fixed as follows:

- A maximum of 1.50% p.a. for Classes C1, C2, C3, C4, F and P ;
- A maximum of 1.20% p.a. for Class A CAP ;
- A maximum of 0.75% p.a. for Classes I CAP, I DIV, I1 and I2;
- A maximum of 2.00% p.a. for Class S.

The commission of the Depository Bank and the Central Administration is maximum 0.14% p.a. of the average Net Asset Value of each Sub-Fund and payable quarterly.

## PERFORMANCE FEE

For VECTOR - NAVIGATOR

The performance fee per share for each Class, determined on each Valuation Day, is equal to 20% of the out-performance of the Class in question in relation to a benchmark index (the last Bloomberg price on each Valuation Day).

This calculation is based on the evolution of the Net Asset Value per share of the relevant Class (before deduction of the performance fee on the Valuation Day) compared to the first Net Asset Value which was calculated after the launch date of the relevant Class (the "Initial NAV").

A performance fee is acquired at each Net Asset Value calculation when the relative outperformance is greater than the Reference Outperformance (High Watermark), as defined below, even if the Net Asset Value as of the relevant Valuation Day is less than the Initial NAV of the relevant Class.

The Reference Outperformance represents the best outperformance of the relevant Class compared to the benchmark index after the Initial NAV of this Class.

The performance fee per share is equal to 20% of the difference between the outperformance on the relevant Valuation Day and the Reference Outperformance multiplied by the Net Asset Value as of the relevant Valuation Day.

This performance fee is payable within 15 Business Days after each quarter end.

Investors should note that each Class may have to bear a performance fee even where the Net Asset

Value has decreased (but only when the decrease was smaller than that of the relevant benchmark index).

For VECTOR - FLEXIBLE  
Classes C1, C3 and C4:

The performance fee per share for each Class, determined on each Valuation Day, is equal to 15% of the out-performance of the Class in question in relation to an annual return of 5%.

This calculation is based on the evolution of the Net Asset Value per share of the relevant Class (before deduction of the performance fee on the Valuation Day) compared to the first Net Asset Value which was calculated after the launch date of the relevant Class (the "Initial NAV").

A performance fee is acquired at each Net Asset Value calculation when the relative outperformance is greater than the Reference Outperformance (as defined hereinafter).

The Reference Outperformance (High Watermark) represents the best outperformance of the relevant Class compared to an annual return of 5% after the Initial NAV of this Class. The performance fee per share is equal to 15% of the difference between the outperformance on the relevant Valuation Day and the Reference Outperformance multiplied by the Net Asset Value as of the relevant Valuation Day.

This performance fee is payable within 15 Business Days after each quarter end.

For Classes F, I1, P and S:

The performance fee per share for each Class, determined on each Valuation Day, is equal to 20% of the out-performance of the Class in question in relation to a benchmark index (the last Bloomberg price on each Valuation Day).

This calculation is based on the evolution of the Net Asset Value per share of the relevant Class (before deduction of the performance fee on the Valuation Day) compared to the first Net Asset Value which was calculated after the launch date of the relevant Class (the "Initial NAV").

A performance fee is acquired at each Net Asset Value calculation when the relative outperformance is greater than the Reference Outperformance (High Watermark), as defined below, even if the Net Asset Value as of the relevant Valuation Day is less than the Initial NAV of the relevant Class.

### **PERFORMANCE FEE (continued)**

The Reference Outperformance represents the best outperformance of the relevant Class compared to the benchmark index after the Initial NAV of this Class. The performance fee per share is equal to 20% of the difference between the outperformance on the relevant Valuation Day and the Reference Outperformance multiplied by the Net Asset Value as of the relevant Valuation Day.

This performance fee is payable within 15 Business Days after each quarter end.

Investors should note that each Class may have to bear a performance fee even where the Net Asset Value has decreased (but only when the decrease was smaller than that of the relevant benchmark index).

No performance fee for the Sub-Fund VECTOR - TOP MANAGERS MIXED.

### **TRANSACTION FEES**

The amount of transaction fees is included in the statement of operations and changes in net assets of each Sub-Fund.

### **COLLATERAL HELD AT BROKERS**

The total amount of cash collateral as at December 31, 2016 is disclosed in the Statement of net assets of the Sub-Fund VECTOR - FLEXIBLE as "cash at sight by broker".

### **ANNUAL TAX**

Under current law and practice, the Fund is not liable to any Luxembourg income tax, nor are dividends paid by the Fund liable to any Luxembourg withholding tax. However, the Fund is liable in Luxembourg to a subscription tax ("taxe d'abonnement") of 0.05 per cent per annum of its net assets, such tax being payable quarterly and calculated on the total net assets of the Fund at the end of the relevant quarter. The rate of the annual subscription tax is reduced to 0.01 per cent per annum in respect of Classes of shares which are only sold to and held by Institutional Investors.

### **DIVIDEND**

During the year, the Fund distributed the following dividend per share with Ex-dividend date as at June 24, 2016 and payment date as at June 22, 2016.

VECTOR - TOP MANAGERS MIXED Class I DIV:  
EUR 110.

### **DELEGATION**

Edmond de Rothschild Asset Management (Luxembourg) and Edmond de Rothschild (Europe) may delegate all or part of their functions and duties to a sub-contractor which, having regard to the nature of the functions and duties to be delegated, must be qualified and capable of undertaking the duties in question.

### **CHANGES IN THE INVESTMENT PORTFOLIO**

A copy of the changes in the investment portfolio for the year ended December 31, 2016 is available free of charge at the registered office of the Fund.

### **GLOBAL EXPOSURE CALCULATION METHOD**

The Management Company uses the commitment approach in order to monitor and measure the global exposure for all Sub-Funds.

### **SUBSEQUENT EVENT**

There was no material element subsequent to the closing.

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**FUTURES**

As at December 31, 2016, the following futures contract(s) was (were) outstanding :

**VECTOR - FLEXIBLE**

Sale / Purchase	Quantity	Contract(s)	Size	Price as at 12.31.16	Commitment EUR	Unrealised result EUR	Counterparties
<b>FUTURES ON INDEX</b>							
Sale	550	MSCI WORLD EUR 06/17	100	234.70 EUR	12,908,500.00	(72,600.00) <b>(72,600.00)</b>	JP Morgan Londres

The unrealised gain/(loss) result on the outstanding futures contract(s) as at December 31, 2016 for VECTOR - FLEXIBLE is included in the statement of net assets of the Sub-Fund.

**Other Information (unaudited appendix)**

**UCITS V**

The purpose of this Remuneration Policy Statement is to provide investors with details of the VAM Remuneration Policy in accordance with Directive 2009/65/EU which applies to any UCITS Funds under its management.

A paper copy of the VAM Remuneration Policy is available free of charge upon request.

**PURPOSE AND SCOPE OF THE REMUNERATION POLICY**

The Remuneration Policy of VAM has been designed to align the personal objectives of staff with the long term interests of VAM and the funds under its management. It aims at mitigating incentives practices which may encourage employees to take unnecessary risk.

The Policy applies to all staff which includes Board of Directors, members of control functions, risk takers, and any employee with remuneration which takes them into the same bracket as risk takers whose activities have a material impact on the risk profiles of VAM or the funds it manages.

**DESCRIPTION OF THE STRUCTURE OF REMUNERATION**

The remuneration includes only a fixed component. There is no variable remuneration component within VAM.

Fixed remuneration: Fixed remuneration is defined as base salary plus material company provided benefits which may include company cars and company pension contributions.

Award process for remuneration: Responsibility for the remuneration process at VAM rests with the Board of Directors.

**SECURITIES FINANCING  
TRANSACTIONS AND OF REUSE  
REGULATION (“SFTR”)**

The Fund does not use any instruments falling into the scope of SFTR directive.