

# **SEMI-ANNUAL REPORT**

**Quantrust Macro Fund**

**Period ended 30 June 2016**

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## General information

### Registered office

Quantrust Macro Fund  
Haarlemmerdijk 164, 2nd floor  
1013 JK Amsterdam  
The Netherlands

### Fund Manager

Quantrust Fund Management B.V.  
Haarlemmerdijk 164, 2nd floor  
1013 JK Amsterdam  
The Netherlands

### Asset Manager

Quantrust Vermogensbeheer B.V.  
Haarlemmerdijk 164, 2nd floor  
1013 JK Amsterdam  
The Netherlands

### Depository

KAS Trust & Depository Services B.V.  
Nieuwezijds Voorburgwal 225  
1012 RL Amsterdam  
The Netherlands

### Independent Auditor

Deloitte Accountants B.V.  
Gustav Mahlerlaan 2970  
1081 LA Amsterdam  
The Netherlands

### Website

[www.quantrust.com/eng/macrofund.html](http://www.quantrust.com/eng/macrofund.html)

### Administrator

Circle Investment Support Services B.V.  
Utrechtseweg 31D  
3811 NA Amersfoort  
The Netherlands

### Prime Broker & Custodian

KAS Bank N.V.  
Nieuwezijds Voorburgwal 225  
1012 RL Amsterdam  
The Netherlands

### Legal Owner of all assets of the Fund

Stichting Quantrust Macro Fund  
Haarlemmerdijk 164, 2nd floor  
1013 JK Amsterdam  
The Netherlands

## Key figures

	30-06-2016	2015	2014	2013
<b>Total for the Fund</b>				
(all amounts in EUR x 1,000)				
Net Asset Value	2,519	2,841	2,613	2,255
Results from investments	(298)	18	12	8
Changes in value	8	49	168	28
Costs	(32)	(119)	(71)	(30)
<b>Total investment result for the year</b>	<b>(322)</b>	<b>(52)</b>	<b>109</b>	<b>6</b>
Outstanding units	2,805	2,805	2,497	2,248
<b>Per unit in EUR</b>				
Net Asset Value	898.04	1,012.94	1,046.12	1,002.99
Results from investments	(106.20)	6.32	4.77	(3.36)
Changes in value	2.78	17.50	67.45	19.33
Costs	(11.48)	(42.50)	(28.97)	(13.36)
<b>Total investment result</b>	<b>(114.90)</b>	<b>(18.68)</b>	<b>43.25</b>	<b>2.61</b>

## **Fund Managers' report**

Please refer to the monthly newsletters for a review of the investment policies pursued and the performance of the Fund.

# Financial statements

## Statement of financial position

(As at 30 June)

(all amounts in EUR)	Notes	<b>30-06-2016</b>	<b>31-12-2015</b>
<b>Assets</b>			
Cash and cash equivalents	4	842,009	614,372
Financial assets at fair value through profit or loss	3,5	2,025,525	2,241,393
Other receivables		75,627	-
<b>Total assets</b>		<b>2,943,161</b>	<b>2,855,765</b>
<b>Liabilities</b>			
Bank overdrafts	6	-	227
Management and performance fees payable	9	2,924	3,199
Other payables		241,919	-
Financial liabilities at fair value through profit or loss	3,5	179,304	11,029
<b>Total liabilities</b> (excluding net assets attributable to holders of redeemable shares)		<b>424,147</b>	<b>14,455</b>
<b>Net assets attributable to holders of redeemable shares</b>	7,8	<b>2,519,014</b>	<b>2,841,310</b>
Total liabilities (including net assets attributable to holders of redeemable shares)		<b>2,943,161</b>	<b>2,855,765</b>
Number of redeemable shares outstanding		2,805.0214	2,805.0214
Net asset value per redeemable share		898.04	1,012.94

## Statement of comprehensive income

(For the period ended 30 June)

	Notes	<b>01-01-2016</b> <b>30-06-2016</b>	<b>01-01-2015</b> <b>30-06-2015</b>
(all amounts in EUR)			
<b>Investment result</b>			
Net gains on financial instruments at fair value through profit or loss	10	(312,008)	43,134
Dividend income		18,272	4,638
Interest income		233	67
Other income		-	1,250
<b>Total investment result</b>		<b>(293,503)</b>	<b>49,089</b>
<b>Other results</b>			
Foreign currency translation	11	7,796	136,637
		<b>7,796</b>	<b>136,637</b>
<b>Operating expenses</b>			
Management fee	9,12	13,479	14,925
Performance fee	9,12	-	62,805
Interest expenses		1,181	6,244
Brokerage fees and other transaction costs		13,494	3,807
Services fee	9	4,044	4,477
		<b>32,198</b>	<b>92,258</b>
<b>Result for the period before tax</b>		<b>(317,905)</b>	<b>93,468</b>
Withholding tax		4,391	1,144
<b>Comprehensive income for the period after tax</b>		<b>(322,296)</b>	<b>92,324</b>

**Statement of cash flows**

(For the period ended 30 June)

	<b>01-01-2016</b> <b>30-06-2016</b>	<b>01-01-2015</b> <b>30-06-2015</b>
<b>Cash flow from operating activities</b>		
Net payments from financial instruments at fair value through profit or loss	(2,109,997)	(1,383,444)
Net receipts from financial instruments at fair value through profit or loss	2,192,186	1,167,458
Other payables	210,457	(105,292)
Interest received	190	65
Interest paid	(1,012)	(4,419)
Dividend received	18,272	4,562
Withholding tax paid	(4,391)	(1,144)
Other receivables	(75,584)	-
<b>Net cash flow used in operating activities</b>	<b>230,121</b>	<b>(322,214)</b>
<b>Cash flow from financing activities</b>		
Proceeds from subscriptions to redeemable shares	-	1,599,818
Payments for redemption to redeemable shares	-	(1,101,068)
Subscription and redemption fees		1,250
<b>Net cash flow generated from financing activities</b>	<b>-</b>	<b>500,000</b>
<b>Net cash flow used during the period</b>	<b>230,121</b>	<b>177,786</b>
Cash and cash equivalents at the beginning of the year	614,145	1,232,010
Bank overdrafts at beginning of the period	-	(1,247)
Foreign currency translation of cash positions	(2,257)	43,805
<b>Cash and cash equivalents (including bank overdrafts) at the end of the period</b>	<b>842,009</b>	<b>1,452,354</b>

**Statement of changes in net assets attributable to holders of redeemable shares**

(For the period ended 30 June)

	Amounts		Number of shares	
	30-06-2016	31-12-2015	30-06-2016	31-12-2015
(all amounts in EUR)				
Equity at beginning of year	2,841,310	2,612,565	2,805.0214	2,497.3750
Proceeds from shares issued	-	1,599,816	-	1,555.0214
Redemption of shares	-	(1,318,677)	-	(1,247.3750)
Net change from transactions with shareholders	-	281,139	-	307.6464
Comprehensive (loss)/income for the year	(322,296)	(52,394)	-	
<b>Equity at end of the period</b>	<b>2,519,014</b>	<b>2,841,310</b>	<b>2,805.0214</b>	<b>2,805.0214</b>

The Net Assets are divided in the following Series:

Lead Series	Amounts		Number of shares	
	30-06-2016	31-12-2015	30-06-2016	31-12-2015
(all amounts in EUR)				
Equity at beginning of year	2,387,742	1,511,499	2,306.2714	1,450.0000
Proceeds from shares issued	-	1,101,066	-	1,056.2714
Redemption of shares	-	(217,611)	-	(200.0000)
Net change from transactions with shareholders	-	883,455	-	856.2714
Comprehensive (loss)/income for the year	(270,846)	(7,212)		
<b>Equity at end of the period</b>	<b>2,116,896</b>	<b>2,387,742</b>	<b>2,306.2714</b>	<b>2,306.2714</b>
<b>NAV per share</b>	<b>917.89</b>	<b>1,035.33</b>		

Note that the proceeds and redemptions in this schedule also contain non-cash items.

**Statement of changes in net assets attributable to holders of redeemable shares (continued)**

(For the period ended 30 June)

<b>April '15 Series Class A</b>	<b>Amounts</b>		<b>Number of shares</b>	
	<b>30-06-2016</b>	<b>31-12-2015</b>	<b>30-06-2016</b>	<b>31-12-2015</b>
(all amounts in EUR)				
Equity at beginning of year	271,144	-	299.2500	-
Proceeds from shares issued	-	299,250	-	299.2500
Redemption of shares	-	-	-	-
Net change from transactions with shareholders	-	299,250	-	299.2500
Comprehensive (loss)/income for the year	(30,756)	(28,106)		
<b>Equity at end of the period</b>	<b>240,388</b>	<b>271,144</b>	<b>299.2500</b>	<b>299.2500</b>
<b>NAV per share</b>	<b>803.30</b>	<b>906.08</b>		
<b>May '15 Series Class A</b>	<b>Amounts</b>		<b>Number of shares</b>	
	<b>30-06-2016</b>	<b>31-12-2015</b>	<b>30-06-2016</b>	<b>31-12-2015</b>
(all amounts in EUR)				
Equity at beginning of year	91,044	-	99.7500	-
Proceeds from shares issued	-	99,750	-	99.7500
Redemption of shares	-	-	-	-
Net change from transactions with shareholders	-	99,750	-	99.7500
Comprehensive (loss)/income for the year	(10,327)	(8,706)		
<b>Equity at end of the period</b>	<b>80,717</b>	<b>91,044</b>	<b>99.7500</b>	<b>99.7500</b>
<b>NAV per share</b>	<b>809.19</b>	<b>912.72</b>		
<b>June '15 Series Class A</b>	<b>Amounts</b>		<b>Number of shares</b>	
	<b>30-06-2016</b>	<b>31-12-2015</b>	<b>30-06-2016</b>	<b>31-12-2015</b>
(all amounts in EUR)				
Equity at beginning of year	91,380	-	99.7500	-
Proceeds from shares issued	-	99,750	-	99.7500
Redemption of shares	-	-	-	-
Net change from transactions with shareholders	-	99,750	-	99.7500
Comprehensive (loss)/income for the year	(10,365)	(8,370)		
<b>Equity at end of the period</b>	<b>81,015</b>	<b>91,380</b>	<b>99.7500</b>	<b>99.7500</b>
<b>NAV per share</b>	<b>812.17</b>	<b>916.09</b>		

## Notes to the financial statements

### 1. General

Quantrust Macro Fund (the "Fund") is an open ended investment fund ("Fonds voor gemene rekening") domiciled in The Netherlands and the address of its registered office is Haarlemmerdijk 164, 2nd floor, 1013 JK Amsterdam. The Fund was incorporated on 5 July 2012 and started its activities on 1 January 2013. The Fund's redeemable shares are not listed and traded in public markets.

The Fund is a contractual vehicle, governed by its terms and conditions. The terms and conditions form part of the contractual relationship existing between Quantrust Fund Management B.V. ("Fund Manager"), KAS Trust & Depository Services ("Depository") and each participant (separately).

In accordance with the latest available offering documents of the Fund dated 1 December 2014, the Fund's investment objective is to generate a positive return over the medium term, whilst limiting downside risk, by dynamically taking long and short positions in indices of different asset classes, regions, markets, currencies and styles or related indices. Whilst the Fund does not have a direct benchmark, the remuneration policy is targeted towards outperforming Eurozone consumer price inflation over a 2-3 year period.

The Fund's investment activities are managed by the Fund Manager, with the administration delegated to Circle Investment Support Services B.V. The Fund Manager is domiciled in Amsterdam and operates under the license according to art. 2.65 WFT.

Stichting Quantrust Macro Fund, the Legal Owner, is a foundation, established for an indefinite period under the laws of The Netherlands on 22 February 2012 in Amersfoort. It is registered in the Trade Register of the Chamber of Commerce for Gooi-, Eem- en Flevoland under number 54737796. The Legal Owner's sole statutory purpose is to act as legal owner of the assets and liabilities of the Fund. The board of the Legal Owner consists of the Fund Manager. The Legal Owner is the legal owner of all assets that belong to the Fund.

The Fund Manager authorized these financial statements for issue on 31 August 2016 (refer to note 21).

## 2. Risk management

The nature of the Fund's investments involves certain risks and the Fund may utilize investment techniques (such as leverage, short selling and the use of derivatives) which may carry additional risks. An investment in the Fund therefore carries substantial risk and is suitable only for persons who can afford the risk of losing their entire investment.

The Fund's financial risks are managed by diversification of the financial instruments. For further explanation of the investment objectives, policies and processes, refer to the chapter explaining the investment objective, policies and processes in the prospectus

### Market risk

Market risk is the risk that the value of a financial instrument fluctuates as a result of changes in market conditions whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Market risk contains equity price risk, interest rate risk and currency risk. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than the EUR, the price initially expressed in foreign currency and then converted into EUR also fluctuates because of changes in foreign exchange rates. The paragraph 'Currency risk' sets out how this component of price risk is managed and measured.

The Fund's investment strategy may include actively taking on equity-like exposure, interest rate exposures, and currency exposures in various developed and emerging markets. The Fund may decide to hedge all or parts of these exposures.

See Appendix I for a complete breakdown of the Fund's net asset value of the Fund at 30 June 2016.

### Equity-like exposures

The Fund's investment strategy may include actively taking on equity-like exposure defined as exposure to equity, commodity and non-investment grade bond markets in various developed and emerging markets. The Fund may decide to hedge all or parts of these exposures.

The Fund's equity-like exposure is restricted in the following way:

- The *long equity-like exposure* (defined as the sum of the exposures of all long positions in equities, commodities and non-investment grade bonds) is intended to remain below 100% of the Net Asset Value.
- The *short equity-like exposure* (defined as the sum of the exposure of all short positions in equities, commodities and non-investment grade bonds) is intended to remain above -100% of the Net Asset Value.
- The *net equity-like exposure* (defined as the long equity-like exposure *plus* the short equity-like exposure) is intended to remain between -50% and 100% of the Net Asset Value.
- The gross equity-like exposure (defined as the long equity-like exposure *minus* the short equity-like exposure) is intended to remain between 0% and 200% of the Net Asset Value.

The total net equity-like exposure, defined as the long equity-like exposure *plus* the short equity-like exposure, that the Fund bears at 30 June 2016 is EUR -619,677 or -24,6% of Net Asset Value (2015 EUR 1,935,889 or 68.1% of Net Asset Value). If the prices of all equity-like positions had risen/fallen by 5%, the exposure would have increased / decreased by EUR EUR 30,984 (2015: EUR 96,794)

### Interest rate exposures

Interest rate risk refers to fluctuations in the value of, amongst others, fixed-income security resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of fixed-income securities will generally go down and vice versa. Financial assets and liabilities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. The Fund's income and operating cash flows are dependent on changes in market interest rates.

The Fund's investment strategy may include actively taking on exposure to interest rates and assets which have a duration such as investment grade bonds, money market funds and foreign currency

cash in various developed and emerging markets. The Fund may decide to hedge all or parts of these exposures.

The Fund's interest rate exposure is restricted in the following way:

- The *long interest rate exposure* (defined as the sum of the exposures of all long positions in investment grade bonds and bond-like assets which have a duration, money market funds and foreign currency cash) is intended to remain below 100% of the Net Asset Value.
- The *short interest rate exposure* (defined as the sum of the exposures of all short positions in investment grade bonds and bond-like assets which have a duration, money market funds and foreign currency cash) is intended to remain above -100% of the Net Asset Value.
- The *net interest rate exposure* (defined as the long interest rate exposure plus the short interest rate exposure) is intended to remain between -50% and 100% of the Net Asset Value.
- The *gross interest rate exposure* (defined as the long interest rate exposure minus the short interest rate exposure) is intended to remain between 0% and 200% of the Net Asset Value.
- The *net duration* (defined as the sum of the duration of all investment grade bond exposures, multiplied by their weight in the fund) is intended to remain between -5 and +10.

For the amounts 'Cash and cash equivalents' and 'Margin accounts' and on the interest rate futures, the Fund is exposed to a significant interest rate risk. As of 30 June 2016 the fund bears an interest rate exposure of EUR -9,824 or -0.39% of Net Asset Value (2015 EUR -151,762 or -5.3% of Net Asset Value), the Fund's *net duration* amounted to 0.9. Management has determined that a parallel fluctuation of 1% in all interest rates would result in an increase / decrease of EUR 22,671.

### **Currency exposures**

Units are euro-denominated and are issued and redeemed in this currency. However, a large part of the Fund may be invested in securities and other instruments that are exposed to currencies other than the euro. Accordingly, the value of such assets may be affected favourably or unfavourably by exchange rate fluctuations. In addition, potential investors whose assets and liabilities are predominantly denominated in another currency than the euro should take into account the possibility of foreign exchange losses arising from fluctuations in the exchange rate between the euro and their home currency.

The Fund's investment strategy may include actively taking on foreign currency risk in various developed and emerging market currencies and is therefore exposed to a significant currency risk. The Fund may decide to hedge all or parts of the exposure to a foreign currency through an exchange traded instrument (such as a currency future or option) or through an OTC transaction (such as a forward rate agreement).

The Fund's foreign currency exposure is restricted in the following way:

- The long foreign currency exposure (defined as the as the sum of the net exposures of all foreign currencies to which the fund has a positive net exposure) is intended to remain below 100% of the Net Asset Value.
- The short foreign currency exposure (defined as the as the sum of the net exposures of all foreign currencies to which the fund has a negative net exposure) is intended to remain above -100% of the Net Asset Value.
- The net foreign currency exposure (defined as the long foreign currency exposure plus the short foreign currency exposure) is intended to remain between -50% and 100% of the Net Asset Value.
- The gross foreign currency exposure (defined as the long foreign currency exposure minus the short foreign currency exposure) is intended to remain between 0% and 200% of the Net Asset Value.

The currency exposure of the Fund at 30 June 2016 is as follows:

(all amounts in EUR)	<b>FX rate</b>	<b>Net fair value</b>	<b>% NAV</b>
US Dollars	8.6169	873,614	34.68%
Hong Kong Dollars	8.6181	139,894	5.55%
South African Rand	16.3306	79,068	3.14%
Pound Sterling	0.8343	63,336	2.51%
Japanese Yen	114.7087	26,146	1.04%
Chinese Renminbi	7.3830	(32,639)	-1.30%
Canadian Dollars	1.4354	(35,046)	-1.39%
Other	-	(74,218)	-2.95%
<b>Total</b>		<b>1,040,155</b>	<b>41.28%</b>

### 31-12-2015

(all amounts in EUR)	<b>FX rate</b>	<b>Net fair value</b>	<b>% NAV</b>
US Dollars	1.0856	1,233,483	43.41%
Japanese Yen	130.6900	239,035	8.41%
Hong Kong Dollars	8.4192	236,997	8.34%
Taiwanese Dollars	35.6371	164,793	5.80%
Canadian Dollars	1.5025	37,008	1.30%
Pound Sterling	0.7372	41,906	1.48%
Australian Dollars	1.4912	(109,484)	-3.85%
Swiss Franc	1.0877	(75,007)	-2.64%
Other	-	195,265	6.87%
<b>Total</b>		<b>1,963,996</b>	<b>69.12%</b>

At 30 June 2016 had the EUR strengthened/weakened by 5% in relation to all currencies, ceteris paribus, net assets attributable to holders of redeemable share and the change in net assets attributable to holders of redeemable shares from operations would have increased/decreased by EUR 52,008 (2015: EUR 98,200).

### Short selling

The total short exposure of the fund is monitored to ensure it does not exceed the intended range specified in the prospectus. The fund only enters into short positions with the prime broker or custodian as counterparty. To manage the counterparty risk the credit rating of the custodian and prime broker are monitored. The Standard & Poor's ratings long term credit ratings of the custodian and prime broker are A-.

### Derivatives risk

The risk exposures of the fund are managed at an aggregate level, which means that the look-through exposure of derivatives is monitored as an intrinsic part of the overall exposure management of the fund. The fund's shadow administration specifies the long, short, net and gross exposures of the fund to different asset classes and risk factors which includes the exposures gained from derivatives. Derivatives are used hedge market exposures or as a cost efficient way to gain an attractive market exposure compared to an index fund or ETF.

**Securities borrowing and securities lending**

Securities borrowing transactions may involve that borrowed securities need to be returned to the lender on a date earlier than expected in which case such securities may need to be purchased in the market against prices which are higher than anticipated. In case of securities lending, the Fund is subject to various additional risks, such as credit risk. The Fund receives security in case of securities lending, which security can consist of cash or cash equivalent assets, bonds and equity securities. Reports on securities borrowing and lending are provided by the prime broker and custodian on a daily basis.

**Credit risk**

The Fund could lose money if the issuer of an underlying fixed income security or money market instrument, the counterparty or clearing house of a derivatives contract or repurchase agreement, a Custodian or Prime Broker at which a deposit or other assets are held, or the counterparty in a securities lending agreement does not honor his obligations. Issuers of fixed income instruments and other counterparties are subject to varying degrees of credit risks which are reflected in their credit ratings. The Fund's investment restrictions have been designed to limit the credit risk to any counterparty but this offers no guarantee that a credit event will not occur. The Standard & Poor's credit rating for KAS BANK N.V. is A- (2015: A-).

**Custody risk**

The Fund's assets are held at KAS BANK N.V. All long positions and regular cash accounts are segregated and therefore their counterparty risk should be negligible. The short positions and margin accounts do result in counterparty risk to the custodian. To manage the counterparty risk the credit rating of the custodian is monitored. The Standard & Poor's credit rating for KAS BANK N.V. is A- (2015: A-).

**Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities.

Most of the financial instruments in which the Fund may invest are exchange-traded. Under normal circumstances they are bought and sold based on the on-going demand and supply on an exchange. Despite the Asset Manager's policy, which intends to limit liquidity risk, if due to unforeseen circumstances financial instruments cannot be sold or bought under normal conditions, this could lead to significant direct and indirect transaction costs. OTC transactions may involve additional risks, as there is no exchange or market on which to close out open positions.

The following table analyses the Fund's assets and liabilities by relevant maturity grouping based on the remaining period to the contractual maturity date at the reporting date:

06/30/2016					
(all amounts in EUR)	Less than 1 month	Between 1-6 months	Greater than 6 months	No maturity	Total
<i>Financial assets</i>					
Financial assets at fair value through profit or loss	2,025,525	-	-	-	2,025,525
Cash and cash equivalents	-	-	-	842,009	842,009
Other assets	75,627	-	-	-	75,627
<i>Financial liabilities</i>					
Financial liabilities at fair value through profit or loss	(179,304)	-	-	-	(179,304)
Bank overdrafts	-	-	-	-	-
Other liabilities	(244,843)	-	-	-	(244,843)
Net assets attributable to holders of redeemable shares	-	(2,519,014)	-	-	(2,519,014)
<b>Liquidity gap</b>	<b>1,677,005</b>	<b>(2,519,014)</b>	<b>-</b>	<b>842,009</b>	<b>-</b>
12/31/2015					
(all amounts in EUR)	Less than 1 month	Between 1-6 months	Greater than 6 months	No maturity	Total
<i>Financial assets</i>					
Financial assets at fair value through profit or loss	2,241,393	-	-	-	2,241,393
Cash and cash equivalents	-	-	-	614,372	614,372
<i>Financial liabilities</i>					
Financial liabilities at fair value through profit or loss	(11,029)	-	-	-	(11,029)
Bank overdrafts	-	-	-	(227)	(227)
Other liabilities	(3,199)	-	-	-	(3,199)
Net assets attributable to holders of redeemable shares	-	(2,841,310)	-	-	(2,841,310)
<b>Liquidity gap</b>	<b>2,227,165</b>	<b>(2,841,310)</b>	<b>-</b>	<b>614,145</b>	<b>-</b>

**Capital management**

The Fund has no equity. The redeemable participations issued by the Fund provide an investor with the right to require redemption for cash at a value proportionate to the investor’s participations in the Fund’s net assets at each monthly redemption date and are classified as liabilities. For a description of the terms of the redeemable participations issued by the Fund, we refer to note 8. The Fund’s objectives in managing the redeemable participations are to ensure a stable base to maximize returns to all investors, and to manage liquidity risk arising from redemptions. The Fund’s management of the liquidity risk arising from redeemable participations is discussed in this note. The Fund is not subject to any externally imposed capital requirements.

**3. Financial instruments at fair value through profit or loss**

The carrying amounts of financial assets at fair value through profit or loss at 30 June are as follows (all amounts in EUR):

	<b>06/30/2016</b>	<b>12/31/2015</b>
<b>Financial assets at fair value through profit or loss</b>		
Quoted prices in active markets (Level 1)	2,014,893	2,241,393
Valuation techniques		
• Observable market data (Level 2)	-	-
• Non-observable market inputs (Level 3)	10,632	-
<b>Designated at fair value through profit or loss</b>	<b>2,025,525</b>	<b>2,241,393</b>
<b>Total value of financial assets at fair value through profit or loss</b>	<b>2,025,525</b>	<b>2,241,393</b>
<b>Financial liabilities at fair value through profit or loss</b>		
Quoted prices in active markets (Level 1)	168,312	11,029
Valuation techniques		
• Observable market data (Level 2)	-	-
• Non-observable market inputs (Level 3)	10,992	-
<b>Designated at fair value through profit or loss</b>	<b>179,304</b>	<b>11,029</b>
<b>Total value of financial liabilities at fair value through profit or loss</b>	<b>179,304</b>	<b>11,029</b>

Level 1 – Quoted prices are available in active markets for identical assets or liabilities. The quoted prices for these assets and liabilities are unadjusted.

Level 2 – Pricing inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of Investment Funds no longer subject to lockup and which permit capital withdrawals quarterly or more frequently with notice of three months or less are generally classified as Level 2 assets by the Fund.

Level 3 – Pricing inputs for the asset or liability are based on unobservable market data. Generally, Investment Funds that have unexpired lockup periods or permit capital withdrawals less frequent than quarterly are classified as Level 3 assets by the Fund.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Management’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

**Derivative financial instruments**

Typically, derivative contracts serve as components of the Fund’s investment strategy and are utilized primarily to structure and hedge investments, to enhance performance and reduce risk to the Fund. The derivative contracts that the Fund may hold or issue include futures, over-the-counter (OTC) options, forward currency contracts, exchange-traded options, currency swap agreements, interest caps and floors and interest rate swap agreements.

The Fund uses derivative financial instruments to hedge its risks associated primarily with interest rate and foreign currency fluctuations. Derivative financial instruments may also be used for trading purposes where the Fund Manager believes this would be more effective than investing directly in the underlying financial instruments.

Derivatives often reflect at their inception only a mutual exchange of promises with little or no transfer of tangible consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the underlying of a derivative contract may have a significant impact on the profit or loss of the Fund.

OTC derivatives may expose the Fund to the risks associated with the absence of an exchange market on which to close out an open position.

The Fund's constitution sets limits on the aggregate exposure gained through the Fund's positions including the leverage on derivatives. The Fund Manager is instructed to closely monitor the Fund's exposure under derivative contracts as part of the overall management of the Fund's market risk.

At the reporting date, the Fund has positions in the following types of derivatives:

*Forwards*

Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customized contracts transacted in the OTC market.

The main differences in the risk associated with futures contracts are credit risk and liquidity risk.

The Fund has credit exposure to the counterparties of forward contracts.

Forward contracts are settled gross and, therefore, considered to bear a relatively high liquidity risk.

*Futures*

Futures contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Futures contracts are generally traded in standardized amounts on regulated exchanges and are subject to daily cash margin requirements.

The main differences in the risk associated with forward contracts are credit risk and liquidity risk.

The credit risk related to future contracts is considered minimal because the exchange ensures that these contracts are always honored.

Future contracts are settled on a net basis and, therefore, considered to bear a relatively low liquidity risk.

*Options*

Options are contractual agreements that convey the right, but not the obligation, for the purchaser either to buy or sell a specific amount of a financial instrument at a fixed price, either at a fixed future date or at any time within a specified period.

The Fund purchases and sells put and call options through regulated exchanges. Options purchased by the Fund provide the Fund with the right to purchase (call options) or sell (put options) the underlying asset at an agreed upon value either on or before the expiration of the option. The Fund is exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value.

Options sold (written) by the Fund provide the purchaser the right to purchase from or sell to the Fund the underlying asset at an agreed upon value either on or before the expiration of the option. The seller of these options has the obligation to buy or to sell the underlying assets. Options are generally settled on a net basis.

At 30 June 2016, the Fund has a total exposure in derivatives in the amount of EUR -1,660,030, -65,9% (2015: EUR 658,051). If the prices had risen/fallen by 5%, the fair value of the derivatives would have increased/decreased by EUR 83,002 (2015: EUR 32,903).

## Other explanatory notes

### 4. Cash and cash equivalents

(For the period ended 30 June)

(all amounts in EUR)

	<b>30-06-2016</b>	<b>31-12-2015</b>
ABN AMRO Bank N.V.	-	614,372
KAS BANK N.V. Euro's	193,473	-
KAS BANK N.V. foreign cash	648,536	-
<b>Position end of period</b>	<b>842,009</b>	<b>614,372</b>

### 5. Financial assets and financial liabilities at fair value through profit or loss

(For the period ended 30 June)

(all amounts in EUR)

	<b>30-06-2016</b>	<b>31-12-2015</b>
<b>Financial assets at fair value through profit or loss</b>		
Equities	1,989,626	2,219,754
Options	8,976	8,006
Forwards	10,632	-
Futures	16,291	13,633
	<b>2,025,525</b>	<b>2,241,393</b>
<b>Financial liabilities at fair value through profit or loss</b>		
Equities	100,092	-
Forwards	10,992	-
Futures	68,220	11,029
	<b>179,304</b>	<b>11,029</b>

The movement of the financial instruments is as follows:

(all amounts in EUR)

	<b>30-06-2016</b>	<b>31-12-2015</b>
<i>Equities</i>		
Position as per 1 January	2,219,754	1,484,702
Purchases	2,074,324	2,855,903
Sales	(2,244,999)	(2,050,131)
Realised investment result	(129,316)	227,653
Unrealised investment result	69,863	(298,373)
<b>Position end of period</b>	<b>1,989,626</b>	<b>2,219,754</b>

	<b>30-06-2016</b>	<b>31-12-2015</b>
<i>Options (long positions)</i>		
Position as per 1 January	8,006	6,757
Purchases	35,673	46,998
Sales	(7,579)	(19,562)
Realised investment result	(18,197)	(23,855)
Unrealised investment result	(8,927)	(2,332)
<b>Position end of period</b>	<b>8,976</b>	<b>8,006</b>

	<b>30-06-2016</b>	<b>31-12-2015</b>
(all amounts in EUR)		
<i>Forwards</i>		
Position as per 1 January	-	9,409
Expiration	-	(39,506)
Realised investment result	-	39,506
Unrealised investment result	10,632	(9,409)
<b>Position end of period</b>	<b>10,632</b>	<b>-</b>

	<b>30-06-2016</b>	<b>31-12-2015</b>
<i>Equities (short positions)</i>		
Position as per 1 January	-	(93,678)
Purchases	-	408,504
Sales	(98,425)	(330,216)
Realised investment result	-	1,948
Unrealised investment result	(1,667)	13,442
<b>Position end of period</b>	<b>(100,092)</b>	<b>-</b>

	<b>30-06-2016</b>	<b>31-12-2015</b>
<i>Forwards (short positions)</i>		
Position as per 1 January	-	-
Expiration	-	-
Realised investment result	-	-
Unrealised investment result	(10,992)	-
<b>Position end of period</b>	<b>(10,992)</b>	<b>-</b>

	<b>30-06-2016</b>	<b>31-12-2015</b>
<i>Futures (short positions)</i>		
Position as per 1 January	2,604	(3,385)
Expiration	168,871	(55,145)
Realised investment result	(168,871)	55,145
Unrealised investment result	(54,533)	5,989
<b>Position end of period</b>	<b>(51,929)</b>	<b>2,604</b>

## **6. Bank overdrafts**

There were no bank overdrafts at 30 June 2016.

## **7. Shareholder's capital**

The Fund's capital is represented by the redeemable shares outstanding.

The Fund strives to invest the subscriptions of redeemable participating shares in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet shareholder redemptions.

Currently Class A shares, Class B shares or Class C shares are being offered by the Company. The criteria for these shares are:

- Class A shares: for participations of at least EUR 10 million at the launch of the Fund (seed investments smaller than 10 million are allowed in the startup years).
- Class B shares: for participations which do not comply with the criteria for Class A shares, by participants who have invested EUR 20 million or more in the Fund net of redemptions.
- Class C shares: for participations which do not comply with the criteria for Class A or B shares

A share may be redeemed at the request of a Participant at its respective Net Asset Value at the discretion of the manager. Subject to the terms of the Fund documents, participations are available for redemption on the redemption date. The Manager is authorized to fix additional dates for redemption of participations.

Redeemable shares carry no right to receive notice of, attend or vote at any general meeting of the Fund. The holders are entitled to receive all dividends declared and paid by the Fund. Upon winding up, the holders are entitled to a return of capital based on the net asset value per participation of the Fund.

The series created the first time that shares are issued will be designated the lead series. New series will be created on each date that shares are issued thereafter, except that shares issued as of the first day of the year may be issued from previous Series. Any issued and outstanding series will be re-designated and converted into the series of shares which has been longest in issue and which is at or above its prior high net asset value. The re-designation and conversion will occur at the end of each fiscal year at the then prevailing net asset value per shares of the series into which the other series are to be converted.

As at 30 June 2016 2,805.0214 (2015: 2,805.0214) shares are issued and fully paid.

## **8. Redeemable shares**

The Fund's Net Asset Value and the Net Asset Value per share is determined as at the close of business of each valuation day or at such other time the Investment Manager may determine. The Net Asset Value per share on any valuation day will be calculated by dividing the net asset value by the number of shares in issue as at the close of business on that valuation day. The net asset value of the Fund is its total assets minus total liabilities.

The minimum subscription amount is EUR 1 million minus a subscription fee of 0,25% for participants who participate directly in the Fund, for the benefit of the Fund. In case a holder participates indirectly through an entity that holds Units in its own name on behalf of parties exceeding EUR 1 million, the minimum subscription amount is EUR 100,000 minus the subscription fee.

Existing holders of redeemable shares can make further applications for shares in amounts of EUR 250,000 or more, unless Fund Manager in its absolute discretion deems it advisable to permit further applications for shares of a lesser amount.

A redemption fee of 0.25% of the total redemption price will be deducted in respect of redeemed shares and will be for the benefit of the Fund.

## 9. Management and performance fees payable

(all amounts in EUR)

	<u>30-06-2016</u>	<u>31-12-2015</u>
Management and service fees	2,924	3,199
	<b>2,924</b>	<b>3,199</b>

### Management fee

The Fund Manager is entitled to a management fee equal to 1.0 percent (1.0%) for Class A Units, 1.5 percent (1.5%) for Class B Units and 2.0 percent (2.0%) for Class C Units of the net asset value as at the last valuation date of the preceding calendar month, payable monthly in arrears out of the fund assets. The management fee for the financial period ended per 30 June 2016 amounts to EUR 13,479 (2015: EUR 29,396).

### Performance fee

The Fund Manager is entitled to a performance fee with respect to a Series if the Net Asset Value of such Series exceeds the High Water Mark and the Hurdle thereof. This performance fee is determined as of the last valuation day of each calendar month at a rate of 20 percent (20%) of the increase (if any) in the net asset value of a Unit in such Series in excess of the higher of its High Water Mark and Hurdle. The performance fee is subjected to the claw-back clause. The performance fee for the financial period ended per 30 June 2016 amounts to EUR 0 (2015: EUR 62,805).

### Service fee

The service fee is calculated each calendar month over the Net Asset Value of the Fund as at the last Valuation Day of the previous calendar month and is equal to 1) 1/12th of 0.3% for the part of the Net Asset Value of the Fund below or equal to EUR 100 million or 2) 1/12th of 0.25% for the part of the Net Asset Value of the Fund in excess of EUR 100 million. The service fee for the financial period ended per 30 June 2016 amounts to EUR 4,044 (2015: EUR 8,819).

**10. Net gains/ (losses) on financial assets and financial liabilities at fair value through profit or loss**

(all amounts in EUR)	<b>01-01-2016</b> <b>30-06-2016</b>	<b>01-01-2015</b> <b>30-06-2015</b>
<i>Net realized result on financial assets and liabilities at fair value through profit or loss</i>		
Realized result on equity	(129,316)	253,019
Realized result on options	(18,197)	-
Realized result on futures	<u>(168,871)</u>	<u>57,162</u>
	(316,384)	310,181
 <i>Net unrealized result on financial assets and liabilities at fair value through profit or loss</i>		
Unrealized result on equity	68,196	(147,081)
Unrealized result on options	(8,927)	-
Unrealized result on forwards	(360)	-
Unrealized result on futures	<u>(54,533)</u>	<u>(24,653)</u>
	4,376	(171,734)
	<b><u>(312,008)</u></b>	<b><u>138,447</u></b>

**11. Foreign currency translation**

(all amounts in EUR)	<b>01-01-2016</b> <b>30-06-2016</b>	<b>01-01-2015</b> <b>30-06-2015</b>
Currency results on cash and cash equivalents	<u>7,796</u>	<u>41,320</u>
	7,796	41,320

**12. Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party making financial or operational decisions.

All services rendered by the Asset Manager and the Fund Manager therefore qualify as related party transactions. During the period, the Fund paid management fees of EUR 13,691 (2015: EUR 29,046), performance fees of EUR 0 (2015: EUR 83,653) and services fees of EUR 4,044 (2015: EUR 8,819) to the Asset Manager.

As at 30 June 2016, 1,699.2700 shares (2015: 1,699.2700 shares) were held by people related to the Fund Manager.

**13. Income and withholding taxes**

The Fund is organized as an investment Fund ("Fonds voor gemene rekening") and is exempt from paying income taxes under the current system of taxation in The Netherlands. The Fund is transparent for The Netherlands corporate income tax purposes. As a consequence, the Fund is therefore not subject to The Netherlands corporate income tax. Certain dividend and interest income received by the Fund are subject to withholding tax imposed in the country of origin. During the period the average withholding tax rate incurred by the Fund was 24.03% (2015: 17.16%).

**14. Ongoing charges figure (OCF)**

The ongoing charges figure contains all costs that have been charged to the Fund for the period 1 January 2016 until 30 June 2016 excluding the transaction costs, interest costs and performance fees. The ongoing charges figure is calculated by dividing all the costs of the period with the average net asset value. The average net asset value is calculated by adding all the monthly net asset values and divide them by the number of month's used (for this period the number of months is 6).

For the period ending June 30, 2016 the annualized ongoing charges figure is 1.55% (2015: 1.55%) of the average net asset value.

The prospectus states that the ongoing charges figure (excluding transactions costs and performance fees) assuming a net asset value of EUR 25,000,000.- will be 1.25%. No performance fees have been charged over the first half of 2016. Last year the ongoing charges figure after performance fees was 2.12%.

**15. Turnover ratio's (TOR) / Portfolio turnover factor (PTF)**

The turnover ratio is calculated the following way: the sum of all purchases of investments plus the sum of all the sales of investments minus the sum for the subscriptions and redemptions. The total of this number will be divided by the average net asset value of the Fund and multiplied by 100. The turnover ratio for the Fund over the period 1 January 2016 until 30 June 2016 is: 163% (2015: 172%).

**16. Personal holdings of the Board of Directors of the Fund Managers**

The Board of Directors of the Fund Manager had no interests or positions at 1 January 2016 and 30 June 2016 in investments the Fund holds in portfolio at these dates (1 January 2015 and 31 December 2015: No interests or positions held).

**17. Personnel**

The Fund did not employ personnel during the period (2015: nil).

**18. Subsequent events**

There are no events subsequent to the date of the balance sheet that need to be taken into account in the financial statements.

## **19. Remuneration fund manager**

The investment manager of the Fund, Quantrust Fund Management B.V., does not employ any personnel.

## **20. Summary of significant accounting policies**

### **Basis of presentation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRS-EU) and with Part 9 of Book 2 of the Dutch Civil Code and the Act on the Financial Supervision. The financial statements have been prepared on a historical cost basis except for financial assets and liabilities held for trading (including derivative financial instruments), designated upon initial recognition, at fair value through profit and loss.

### **Changes in accounting policy and disclosure**

*New standards, amendments and interpretations to existing standards which are relevant to the Fund and not yet effective*

The International Accounting Standards Board (IASB) completed the final element of its comprehensive response to the financial crisis with the publication of IFRS 9 Financial Instruments in July 2014. The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

The effective date for mandatory adoption of IFRS 9 Financial Instruments is 1 January 2018. The Fund has not early adopted this standard for the current reporting period. No significant impact of IFRS 9 is expected for the Fund. The adoption will not affect the Funds financial statements as all financial instruments are measured and presented at fair value.

In December 2014, the IASB issued amendments to IAS 1 which will be effective as per 1 January 2016 as part of the IASB's Disclosure Initiative. The amendments clarify the materiality guidance in IAS 1. The Fund has not early adopted this standard for the current reporting period. No significant impact of the amendments to IAS 1 is expected for the Fund. The adoption will not have a substantive effect on the Funds financial statements as the amendments only impact line items and non-significant notes.

### **Functional and presentation currency**

These financial statements are presented in EUR, which is the Fund's functional and presentation currency. All financial information presented in EUR has been rounded to the nearest EUR, or otherwise stated.

Management considers the EUR as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. Amongst others the primary objective of the Fund is to generate returns in EUR, its capital-raising currency. The liquidity of the Fund is managed on a day-to-day basis in EUR in order to handle the issue, acquisition and resale of the Fund's redeemable shares and the Fund's performance is evaluated in EUR.

### **Foreign currency**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign currency gains and losses arising from translation are included in the statement of comprehensive income within 'Foreign currency translation'.

### **Significant accounting judgments and estimates**

The preparation of the Fund's financial statements requires management to make judgments, estimates and assumptions that affect the amounts recognized in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. Actual results may differ from these estimates.

If estimates and underlying assumptions are required they are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

There are no significant estimates and judgments as the Fund is trading listed and actively traded financial instruments.

### **Going concern**

The investment manager has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. The investment manager is not aware of any material uncertainties that may lead to significant doubt about the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

### **Financial assets and financial liabilities**

#### *(i) Classification*

The Fund classifies its financial assets and financial liabilities into the following categories in accordance with IAS 39.

#### *Financial assets at fair value through profit or loss*

The category of financial assets and liabilities at fair value through the profit or loss is sub-divided into:

#### *Financial assets at amortized cost*

Financial assets at amortized costs are loans and receivables and are financial assets with fixed or determinable payments that are not quoted in an active market. The Fund includes in this category amounts relating to reverse repurchase agreements, cash collateral on securities borrowed and other short-term receivables.

#### *Financial liabilities at fair value through profit or loss*

The financial liabilities at fair value through profit or loss reflects held for trading securities and includes securities sold short and derivative financial instruments.

#### *Financial liabilities at amortized cost*

This category includes all financial liabilities, other than those classified at fair value through profit or loss.

#### *(ii) Recognition, derecognition and measurement*

Regular way purchases and sales of investments are recognized on the trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are recognized at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income. Financial assets and liabilities at amortized costs are initially recognized at cost price, which equals the fair value at the date of the transaction.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of financial assets or financial liabilities at fair value through profit or loss are presented in the statement of comprehensive income within 'Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss' in the period in which they arise. Subsequent measurement for loans and receivables is at amortized cost.

Dividend income from financial assets at fair value through profit or loss is recognized in the statement of comprehensive income within 'Dividend income' when the Fund's right to receive payments is established. Dividend expense on short sales of equity securities is included within 'Dividend expenses'.

Interest on debt securities at fair value through profit or loss is recognized in the statement of comprehensive income within 'Interest income' based on the effective interest rate.

*(iii) Determination of fair value*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value for financial assets and liabilities traded in active markets at reporting date (level 1) is based on last traded prices and settlement prices, without any deduction for transaction costs, provided that these prices fall within the range of the bid-ask price spread as indicated in IFRS 13.

Where the Fund has assets and liabilities with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies the bid or asking price to the net open position as appropriate. The Fund does not have any offsetting positions as at 30 June 2016 and 2015.

For all other financial assets and liabilities not traded in an active market (levels 2 & 3), the fair value is determined by using appropriate valuation techniques. Valuation techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible.

*(iv) Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

*(v) Identification and measurement of impairment*

At each reporting date the Fund assesses whether there is objective evidence that financial assets carried at amortized cost are impaired. A financial asset or a group of financial assets is (are) impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or advance by the Fund on terms that the Fund would not otherwise consider, indications that a borrower or issuer will enter bankruptcy or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's current effective interest rate. Impairment losses are recognized in profit or loss. Interest on impaired assets continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The Fund writes off financial assets carried at amortized cost when they are determined to be uncollectible.

### **Measurement of fair values**

The Fund's accounting policies and disclosures require the measurement of fair values, for financial assets and liabilities held for trading.

The Fund has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Fund uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Fund recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### **Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash on hand, short-term deposits in banks and brokers and cash collateral provided in respect of derivatives, securities sold short and securities borrowing transactions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

### **Due to and due from brokers**

Amounts due to brokers are payables for securities purchased (in a regular way transaction) that have been contracted for but not yet paid on the reporting date. It comprises the amounts due on broker accounts.

Amounts due from brokers include receivables for securities sold (in a regular way transaction) that have been contracted for but not yet received on the reporting date. It comprises the amounts due from broker accounts.

**Bank overdraft**

Bank overdraft in the statement of financial position comprises negative amounts on current account.

Short-term positions that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as 'Cash and cash equivalents'. For the purpose of the statement of cash flows, bank overdraft consists of outstanding cash and cash equivalents.

Cash balances and bank overdraft are subject to interest income and interest expense respectively and are recognized in statement of comprehensive income.

**Accrued expenses and other payables**

Payables are carried at amortized cost using the effective interest rate method.

**Redeemable participations**

Redeemable participations are redeemable at the shareholders' option and are classified as financial liabilities. These participations are recognized and measured at fair value. The fair value is measured by the difference between total assets and liabilities excluding the redeemable participating participations.

The liabilities arising from the redeemable participations are carried at the redemption amount being the net asset value calculated in accordance with IFRS.

For the purpose of calculating the net assets attributable to redeemable shareholders in accordance with the Fund's redemption requirements, the Fund's assets and liabilities are valued on the basis of last trade prices.

The Fund issues participations at the net asset value of EUR 1,000 per participation for new series. The Fund Manager will only redeem shares if he has received a completed redemption form from the holders at least five Business Days before the desired Transaction Day. If the redemption request is received after this date, the redemption is held over until the following Transaction Day. The Fund Manager may decide, at his absolute discretion, to shorten the period between receiving a redemption form and the actual redemption.

The Fund's net asset value per participations is calculated by dividing the net assets attributable to redeemable shareholders (calculated in accordance with redemption requirements) by the number of participations in issue.

**Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss**

Net gains/(losses) from financial assets and liabilities at fair value through profit or loss includes all realized and unrealized fair value changes, but excludes interest income, dividend income and dividend expenses.

**Interest income and expenses**

Interest income and expenses are recognized in the statement of comprehensive income when rights and obligations occur.

**Dividend income and expenses**

Dividend income is recognized when the Fund's right to receive the payment is established. Withholding tax could be applicable on dividend income. Dividend expenses relating to equity securities sold short is recognized when the shareholders' right to receive the payment is established.

### **Taxation**

The Fund structure is intended to qualify as a tax transparent mutual fund ("besloten fonds voor gemene rekening") for Dutch corporate tax purposes. Consequently, the Fund is not subject to Dutch corporate income tax. For Dutch tax purposes, the assets, liabilities, income, expenses and capital gains of the Fund are deemed to be assets, liabilities, income, expenses and capital gains of the Unit Holders of the Fund themselves proportionally to their interest in the Fund.

The Fund also qualifies as a tax transparent mutual fund ("besloten fonds voor gemene rekening") for Dutch dividend tax purposes. Consequently, distributions by the Fund to its Unit Holders are not subject to Dutch dividend withholding tax.

### **Fees, commissions and other expenses**

All expenses are recognized in the statement of comprehensive income when rights and obligations occur.

### **Segment reporting**

An operating segment is a component of the Fund that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Fund's other components, whose operating results are reviewed regularly by the Fund Manager to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. The Fund's portfolio is considered to be one segment; consequently no separate segment reporting is included, other than for the portfolio as a whole.

### **Statement of cash flows**

The statement of cash flows is prepared using the direct method. The statement of cash flows shows the Fund's cash flows for the period divided into cash flows from operations and financing activities.

Due to the nature of the Fund's operations, cash flows related to the financial instruments are included under operating activities. Cash flows from financing activities include proceeds from subscriptions and payments for redemptions of shares of the Fund.

## **21. Approval of financial statements**

The Fund Manager authorized the issue of these financial statements on 31 August 2016.

Amsterdam, 31 August 2016

**Quantrust Fund Management B.V.**

## Appendix I – Portfolio of the Fund

The following tables discloses a breakdown of the Fund's portfolio at 30 June 2016:

<b>Portfolio</b> (all amounts in EUR)	<b>Fair value at 30 June 2016</b>
<b>Equities</b>	
ISHR E INF GOV	639,220
ISHARES TIPS BON	472,859
ISHARES FTSE CHINA25	258,892
ISHARES MSCI EMU	232,514
DEUTSCHE X-TRACK	156,771
ISHARES DJ US HOME C	78,819
DB HARVEST CSI 300 C	77,039
PROSHRE U/S DJ-UBS C	73,512
PETROCHINA CO LTD -A	(4,894)
SAFRAN SA	(6,092)
AIRBUS GROUP NV	(10,346)
BMO S&P/TSX EQUA	(78,760)
<b>Total equities</b>	<b>1,889,534</b>
<b>Call Options</b>	
EURO FX CURR OPT DE	1,002
EUR VS USD 06/03/16	259
<b>Total call options</b>	<b>1,261</b>
<b>Put Options</b>	
SX5E 12 P2500	3,805
SPX 12 P1725	1,937
SPX 9 P1850	1,162
SPX 9 P1800	811
<b>Total put options</b>	<b>7,715</b>
<b>Futures</b>	
DAX INDEX FUTURE SE	5,600
NIKKEI 225 MINI SE	3,774
C\$ CURRENCY FUT SE	2,864
CAC40 10 EURO FUT SE	2,750
EURO-SCHATZ FUT SE	1,100
EURO FX CURR FUT SE	203
FTSE/JSE TOP 40 SE	(325)
SHORT EURO-BTP FU SE	(550)
10YR MINI JGB FUT SE	(602)
MINI MSCI EMG MKT SE	(1,108)
EURO-BTP FUTURE SE	(2,340)
XAE ENERGY SE	(3,765)
US 10YR NOTE (CBT)SE	(7,712)
DJ US REAL ESTATE SE	(7,782)
EURO-OAT FUTURE SE	(10,060)
XAU UTILITIES SE	(10,709)
S&P500 EMINI FUT SE	(10,791)
FTSE 250 INDEX FU SE	(12,476)
<b>Total futures</b>	<b>(51,929)</b>
<b>Subtotal portfolio</b>	<b>1,846,581</b>

<b>Transfer from previous page</b>	<b>1,846,581</b>
<b>Forward contracts</b>	
Long JPY 12,500,000	5,917
Long USD 295,714	4,715
Short CNY 1,950,000	(1,710)
Short HKD 800,000	(1,814)
Short JPY 12,500,000	(7,468)
<b>Total Forward contracts</b>	<b>(360)</b>
<b>Cash and cash equivalents</b>	
KAS BANK N.V.	842,009
<b>Total cash and cash equivalents</b>	<b>842,009</b>
<b>Total portfolio per 30 June 2016</b>	<b>2,688,230</b>

The following tables discloses a breakdown of the Fund's portfolio at 31 December 2015:

<b>Portfolio</b> (all amounts in EUR)	<b>Fair value at 31 December 2015</b>
<b>Equities</b>	
iShare Inf Gov	374,644
Market Vectors Gold	284,358
SPDR KBW Bank Etf	280,380
iShares FTSE China25	237,304
Wisdom Tree Korea	185,004
DBX FTSE MIB DR	173,004
iShares MSCI Austria	172,992
iShares Tips Bon	171,754
iShares MSCI Taiwan	170,564
iShares Dow Jones US Home	169,749
<b>Total equities</b>	<b>2,219,753</b>
<b>Call Options</b>	
EUR-USD 03/04/16	81
<b>Total call options</b>	<b>81</b>
<b>Put Options</b>	
EEM 3 P33	3,800
SPX 6 P1800	3,463
EEM 1 P39	610
EEM 3 P30	53
<b>Total put options</b>	<b>7,926</b>
<b>Futures</b>	
STOXX EUROPE 600	5,011
DAX INDEX FUTURE	3,500
BP CURRENCY FUT	1,560
C\$ CURRENCY FUT	921
S&P500 EMINI FUT	668
US 10YR NOTE (CBT)	633
EURO/CHF FUTURE	540
CAC40 10 EURO FUT	400
EURO-SCHATZ FUT	400
EURO-OAT FUTURE	(520)
EURO STOXX BANK	(750)
SHORT EURO-BTP FU	(900)
EURO-BUND FUTURE	(1,000)
AUDUSD CRNCY FUT	(1,750)
NIKKEI 225 MINI	(2,682)
FTSE 250 INDEX FU	(3,427)
<b>Total futures</b>	<b>2,604</b>
<b>Cash and cash equivalents</b>	
ABN AMRO BANK N.V.	614,372
Bank overdrafts	(227)
<b>Total cash and cash equivalents</b>	<b>614,145</b>
<b>Total portfolio</b>	<b>2,844,509</b>