

# ANNUAL REPORT

Financial year ended on 29 December 2017



## OFI RISK ARB ABSOLU

Diversified mutual fund

### Marketer

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 Paris

### Management Company

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 Paris

### Depository and Custodian

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

### Administrative and accounts management:

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

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as at 29 December 2017

Auditor's Report

## MANAGEMENT DIRECTION

### Management objective

The management objective of the Fund is to achieve performance above or equal to the EONIA over the recommended investment term, through implementation of a decorrelated strategy of the main asset classes, with volatility in the region of 5%.

**The AMF would like to remind potential subscribers that the performance and volatility objective, shown in the Management Objective section, is based on the occurrence of market scenarios established by the management company and does not in any event constitute a guarantee of return or performance or volatility of the mutual investment fund.**

### Benchmark

The management objective concerns the achievement of an absolute performance, reached through the use of alternative investment strategies described below. The performance of this Fund is not therefore assessed according to changes in a benchmark. However, over a minimum investment horizon of 3 years, the performance of the Fund may be compared, after the event, to the Capitalised EONIA. The EONIA is the benchmark of the money market of the eurozone.

### Management strategy

The Management Company seeks to achieve the management objective by implementing alternative management strategies. Allocation of the portfolio between the different strategies and choice of instruments in order to implement those strategies, are carried out by the Management Company, based on expectations and quantitative and qualitative analyses of the relative prices of these instruments. This will depend on market conditions, and on prospects, as the management company assesses these at its discretion, within the framework of the processes described below.

The strategies are implemented in developed countries, as defined by the MSCI Developed Market Index. On a secondary basis, exposure to other geographic zones is authorised on the Fund. The list of the countries making up the index is dynamic - a breakdown of countries is given in the prospectus.

Investments concern all sectors and all types of capitalisation of these markets.

The different strategies are grouped into 5 sub-categories:

- Strategies of arbitrage on mergers and acquisitions
- Strategies of arbitrage on conglomerate discounts
- Strategies of arbitrage between different unit categories
- Market Neutral strategies
- Treasury and Foreign Exchange

The sensitivity of bond instruments, which may be used in the context of the strategies listed above, may be between 0 and 10. However, the residual sensitivity of the Fund to this type of instrument shall be between 0 and 1, taking account of the sensitivity of the instruments used by the arbitrage strategies and of the sensitivity of the instruments used in the context of cash.

For the strategy as a whole, the specific instruments used are:

- Convertible bonds: Arbitrage
- Warrants: Arbitrage
- Contingent value rights, subscription warrants: Arbitrage
- OTC stock options: Arbitrage
- CFD (Contract for Difference): Arbitrage
- CDS: Arbitrage, hedging against credit risk

### Risk profile

The Fund will be mainly invested in financial instruments selected by the management company. These instruments will experience market developments and fluctuations.

The investor is therefore exposed to the risks below, this list not being exhaustive.

### Management risks

These risks may take concrete form in a drop in the net asset value. These are, in decreasing order of importance:

Taking account of the investment strategy implemented, the main risk taken by the investor will be based on the capacities of the manager of the UCITS to correctly determine the intrinsic value of the companies and to anticipate events which may have a bearing on this, and to correctly assess the risk/return combination of arbitrage situations.

#### Risk of failure of a merger-acquisition transaction

Evolution of the probabilities of failure (or of success) of a merger-acquisition transaction conditions evolution of the spread on the strategy concerned. In the case of a natural strategy (risk of failure of the deal), abandoning a transaction may result in a significant drop in the target company's share price to its pre-offer level, and possibly an increase in the shares of the predator in the case of a public offer of exchange. Failure of a merger entails, ultimately, losses for the arbitrage strategy. This risk is even greater since the premium on announcement of a takeover bid is significant and since the probabilities of non-realisation of the transaction are high. In the case of "Chinese" strategies (short position on company targeted by an offer and possibly long on the predator), initiated on the basis of expectations of failure of the merger transaction, the risk lies in finalisation of the deal.

#### Risk associated with the schedule for the transaction

Extension of the deadline for finalisation of a public offer infers a risk on the ex-post profitability of the arbitrage strategy. The Mark-to-Market valuation of merger-acquisition arbitrage strategies depends on money market conditions. This leads to an interest rate risk.

#### Public Offer Risk, counter-offer on the predator or overbid on a short position

Intervention on the stock of target companies (long positions) and predators (short positions in the case of a public offer of exchange) entails a Public Offer risk on the hedge (short component) of the strategy. The effects of a public offer or counter-offer on the predator may lead to failure of the arbitrated transaction and/or a risk of loss on the predator (short position in the strategy). "Chinese" positions are, for their part, exposed to a risk of overbid on the level of the offer. In the case of holding company arbitrages, the OPA risk is translated by a public offer from the holding company on one of its subsidiaries making up the replication basket.

#### Risk of Holding Company / Basket correlation and volatility of the Holding Company/Basket valuation discrepancy

The risk of correlation (Holding Company /Basket arbitrage strategy) originates from the quality of replication of the holdings held by the Holding Company. Some positions cannot be replicated exactly, particularly as regards holdings in unlisted companies. This leads to a risk of correlation between the composition of the Conglomerate and the hedge basket.

#### Risk of correlation between Preferential and Ordinary shares

The risk of correlation relating to strategies of arbitrage on unit categories originates from the divergences existing between the two unit categories: Preferential and Ordinary. Distinctions between these shares, notably in terms of collection of dividends or voting rights, are translated by movements which are sometimes "un-correlated" between ordinary and preferential shares.

#### Risk associated with the Market Neutral strategy

Positions taken in the context of the Market Neutral strategy may suffer from the fall in the stock concerned or in the market in general, notably if the expected events do not occur.

### Hedging risks

#### Capital risk

The UCITS does not benefit from any guarantee or protection, so that the capital originally invested might not be returned in full.

#### Interest rate risk

The evolution of rates has a bearing on the development of merger-acquisition arbitrage strategies, according to the forecast currency of the strategy initiated (notably for takeover bids having a relatively distant maturity).

#### Dividend risk

An unexpected change in dividend significantly impacts the profitability of the arbitrage strategy.

#### Loan-borrowing risk

It must be possible for the stocks on which the Fund has a short position to be borrowed at a low interest rate, in order to protect the profitability of the strategy.

#### Foreign exchange risk

The foreign exchange risk is the risk of the investment currency falling in comparison with the euro portfolio reference currency. Investments made on various currencies entail a foreign exchange risk which must be hedged, which is usually done through interventions on currency forwards. There is however a residual foreign exchange risk which may result in a drop in the NAV in the case of unfavourable evolution of the investment currencies in relation to the Fund benchmark currency.

### Market risk

The market risk originates from any residual positions in stocks not contributed to the offer and kept pending a withdrawal offer at a higher price. These positions no longer form the subject of a current offer and are, as a consequence, sensitive to a market risk.

### Liquidity risk

The liquidity risk of the portfolio depends on the liquidity of the investment media used: this liquidity risk present in the mutual fund essentially exists on account of OTC positions and, in the case of events which may interrupt the trading of shares on the markets on which they are traded. A stock's lack of liquidity may increase the cost of liquidation of a position and hence affect the net asset value.

### Level of use of risk factors

The aim of the strategies implemented is to isolate one or more risk factors of an instrument, for example, to isolate the market risk on a merger-acquisition arbitrage transaction.

In addition to the regulatory ratios, specific limits have been set in place and are reviewed every six months.

### **Qualitative analysis and rating of strategies**

For each of the strategies implemented, a rating is allocated according to identified risk criteria. This rating is revised with each new information impacting one of the risk criteria. This involves making a qualitative assessment of the risk of the transaction.

### Diversification constraints

#### **Investment limit per individual strategy**

The maximum percentage to invest on each of the individual portfolio strategies is subordinate on its belonging rating class. The higher the qualitative risk of a strategy, the lower its weighting within the portfolio.

#### **Investment limit per rating class**

A maximum weighting within the portfolio is given to each rating level.

#### **Investment limits by type of arbitrage**

A maximum investment rate is allocated to each type of arbitrage (merger-acquisitions, conglomerate discounts and unit categories and special situations).

### Quantitative analysis of strategies implemented

#### **Stress scenarios on merger-acquisition arbitrages**

For each strategy, a stress scenario corresponding to a situation of failure of the transaction is calculated, in order to determine the maximum risk incurred. These scenarios are then expressed as probabilities in order to define an average risk on any individual strategy and also in terms of the Fund.

#### **Value-at-Risk on holding company and unit category arbitrage and Market Neutral strategy**

So as to take into account all correlations relating to the various arbitrages on holding companies, unit categories and Market Neutral strategy, a 1-day 99% VaR is also calculated using an external tool.

### Risk monitoring procedure

#### Market risks and management rules

As a general rule, the manager shall endeavour to limit the market risks borne by the Fund, by implementing the following rules:

#### Specific risks

The manager envisages limiting the size of each individual position when it is set up;

The manager will fix maximum levels of loss for each of the positions beyond which this will be triggered;

It will also limit the size of the positions on shares which it considers not very liquid, particularly in the case of short positions which will mainly be invested in liquid shares.

### Market risks

Sector-based and geographic limitations: the manager will limit the size of allocation of the Fund on each sector (as defined in the Dow Jones Stoxx Market Sectors nomenclature) and on each country;

Checks on net exposure: the manager will continuously check the net exposure of the fund, both in the case of net long exposure and in the case of net short exposure;

The manager will fix maximum levels of loss for the overall portfolio beyond which the net exposure of the portfolio will be reduced. In turbulent market conditions, it will reduce its net exposure by hedging up to the entirety of its positions, by using appropriate instruments.

### Scenario of risk arbitrage or merger-acquisition type strategies

Risk arbitrage strategies, essentially made up in part by strategies of arbitrages on merger-acquisitions, do not come under the market risk.

In fact, the behaviour of the stocks forming the subject of a takeover bid in cash (OPA) or in stocks (OPE) is impacted by the nature and probabilities of success of the transaction.

In the end, the risk inherent in these positions is no longer a market risk but originates from the emergence of any new information which may effect the probabilities of success of the merger-acquisition transaction.

This therefore is an event-based risk, taking material form factually by the rupture of a correlation between two stocks (OPE) or the sudden uncoupling of a stock associated with the abandoning of a cash takeover bid.

### Description of the methodology of calculation of risks on merger-acquisition strategies

The risk factors identified on these merger-acquisition strategies are mainly of two types:

- Evolution of the probabilities of failure and of success of merger-acquisition transactions;
- The risk of a maximum drop in the case of abandonment or failure of the transaction.

Moreover, the diversity of strategies on positions is a factor to be considered when assessing the risk on a series of merger-acquisition positions. Since the issue of risk on these strategies is different, the tools used when assessing risks on these positions are adapted to their specificity and their event-based nature.

For each of the strategies implemented, a rating is allocated according to identified risk criteria. This rating is revised with each new information impacting one of the risk criteria. This involves making a qualitative assessment of the risk of the transaction.

Alongside this qualitative analysis, each merger-acquisition strategy forms the subject of a quantitative analysis aimed at assessing the maximum risk inherent in the position. Thus, a stress scenario corresponding to a situation of failure of the transaction is calculated, in order to determine the maximum risk incurred.

These stress scenarios are then expressed as probabilities in order to define an average risk on any individual strategy and also in terms of the merger-acquisition portfolio.

## **METHOD CHOSEN BY THE MANAGEMENT COMPANY TO ASSESS THE GLOBAL RISK OF THE UCI**

The method of calculating the Fund's commitment ratio is based on the absolute VaR probability method.

The Fund's VaR is equal to the loss possibly sustained by the fund over a given period (7 days) with a specified probability (95%), known as the confidence level.

The 7-day 95% VaR is used by OFI ASSET MANAGEMENT to control the Fund's market risk.

OFI ASSET MANAGEMENT uses an absolute VaR calculation and will ensure that the Fund's VaR does not exceed 5% of the market value of its net assets.

The maximum leverage of the Fund, given for information only, calculated as the sum of the nominal values of the positions on financial futures instruments used, is 400%. However, the fund reserves the option of seeking a higher leverage level, depending on the situation of the markets.

## INFORMATION RELATIVE TO THE VAR

OFI RISK ARB ABSOLU	VaR 5d 95% over 2017
Average	0.40%
Maximum	0.68%
Minimum	0.18%

## CHANGE(S) MADE DURING THE FINANCIAL YEAR

From 4 February 2017, for the I unit and R unit, the SRRI has been brought to 3 compared to the previous 4.

Then, on 28 August 2017, creation of the GI unit and GR unit

Lastly, on 7 December 2017, since the Diversified classification was being removed on 31 December 2017, it no longer features in the prospectus. No change regarding the strategy and management rules for the Fund.

## FUTURE CHANGE(S)

As of 2 January 2018, the RF unit has been created.

## PROCEDURE FOR CHOOSING BROKERS

The OFI Group has introduced a procedure for selection and assessment of market brokers, which makes it possible to select, for each category of financial instruments, the best market brokers and to ensure the quality of execution of orders placed on behalf of our UCIs under management.

The management teams can send their orders directly to the market brokers selected or go through the OFI Group trading desk, OIS.

This service provider handles the receipt and transmission of orders, followed by execution or not, to the market brokers on the following financial instruments: Debt securities, Capital securities, UCI units or shares, Financial contracts.

This service provider's expertise makes it possible to separate the selection of financial instruments (which remains the responsibility of the Management Company) from their trading, whilst ensuring the best execution of orders.

A multi-criteria valuation is carried out on a six-monthly basis by the OFI Group's management teams. Depending on the circumstances, it takes into consideration several or all of the following criteria:

- Monitoring volumes of transactions per market broker.
- Analysis of the counterparty risk and how this develops (a distinction is made between "brokers" and "counterparties").
- The nature of the financial instrument, the execution price, where applicable the total cost, the speed of execution and the size of the order.
- Feedback of operational incidents detected by the managers or the Middle Office.

At the end of this valuation, the OFI Group can reduce the volumes of orders entrusted to a market broker or withdraw it temporarily or permanently from its list of authorised service providers.

This valuation can be based on an analysis report provided by an independent service provider.

The selection of UCIs relies on a threefold analysis:

- A quantitative analysis of the media selected;
- An additional qualitative analysis;
- Due Diligence, which aims to validate the option of intervening on a given Fund and of fixing the investment limits on the fund in question and on the corresponding management company.

A post-investment committee which meets every six months to review all authorisations given and limits consumed.

For the execution of certain financial instruments, the Management Company resorts to commission sharing agreements (CCP or CSA), according to which a limited number of investment service providers:

- provide the order execution service;
- collect brokerage costs relating to services of assistance with investment decisions;
- pay these costs back to a third party provider of these services.

The objective sought is to use, as far as possible, the best service providers in each speciality (execution of orders and assistance with investment/disinvestment decisions).

## **BROKERAGE FEE**

On the Group's website, at <http://www.ofi-am.fr/inout/animations/espaceMIF.php> you will find all the measures taken to get to grips with the new regulatory provisions linked to the MIF. It features in particular, the report on brokers' fees in accordance with Article 314-82 of the AMF's General Regulation.

## **EXERCISE OF VOTING RIGHTS**

The policy implemented by the management company regarding the exercise of voting rights forms the subject of a report available at the company's website at: <https://www.ofi-am.fr/vote-et-engagement>

## **ESG CRITERIA**

The Management Company makes information available to the investor about ways to consider in his or her investment policy criteria relating to compliance with environmental, social and governance quality objectives. See its website <https://www.ofi-am.fr/isr>

## **INFORMATION RELATING TO REMUNERATIONS OF THE UCITS**

In the context of application of Directive 2014/91/EU of 23 July 2014 (known as UCITS V), the Company has introduced a remuneration policy with the following characteristics:

### **1) Qualitative elements**

The Company's remuneration policy has been drawn up by the OFI Group's Strategic Committee.

The Strategic Committee is made up of representatives of the Company's shareholders and members of the Company's Board of Directors. It does not include any staff representatives, since the Company is not itself subject to such a regulatory or statutory obligation. It fixes the remuneration policy and ensures its implementation.

The Company's remuneration policy promotes sound effective risk management in line with, at the same time, the interests of investors, of the Company and of UCITS managers, and seeks to reduce potential conflicts of interest between sales personnel and investors. It conforms to the Company's economic strategy, objectives and values.

The fixed remuneration corresponds to the employee's normal pay for the expected work corresponding to his qualification. The variable remuneration takes into account, in particular, the Company's result, its equity requirements and the quality of management and of the service offered to investors.

**Personnel affected by the remuneration policy:** all persons involved in risk-taking in terms of the Fund or the Company: directors, managers, CIO, control function managers, personnel who are comparable due to their level of variable remuneration sales personnel.

**Assessment of performance and risks:** this is carried out depending on the personnel concerned.

The performance of managers and those responsible for management is based on quantitative criteria (classification of each fund in a test universe) and qualitative criteria (achievement of objectives, observation of the risk management policy, compliance with internal regulations or external regulations, management process monitoring, contribution of risk-takers to operational risks).

Regarding directors, the criteria applied relate to the company's global performance (growth in operating profit, achievement of strategic objectives, image, reputation, etc.).

For the control functions, the criteria applied relate to the operational, regulatory and reputational risks.

And lastly, the performance of sales personnel is assessed based on traditional criteria, provided that they do not generate any conflicts of interest with the unit-holders: collection, growth in turnover, rate of penetration, campaign successes, new customers, etc.

**Variable remuneration budget:** based on a global budget, a proportion is allocated to risk-takers, the remainder being allocated to the other personnel concerned. Allocation is then handled by the managers, taking into account the assessment factors described above.

### **Procedure for payment and measures for adjustment of remuneration :**

For those people whose variable remuneration is less than EUR 100,000 or 30% of the fixed salary, this is paid in full and immediately, in cash.

For other persons, the proportion which is not paid in cash is paid in the form of part payments, thus making it possible to adjust risks between the various UCITS parties (AIFM and risk-takers): part payments indexed on a specified basket or a global basket. A proportion (60%) is paid immediately, of which 50% in cash and 10% in indexed part payments, the remaining 40% being paid in the form of part payments, released in equal tranches during the following three years, without any retention period.

This allocation may be revised downwards, depending on changes to the quantitative and qualitative criteria during the following years, according to a notion of malus.

## 2) Quantitative elements

### Total remunerations allocated by the manager to its personnel

During the 2016 financial year, the total amount of remunerations (including fixed and variable remunerations, deferred and non-deferred) allocated by OFI ASSET MANAGEMENT to all its personnel (i.e. **231 beneficiaries** on 31 December 2016) amounted to **EUR 24,157,205**. This amount is broken down as follows:

- Total fixed remunerations allocated by OFI ASSET MANAGEMENT over the financial year: **EUR 19,023,705, or 78.75%** of the total remunerations allocated by the manager to all its personnel, were allocated in the form of fixed remuneration
- Total differed and non-differed variable remunerations allocated by OFI ASSET MANAGEMENT over the financial year: **EUR 5,133,500, or 21.25%** of the total remunerations allocated by the manager to all its personnel, were allocated in this form. All personnel are eligible for the variable remuneration scheme.

Furthermore, no carried interest was paid for the financial year.

Out of the total remunerations (fixed and variable, deferred and non-deferred) allocated over the course of the financial year, **EUR 3,683,079** related to "directors and executives" (**18 people** on 31 December 2016), **EUR 10,207,369** related to "Managers and Administrators" whose activities had a significant impact on the risk profile of the managed funds (**78 people** on 31 December 2016).



## MANAGEMENT COMMENTS

### Economic context and financial year 2017

#### Economy

In economic terms, the period has been marked by a succession of questions and doubts about the rate of global growth, in practically all the major zones.

However, the political context was very complex. Investors, who had been surprised by the vote in favour of Brexit, were surprised a second time with the unexpected election of Donald Trump as President of America. But, each time, the markets held the view that this could favour a scenario of reflation through a logic of budgetary recovery.

These political doubts were ultimately lifted in the spring of 2017, with the election of Emmanuel Macron in France.

In the end, growth prospects were revised upwards. The rate of growth accelerated and the IMF therefore expects growth of close to 3.5% in 2017 and 2018. This financial year has also been characterised by major synchronisation worldwide; there are practically no more countries in recession.

In the United States, growth initially exceeded 3% before falling back in the middle of the year, and accelerating once again at the end of the period, stimulated by the programme to reduce taxes for corporations and households decided on at the end of the year. In the end, US growth for 2017 should exceed 2% at the end of the period.

The eurozone was not impacted by Brexit and was conversely, surprised by its dynamism with advanced indicators at their highest for several years in practically all countries at the end of 2017. Growth in the zone therefore has exceeded 2%, which is considered its potential level. Some countries are starting to reap dividends from the reforms implemented, for example, Spain, at nearly 3%.

Initially, the UK benefited from the fall in the pound, before showing signs of a serious slowdown at the end of the period, in the face of complete uncertainty surrounding Brexit. Growth should stabilise at around 1.5%.

In the rest of the world, emerging countries recovered, overall, and in broad terms, investment flows returned to these markets. In 2015, China raised concerns, with the marked drop in the Yuan and anxieties about the property and credit bubble.

Ultimately, its growth was above the target of 6.5% set by the government.

At the same time, Brazil and Russia gradually came out of recession.

#### Interest rates

In these circumstances, the Central Banks maintained accommodating policies, but started to prepare the markets for the imminence of an exit strategy. This is why rates rose over the period, but in a limited way.

The German 10-year bond yield rose from a negative rate of -0.11% to 0.45% at the end of the period. Similarly, the yield on US 10-year Treasury notes rose from 1.59% to 2.40%. These tensions however, were limited as investors were already, overall, positioned for a rise in rates and in addition, eurozone purchasing programmes are drying up the market.

Peripheral spreads held in the light of the more favourable context. Corporate spreads remained tight and stable over the period. High Yield bonds also made marked progress: 7.5% in the US and 6.2% in Europe, bringing yields to unequal lows for this asset class (2.2% on European growth potential).

Emerging market bonds were also sought-after with, in the end, performances of 15.21% in local currencies and 10.26% in strong currencies. Monetary rates did not change in the eurozone, although the EONIA remained in negative territory: its performance over the financial year is -0.36%. In the US, the FED was also very cautious in its strategy for raising interest rates: the target for Fed Funds settled at 1.25/1.50% after three rises of 25 basis points.

Convertible bonds achieved excellent performances, in conjunction with the performance of equities: 10% for the World Index (in dollars), +3.5% in Europe and +7% in the Eurozone on the best indexes.

**On foreign exchange**, the dollar fell against most currencies, notably by 12% vis-à-vis the euro. Overall, emerging country currencies also rose against the dollar, but in much more limited proportions than in previous months: for example, the Brazilian real stabilised against the dollar, after having recovered by more than 25% from its low point in early 2016. The Mexican peso took the same route, with growth of 5% over the financial year. We note the stability of the RMB, the Chinese currency, against the dollar during the period. In Europe, the fall in the pound eased, this currency losing only 4.5% against the euro over the period.

**The share markets** benefited from the economic improvement and from the fall in the country risk premium.

In fact, investors were encouraged by companies' results and the prospects set out by their directors. For the first time in several years, analysts therefore revised their estimates upwards.

This resulted in excellent performances on the share markets over the period: +9% for the international equities index (in euros), +22% on Wall Street (in dollars) where the major indexes beat historical records: +12.5% for eurozone equities, +13% for the CAC 40 and +21% for emerging country equities (in euros).

The growth trend continued to outperform, notably thanks to technology stock in the United States. Also to be noted: the performance of Chinese equities, listed locally, which also saw growth of nearly 25% in local currencies. And finally, regarding commodities, gold posted a fall of nearly 13% (in dollars) over the period, and oil remained stable at nearly USD 60 on the WTI at both the start and end of the period.

## Management

2017 can be divided into three separate periods:

- 1) a first quarter characterised by widespread deviation from Risk Arbitrage discounts, affecting in particular those presenting an identified antitrust risk, in a context of greater volatility of the share markets;
- 2) the second and third quarters, which saw the tightening of numerous Risk Arbitrage discounts, with a historically low failure rate, despite a number of transactions which, in the end, was lower than in 2016;
- 3) and finally, the last quarter marked by the DoJ blocking the **Time Warner/AT&T** operation.

In the US, we have seen a marked downturn of M&A activity in value compared to 2016. Uncertainties associated with Tax Reform explain to a great extent the wait-and-see policy of company managers. In the US, the largest transactions in 2017 were:

- in health insurance, the takeover of **Aetna** by **CVS Health** for \$69 billion;
- in avionics and automation, the takeover of **Rockwell Collins Inc** by **United Technologies Corp** for \$30 billion;
- in the medical device sector, the takeover of **CR Bard Inc** by **Becton Dickinson and Co** for \$24 billion.

In Europe, thanks to a favourable economic and political environment, M&A activity was very satisfactory. Among the main transactions, we can cite:

- in the pharmaceutical industry, still very active, the takeover of **Actelion** by **Johnson & Johnson** for €40 billion, in the first quarter;
- in the eyewear industry, the takeover of Luxottica Group SpA by Essilor International SA for €15 billion;
- in the luxury goods sector, the takeover of **Christian Dior** by the Arnaud family for €12 billion;
- or, in the digital sector, the bid for the takeover of **Gemalto NV** by **Thales** for €5 billion immediately after the failure of the takeover bid proposed by **Atos**.

This year also saw the return of financial transactions such as the takeover of **Staples**, the leading office supplies distributor in the US, by the investment fund **Sycamore Partners** for \$6.7 billion or the LBO of **PAI** of **Refresco** for €1.6 billion in Europe.

Overall, risk arbitrage discounts posted rather poor returns. However, as we said, on average over the year, the failure rate of transactions comes out at historically low levels which means that, ultimately, 2017 was a good year for the risk/return preferences of the strategy.

### Main positions of the Fund in 2017:

- SFR GROUP SA
- WHITEWAVE FOODS CO
- EVERBANK FINANCIAL CORP
- CR BARD
- REYNOLDS AMERICAN INC

### Main gains realised in 2017:

- ALERE INC
- SYNGENTA AG
- SFR GROUP SA
- NXP SEMICONDUCTOR
- ACTELION LTD

Main losses realised in 2017:

- ZODIAC AEROSPACE
- HALDEX AB
- RITE AID
- MONEYGRAM INTERNATIONAL INC
- NXSTAGE MEDICAL INC

Performances

Performance of the Fund between 30/12/2016 and 29/12/2017:

- R unit: +1.26% with volatility of 0.91%
- I unit: +1.66% with volatility of 0.89%

Performance of the Capitalised EONIA is -0.36% from 30/12/2016 to 29/12/2017.

Net asset value as at 29/12/2017:

- R unit: 131.69 compared to 130.05 as at 30/12/2016
- I unit: 112.3 compared to 110.40 as at 30/12/2016

## INFORMATION RELATIVE TO THE ESMA

### 1) Temporary purchase and sale or acquisitions transactions on securities (repurchase agreements, loans and borrowing)

As at 29/12/2017, we did not hold any position in temporary purchase and sale or acquisitions on securities (repurchase agreements, loans and borrowing).

### 2) Financial contracts (derivatives)

Foreign exchange: Positions open as at 29/12/2017

Instrument	Quantity	Currency	Counterparty
CAD versus EUR 2018/01/31	1,313,339.28	EUR	BNP PARIBAS PARIS
DKK versus EUR 2018/01/31	4,090,432.98	EUR	BNP PARIBAS PARIS
GBP versus EUR 2018/01/31	368,021.78	EUR	SOCIETE GENERALE CIB
SEK versus EUR 2018/01/31	1,781,926.80	EUR	CREDIT AGRICOLE CIB
SEK versus EUR 2018/01/31	- 225,001.25	EUR	SOCIETE GENERALE CIB
SGD versus EUR 2018/01/31	1,353,504.68	EUR	SOCIETE GENERALE CIB
USD versus EUR 2018/01/31	37,676,713.98	EUR	CREDIT AGRICOLE CIB
USD versus EUR 2018/01/31	42,071,854.00	EUR	NATIXIS CAPITAL MARKET PARIS
USD versus EUR 2018/01/31	- 2,318,552.00	EUR	SOCIETE GENERALE CIB

Rates: No position on 29/12/2017

Credit: No position on 29/12/2017

Shares - CFD: Positions as at 29/12/2017

Security Code	Security Name	Quantity	Curr	VBCI (EUR)	Counterparty
GB00BQQMCJ47-SGP	ALDERMORE GROUP	1,234,596.00000	GBP	5,163.96	SOCIETE GENERALE CIB
US0758871091-JPM	BECTON DICKINSON AND CO	-16,906.00000	USD	70,957.89	JP MORGAN SECURITIES CIB
GB00B01TND91-SGP	BOOKER GROUP	550,556.00000	GBP	132,731.35	SOCIETE GENERALE CIB
US1281951046-JPM	CALATLANTIC GROUP INC	63,400.00000	USD	257,654.90	JP MORGAN SECURITIES CIB
US2478501008-JPM	DELTAIC TIMBER	845.00000	USD	-2,427.76	JP MORGAN SECURITIES CIB
US26817R1086-JPM	DYNEGY INC	259,000.00000	USD	-116,472.35	JP MORGAN SECURITIES CIB
FR0000121667-SGP	ESSILOR	-24,330.00000	EUR	-217,753.50	SOCIETE GENERALE CIB
FR0004254035-SGP	EULER HERMES	20,000.00000	EUR	7,200.00	SOCIETE GENERALE CIB
US3202091092-JPM	FIRST FINANCIAL BANCORP	-227,936.00000	USD	56,946.04	JP MORGAN SECURITIES CIB
US4043031099-JPM	HSN	39,838.00000	USD	38,152.65	JP MORGAN SECURITIES CIB
US46600W1062-JPM	IXYS CORPORATION	70,000.00000	USD	2,914.72	JP MORGAN SECURITIES CIB
US5260571048-JPM	LENNAR CORP	-56,109.00000	USD	-243,911.54	JP MORGAN SECURITIES CIB
US50187A1079-JPM	LHC GROUP	-698.00000	USD	2,238.92	JP MORGAN SECURITIES CIB
US53071M1045-JPM	LIBERTY INTERACTIVE	-65,732.00000	USD	-46,529.15	JP MORGAN SECURITIES CIB
US5370081045-JPM	LITTELFUSE INC	-4,431.00000	USD	1,881.92	JP MORGAN SECURITIES CIB
US56062Y1029-JPM	MAINSOURCE FINANCIAL GROUP	156,519.00000	USD	-44,317.51	JP MORGAN SECURITIES CIB
BMG5876H105U-JPM	MARVELL TECHNOLOGY GROUP	-87,028.00000	USD	-66,771.24	JP MORGAN SECURITIES CIB
GB0034264548-SGP	PAYSAFE GROUP	828,017.00000	GBP	32,648.68	SOCIETE GENERALE CIB
US7376301039-JPM	POTLATCH	-1,521.00000	USD	4,496.63	JP MORGAN SECURITIES CIB
GB0001411924-SGP	SKY	257,000.00000	GBP	324,271.95	SOCIETE GENERALE CIB
GB0008847096-SGP	TESCO	-474,029.00000	GBP	-136,710.89	SOCIETE GENERALE CIB
US92210H105G-JPM	VANTIV	-59,983.00000	GBP	-121,273.49	JP MORGAN SECURITIES CIB
US92840M1027-JPM	VISTRA ENERGY CORP	-168,868.00000	USD	116,722.55	JP MORGAN SECURITIES CIB
GB00BYK2V80-JPM	WORLDPAY GROUP	892,604.00000	GBP	200,038.46	JP MORGAN SECURITIES CIB
FR0000125684-SGP	ZODIAC AEROSPACE	106,696.00000	EUR	12,877.19	SOCIETE GENERALE CIB

Commodities: No position on 29/12/2017

## INFORMATION RELATING TO TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS AND RE-USE

As of the end-of-year at 29 December 2017, the mutual fund had performed neither securities financing transactions nor total return swaps.

## Balance sheet as at 29 December 2017 (in euros)

### BALANCE SHEET ASSETS

	29/12/2017	30/12/2016
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>242,270,571.57</b>	<b>243,792,892.04</b>
<b>Shares and similar securities</b>	<b>104,703,148.96</b>	<b>72,924,919.13</b>
Traded on a regulated or similar market	104,703,148.96	72,924,919.13
Not traded on a regulated or similar market	-	-
<b>Bonds and similar securities</b>	-	-
Traded on a regulated or similar market	-	-
Not traded on a regulated or similar market	-	-
<b>Debt securities</b>	<b>108,911,233.51</b>	<b>142,070,517.68</b>
Traded on a regulated market or similar	108,911,233.51	142,070,517.68
Transferable debt securities	108,911,233.51	142,070,517.68
Other debt securities	-	-
Not traded on a regulated or similar market	-	-
<b>Mutual funds</b>	<b>27,389,291.29</b>	<b>28,063,135.35</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries	27,389,291.29	28,063,135.35
Other Funds aimed at non-professionals and equivalents in other Member States of the European Union	-	-
General purpose professional funds and equivalents in other Member States of the European Union and listed securitisation vehicles	-	-
Other professional investment funds and equivalents in other Member States of the European Union and unlisted securitisation vehicles	-	-
Other non-European vehicles	-	-
<b>Temporary transactions on securities</b>	-	-
Receivables representative of securities under repurchase agreements	-	-
Receivables representative of securities lent	-	-
Securities borrowed	-	-
Securities given under a repurchase agreement	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	<b>1,266,897.81</b>	<b>734,319.88</b>
Transactions on a regulated or similar market	-	-
Other transactions	1,266,897.81	734,319.88
<b>Other financial instruments</b>	-	-
<b>Receivables</b>	<b>107,176,604.03</b>	<b>93,044,545.67</b>
Foreign exchange forward transactions	93,229,657.27	75,464,363.13
Other	13,946,946.76	17,580,182.54
<b>Financial accounts</b>	<b>31,175,607.65</b>	<b>25,128,291.94</b>
Liquid assets	31,175,607.65	25,128,291.94
<b>Total assets</b>	<b>380,622,783.25</b>	<b>361,965,729.65</b>

## Balance sheet as at 29 December 2017 (in euros)

### BALANCE SHEET LIABILITIES

	29/12/2017	30/12/2016
<b>Equity</b>		
<b>Capital</b>	268,017,762.74	284,629,186.19
Previous net capital gains and losses not distributed (a)	4,657,608.90	-
Carry forward (a)	-	-
Net capital gains and losses for the financial year (a, b)	11,411,954.88	4,657,608.90
Result for the financial year (a, b)	-1,450,166.53	-2,800,248.73
<b>Equity total</b>	282,637,159.99	286,486,546.36
(= Amount representative of net assets)		
<b>Financial instruments</b>	996,167.43	526,933.98
Purchase and sale transactions on financial instruments	-	-
<b>Temporary transactions on securities</b>	-	-
Payables representative of securities given under a repurchase agreement	-	-
Payables representative of securities borrowed	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	996,167.43	526,933.98
Transactions on a regulated or similar market	-	-
Other transactions	996,167.43	526,933.98
<b>Payables</b>	96,976,734.69	74,952,249.31
Foreign exchange forward transactions	92,242,857.07	74,646,216.87
Other	4,733,877.62	306,032.44
<b>Financial accounts</b>	12,721.14	-
Current bank credit facilities	12,721.14	-
Borrowing	-	-
<b>Total liabilities</b>	380,622,783.25	361,965,729.65

(a) Including accrual accounts

(b) Minus advances paid in respect of financial year

## Off-balance sheet (in euros)

	29/12/2017	30/12/2016
<b>HEDGING TRANSACTIONS</b>		
<b>Commitments on regulated or similar markets</b>	-	-
<b>OTC commitments</b>	-	-
<b>Other commitments</b>	-	-
<b>OTHER TRANSACTIONS</b>		
<b>Commitments on regulated or similar markets</b>	-	-
<b>OTC commitments</b>	<b>61,471,615.05</b>	<b>98,788,359.29</b>
<b>EQUITIES</b>	61,471,615.05	98,788,359.29
PURCHASE - CFD - ALDERMORE GROUP PLC	4,315,835.51	-
PURCHASE - CFD - BATS GLOBAL MARKETS INC	-	3,174,323.91
PURCHASE - CFD - BOOKER GRP SHS	1,420,349.51	-
PURCHASE - CFD - BRAAS MONIER	-	1,550,780.00
PURCHASE - CFD - CALATLANTIC GROUP INC	2,977,286.81	-
PURCHASE - CFD - CHEMTURA CORP W/I	-	3,179,141.98
PURCHASE - CFD - DELTIC TIMBER CORPORATION	64,423.51	-
PURCHASE - CFD - DYNEGY INC/NEW	2,555,921.05	-
PURCHASE - CFD - ENDURANCE SPECIALTY HOLDINGS	-	6,482,673.62
PURCHASE - CFD - EULER HERMES GROUP	2,436,200.00	-
PURCHASE - CFD - EVERBANK FINANCIAL CORP	-	9,736,525.24
PURCHASE - CFD - FAIRPOINT COMMUNICATIONS INC	-	2,593,196.68
PURCHASE - CFD - G&K SERVICES-A	-	4,849,521.55
PURCHASE - CFD - HARMAN INTERNATIONAL INDUSTRIE	-	4,320,986.02
PURCHASE - CFD - HSN	1,338,660.31	-
PURCHASE - CFD - ISLE CAPRI CASINOS	-	1,708,812.51
PURCHASE - CFD - IXYS	1,396,152.56	-
PURCHASE - CFD - KLA-TENCOR	-	6,736,007.58
PURCHASE - CFD - MAINSOURCE FINL GRP	4,732,848.84	-
PURCHASE - CFD - MANITOBA TELECOM SERVICES	-	3,059,450.67
PURCHASE - CFD - MENTOR GRAPHICS	-	1,468,954.73
PURCHASE - CFD - METALDYNE PERFORMANCE GROUP INC	-	593,708.18
PURCHASE - CFD - PAYSAFE GROUPE PLC	5,503,633.53	-
PURCHASE - CFD - SFR GROUP ACT	-	4,055,032.54
PURCHASE - CFD - SKY PLC	2,930,028.73	-
PURCHASE - CFD - SPECTRA ENERGY	-	337,095.78
PURCHASE - CFD - ST JUDE MEDICAL INC	-	6,386,309.55
PURCHASE - CFD - SYNGENTA AG-NOM USD	-	5,932,369.40
PURCHASE - CFD - VALSPAR CORP	-	1,425,343.54
PURCHASE - CFD - WORLDPAY GROUP PLC	4,283,775.18	-
PURCHASE - CFD - ZODIAC AEROSPACE	2,659,931.28	-
SALE - CFD - ABBOTT LABORATORIES	-	2,664,392.18
SALE - CFD - ALTICE NV A	-	4,553,508.26

## Off-balance sheet (in euros)

	29/12/2017	30/12/2016
SALE - CFD - AM AXLE & MFG HLDS	-	247,830.48
SALE - CFD - ARBONIA N	-	542,913.43
SALE - CFD - BCE INC	-	3,159,782.63
SALE - CFD - BECTON DICKINSON & CO	3,013,739.47	-
SALE - CFD - CBOE HOLDINGS	-	4,801,676.59
SALE - CFD - CONSDATED COMM ILLINOIS HLDING	-	2,718,093.15
SALE - CFD - ELDORADO RESORTS INC	-	807,107.66
SALE - CFD - ENBRIDGE USD	-	340,034.89
SALE - CFD - ESSILOR INTERNATIONAL	2,796,733.50	-
SALE - CFD - FIRST FINL BANCORP	5,001,760.16	-
SALE - CFD - JX HOLDINGS	-	3,537,914.40
SALE - CFD - LAM RESEARCH CORP	-	4,525,915.62
SALE - CFD - LENNAR A	2,954,974.32	-
SALE - CFD - LHC GROUP	35,603.35	-
SALE - CFD - LIBERTY INT QVC-A QVC GROUP SHS	1,336,755.03	-
SALE - CFD - LITTELFUSE	729,963.71	-
SALE - CFD - MARVELL TECHNOLOGY	1,556,038.61	-
SALE - CFD - POTLACH HOLDINGS	63,206.11	-
SALE - CFD - TECHNIP SA	-	3,298,956.52
SALE - CFD - TESCO PLC	1,117,451.34	-
SALE - CFD - VANTIV INC	3,674,008.72	-
SALE - CFD - VISTRA ENERGY CORP	2,576,333.91	-
<b>Other commitments</b>	-	-



## Profit and loss account (in euros)

	29/12/2017	30/12/2016
<b>Income on financial transactions</b>		
Income on deposits and financial accounts	11,552.88	344.26
Income on shares and similar securities	1,426,501.97	327,909.99
Income on bonds and similar securities	-	16,065.00
Income on debt securities	-49,780.04	49,327.15
Income on acquisitions and temporary purchase and sale of securities	-	-
Income on financial contracts	51,506.83	2,620.43
Other financial income	-	-
<b>Total (I)</b>	<b>1,439,781.64</b>	<b>396,266.83</b>
<b>Expenses on financial transactions</b>		
Expenses on acquisitions and temporary purchase and sale of securities	-	-
Expenses on financial contracts	387,597.72	607,211.21
Expenses on financial receivables	82,162.48	48,677.98
Other financial expenses	-	-
<b>Total (II)</b>	<b>469,760.20</b>	<b>655,889.19</b>
<b>Result on financial transactions (I-II)</b>	<b>970,021.44</b>	<b>-259,622.36</b>
Other income (III)	-	-
Management fees and allocations to amortisation (IV)	2,379,351.63	2,523,927.25
<b>Net result for financial year (L. 214-17-1) (I - II + III - IV)</b>	<b>-1,409,330.19</b>	<b>-2,783,549.61</b>
Adjustment of income for financial year (V)	-40,836.34	-16,699.12
Advances on result paid in respect of financial year (VI)	-	-
<b>Result (I - II + III - IV +/- V - VI)</b>	<b>-1,450,166.53</b>	<b>-2,800,248.73</b>

# APPENDIX

## ACCOUNTING RULES AND METHODS

The Fund has complied with the accounting rules established by the Accounting Standards Authority regulation no. 2014-01 of 14 January 2014 on the accounting plan of SICAVs.

The rules for valuation are fixed, under its responsibility, by the management company.

The accounting currency for the fund is the euro.

The net asset value is calculated every non-holiday trading day, and is dated that same day.

The accounts relating to the securities portfolio are kept by reference to the historic cost: entries (purchases or subscriptions) and exits (sales or redemptions) are posted based on the acquisition price, excluding costs.

Any exit generates a capital gain or capital loss from sale or redemption and potentially, a redemption bonus.

Accrued coupons on negotiable debt securities are considered on the day of the net asset value date.

The UCI values its securities at the actual value, the value resulting from the market value or in the absence of the existence of any market, from financial methods. The entry value-actual value difference generates a capital gain or loss which shall be posted as "difference in estimate of portfolio".

## Description of methods of valuation of balance sheet entries and forward and options transactions

### Financial instruments

#### Equity securities

Equity securities admitted for trading on a regulated or similar market are valued based on closing prices.

#### Debt securities

Debt securities admitted for trading on a regulated or similar market are valued, under the responsibility of the management company, by comparing the prices of these assets with various sources.

#### Money market instruments

- Negotiable debt securities (NDS) with a duration on issue, acquisition or residual duration which is less than three months are valued using a linear method up to maturity at the issue or acquisition price or at the last price applied for their valuation at the market price.
- Negotiable debt securities (NDS) with a residual duration of more than three months are valued at the market price at the time of publication of inter-bank market prices.

#### Unlisted transferable securities

Unlisted transferable securities are valued under the responsibility of the management company using methods based on the asset value and the return, taking into consideration the prices applied at the time of recent significant transactions.

### UCI

Units or shares of UCIs are valued at the last known net asset value on the actual day of calculation of the net asset value.

**Financial contracts (otherwise known as "futures instruments") within the meaning of Article L.211-1, III of the Monetary and Financial Code.**

#### Financial contracts traded on a regulated or similar market

Futures or options, traded on European regulated or similar markets, are valued at the settlement price, or failing this, based on the closing price.

#### Financial contracts not traded on a regulated or similar market (i.e. traded over-the-counter)

- *Financial contracts not traded on a regulated or similar market and settled*  
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued at the settlement price.
- *Financial contracts not traded on a regulated or similar market and not settled*  
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued using mark-to-model or mark-to-market pricing using prices provided by the counterparties. CFD are valued at the closing rate of the underlying asset of the instrument.

## Acquisitions and temporary purchase and sale of securities

Not applicable

## Deposits

Deposits are valued at their book value.

## Foreign currencies

Foreign currencies in cash are valued with the prices published daily on the financial databases used by the management company.

## Description of off-balance sheet commitments

Futures contracts feature off-balance sheet for their market value, a value equal to the price (or the estimate if the transaction is OTC) multiplied by the number of contracts multiplied by the nominal and potentially translated to the fund posting currency.

Options transactions are translated as an underlying equivalent of the option (quantity x quota x price of underlying x delta potentially translated to fund posting currency).

CFD feature off-balance sheet for their market value, a value equal to the price (or the estimate if the transaction is OTC) multiplied by the number of contracts and possibly translated into the fund accounting currency.

## Description of method followed for posting income from securities with fixed income

Result is calculated based on coupons cashed. Coupons accrued on the day of the valuations constitute an element of the valuation difference.

## Option chosen regarding posting of costs

The mutual fund has opted for posting with costs excluded.

## Description of the method for calculating fixed management fees

Management fees are directly charged to the profit and loss account of the UCI, on calculation of each net asset value. The maximum rate applied on the basis of net assets may not be more than

- 1.35% (including tax); all UCI included, for R units
- 0.85% (including tax); all UCI included, for I units
- 1.10% (including tax); all UCI included, for GI units
- 1.50% (including tax); all UCI included, for GR units.

These fees cover all costs charged directly to the UCI, with the exception of transactions costs. Transaction costs include brokerage fees (brokerage, stock market taxes, etc.) and turnover commission.

The following may be added to the operating and management fees:

- outperformance commission. This remunerates the management company once the UCI has exceeded its objectives. It is therefore charged to the UCI;
- turnover fee charged to the UCI;

## Description of the method for calculating variable management fees

Variable costs correspond to an outperformance commission and are applied to both unit types: R and I. The calculation period for the outperformance commission is the financial year of the UCI. Each time the net asset value is established, the outperformance of the UCI is defined as the positive difference between the net assets of the UCI before consideration of any provision for outperformance commission, and the net assets of a notional UCI achieving a performance equal to the capitalised EONIA +2% and registering the same pattern of subscriptions and redemptions as the actual UCI.

Each time the net asset value is established, the outperformance commission, then defined equal to 20% (including tax) of performance above the capitalised EONIA +2%, forms the subject of a provision, or a provision reversal limited to the existing allocation. Such a provision can only be passed on the condition that the net asset value, after consideration after any provision for outperformance commission, is higher than the net asset value at the start of the financial year.

In the case of redemptions, the share of the outperformance commission corresponding to the redeemed units is collected by the management company. Excluding redemptions, the outperformance commission is collected by the management company on the closure date of each calculation period.

## Allocation of distributable sums

### Distributable amounts relating to the net result:

Pure capitalisation: the distributable sums relating to the net result are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

### Distributable sums relating to capital gains made:

The management company decides, each year, on allocation of the capital gains made. The management company may decide on the payment of exceptional part payments.

## Evolution of net assets of the UCI (in euros)

	29/12/2017	30/12/2016
<b>Net assets at the beginning of the financial year</b>	<b>286,486,546.36</b>	<b>225,387,972.57</b>
Subscriptions (including subscription fees retained by the UCI)	74,808,001.45	157,449,179.99
Redemptions (after deduction of redemption fees retained by the UCI)	-82,896,059.98	-98,745,285.45
Capital gains made on deposits and financial instruments	18,762,643.79	19,349,857.17
Capital losses made on deposits and financial instruments	-13,414,996.13	-12,765,566.97
Capital gains made on financial contracts	45,821,288.02	139,266,900.62
Capital losses made on financial contracts	-43,505,593.83	-138,615,141.55
Transaction costs	-405,021.21	-496,009.26
Exchange differences	-1,274,250.06	-503,138.93
Change in difference in estimate of deposits and financial instruments	-398,962.87	-588,089.34
Difference of estimate financial year N	382,365.26	
Difference of estimate financial year N - 1	781,328.13	
Change in difference in estimate of financial contracts	62,894.64	-471,731.70
Difference of estimate financial year N	270,880.81	
Difference of estimate financial year N - 1	207,986.17	
Distribution for the previous financial year on net capital gains and losses	-	-
Distribution for the previous financial year on result	-	-
Net result of the financial year before accruals account	-1,409,330.19	-2,783,549.61
Advance(s) paid during financial year on net capital gains and losses	-	-
Advance(s) paid during financial year on result	-	-
Other elements	-	1,148.82 <sup>(1)</sup>
<b>Net assets at the end of the financial year</b>	<b>282,637,159.99</b>	<b>286,486,546.36</b>

(1) Merger balancing payment

## Allocation by legal or economic nature

Designation of securities	Nominal	%
<b>Assets</b>		
<b>Bonds and similar securities</b>	-	-
Indexed bonds	-	-
Convertible Bonds	-	-
Equity securities	-	-
Other bonds	-	-
<b>Debt securities</b>	<b>108,911,233.51</b>	<b>38.53</b>
Short-term negotiable securities	98,905,088.22	34.99
Medium-term negotiable securities	10,006,145.29	3.54
<b>Liabilities</b>		
<b>Purchase and sale transactions on financial instruments</b>	-	-
Shares and similar securities	-	-
Bonds and similar securities	-	-
Debt securities	-	-
Other	-	-
<b>Off-balance sheet</b>		
Rate	-	-
Equities	61,471,615.05	21.75
Credit	-	-
Other	-	-

## Allocation by nature of rate

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-
Debt securities	35,999,573.14	12.74	72,911,660.37	25.80	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	31,175,607.65	11.03
<b>Liabilities</b>								
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	12,721.14	0.00

## Allocation by nature of rate (continued)

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
<b>Off-balance sheet</b>								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

## Allocation by residual maturity

	< 3 months	%	]3 months - 1 year]	%	]1 - 3 years]	%	]3 - 5 years]	%	> 5 years	%
<b>Assets</b>										
Deposits	-	-	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-	-	-
Debt securities	48,927,782.18	17.31	59,983,451.33	21.22	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	31,175,607.65	11.03	-	-	-	-	-	-	-	-
<b>Liabilities</b>										
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	12,721.14	0.00	-	-	-	-	-	-	-	-
<b>Off-balance sheet</b>										
Hedging transactions	-	-	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-	-	-

## Allocation by currency

	USD	%	DKK	%	SEK	%	Other	%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Shares and similar securities	68,004,931.52	24.06	4,116,035.78	1.46	1,560,365.28	0.55	2,673,750.58	0.95
Bonds and similar securities	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
UCI	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Receivables	5,801,166.68	2.05	-	-	227,882.83	0.08	12,741.34	0.00
Financial accounts	6,563,955.55	2.32	0.08	0.00	0.03	0.00	6,287.11	0.00

## Allocation by currency (continued)

	USD	%	DKK	%	SEK	%	Other	%
<b>Liabilities</b>								
Purchase and sale transactions on financial instruments	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Payables	80,194,936.22	28.37	4,089,893.66	1.45	1,796,834.64	0.64	3,049,084.25	1.08
Financial accounts	-	-	-	-	-	-	12,721.14	0.00
<b>Off-balance sheet</b>								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	30,333,667.75	10.73	-	-	-	-	23,245,082.51	8.22

## Sundry debtors and creditors

	29/12/2017
<b>Receivables</b>	
Currency forward purchase	4,573,864.09
Currency forward sale counterparty	88,655,793.18
Cash collateral paid	12,400,000.00
Sale with deferred settlement	1,415,722.85
Coupons receivable	43,742.23
Deferred settlement receivable on CFD	8,461.68
Subscriptions receivable	79,020.00
<b>Total receivables</b>	<b>107,176,604.03</b>
<b>Payables</b>	
Currency forward sale	-87,643,098.87
Currency forward purchase counterparty	-4,599,758.20
Provision for fixed management fees payable	-196,506.49
Provision for variable management fees payable	-37,859.19
Turnover fee provision	-1,200.00
Purchase with deferred settlement	-4,427,403.17
Deferred settlement payable on CFD	-4,399.68
Coupons payable	-56,464.61
Provision for credit interest on CFD	-4,737.50
Redemptions payable	-5,306.98
<b>Total payables</b>	<b>-96,976,734.69</b>
<b>Total</b>	<b>10,199,869.34</b>



## Subscriptions-redemptions

<b>Category of R units</b>	
Units issued	210,034.3570
Units redeemed	338,021.5900
<b>Category of I units</b>	
Units issued	425,057.3950
Units redeemed	348,927.0000
<b>Category of GI units</b>	
Units issued	1.0000 <sup>(2)</sup>
Units redeemed	-
<b>Category of GR units</b>	
Units issued	1.0000 <sup>(3)</sup>
Units redeemed	-

(2) The category of GI units was created on 28/08/2017.

(3) The category of GR units was created on 28/08/2017.

## Commissions

<b>Category of R units</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>Category of I units</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>Category of GI units</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>Category of GR units</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00

## Management fees

<b>Category of R units</b>		
Percentage of fixed management fees		1.17
Performance commission (variable costs)		4,649.80
Retrocession of management fees		-
<b>Category of I units</b>		
Percentage of fixed management fees		0.77
Performance commission (variable costs)		33,209.39
Retrocession of management fees		-
<b>Category of GI units</b>		
Percentage of fixed management fees		0.35 <sup>(4)</sup>
Performance commission (variable costs)		-
Retrocession of management fees		-
<b>Category of GR units</b>		
Percentage of fixed management fees		0.56 <sup>(5)</sup>
Performance commission (variable costs)		-
Retrocession of management fees		-

(4) The category of GI units was created on 28 August 2017 - the rate presented has been annualised.

(5) The category of GR units was created on 28 August 2017 - the rate presented has been annualised.

## Commitments received and given

<b>Description of guarantees received by the UCI with notably, mention of capital guarantees</b>
Nil
<b>Other commitments received and/or given</b>
Nil

## Other information

Code	Name	Quantity	Price	Current value (in euros)
<b>Current value of financial instruments forming the subject of temporary acquisition</b>				
	Nil			
<b>Current value of financial instruments constituting guarantee deposits</b>				
<b>Financial instruments received as guarantee and not posted on the balance sheet</b>				
	Nil			
<b>Financial instruments given as guarantee and kept in their original entry</b>				
	Nil			
<b>Financial instruments held in the portfolio issued by entities associated with the management company (fund) or with the financial manager(s) (SICAV) and variable capital UCI managed by these entities</b>				
FR0000008997	OFI RS LIQUIDITES	3,216.2213	4,374.91	14,070,678.73

## Other information (continued)

Code	Name	Quantity	Price	Current value (in euros)
FR0011381227	OFI RS MONETAIRE	132.00	100,898.58	13,318,612.56
	<i>Sub-total</i>			27,389,291.29

## Advances on result paid in respect of financial year

	Date	Total amount	Unit amount	Total tax credits	Unit tax credit
<b>Total advances</b>		-	-	-	-

## Advances on net capital gains and losses paid in respect of financial year

	Date	Total amount	Unit amount
<b>Total advances</b>		-	-

## Table showing allocation of distributable amounts relating to the result (in euros)

	29/12/2017	30/12/2016
<b>Category of R units</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	-449,479.65	-902,197.91
<b>Total</b>	<b>-449,479.65</b>	<b>-902,197.91</b>
<b>Allocation</b>		
Retailing	-	-
Carry forward for the financial year	-	-
Capitalisation	-449,479.65	-902,197.91
<b>Total</b>	<b>-449,479.65</b>	<b>-902,197.91</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>Category of I units</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	-1,000,686.61	-1,898,050.82
<b>Total</b>	<b>-1,000,686.61</b>	<b>-1,898,050.82</b>
<b>Allocation</b>		
Retailing	-	-

**Table showing allocation of distributable amounts relating to the result (in euros) (continued)**

	29/12/2017	30/12/2016
Carry forward for the financial year	-	-
Capitalisation	-1,000,686.61	-1,898,050.82
<b>Total</b>	<b>-1,000,686.61</b>	<b>-1,898,050.82</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>Category of GI units</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	-0.10 <sup>(6)</sup>	-
<b>Total</b>	<b>-0.10</b>	<b>-</b>
<b>Allocation</b>		
Retailing	-	-
Carry forward for the financial year	-	-
Capitalisation	-0.10	-
<b>Total</b>	<b>-0.10</b>	<b>-</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>Category of GR units</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	-0.17 <sup>(7)</sup>	-
<b>Total</b>	<b>-0.17</b>	<b>-</b>
<b>Allocation</b>		
Retailing	-	-
Carry forward for the financial year	-	-
Capitalisation	-0.17	-
<b>Total</b>	<b>-0.17</b>	<b>-</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-

(6) The category of GI units was created on 28/08/2017.

(7) The category of GR units was created on 28/08/2017.

**Table showing allocation of distributable sums relating to net capital gains and losses  
(in euros)**

	29/12/2017	30/12/2016
<b>Category of R units</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	1,148,556.33	-
Net capital gains and losses for the financial year	2,200,128.09	1,148,556.33
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>3,348,684.42</b>	<b>1,148,556.33</b>
<b>Allocation</b>		
Retailing	-	-
Net capital gains and losses not distributed	3,348,684.42	1,148,556.33
Capitalisation	-	-
<b>Total</b>	<b>3,348,684.42</b>	<b>1,148,556.33</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	412,738.7050	540,725.9380
Unit distribution	-	-
<b>Category of I units</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	3,509,052.57	-
Net capital gains and losses for the financial year	9,211,825.05	3,509,052.57
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>12,720,877.62</b>	<b>3,509,052.57</b>
<b>Allocation</b>		
Retailing	-	-
Net capital gains and losses not distributed	12,720,877.62	3,509,052.57
Capitalisation	-	-
<b>Total</b>	<b>12,720,877.62</b>	<b>3,509,052.57</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	2,034,047.7890	1,957,917.3940
Unit distribution	-	-
<b>Category of GI units</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	0.87 <sup>(8)</sup>	-
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>0.87</b>	<b>-</b>
<b>Allocation</b>		
Retailing	-	-
Net capital gains and losses not distributed	0.87	-
Capitalisation	-	-
<b>Total</b>	<b>0.87</b>	<b>-</b>

**Table showing allocation of distributable sums relating to net capital gains and losses  
(in euros) (continued)**

	29/12/2017	30/12/2016
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1.0000	-
Unit distribution	-	-
<b>Category of GR units</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	0.87 <sup>(9)</sup>	-
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>0.87</b>	<b>-</b>
<b>Allocation</b>		
Retailing	-	-
Net capital gains and losses not distributed	0.87	-
Capitalisation	-	-
<b>Total</b>	<b>0.87</b>	<b>-</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1.0000	-
Unit distribution	-	-

(8) The category of GI units was created on 28/08/2017.

(9) The category of GR units was created on 28/08/2017.

**Table showing results and other characteristic elements of the UCI during the last five financial years (in euros)**

	29/12/2017	30/12/2016	31/12/2015	31/12/2014	31/12/2013
<b>Net assets</b>					
in EUR	282,637,159.99	286,486,546.36	225,387,972.57	165,571,911.26	85,048,141.86
<b>Number of securities</b>					
Category of R units	412,738.7050	540,725.9380	526,901.1440	505,314.2430	293,507.8310
Category of I units	2,034,047.7890	1,957,917.3940	1,440,046.0000	936,885.0000	470,000.0000
Category of GI units	1.0000	-	-	-	-
Category of GR units	1.0000	-	-	-	-
<b>Unit net asset value</b>					
Category of R units in EUR	131.69	130.05	129.19	127.93	123.61
Category of I units in EUR	112.23	110.40	109.24	107.72	103.75
Category of GI units in EUR	100.50 <sup>(12)</sup>	-	-	-	-
Category of GR units in EUR	100.42 <sup>(13)</sup>	-	-	-	-
<b>Unit distribution on net capital gains and losses (including advances)</b>					

**Table showing results and other characteristic elements of the UCI during the last five financial years (in euros) (continued)**

	29/12/2017	30/12/2016	31/12/2015	31/12/2014	31/12/2013
Category of R units in EUR	-	-	-	-	-
Category of I units in EUR	-	-	-	-	-
Category of GI units in EUR	-	-	-	-	-
Category of GR units in EUR	-	-	-	-	-
<b>Unit distribution on result (including advances)</b>					
Category of R units in EUR	-	-	-	-	-
Category of I units in EUR	-	-	-	-	-
Category of GI units in EUR	-	-	-	-	-
Category of GR units in EUR	-	-	-	-	-
<b>Unit tax credit transferred to bearer (individuals)</b>					
Category of R units in EUR	-	-	-	-	-
Category of I units in EUR	-	-	-	-	-
Category of GI units in EUR	-	-	-	-	-
Category of GR units in EUR	-	-	-	-	-
<b>Unit capitalization</b>					
Category of R units in EUR	-1.08	-1.66	0.68	4.69	-4.01 <sup>(10)</sup>
Category of I units in EUR	-0.49	-0.96	1.02	4.27	-2.95 <sup>(11)</sup>
Category of GI units in EUR	-0.10	-	-	-	-
Category of GR units in EUR	-0.17	-	-	-	-

(10) The unit capitalisation from 31 December 2013 is that of the result and the net capital gains or losses. For previous financial years, the unit capitalization is only that of the result.

(11) The unit capitalisation from 31 December 2013 is that of the result and the net capital gains or losses. For previous financial years, the unit capitalization is only that of the result.

(12) The category of GI units was created on 28 August 2017 with a nominal value of EUR 100.00

(13) The category of GR units was created on 28 August 2017 with a nominal value of EUR 100.00.

## Portfolio inventory as at 29 December 2017

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
<b>Deposits</b>			-	-
<b>Financial instruments</b>				
<b>Shares and similar securities</b>			<b>104,703,148.96</b>	<b>37.05</b>
Traded on a regulated or similar market			104,703,148.96	37.05
ABERTIS INFRAESTRUCTURAS A	EUR	295,000.00	5,472,250.00	1.94
ADVANCED ACCELERATOR APPLICATIONS ADR	USD	60,000.00	4,078,281.15	1.44
AKORN	USD	65,500.00	1,758,048.80	0.62
ALMOST FAMILY	USD	763.00	35,169.93	0.01
AURICO METALS INC	CAD	1,100,000.00	1,308,740.45	0.46
AXIARE PATRIMONIO SHARE	EUR	225,000.00	4,144,500.00	1.47
BARD (CR) INC	USD	33,300.00	9,195,998.60	3.25
BARRACUDA NETWORKS INC	USD	58,000.00	1,328,281.15	0.47
BOB EVANS FARMS INC	USD	42,000.00	2,756,862.09	0.98
BROADSOFT	USD	60,000.00	2,743,171.22	0.97
BUWOG AG REIT	EUR	202,003.00	5,807,586.25	2.05
CALGON CARBON CORPORATION	USD	150,000.00	2,660,726.18	0.94
CALPINE CORP W/I	USD	210,000.00	2,645,986.01	0.94
CAVIUM	USD	40,000.00	2,792,471.69	0.99
DYAX CORP RIGHT	USD	73,100.00	0.00	0.00
EXACTECH	USD	32,000.00	1,317,788.14	0.47
GEMALTO	EUR	28,000.00	1,386,000.00	0.49
GGP REGISTERED SHS	USD	65,000.00	1,266,114.26	0.45
GLOBAL LOGISTIC PROPERTIE	SGD	650,000.00	1,365,010.13	0.48
HALDEX AB	SEK	175,825.00	1,560,365.28	0.55
IGNYTA	USD	64,000.00	1,423,051.30	0.50
KINDRED HEALTHCARE	USD	102,100.00	824,758.49	0.29
LUXOTTICA GROUP	EUR	52,776.00	2,699,492.40	0.96
MONEYGRAM INTERNATIONAL INC	USD	120,000.00	1,317,121.92	0.47
MONSANTO	USD	27,000.00	2,625,799.47	0.93
NETS A/S	DKK	187,779.00	4,116,035.78	1.46
NXP SEMICONDUCTOR	USD	43,027.00	4,195,562.48	1.48
NXSTAGE MEDICAL	USD	54,000.00	1,089,623.58	0.39
ORBITAL ATK	USD	59,000.00	6,461,109.26	2.29
REFRESCO GROUP NV UNITARY 144A REGS	EUR	277,009.00	5,484,778.20	1.94
REGAL ENTERTAINMENT	USD	72,000.00	1,379,680.21	0.49
ROCKWELL COLLINS INC.	USD	36,200.00	4,088,477.68	1.45
SILVER SPRING	USD	485,209.00	6,562,120.39	2.32
TIME WARNER	USD	36,000.00	2,742,271.82	0.97
WGL HOLDINGS	USD	38,000.00	2,716,455.70	0.96
ZODIAC AEROSPACE	EUR	134,515.00	3,353,458.95	1.19
Not traded on a regulated or similar market			-	-
<b>Bonds and similar securities</b>			-	-
Traded on a regulated or similar market			-	-



## Portfolio inventory as at 29 December 2017 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
Not traded on a regulated or similar market			-	-
<b>Debt securities</b>			<b>108,911,233.51</b>	<b>38.53</b>
Traded on a regulated market or similar			108,911,233.51	38.53
Transferable debt securities			108,911,233.51	38.53
BFCM EONIA+0.04% 14/12/2018	EUR	10,000,000.00	9,999,594.67	3.54
BNP PARIBAS EONIA+0.09% 16/02/2018	EUR	12,000,000.00	11,974,654.22	4.24
BPCE EONIA+0.08% 14/12/2018	EUR	5,000,000.00	4,999,425.42	1.77
BPCE EONIA+0.08% 20/06/2018	EUR	6,000,000.00	5,994,183.12	2.12
CREDIT AGRICOLE CIB EONIA+0.08% 16/02/2018	EUR	12,000,000.00	11,973,600.88	4.24
CREDIT INDUSTRIEL E EONIA+0.04% 14/12/2018	EUR	10,000,000.00	9,999,594.67	3.54
IMERYS ZCP 06/04/2018	EUR	6,000,000.00	6,003,887.37	2.12
NATIXIS EONIA+0.07% 14/09/2018	EUR	8,000,000.00	7,995,765.17	2.83
RABOBANK NERDELAND EONIA+0.06% 05/02/2018	EUR	10,000,000.00	9,974,842.22	3.53
TECHNIP EUROCASH ZCP 05/02/2018	EUR	10,000,000.00	10,003,084.95	3.54
VICAT ZCP 30/11/2018	EUR	3,500,000.00	3,495,153.87	1.24
VICAT ZCP 30/11/2018	EUR	6,500,000.00	6,491,301.66	2.30
VOLKSWAGEN INTERN ZCP 15/02/2018	EUR	5,000,000.00	5,001,599.91	1.77
VOLKSWAGEN INTL ZCP 21/06/2018	EUR	5,000,000.00	5,004,545.38	1.77
Other debt securities			-	-
Not traded on a regulated or similar market			-	-
<b>Mutual funds</b>			<b>27,389,291.29</b>	<b>9.69</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries			27,389,291.29	9.69
OFI RS LIQUIDITES	EUR	3,216.2213	14,070,678.73	4.98
OFI RS MONETAIRE	EUR	132.00	13,318,612.56	4.71
Other Funds aimed at non-professionals and equivalents in other Member States of the European Union			-	-
General purpose professional funds and equivalents in other Member States of the European Union and listed securitisation vehicles			-	-
Other professional investment funds and equivalents in other Member States of the European Union and unlisted securitisation vehicles			-	-
Other non-European vehicles			-	-
<b>Temporary transactions on securities</b>			<b>-</b>	<b>-</b>
Receivables representative of securities under repurchase agreements			-	-
Receivables representative of securities lent			-	-
Securities borrowed			-	-
Securities given under a repurchase agreement			-	-
Payables representative of securities given under a repurchase			-	-
Payables representative of securities borrowed			-	-
Other temporary transactions			-	-
<b>Purchase and sale transactions on financial instruments</b>			<b>-</b>	<b>-</b>
<b>Financial contracts</b>			<b>270,730.38</b>	<b>0.10</b>
Transactions on a regulated or similar market			-	-

## Portfolio inventory as at 29 December 2017 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
Other transactions			270,730.38	0.10
ALDERMORE GROUP PLC	GBP	1,234,596.00	5,163.96	0.00
BECTON DICKINSON & CO	USD	-16,906.00	70,957.89	0.03
BOOKER GRP SHS	GBP	550,556.00	132,731.35	0.05
CALATLANTIC GROUP INC	USD	63,400.00	257,654.90	0.09
DELTIC TIMBER CORPORATION	USD	845.00	-2,427.76	0.00
DYNEGY INC/NEW	USD	259,000.00	-116,472.35	-0.04
ESSILOR INTERNATIONAL	EUR	-24,330.00	-217,753.50	-0.08
EULER HERMES GROUP	EUR	20,000.00	7,200.00	0.00
FIRST FINL BANCORP	USD	-227,936.00	56,946.04	0.02
HSN	USD	39,838.00	38,152.65	0.01
IXYS	USD	70,000.00	2,914.72	0.00
LENNAR A	USD	-56,109.00	-243,911.54	-0.09
LHC GROUP	USD	-698.00	2,238.92	0.00
LIBERTY INT QVC-A QVC GROUP SHS	USD	-65,732.00	-46,529.15	-0.02
LITTELFUSE	USD	-4,431.00	1,881.92	0.00
MAINSOURCE FINL GRP	USD	156,519.00	-44,317.51	-0.02
MARVELL TECHNOLOGY	USD	-87,028.00	-66,771.24	-0.02
PAYSAFE GROUPE PLC	GBP	828,017.00	32,648.68	0.01
POTLACH HOLDINGS	USD	-1,521.00	4,496.63	0.00
SKY PLC	GBP	257,000.00	324,271.95	0.11
TESCO PLC	GBP	-474,029.00	-136,710.89	-0.05
VANTIV INC	GBP	-59,983.00	-121,273.49	-0.04
VISTRA ENERGY CORP	USD	-168,868.00	116,722.55	0.04
WORLDPAY GROUP PLC	GBP	892,604.00	200,038.46	0.07
ZODIAC AEROSPACE	EUR	106,696.00	12,877.19	0.00
<b>Other financial instruments</b>			-	-
<b>Receivables</b>			<b>107,176,604.03</b>	<b>37.92</b>
<b>Payables</b>			<b>-96,976,734.69</b>	<b>-34.31</b>
<b>Financial accounts</b>			<b>31,162,886.51</b>	<b>11.03</b>
<b>NET ASSETS</b>			<b>282,637,159.99</b>	<b>100.00</b>

**OFI RISK ARB ABSOLU  
Mutual Fund**

OFI ASSET MANAGEMENT  
Société de gestion  
20-22, rue Vernier – 75017 PARIS

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**AUDITOR'S REPORT ON THE ANNUAL  
ACCOUNTS**

**FINANCIAL YEAR ENDED ON 29 DECEMBER 2017**

To the unit-holders,

**OPINION**

In fulfilment of the mission which was entrusted to us by your management company, we have carried out an audit of the annual accounts of the OFI RISK ARB ABSOLU mutual fund relating to the financial year ended 29 December 2017, as they are attached to this report.

We certify that the annual accounts are, in the light of French accounting rules and principles, due and proper and sincere, and give a faithful image of the result of the operations in the past financial year, and of the financial situation and assets of the fund at the end of that financial year.

**BASIS OF THE OPINION**

**AUDIT REFERENCE SYSTEM**

We have carried out our audit in accordance with the rules of professional practice applicable in France. We consider that the elements which we have gathered are sufficient and appropriate in order to form our opinion.

The responsibilities incumbent upon us under these standards are set out in the section of this report entitled "Responsibilities of the statutory auditor relating to the audit of the annual accounts".

## **INDEPENDENCE**

We carried out our audit mission in compliance with the rules of independence applicable to us, over the period from 1st January 2017 to the date of issue of our report; in particular, we did not provide any of the services prohibited by the code of ethics of the statutory auditors' profession.

## **JUSTIFICATION OF ASSESSMENTS**

In application of the provisions of Article L. 823-9 and R. 823-7 of the French Commercial Code relating to the explanation for our assessments, we would like to bring to your attention the following assessments which, according to our professional judgement, were the most significant for the audit of the annual accounts for the financial year.

The valuation of the portfolio was carried out according to the methods described in the appendix. We have reviewed the appropriate nature of these methods, and their correct application.

The assessments provided come within the context of the audit of annual accounts considered overall and the formation of our opinion set out above. We are not expressing any opinion on elements of these annual accounts taken in isolation.

## **VERIFICATION OF THE MANAGEMENT REPORT AND OF THE OTHER DOCUMENTS SENT TO THE UNIT-HOLDERS**

In accordance with the rules of professional practice applicable in France, we also carried out the specific checks provided for by law.

We do not have any observations to make on the genuine nature or concordance with the annual accounts of the information given in the management report prepared by the fund management company, and in the other documents sent to unit-holders on the financial situation and the annual accounts.

## **RESPONSIBILITIES OF MANAGEMENT AND OF THE INDIVIDUALS COMPRISING CORPORATE GOVERNANCE RELATING TO THE ANNUAL ACCOUNTS**

It is for the management department of the management company to draw up annual accounts preparing an honest image in accordance with the French accounting rules and principles, and to set in place the internal control which it deems necessary for the preparation of annual accounts not containing any significant anomalies, whether these originate from fraud or error.

On drawing up annual accounts, it is for the management company to assess the capacity of the mutual fund to continue operation, present in these accounts, where applicable, the necessary information relating to continuity of operation and apply the accounts agreement on continuity of operation, except where it is envisaged liquidating the mutual fund or ceasing its activity.

The annual accounts were drawn up by the fund management company.

## **RESPONSIBILITIES OF THE AUDITOR RELATING TO THE AUDIT OF THE ANNUAL ACCOUNTS**

It is our responsibility to prepare a report on the annual accounts. Our objective is to obtain reasonable assurance that the annual accounts, taken as a whole, do not contain any significant anomalies. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit carried out in accordance with professional standards systematically makes it possible to detect any significant anomaly. Anomalies may originate from fraud or error and are deemed significant when it can be reasonably expected that they might, taken individually or jointly, influence the economic decisions which the users of the accounts take, based on said anomalies.

As specified in Article L.823-10-1 of the French Commercial Code, our mission of certification of accounts does not consist of guaranteeing the viability or quality of the management of your mutual fund.

In the context of an audit carried out in accordance with the professional standards applicable in France, the statutory auditor exercises professional judgement throughout this audit.

Moreover:

- they identify and assess the risks that the annual accounts contain significant anomalies, whether they originate from fraud or error, defines and implements audit procedures to deal with these risks, and gathers the information they deem sufficient and appropriate in order to support their opinion. The risk of non-detection of a significant anomaly resulting from fraud is higher than the risk of a significant anomaly resulting from an error, as fraud can entail collusion, falsification, deliberate omissions, false declarations or diversion of internal control;
- they take note of the relevant internal control for the audit, so as to define appropriate audit procedures in the circumstances, and not with a view to expressing an opinion on the effectiveness of the internal control;
- they assess the appropriate nature of the accounting methods applied and the reasonable nature of the accounting estimates made by the management company, along with the information concerning these provided in the annual accounts;
- "they assess the appropriate nature of the application by the management company of the accounting agreement on continuity of operation and, depending on the information gathered, the existence or not of significant uncertainty relating to events or circumstances likely to call into question the capacity of the fund to continue operation. This assessment is based on the information gathered up to the day of their report, it being reiterated, however, that subsequent circumstances or events might call continuity of operation into question. If they conclude the existence of a significant uncertainty, they draw the attention of the readers of their report to the information provided in the annual accounts on the subject of this uncertainty or, if this information is not provided or is not relevant, they prepare certification with reservations, or a refusal to certify;

- they assess the overall presentation of the annual accounts and assess whether the annual accounts reflect the operations and underlying events in such a way as to provide a faithful image.

Done in Paris, 23 March 2018  
The Auditor  
**APLITEC**, represented by

Bruno DECHANCE

## **ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY**

OFI Asset Management has notified the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) of its intention to distribute the units of the Fund OFI RISK ARB ABSOLU in the Federal Republic of Germany and has been authorized to distribute the units in the Federal Republic of Germany upon completion of the notification procedure.

### **Paying and Information Agent**

Bremer Kreditbank AG, a bank established under the laws of Germany, having its registered office at Wachtstrasse 16, 28195 Bremen, registered with the Bremen Trade Registry, number HRB 4188, has undertaken the function of Paying and Information Agent for the Fund in the Federal Republic of Germany (the "German Paying and Information Agent")

### **Information and Documents**

For unit-holders resident in Germany, the following documents are available for inspection in hard copy, free of charge and upon request at the German Paying and Information Agent:

- Prospectus
- Key Investor Information Documents
- Articles of Incorporation
- The latest annual report, and the most recent semi-annual report, if published thereafter
- Custody and Administration Agreements
- Paying Agency Agreement

Any other information to the Shareholders will be sent to the Shareholders by post. The issue, redemption and conversion prices of shares will be published on the website: [www.ofi-am.fr](http://www.ofi-am.fr). Additionally, communications to investors in Germany will be published in a durable medium, further to the requirements of Article 167 of the German Investment Code in the following cases: suspension of the redemption of the shares, termination of the management of the fund or its liquidation, any amendments to the Articles of Incorporation which are inconstant with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool, merger of the fund with one or more other funds and the change of the fund into a feeder fund or the modification of a master fund.

Applications for the redemption and conversion of shares may be sent to the German Paying and Information Agent. All payments to investors, including redemption proceeds and potential distributions, may, upon request, be paid through the German Paying and Information Agent.