



# FALCON FUND MANAGEMENT

## FALCON FUND SICAV

An investment company with variable capital under Luxembourg law

## Audited Annual Report

as at 31 December 2015

Luxembourg Trade and Companies Register (R.C.S Luxembourg) no. B-84227

Subscriptions are invalid if they are not made on the basis of the latest prospectus and the statutes of the company, together with the last annual report and, if the effective date of the latter goes back more than eight months, with the latest semi-annual report. These reports and the statutes of the company can be obtained free of charge from the registered office of the company, the custodian bank and from all distribution and paying agents. Subscriptions can only be accepted, which are based on the prospectus and supplements to the prospectus and addressed to the payment agencies in Switzerland and Germany. No other information may be provided than that which is contained in the prospectus.

# FALCON FUND SICAV

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# FALCON FUND SICAV

## Management and administration

### Registered office

Centre Etoile  
11-13, Boulevard de la Foire  
L-1528 Luxembourg  
Luxembourg Trade and Companies Register (R.C.S. Luxembourg)  
no. B-84227

### Board of Directors

#### *Chairman:*

Jeffrey Haindl  
Managing Director | Head of Investment Solutions  
Falcon Private Bank Ltd., Zurich

#### *Members:*

Alfred Brandner  
Executive Director | Head of Structured Solutions  
Falcon Private Bank Ltd., Zurich

Harald Steinbichler  
Managing Partner  
Axessum GmbH, Vienna

Joseph Anthony Zock  
Managing Director  
Tocqueville Asset Management L.P.

### Promoter

Falcon Private Bank Ltd.  
Pelikanstrasse 37  
P.O. Box 1376  
CH-8021 Zurich  
www.falconpb.com

### Appointed management company

Falcon Fund Management (Luxembourg) S.A.  
24, avenue Victor Hugo  
L-1750 Luxembourg

### Managing Directors of the management company

Alfred Brandner  
Executive Director | Head of Structured Solutions  
Falcon Private Bank Ltd., Zurich

Until 14 October 2015  
Michèle Helminger  
Managing Director | Head Legal Fund Administration  
Falcon Fund Management (Luxembourg) S.A.

Since 1 January 2015  
Bastian Schwind-Wagner  
Managing Director | Head Risk Fund Administration  
Falcon Fund Management (Luxembourg) S.A.

Since 1 December 2015  
Bärbel Schneider  
Managing Director | Head CIS Fund Administration  
Falcon Fund Management (Luxembourg) S.A.

### Custodian bank

RBC Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette

### Central administration and net asset value calculation

RBC Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette

### Registration and transfer agency

RBC Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette

### Portfolio managers

For the subfund Falcon Emerging Markets High Yield Bond Fund  
Falcon Private Bank Ltd.  
Pelikanstrasse 37  
CH-8021 Zurich

For the subfunds Twelve-Falcon Insurance Linked Strategy Fund  
and  
Twelve-Falcon Insurance Opportunities Fund  
Twelve Capital AG  
Dufourstrasse 101  
CH-8008 Zurich

For the subfund Falcon Swiss Small & Mid Cap Equity Fund  
Frankfurter Bankgesellschaft (Schweiz) AG  
Börsenstraße 16  
CH-8022 Zurich

For the subfunds Falcon Gold Equity UCITS Fund,  
Tocqueville-Falcon North American Value Fund and  
Tocqueville-Falcon Global Equity Fund  
Tocqueville Asset Management L.P.  
1209 Orange Street  
Wilmington, County of New Castle  
Delaware 19801

The portfolio managers are authorised to appoint subfund managers for individual subfunds, who will then be indicated in the appendices to the prospectus of the corresponding subfund.

### Representative for Switzerland

ACOLIN Fund Services AG  
Affolternstrasse 56  
CH-8050 Zurich  
www.acolin.ch

# FALCON FUND SICAV

## Management and administration (continued)

### **Paying agents**

in Luxembourg:  
RBC Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette

in Switzerland:  
Falcon Private Bank Ltd.  
Pelikanstrasse 37  
P.O. Box 1376  
CH-8021 Zurich

in Germany:  
BHF-BANK Aktiengesellschaft  
Bockenheimer Landstrasse 10  
60323 Frankfurt am Main

in Austria:  
Erste Bank der Österreichischen Sparkasse AG  
Graben 21  
A-1010 Vienna

### **Auditors**

PricewaterhouseCoopers, Société coopérative  
2, rue Gerhard Mercator  
L-2182 Luxembourg

# FALCON FUND SICAV

## Information to the shareholders

### Financial period and reporting

The financial year starts on 1 January and ends on 31 December of each year.

The annual report, which contains all subfunds and assets of the company, is available at the registered office of the company no later than 15 days prior to the annual General Meeting. Unaudited semi-annual reports are published within two months after the corresponding date.

The company has the right to publish separate annual and semi-annual reports for individual subfunds, which must however also contain the consolidated annual or semi-annual financial statements of the company. Copies of all reports are available at the registered office of the company. Separate annual and semi-annual reports for corresponding subfunds are available from the distribution agents responsible for their sale.

### Documents available for inspection

Copies of the following documents can be inspected during normal business hours (except for weekends and holidays) at the registered office of the company, the management company and the distribution and paying agents:

- (a) Statutes of the company
- (b) Statutes of the management company
- (c) Sales prospectus
- (d) *Key investor information document (KIID)*, available on the website at [www.falconpb.com](http://www.falconpb.com) for the individual subfunds of the company;
- (e) Annual and semi-annual reports of the company.

The above-mentioned documents can be modified by mutual agreement of the contracting parties.

Copies of the statutes can be obtained free of charge and on request from the Trade Registry, the District Court of Luxembourg and the distribution agents.

On request, a list of changes in the portfolio for the financial period from 1 January 2015 to 31 December 2015 can be obtained free of charge by shareholders from the registered office of the company and the paying and distribution agents.

### Additional information for investors in the Federal Republic of Germany, Austria and Switzerland

The sales prospectus, key investor information document (KIID), the statutes, as well as the annual and the semi-annual reports, are available free of charge and on request from the registered office of the company, the German, Austrian and Swiss paying and information agents, and the official representative in Switzerland.

A list of the changes in the portfolio can be obtained free of charge by investors from the German, Austrian and Swiss paying and information agents and from the representative in Switzerland.

All information that is available to shareholders in the country in which the company is registered is also available from the German, Austrian, and Swiss paying and information agents, and from the representative in Switzerland.

If this annual report for the company and the subfunds is also available or prepared in other languages, the German version remains the authoritative version.

# FALCON FUND SICAV

## Report of the Board of Directors

Dear Shareholder,

### **Falcon Swiss Small & Mid Cap Equity Fund**

The Swiss stock exchange closed negative for the first time in three years. The Swiss Market Index (SMI) dropped by just under two percent. In comparison, the most important Swiss index rose by almost 10 percent in 2014, 20 percent in 2013 and 15 percent in 2012. The Fund's net asset value per unit rose by 7.13% (I class) and 6.77% (T class) over the last 12 months.

The year started with a bang. On 15 January, the Swiss National Bank (SNB) made the surprising announcement in morning trading that the minimum exchange rate of 1.20 francs against the euro, which had applied for over three years, would be increased. The euro-franc exchange rate temporarily fell below parity and the share prices went crazy. The decline had fully recovered by March and at the start of August, the SMI reached its highest level of the year.

The growth in the securities of the medium-sized companies represented in this Fund, which are largely propped up by the domestic economy, was more successful than the shares of the 20 companies listed on the SMI. The SMI Mid Index grew by almost 9%. In general, the Swiss economy was steadier in 2015 than what many commentators forecasted in January after the surprising revaluation of the franc.

The Swiss economy is likely to have grown by just under 1%. The clear economic slowdown – gross domestic product grew (GDP) grew by 1.9% in 2014 – is largely due to the revaluation of the franc at the start of the year. This and the weaker dynamic of the global economy put considerable strain on foreign trade. After economic growth had declined slightly in the first half of the year, GDP stagnated in the third quarter compared to the previous quarter. The local economy benefited from the ongoing recovery in the eurozone, by far its most important trading partner. GDP in the eurozone grew by 0.3%, supported by the European Central Bank's (ECB) expansive monetary policy, the weak euro, the low oil price and the somewhat relaxed fiscal policy. The upswing is likely to accelerate even further in the fourth quarter.

However, the Swiss economy did not fall into a recession as was feared in many places. Nevertheless, adjustments were made in light of the changed exchange rate at company level. To increase cost effectiveness, many companies were forced to move production processes abroad. This meant that competitiveness could largely be preserved, though unemployment grew slightly in Switzerland.

Despite the slight easing of the exchange rate situation since mid-2015, the Swiss economy will recover at a rather slower pace. GDP growth is likely to accelerate to around 1.5% in 2016 and to just under 2% in 2017 – so long as an external shock such as rapidly increasing oil prices fails to materialise. Growth will therefore remain below the long-term average of just under 2% this year. Domestic demand is likely to remain an important driver of the economy as before. Private households are benefiting from real gains in purchasing power in light of negative inflation.

In the expected volatile environment, we see good opportunities for active investors besides the many risks. The differences in performance in sectors, shares and investment style will also be very high in 2016. This offers active managers a lot of leeway and promising opportunities. This difficult environment will separate the wheat from the chaff and shares in enterprises with a strong balance sheet and good products in growth-oriented sectors will continue to be highly sought after.

### **Twelve-Falcon Insurance Linked Strategy Fund Twelve-Falcon Insurance Opportunities Fund**

#### **Review of 2015**

The Twelve-Falcon Insurance Linked Strategy Fund achieved a positive performance in 2015 of between 0.4% and 3.0% depending on the currency class (class A).

The Twelve Falcon Insurance Opportunities Fund achieved an overall performance in 2015 of between 4.1% and 6.7% depending on the currency class (class I).

Unlike the Twelve-Falcon Insurance Linked Strategy Fund, the Twelve-Falcon Insurance Opportunities Fund did not experience any allocation restrictions with regard to event risks. It is therefore more flexible in terms of its investments, which may result in better investment results.

Catastrophe bonds once again proved to be a strong investment class by being able to reduce classic financial risks while simultaneously offering attractive risk premiums for investors. While August and September proved to be a very volatile month for most of the traditional investment classes, these were among the most profitable months for the previous year's cat bonds. The bond "MultiCat C" is likely to be triggered by Hurricane Patricia, which hit the Mexican Pacific coast in October. However, we abstained from purchasing the bond because of a reduction in the premium. In the event of a loss, the Fund will not be affected. Our Zero Cat Bond Lite transaction "Dodeka V" expired successfully in December.

#### **Outlook for 2016**

Intense discussions with market participants indicate that the first half of the year is likely to remain an active period for new issues of catastrophe bonds. The trend towards new risk types and trigger frameworks, which could be observed on the catastrophe bond market even in 2015, is likely to continue in 2016 and may even grow stronger over the next six months. This results in innovative new structures which in our view are likely to benefit both assignors and investors equally.

We also expect further growth in private cat bonds because many assignors like to transfer risks via these structures and investors gain both increased diversification and higher yields from previously inaccessible risks. In terms of price trends, we believe that prices have stabilised compared to the last two years and we do not expect any significant changes for 2016 compared to 2015.

### **Falcon Gold Equity UCITS Fund**

# FALCON FUND SICAV

## Report of the Board of Directors (continued)

The Fund's net asset value per unit (A class) fell by 26.28% in 2015.

The price of gold closed in 2015 at USD 1,060.20 per troy ounce. In December, the rate fell by 0.48%. In the last month of the year, gold and gold mine shares did not show any uniform trend. Sales by investors to realise taxable losses, known as tax loss selling, characterised the sector. In December, the long-anticipated increase in interest finally became a reality. It is likely that the decline in the gold price has therefore also come to an end. The markets will now re-estimate the potential for an increase in inflation and a trend reversal of the US dollar.

Over the last few years, low interest rates have caused excessive money creation. The unparalleled liquidity this created far exceeded the available real assets eligible for investment with a fundamental value. We believe that many tangible assets classed as financial assets are locked in a matrix from which there is no easy escape. The migration of returns on invested capital to returns on real assets will cause trouble on the markets. The misallocation of capital could entail losses for many investors but may provide good opportunities for some investors. The list of investment alternatives is small, the capacity is limited, the investments can be complex and difficult to access. Of the available options, gold is easy to buy and uncomplicated.

At the start of 2016, the markets seem less convinced about the positive assessment of the American economy made by the US central bank (Fed). Historically, gold has often behaved contrary to the direction of the confidence in it. We therefore believe that the markets are now ready for a revaluation of gold in all currencies, including the US dollar. We expect gold mine shares, which have been under strong sales pressure over the last four years, will benefit from the markets' search for alternatives to monetary policy, the effects of which are diminishing strongly. The price of gold fell in the months prior to the Fed's decision. During this period, gold companies increased their efforts to remain profitable. We are convinced that the Fund is well positioned to benefit from the improved assets and management teams of the gold industry.

### **Tocqueville-Falcon North American Value Fund**

The Fund's net asset value per unit (A class) fell by 3.94% in 2015.

The American stock markets recorded a small gain in the first quarter of 2015. It appears that the USA is importing deflation via the strong US dollar. This situation, together with the falling oil price and the quantitative easing carried out by the most important trading partners, is likely to be responsible for the continuing low interest rates in the US. In the first quarter, the Fund grew slightly more slowly than the general market, represented by the Russell 1000 Index. Health, finance and industrial stocks were the best sector performers, while IT, daily consumer goods and cyclical consumer goods performed worst.

In the second quarter, US stock markets remained unchanged on balance. The increased uncertainty regarding a Greek default or an exit from the euro, the increasing interest rates and the weak economic data from China ensured relatively high volatility. In the months from April to June, the Fund price performed slightly worse than the Russell 1000 Index. In this period, growth stocks performed better than value stocks.

In the third quarter, the US stock markets were very volatile and suffered significant losses in share price. Investors reacted negatively to the unexpected collapse of the yuan and the Chinese stock market. Investors concluded that the Chinese authorities would not manage to prepare a soft landing for their already weakening economy. The US central bank postponed the start of normalising the interest rate structure once again. This caused doubts as to whether the US economy was actually as strong as it was generally assumed.

In the third quarter, the Fund performed significantly worse than the wider market, represented by the Russell 1000. With the exception of suppliers, who achieved slight gains, all of the sectors in the Fund performed negatively.

In the fourth quarter, the US stock markets grew significantly and closed 2015 almost unchanged compared to the previous year. The stock exchanges had to overcome various obstacles, particularly the decision by the US central bank (Fed) to increase interest rates, falling commodity prices and economic difficulties in many parts of the world, especially in China. Despite these challenges, the Fund managed to exceed the performance of its benchmark index, the Russell 1000, considerably in the last three months. The information technology, health and cyclical consumer goods sectors had a positive impact on the Fund's performance.

We believe that the strong dollar, increasing employment costs, the Fed's further tightening of monetary policy and the uncertainty regarding the upcoming presidential election will continue to impact the stock markets. Although consumers benefit from low commodity prices, their price slump affects capital investment in this area. We assume that interest rates will remain low and that shares will remain attractive compared to other investment alternatives. As anti-cyclical investors, we think that periods of uncertainty can also offer investment opportunities. We are continuing to look for high-quality assets which have been penalised by the markets unfairly.

### **Falcon Emerging Markets High Yield Bond Fund**

The Fund primarily invests its money around the world in high yield emerging market bonds denominated in US dollars. It aims to achieve high risk-adjusted yields both in terms of income and capital growth.

The Fund's net asset value per unit increased by 2.33% (USD A class) and 2.32% (USD T class) in the last twelve months. By comparison, the JPMorgan Corporate EMBI Composite Index achieved a total yield of 0.99% in the same period.

However, 2015 was a volatile period for the bond markets in emerging economies. Fears of a slowdown in growth in China, geopolitical tensions in Russia, the Middle East and Latin America, and persistently low commodity prices have impacted the mood of investors. Owing to a few large redemptions, the funds managed in the Fund fell in the first half of 2015 from USD 20 million to USD 11 million. This was even despite the fact that performance was excellent in this period compared to the benchmark index.

In expectation of a US increase in base rates, the Fund continued its strategy of investing in securities with short terms. To stabilise its growth, the Fund increased its involvement in perpetual bonds from Indian banks. This is because the performance of these securities depends primarily on the pattern of supply/demand and the regulatory option of early terminations and less on general market conditions.

## Report of the Board of Directors (continued)

For this reason, the Fund was able to outperform its benchmark index and its competition both before and after the increase in key interest rates by the US central bank. We assume that the current market prices largely reflect these negative influences and that we are not likely to be too far from the low point.

Volatility is likely to remain high for the time being. The US central bank's decision to increase interest rates further and the development of commodity prices should continue to determine the pace on emerging markets. The effective selection of short-term bonds from companies with good fundamental data is the key to investment success.

### **Tocqueville-Falcon Global Equity Fund**

The Fund's net asset value per unit (A class) fell by 0.39% in 2015.

The international stock markets rose in the first quarter. Strong corporate profits in Japan, improved economic data in Europe, coupled with a larger ECB programme for quantitative easing than expected fuelled investors' optimism. The US dollar strengthened compared to most currencies. This increased the downward pressure on commodities, leading to price losses in currencies and shares of commodity-producing economies. China, Japan and Germany were among the best performers worldwide, while the commodity-dependent markets of Brazil, Nigeria and Colombia performed well below average. The sectors of forestry products, car accessories, travel, leisure and transport were the market segments with the highest increases in price. On the other hand, the mining and oil and gas sectors suffered notable losses.

Despite the increased volatility and growing fears of the effects of a potential Greek default and weak Chinese economic data, global stock markets grew slightly in the second quarter. Improved company profits helped Japanese shares to increase in price. Fears that the crisis in Greece could hamper the economic upswing in the eurozone resulted in price losses on the European markets. The US stock exchanges hardly moved on balance. The positive impetus from the improved employment and housing market data was masked by fears of higher base rates. Sectoral trends varied in all markets. In general, shares from the finance, consumer goods and health sectors performed well, while transport and casino shares suffered greater deductions.

The global stock markets suffered a sharp correction in the third quarter. The surprising devaluation in China, weaker than expected production data from industry, falling commodity prices and the postponement of the increase in interest rates in the US fomented fears of a weakening global economy and fears of deflation. The stock exchanges in developed economies declined by a high single-digit to a low double-digit percentage. China and commodity exchanges such as Brazil and Russia lost even more terrain. Shares from the coal, oil and gas, mine and machinery sectors were among the worst performers. By contrast, defensive areas such as supply, food and drink and health held up rather well.

Despite the first increase in interest rates in the US, falling oil prices, widening differences in interest rates and geopolitical risks, global shares grew in the fourth quarter. Concerns regarding growth in China reduced slightly and monetary policy outside the USA remained expansive. While the stock markets of mature economies, expressed in local currencies, generally increased by a high single-digit percentage, emerging markets tended to be mixed. The US dollar strengthened compared to most currencies and commodity prices continued to fall. The upswing in the US was supported by fewer and fewer shares. Growth stocks once again performed better than value stocks, and the large cap stocks performed better than the stocks of smaller companies. Health, information technology and cyclical consumer goods generally performed well, while gas and oil, metals and retail suffered losses.

The Board of Directors

Luxembourg, 9 February 2016

The information in this report refers to historical data and has no significance for the future development of the company.

## **Audit opinion**

To the shareholders of  
**FALCON FUND SICAV**

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In view of the task assigned to us in the ordinary General Meeting of Shareholders, we have audited the attached financial statements of FALCON FUND SICAV and its corresponding subfunds, which consist of a statement of net assets, the security portfolio as per 31 December 2015, the statement of operations and changes in net assets for the financial year then ended, as well as a summary of important accounting methods and other explanatory information.

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

The Board of Directors of the SICAV is responsible for the compilation and correct overall presentation of the financial statements in accordance with the laws and statutory regulations in effect in Luxembourg for the preparation of financial statements and for internal controls that it considers necessary to ensure financial statements are prepared that are free of substantial misstatements, irrespective of whether these result from errors or violations.

### ***Responsibility of the "Réviseur d'entreprises agréé"***

It is our responsibility to provide an audit opinion based on our audit of the financial statements. We performed our audit of the financial statements in accordance with the International Standards on Auditing which have been adopted by the Luxembourg "Commission de Surveillance du Secteur Financier". These standards demand that we comply with the professional code of conduct, and that audits are planned and carried out in such a way as to detect with sufficient certainty that the financial statements are free of substantial misstatements.

An audit of the annual accounts consists of carrying out auditing measures which will provide audit evidence for the valuations and information contained in the financial statements. The selection of the auditing measures is the responsibility of the "Réviseur d'entreprises agréé", as is an evaluation of the risk that the financial statements contain substantially incorrect information that is due to errors or violations. As part of this risk evaluation, the "Réviseur d'entreprises agréé" took into account the internal controlling system that had been created for the preparation and proper presentation of the financial statements, so that he could define appropriate auditing measures under these circumstances; this evaluation is not intended as an assessment of the effectiveness of the internal controlling system. An audit of the annual accounts includes an assessment of the appropriateness of the utilised accounting principles and methods, and the tenability of the estimated values presented by the Board of Directors of the SICAV in the accounts, as well as an assessment of the overall presentation of the financial statements.

We are of the opinion that the obtained audit evidence is sufficient and suitable to serve as a basis for our audit opinion.

### ***Audit opinion***

On the basis of our assessment, the financial statements are in conformity with the laws and statutory regulations in effect in Luxembourg regarding the preparation of financial statements, and present a picture that reflects the actual circumstances of the assets and financial condition of FALCON FUND SICAV and its corresponding subfunds as per 31 December 2015, including the earnings position and changes in net assets for the financial year that ends on this date.

### ***Other information***

The supplementary information contained in the annual report was reviewed by us within the framework of our mandate; however this was not part of our auditing measures according to the above-mentioned standards. Our audit opinion, therefore, does not apply to this supplementary information. This information has not given us reason to comment on the overall presentation of the financial statements.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 29 April 2016

Patrick Ries

# FALCON FUND SICAV

## Statement of net assets as at 31 December 2015

		Falcon Swiss Small & Mid Cap Equity Fund	Twelve-Falcon Insurance Linked Strategy Fund	Falcon Gold Equity UCITS Fund
	Notes	CHF	USD	USD
<b>ASSETS</b>				
Securities portfolio at market value	(2)	16,542,621.60	276,249,621.28	284,155,937.20
Bank balance		35,859.08	12,107,283.51	306,202.77
Receivables from subscriptions		-	-	109.23
Receivables from interest and dividends		-	2,192,315.95	18,155.45
Foundation costs	(3.5)	-	36.61	3,152.31
Unrealised profit from forward exchange transactions	(6)	-	-	38,343.87
<b>TOTAL ASSETS</b>		<b>16,578,480.68</b>	<b>290,549,257.35</b>	<b>284,521,900.83</b>
<b>LIABILITIES</b>				
Bank liabilities		-	49.44	-
Liabilities from repayments		-	-	8,618.67
Unrealised loss from forward exchange transactions	(6)	-	866,816.85	-
Portfolio manager fees	(3.2)	12,201.67	264,884.12	132,397.91
Provisions for expenses*		24,581.96	190,213.80	149,111.82
<b>TOTAL LIABILITIES</b>		<b>36,783.63</b>	<b>1,321,964.21</b>	<b>290,128.40</b>
<b>TOTAL NET ASSETS</b>		<b>16,541,697.05</b>	<b>289,227,293.14</b>	<b>284,231,772.43</b>
<b>Net asset value per share</b>				
A-CHF share class		-	111.46	-
A-EUR share class		-	117.69	-
A-USD share class		-	119.08	34.58
I-CHF share class		231.85	114.48	-
I-EUR share class		-	125.60	-
I-USD share class		-	122.15	36.39
T-CHF share class		223.30	104.07	-
T-USD share class		-	107.56	36.33
H-EUR share class		-	-	32.80
T-EUR share class		-	107.10	-
W-USD share class		-	-	36.82
<b>Number of outstanding shares</b>				
A-CHF share class		-	147,531.03	-
A-EUR share class		-	276,433.62	-
A-USD share class		-	46,480.40	4,768.00
I-CHF share class		51,819.05	288,325.11	-
I-EUR share class		-	482,900.20	-
I-USD share class		-	396,212.35	616,637.67
T-CHF share class		20,276.35	29,880.00	-
T-USD share class		-	54,272.05	74,753.84
H-EUR share class		-	-	49,581.76
T-EUR share class		-	630,184.76	-
W-USD share class		-	-	6,983,830.00

\* Provisions for expenses primarily include custodian remuneration, domiciliation fees, accounting fees, transfer and auditing costs.

The attached notes are an integral part of the annual report.

# FALCON FUND SICAV

## Statement of net assets (continued) as at 31 December 2015

	Notes	Twelve-Falcon Insurance Opportunities Fund USD	Tocqueville-Falcon North American Value Fund USD	Falcon Emerging Markets High Yield Bond Fund USD
<b>ASSETS</b>				
Securities portfolio at market value	(2)	64,263,870.96	60,109,764.88	8,469,310.50
Bank balance		4,774,672.93	61,039.77	2,301,252.78
Receivables from subscriptions		-	-	-
Receivables from interest and dividends		768,745.16	49,109.75	144,125.51
Foundation costs	(3.5)	-	-	5,508.87
Unrealised profit from forward exchange transactions	(6)	-	-	-
<b>TOTAL ASSETS</b>		<b>69,807,289.05</b>	<b>60,219,914.40</b>	<b>10,920,197.66</b>
<b>LIABILITIES</b>				
Bank liabilities		35.57	-	-
Liabilities from repayments		-	-	-
Unrealised loss from forward exchange transactions	(6)	284,696.35	-	-
Portfolio manager fees	(3.2)	58,177.11	5,126.63	3,809.36
Provisions for expenses*		51,350.92	77,981.64	25,442.67
<b>TOTAL LIABILITIES</b>		<b>394,259.95</b>	<b>83,108.27</b>	<b>29,252.03</b>
<b>TOTAL NET ASSETS</b>		<b>69,413,029.10</b>	<b>60,136,806.13</b>	<b>10,890,945.63</b>
<b>Net asset value per share</b>				
A-CHF share class		-	-	-
A-EUR share class		-	-	-
A-USD share class		-	97.47	943.68
I-CHF share class		112.65	-	-
I-EUR share class		115.74	-	-
I-USD share class		116.29	-	-
T-CHF share class		-	-	-
T-USD share class		-	112.08	1,040.54
H-EUR share class		-	-	-
T-EUR share class		-	-	-
W-USD share class		-	-	-
<b>Number of outstanding shares</b>				
A-CHF share class		-	-	-
A-EUR share class		-	-	-
A-USD share class		-	270.00	4,065.57
I-CHF share class		124,537.52	-	-
I-EUR share class		327,849.96	-	-
I-USD share class		116,875.97	-	-
T-CHF share class		-	-	-
T-USD share class		-	536,312.55	6,779.53
H-EUR share class		-	-	-
T-EUR share class		-	-	-
W-USD share class		-	-	-

\* Provisions for expenses primarily include custodian remuneration, domiciliation fees, accounting fees, transfer and auditing costs.

The attached notes are an integral part of the annual report.

# FALCON FUND SICAV

## Statement of net assets (continued) as at 31 December 2015

		Tocqueville-Falcon Global Equity Fund	Consolidated
	Notes	USD	EUR
<b>ASSETS</b>			
Securities portfolio at market value	(2)	6,392,101.76	659,271,570.12
Bank balance		381,792.93	18,381,725.08
Receivables from subscriptions		-	100.55
Receivables from interest and dividends		8,498.58	2,928,243.03
Foundation costs	(3.5)	5,638.18	13,197.06
Unrealised profit from forward exchange transactions	(6)	-	35,297.68
<b>TOTAL ASSETS</b>		<b>6,788,031.45</b>	<b>680,630,133.52</b>
<b>LIABILITIES</b>			
Bank liabilities		-	78.26
Liabilities from repayments		-	7,933.97
Unrealised loss from forward exchange transactions	(6)	-	1,060,032.40
Portfolio manager fees	(3.2)	6,302.35	444,524.50
Provisions for expenses*		12,485.55	488,947.63
<b>TOTAL LIABILITIES</b>		<b>18,787.90</b>	<b>2,001,516.76</b>
<b>TOTAL NET ASSETS</b>		<b>6,769,243.55</b>	<b>678,628,616.76</b>
<b>Net asset value per share</b>			
A-CHF share class		-	
A-EUR share class		-	
A-USD share class		106.77	
I-CHF share class		-	
I-EUR share class		-	
I-USD share class		-	
T-CHF share class		-	
T-USD share class		-	
H-EUR share class		-	
T-EUR share class		-	
W-USD share class		-	
<b>Number of outstanding shares</b>			
A-CHF share class		-	
A-EUR share class		-	
A-USD share class		63,399.73	
I-CHF share class		-	
I-EUR share class		-	
I-USD share class		-	
T-CHF share class		-	
T-USD share class		-	
H-EUR share class		-	
T-EUR share class		-	
W-USD share class		-	

\* Provisions for expenses primarily include custodian remuneration, domiciliation fees, accounting fees, transfer and auditing costs.

The attached notes are an integral part of the annual report.

# FALCON FUND SICAV

## Statement of operations and changes in net assets for the financial year ending on 31 December 2015

		Falcon Swiss Small & Mid Cap Equity Fund	Twelve-Falcon Insurance Linked Strategy Fund	Falcon Gold Equity UCITS Fund
	Notes	CHF	USD	USD
<b>NET ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<b>16,654,640.19</b>	<b>216,046,362.08</b>	<b>416,834,144.31</b>
<b>INCOME</b>				
Dividends from security holdings		293,239.80	-	2,269,644.54
Interest received on bonds	(2)	-	547,244.70	-
Insurance premiums received	(2)	-	14,185,073.62	-
Interest received on bank deposits	(2)	-	812.87	0.01
Other income		-	-	-
<b>TOTAL INCOME</b>		<b>293,239.80</b>	<b>14,733,131.19</b>	<b>2,269,644.55</b>
<b>EXPENDITURE</b>				
Investment manager and management company fees	(3.1, 3.2)	140,249.61	3,135,973.34	1,940,019.59
Custodian bank fees	(3.3)	6,642.81	104,499.36	151,735.30
Domiciliation fee, accounting fee and transfer costs	(3.4)	33,887.47	154,294.88	139,622.15
Auditing costs, printing and publication costs		12,069.36	64,029.63	51,135.06
Subscription tax (taxe d'abonnement)	(4)	3,194.03	133,703.75	35,846.21
Bank charges		1,393.24	21,878.12	21,604.93
Interest paid on bank deposits		2,100.53	1,375.91	1,672.33
Amortisation of foundation costs	(3.5)	-	6,571.48	1,832.20
Other expenses*	(3.7)	9,446.48	59,064.70	74,511.59
<b>TOTAL EXPENDITURE</b>		<b>208,983.53</b>	<b>3,681,391.17</b>	<b>2,417,979.36</b>
<b>NET INCOME / NET EXPENDITURE ON INVESTMENTS</b>		<b>84,256.27</b>	<b>11,051,740.02</b>	<b>(148,334.81)</b>
Realised profits/losses on sales of securities	(2)	1,619,637.09	(9,453,661.22)	(50,328,513.64)
Realised profits/losses on forward exchange transactions		-	(11,030,589.58)	(234,604.60)
Realised profits/losses on exchange transactions		222.57	(379,090.57)	(132,963.27)
<b>REALISED NET PROFIT/NET LOSS</b>		<b>1,704,115.93</b>	<b>(9,811,601.35)</b>	<b>(50,844,416.32)</b>
Change in unrealised profit / loss on:				
- Securities		(691,279.80)	(2,133,161.81)	(55,435,745.76)
- Forward exchange transactions	(2)	-	4,493,930.79	72,275.34
<b>NET INCREASE / NET DECREASE OF NET ASSETS</b>		<b>1,012,836.13</b>	<b>(7,450,832.37)</b>	<b>(106,207,886.74)</b>
<b>DEVELOPMENT OF NET ASSETS</b>				
Inflow of funds		15,808,282.64	127,761,807.93	19,712,751.32
Returns of funds		(16,934,061.91)	(47,130,044.50)	(46,107,236.46)
Dividend paid		-	-	-
Exchange rate differences		-	-	-
<b>NET ASSETS AT THE END OF THE FINANCIAL YEAR</b>		<b>16,541,697.05</b>	<b>289,227,293.14</b>	<b>284,231,772.43</b>

\* Other expenses primarily include BaFin, CSSF and Fundsquare fees and other service charges.

The attached notes are an integral part of the annual report.

# FALCON FUND SICAV

## Statement of operations and changes in net assets (continued) for the financial year ending on 31 December 2015

	Notes	Twelve-Falcon Insurance Opportunities Fund USD	Tocqueville-Falcon North American Value Fund USD	Falcon Emerging Markets High Yield Bond Fund USD
<b>NET ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<b>47,307,784.61</b>	<b>50,691,863.37</b>	<b>20,524,553.56</b>
<b>INCOME</b>				
Dividends from security holdings		-	1,395,417.75	-
Interest received on bonds	(2)	20,510.46	-	1,057,443.84
Insurance premiums received	(2)	4,428,913.39	-	-
Interest received on bank deposits	(2)	-	-	-
Other income		-	-	50,000.00
<b>TOTAL INCOME</b>		<b>4,449,423.85</b>	<b>1,395,417.75</b>	<b>1,107,443.84</b>
<b>EXPENDITURE</b>				
Investment manager and management company fees	(3.1, 3.2)	592,142.09	500,260.54	159,180.30
Custodian bank fees	(3.3)	21,176.33	22,468.56	7,531.89
Domiciliation fee, accounting fee and transfer costs	(3.4)	53,706.36	45,948.30	32,644.47
Auditing costs, printing and publication costs		25,285.76	10,053.45	11,984.83
Subscription tax (taxe d'abonnement)	(4)	5,576.42	5,496.31	1,284.64
Bank charges		9,058.21	4,707.34	4,839.04
Interest paid on bank deposits		62.93	708.23	589.45
Amortisation of foundation costs	(3.5)	-	-	3,172.82
Other expenses*	(3.7)	87,665.70	14,968.47	12,017.03
<b>TOTAL EXPENDITURE</b>		<b>794,673.80</b>	<b>604,611.20</b>	<b>233,244.47</b>
<b>NET INCOME / NET EXPENDITURE ON INVESTMENTS</b>		<b>3,654,750.05</b>	<b>790,806.55</b>	<b>874,199.37</b>
Realised profits/losses on sales of securities	(2)	(11,155.75)	741,316.12	(706,343.33)
Realised profits/losses on forward exchange transactions		(5,420,621.67)	-	27,164.19
Realised profits/losses on exchange transactions		(46,315.47)	(190.80)	(10,283.17)
<b>REALISED NET PROFIT/NET LOSS</b>		<b>(1,823,342.84)</b>	<b>1,531,931.87</b>	<b>184,737.06</b>
Change in unrealised profit / loss on:				
- Securities		(44,758.65)	(3,517,411.37)	434,743.38
- Forward exchange transactions	(2)	1,423,986.13	-	(178.65)
<b>NET INCREASE / NET DECREASE OF NET ASSETS</b>		<b>(444,115.36)</b>	<b>(1,985,479.50)</b>	<b>619,301.79</b>
<b>DEVELOPMENT OF NET ASSETS</b>				
Inflow of funds		29,203,234.61	18,189,860.43	1,728,576.80
Returns of funds		(6,653,874.76)	(6,759,438.17)	(11,897,330.30)
Dividend paid		-	-	(84,156.22)
Exchange rate differences		-	-	-
<b>NET ASSETS AT THE END OF THE FINANCIAL YEAR</b>		<b>69,413,029.10</b>	<b>60,136,806.13</b>	<b>10,890,945.63</b>

\* Other expenses primarily include BaFin, CSSF and Fundsquare fees and other service charges.

The attached notes are an integral part of the annual report.

# FALCON FUND SICAV

## Statement of operations and changes in net assets (continued) for the financial year ending on 31 December 2015

		Tocqueville-Falcon Global Equity Fund	Consolidated
	Notes	USD	EUR
<b>NET ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<b>3,076,132.73</b>	<b>637,363,676.03</b>
<b>INCOME</b>			
Dividends from security holdings		108,585.46	3,743,528.20
Interest received on bonds	(2)	1,917.81	1,497,852.17
Insurance premiums received	(2)	-	17,135,217.72
Interest received on bank deposits	(2)	69.40	812.19
Other income		-	46,027.80
<b>TOTAL INCOME</b>		<b>110,572.67</b>	<b>22,423,438.08</b>
<b>EXPENDITURE</b>			
Investment manager and management company fees	(3.1, 3.2)	97,661.92	6,043,769.97
Custodian bank fees	(3.3)	4,981.71	293,684.36
Domiciliation fee, accounting fee and transfer costs	(3.4)	18,111.39	440,192.56
Auditing costs, printing and publication costs		7,548.72	167,628.42
Subscription tax (taxe d'abonnement)	(4)	4,358.38	174,405.37
Bank charges		11,827.05	69,323.89
Interest paid on bank deposits		649.00	6,587.76
Amortisation of foundation costs	(3.5)	1,501.05	12,038.62
Other expenses*	(3.7)	21,318.82	256,819.81
<b>TOTAL EXPENDITURE</b>		<b>167,958.04</b>	<b>7,464,450.76</b>
<b>NET INCOME / NET EXPENDITURE ON INVESTMENTS</b>		<b>(57,385.37)</b>	<b>14,958,987.32</b>
Realised profits/losses on sales of securities	(2)	113,966.30	(53,416,525.82)
Realised profits/losses on forward exchange transactions		10,055.41	(15,325,965.43)
Realised profits/losses on exchange transactions		(6,811.92)	(529,718.17)
<b>REALISED NET PROFIT/NET LOSS</b>		<b>59,824.42</b>	<b>(54,313,222.10)</b>
Change in unrealised profit / loss on:			
- Securities		33,286.44	(56,479,459.79)
- Forward exchange transactions	(2)	-	5,514,143.06
<b>NET INCREASE / NET DECREASE OF NET ASSETS</b>		<b>93,110.86</b>	<b>(105,278,538.83)</b>
<b>DEVELOPMENT OF NET ASSETS</b>			
Inflow of funds		6,500,000.01	201,499,333.15
Returns of funds		(2,900,000.05)	(127,372,800.95)
Dividend paid		-	(77,470.51)
Exchange rate differences		-	72,494,417.87
<b>NET ASSETS AT THE END OF THE FINANCIAL YEAR</b>		<b>6,769,243.55</b>	<b>678,628,616.76</b>

\* Other expenses primarily include BaFin, CSSF and Fundsquare fees and other service charges.

The attached notes are an integral part of the annual report.

# FALCON FUND SICAV

## Changes in the number of shares in circulation for the financial year ending on 31 December 2015

	Falcon Swiss Small & Mid Cap Equity Fund	Twelve-Falcon Insurance Linked Strategy Fund	Falcon Gold Equity UCITS Fund
<b>A-CHF share class</b>			
Number of outstanding shares at the start of the financial year	-	129,157.06	-
Number of issued shares	-	36,003.95	-
Number of redeemed shares	-	(17,629.98)	-
Number of outstanding shares at the end of the financial year	-	147,531.03	-
<b>A-EUR share class</b>			
Number of outstanding shares at the start of the financial year	-	190,440.80	-
Number of issued shares	-	119,454.69	-
Number of redeemed shares	-	(33,461.87)	-
Number of outstanding shares at the end of the financial year	-	276,433.62	-
<b>A-USD share class</b>			
Number of outstanding shares at the start of the financial year	-	50,003.72	48,905.63
Number of issued shares	-	43,838.85	6,103.20
Number of redeemed shares	-	(47,362.17)	(50,240.83)
Number of outstanding shares at the end of the financial year	-	46,480.40	4,768.00
<b>I-CHF share class</b>			
Number of outstanding shares at the start of the financial year	55,086.05	238,279.56	-
Number of issued shares	60,380.05	104,237.00	-
Number of redeemed shares	(63,647.05)	(54,191.45)	-
Number of outstanding shares at the end of the financial year	51,819.05	288,325.11	-
<b>I-EUR share class</b>			
Number of outstanding shares at the start of the financial year	-	447,491.91	-
Number of issued shares	-	136,253.00	-
Number of redeemed shares	-	(100,844.71)	-
Number of outstanding shares at the end of the financial year	-	482,900.20	-
<b>I-USD share class</b>			
Number of outstanding shares at the start of the financial year	-	190,597.20	326,668.67
Number of issued shares	-	237,147.97	447,155.67
Number of redeemed shares	-	(31,532.82)	(157,186.67)
Number of outstanding shares at the end of the financial year	-	396,212.35	616,637.67
<b>T-CHF share class</b>			
Number of outstanding shares at the start of the financial year	22,630.90	10,000.00	-
Number of issued shares	23,389.55	19,880.00	-
Number of redeemed shares	(25,744.10)	-	-
Number of outstanding shares at the end of the financial year	20,276.35	29,880.00	-
<b>T-USD share class</b>			
Number of outstanding shares at the start of the financial year	-	130,773.05	115,091.01
Number of issued shares	-	-	-
Number of redeemed shares	-	(76,501.00)	(40,337.17)
Number of outstanding shares at the end of the financial year	-	54,272.05	74,753.84

# FALCON FUND SICAV

## Changes in the number of shares in circulation (continued) for the financial year ending on 31 December 2015

	Falcon Swiss Small & Mid Cap Equity Fund	Twelve-Falcon Insurance Linked Strategy Fund	Falcon Gold Equity UCITS Fund
<b>H-EUR share class</b>			
Number of outstanding shares at the start of the financial year	-	-	18,276.00
Number of issued shares	-	-	31,618.76
Number of redeemed shares	-	-	(313.00)
Number of outstanding shares at the end of the financial year	-	-	49,581.76
<b>T-EUR Share class</b>			
Number of outstanding shares at the start of the financial year	-	303,959.75	-
Number of issued shares	-	354,432.76	-
Number of redeemed shares	-	(28,207.75)	-
Number of outstanding shares at the end of the financial year	-	630,184.76	-
<b>W-USD share class</b>			
Number of outstanding shares at the start of the financial year	-	-	7,957,700.00
Number of issued shares	-	-	-
Number of redeemed shares	-	-	(973,870.00)
Number of outstanding shares at the end of the financial year	-	-	6,983,830.00

# FALCON FUND SICAV

## Changes in the number of shares in circulation (continued) for the financial year ending on 31 December 2015

	Twelve-Falcon Insurance Opportunities Fund	Tocqueville-Falcon North American Value Fund	Falcon Emerging Markets High Yield Bond Fund
<b>A-CHF share class</b>			
Number of outstanding shares at the start of the financial year	-	-	-
Number of issued shares	-	-	-
Number of redeemed shares	-	-	-
Number of outstanding shares at the end of the financial year	-	-	-
<b>A-EUR share class</b>			
Number of outstanding shares at the start of the financial year	-	-	-
Number of issued shares	-	-	-
Number of redeemed shares	-	-	-
Number of outstanding shares at the end of the financial year	-	-	-
<b>A-USD share class</b>			
Number of outstanding shares at the start of the financial year	-	270.00	4,470.11
Number of issued shares	-	-	-
Number of redeemed shares	-	-	(404.54)
Number of outstanding shares at the end of the financial year	-	270.00	4,065.57
<b>I-CHF share class</b>			
Number of outstanding shares at the start of the financial year	78,325.34	-	-
Number of issued shares	59,736.60	-	-
Number of redeemed shares	(13,524.42)	-	-
Number of outstanding shares at the end of the financial year	124,537.52	-	-
<b>I-EUR share class</b>			
Number of outstanding shares at the start of the financial year	271,845.33	-	-
Number of issued shares	87,196.18	-	-
Number of redeemed shares	(31,191.55)	-	-
Number of outstanding shares at the end of the financial year	327,849.96	-	-
<b>I-USD share class</b>			
Number of outstanding shares at the start of the financial year	25,022.66	-	-
Number of issued shares	102,947.32	-	-
Number of redeemed shares	(11,094.01)	-	-
Number of outstanding shares at the end of the financial year	116,875.97	-	-
<b>T-CHF share class</b>			
Number of outstanding shares at the start of the financial year	-	-	-
Number of issued shares	-	-	-
Number of redeemed shares	-	-	-
Number of outstanding shares at the end of the financial year	-	-	-
<b>T-USD share class</b>			
Number of outstanding shares at the start of the financial year	-	437,419.49	16,216.92
Number of issued shares	-	156,651.68	-
Number of redeemed shares	-	(57,758.62)	(9,437.39)
Number of outstanding shares at the end of the financial year	-	536,312.55	6,779.53

# FALCON FUND SICAV

## Changes in the number of shares in circulation (continued) for the financial year ending on 31 December 2015

	Twelve-Falcon Insurance Opportunities Fund	Tocqueville-Falcon North American Value Fund	Falcon Emerging Markets High Yield Bond Fund
<b>H-EUR share class</b>			
Number of outstanding shares at the start of the financial year	-	-	-
Number of issued shares	-	-	-
Number of redeemed shares	-	-	-
Number of outstanding shares at the end of the financial year	-	-	-
<b>T-EUR Share class</b>			
Number of outstanding shares at the start of the financial year	-	-	-
Number of issued shares	-	-	-
Number of redeemed shares	-	-	-
Number of outstanding shares at the end of the financial year	-	-	-
<b>W-USD share class</b>			
Number of outstanding shares at the start of the financial year	-	-	-
Number of issued shares	-	-	-
Number of redeemed shares	-	-	-
Number of outstanding shares at the end of the financial year	-	-	-

# FALCON FUND SICAV

## Changes in the number of shares in circulation (continued) for the financial year ending on 31 December 2015

Tocqueville-Falcon  
Global Equity Fund

### A-CHF share class

Number of outstanding shares at the start of the financial year	-
Number of issued shares	-
Number of redeemed shares	-
Number of outstanding shares at the end of the financial year	-

### A-EUR share class

Number of outstanding shares at the start of the financial year	-
Number of issued shares	-
Number of redeemed shares	-
Number of outstanding shares at the end of the financial year	-

### A-USD share class

Number of outstanding shares at the start of the financial year	28,699.11
Number of issued shares	61,935.78
Number of redeemed shares	(27,235.16)
Number of outstanding shares at the end of the financial year	63,399.73

### I-CHF share class

Number of outstanding shares at the start of the financial year	-
Number of issued shares	-
Number of redeemed shares	-
Number of outstanding shares at the end of the financial year	-

### I-EUR share class

Number of outstanding shares at the start of the financial year	-
Number of issued shares	-
Number of redeemed shares	-
Number of outstanding shares at the end of the financial year	-

### I-USD share class

Number of outstanding shares at the start of the financial year	-
Number of issued shares	-
Number of redeemed shares	-
Number of outstanding shares at the end of the financial year	-

### T-CHF share class

Number of outstanding shares at the start of the financial year	-
Number of issued shares	-
Number of redeemed shares	-
Number of outstanding shares at the end of the financial year	-

### T-USD share class

Number of outstanding shares at the start of the financial year	-
Number of issued shares	-
Number of redeemed shares	-
Number of outstanding shares at the end of the financial year	-

# FALCON FUND SICAV

## Changes in the number of shares in circulation (continued) for the financial year ending on 31 December 2015

Tocqueville-Falcon  
Global Equity Fund

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### H-EUR share class

Number of outstanding shares at the start of the financial year	-
Number of issued shares	-
Number of redeemed shares	-
Number of outstanding shares at the end of the financial year	-

### T-EUR Share class

Number of outstanding shares at the start of the financial year	-
Number of issued shares	-
Number of redeemed shares	-
Number of outstanding shares at the end of the financial year	-

### W-USD share class

Number of outstanding shares at the start of the financial year	-
Number of issued shares	-
Number of redeemed shares	-
Number of outstanding shares at the end of the financial year	-

# FALCON FUND SICAV

## Statistics

	Falcon Swiss Small & Mid Cap Equity Fund	Twelve-Falcon Insurance Linked Strategy Fund	Falcon Gold Equity UCITS Fund
	CHF	USD	USD
<b>TOTAL NET ASSETS</b>			
31 December 2015	16,541,697.05	289,227,293.14	284,231,772.43
31 December 2014	16,654,640.19	216,046,362.08	416,834,144.31
31 December 2013	18,360,811.24	180,202,947.65	17,835,841.98
<b>Net asset value per share at the end of the financial year</b>			
<b>31 December 2015</b>			
A-CHF share class	-	111.46	-
A-EUR share class	-	117.69	-
A-USD share class	-	119.08	34.58
I-CHF share class	231.85	114.48	-
I-EUR share class	-	125.60	-
I-USD share class	-	122.15	36.39
T-CHF share class	223.30	104.07	-
T-USD share class	-	107.56	36.33
H-EUR share class	-	-	32.80
T-EUR share class	-	107.10	-
W-USD share class	-	-	36.82
<b>31 December 2014</b>			
A-CHF share class	-	111.05	-
A-EUR share class	-	114.47	-
A-USD share class	-	115.65	46.91
I-CHF share class	216.42	113.56	-
I-EUR share class	-	121.52	-
I-USD share class	-	118.04	48.98
T-CHF share class	209.15	103.01	-
T-USD share class	-	103.94	48.91
H-EUR share class	-	-	45.77
T-EUR share class	-	103.77	-
W-USD share class	-	-	49.25
<b>31 December 2013</b>			
A-CHF share class	-	121.67	-
A-EUR share class	-	152.80	-
A-USD share class	-	111.84	50.26
I-CHF share class	202.25	123.53	-
I-EUR share class	-	161.53	-
I-USD share class	-	113.59	52.06
T-CHF share class	196.11	-	-
T-USD share class	-	-	52.00
H-EUR share class	-	-	68.95
T-EUR share class	-	100.21	-

# FALCON FUND SICAV

## Statistics (continued)

	Twelve-Falcon Insurance Opportunities Fund USD	Tocqueville-Falcon North American Value Fund USD	Falcon Emerging Markets High Yield Bond Fund USD
<b>TOTAL NET ASSETS</b>			
31 December 2015	69,413,029.10	60,136,806.13	10,890,945.63
31 December 2014	47,307,784.61	50,691,863.37	20,524,553.56
31 December 2013	32,374,706.42	52,732,878.48	-
<b>Net asset value per share at the end of the financial year</b>			
<b>31 December 2015</b>			
A-CHF share class	-	-	-
A-EUR share class	-	-	-
A-USD share class	-	97.47	943.68
I-CHF share class	112.65	-	-
I-EUR share class	115.74	-	-
I-USD share class	116.29	-	-
T-CHF share class	-	-	-
T-USD share class	-	112.08	1,040.54
H-EUR share class	-	-	-
T-EUR share class	-	-	-
W-USD share class	-	-	-
<b>31 December 2014</b>			
A-CHF share class	-	-	-
A-EUR share class	-	-	-
A-USD share class	-	101.47	933.37
I-CHF share class	108.23	-	-
I-EUR share class	108.71	-	-
I-USD share class	108.97	-	-
T-CHF share class	-	-	-
T-USD share class	-	115.83	1,008.04
H-EUR share class	-	-	-
T-EUR share class	-	-	-
W-USD share class	-	-	-
<b>31 December 2013</b>			
A-CHF share class	-	-	-
A-EUR share class	-	-	-
A-USD share class	-	-	-
I-CHF share class	112.30	-	-
I-EUR share class	137.48	-	-
I-USD share class	99.88	-	-
T-CHF share class	-	-	-
T-USD share class	-	104.11	-
H-EUR share class	-	-	-
T-EUR share class	-	-	-

# FALCON FUND SICAV

## Statistics (continued)

Tocqueville-Falcon  
Global Equity Fund  
USD

### TOTAL NET ASSETS

31 December 2015	6,769,243.55
31 December 2014	3,076,132.73
31 December 2013	-

### Net asset value per share at the end of the financial year

#### 31 December 2015

A-CHF share class	-
A-EUR share class	-
A-USD share class	106.77
I-CHF share class	-
I-EUR share class	-
I-USD share class	-
T-CHF share class	-
T-USD share class	-
H-EUR share class	-
T-EUR share class	-
W-USD share class	-

#### 31 December 2014

A-CHF share class	-
A-EUR share class	-
A-USD share class	107.19
I-CHF share class	-
I-EUR share class	-
I-USD share class	-
T-CHF share class	-
T-USD share class	-
H-EUR share class	-
T-EUR share class	-
W-USD share class	-

#### 31 December 2013

A-CHF share class	-
A-EUR share class	-
A-USD share class	-
I-CHF share class	-
I-EUR share class	-
I-USD share class	-
T-CHF share class	-
T-USD share class	-
H-EUR share class	-
T-EUR share class	-

# FALCON FUND SICAV

## Falcon Swiss Small & Mid Cap Equity Fund

### Portfolio

as at 31 December 2015

(expressed in CHF)

Security description	Quantity	Currency	Initial value	Market value	% of net assets
<b>Officially listed securities</b>					
<b>Shares</b>					
<b>Austria</b>					
AMS AG	6,400	CHF	192,820.00	214,720.00	1.30
			<b>192,820.00</b>	<b>214,720.00</b>	<b>1.30</b>
<b>Switzerland</b>					
ALSO HOLDING N NAMEN-AKT.	5,250	CHF	300,663.65	361,200.00	2.18
ARYZTA AG /NAM.	10,000	CHF	411,352.17	510,000.00	3.08
BALOISE HOLDING /NAM.	5,000	CHF	483,041.03	638,000.00	3.86
BARRY CALLEBAUT AG /NAM.	350	CHF	279,348.15	383,950.00	2.32
BASILEA PHARMACEUTICA /NAMENSAKTIE	2,750	CHF	239,796.55	264,825.00	1.60
BOSSARD HOLDING AG	3,000	CHF	176,865.97	327,600.00	1.98
BUCHER INDUSTRIES AG /NAM.	1,700	CHF	264,255.75	384,710.00	2.33
CHAM PAPER GRP /NOM.	1,500	CHF	388,324.00	388,875.00	2.35
CLARIANT /NAM.	25,000	CHF	292,452.74	475,250.00	2.87
COMET HOLDING /NAM.	450	CHF	152,904.00	327,375.00	1.98
DAETWYLER HOLDING AG	3,399	CHF	148,811.17	487,416.60	2.95
DUFREY AG BASEL	4,200	CHF	405,660.41	504,000.00	3.05
FISCHER GEORG AG	600	CHF	284,117.91	407,400.00	2.46
FLUGHAFEN ZUERICH /NOM.	500	CHF	168,506.89	376,750.00	2.28
FORBO HOLDING AG /NAM.	400	CHF	495,911.75	472,800.00	2.86
HELVETIA HOLDING SA /NAM.	1,200	CHF	489,365.70	679,200.00	4.11
KABA HOLDING AG RUEMLANG	540	CHF	176,404.45	369,090.00	2.23
KUEHNE + NAGEL INTERNATIONAL	2,700	CHF	252,532.00	372,060.00	2.25
LINDT & SPRUENGLI /PARTIZ.	160	CHF	502,273.00	1,000,800.00	6.05
LONZA GROUP AG /NAM.	3,900	CHF	239,858.71	636,090.00	3.85
OC OERLIKON CORPORATION SA /NAM.	40,000	CHF	229,118.78	358,000.00	2.16
ORELL FUESSLI HOLDING SA /NAMEN	2,200	CHF	253,032.70	246,620.00	1.49
PARTNERS GROUP HOLDING	2,400	CHF	360,803.22	867,000.00	5.24
SANOVA HOLDING AG	6,000	CHF	576,622.66	763,800.00	4.62
SANTHERA PHARMACEUTICALS /NAM.	1,750	CHF	148,955.70	156,975.00	0.95
SCHINDLER HLD SA /NOM.	2,000	CHF	143,538.77	338,000.00	2.04
SCHINDLER HOLDING SA /PARTIC.	3,900	CHF	293,817.46	655,200.00	3.96
STRAUMANN HOLDING	1,500	CHF	422,700.25	457,500.00	2.77
SULZER AG /NAM.	3,200	CHF	358,304.75	301,920.00	1.82
SWISS LIFE HOLDING /NAM.	3,400	CHF	480,831.19	922,420.00	5.58
SWISSQUOTE GROUP HLD /NOM.	18,000	CHF	516,684.02	454,500.00	2.75
TEMENOS GROUP AG	8,000	CHF	182,550.25	415,600.00	2.51
THE SWATCH GROUP AG /NAM.	4,500	CHF	308,516.56	306,000.00	1.85
U BLOX HOLDING AG	1,550	CHF	303,250.00	332,475.00	2.01
ZEHNDER GROUP AG	10,000	CHF	471,163.39	384,500.00	2.32
			<b>11,202,335.70</b>	<b>16,327,901.60</b>	<b>98.71</b>
<b>Total - Shares</b>			<b>11,395,155.70</b>	<b>16,542,621.60</b>	<b>100.01</b>
<b>Total - Officially listed securities</b>			<b>11,395,155.70</b>	<b>16,542,621.60</b>	<b>100.01</b>
<b>TOTAL PORTFOLIO</b>			<b>11,395,155.70</b>	<b>16,542,621.60</b>	<b>100.01</b>

The attached notes are an integral part of the annual report.

# FALCON FUND SICAV

## Falcon Swiss Small & Mid Cap Equity Fund

### Structure of the portfolio as at 31 December 2015

(as a percentage of net assets)

<b>Geographical distribution</b>	<b>%</b>
Switzerland	98.71
Austria	1.30
	<b>100.01</b>

<b>Industrial sector distribution</b>	<b>%</b>
Insurance	13.55
Machines and mechanics	12.38
Foods, alcoholic beverages	11.45
Holding and finance companies	10.94
Pharmaceuticals and cosmetics	9.94
Electronic semiconductors	7.87
Chemicals	6.72
Traffic and transportation	4.53
Electronics and electrical equipment	4.21
Retail trade	3.05
Construction, building materials	2.86
Internet software	2.51
Paper and wood	2.35
Automotive industry	2.33
Various trading companies	1.98
Watch-making industry	1.85
Graphics and publication	1.49
	<b>100.01</b>

# FALCON FUND SICAV

## Twelve-Falcon Insurance Linked Strategy Fund

### Portfolio as at 31 December 2015

(expressed in USD)

Security description	Quantity	Currency	Initial value	Market value	% of net assets
<b>Officially listed securities</b>					
<b>Bonds</b>					
<b>Bermuda</b>					
AOZORA RE FRN 14-07.04.17 -B- /CAT	94,700,000	JPY	930,242.73	787,559.87	0.27
EURUS III FRN 12-07.04.16 /CAT	1,100,000	EUR	1,408,804.37	1,204,571.96	0.42
			<b>2,339,047.10</b>	<b>1,992,131.83</b>	<b>0.69</b>
<b>Cayman Islands</b>					
RESID12 FRN 12-06.06.18 /CAT	3,900,000	USD	4,091,470.43	3,985,410.00	1.38
			<b>4,091,470.43</b>	<b>3,985,410.00</b>	<b>1.38</b>
<b>Ireland</b>					
ATLAS FRN 12-07.01.16 /CAT	1,400,000	EUR	1,812,294.38	1,535,088.40	0.53
BENU CAPITA FRN 15-08.01.20 /CAT	6,800,000	EUR	7,304,743.78	7,494,192.79	2.59
CALY CAP II FRN 08.01.18 /CAT	2,750,000	EUR	3,732,715.02	3,075,997.17	1.06
CALY CAP II FRN 09.01.17 /CAT	3,500,000	EUR	4,793,255.03	3,858,841.12	1.34
			<b>17,643,008.21</b>	<b>15,964,119.48</b>	<b>5.52</b>
<b>Total - Bonds</b>			<b>24,073,525.74</b>	<b>21,941,661.31</b>	<b>7.59</b>
<b>Total - Officially listed securities</b>			<b>24,073,525.74</b>	<b>21,941,661.31</b>	<b>7.59</b>
<b>Securities traded on another regulated market</b>					
<b>Bonds</b>					
<b>Bermuda</b>					
ACORN RE FRN 15-17.07.18 /CAT	2,800,000	USD	2,800,529.66	2,821,560.00	0.98
ALAMO RE FRN 14-07.06.17 /CAT	7,850,000	USD	7,995,429.61	8,022,700.00	2.77
ALAMO RE FRN 15-07.06.18 /CAT	5,300,000	USD	5,300,546.39	5,454,760.00	1.89
ALAMO RE FRN 15-07.06.22 15-01 B	2,727,000	USD	2,722,057.61	2,789,993.70	0.96
ARMOR RE FRN 14-15.12.16 /CAT	2,750,000	USD	2,745,281.88	2,772,601.37	0.96
BLUE DAN II FRN 13-23.05.16	1,610,000	USD	1,620,457.68	1,614,669.00	0.56
BOSPHORUS 1 FRN 13-03.05.16 /CAT	5,500,000	USD	5,502,646.46	5,490,650.00	1.90
CRANBERRY FRN 15-06.07.18 /CAT	6,650,000	USD	6,650,523.34	6,767,040.00	2.34
EVERGLADES FRN 13-28.03.16 /CAT	3,250,000	USD	3,459,442.67	3,305,900.00	1.14
EVERGLADES FRN 14-17 /CAT	10,350,000	USD	10,455,998.93	10,660,500.00	3.69
GALILEO RE FRN 08.01.18 /CAT	2,950,000	USD	2,950,323.05	3,034,370.00	1.05
GALILEO RE FRN 09.01.17 /CAT	6,000,000	USD	6,186,510.07	6,045,000.00	2.09
GD ST RE II FRN 08.07.19 /CAT	6,500,000	USD	6,500,433.13	6,458,028.33	2.23
KANE SAC 0% 15-03.02.16	988,000	USD	988,553.46	1,097,371.60	0.38
KILIMANJARO FRN 06.12.19 /CAT	5,000,000	USD	5,000,496.28	5,012,500.00	1.73
KILIMANJARO FRN 06.12.19 /CAT	3,700,000	USD	3,700,496.28	3,705,180.00	1.28
KILIMANJARO FRN 25.11.19 /CAT	7,750,000	USD	7,751,033.11	7,683,350.00	2.66
KILIMANJARO FRN 30.04.18 /CAT	2,000,000	USD	2,000,454.14	1,994,188.68	0.69
KILIMANJARO FRN 30.04.18 /CAT	4,650,000	USD	4,650,567.67	4,643,025.00	1.61
LAKESIDE RE FRN 12-08.01.16 /CAT	5,900,000	USD	6,001,273.64	5,904,130.00	2.04
LOMA REINS FRN 08.01.18 /CAT	5,125,000	USD	5,425,907.94	5,341,005.53	1.85
LOMA REINS FRN 14-08.01.18 /CAT	1,075,000	USD	1,075,558.75	1,144,769.21	0.40
LOMA REINS FRN 14-08.01.18 /CAT	1,150,000	USD	1,208,731.56	1,191,055.00	0.41
MERNA RE IV FRN 13-08.04.16 CAT	3,000,000	USD	3,004,115.07	3,001,200.00	1.04
MERNA RE V FRN 14-07.04.17 /CAT	3,550,000	USD	3,551,163.12	3,541,125.00	1.22
MONA LISA RE FRN 13-07.07.17 /CAT	1,750,000	USD	1,820,526.43	1,827,875.00	0.63
NAKAMA RE FRN 14-13.04.18 /CAT	1,850,000	USD	1,862,540.07	1,855,365.00	0.64
NAKAMA RE FRN 14-16.01.20 /CAT	1,250,000	USD	1,257,388.03	1,254,418.76	0.43
NAKAMA RE FRN 29.09.16 /CAT	7,000,000	USD	7,060,037.18	7,017,500.00	2.43
PELICAN III FRN 15-16.04.18 /CAT	1,650,000	USD	1,658,762.06	1,662,375.00	0.57
RESID12 FRN 12-06.06.18 /CAT	3,600,000	USD	4,112,490.57	3,861,000.00	1.33
SANDERS B FRN 05.05.17 144A /CAT	1,800,000	USD	1,806,604.07	1,797,120.00	0.62
SANDERS FRN 14-25.05.18 /CAT	2,500,000	USD	2,433,009.63	2,447,500.00	0.85
SANDERS FRN 14-28.05.19 /CAT	3,500,000	USD	3,413,034.76	3,418,596.23	1.18
SANDERS RE LTD FRN 05.05.17 /CAT	2,100,000	USD	2,125,629.81	2,088,660.00	0.72
SHIMA REINS FRN 14-24.01.17 /CAT	1,600,000	USD	1,621,789.03	1,603,020.09	0.55
SUNSHINE RE FRN 13-01.05.18 CAT	250,000	USD	258,473.37	255,500.00	0.09

# FALCON FUND SICAV

## Twelve-Falcon Insurance Linked Strategy Fund

### Portfolio (continued) as at 31 December 2015

(expressed in USD)

Security description	Quantity	Currency	Initial value	Market value	% of net assets
TAR HEEL RE FRN 13-09.05.16 /CAT	4,750,000	USD	4,946,539.40	4,858,300.00	1.68
TRADEWYND FRN 13-09.07.18	3,250,000	USD	3,576,980.34	3,550,625.00	1.23
TRADEWYND FRN 14-08.01.16 /CAT	5,650,000	USD	5,650,511.22	5,644,915.00	1.95
TRADEWYND FRN 14-08.01.18 /CAT	4,800,000	USD	4,810,984.98	4,856,640.00	1.68
TRADEWYND FRN 14-09.01.17 CAT	1,050,000	USD	1,051,575.00	1,062,075.00	0.37
TRAMLINE RE FRN 05.07.17 144A /CAT	3,000,000	USD	3,024,555.74	2,973,681.24	1.03
TRAMLINE RE FRN 14-04.01.19 /CAT	7,400,000	USD	7,460,556.37	7,535,420.00	2.61
URSA RE FRN 14-07.12.17 /CAT	3,700,000	USD	3,700,519.08	3,692,230.00	1.28
URSA RE FRN 15-21.09.18 /CAT	4,100,000	USD	4,100,514.93	4,091,800.00	1.41
			<b>177,001,553.57</b>	<b>176,851,288.74</b>	<b>61.15</b>
<b>Cayman Islands</b>					
EAST LANE FRN 12-16.03.16 /CAT	1,250,000	USD	1,250,100.00	1,265,750.00	0.44
EAST LANE FRN 14-14.03.18 /CAT	3,790,000	USD	3,794,951.74	3,752,100.00	1.30
EAST LANE FRN 15-13.03.23 /CAT	3,850,000	USD	3,850,301.38	3,850,385.00	1.33
IBIS RE II FRN 13-28.06.18 /CAT	1,500,000	USD	1,502,250.00	1,512,000.00	0.52
LONGP III FRN 18.05.16 144A /CAT	3,000,000	USD	3,023,362.26	3,019,200.00	1.04
LONGPT III FRN 15-23.05.18 /CAT	4,250,000	USD	4,250,279.99	4,307,375.00	1.49
MYTHEN RE FRN 05.01.17 A /CAT	1,000,000	USD	1,000,100.00	1,030,055.38	0.36
PELICAN RE FRN 13-15.05.17 CAT	2,050,000	USD	2,105,584.54	2,105,350.00	0.73
RES REINS FRN 06.06.17 /CAT	3,000,000	USD	3,171,083.11	3,129,000.00	1.08
RES REINS FRN 06.06.17 144A /CAT	900,000	USD	942,198.20	949,680.00	0.33
RES REINS FRN 13-06.12.17 /CAT	2,000,000	USD	2,009,984.91	2,075,000.00	0.72
RES REINS FRN 13-06.12.17 /CAT	500,000	USD	500,750.00	499,050.00	0.17
RES REINS FRN 14-06.06.18 /CAT	5,000,000	USD	5,007,939.02	5,167,329.60	1.79
RES REINS FRN 14-06.12.18	1,000,000	USD	976,019.59	987,000.00	0.34
RESID12 FRN 12-06.12.16 /CAT	1,150,000	USD	1,156,100.00	1,161,500.00	0.40
RESID12 FRN 12-06.12.16 /CAT	500,000	USD	500,100.00	507,000.00	0.17
RESID12 FRN 12-06.12.16 /CAT	500,000	USD	500,100.00	523,600.00	0.18
RESID12 FRN 12-06.12.16 /CAT	500,000	USD	500,100.00	533,500.00	0.18
VITA CAP V FRN 12-15.01.17 /CAT	2,550,000	USD	2,557,539.85	2,566,830.00	0.89
VITA CAP V FRN 15.01.17 /CAT	2,200,000	USD	2,200,100.00	2,218,480.00	0.77
VITAL RE IV FRN 08.01.18 /CAT	1,000,000	USD	1,000,580.75	998,800.00	0.34
VITAL RE IV FRN 13-09.01.17 /CAT	730,000	USD	749,304.10	741,315.00	0.26
VITAL RE IV FRN 13-09.01.17 CAT	320,000	USD	325,460.85	322,240.00	0.11
			<b>42,874,290.29</b>	<b>43,222,539.98</b>	<b>14.94</b>
<b>Ireland</b>					
ATLAS FRN 12-07.01.16 /CAT	1,500,000	USD	1,550,000.00	1,500,750.00	0.52
ATLAS IX CAP FRN 17.01.19 /CAT	3,600,000	USD	3,616,971.37	3,668,400.00	1.27
GREEN FLDS FRN 09.01.17 144A /CAT	6,250,000	EUR	7,071,157.03	6,885,301.97	2.38
LION I RE L FRN 28.04.17 /CAT	3,700,000	EUR	4,861,249.36	4,066,762.02	1.40
			<b>17,099,377.76</b>	<b>16,121,213.99</b>	<b>5.57</b>
<b>Total - Bonds</b>			<b>236,975,221.62</b>	<b>236,195,042.71</b>	<b>81.66</b>
<b>Total - Securities traded on another regulated market</b>			<b>236,975,221.62</b>	<b>236,195,042.71</b>	<b>81.66</b>
<b>Other securities</b>					
<b>Bonds</b>					
<b>Bermuda</b>					
KANE SAC 0% 15-04.07.18 /CAT	2,362,000	USD	2,362,538.56	2,477,738.00	0.85
KANE SAC 0% 15-20.01.16 /CAT	7,139,000	USD	7,177,680.77	7,486,669.30	2.59
			<b>9,540,219.33</b>	<b>9,964,407.30</b>	<b>3.44</b>
<b>Ireland</b>					
AZZURRO FRN 15-16.01.19 /CAT	2,049,000	EUR	2,309,455.16	2,248,509.96	0.78

# FALCON FUND SICAV

## Twelve-Falcon Insurance Linked Strategy Fund

### Portfolio (continued) as at 31 December 2015

(expressed in USD)

Security description	Quantity	Currency	Initial value	Market value	% of net assets
QUEEN ST FRN 15-20.06.21 /CAT	5,900,000	USD	5,900,504.64	5,900,000.00	2.04
			<b>8,209,959.80</b>	<b>8,148,509.96</b>	<b>2.82</b>
<b>Total - Bonds</b>			<b>17,750,179.13</b>	<b>18,112,917.26</b>	<b>6.26</b>
<b>Total - Other securities</b>			<b>17,750,179.13</b>	<b>18,112,917.26</b>	<b>6.26</b>
<b>TOTAL PORTFOLIO</b>			<b>278,798,926.49</b>	<b>276,249,621.28</b>	<b>95.51</b>

# FALCON FUND SICAV

## Twelve-Falcon Insurance Linked Strategy Fund

### Structure of the portfolio as at 31 December 2015

(as a percent of net assets)

<b>Geographical distribution</b>	<b>%</b>
Bermuda	65.28
Cayman Islands	16.32
Ireland	13.91
	<b>95.51</b>

<b>Industrial sector distribution</b>	<b>%</b>
Insurance	37.05
Holding and finance companies	36.83
Miscellaneous	11.59
Other service providers	10.04
	<b>95.51</b>

# FALCON FUND SICAV

## Falcon Gold Equity UCITS Fund

### Portfolio

as at 31 December 2015

(expressed in USD)

Security description	Quantity	Currency	Initial value	Market value	% of net assets
<b>Officially listed securities</b>					
<b>Shares</b>					
<b>Australia</b>					
EVOLUTION MINING LTD	5,844,700	AUD	4,880,049.74	5,910,712.96	2.08
NEWCREST MINING	432,300	AUD	4,852,329.69	4,079,322.65	1.43
			<b>9,732,379.43</b>	<b>9,990,035.61</b>	<b>3.51</b>
<b>Great Britain</b>					
FRESNILLO PLC	1,032,700	GBP	16,916,635.49	10,776,443.43	3.79
			<b>16,916,635.49</b>	<b>10,776,443.43</b>	<b>3.79</b>
<b>Jersey</b>					
RANDGOLD RESOURCES LTD /ADR	298,700	USD	24,563,901.43	18,498,491.00	6.51
			<b>24,563,901.43</b>	<b>18,498,491.00</b>	<b>6.51</b>
<b>Canada</b>					
AGNICO EAGLE MINES LTD	877,800	USD	31,269,796.42	23,068,584.00	8.12
ALAMOS GOLD INC.	1,995,500	USD	15,441,141.40	6,565,195.00	2.31
AMERICAS SILVER CORP	336,600	USD	201,793.66	24,942.06	0.01
ARGONAUT GOLD INC.	3,267,500	CAD	16,429,884.20	2,799,170.17	0.98
ATAC RESOURCES LTD	429,600	USD	587,719.26	91,233.23	0.03
AURICO METALS INC.	566,377	USD	461,477.25	244,504.95	0.09
B2GOLD CORP	7,412,121	USD	19,360,757.49	7,560,363.42	2.66
BEAR CREEK MINING CORP	1,467,900	CAD	3,618,165.10	612,902.24	0.21
CONTINENTAL GOLD INC.	1,882,500	CAD	8,419,905.77	2,127,655.85	0.75
CORVUS GOLD	840,178	CAD	1,626,107.37	251,007.18	0.09
DETOUR GOLD CORPORATION	1,754,400	CAD	17,773,006.72	18,199,495.26	6.40
ELDORADO GOLD	3,510,615	USD	26,585,966.38	10,426,526.55	3.67
FRANCO-NEVADA CORP	362,100	USD	19,212,111.62	16,566,075.00	5.83
GOGOLD RESOURCES INC.	4,794,845	CAD	6,356,195.11	4,004,048.28	1.41
GOLDCORP INC.	1,171,800	USD	32,771,557.64	13,546,008.00	4.76
GOLDROCK MINES SHS	115,600	CAD	85,467.67	14,563.39	0.01
IAMGOLD CORP	4,290,800	USD	17,807,184.83	6,092,936.00	2.14
INTL TOWER HILL-USD EQUIV.	2,322,000	USD	1,909,583.51	452,790.00	0.16
KINROSS GOLD CORP	1,494,300	USD	7,790,456.81	2,719,626.00	0.96
MAG SILVER CORP	1,673,400	USD	13,916,603.03	11,814,204.00	4.16
NOVAGOLD RESOURCES INC.	2,509,459	USD	9,424,838.17	10,564,822.39	3.72
OCEANAGOLD CORP	2,110,349	CAD	6,158,247.98	4,010,744.11	1.41
OSISKO GOLD ROYALTIES LTD	839,130	USD	12,689,039.29	8,257,802.78	2.90
PAN AMERICAN SILVER CORP	1,349,799	USD	19,816,333.51	8,773,693.50	3.09
PRIMERO MINING CORP	3,297,000	USD	22,104,558.97	7,405,259.56	2.60
RUBICON MINERALS CORP	4,244,100	CAD	6,387,945.10	366,634.73	0.13
SEMAFO INC.	4,554,600	USD	18,800,394.30	11,508,642.58	4.05
SILVER WHEATON CORP	811,100	USD	20,977,884.42	10,073,862.00	3.54
TAHOE RESOURCES INC.	1,150,466	USD	26,496,180.60	9,913,675.13	3.49
TOREX GOLD RES	11,989,400	CAD	15,749,731.30	10,875,137.06	3.83
			<b>400,230,034.88</b>	<b>208,932,104.42</b>	<b>73.51</b>
<b>South Africa</b>					
GOLD FIELDS /SPONS. /ADR	2,296,000	USD	10,134,448.31	6,359,920.00	2.24
			<b>10,134,448.31</b>	<b>6,359,920.00</b>	<b>2.24</b>
<b>United States of America</b>					
NEWMONT MINING CORP	612,400	USD	15,231,072.46	11,017,076.00	3.87
ROYAL GOLD INC.	317,200	USD	21,976,263.33	11,568,284.00	4.07
STILLWATER MINING CO	533,200	USD	7,381,846.20	4,569,524.00	1.61
			<b>44,589,181.99</b>	<b>27,154,884.00</b>	<b>9.55</b>
<b>Total - Shares</b>			<b>506,166,581.53</b>	<b>281,711,878.46</b>	<b>99.11</b>
<b>Total - Officially listed securities</b>			<b>506,166,581.53</b>	<b>281,711,878.46</b>	<b>99.11</b>

# FALCON FUND SICAV

## Falcon Gold Equity UCITS Fund

### Portfolio (continued) as at 31 December 2015

(expressed in USD)

Security description	Quantity	Currency	Initial value	Market value	% of net assets
<b>Securities traded on another regulated market</b>					
<b>Shares</b>					
<b>Canada</b>					
PREMIER GOLD MINES LTD	1,286,000	USD	2,602,199.82	2,444,058.74	0.86
			<b>2,602,199.82</b>	<b>2,444,058.74</b>	<b>0.86</b>
<b>Total - Shares</b>			<b>2,602,199.82</b>	<b>2,444,058.74</b>	<b>0.86</b>
<b>Total - Securities traded on another regulated market</b>			<b>2,602,199.82</b>	<b>2,444,058.74</b>	<b>0.86</b>
<b>TOTAL PORTFOLIO</b>			<b>508,768,781.35</b>	<b>284,155,937.20</b>	<b>99.97</b>

The attached notes are an integral part of the annual report.

# FALCON FUND SICAV

## Falcon Gold Equity UCITS Fund

### Structure of the portfolio as at 31 December 2015

(as a percentage of net assets)

<b>Geographical distribution</b>	<b>%</b>
Canada	74.37
United States of America	9.55
Jersey	6.51
Great Britain	3.79
Australia	3.51
South Africa	2.24
	<b>99.97</b>

<b>Industrial sector distribution</b>	<b>%</b>
Precious metals	61.82
Mining industry	23.23
Holding and finance companies	6.50
Non-ferrous metals	4.88
Miscellaneous	3.54
	<b>99.97</b>

# FALCON FUND SICAV

## Twelve-Falcon Insurance Opportunities Fund

### Portfolio as at 31 December 2015

(expressed in USD)

Security description	Quantity	Currency	Initial value	Market value	% of net assets
<b>Securities traded on another regulated market</b>					
<b>Bonds</b>					
<b>Bermuda</b>					
ALAMO RE FRN 14-07.06.17 /CAT	650,000	USD	650,557.17	664,300.00	0.96
ALAMO RE FRN 15-07.06.18 /CAT	1,800,000	USD	1,800,000.00	1,852,560.00	2.67
ALAMO RE FRN 15-07.06.22 15-01 B	1,273,000	USD	1,270,965.61	1,302,406.30	1.88
ARMOR RE FRN 14-15.12.16 /CAT	1,500,000	USD	1,507,733.30	1,512,328.02	2.18
CITRUS RE FRN 15-09.04.20 /CAT	1,250,000	USD	1,246,051.70	1,269,625.00	1.83
EVERGLADES FRN 14-17 /CAT	2,000,000	USD	2,042,430.22	2,060,000.00	2.97
GALILEO RE FRN 08.01.18 /CAT	3,500,000	USD	3,558,783.50	3,600,100.00	5.19
GALILEO RE FRN 09.01.17 /CAT	1,700,000	USD	1,736,794.34	1,712,750.00	2.47
KANE SAC 0% 15-03.02.16	1,782,000	USD	1,854,666.94	1,979,267.40	2.85
KILIMANJARO FRN 06.12.19 /CAT	5,000,000	USD	5,000,496.28	5,012,500.00	7.22
KILIMANJARO FRN 30.04.18 /CAT	600,000	USD	600,567.67	598,256.60	0.86
KILIMANJARO FRN 30.04.18 /CAT	1,100,000	USD	1,100,567.67	1,098,350.00	1.58
LOMA REINS FRN 08.01.18 /CAT	2,100,000	USD	2,170,258.58	2,188,509.58	3.15
LOMA REINS FRN 14-08.01.18 /CAT	2,050,000	USD	2,097,026.99	2,123,185.00	3.06
LOMA REINS FRN 14-08.01.18 /CAT	1,500,000	USD	1,500,558.75	1,597,352.39	2.30
MONA LISA RE FRN 13-07.07.17 /CAT	250,000	USD	261,472.62	261,125.00	0.37
QUEEN STREET 08.06.16 /CAT	1,500,000	USD	1,511,013.03	1,513,276.55	2.18
RESID12 FRN 12-06.06.18 /CAT	2,000,000	USD	2,395,622.60	2,145,000.00	3.09
TRADEWYND FRN 13-09.07.18	2,050,000	USD	2,248,753.94	2,239,625.00	3.23
TRADEWYND FRN 14-08.01.16 /CAT	1,950,000	USD	1,949,979.70	1,948,245.00	2.81
TRADEWYND FRN 14-08.01.18 /CAT	1,950,000	USD	1,950,511.22	1,973,010.00	2.84
TRADEWYND FRN 14-09.01.17 CAT	250,000	USD	253,272.62	252,875.00	0.36
TRAMLINE RE FRN 14-04.01.19 /CAT	4,500,000	USD	4,557,588.81	4,582,350.00	6.60
URSA RE FRN 15-21.09.18 /CAT	1,000,000	USD	1,000,514.93	998,000.00	1.44
VENTERRA FRN 09.01.17 /CAT	250,000	USD	250,558.75	249,875.00	0.36
			<b>44,516,746.94</b>	<b>44,734,871.84</b>	<b>64.45</b>
<b>Cayman Islands</b>					
MYTHEN RE FRN 05.01.17 A /CAT	1,000,000	USD	1,029,013.03	1,030,055.38	1.48
MYTHEN RE FRN 12-10.11.16 /CAT	1,100,000	USD	1,141,761.20	1,133,000.00	1.63
RES 2015 FRN 15-06.12.19 /CAT	2,250,000	USD	2,250,491.14	2,249,775.00	3.24
RES REINS FRN 13-06.12.17 /CAT	3,000,000	USD	3,028,643.00	2,994,300.00	4.31
RES REINS FRN 13-06.12.17 /CAT	2,000,000	USD	2,014,811.45	2,075,000.00	2.99
RES REINS FRN 14-06.06.18 /CAT	3,250,000	USD	3,295,706.44	3,358,764.24	4.84
RESID12 FRN 12-06.12.16 /CAT	500,000	USD	513,086.36	507,000.00	0.73
RESID12 FRN 12-06.12.16 /CAT	250,000	USD	266,003.12	261,800.00	0.38
			<b>13,539,515.74</b>	<b>13,609,694.62</b>	<b>19.60</b>
<b>Ireland</b>					
QUEEN STREET IX FRN 08.06.17 /CAT	1,500,000	USD	1,489,252.82	1,485,750.00	2.14
QUEEN STRT FRN 08.06.18 /CAT	2,000,000	USD	1,990,506.66	1,989,800.00	2.87
			<b>3,479,759.48</b>	<b>3,475,550.00</b>	<b>5.01</b>
<b>Total - Bonds</b>			<b>61,536,022.16</b>	<b>61,820,116.46</b>	<b>89.06</b>
<b>Total - Securities traded on another regulated market</b>			<b>61,536,022.16</b>	<b>61,820,116.46</b>	<b>89.06</b>

# FALCON FUND SICAV

## Twelve-Falcon Insurance Opportunities Fund

### Portfolio (continued) as at 31 December 2015

(expressed in USD)

Security description	Quantity	Currency	Initial value	Market value	% of net assets
<b>Other securities</b>					
<b>Bonds</b>					
<b>Bermuda</b>					
KANE SAC 0% 15-04.07.18 /CAT	945,000	USD	945,538.56	991,305.00	1.43
KANE SAC 0% 15-20.01.16 /CAT	1,385,000	USD	1,385,538.65	1,452,449.50	2.09
			<b>2,331,077.21</b>	<b>2,443,754.50</b>	<b>3.52</b>
<b>Total - Bonds</b>			<b>2,331,077.21</b>	<b>2,443,754.50</b>	<b>3.52</b>
<b>Total - Other securities</b>			<b>2,331,077.21</b>	<b>2,443,754.50</b>	<b>3.52</b>
<b>TOTAL PORTFOLIO</b>			<b>63,867,099.37</b>	<b>64,263,870.96</b>	<b>92.58</b>

The attached notes are an integral part of the annual report.

# FALCON FUND SICAV

## Twelve-Falcon Insurance Opportunities Fund

### Structure of the portfolio as at 31 December 2015

(as a percent of net assets)

<b>Geographical distribution</b>	<b>%</b>
Bermuda	67.97
Cayman Islands	19.60
Ireland	5.01
	<b>92.58</b>

<b>Industrial sector distribution</b>	<b>%</b>
Insurance	54.36
Holding and finance companies	25.36
Miscellaneous	9.99
Other service providers	2.87
	<b>92.58</b>

# FALCON FUND SICAV

## Tocqueville-Falcon North American Value Fund

### Portfolio

as at 31 December 2015

(expressed in USD)

Security description	Quantity	Currency	Initial value	Market value	% of net assets
<b>Officially listed securities</b>					
<b>Shares</b>					
<b>Australia</b>					
BHP BILLITON /ADR	10,000	USD	239,105.86	257,600.00	0.43
			<b>239,105.86</b>	<b>257,600.00</b>	<b>0.43</b>
<b>Bermuda</b>					
LAZARD LTD CL.A	15,000	USD	630,600.00	675,150.00	1.12
			<b>630,600.00</b>	<b>675,150.00</b>	<b>1.12</b>
<b>Ireland</b>					
ALKERMES INC.	12,500	USD	522,623.52	992,250.00	1.65
ALLERGAN PLC	2,000	USD	622,749.73	625,000.00	1.04
XL GROUP	25,000	USD	762,512.51	979,500.00	1.63
			<b>1,907,885.76</b>	<b>2,596,750.00</b>	<b>4.32</b>
<b>Canada</b>					
CAMECO CORP	30,000	USD	594,553.88	369,900.00	0.62
GOLDCORP INC.	50,000	USD	991,260.31	578,000.00	0.96
			<b>1,585,814.19</b>	<b>947,900.00</b>	<b>1.58</b>
<b>Netherlands</b>					
FRANK S INTERNATIONAL N.V.	27,000	USD	618,477.47	450,630.00	0.75
			<b>618,477.47</b>	<b>450,630.00</b>	<b>0.75</b>
<b>Netherlands Antilles</b>					
SCHLUMBERGER LTD	12,500	USD	1,082,384.30	871,875.00	1.45
			<b>1,082,384.30</b>	<b>871,875.00</b>	<b>1.45</b>
<b>United States of America</b>					
ABBVIE INC.	7,500	USD	523,034.82	444,300.00	0.74
AFLAC INC.	15,000	USD	980,764.47	898,500.00	1.49
ALCOA INC	50,000	USD	470,288.92	493,500.00	0.82
ALLISON TR	17,500	USD	522,624.80	453,075.00	0.75
ALPHABET INC -A-	1,500	USD	895,968.14	1,167,015.00	1.94
ALPHABET INC -C-	1	USD	532.50	758.88	-
AMAZON COM INC.	2,500	USD	762,695.71	1,689,725.00	2.81
APPLE INC.	10,000	USD	838,600.91	1,052,600.00	1.75
APPLIED MATERIALS INC.	70,000	USD	1,185,907.37	1,306,900.00	2.17
BANK OF NY MELLON CORP SHS	25,000	USD	838,550.98	1,030,500.00	1.71
BILL BARRETT CORP	25,000	USD	537,239.37	98,250.00	0.16
BIOGEN INC.	2,500	USD	986,620.90	765,875.00	1.27
BOEING CO	5,400	USD	721,087.56	780,786.00	1.30
C.H.ROBINSON WORLDWIDE INC.	7,500	USD	425,032.55	465,150.00	0.77
CAMPBELL SOUP CO	17,500	USD	732,447.26	919,625.00	1.53
CAPITAL ONE FINANCIAL CORP	10,000	USD	783,585.65	721,800.00	1.20
CATERPILLAR INC.	10,000	USD	650,054.14	679,600.00	1.13
CHEMOURS COMPANY CO (THE)	10,000	USD	128,504.43	53,600.00	0.09
COCA-COLA CO	17,500	USD	690,581.08	751,800.00	1.25
COLGATE-PALMOLIVE CO	10,000	USD	641,777.58	666,200.00	1.11
DELTA AIR LINES	20,000	USD	626,289.81	1,013,800.00	1.69
DEVRY EDUCATION GROUP INC.	25,000	USD	849,504.66	632,750.00	1.05
DISCOVER FIN SVC	10,000	USD	592,344.19	536,200.00	0.89
DISCOVERY COM INC. -A-	15,000	USD	508,718.03	400,200.00	0.67
DU PONT DE NEM. & CO /E.I.	25,000	USD	1,433,643.17	1,665,000.00	2.77
EMC CORP	60,000	USD	1,456,157.74	1,540,800.00	2.56
ENERGEN CORP	15,000	USD	1,001,399.96	614,850.00	1.02
EXPRESS SCRIPTS HLD	5,000	USD	355,582.30	437,050.00	0.73
EXXON MOBIL CORP	17,500	USD	1,601,927.26	1,364,125.00	2.27
FACEBOOK INC. -A-	10,000	USD	547,173.91	1,046,600.00	1.74
FORD MOTOR CO	75,000	USD	1,215,080.58	1,056,750.00	1.76
GENERAL ELECTRIC CO	65,000	USD	1,705,271.57	2,024,750.00	3.37
IAC /INTERACTIVE CORP /W.ISS.	10,000	USD	633,742.95	600,500.00	1.00
ILLINOIS TOOL WORKS	10,000	USD	795,985.50	926,800.00	1.54

# FALCON FUND SICAV

## Tocqueville-Falcon North American Value Fund

### Portfolio (continued) as at 31 December 2015

(expressed in USD)

Security description	Quantity	Currency	Initial value	Market value	% of net assets
INTEL CORP	35,000	USD	929,447.53	1,205,750.00	2.01
IONIS PHARMACEUTICALS INC	15,000	USD	595,612.11	928,950.00	1.54
JOHNSON & JOHNSON	15,000	USD	1,416,069.53	1,540,800.00	2.56
KANSAS CITY SOUTHERN	5,000	USD	464,053.05	373,350.00	0.62
M&T BANK CORPORATION	5,000	USD	574,720.89	605,900.00	1.01
MACY S	15,000	USD	600,900.00	524,700.00	0.87
MATTEL INC.	40,000	USD	1,060,527.99	1,086,800.00	1.81
MCDONALD S CORP	15,000	USD	1,410,732.00	1,772,100.00	2.95
MERCK	15,000	USD	736,516.16	792,300.00	1.32
MGM RESORTS INTERNATIONAL	12,500	USD	271,179.86	284,000.00	0.47
MICRON TECHNOLOGY INC.	20,000	USD	468,384.25	283,200.00	0.47
MICROSOFT CORP	30,000	USD	1,134,335.59	1,664,400.00	2.77
MOMENTA PHARMACEUTICALS INC.	50,000	USD	589,787.72	742,000.00	1.23
NEXTERA ENERGY	12,500	USD	1,051,372.76	1,298,625.00	2.16
NOBLE ENERGY	40,000	USD	1,621,543.65	1,317,200.00	2.19
OMEROS CORP SHS	25,000	USD	284,151.21	393,250.00	0.65
PFIZER INC.	25,000	USD	756,250.00	807,000.00	1.34
PITNEY BOWES INC.	35,000	USD	766,764.76	722,750.00	1.20
PROCTER & GAMBLE CO	17,500	USD	1,436,715.26	1,389,675.00	2.31
PTC THERAPEUTICS	20,000	USD	787,165.52	648,000.00	1.08
QUALCOMM INC.	25,000	USD	1,577,786.39	1,249,625.00	2.08
SOLARCITY CORP	20,000	USD	836,616.39	1,020,400.00	1.70
SONOCO PRODUCTS CO	17,500	USD	710,371.08	715,225.00	1.19
STEELCASE INC. -A-	25,000	USD	380,193.32	372,500.00	0.62
TARGET CORP	7,500	USD	467,389.43	544,575.00	0.91
TYSON FOODS INC. -A-	10,000	USD	445,684.29	533,300.00	0.89
VERIZON COMMUNICATIONS INC.	15,000	USD	720,743.47	693,300.00	1.15
WAL-MART STORES INC.	10,000	USD	736,876.65	613,000.00	1.02
WEYERHAEUSER CO	27,500	USD	820,824.58	824,450.00	1.37
XEROX CORP	100,000	USD	1,117,587.61	1,063,000.00	1.77
			<b>51,409,023.82</b>	<b>54,309,859.88</b>	<b>90.31</b>
<b>Total - Shares</b>			<b>57,473,291.40</b>	<b>60,109,764.88</b>	<b>99.96</b>
<b>Total - Officially listed securities</b>			<b>57,473,291.40</b>	<b>60,109,764.88</b>	<b>99.96</b>
<b>TOTAL PORTFOLIO</b>			<b>57,473,291.40</b>	<b>60,109,764.88</b>	<b>99.96</b>

The attached notes are an integral part of the annual report.

# FALCON FUND SICAV

## Tocqueville-Falcon North American Value Fund

### Structure of the portfolio as at 31 December 2015

(as a percent of net assets)

<b>Geographical distribution</b>	<b>%</b>
United States of America	90.31
Ireland	4.32
Canada	1.58
Netherlands Antilles	1.45
Bermuda	1.12
Netherlands	0.75
Australia	0.43
	<b>99.96</b>

<b>Industrial sector distribution</b>	<b>%</b>
Pharmaceuticals and cosmetics	11.50
Holding and finance companies	6.84
Internet software	6.45
Electronic semiconductors	6.42
Office furnishings, computers	6.13
Fuels	6.07
Retail trade	5.61
Consumer goods	5.23
Communications	4.90
Banks, credit institutions	4.81
Energy and water utilities	3.93
Foods, alcoholic beverages	3.67
Leisure	3.42
Electronics and electrical equipment	3.37
Traffic and transportation	3.08
Chemicals	2.86
Machines and mechanics	2.67
Automotive industry	1.76
Environment and recycling	1.70
Insurance	1.49
Real estate companies	1.37
Aviation technology	1.30
Biotechnology	1.27
Packaging and container industry	1.19
Healthcare and social services education	1.05
Mining industry	1.05
Non-ferrous metals	0.82
	<b>99.96</b>

# FALCON FUND SICAV

## Falcon Emerging Markets High Yield Bond Fund

### Portfolio as at 31 December 2015

(expressed in USD)

Security description	Quantity	Currency	Initial value	Market value	% of net assets
<b>Officially listed securities</b>					
<b>Bonds</b>					
<b>Bangladesh</b>					
BANGLALINK 8.625% 14-06.05.19	400,000	USD	413,473.22	414,216.00	3.80
			<b>413,473.22</b>	<b>414,216.00</b>	<b>3.80</b>
<b>Brazil</b>					
BIC BANCO 8.5% 10-27.04.20 REGS	500,000	USD	544,942.96	496,075.00	4.55
			<b>544,942.96</b>	<b>496,075.00</b>	<b>4.55</b>
<b>Cayman Islands</b>					
CHINA HONG 7.625% 14-26.06.17	500,000	USD	516,150.96	496,510.00	4.56
MARFRIG OVER. 9.625% 06-16 REG	200,000	USD	209,500.00	205,584.00	1.89
			<b>725,650.96</b>	<b>702,094.00</b>	<b>6.45</b>
<b>Great Britain</b>					
VEDANTA RESOUR 9.5% 08-18.07.18	500,000	USD	553,540.00	375,305.00	3.45
			<b>553,540.00</b>	<b>375,305.00</b>	<b>3.45</b>
<b>India</b>					
ST BK INDIA 6.439% (FRN) 07-PERP	300,000	USD	310,800.00	307,470.00	2.82
ST BK INDIA 7.14% 07-PERP	100,000	USD	103,900.00	103,461.00	0.95
			<b>414,700.00</b>	<b>410,931.00</b>	<b>3.77</b>
<b>Indonesia</b>					
MODERN OVRS 11% 13-25.10.16	500,000	USD	528,014.40	508,140.00	4.67
			<b>528,014.40</b>	<b>508,140.00</b>	<b>4.67</b>
<b>Jersey</b>					
BK OF INDIA 6.994% 07-PERP	500,000	USD	500,495.91	504,994.00	4.64
			<b>500,495.91</b>	<b>504,994.00</b>	<b>4.64</b>
<b>Kenya</b>					
ESAFRB 6.375% 13-06.12.18	450,000	USD	462,717.79	456,934.50	4.20
			<b>462,717.79</b>	<b>456,934.50</b>	<b>4.20</b>
<b>Singapore</b>					
AXIS BANK 7.167% 06-PERP	500,000	USD	512,000.00	501,250.00	4.60
THETA CAPITAL 7% 12-16.05.19	500,000	USD	519,942.00	497,940.00	4.57
			<b>1,031,942.00</b>	<b>999,190.00</b>	<b>9.17</b>
<b>Thailand</b>					
KRUNG THAI BK TV 06-PERP. REG.	500,000	USD	509,545.00	508,640.00	4.67
			<b>509,545.00</b>	<b>508,640.00</b>	<b>4.67</b>
<b>Vietnam</b>					
VINGROUP 11.625% 13-07.05.18	500,000	USD	527,080.05	537,235.00	4.93
			<b>527,080.05</b>	<b>537,235.00</b>	<b>4.93</b>
<b>Total - Bonds</b>			<b>6,212,102.29</b>	<b>5,913,754.50</b>	<b>54.30</b>
<b>Total - Officially listed securities</b>			<b>6,212,102.29</b>	<b>5,913,754.50</b>	<b>54.30</b>
<b>Securities traded on another regulated market</b>					
<b>Bonds</b>					
<b>India</b>					
CANARA BANK 6.365% 06-28.11.21	400,000	USD	406,920.00	407,824.00	3.74
ICICI BANK 7.25% 06-...PERP	500,000	USD	508,545.91	508,180.00	4.67
			<b>915,465.91</b>	<b>916,004.00</b>	<b>8.41</b>
<b>Jersey</b>					
WEST CHINA 6.5% 14-11.09.19	500,000	USD	514,125.00	528,355.00	4.85
			<b>514,125.00</b>	<b>528,355.00</b>	<b>4.85</b>
<b>Netherlands</b>					
GREENKO 8% 14-01.08.19	400,000	USD	427,000.00	420,932.00	3.86
MARFRIG EUR 11.25% 13-20.09.21	300,000	USD	340,311.10	288,645.00	2.65
			<b>767,311.10</b>	<b>709,577.00</b>	<b>6.51</b>

# FALCON FUND SICAV

## Falcon Emerging Markets High Yield Bond Fund

### Portfolio (continued) as at 31 December 2015

(expressed in USD)

Security description	Quantity	Currency	Initial value	Market value	% of net assets
<b>Philippines</b>					
SMCPM 7% 11-28.01.16	400,000	USD	403,600.00	401,620.00	3.69
			<b>403,600.00</b>	<b>401,620.00</b>	<b>3.69</b>
<b>Total - Bonds</b>			<b>2,600,502.01</b>	<b>2,555,556.00</b>	<b>23.46</b>
<b>Total - Securities traded on another regulated market</b>			<b>2,600,502.01</b>	<b>2,555,556.00</b>	<b>23.46</b>
<b>TOTAL PORTFOLIO</b>			<b>8,812,604.30</b>	<b>8,469,310.50</b>	<b>77.76</b>

The attached notes are an integral part of the annual report.

# FALCON FUND SICAV

## Falcon Emerging Markets High Yield Bond Fund

### Structure of the portfolio as at 31 December 2015

(as a percent of net assets)

<b>Geographical distribution</b>	<b>%</b>	<b>Industrial sector distribution</b>	<b>%</b>
India	12.18	Banks, credit institutions	30.64
Jersey	9.49	Energy and water utilities	7.55
Singapore	9.17	Other service providers	4.93
Netherlands	6.51	Construction, building materials	4.85
Cayman Islands	6.45	Real estate companies	4.67
Vietnam	4.93	Mortgage & financing institutes	4.57
Indonesia	4.67	Non-ferrous metals	4.56
Thailand	4.67	Supranational	4.20
Brazil	4.55	Communications	3.80
Kenya	4.20	Mining industry	3.45
Bangladesh	3.80	Foods, alcoholic beverages	2.65
Philippines	3.69	<u>Holding and finance companies</u>	<u>1.89</u>
Great Britain	3.45		<b>77.76</b>
	<b>77.76</b>		

# FALCON FUND SICAV

## Tocqueville-Falcon Global Equity Fund

### Portfolio

as at 31 December 2015

(expressed in USD)

Security description	Quantity	Currency	Initial value	Market value	% of net assets
<b>Officially listed securities</b>					
<b>Shares</b>					
<b>Germany</b>					
VOLKSWAGEN /SADR 1/5 PFD SH	7,600	USD	173,879.39	219,564.00	3.24
			<b>173,879.39</b>	<b>219,564.00</b>	<b>3.24</b>
<b>France</b>					
SANOFI /ADR	5,500	USD	259,112.61	234,575.00	3.47
			<b>259,112.61</b>	<b>234,575.00</b>	<b>3.47</b>
<b>Ireland</b>					
ALLERGAN PLC	900	USD	247,961.73	281,250.00	4.15
			<b>247,961.73</b>	<b>281,250.00</b>	<b>4.15</b>
<b>Japan</b>					
AMANO CORP	14,800	JPY	152,957.72	202,631.93	2.99
			<b>152,957.72</b>	<b>202,631.93</b>	<b>2.99</b>
<b>Mexico</b>					
INDUSTRIAS PENOLES SAB DE CV	3,100	MXN	47,507.85	31,819.99	0.47
			<b>47,507.85</b>	<b>31,819.99</b>	<b>0.47</b>
<b>Switzerland</b>					
SYNGENTA /ADR	3,300	USD	279,408.88	259,809.00	3.84
			<b>279,408.88</b>	<b>259,809.00</b>	<b>3.84</b>
<b>Spain</b>					
APPLUS SERVICES S.A.	23,100	EUR	260,569.84	209,530.98	3.10
			<b>260,569.84</b>	<b>209,530.98</b>	<b>3.10</b>
<b>United States of America</b>					
ABBVIE INC.	4,000	USD	264,547.90	236,960.00	3.50
AFLAC INC.	3,400	USD	206,326.24	203,660.00	3.01
ALPHABET INC -C-	442	USD	235,263.07	335,424.96	4.95
AMAZON COM INC.	410	USD	216,702.62	277,114.90	4.09
BIOGEN INC.	700	USD	220,830.75	214,445.00	3.17
DICK S SPORTING GOODS INC.	5,000	USD	254,402.65	176,750.00	2.61
DISCOVERY COM INC. -A-	7,000	USD	216,688.80	186,760.00	2.76
EMERSON ELECTRIC CO.	3,000	USD	143,800.69	143,490.00	2.12
EXPRESS SCRIPTS HLD	2,500	USD	206,562.11	218,525.00	3.23
GENERAL ELECTRIC CO	9,000	USD	223,940.77	280,350.00	4.14
HALLIBURTON CO	1,800	USD	72,194.69	61,272.00	0.91
IAC /INTERACTIVE CORP /W.ISS.	3,000	USD	215,107.18	180,150.00	2.66
JOHNSON & JOHNSON	2,100	USD	213,080.82	215,712.00	3.19
KANSAS CITY SOUTHERN	1,700	USD	161,404.99	126,939.00	1.87
MCDONALD S CORP	3,000	USD	280,088.47	354,420.00	5.24
MERCK	5,000	USD	304,309.31	264,100.00	3.90
METLIFE INC.	4,200	USD	211,789.39	202,482.00	2.99
MICRON TECHNOLOGY INC.	8,400	USD	141,049.76	118,944.00	1.76
MICROSOFT CORP	5,000	USD	219,783.17	277,400.00	4.10
ORACLE CORP	5,800	USD	246,562.07	211,874.00	3.13
PFIZER INC.	9,100	USD	291,036.75	293,748.00	4.34
			<b>4,545,472.20</b>	<b>4,580,520.86</b>	<b>67.67</b>
<b>Total - Shares</b>			<b>5,966,870.22</b>	<b>6,019,701.76</b>	<b>88.93</b>

# FALCON FUND SICAV

## Tocqueville-Falcon Global Equity Fund

### Portfolio (continued) as at 31 December 2015

(expressed in USD)

Security description	Quantity	Currency	Initial value	Market value	% of net assets
<b>Bonds</b>					
<b>United States of America</b>					
VPI ESCROW 6.375% 12-15.10.20	380,000	USD	343,662.50	372,400.00	5.50
			<b>343,662.50</b>	<b>372,400.00</b>	<b>5.50</b>
<b>Total - Bonds</b>			<b>343,662.50</b>	<b>372,400.00</b>	<b>5.50</b>
<b>Total - Officially listed securities</b>			<b>6,310,532.72</b>	<b>6,392,101.76</b>	<b>94.43</b>
<b>TOTAL PORTFOLIO</b>			<b>6,310,532.72</b>	<b>6,392,101.76</b>	<b>94.43</b>

The attached notes are an integral part of the annual report.

# FALCON FUND SICAV

## Tocqueville-Falcon Global Equity Fund

### Structure of the portfolio as at 31 December 2015

(as a percent of net assets)

<b>Geographical distribution</b>	<b>%</b>
United States of America	73.17
Ireland	4.15
Switzerland	3.84
France	3.47
Germany	3.24
Spain	3.10
Japan	2.99
Mexico	0.47
	<b>94.43</b>

<b>Industrial sector distribution</b>	<b>%</b>
Pharmaceuticals and cosmetics	28.05
Internet software	12.18
Electronics and electrical equipment	9.25
Retail trade	6.70
Insurance	6.00
Communications	5.42
Leisure	5.24
Chemicals	3.84
Automotive industry	3.24
Holding and finance companies	3.23
Biotechnology	3.17
Other service providers	3.10
Traffic and transportation	1.87
Electronic semiconductors	1.76
Fuels	0.91
Precious metals	0.47
	<b>94.43</b>

# FALCON FUND SICAV

## Notes to the financial statements as at 31 December 2015

### Note 1 - Structure of, and legal information about, the company

FALCON FUND SICAV (the "Company") is a public limited company (société anonyme) that is organised according to the Law of 10 August 1915 of the Grand Duchy of Luxembourg. The company is authorised in conformity with Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment in Transferable Securities, as amended, in the form of a "Société d'Investissement à Capital Variable" (SICAV). The Company was founded for an indefinite period of time at the initiative of Falcon Private Bank Ltd., Pelikanstrasse 37, P.O. Box 1376, CH-8021 Zurich (in this sense also referred to as the "Promoter"). AIG SICAV was renamed FALCON FUND SICAV, effective 27 August 2009.

The registered office of the company is Centre Etoile, 11-13, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg. The Company was founded on 30 October 2001 for an indefinite period of time and with a starting capital of EUR 36,000 in the form of 360 no-par-value shares, and commenced operation on 16 December 2002.

According to the Law of 17 December 2010, the minimum capital of the Company must correspond to EUR 1,250,000, which must be reached within a period of six months after the date of the registration of the Company as an Undertaking for Collective Investment in the Grand Duchy of Luxembourg. The capital of the Company corresponds at all times to the net asset value of all subfunds or share classes of the Company and is expressed in Euro, namely the "consolidation currency".

The Company is entered under R.C.S. Luxembourg B-84227 in the Luxembourg Trade and Company Register, where copies of the statutes are available for inspection and can be requested. The statutes of the company were last amended on 27 August 2009, and notification that the amended statutes were filed with the Luxembourg Trade and Company Register was publicised on 16 October 2009 in Mémorial C, Recueil des Sociétés et Associations ("Mémorial"), the Official Journal of the Grand Duchy of Luxembourg.

The Company has an "umbrella structure", which makes it possible to establish separate subfunds that correspond to different security portfolios ("Subfunds"). Under the supervision and the responsibility of the Board of Directors (see Section 10 "Portfolio managers and investment consultants"), the Company is empowered to appoint expert financial advisers as investment consultants. Additional legal information about the Company is documented in Section 6 ("The Company") of the prospectus.

With regard to third parties, and in the relationship between the shareholders, each subfund is treated as an independent unit. In this sense, each subfund is liable exclusively for its own liabilities, which are assigned to it in the calculation of the net asset value.

The Company is administered under the supervision of the Board of Directors and in the interests of the shareholders. The Board of Directors of the Company is listed in the prospectus under the section "Management and administration". Information about the preparation and publication of the annual and semi-annual reports of the Company is documented in Section 23 "Financial year and reporting".

The statutes do not contain any regulations governing compensation (including pension schemes and other benefits) for the members of the Board of Directors. Their financial expenses are remunerated. Compensation of members of the Board of Directors is subject to the agreement of the shareholders at the General Meeting, or in a separate shareholder meeting.

Currently, the following subfunds are being offered to investors:

#### a) Falcon Swiss Small & Mid Cap Equity Fund

Two separate share classes are issued within the framework of this subfund: share class T and share class I. Share class T focuses primarily on private investors, whereas share class I is focused exclusively on institutional investors. Both share classes only issue accumulating shares. Furthermore, both share classes are differentiated by their fee structure.

#### b) Twelve-Falcon Insurance Linked Strategy Fund

Separate share classes are issued within the framework of this subfund.

Share classes A and I are open to all investors, who are in each instance willing to make the required minimum investment. Share class I demands a higher minimum investment and has a lower administrative fee, and typically, but not necessarily, targets institutional investors.

T share classes are reserved exclusively for investors selected by the management company in each individual case. The decision to approve these share classes is taken solely by the management company.

Revenues of all share classes (share classes A, I and T) are distributed ("distributing classes").

#### c) Falcon Gold Equity UCITS Fund

Separate share classes are issued within the framework of this subfund.

Share classes A and H are open to all investors, who are in each instance willing to make the required minimum investment.

Share class I is open exclusively to institutional investors.

Share classes T and W are reserved exclusively for investors selected by the Management Company in each individual case. The decision to approve these share classes is taken solely by the management company.

For the H share class, the aim is to hedge foreign currencies, such as USD here, (under normal market conditions) at least 90% on average against the reference currency of the corresponding share class (EUR here). Alternatively, the net asset value in USD of the corresponding H share class can be hedged at least 90% against currency fluctuations against the euro.

Revenues of all share classes (share classes A, H, I, T and W) are distributed ("distributing classes").

# FALCON FUND SICAV

## Notes to the financial statements (continued) as at 31 December 2015

### Note 1 - Structure of, and legal information about, the company (continued)

All share classes that are not designated in USD, namely the reference currency of the subfund, may be entirely or partially hedged against this reference currency. However, no obligation for currency hedging exists.

#### d) Twelve-Falcon Insurance Opportunities Fund

Separate share classes are issued within the framework of this subfund.

I share classes are open to all institutional investors and private investors through nominee banks who are in each instance willing to make the required minimum investment.

T share classes are reserved exclusively for investors selected by the management company in each individual case. The decision to approve these share classes is taken solely by the management company.

Revenues of all share classes (share classes I and T) are distributed (“distributing classes”).

All share classes that are not designated in USD, namely the reference currency of the subfund, may be entirely or partially hedged against this reference currency. However, no obligation for currency hedging exists.

#### e) Tocqueville-Falcon North American Value Fund

Separate share classes are issued within the framework of this subfund.

Share class A is open to all investors who are in each instance willing to make the required minimum investment.

Share class I is open exclusively to institutional investors.

Share class T is reserved exclusively for investors selected by the Management Company in each individual case. The decision to approve this share class is taken solely by the Management Company.

Revenues of all share classes (share classes A, I and T) are reinvested (“reinvestment classes”).

#### f) Falcon Emerging Markets High Yield Bond Fund

Separate share classes are issued within the framework of this subfund.

Share classes A and T are open to all institutional investors and private investors through nominee banks who are in each instance willing to make the required minimum investment.

Revenues of A share classes are distributed (“distributing class”). T share classes are reinvested (“reinvestment class”).

All share classes that are not designated in USD, namely the reference currency of the subfund, may be entirely or partially hedged against this reference currency at the discretion of the investment manager.

However, no obligation for currency hedging exists.

#### g) Tocqueville-Falcon Global Equity Fund

Separate share classes are issued within the framework of this subfund.

Share class A is open to all institutional and private investors via nominee banks, who are in each instance willing to make the required minimum investment.

Share class I is open exclusively to institutional investors.

Share class T is reserved exclusively for investors selected by the Management Company in each individual case. The decision to approve this share class is taken solely by the Management Company.

Revenues of all share classes (share classes A, I and T) are distributed (“distributing classes”).

# FALCON FUND SICAV

## Notes to the financial statements (continued) as at 31 December 2015

### **Note 1 - Structure of, and legal information about, the company (continued)**

Pursuant to the contract for the appointment of a management company ("Management Company Services Agreement"), which became effective on 12 January 2007, Falcon Fund Management (Luxembourg) S.A. (the "Management Company"), has been appointed as Management Company for the Company. According to this contract, the Management Company assumes responsibility for investment administration, central administration and sales for the Company. The contract appointing a Management Company was concluded for an indefinite period of time, and it can be cancelled by either of the contracting parties in writing, under observation of a 3-month period of notice to the end of the month. The liability of the Company is not prejudiced by the transfer of the above-mentioned functions to the Management Company.

The Management Company is a public limited company (société anonyme), which has been organised according to the currently applicable version of the Law of 10 August 1915 and is authorised as a Management Company in accordance with Section 15 of the Law of 17 December 2010. The Management Company was founded under the laws of Luxembourg on 10 October 1988 as UBZ International Trust Management for an indefinite period and was renamed AIG International Trust Management S.A. on 26 July 1999 and Falcon Fund Management (Luxembourg) S.A. on 12 May 2009.

### **Note 2 - Calculation of the net asset value**

The annual report was prepared according to Luxembourg regulations governing investment funds.

As defined in the appendices to the prospectus, the Board of Directors is responsible for calculating the net asset value per share of a subfund in the currency of the corresponding subfund ("reference currency") on each valuation day, with the exception of those cases where calculation may be suspended, which are documented in the section "Suspension of the calculation of the net asset value".

The latest net asset value of the Twelve-Falcon Insurance Linked Strategy Fund, Twelve-Falcon Insurance Opportunities Fund and Falcon Emerging Markets High Yield Bond Fund subfunds was calculated on 28 December 2015. For all other subfunds, the latest net asset value was calculated on 31 December 2015.

The Board of Directors is authorised to publish an additional net asset value per share in currencies other than the reference currency. In such a case, the last available average exchange rate on the corresponding day of valuation is used for the conversion.

The net asset value per share (also called the "share value") is calculated by dividing the entire net asset value of the subfund by the number of issued shares. The entire net asset value of the corresponding subfund in this case represents the market value of the contained asset values, after deduction of liabilities.

The assets are valued according to the principles that have been defined in the statutes, and by the valuation regulations and guidelines that may have been issued or amended by the Board of Directors from time to time.

The assets are valued according to the following rules:

- (1) Securities that are listed on an official stock market are valued at the last available share price. If a security is listed on several stock markets, then the last available share price from the stock market on which the security is mainly traded is definitive;
- (2) Securities that are not listed on an official stock market, but which are traded on another regulated market that is recognised, open for the public and that operates according to regulations ("regulated market"), are valued at the last available share price on that market;
- (3) Units in UCIs for joint investments are valued at the last available and publicised share price;
- (4) If these share prices should not be market conform, then these securities, and any other legally permissible assets, are valued at the current value, which is determined by the Company in good faith and on the basis of the probably realisable sales value;
- (5) Cash and cash equivalents are measured at their nominal value plus accrued interest. Term deposits with an initial term of more than 60 days can be valued at the corresponding yield rate, on condition that a corresponding contract, between the financial institution that safeguards the term deposits and the Company, provided that these term deposits can be called at any time, and that the realised value upon such termination conforms to the yield rate.

The Management Company is authorised to temporarily use other, adequate valuation principles for asset values and the assets of a subfund, in the event that exceptional events deem the above-mentioned criteria for valuation impossible or inappropriate.

# FALCON FUND SICAV

## Notes to the financial statements (continued) as at 31 December 2015

### Note 2 - Calculation of the net asset value (continued)

#### *Insurance-Linked Securities (ILS)*

Various types of CAT bonds (insurance-linked securities) exist, which can differentiate from one another in a number of parameters. It is important to know whether individual or multiple risks (single-peril or multi-peril) are covered and how a damage claim is defined for the investor. The damage claim is either based on the book value principle (indemnity-based), under which an actually occurring claim settlement obligation by the insurance company is defined as the damage event for the bond owner, or a parameter-based damage index (parametric index-based), where a damage event occurs as soon as a certain physical parameter exceeds a certain limit value. In the last case, for instance, the Richter scale strength of an earthquake or the wind speed of a tornado would be decisive. In a damage event, namely when a certain predefined natural catastrophe or triggering event occurs, the investor suffers a partial or complete loss of the invested amount. Non-occurrence on the other hand would mean that the investor receives the agreed premium (plus interest at the money market rate). The size of the premium and the damage probability are defined differently, depending on the provisions of the catastrophe bond, but they usually are based on historical statistics for the frequency and severity of natural catastrophes at a specific location.

The valuation method is based on the best money rate, insofar as the difference between the money rate and the average money rate remains within a range of 2%.

The percentage difference between the best money rate and the average rate is determined as follows:

$(\text{best money rate} - \text{average money rate}) / \text{average money rate}$

The average money rate is calculated from the rates which are provided by at least three different brokers.

If no broker information is available for a security, then, in case of a new security, the buying price or the share price of a security held during a previous valuation will be used.

Revenues from CAT bonds/ILS are booked separately under "Interest received on bonds" and "Insurance premiums received" and include the insurance premiums and the earned interest.

#### *Conversion of foreign exchange*

The market value of securities and other investments, which are listed in a different currency than the accounting currency of the subfund, is converted into the currency of the subfund on the basis of the last average exchange rate.

#### *Realised net profit/loss from sales of securities*

The profits or losses that are realised through the sale of securities are calculated on the basis of the average buying price of the sold securities.

#### *Valuation of forward exchange transactions*

Unrealised increases/decreases in the value of open forward exchange transactions are calculated on the valuation date at the forward exchange rate, and are reflected in the statement of income and expenditure and the change in net assets.

On 31 December 2015, the following exchange rates were used for the Falcon Swiss Small & Mid Cap Equity Fund subfund:

1 EUR = 1.087386 CHF

On 28 December 2015, the following exchange rates were used for the Twelve-Falcon Insurance Linked Strategy Fund subfund:

1 USD = 1.388750 CAD  
1 USD = 0.988500 CHF  
1 USD = 0.911452 EUR  
1 USD = 0.671118 GBP  
1 USD = 120.304949 JPY

On 31 December 2015, the following exchange rates were used for the Falcon Gold Equity UCITS Fund subfund:

1 USD = 1.374476 AUD  
1 USD = 1.389099 CAD  
1 USD = 0.920556 EUR  
1 USD = 0.678472 GBP

On 28 December 2015, the following exchange rates were used for the Twelve-Falcon Insurance Opportunities Fund subfund:

1 USD = 0.988500 CHF  
1 USD = 0.911452 EUR  
1 USD = 0.671118 GBP

# FALCON FUND SICAV

## Notes to the financial statements (continued) as at 31 December 2015

### Note 2 - Calculation of the net asset value (continued)

On 31 December 2015, the following exchange rates were used for the Tocqueville-Falcon North American Value Fund subfund:

1 USD =	1.389099	CAD
1 USD =	0.920556	EUR

On 28 December 2015, the following exchange rates were used for the Falcon Emerging Markets High Yield Bond Fund subfund:

1 USD =	0.988500	CHF
1 USD =	0.911452	EUR

On 31 December 2015, the following exchange rates were used for the Tocqueville-Falcon Global Equity Fund subfund:

1 USD =	0.920556	EUR
1 USD =	120.294963	JPY
1 USD =	17.271157	MXN

The following exchange rates were used to calculate the consolidated figures:

1 CHF =	0.919636	EUR
1 USD =	0.920556	EUR

### Note 3 - Fees and costs

The Company pays the following fees and costs from the net assets of the subfund:

#### 3.1 Management company fees (administration fees).

The Management Company fee, which amounts to a maximum of 0.30% p.a. of the net assets of the corresponding subfund, unless otherwise agreed for specific subfunds, for the services performed by the Management Company, and on the basis of the contract appointing the Management Company.

3.2 A portfolio manager fee of maximum 2.00% p.a. of the net assets of the corresponding subfund, as indicated in the appendices to the prospectus for each subfund, for services specified in the respective portfolio manager contract.

The compensation for portfolio management amounts to

- up to 1.50% p.a. of the net assets for share class T of the subfund Falcon Swiss Small & Mid Cap Equity Fund (actual fee: 1.00%)
- up to 0.80% p.a. of the net assets for share class I of the subfund Falcon Swiss Small & Mid Cap Equity Fund (actual fee: 0.70%)
- up to 1.50% p.a. of the net assets for share class A (actual fee: 1.50%) and up to 1.00% for the share classes I and T of the subfund Twelve-Falcon Insurance Linked Strategy Fund (actual fee: 1.00%)
- up to 1.75% p.a. of the net assets for share class A of the subfund Falcon Gold Equity UCITS Fund (actual fee: 1.75%)
- up to 1.75% p.a. of the net assets for share class H of the subfund Falcon Gold Equity UCITS Fund (actual fee: 1.75%)
- up to 1.00% p.a. of the net assets for share class I of the subfund Falcon Gold Equity UCITS Fund (actual fee: 1.00%)
- up to 1.00% p.a. of the net assets for share class T of the subfund Falcon Gold Equity UCITS Fund (actual fee: 1.00%)
- up to 1.00% p.a. of the net assets for share class W of the subfund Falcon Gold Equity UCITS Fund (actual fee: 0.33%)
- up to 1.00% p.a. of the net assets for share class I of the subfund Twelve-Falcon Insurance Opportunities Fund (actual fee: 1.00%)
- up to 1.50% p.a. for share class A of the subfund Tocqueville-Falcon North American Value Fund (actual fee: 1.50%)
- up to 0.80% p.a. for share class T of the subfund Tocqueville-Falcon North American Value Fund (actual fee: 0.80%)
- up to 1.00% p.a. of the net assets for share class A of the subfund Falcon Emerging Markets High Yield Bond Fund (actual fee: 1.00%)
- up to 1.00% p.a. of the net assets for share class T of the subfund Falcon Emerging Markets High Yield Bond Fund (actual fee: 1.00%)
- up to 1.20% p.a. for share class A of the subfund Tocqueville-Falcon Global Equity Fund (actual fee: 1.00%)

If a portfolio manager receives an additional annual operating or administration fee (which may not amount to more than 1.00% of the net assets of the corresponding subfund) and/or a "performance fee", then the amount and calculation method is documented in the appendices to the prospectus for the corresponding subfund.

# FALCON FUND SICAV

## Notes to the financial statements (continued) as at 31 December 2015

### **Note 3 - Fees and costs (continued)**

3.3 The compensation to the custodian bank, central administrative agent and registration and transfer agency (the "service charges") amount collectively to an average of 0.3% p.a. of the net assets of the respective subfund. These service charges may be higher or lower than the amount indicated above based on the net assets of the subfund. These fees are payable monthly and do not include any transaction fees or the fees of sub-custodians or similar service providers. Any cash expenses incurred (including but not limited to the costs of electronic data transfer and postage), which are not included in these fees, will be repaid to the custodian bank, central administration and registration and transfer agency from the net fund assets.

3.4 Fees for services specified in the registry and transfer contract, as well as any other contracts for sales and sales support, which are payable monthly at the end of each month.

3.5 As of the day on which a subfund was issued, the foundation costs are written off against the net assets of the corresponding subfund over a period of not more than five years.

3.6 If the Board of Directors decides to liquidate a subfund, then the shareholders in the subfund have the right to request the redemption of their shares up to the date of liquidation. The liquidation costs are reflected in the net asset value per share.

3.7 Other expenses

All costs incurring in the course of the Company's activities are paid from the assets of the subfund.

### **Note 4 - Taxation**

Dividends and/or accrued interest, which are received by the Company or on its capital investments, may be subject to non-recoverable withholding tax in the country of origin.

Potential investors and shareholders should ask their advisers about the legally prevailing consequences of purchasing, holding, exchanging, transferring and selling securities, including tax consequences and possible limitations on the export of foreign currencies.

The following summary is based on legal regulations, which are currently in effect or applicable in the Grand Duchy of Luxembourg and, which may be amended in the future.

#### *Taxation of the Company*

The Company pays annual tax of 0.05% on the net assets registered at the end of each quarter for each individual subfund ("Taxe d'abonnement"), which must be transferred on a quarterly basis. However, that part of the assets that are invested in another Luxembourg investment fund is excluded from this tax. To the extent that subscription by institutional investors in a subfund or a share class is subject to restrictions, the net assets of this subfund or the corresponding share class are taxed at a reduced "Taxe d'abonnement" rate of 0.01% per year. No stamp tax or other tax is levied in Luxembourg for the issue of securities, with the exception of a one-off tax, which must be paid by the Company on foundation and amounts to EUR 1,250. No taxes are payable in Luxembourg for realised or unrealised increases in the assets of the Company.

#### *Taxation of shareholders*

According to current legislation and practice, shareholders in Luxembourg are not subject to any capital gains, income, withholding, donation, inheritance or other tax (with the exception of investors who are domiciled or resident or are permanently based in Luxembourg, and former residents of Luxembourg who hold more than 10% of the company's shares).

On 3 June 2003, the Council of the European Union adopted Directive 2003/48/EC (the Savings Tax Directive) on the taxation of savings income in the form of interest payments, which governs the taxation of interest payments. This directive took effect on 1 July 2005. The taxation of such interest payments takes place through the exchange of information between the Member States of the European Union.

However, instead of the information exchange, Luxembourg is entitled to levy a withholding tax during a transitional period. Withholding tax could consequently be applied if a Luxembourg paying agent makes distributions (a reinvested dividend counts as a distribution payment) or repurchases shares (including repurchases in the form of a contribution in kind) on behalf of a shareholder who is an individual resident in another EU Member State.

# FALCON FUND SICAV

## Notes to the financial statements (continued) as at 31 December 2015

### Note 4 - Taxation (continued)

Shareholders are advised that exchanging shares may be subject to withholding tax, as exchanging shares involves repurchasing shares prior to subsequent subscription.

If the withholding tax is applied, the tax rate is 35%.

Unitholders may request the exchange of information in accordance with the Savings Tax Directive, if desired, which would result in the disclosure of information on distributions or repurchases to the tax authorities in their country of residence.

### Note 5 – Admissibility of rebates and portfolio maintenance commissions

Portfolio maintenance commissions are paid out of the administration commission to distributors and sales partners. Out of the administration commission, rebates are paid to institutional investors that hold the securities for third parties.

### Note 6 - Forward exchange transactions

The following forward exchange transactions were held as at 31 December 2015:

#### Twelve-Falcon Insurance Linked Strategy Fund

P u r - chases		Sales		Due date	Unrealised profit/(loss)	Currency
USD	2,053,162.39	JPY	245,632,000.00	15/01/2016	10,198.14	USD
USD	31,596,615.39	EUR	27,752,000.00	15/01/2016	1,127,758.28	USD
CHF	54,238,000.00	USD	55,332,980.21	29/01/2016	(372,747.00)	USD
EUR	161,461,000.00	USD	178,941,627.47	29/01/2016	(1,617,084.22)	USD
USD	1,705,441.87	CHF	1,685,000.00	29/01/2016	(1,992.27)	USD
USD	942,514.73	EUR	870,000.00	29/01/2016	(12,949.78)	USD
					(866,816.85)	USD

#### Falcon Gold Equity UCITS Fund

P u r - chases		Sales		Due date	Unrealised profit	Currency
EUR	1,900,000.00	USD	2,029,578.33	26/02/2016	37,395.58	USD
USD	300,116.93	EUR	275,000.00	26/02/2016	948.29	USD
					38,343.87	USD

#### Twelve-Falcon Insurance Opportunities Fund

P u r - chases		Sales		Due date	Unrealised (loss)	Currency
CHF	14,241,800.00	USD	14,536,248.15	29/01/2016	(104,804.34)	USD
EUR	38,276,600.00	USD	42,212,131.02	29/01/2016	(174,855.07)	USD
USD	415,850.70	EUR	380,000.00	29/01/2016	(1,482.81)	USD
USD	229,502.64	CHF	230,000.00	29/01/2016	(3,554.13)	USD
					(284,696.35)	USD

# FALCON FUND SICAV

## Notes to the financial statements (continued) as at 31 December 2015

### Note 6 - Forward exchange transactions (continued)

#### Information given in accordance with the “Guidelines on ETFs and other UCITS issues” by the European Securities and Markets Authority (ESMA “Guidelines”)

No techniques for efficient portfolio management were used during the financial year. The underlying exposure achieved through derivatives in accordance with point 40 a) of the “Guidelines” for the following subfunds on the reporting date based on a consideration of the nominal value was:

Falcon Swiss Small & Mid Cap Equity Fund CHF 0.00  
Twelve-Falcon Insurance Linked Strategy Fund USD 0.00  
Falcon Gold Equity UCITS Fund USD 1,764,289.00  
Twelve-Falcon Insurance Opportunities Fund USD 0.00  
Tocqueville-Falcon North American Value Fund USD 0.00  
Falcon Emerging Markets High Yield Bond Fund USD 0.00  
Tocqueville-Falcon Global Equity Fund USD 0.00

The company invested in derivatives with the following counterparties during the reporting period: Falcon Private Bank, Zürich.

No securities that were offset against the company’s counterparty risk were accepted.

### Note 7 - Transaction costs

The company incurred transaction costs (brokerage fees) in connection with the purchase or sale of transferable securities, money market instruments, derivatives and other permissible assets. The transaction costs for the financial year ending on 31 December 2015 totalled:

Falcon Swiss Small & Mid Cap Equity Fund	CHF 20,804.68
Twelve-Falcon Insurance Linked Strategy Fund	USD 45,766.13
Falcon Gold Equity UCITS Fund	USD 101,400.24
Twelve-Falcon Insurance Opportunities Fund	USD 29,835.46
Tocqueville-Falcon North American Value Fund	USD 120,232.29
Falcon Emerging Markets High Yield Bond Fund	USD 12,171.95
Tocqueville-Falcon Global Equity Fund	USD 35,789.86

The transaction costs, which are reported under "Statement of operations and changes in net assets" under the heading "Bank charges", and the brokerage fees incurred in connection with transactions with derivative instruments are therefore not included in the above figures.

### Note 8 - Risk management procedures

The Management Company uses a risk management procedure for the company in accordance with the Law of 17 December 2010 and other applicable regulations, in particular CSSF Circular 11/512. This risk management procedure provides for the measurement and control of the overall risk of all funds using the commitment approach.

The Management Company has commissioned RBC Investor Services Bank S.A. with the calculation of the key figures used in the assessment of liquidity risk since 1 June 2015. Until 31 May 2015, these calculations were carried out by MDO Management Company S.A.

# FALCON FUND SICAV

## Notes to the financial statements (continued) as at 31 December 2015

### Note 9 – Events after the end of the financial year

As a consequence of a double posting of a foreign exchange transaction on 29 January 2016, there was a miscalculation of the net asset value in the Twelve-Falcon Insurance Linked Strategy Fund subfund.

The initially published fund prices and the corrected fund prices are below:

ISIN	Net asset value per share as at 29 January 2016	Currency	Corrected net asset value per share as at 29/01/2016	Currency
LU0524669891	119.63	USD	119.11	USD
LU0524669974	118.02	EUR	117.51	EUR
LU0524669974	127.70	USD	127.15	USD
LU0524670048	111.71	CHF	111.23	CHF
LU0524670048	109.02	USD	108.55	USD
LU0524670121	122.77	USD	122.24	USD
LU0524670394	126.02	EUR	125.47	EUR
LU0524670394	136.36	USD	135.77	USD
LU0524670477	114.80	CHF	114.30	CHF
LU0524670477	112.04	USD	111.55	USD
LU0961411229	108.10	USD	107.63	USD
LU0961411492	107.45	EUR	106.98	EUR
LU0961411492	116.27	USD	115.77	USD
LU0961411575	104.33	CHF	103.88	CHF
LU0961411575	101.82	USD	101.38	USD

According to a circular resolution by the Board of Directors on 11 March 2016, a provision of EUR 30,000 was booked in the subfund Falcon Fund SICAV – Tocqueville-Falcon Global Equity Fund for the resolution to liquidate the subfund.

# FALCON FUND SICAV

## Information for investors in Switzerland (unaudited)

### Total Expense Ratio ("TER")

The TERs were calculated in accordance with the "Guidelines on the calculation and disclosure of total expense ratios" of the Swiss Funds and Asset Management Association (SFAMA) in the version dated 20 April 2015.

The commissions and costs incurred in the management of the Company must be disclosed in the form of a key indicator that is internationally known as the "Total Expense Ratio" (TER). This key ratio expresses retroactively the total sum of those commissions and costs which are continuously charged to net assets (operating expenses) and is presented as a percentage of net assets and must always be calculated according to the following formula:

$$\text{TER}\% = \frac{\text{Total operating expenses in AC}^*}{\text{Average net assets in AC}^*} \times 100$$

\* AC = units in the accounting currency

	Falcon Swiss Small & Mid Cap Equity Fund	Twelve Falcon Insurance Linked Strategy Fund	Falcon Gold Equity UCITS Fund	Twelve Falcon Insurance Opportunities Fund	Tocqueville-Falcon North American Value Fund	Falcon Emerging Markets High Yield Bond Fund	Tocqueville- Falcon Global Equity Fund
As at 31 December 2015							
A-CHF share class	-	1.80%	-	-	-	-	-
A-EUR share class	-	1.81%	-	-	-	-	-
A-USD share class	-	1.80%	2.01%	-	1.82%	1.62%	1.79%
I-CHF share class	1.20%	1.31%	-	1.38%	-	-	-
I-EUR share class	-	1.30%	-	1.37%	-	-	-
I-USD share class	-	1.31%	1.23%	1.38%	-	-	-
T-CHF share class	1.54%	1.31%	-	-	-	-	-
T-EUR share class	-	1.31%	-	-	-	-	-
T-USD share class	-	1.30%	1.26%	-	1.08%	1.59%	-
H-EUR share class	-	-	2.02%	-	-	-	-
W-USD share class	-	-	0.59%	-	-	-	-

# FALCON FUND SICAV

## Information for investors in Switzerland (unaudited) (continued)

Publication of fund performance for investors in Switzerland

	01.01.13 - 31.12.13	01.01.14 - 31.12.14	01.01.15 - 31.12.15
Falcon Swiss Small & Mid Cap Equity Fund			
T-CHF share class	32.42%	6.65%	6.77%
Benchmark: Swiss SPI Extra (Tot Return Ind)	27.66%	11.37%	11.01%
Falcon Swiss Small & Mid Cap Equity Fund			
I-CHF share class	32.87%	7.01%	7.13%
Benchmark: Swiss SPI Extra (Tot Return Ind)	27.66%	11.37%	11.01%
Twelve-Falcon Insurance Linked Strategy Fund			
A-CHF share class	8.50%	2.78%	0.37%
A-EUR share class	10.29%	3.21%	2.81%
A-USD share class	6.20%	3.41%	2.97%
I-CHF share class	9.04%	3.52%	0.81%
I-EUR share class	10.85%	3.65%	3.36%
I-USD share class	6.74%	3.92%	3.48%
T-CHF share class	-	-	1.03%
T-EUR share class	-	3.55%	3.21%
T-USD share class	-	3.94%	3.48%
Benchmark: Insurance Linked Strategy Fund			
CGBI WMMI SW FR 3 Euro Dep. (L) TR, Benchmark in CHF:	(0.15%)	(0.12%)	(0.90%)
CGBI WMMI Euro 3 Mth Euro Dep. (L) TR, Benchmark in EUR:	0.08%	0.16%	(0.05%)
CGBI WMMI US \$ 3 Mth Euro Dep. (L) TR, Benchmark in USD:	0.31%	0.22%	0.37%
Falcon Gold Equity UCITS Fund			
A-USD share class	(49.04%)	(6.67%)	(26.28%)
Philadelphia Stock Exch Gold/Silver	(49.19%)	(18.26%)	33.42%
I-USD share class	(48.64%)	(5.92%)	(25.70%)
Philadelphia Stock Exch Gold/Silver	(49.19%)	(18.26%)	33.42%
T-USD share class	(48.66%)	(5.94%)	(25.72%)
Philadelphia Stock Exch Gold/Silver	(49.19%)	(18.26%)	33.42%
H-EUR share class	(47.63%)	(8.29%)	(28.34%)
Philadelphia Stock Exch Gold/Silver	(51.38%)	(6.92%)	33.42%
W-USD share class	-	-	(25.24%)
Twelve-Falcon Insurance Opportunities Fund			
I-CHF share class	-	8.52%	4.08%
I-EUR share class	-	8.94%	6.47%
I-USD share class	-	9.10%	6.72%
Benchmark: Twelve-Falcon Insurance Opportunities Fund			
CGBI WMMI SW FR 3 Euro Dep. (L) TR, Benchmark in CHF:	-	(0.12%)	(0.90%)
CGBI WMMI Euro 3 Mth Euro Dep. (L) TR, Benchmark in EUR:	-	0.16%	(0.05%)
CGBI WMMI US \$ 3 Mth Euro Dep. (L) TR, Benchmark in USD:	-	0.22%	0.37%
Tocqueville-Falcon North American Value Fund			
A-USD share class	-	-*	3.94%
T-USD share class	-	11.26%	(3.24%)
Benchmark: Tocqueville-Falcon North American Value Fund			
Russel 1000 TR USD	-	13.24%	0.91%
Falcon Emerging Markets High Yield Bond Fund			
A-USD share class	-	(0.15%)	3.23%
T-USD share class	-	(0.15%)	3.22%
Tocqueville-Falcon Global Equity Fund			
A-USD share class	-	-	(0.39%)

\* Due to its relaunch during 2014, no performance was calculated for this share class.

Historical performance is no indication of current or future performance. Performance data do not reflect the commissions and costs which are charged for the issue and redemption of shares.