



**H2O**  
Asset Management

# French UCITS

# H2O MULTIBONDS

# ANNUAL ACCOUNTS

On 30 december 2016

**Management Company: H2O AM LLP**

**Custodian: Caceis Bank France**

**Auditor: KPMG Audit**

**Party responsible for accounting: CACEIS Fund Administration**

**H2O AM LLP** 10 Old Burlington Street – London W1S 3AG, United Kingdom - Tél. : +44 (0) 20 7292 1616 is a Limited Liability Partnership incorporated in England and Wales, authorised by the Financial Services Authority, Under number 529105

[www.h2o-am.com](http://www.h2o-am.com)

Marketing agent:

**Natixis Asset Management** 21 quai d'Austerlitz - 75634 Paris Cedex 13 France - Tél. : +33 (0)1 78 40 80 00  
A French Société anonyme (limited company) with share capital of €50 434 604,76 – registered with the Paris Trade and Companies Registry under number 329 450 738 - APE 6630Z

[www.nam.natixis.com](http://www.nam.natixis.com)

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## 1. MANAGEMENT REPORT

Over the period under review (31/12/2015 – 30/12/2016), after management fees, the performances of the different share classes compared to their corresponding money market rates split as follow:

<b>Shares</b>	<b>Inception Date</b>	<b>ISIN Code</b>	<b>Annual Performance</b>
I-C(EUR) Benchmark	23/08/2010	FR0010930438	11.83% 4.43%
R-C(EUR) Benchmark	23/08/2010	FR0010923375	11.46% 4.43%
R-D(EUR) Benchmark	08/09/2014	FR0011981851	11.03% 4.43%
IUSD C Benchmark	23/08/2010	FR0010930735	11.07% 1.40%
RUSD C Benchmark	17/09/2014	FR0011981836	10.60% 1.40%
HUSD-I C Benchmark	17/12/2014	FR0011973684	13.16% 5.28%
HUSD-R C Benchmark	20/06/2014	FR0011973676	12.13% 5.28%
HCHF-I C Benchmark	19/05/2015	FR0012538049	11.83% 3.94%
HCHF-R C Benchmark	22/06/2011	FR0011061795	11.43% 3.94%
RSGD C Benchmark	29/07/2014	FR0011973650	9.58% -0.18%
M Benchmark	19/02/2016	FR0013075983	15.07% 4.43%

The FCP falls under the French AMF category of "Global bonds and other debt securities.

The UCITS's investment policy is compliant with European standards and based upon a global, very active, top-down investment process. In order to achieve the performance objective, the portfolio managers take strategic and tactical, directional and relative value positions, on global debt, credit, and currency markets. Performance is generated as much by the markets' relative trends (relative value positions and arbitrages) as by the general direction of these markets (directional positions).

The management of the FCP is entrusted to the management company H2O AM LLP, which acts on behalf of the holders and in their exclusive interests. The unit classes of the FCP are registered. They do not carry any voting rights. The management company's policy may be consulted at the management company's registered office or on the website of H2O AM LLP at [www.h2o-am.com](http://www.h2o-am.com).

The Management Company conducts an assessment process for the selection of intermediaries that takes into account such objective criteria as research and execution quality, as well as commercial monitoring. This procedure is available on the H2O AM LLP website, at [www.h2o-am.com](http://www.h2o-am.com).

The fund's absolute performance management process is based upon all the investment team's views on global sovereign bonds, credit bonds (corporate and EM), and currencies.

Please find below their contribution to the performance of each asset class over the period under review:

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Please find below their contribution to the performance of each asset class over the period under review:

## 1. Global bond markets

Global bond market strategies posted positive returns over the period. They split as follows:

- a. G4 modified duration underexposure:** negative contribution. This directional strategy suffered from the rally in G4 government bond markets over the period. During H1 2016, markets were hit by successive waves of risk aversion, and the sell-offs of risk assets, starting with the unexpected RMB devaluation in January, followed by the second collapse in oil prices, and by the UK Brexit referendum;
- b. G4 bond market allocation:** the strategy, which consisted in maintaining a short US Treasury - long German Bund position, proved very positive over the period under review;
- c. Curve strategies -> flattening of the US and European curves:** positive contribution as the 5/30 year spreads tightened over the period (-60 bps in the US);
- d. Sovereign bonds:** slightly negative contribution as GIPS sovereign bonds underperformed German Bunds and French OATs. Portuguese sovereign bonds were negatively impacted by the uncertainties relating to the investment grade rating from DBRS.

## 2. Currencies

The strategies on currency markets outperformed over the period:

- a. Long directional US exposure:** negative contribution as the greenback strengthened (-5.8%) against the euro, the loonie and the yen. The US dollar mostly outperformed against the euro (+3%) but underperformed vs. the Japanese currency (USD/JPY -2.7%);
- b. Inter-bloc allocation -> short EUR against CAD and JPY:** very positive contribution as the single currency collapsed against the yen (EUR/JPY +5.9%, and +6% against the CAD);
- c. Intra-bloc allocation:** slightly negative contribution:
  - Euro bloc: gains were cashed in on the short EURNOK (-5.4%) and long EURGBP implemented the night following the Brexit (+11.5%);
  - Dollar bloc: negative contribution of the long Mexican peso against the USD (-20%);
  - Yen bloc: positive contribution of the short Korean won against the yen.
- d. Emerging currencies strategy:** Neutral contribution of the short EM basket against USD, mainly the Asian currencies (MYR, PHP, TWD, SGD), but also TRY and BRL against the USD.

## 3. Credit markets

The strategies implemented on credit markets were slightly positive over the period.

- i. (ABS/MBS): slightly positive contribution mainly based on Portuguese assets (+4.2% as of 30/12/16);
- ii. « corporate debt » : slightly positive contribution on banking corporate securities representing +2.5% of the net assets (European exposure).

## 4. Trading

Short-term trading of bond future contracts and currencies proved slightly positive over the period.

*Past performance is no guarantee of future performance.*

**For additional information regarding the investment strategy of the fund and its risk exposure, investors should refer to the KIID or the prospectus which are available at the management company** (see regulatory information under "H2O range of funds").

• **MOVEMENTS IN PORTFOLIO LISTING DURING THE PERIOD**

Securities	Movements ("Accounting currency")	
	Acquisitions	Transfers
HORIZON ONE FINANCE BV 10.0% 21-12-17	57,016,438.36	34,281,863.01
PGB 5.65% 02/15/24	61,638,661.49	3,613,168.69
SPGB 3.8 04/30/24	58,494,966.70	0.00
SNCF MOBILITES 180117 FIX 0.0	57,585,360.30	0.00
SUMITOMO MITSUI BANKING CORP 141216 FIX 0.0	19,792,163.26	19,712,756.97
GRECE 4.75% 17/04/2019	29,364,229.15	4,027,916.10
PORT OBRI DO 2.875% 21-07-26	29,808,322.73	0.00
PGB 2 7/8 10/15/25	22,239,873.06	6,396,365.04
PORTUGAL4.1%06-150437	13,272,082.19	6,571,934.42
SUMITOMO MITSUI BANKING CORP 130117 FIX 0.0	19,151,949.32	0.00

- **EFFICIENT PORTFOLIO MANAGEMENT (EPM) TECHNIQUES AND FINANCIAL DERIVATIVE INSTRUMENTS**

**a) Exposure obtained through the EPM techniques and Financial derivative instruments**

- **Exposure obtained through the EPM techniques and Financial derivative instruments: 404,749,311.00**
  - Securities lending:
  - Securities loans:
  - Reverse repurchase agreement:
  - Repurchase: 404,749,311.00
- **Underlying exposure reached through financial derivative instruments: 12,775,471,044.83**
  - Forward transaction: 4,868,659,468.57
  - Future: 5,921,897,310.39
  - Options: 1,984,914,265.87
  - Swap:

**b) Identity of the counterparty(ies) to EPM techniques and Financial derivative instruments**

Identity of the counterparty(ies) to EPM techniques	Financial derivative instruments (*)
BARCLAYS CAPITAL NATIXIS BNP PARIBAS FRANCE	NOMURA INTL LONDRES MERRILL LYNCH INTERNATIONAL (GLOBAL FOREIGN EXCHANGE) BNP PARIBAS FRANCE NATIXIS UBS LIMITED LONDON HSBC BANK PLC CACIB LONDON DEUTSCHE BANK AG LONDON SOCIETE GENERALE MORGAN STANLEY & CO INTL LONDRES JP MORGAN SECURITIES LONDRES GOLDMAN SACHS INTERNATIONAL LTD

(\*) Excepted derivative listed.

**c) Type and amount of collateral received by the UCITS to reduce counterparty risk**

<b>Types of financial instruments</b>	<b>Amount portfolio currency</b>
<b>EPM</b> . Term Deposit . Equities . Bonds . UCITS . Cash (**)	422,483,201.15
<b>Total</b>	<b>422,483,201.15</b>
<b>Financial derivative instruments</b> . Term Deposit . Equities . Bonds . UCITS . Cash	
<b>Total</b>	

(\*\*) The Cash account also includes liquidity resulting from repurchase deals.

**d) Revenues and operational cost/fees from EPM**

<b>Revenues and operational cost/fees</b>	<b>Amount portfolio currency</b>
. Revenues (***) . Other revenues	540,227.34
<b>Total revenues</b>	<b>540,227.34</b>
. Direct operational fees . Indirect operational fees . Other fees	16,135.44
<b>Total fees</b>	<b>16,135.44</b>

(\*\*\*) Revenues received from loans, repurchase and revers repurchase agreements.

• **TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS AND OF REUSE (SFTR) – REGULATION SFTR – in accounting currency of the portfolio (EUR)**

	Securities lending	Securities loan	Repurchase	Reverse repurchase agreement	Total Return Swaps (TRS)
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**a) Securities and commodities on loan**

Amount					
% of Net Assets*					

\*% excluding cash and cash equivalent

**b) Assets engaged in each type of SFTs and TRS expressed in absolute amount**

Amount			389,593,243.34		
% of Net Assets			37.19%		

**c) 10 largest collateral issuers received (excluding cash) across all SFTs and TRS**

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**d) Top 10 counterparties expressed as an absolute amount of assets and liabilities without clearing**

BNP PARIBAS FRANCE FRANCE			176,002,369.11		
NATIXIS FRANCE			111,095,727.00		
BARCLAYS CAPITAL UNITED KINGDOM			102,495,147.23		

**e) Type and quality (collateral)**

Type					
- Equities					
- Bonds					
- UCITS					
- Notes					
- Cash			404,564,733.11		
Rating					

Currency of the collateral					
- EURO			404,564,733.11		

**f) Settlement and clearing**

Tri-party					
Central Counterparty					
Bilateral	X			X	



	Securities lending	Securities loan	Repurchase	Reverse repurchase agreement	Total Return Swaps (TRS)
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**g) Maturity tenor of the collateral broken down maturity buckets**

< 1 day					
[1 day - 1 week]					
]1 week - 1 month]					
]1 month - 3 months]					
]3 months - 1 year]					
> 1 year					
Open					

**h) Maturity tenor of the SFTs and TRS broken down maturity buckets**

< 1 day					
[1 day - 1 week]			47,831,318.50		
]1 week - 1 month]			309,226,460.81		
]1 month - 3 months]			32,535,464.03		
]3 months - 1 year]					
> 1 year					
Open					

**i) Data on reuse of collateral**

Maximum amount (%)					
Amount reused (%)					
Cash collateral reinvestment returns to the collective investment undertaking in euro					

**j) Data on safekeeping of collateral received by the collective investment undertaking**

Caceis Bank France					
Securities					
Cash					

**k) Data on safekeeping of collateral granted by the collective investment undertaking**

Securities					
Cash					

**l) Data on return and cost broken down**

<b>Return</b>					
- UCITS		7,833.71		532,393.63	
- Manager					
- Third parties					
<b>Cost</b>					
- UCITS	16,135.44				
- Manager					
- Tiers					

**e) Type and quality (collateral)**

The Collateral is managed in accordance with the Collateral management policy of H2O in order to ensure a high level of safety and liquidity and a low correlation with the counterparty to the transaction. In addition, the collateral management policy of H2O defines haircuts adapted to each type of security to cope with their market price variation. A daily margin call monitoring is in place in order to manage the daily mark to market variation of securities.

**i) Data on reuse of collateral**

Ucits should always reinvest all their cash Collateral (ie. maximum amount = montant maximum amount used = 100%), but cannot re use their collateral under the form of securities. (ie. maximum amount = amount used = 0%).

In case of cash Collateral, it should be under the conditions defined by the regulation, invested exclusively in the following :

- cash deposits ;
- high Investment grade sovereign bonds ;
- used in reverse repo transaction ;
- invested in short term money market Ucit or equivalent.

Regarding the transactions carried out by H2O, both as principal and agent, the amounts received as cash collateral of temporary sale of securities are invested in investment grade sovereign bonds.

**k) Data on safekeeping of collateral granted by the collective investment undertaking**

All collateral cash or securities given by the Ucits are fully transferred, with all rights and proxy rights attached.

**l) Data on return and cost broken down**

All income generated by repos and reverse repos as well as securities lending, net of associated operational costs, are paid to the UCITS.

Those transactions are undertaken with counterparties selected by H2O. H2O never receives any remuneration associated with the transactions.

The income generated by those transactions is disclosed in the annual report of the UCIT.

## 2. REGULATORY INFORMATIONS

### • PROCEDURE FOR THE SELECTION AND EVALUATION OF BROKERS AND COUNTERPARTIES – EXECUTION OF ORDRES

To enable the management company to fulfil its best execution obligation, the selection and the follow up of brokers and counterparties on interests rates, bonds, equities, is governed by a specific procedure.

The management company's policy for the selection of brokers and counterparties for the execution of orders of the management company is available on its website: <http://www.h2o-am.com> (section "A propos de H2O AM/Engagements").

### • VOTING POLICY

Details of the conditions under which the management company intends to exercise the voting rights attached to the securities held by the mutual funds it manages, as well as the latest annual report, are available from the company's registered adress and on its website at: <http://www.h2o-am.com> (section "A propos de H2O AM/Engagements").

### • INTERMEDIATION COSTS

Details of the conditions under which the management company made use of services to assist with investment decisions and order execution in the last financial year are available on its website at : <http://www.h2o-am.com> (section "A propos de H2O AM/Engagements").

### • ENVIRONMENTAL, SOCIAL AND GOVERNANCE CRITERIA (ESG)

This mutual fund does not take into account the three ESG criteria simultaneously.

### • GLOBAL RISK

The calculation methodology used by the management company for the evaluation of the global risk of the portfolio is as follows: « VAR : absolute Value at risk ».

- Leverage of the portfolio: indicative average level:

The indicative average level of leverage for the UCITS is 4/5. However, the UCITS has the possibility of reaching a higher level of leverage. The indicative level of leverage for the UCITS is calculated as the sum of the nominal positions on the financial contracts that are used.

- Var level during the annual period:

The maximum level of absolute VAR was: 19.20%.

The minimum level of absolute VAR was: 17.15%.

The average level of absolute VAR was: 18.30%.

*The methodology for calculating the VaR is parametric. It is based on 6 years with a 2 year half life.*

### • ACCES TO THE MUTUAL FUND DOCUMENTATION

The mutual fund documentation (KIID, prospectus, periodic reports, etc ...) is available from the management company, at its registered office or by writing to the following e mail address: [info@H2O-am.com](mailto:info@H2O-am.com)

### • REMUNERATIONS

The remuneration policy of the management company is available in the annual report of the management company and also on its website at: [www.h2o-am.com](http://www.h2o-am.com)

Any holder may obtain the information on request from the Management Company, at its registered office or at the following e-mail address: [info@H2O-am.com](mailto:info@H2O-am.com)

- **MATERIAL CHANGES DURING THE PERIOD**

Changes in the level of risk and reward profile (see KIID): from 4 to 5, effective July 24, 2016.

*This is a free translation into English of the statutory auditor's report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users. The statutory auditor's report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditor's assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.*

*This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## **Fonds Commun de Placement H2O MULTIBONDS**

10 Old Burlington Street - Westminster, London W1S 3AG

### **Statutory auditors' report on the financial statements**

Year ended 30 December 2016

(free translation of a French language original)

Ladies and Gentlemen,

In compliance with the assignment entrusted to us by the board of directors of the Fund's management company we hereby report to you, for the year the 30th December 2016.

- the audit of the accompanying financial statements of the H2O MULTIBONDS fund, as attached to this report ;
- the justification of our assessments ;
- the specific verifications and information required by law.

These financial statements have been approved by the Fund's management company. Our role is to express an opinion on these financial statements based on our audit.

## **1 Opinion on the financial statements**

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements.

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

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the fund as at 30 December 2016 and of the results of its operations for the year then ended in accordance with French accounting principles.

## **2 The justification of our assessments**

In accordance with the requirements of article L.823-9 of the French Commercial Code ("Code de Commerce"), relating to the justification of our assessments, we bring to your attention the following matter:

Within the scope of our assessment of the accounting principles applied by the fund and described in the note "Accounting rules" to the financial statements, we have verified the correct application of the valuation methods to financial instruments within the portfolio.

The assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of our opinion expressed in the first part of this report.

## **3 Specific verifications and information**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the annual report, and in the documents addressed to the unit holders with respect to the financial position and the financial statements.

Paris La Défense, 9 may 2017

The statutory auditor

French original signed by

Isabelle Bousquie

*Partner*

## 4. ANNUAL FINANCIAL STATEMENTS

### • BALANCE SHEET *in EUR*

#### ASSETS

	12/30/16	12/31/15
<b>Fixed Assets, net</b>		
<b>Deposits</b>		
<b>Financial instruments</b>	<b>1,499,412,838.03</b>	<b>1,114,103,304.54</b>
<b>Equities and similar securities</b>		
Traded in a regulated market or equivalent		
Not traded in a regulated market or equivalent		
<b>Bonds and similar securities</b>	<b>924,939,213.38</b>	<b>1,031,639,223.09</b>
Traded in a regulated market or equivalent	924,939,213.38	1,031,639,223.09
Not traded in a regulated market or equivalent		
<b>Credit instruments</b>	<b>118,445,732.56</b>	
Traded in a regulated market or equivalent		
Negotiable credit instruments (Notes)		
Other credit instruments		
Not traded in a regulated market or equivalent	118,445,732.56	
<b>Collective investment undertakings</b>	<b>18,738,650.62</b>	<b>7,232,856.32</b>
General-purpose UCITS and alternative investment funds intended for non-professionals and equivalents in other countries	18,738,650.62	7,232,856.32
Other Funds intended for non-professionals and equivalents in other EU Member States		
General-purpose professional funds and equivalents in other EU Member States and listed securitisation entities		
Other professional investment funds and equivalents in other EU Member States and listed securitisation agencies		
Other non-European entities		
<b>Temporary transactions in securities</b>	<b>389,593,243.34</b>	<b>59,855,640.58</b>
Credits for securities held under sell-back deals		
Credits for loaned securities		
Borrowed securities		
Securities sold under buy-back deals	389,593,243.34	59,855,640.58
Other temporary transactions		
<b>Hedges</b>	<b>47,695,998.13</b>	<b>15,375,584.55</b>
Hedges in a regulated market or equivalent	26,510,148.79	9,064,077.64
Other hedges	21,185,849.34	6,311,506.91
<b>Other financial instruments</b>		
<b>Receivables</b>	<b>4,927,333,769.86</b>	<b>3,950,641,946.41</b>
<b>Forward currency transactions</b>	<b>4,868,659,468.57</b>	<b>3,906,705,446.69</b>
<b>Other</b>	<b>58,674,301.29</b>	<b>43,936,499.72</b>
<b>Financial accounts</b>	<b>120,131,331.07</b>	<b>100,104,676.53</b>
<b>Cash and cash equivalents</b>	<b>120,131,331.07</b>	<b>100,104,676.53</b>
<b>Total assets</b>	<b>6,546,877,938.96</b>	<b>5,164,849,927.48</b>

## LIABILITIES

	12/30/16	12/31/15
<b>Shareholders' funds</b>		
<b>Capital</b>	<b>936,732,992.22</b>	<b>907,201,627.49</b>
<b>Allocation Report of distributed items (a)</b>	<b>1,125,648.61</b>	
<b>Brought forward (a)</b>	<b>376.61</b>	<b>349.85</b>
<b>Allocation Report of distributed items on Net Income (a,b)</b>	<b>100,813,236.75</b>	<b>216,146,541.11</b>
<b>Result (a,b)</b>	<b>8,826,446.14</b>	<b>-32,525,725.31</b>
<b>Total net shareholders' funds (net assets)</b>	<b>1,047,498,700.33</b>	<b>1,090,822,793.14</b>
<b>Financial instruments</b>	<b>449,679,849.97</b>	<b>72,824,947.85</b>
<b>Transfers of financial instruments</b>		
<b>Temporary transactions in securities</b>	<b>404,564,733.11</b>	<b>59,998,991.42</b>
Sums owed for securities sold under buy-back deals	404,564,733.11	59,998,991.42
Sums owed for borrowed securities		
Other temporary transactions		
<b>Hedges</b>	<b>45,115,116.86</b>	<b>12,825,956.43</b>
Hedges in a regulated market or equivalent	25,365,061.63	10,205,490.97
Other hedges	19,750,055.23	2,620,465.46
<b>Payables</b>	<b>4,955,774,998.77</b>	<b>3,996,890,918.26</b>
<b>Forward currency transactions</b>	<b>4,877,729,369.32</b>	<b>3,892,721,242.13</b>
<b>Other</b>	<b>78,045,629.45</b>	<b>104,169,676.13</b>
<b>Financial accounts</b>	<b>93,924,389.89</b>	<b>4,311,268.23</b>
<b>Short-term credit</b>	<b>93,924,389.89</b>	<b>4,311,268.23</b>
<b>Loans received</b>		
<b>Total liabilities</b>	<b>6,546,877,938.96</b>	<b>5,164,849,927.48</b>

(a) Including adjustment

(b) Decreased interim distribution paid during the business year



• **OFF-BALANCE SHEET *in EUR***

	12/30/16	12/31/15
<b>Hedges</b>		
<b>Contracts in regulated markets or similar</b>		
<b>OTC contracts</b>		
<b>Other commitments</b>		
<b>Other operations</b>		
<b>Contracts in regulated markets or similar</b>		
<b>Contracts intendeds</b>		
CBO CBOT USUL 3 0316		112,428,628.14
CBO CBOT USUL 3 0317	88,178,922.73	
CME CME 3M EUR 0318	34,968,594.45	
CME 3M EUR1217	576,518,724.82	
EUR DJES BANKS 0316		225,050.00
EUR EUR EUREX O 0316		57,792,350.00
EUR GR EURO BTP 0316		408,005,100.00
EUR XEUR FBTP B 0317	869,038,720.00	
EUR XEUR FOAT E 0317	758,500.00	
FV CBOT US H6		2,365,510,717.23
FV CBOT UST 5 0317	2,724,912,652.29	
JGBL JAPAN GO 0317	28,109,474.17	
LIFFE LG GILT 0317	125,594,142.46	
OSE JGB 0316		30,794,224.97
R LIFFE L H6		205,482,246.79
TU CBOT US H6		81,408,606.05
TU CBOT UST 2 0317	44,362,171.13	
TY CBOT YS H6		927,345.12
TY CBOT YST 1 0317	940,744.25	
US US TBON H6		96,727,682.27
US US TBOND 3 0317	252,587,254.09	
XEUR FGBL BUN 0317	492,420.00	
XEUR FGBL BUND 10 H6		241,785,900.00
XEUR FGBM BOB 0317	267,280.00	
XEUR FGBS SCH 0317	982,200,630.00	
XEUR FGBX BUX 0317	192,967,080.00	
<b>Options</b>		
EURO\$ 3M 03/2016 CALL 99.625		499,583.27
EURO\$ 3M 03/2016 PUT 97.25		220,790.87
EURO\$ 3M 03/2016 PUT 98.25		291,238.46
MID-CURVE 1YR USD 09/2016 PUT 98		319,847,224.28
MID-CURVE 1YR USD 09/2016 PUT 98.75		146,242,851.95

• **OFF-BALANCE SHEET *in EUR***

	12/30/16	12/31/15
USD/CNH OTC 09/2016 CALL 7		12,153,789.01
<b>OTC contracts</b>		
<b>Options</b>		
03/2017 CALL 0000	12,007,584.74	
03/2017 CALL 0000	136,094,429.96	
03/2017 PUT 0000	136,094,429.96	
AUD/USD OTC 03/2017 CALL 0000	198,879.24	
AUD/USD OTC 03/2017 PUT 0000	707,984.35	
AUD/USD OTC 03/2017 PUT 0000	353,992.17	
EUR/JPY OTC 05/2017 CALL 0000	58,775,000.00	
EUR/JPY OTC 05/2017 CALL 0000	64,500,000.00	
EUR/JPY OTC 05/2017 PUT 0000	54,500,000.00	
EUR/JPY OTC 05/2017 PUT 0000	55,000,000.00	
EUR/JPY OTC 06/2017 CALL 0000	116,000,000.00	
EUR/JPY OTC 06/2017 CALL 0000	124,000,000.00	
EUR/JPY OTC 06/2017 CALL 0000	61,500,000.00	
EUR/JPY OTC 06/2017 CALL 0000	58,000,000.00	
EUR/JPY OTC 06/2017 PUT 0000	54,750,000.00	
EUR/JPY OTC 06/2017 PUT 0000	109,500,000.00	
EUR/MXN OTC 05/2017 CALL 0000	7,200,000.00	
EUR/MXN OTC 05/2017 CALL 0000	7,200,000.00	
EUR/MXN OTC 06/2017 CALL 0000	12,000,000.00	
EUR/NOK OTC 03/2016 CALL 10		11,479,000.00
EUR/NOK OTC 03/2016 PUT 9.24		8,700,300.00
EUR/PLN OTC 04/2016 CALL 4.7		1,594,680.00
EUR/PLN OTC 04/2016 PUT 3.9		302,080.00
EUR/USD OTC 01/2016 PUT 1.05		
EUR/USD OTC 02/2016 CALL 1.15		614,580.00
EUR/USD OTC 02/2016 PUT 0.9		4,353.00
EUR/USD OTC 02/2016 PUT 0.975		46,860.00
EUR/USD OTC 02/2016 PUT 0.975		46,860.00
EUR/USD OTC 03/2017 PUT 0000	1,161,500.00	
EUR/USD OTC 04/2016 PUT 0.95		3,946,768.35
EUR/USD OTC 04/2016 PUT 0.95		5,813,994.90
EUR/USD OTC 04/2016 PUT 0.95		1,014,522.60
EUR/USD OTC 04/2016 PUT 0.95		970,911.90
EUR/USD OTC 04/2016 PUT 0.95		1,618,186.50
EUR/USD OTC 04/2016 PUT 0.95		1,615,891.20
EUR/USD OTC 04/2016 PUT 1.05		17,698,884.00

• **OFF-BALANCE SHEET *in EUR***

	12/30/16	12/31/15
EUR/USD OTC 04/2016 PUT 1.05		63,590,458.40
EUR/USD OTC 04/2016 PUT 1.05		10,619,330.40
EUR/USD OTC 04/2016 PUT 1.05		13,631,906.40
EUR/USD OTC 04/2016 PUT 1.05		11,096,321.60
EUR/USD OTC 04/2016 PUT 1.05		13,506,382.40
EUR/USD OTC 06/2017 CALL 0000	640,900.00	
EUR/USD OTC 06/2017 CALL 0000	640,900.00	
EUR/USD OTC 06/2017 PUT 0000	568,400.00	
USD/CNH OTC 03/2017 PUT 0000	1,360,986.02	
USD/CNH OTC 10/2016 CALL 7		10,006,894.96
USD/JPY OTC 03/2017 CALL 0000	33,562,455.56	
USD/JPY OTC 03/2017 CALL 0000	111,874,851.86	
USD/JPY OTC 03/2017 CALL 0000	126,191,040.53	
USD/JPY OTC 03/2017 CALL 0000	47,404,598.25	
USD/JPY OTC 03/2017 CALL 0000	22,374,970.37	
USD/JPY OTC 03/2017 CALL 0000	33,562,455.56	
USD/JPY OTC 03/2017 CALL 0000	33,562,455.56	
USD/JPY OTC 03/2017 CALL 0000	111,874,851.86	
USD/JPY OTC 03/2017 PUT 0000	98,601,564.35	
USD/JPY OTC 03/2017 PUT 0000	29,580,469.30	
USD/JPY OTC 03/2017 PUT 0000	47,404,598.25	
USD/JPY OTC 03/2017 PUT 0000	19,720,312.87	
USD/JPY OTC 03/2017 PUT 0000	29,580,469.30	
USD/JPY OTC 04/2017 CALL 0000	44,749,940.74	
USD/JPY OTC 04/2017 CALL 0000	44,749,940.74	
USD/JPY OTC 04/2017 PUT 0000	39,440,625.74	
USD/JPY OTC 07/2016 CALL 135		2,556,726.50
USD/JPY OTC 07/2016 CALL 135		2,556,726.50
USD/JPY OTC 07/2016 PUT 112.5		9,181,257.48
USD/JPY OTC 07/2016 PUT 112.5		9,181,257.48
USD/JPY OTC 11/2016 CALL 132.25		5,802,640.15
USD/JPY OTC 11/2016 CALL 132.25		3,626,650.10
USD/JPY OTC 11/2016 CALL 133.25		3,274,482.19
USD/JPY OTC 11/2016 PUT 112		6,810,383.87
USD/JPY OTC 11/2016 PUT 112		6,810,383.87
USD/JPY OTC 11/2016 PUT 112		10,896,614.19
USD/MXN OTC 02/2017 CALL 0000	9,954,965.63	
USD/MXN OTC 02/2017 PUT 0000	8,532,827.68	
USD/MXN OTC 02/2017 PUT 0000	9,006,873.67	

- **OFF-BALANCE SHEET *in EUR***

	12/30/16	12/31/15
USD/MXN OTC 11/2017 CALL 0000	10,429,011.61	
USD/RUB OTC 02/2016 CALL 180		
USD/RUB OTC 02/2016 CALL 190		
USD/RUB OTC 02/2016 PUT 60		16,897.57
USD/RUB OTC 02/2016 PUT 60		10,295.50
USD/RUB OTC 02/2016 PUT 60		17,502.35
USD/RUB OTC 02/2016 PUT 60		9,780.72
USD/TRY OTC 02/2016 CALL 3		6,255,564.85
USD/TRY OTC 02/2016 CALL 3		3,127,782.43
USD/TRY OTC 02/2016 CALL 3		3,127,782.43
USD/TRY OTC 02/2016 CALL 3.15		955,904.68
USD/TRY OTC 02/2016 CALL 3.15		1,911,809.35
USD/TRY OTC 02/2016 CALL 3.15		955,904.68
USD/TRY OTC 02/2016 PUT 2.725		130,853.22
USD/TRY OTC 02/2016 PUT 2.725		130,853.22
USD/TRY OTC 02/2016 PUT 2.725		261,706.43
<b>Other commitments</b>		

● **INCOME STATEMENT *in EUR***

	12/30/16	12/31/15
<b>Revenues from financial operations</b>		
Revenues from deposits and financial accounts	26,351.08	25,674.51
Revenues from equities and similar securities		
Revenues from bonds and similar securities	43,948,362.49	35,406,718.32
Revenues from credit instruments	4,199.01	310,119.94
Revenues from temporary acquisition and disposal of securities	540,227.34	26,815.21
Revenues from hedges		
Other financial revenues		
<b>Total (1)</b>	<b>44,519,139.92</b>	<b>35,769,327.98</b>
<b>Charges on financial operations</b>		
Charges on temporary acquisition and disposal of securities	16,135.44	4,948.74
Charges on hedges		
Charges on financial debts	109,987.99	43,280.46
Other financial charges		
<b>Total (2)</b>	<b>126,123.43</b>	<b>48,229.20</b>
<b>Net income from financial operations (1 - 2)</b>	<b>44,393,016.49</b>	<b>35,721,098.78</b>
Other income (3)		
Management fees and depreciation provisions (4)	31,726,933.27	59,243,298.64
<b>Net income of the business year (L.214-17-1) (1-2+3-4)</b>	<b>12,666,083.22</b>	<b>-23,522,199.86</b>
Revenue adjustment (5)	-3,839,637.08	-9,003,525.45
Interim Distribution on Net Income paid during the business year (6)		
<b>Net profit (1 - 2 + 3 - 4 + 5 + 6)</b>	<b>8,826,446.14</b>	<b>-32,525,725.31</b>

## NOTE TO THE ANNUAL ACCOUNTS

### ACCOUNTING RULES AND METHODS

The annual accounts are presented as provided by the ANC Regulation 2014-01 repealing Regulation CRC 2003-02 as amended.

General accounting principles apply, viz:

- fair picture, comparability, ongoing business,
- proper practice & trustworthiness,
- prudence,
- no unreported change in methods from one period to the next.

Revenues from fixed-yield securities are recognized on the basis of interest actually received.

Acquisitions and disposals of securities are recognized exclusive of costs.

The accounting currency of the portfolio is the EURO.

The accounting period reported on is 12 months.

### Asset valuation rules:

Financial instruments are initially recognized at historic cost and carried on the Balance Sheet at their current value: this is their latest known market value or, in the absence of a market, is determined by any external means or by recourse to financial models.

Differences between the securities' current values determined as above and their original historic cost are recognized in the accounts as "differences on estimation".

Securities denominated in a currency other than that of the portfolio are valued in accordance with the above principle and then converted into the currency of the portfolio at the exchange rate obtained on the valuation date.

### Deposit:

Deposits maturing in three months or sooner are valued according to the linear method.

### ***Equities, bonds and other securities traded in a regulated market or equivalent:***

When calculating the NAV, the equities and other securities traded in a regulated market or equivalent are valued based on the day's closing market price.

Bonds and similar securities are valued at the closing price notified by various financial service providers. Interest accrued on bonds and similar securities is calculated up to the date of asset valuation.

### ***Equities, bonds and other securities not traded in a regulated market or equivalent:***

Securities not traded in a regulated market are valued by the Fund Manager using methods based on net equity and yield, taking into account the prices retained in significant recent transactions.

### ***Negotiable credit instruments (Notes):***

Negotiable credit instruments which are not actively traded in significant amounts are actuarially valued on the basis of a reference rate as specified below, plus any enhancement to represent the issuer's intrinsic characteristics:

Notes maturing in one year's time or less: euro interbank offered rate (Euribor);

Notes maturing in more than one year's time: the prevailing rate on medium-term interest-bearing Treasury notes (BTAN) or, for the longest Notes, on near-term fungible Treasury bonds (OAT).

Negotiable credit instruments maturing in three months or sooner may be valued according to the linear method.

French Treasury notes are valued using the market rate published daily by the Banque de France.

**UCITS held:**

UCITS units or shares are valued at the latest known NAV.

**Temporary transactions in securities:**

Securities held under sell-back deals are carried in Assets under "credits for securities held under sell-back deals" at the amount provided for in the contract, plus accrued interest receivable.

Securities sold under buy-back deals are booked to the buying portfolio at their current value. The corresponding debt is booked to the selling portfolio at the value set in the contract plus accrued interest payable.

Loaned securities are valued at their current value and carried in Assets under "credits for loaned securities" at their current value plus accrued interest receivable.

Borrowed securities are carried in Assets under "borrowed securities" at the amount provided for in the contract, and in Liabilities under "debts for borrowed securities" at the amount provided for in the contract plus accrued interest payable.

**Hedges:****Hedges traded in a regulated market or equivalent:**

Hedge instruments traded in regulated markets are valued at the day's settlement price.

**Hedges not trades in a regulated market or equivalent:****Swaps:**

Rate swaps and/or forward currency transactions are valued at their market value according to the price calculated by discounting future interest streams at market interest (and/or exchange) rates. This price is adjusted for default risk.

Index swaps are valued actuarially on the basis of a reference rate provided by the counterparty.

Other swaps are valued at their market value or are estimated as specified by the Fund Manager.

**Off-Balance Sheet Commitments:**

Firm hedging contracts are stated among "Off-Balance Sheet Commitments" at their market value at the rate used in the portfolio.

Conditional hedges are converted into their underlying equivalents.

Swap commitments are stated at their nominal value or at an equivalent amount, where there is no nominal value.

**Management fees:**

Management fees are calculated on the nominal capital on each valuation.

These fees are imputed to the fund's Income Statement.

Management fees are paid in full to the Fund Manager, which bears all the fund's operating costs.

The management fees do not include dealing costs.

The percentage of nominal capital charged is:

1.10% including taxes for Shares: R(C), HCHF-R(C), HUSD-R(C), RUSD(C), RSGD(C), R(D),

0.70% including taxes for Shares: I(C), IUSD(C), HUSD-I(C) and HCHF-I(C),

0.10% including taxes for Shares M(D).

Variable management fees are calculated using the following method:

**Part I(C)**

25% of the UCIT's outperformance relative to the Benchmark, JP Morgan Government Bond Index Broad EURO, above 2,00% per year.

**Part IUSD(C)**

25% of the UCIT's outperformance relative to the Benchmark, JP Morgan Government Bond Index Broad EURO, above 2,00% per year.

**Part HCHF-R(C)**

25% of the UCIT's outperformance relative to the Benchmark, JP Morgan Government Bond Index Broad EURO, above 1,60% per year + Difference between the US interest rate (Libor CHF 1 Month) and the euro zone rate (1-month Euribor).

**Part HCHF-I(C)**

25% of the UCIT's outperformance relative to the Benchmark, JP Morgan Government Bond Index Broad EURO, above 2,00% per year + Difference between the US interest rate (Libor CHF 1 Month) and the euro zone rate (1-month Euribor).

**Part RSGD-(C)**

25% of the UCIT's outperformance relative to the Benchmark, JP Morgan Government Bond Index Broad EURO, above 1,60% per year.

**Part ISGD-(C)**

25% of the UCIT's outperformance relative to the Benchmark, JP Morgan Government Bond Index Broad EURO, above 2,00% per year.

**Part HUSD-R(C)**

25% of the UCIT's outperformance relative to the Benchmark, JP Morgan Government Bond Index Broad EURO, above 1,60% per year + Difference between the US interest rate (Libor USD 1 Month) and the euro zone rate (1-month Euribor).

**Part HUSD- I(C)**

25% of the UCIT's outperformance relative to the Benchmark, JP Morgan Government Bond Index Broad EURO, above 2,00% per year + Difference between the US interest rate (Libor USD 1 Month) and the euro zone rate (1-month Euribor).

**Part RUSD-(C)**

25% of the UCIT's outperformance relative to the Benchmark, JP Morgan Government Bond Index Broad EURO, above 1,60% per year.

**Parts R(C) et R(D)**

25% of the UCIT's outperformance relative to the Benchmark, JP Morgan Government Bond Index Broad EURO, above 1,60% per year.

**Allocation of net profit:**

The net profit (loss) for the period is the total of interest, arrears, premiums, allotments and dividends, plus income on ready cash, minus management fees and financial dealing costs. Latent or realised capital gains or losses are not counted as revenue; nor are subscription/redemption fees.

The amounts available for distribution are the net profit for the period, plus any sums brought forward, plus or minus the balance of any revenue adjustment accounts relating to the financial period in question.

**Gains and losses:**

The net realised gains (deducted from management fees and realised losses) from the financial year will increase the same type of net realized gains from earlier financial years, if the fund hasn't distributed or accumulated its gains and will also increase or reduce the equalization accounts for realised gains.



**Appropriation methods for the distributable amounts:**

<b><i>Distributable amounts</i></b>	<b><i>Shares « R(C) », « I(C) », « IUSD(C) », « HCHF-I(C) », « ISGD(C) », « HCHF-R(C) », « HUSD-R(C) », « HUSD-I(C) », « RUSD(C) » and « RSGD(C) »</i></b>	<b><i>Shares « R(C/D) » and « M(D) »</i></b>
Allocation of the net income	Accumulation	Distribution
Allocation of the net realized gains and losses	Accumulation	Accumulation

● **CHANGES IN NET ASSETS in EUR**

	12/30/16	12/31/15
<b>Net assets in start of period</b>	<b>1,090,822,793.14</b>	<b>803,688,880.01</b>
Subscriptions (including subscription fees received by the fund)	495,514,386.46	989,100,737.52
Redemptions (net of redemption fees received by the fund)	-633,338,460.00	-923,354,804.56
Capital gains realised on deposits and financial instruments	7,616,003.18	10,952,562.99
Capital losses realised on deposits and financial instruments	-1,755,378.31	-13,396,773.07
Capital gains realised on hedges	800,268,407.89	712,738,099.55
Capital losses realised on hedges	-683,009,391.80	-522,881,840.62
Dealing costs	-2,244,471.06	-2,084,021.93
Exchange gains/losses	-52,824,178.97	15,878,209.17
Changes in difference on estimation (deposits and financial instruments)	-10,595,651.88	37,701,408.24
Difference on estimation, period N	55,789,628.57	66,385,280.45
Difference on estimation, period N-1	-66,385,280.45	-28,683,872.21
Changes in difference on estimation (hedges)	24,449,430.65	6,004,890.07
Difference on estimation, period N	32,644,406.41	8,194,975.76
Difference on estimation, period N-1	-8,194,975.76	-2,190,085.69
Net Capital gains and losses Accumulated from Previous business year	-70,872.19	
Distribution on Net Capital Gains and Losses from previous business year		-2,068.77
Net profit for the period, before adjustment prepayments	12,666,083.22	-23,522,199.86
Allocation Report of distributed items on Net Income		
Interim Distribution on Net Income paid during the business year		
Other items		-285.60
<b>Net assets in end of period</b>	<b>1,047,498,700.33</b>	<b>1,090,822,793.14</b>

\* N-1: Fees for the allocation of a legal entity identifier and annual LEI certification fee: -285.60 €.

• **BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR COMMERCIAL TYPE**

	Amount	%
<b>Assets</b>		
<b>Bonds and similar securities</b>		
Fixed-rate bonds traded on a regulated or similar market	851,075,876.09	81.25
Floating-rate bonds traded on regulated markets	39,706,072.97	3.79
mortgages negotiated on a regulated or assimilated market	16,600,370.77	1.58
Other bonds (indexed bonds, participating interests)	17,556,893.55	1.68
<b>TOTAL Bonds and similar securities</b>	<b>924,939,213.38</b>	<b>88.30</b>
<b>Credit instruments</b>		
Euro-Commercial Paper	118,445,732.56	11.31
<b>TOTAL Credit instruments</b>	<b>118,445,732.56</b>	<b>11.31</b>
<b>Liabilities</b>		
<b>Transactions involving transfer of financial instruments</b>		
<b>TOTAL Transactions involving transfer of financial instruments</b>		
<b>Off-balance sheet</b>		
<b>Hedges</b>		
<b>TOTAL Hedges</b>		
<b>Other operations</b>		
Exchange rate	1,984,914,265.87	189.49
Rate	5,921,897,310.39	565.34
<b>TOTAL Other operations</b>	<b>7,906,811,576.26</b>	<b>754.83</b>

• **BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS, BY TYPE**

	Fixed rate	%	Variable rate	%	Rate subject to review	%	Other	%
<b>Assets</b>								
Deposits								
Bonds and similar securities	863,471,556.48	82.43			43,910,763.35	4.19	17,556,893.55	1.68
Credit instruments	118,445,732.56	11.31						
Temporary transactions in securities	389,593,243.34	37.19						
Financial accounts							120,131,331.07	11.47
<b>Liabilities</b>								
Temporary transactions in securities			404,564,733.11	38.62				
Financial accounts							93,924,389.89	8.97
<b>Off-balance sheet</b>								
Hedges								
Other operations	5,921,897,310.39	565.34						

• **BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS, BY TIME TO MATURITY**

	< 3 Months	%	[3 Months - 1 Year]	%	[1 - 3 Years]	%	[3 - 5 Years]	%	> 5 Years	%
<b>Assets</b>										
Deposits										
Bonds and similar securities	12,713,273.77	1.21	35,391,578.38	3.38	254,453,470.67	24.29	43,858,873.89	4.19	578,522,016.67	55.23
Credit instruments	118,445,732.56	11.31								
Temporary transactions in securities									389,593,243.34	37.19
Financial accounts	120,131,331.07	11.47								
<b>Liabilities</b>										
Temporary transactions in securities	404,564,733.11	38.62								
Financial accounts	93,924,389.89	8.97								
<b>Off-balance sheet</b>										
Hedges										
Other operations			611,487,319.27	58.38	1,026,562,801.13	98.00	2,725,179,932.29	260.16	1,558,667,257.70	148.80

All hedges are shown in terms of time to maturity of the underlying securities.

• **BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS, BY LISTING OR AVALUATION CURRENCY**

	USD		CHF		MXN		Other currencies	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Assets</b>								
Deposits								
Equities and similar securities								
Bonds and similar securities	79,604,773.88	7.60			24,336,680.82	2.32	69,396,881.81	6.63
Credit instruments	118,445,732.56	11.31						
Mutual fund units	18,668,273.07	1.78					70,377.55	0.01
Temporary transactions in securities								
Liabilities	1,916,712,058.73	182.98	18,427,518.04	1.76	574,940,074.56	54.89	849,956,370.66	81.14
Financial accounts			1,256,286.63	0.12	25,026.26		2,227,367.92	0.21
<b>Liabilities</b>								
Transactions involving transfer of financial instruments								
Temporary transactions in securities								
Debts	308,604,892.35	29.46	1,147,310,887.76	109.53	2,059,980.97	0.20	868,825,547.07	82.94
Financial accounts	93,134,827.49	8.89					789,562.40	0.08
<b>Off-balance sheet</b>								
Hedges								
Other operations	4,920,185,773.87	469.71					154,964,472.39	14.79

● **RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE**

	Type	12/30/16
Receivables	Forward foreign exchange purchase	2,542,551,807.39
	Funds to be accepted on urgent sale of currencies	2,326,107,661.18
	Sales deferred settlement	35,436,456.35
	Coupons and dividends in cash	85,943.47
	Collateral	23,151,901.47
<b>Total receivables</b>		<b>4,927,333,769.86</b>
Payables	Urgent sale of currency	2,317,442,114.24
	Forward foreign exchange sale	2,560,287,255.08
	Purchases deferred settlement	35,418,115.20
	Management fees	2,482,507.12
	Variable management fees	22,221,820.09
	Collateral	17,918,468.04
	Other payables	4,719.00
<b>Total of Payables</b>		<b>4,955,774,998.77</b>

• **NUMBER OF UNITS ISSUED OR REDEEMED**

	Units	Value
<b>Unit HCHF-I(C)</b>		
Units subscribed during the period	35.1207	1,727,220.76
Units redeemed during the period	-68.9003	-3,367,561.71
Net Subscriptions / Redemptions	-33.7796	-1,640,340.95
<b>Unit R(C)</b>		
Units subscribed during the period	1,272,654.6716	290,066,522.65
Units redeemed during the period	-1,218,544.1321	-273,895,891.34
Net Subscriptions / Redemptions	54,110.5395	16,170,631.31
<b>Unit I(C)</b>		
Units subscribed during the period	1,216.5548	142,295,089.35
Units redeemed during the period	-1,707.3188	-195,245,765.28
Net Subscriptions / Redemptions	-490.7640	-52,950,675.93
<b>Unit M(C/D)</b>		
Units subscribed during the period	33,744.9616	3,575,091.09
Units redeemed during the period	-1,337.2117	-138,032.60
Net Subscriptions / Redemptions	32,407.7499	3,437,058.49
<b>Unit HUSD-R(C)</b>		
Units subscribed during the period	324,797.8905	40,740,099.95
Units redeemed during the period	-502,825.1136	-65,678,879.69
Net Subscriptions / Redemptions	-178,027.2231	-24,938,779.74
<b>Unit HUSD-I(C)</b>		
Units subscribed during the period	77.0000	4,409,409.64
Units redeemed during the period	-1,343.9443	-73,450,941.59
Net Subscriptions / Redemptions	-1,266.9443	-69,041,531.95
<b>Unit IUSD(C)</b>		
Units subscribed during the period	30.3110	2,675,217.83
Units redeemed during the period	-82.3450	-7,581,182.19
Net Subscriptions / Redemptions	-52.0340	-4,905,964.36
<b>Unit HCHF-R(C)</b>		
Units subscribed during the period	12,443.3771	2,823,068.25
Units redeemed during the period	-23,887.0840	-5,594,164.76
Net Subscriptions / Redemptions	-11,443.7069	-2,771,096.51
<b>Unit RUSD(C)</b>		
Units subscribed during the period	10,037.0378	1,046,360.92
Units redeemed during the period	-12,500.0330	-1,319,730.31
Net Subscriptions / Redemptions	-2,462.9952	-273,369.39
<b>Unit RSGD(C)</b>		
Units subscribed during the period	19,138.7537	1,546,329.73
Units redeemed during the period	-36,773.2968	-2,973,006.74
Net Subscriptions / Redemptions	-17,634.5431	-1,426,677.01
<b>Unit R(C/D)</b>		
Units subscribed during the period	35,320.8849	4,609,976.29
Units redeemed during the period	-31,858.1384	-4,093,303.79
Net Subscriptions / Redemptions	3,462.7465	516,672.50

● **SUBSCRIPTION AND/OR REDEMPTION FEES**

	Value
<b>Unit R(C)</b> Total of redemption fees received Total of subscription fees received Total of subscription and/or redemption fees received	
<b>Unit HCHF-I(C)</b> Total of redemption fees received Total of subscription fees received Total of subscription and/or redemption fees received	
<b>Unit I(C)</b> Total of redemption fees received Total of subscription fees received Total of subscription and/or redemption fees received	
<b>Unit HUSD-R(C)</b> Total of redemption fees received Total of subscription fees received Total of subscription and/or redemption fees received	
<b>Unit M(C/D)</b> Total of redemption fees received Total of subscription fees received Total of subscription and/or redemption fees received	
<b>Unit HUSD-I(C)</b> Total of redemption fees received Total of subscription fees received Total of subscription and/or redemption fees received	
<b>Unit IUSD(C)</b> Total of redemption fees received Total of subscription fees received Total of subscription and/or redemption fees received	
<b>Unit HCHF-R(C)</b> Total of redemption fees received Total of subscription fees received Total of subscription and/or redemption fees received	
<b>Unit RUSD(C)</b> Total of redemption fees received Total of subscription fees received Total of subscription and/or redemption fees received	
<b>Unit RSGD(C)</b> Total of redemption fees received Total of subscription fees received Total of subscription and/or redemption fees received	
<b>Unit R(C/D)</b> Total of redemption fees received Total of subscription fees received Total of subscription and/or redemption fees received	

● **MANAGEMENT FEES**

	12/30/16
<b>Unit R(C)</b>	
Underwriting commission	
Fixed management fees	6,831,057.44
Percentage set for fixed management fees	1.08
Variable management fees	15,746,522.17
Trailer fees	
<b>Unit HCHF-I(C)</b>	
Underwriting commission	
Fixed management fees	16,972.43
Percentage set for fixed management fees	0.70
Variable management fees	29,117.16
Trailer fees	
<b>Unit I(C)</b>	
Underwriting commission	
Fixed management fees	1,261,778.89
Percentage set for fixed management fees	0.69
Variable management fees	4,245,773.98
Trailer fees	
<b>Unit HUSD-R(C)</b>	
Underwriting commission	
Fixed management fees	835,860.27
Percentage set for fixed management fees	1.10
Variable management fees	1,478,592.72
Trailer fees	
<b>Unit M(C/D)</b>	
Underwriting commission	
Fixed management fees	590.64
Percentage set for fixed management fees	0.10
Variable management fees	
Trailer fees	
<b>Unit HUSD-I(C)</b>	
Underwriting commission	
Fixed management fees	255,881.49
Percentage set for fixed management fees	0.70
Variable management fees	185,077.12
Trailer fees	
<b>Unit IUSD(C)</b>	
Underwriting commission	
Fixed management fees	123,078.77
Percentage set for fixed management fees	0.69
Variable management fees	4,885.52
Trailer fees	

● **MANAGEMENT FEES**

	12/30/16
<b>Unit RUSD(C)</b>	
Underwriting commission	
Fixed management fees	63,556.45
Percentage set for fixed management fees	1.10
Variable management fees	598.90
Trailer fees	



- **MANAGEMENT FEES**

	12/30/16
<b>Unit HCHF-R(C)</b>	
Underwriting commission	
Fixed management fees	124,650.78
Percentage set for fixed management fees	1.10
Variable management fees	229,027.05
Trailer fees	
<b>Unit RSGD(C)</b>	
Underwriting commission	
Fixed management fees	16,666.37
Percentage set for fixed management fees	1.10
Variable management fees	38,086.36
Trailer fees	
<b>Unit R(C/D)</b>	
Underwriting commission	
Fixed management fees	69,345.47
Percentage set for fixed management fees	1.10
Variable management fees	169,813.29
Trailer fees	

- **COMMITMENTS RECEIVED AND GIVEN**

**Guarantees received by the UCI**

None.

**Other commitments received and/or given**

None.

- STOCK MARKET VALUES OF TEMPORARILY ACQUIRED SECURITIES**

	12/30/16
Securities held under sell-back deals	
Borrowed securities	

- STOCK MARKET VALUES OF PLEDGED SECURITIES**

	12/30/16
Financial instruments pledged but not reclassified	226,804,893.83
Financial instruments received as pledges but not recognized in the Balance Sheet	

- GROUP FINANCIAL INSTRUMENTS HELD BY THE FUND**

	Isin code	Name of security	12/30/16
Equities			
Bonds			
Notes			
UCITS			18,738,650.62
	FR0012237477	H2O ADAGIO I GBP C	70,377.55
	FR0012329092	H2O MULTIEMERGING DEBT IUSD C	8,280,977.50
	IE00BD8RGM75	H2O MULTI AGGREGATE - I USD	10,387,295.57
Hedges			

• **TABLE OF ALLOCATION OF THE DISTRIBUTABLE SHARE OF THE SUMS CONCERNED TO PROFIT (LOSS)**

	12/30/16	12/31/15
<b>Sums not yet allocated</b>		
Brought forward	376.61	349.85
Profit (loss)	8,826,446.14	-32,525,725.31
<b>Total</b>	<b>8,826,822.75</b>	<b>-32,525,375.46</b>

	12/30/16	12/31/15
<b>Unit R(C)</b>		
<b>Allocation</b>		
Distribution		
Brought forward		
Capitalized	5,394,676.44	-20,123,115.24
<b>Total</b>	<b>5,394,676.44</b>	<b>-20,123,115.24</b>

	12/30/16	12/31/15
<b>Unit HCHF-I(C)</b>		
<b>Allocation</b>		
Distribution		
Brought forward		
Capitalized	51,207.22	-68,542.30
<b>Total</b>	<b>51,207.22</b>	<b>-68,542.30</b>

	12/30/16	12/31/15
<b>Unit I(C)</b>		
<b>Allocation</b>		
Distribution		
Brought forward		
Capitalized	1,966,820.50	-6,333,332.32
<b>Total</b>	<b>1,966,820.50</b>	<b>-6,333,332.32</b>

	12/30/16	12/31/15
<b>Unit HUSD-R(C)</b>		
<b>Allocation</b>		
Distribution		
Brought forward		
Capitalized	358,138.55	-2,272,445.46
<b>Total</b>	<b>358,138.55</b>	<b>-2,272,445.46</b>

	12/30/16	12/31/15
<b>Unit M(C/D)</b>		
<b>Allocation</b>		
Distribution	45,370.85	
Brought forward	161.21	
Capitalized		
<b>Total</b>	<b>45,532.06</b>	
<b>Details of units with dividend entitlement</b>		
Number of units	32,407.7499	
Dividend per unit	1.40	
<b>Tax credits</b>		
Tax credit attached to the distribution of income		

	12/30/16	12/31/15
<b>Unit IUSD(C)</b>		
<b>Allocation</b>		
Distribution		
Brought forward		
Capitalized	542,313.36	-521,803.71
<b>Total</b>	<b>542,313.36</b>	<b>-521,803.71</b>

	12/30/16	12/31/15
<b>Unit HUSD-I(C)</b>		
<b>Allocation</b>		
Distribution		
Brought forward		
Capitalized	135,332.88	-2,330,504.86
<b>Total</b>	<b>135,332.88</b>	<b>-2,330,504.86</b>

	12/30/16	12/31/15
<b>Unit RUSD(C)</b>		
<b>Allocation</b>		
Distribution		
Brought forward		
Capitalized	183,368.03	-213,084.39
<b>Total</b>	<b>183,368.03</b>	<b>-213,084.39</b>

	12/30/16	12/31/15
<b>Unit HCHF-R(C)</b>		
<b>Allocation</b>		
Distribution		
Brought forward		
Capitalized	110,905.94	-380,638.29
<b>Total</b>	<b>110,905.94</b>	<b>-380,638.29</b>

	12/30/16	12/31/15
<b>Unit RSGD(C)</b>		
<b>Allocation</b>		
Distribution		
Brought forward		
Capitalized	2,546.95	-99,943.63
<b>Total</b>	<b>2,546.95</b>	<b>-99,943.63</b>

	12/30/16	12/31/15
<b>Unit R(C/D)</b>		
<b>Allocation</b>		
Distribution	35,694.68	
Brought forward	286.14	
Capitalized		-181,965.26
<b>Total</b>	<b>35,980.82</b>	<b>-181,965.26</b>
<b>Details of units with dividend entitlement</b>		
Number of units	48,236.0592	44,773.3127
Dividend per unit	0.74	
<b>Tax credits</b>		
Tax credit attached to the distribution of income		

• **TABLE OF ALLOCATION OF THE DISTRIBUTABLE SHARE OF THE SUMS CONCERNED TO CAPITAL GAINS AND LOSSES**

	12/30/16	12/31/15
<b>Sums not yet allocated</b>		
Net Capital gains and losses Accumulated from Previous business year	1,125,648.61	
Net Capital gains and losses of the business year	100,813,236.75	216,146,541.11
Allocation Report of distributed items on Net Capital Gains and Losses		
<b>Total</b>	<b>101,938,885.36</b>	<b>216,146,541.11</b>

	12/30/16	12/31/15
<b>Unit HCHF-I(C)</b>		
<b>Allocation</b>		
Distribution		
Net capital gains and losses accumulated per share		
Capitalized	246,425.26	127,280.22
<b>Total</b>	<b>246,425.26</b>	<b>127,280.22</b>

	12/30/16	12/31/15
<b>Unit R(C)</b>		
<b>Allocation</b>		
Distribution		
Net capital gains and losses accumulated per share		
Capitalized	68,075,710.67	118,954,122.10
<b>Total</b>	<b>68,075,710.67</b>	<b>118,954,122.10</b>

	12/30/16	12/31/15
<b>Unit M(C/D)</b>		
<b>Allocation</b>		
Distribution	141,297.79	
Net capital gains and losses accumulated per share	238,112.97	
Capitalized	0.00	
<b>Total</b>	<b>379,410.76</b>	
<b>Details of units with dividend entitlement</b>		
Number of units	32,407.7499	
Dividend per unit	4.36	

	12/30/16	12/31/15
<b>Unit I(C)</b>		
<b>Allocation</b>		
Distribution		
Net capital gains and losses accumulated per share		
Capitalized	17,869,747.18	42,309,731.26
<b>Total</b>	<b>17,869,747.18</b>	<b>42,309,731.26</b>

	12/30/16	12/31/15
<b>Unit HUSD-R(C)</b>		
<b>Allocation</b>		
Distribution		
Net capital gains and losses accumulated per share		
Capitalized	8,791,155.16	21,539,715.80
<b>Total</b>	<b>8,791,155.16</b>	<b>21,539,715.80</b>

	12/30/16	12/31/15
<b>Unit HUSD-I(C)</b>		
<b>Allocation</b>		
Distribution		
Net capital gains and losses accumulated per share		
Capitalized	1,365,278.88	23,811,580.01
<b>Total</b>	<b>1,365,278.88</b>	<b>23,811,580.01</b>

	12/30/16	12/31/15
<b>Unit IUSD(C)</b>		
<b>Allocation</b>		
Distribution		
Net capital gains and losses accumulated per share		
Capitalized	1,570,030.35	3,629,098.42
<b>Total</b>	<b>1,570,030.35</b>	<b>3,629,098.42</b>

	12/30/16	12/31/15
<b>Unit HCHF-R(C)</b>		
<b>Allocation</b>		
Distribution		
Net capital gains and losses accumulated per share		
Capitalized	1,129,722.19	3,044,548.95
<b>Total</b>	<b>1,129,722.19</b>	<b>3,044,548.95</b>

	12/30/16	12/31/15
<b>Unit RUSD(C)</b>		
<b>Allocation</b>		
Distribution		
Net capital gains and losses accumulated per share		
Capitalized	597,440.87	1,104,031.91
<b>Total</b>	<b>597,440.87</b>	<b>1,104,031.91</b>

	12/30/16	12/31/15
<b>Unit RSGD(C)</b>		
<b>Allocation</b>		
Distribution		
Net capital gains and losses accumulated per share		
Capitalized	131,048.53	514,431.19
<b>Total</b>	<b>131,048.53</b>	<b>514,431.19</b>

	12/30/16	12/31/15
<b>Unit R(C/D)</b>		
<b>Allocation</b>		
Distribution	320,287.43	67,159.97
Net capital gains and losses accumulated per share	1,462,628.08	1,044,841.28
Capitalized	0.00	0.00
<b>Total</b>	<b>1,782,915.51</b>	<b>1,112,001.25</b>
<b>Details of units with dividend entitlement</b>		
Number of units	48,236.0592	44,773.3127
Dividend per unit	6.64	1.50



• **TABLE OF PROFIT (LOSS) AND OTHER TYPICAL FEATURES OF THE FUND OVER THE PAST FIVE FINANCIAL PERIODS**

	12/31/12	12/31/13	12/31/14	12/31/15	12/30/16
Global Net Assets in EUR	71,109,067.90	208,153,973.82	803,688,880.01	1,090,822,793.14	1,047,498,700.33
<b>H2O MULTIBONDS HCHF-I(C)</b>					
Net assets in CHF				4,291,675.26	2,595,814.63
Number of shares/units				73.5753	39.7957
NAV per share/unit in EUR in CHF				58,330.38	65,228.52
Net Capital Gains and Losses Accumulated per share in EUR				1,729.93	6,192.25
Net income Accumulated per share in EUR				-931.59	1,286.75
<b>H2O MULTIBONDS R(C)</b>					
Net assets in EUR	22,544,372.23	103,132,171.69	460,750,096.15	645,240,212.20	733,282,017.78
Number of shares/units	181,519.3339	749,200.0808	2,574,999.2307	2,753,838.3286	2,807,948.8681
NAV per share/unit in EUR in EUR	124.19	137.65	178.93	234.30	261.14
Net Capital Gains and Losses Accumulated per share in EUR		5.98	25.03	43.19	24.24
Net income Accumulated per share in EUR	-0.09	-3.27	-1.82	-7.30	1.92
<b>H2O MULTIBONDS I(C)</b>					
Net assets in EUR	35,247,779.78	90,851,134.97	283,187,990.64	230,010,735.55	192,460,925.09
Number of shares/units	570.3993	1,321.1058	3,156.0298	1,949.3226	1,458.5586
NAV per share/unit in EUR in EUR	61,794.92	68,769.00	89,729.18	117,995.21	131,952.82
Net Capital Gains and Losses Accumulated per share in EUR		2,982.86	12,539.20	21,704.83	12,251.64
Net income Accumulated per share in EUR	-709.97	-1,366.44	-608.61	-3,248.99	1,348.46
<b>H2O MULTIBONDS HUSD-R(C)</b>					
Net assets in USD			19,421,852.32	84,864,498.43	66,242,020.41
Number of shares/units			173,717.7508	585,961.3300	407,934.1069
NAV per share/unit in EUR in USD			111.80	144.82	162.38
Net Capital Gains and Losses Accumulated per share in EUR			18.15	36.75	21.55
Net income Accumulated per share in EUR			-0.95	-3.87	0.87

	12/31/12	12/31/13	12/31/14	12/31/15	12/30/16
Global Net Assets in EUR	71,109,067.90	208,153,973.82	803,688,880.01	1,090,822,793.14	1,047,498,700.33
<b>H2O MULTIBONDS M(C/D)</b>					
Net assets in EUR					3,729,316.47
Number of shares/units					32,407.7499
NAV per share/unit in EUR in EUR					115.07
Distribution on Net Capital gains and losses per share in EUR					4.36
Net capital gains and losses accumulated per share in EUR					7.34
Distribution on Net Income per share in EUR					1.40
Tax credits per share/unit in					*
Unit brought forward in EUR on the result					
<b>H2O MULTIBONDS IUSD(C)</b>					
Net assets in USD	11,798,699.27	10,061,552.86	23,013,957.73	21,434,287.46	18,023,221.04
Number of shares/units	185.7108	136.1550	271.6808	214.2058	162.1718
NAV per share/unit in EUR in USD	63,532.65	73,897.78	84,709.54	100,063.99	111,136.59
Net Capital Gains and Losses Accumulated per share in EUR		2,325.92	9,792.78	16,942.11	9,681.27
Net income Accumulated per share in EUR	-984.88	-1,064.62	-457.26	-2,435.99	3,344.06
<b>H2O MULTIBONDS HUSD-I(C)</b>					
Net assets in USD			10,117,612.23	94,200,798.58	10,314,235.71
Number of shares/units			196.0000	1,402.6595	135.7152
NAV per share/unit in EUR in USD			51,620.47	67,158.70	75,999.11
Net Capital Gains and Losses Accumulated per share in EUR			454.20	16,976.02	10,059.88
Net income Accumulated per share in EUR			-233.46	-1,661.49	997.18
<b>H2O MULTIBONDS RUSD(C)</b>					
Net assets in USD			432,348.28	6,478,350.83	6,858,718.19
Number of shares/units			4,486.9230	57,621.2568	55,158.2616
NAV per share/unit in EUR in USD			96.35	112.42	124.34
Net Capital Gains and Losses Accumulated per share in EUR			8.60	19.16	10.83
Net income Accumulated per share in EUR			0.18	-3.69	3.32

	12/31/12	12/31/13	12/31/14	12/31/15	12/30/16
Global Net Assets in EUR	71,109,067.90	208,153,973.82	803,688,880.01	1,090,822,793.14	1,047,498,700.33
<b>H20 MULTIBONDS PARTS HCHF-R(C)</b>					
Net assets in CHF	5,270,891.81	8,417,763.31	15,487,628.06	13,378,161.21	11,702,237.52
Number of shares/units	39,170.8918	56,504.8241	80,186.5436	53,220.6984	41,776.9915
NAV per share/unit in EUR in CHF	134.56	148.97	193.14	251.37	280.11
Net Capital Gains and Losses Accumulated per share in EUR		6.35	24.63	57.20	27.04
Net income Accumulated per share in EUR	-3.67	-2.63	-1.65	-7.15	2.65
<b>H20 MULTIBONDS RSGD(C)</b>					
Net assets in SGD			902,450.81	4,270,463.31	2,127,068.66
Number of shares/units			8,534.8710	32,329.3736	14,694.8305
NAV per share/unit in EUR in SGD			105.73	132.09	144.74
Net Capital Gains and Losses Accumulated per share in EUR			8.09	15.91	8.91
Net income Accumulated per share in EUR			-0.42	-3.09	0.17
<b>H20 MULTIBONDS R(C/D)</b>					
Net assets in EUR			2,518,760.27	6,016,393.40	7,120,070.30
Number of shares/units			24,474.4892	44,773.3127	48,236.0592
NAV per share/unit in EUR in EUR			102.91	134.37	147.60
Distribution on Net Capital gains and losses per share in EUR				1.50	6.64
Net capital gains and losses accumulated per share in EUR				23.33	30.32
Net Capital Gains and Losses Accumulated per share in EUR			11.23		
Distribution on Net Income per share in EUR			0.34		0.74
Tax credits per share/unit in					*
Unit brought forward in EUR on the result					
Net income Accumulated per share in EUR				-4.06	



• **PORTFOLIO LISTING in EUR**

Name of security	Currency	Quantity	Market value	%
<b>Bonds and similar securities</b>				
<b>Listed bonds and similar securities</b>				
<b>FRANCE</b>				
AXASA 5 1/2 07/22/49	USD	2,000,000	1,932,035.50	0.18
LAMON TF/TV 04/23/43	USD	300,000	305,209.69	0.03
LAMON 6 3/4 04/25/44	EUR	400,000	469,399.07	0.04
SOCGEN TV 11/49	USD	1,000,000	606,190.25	0.06
SOCIETE GENERALE LIBOR US PERPETUAL	USD	3,000,000	2,776,196.42	0.27
SOCIETE GENERALE TV PERPETL	EUR	500,000	611,109.38	0.06
<b>TOTAL FRANCE</b>			<b>6,700,140.31</b>	<b>0.64</b>
<b>GREECE</b>				
GRECE 15/10/2042	EUR	54,791,400	144,923.25	0.01
GRECE 3% 24/02/2023	EUR	41,392,455	34,916,096.49	3.33
GRECE 3% 24/02/2024	EUR	14,442,455	11,980,560.97	1.14
GRECE 3% 24/02/2025	EUR	49,792,455	40,705,964.57	3.89
GRECE 3% 24/02/2026	EUR	49,082,455	39,465,985.06	3.77
GRECE 3% 24/02/2027	EUR	23,310,535	18,430,187.89	1.76
GRECE 3% 24/02/2028	EUR	12,611,952	9,760,991.30	0.93
GRECE 3% 24/02/2029	EUR	12,071,952	9,141,578.67	0.87
GRECE 3% 24/02/2030	EUR	6,271,952	4,644,805.10	0.44
GRECE 3% 24/02/2031	EUR	9,608,032	6,955,040.15	0.66
GRECE 3% 24/02/2032	EUR	8,971,952	6,344,854.14	0.61
GRECE 3% 24/02/2033	EUR	1,621,952	1,130,740.11	0.11
GRECE 3% 24/02/2034	EUR	6,085,152	4,181,154.82	0.40
GRECE 3% 24/02/2035	EUR	1,471,952	996,611.16	0.10
GRECE 3% 24/02/2036	EUR	471,952	314,805.06	0.03
GRECE 3% 24/02/2037	EUR	371,952	244,367.89	0.02
GRECE 3% 24/02/2038	EUR	71,952	47,167.97	
GRECE 3% 24/02/2040	EUR	1,471,952	960,695.53	0.09
GRECE 3% 24/02/2041	EUR	1,951,952	1,271,165.22	0.12
GRECE 3% 24/02/2042	EUR	6,121,952	3,977,969.14	0.38
GRECE 4.75% 17/04/2019	EUR	138,760,000	135,629,678.95	12.96
<b>TOTAL GREECE</b>			<b>331,245,343.44</b>	<b>31.62</b>
<b>IRAQ</b>				
IRAQ 5.8% 15/01/28 REGS *USD	USD	10,200,000	8,305,315.95	0.79
<b>TOTAL IRAQ</b>			<b>8,305,315.95</b>	<b>0.79</b>
<b>ITALY</b>				
BANCA CARIGE 6.75% 03/17	EUR	7,000,000	7,453,706.44	0.71
BTPS 2.35 09/15/24	EUR	15,000,000	17,411,970.30	1.67

Name of security	Currency	Quantity	Market value	%
BTPS 4 3/4 09/01/44	EUR	3,810,000	5,206,729.69	0.50
INTESA SANPAOLO SPA 2.375% 13/01/2017	USD	2,400,000	2,301,386.11	0.22
ITALIE 6 7/8% 23	USD	8,000,000	9,053,476.60	0.86
MONTE DEI PASCHI SIENA 3.5% 20/03/2017	EUR	2,300,000	2,337,268.03	0.22
<b>TOTAL ITALY</b>			<b>43,764,537.17</b>	<b>4.18</b>
<b>LUXEMBURG</b>				
ORYX S L3RUSD+1.6% 11-09-18	USD	40,000,000	36,323,686.30	3.47
<b>TOTAL LUXEMBURG</b>			<b>36,323,686.30</b>	<b>3.47</b>
<b>MEXICO</b>				
CORPORACION GEO 8.875% 03/22 DEFAULT	USD	24,300,000	691,159.04	0.07
MEXICAN BONOS 4.75% 14-06-18	MXN	5,000,000	22,429,449.14	2.14
PEMEX 7.47 11/12/26	MXN	500,000	1,907,231.68	0.18
URBI DESARROLLOS URBANOS 9.75% 03/02/2022 SERIE REGS DEFAULT	USD	12,738,000	422,687.84	0.04
<b>TOTAL MEXICO</b>			<b>25,450,527.70</b>	<b>2.43</b>
<b>NETHERLANDS</b>				
AMAT FINA BV 8.25% 31-07-17	EUR	11,300,000	10,548,242.93	1.01
HORIZON ONE FINANCE BV 10.0% 21-12-17	EUR	24,000,000	22,885,479.45	2.18
<b>TOTAL NETHERLANDS</b>			<b>33,433,722.38</b>	<b>3.19</b>
<b>NIGERIA</b>				
NGERIA 6 3/8 07/12/23	USD	3,300,000	3,132,211.55	0.30
<b>TOTAL NIGERIA</b>			<b>3,132,211.55</b>	<b>0.30</b>
<b>PORTUGAL</b>				
BANCO ESPIRITO SANTO S 2.625% 08/05/2017	EUR	6,800,000	1,957,856.00	0.19
BCO ESPI 4.75% 15-01-18 EMTN DEFAULT	EUR	6,000,000	1,721,250.00	0.16
PGB 2 7/8 10/15/25	EUR	23,180,000	22,174,599.25	2.12
PGB 5.65% 02/15/24	EUR	12,500,000	14,957,962.77	1.43
PORT OBRI DO 2.875% 21-07-26	EUR	10,000,000	9,434,753.43	0.90
PORTUGAL REPUBLIQUE 4.1% 15-02-45	EUR	44,150,000	41,989,213.35	4.01
PORTUGAL 4.75% 14/06/19	EUR	13,000,000	14,659,681.51	1.40
PORTUGAL 4.80% 15/06/20	EUR	14,150,000	16,177,615.53	1.54
PORTUGAL 4.95% 25/10/23	EUR	14,040,000	15,786,901.04	1.51
PORTUGAL4.1%06-150437	EUR	7,270,000	7,207,423.23	0.69
TAGU S E1R+1.95% 12-05-25	EUR	5,500,000	3,152,653.35	0.30
TAGU SOCI DE 1.99% 12-02-19	EUR	10,800,000	6,288,533.25	0.60
TAGU SOCI DE 2.98% 16-02-18	EUR	19,000,000	6,107,147.14	0.58
<b>TOTAL PORTUGAL</b>			<b>161,615,589.85</b>	<b>15.43</b>
<b>RUSSIA</b>				
RUSSIA 7.5% 27-02-19	RUB	1,986,000,000	31,294,044.38	2.99
<b>TOTAL RUSSIA</b>			<b>31,294,044.38</b>	<b>2.99</b>

Name of security	Currency	Quantity	Market value	%
<b>SPAIN</b>				
SPGB 3.8 04/30/24	EUR	1,750,000	2,141,648.56	0.21
SPGB 4.4% 10/31/23	EUR	200,000	248,817.01	0.02
<b>TOTAL SPAIN</b>			<b>2,390,465.57</b>	<b>0.23</b>
<b>UNITED KINGDOM</b>				
DECO BP3M 07-20	GBP	1,451,000	620,913.19	0.06
LEEK 19X A2B L3R 21/12/38	USD	200,000	93,462.97	0.01
MANSARD MORTGAGES TV 1X CL A2 10/48	GBP	750,000	102,603.13	0.01
RMAC PLC LIB3R 05-37	USD	3,150,000	235,057.74	0.02
<b>TOTAL UNITED KINGDOM</b>			<b>1,052,037.03</b>	<b>0.10</b>
<b>ZAMBIA</b>				
REPUBLIC OF ZAMBIA 5.375% 20/09/2022	USD	15,300,000	13,426,697.92	1.28
<b>TOTAL ZAMBIA</b>			<b>13,426,697.92</b>	<b>1.28</b>
<b>Total listed bond and similar securities</b>			<b>698,134,319.55</b>	<b>66.65</b>
<b>Total bonds and similar securities</b>			<b>698,134,319.55</b>	<b>66.65</b>
<b>Credit instruments</b>				
<b>Credit instruments not traded in a regulated market or equivalent</b>				
<b>CANADA</b>				
BANK OF MONTREAL 210217 FIX 0.0	USD	15,000,000	14,203,191.51	1.36
<b>TOTAL CANADA</b>			<b>14,203,191.51</b>	<b>1.36</b>
<b>FRANCE</b>				
SNCF MOBILITES 180117 FIX 0.0	USD	30,000,000	28,431,207.04	2.71
SNCF MOBILITES 180117 FIX 0.0	USD	30,000,000	28,429,108.88	2.71
<b>TOTAL FRANCE</b>			<b>56,860,315.92</b>	<b>5.42</b>
<b>JAPAN</b>				
SUMITOMO MITSUI BANKING CORP 130117 FIX 0.0	USD	20,000,000	18,955,427.44	1.81
<b>TOTAL JAPAN</b>			<b>18,955,427.44</b>	<b>1.81</b>
<b>SPAIN</b>				
BBVA SENIOR FINANCE S.A. 170117 FIX 0.0	USD	15,000,000	14,214,417.25	1.36
<b>TOTAL SPAIN</b>			<b>14,214,417.25</b>	<b>1.36</b>
<b>UNITED KINGDOM</b>				
LEGAL AND GENERAL FINANCE PLC 230117 FIX 0.0	USD	15,000,000	14,212,380.44	1.36
<b>TOTAL UNITED KINGDOM</b>			<b>14,212,380.44</b>	<b>1.36</b>
<b>Total credit instruments not traded on a regulated or similar market</b>			<b>118,445,732.56</b>	<b>11.31</b>
<b>Total credit instruments</b>			<b>118,445,732.56</b>	<b>11.31</b>

Name of security	Currency	Quantity	Market value	%
<b>Collective investment undertakings</b>				
<b>General-purpose UCITS and alternative investment funds intended for non-professionals and equivalents in other countries</b>				
<b>EIRE</b>				
H2O MULTI AGGREGATE - I USD	USD	100,000	10,387,295.57	0.99
<b>TOTAL EIRE</b>			<b>10,387,295.57</b>	<b>0.99</b>
<b>FRANCE</b>				
H2O ADAGIO I GBP C	GBP	1	70,377.55	0.01
H2O MULTIEMERGING DEBT IUSD C	USD	154	8,280,977.50	0.79
<b>TOTAL FRANCE</b>			<b>8,351,355.05</b>	<b>0.80</b>
<b>TOTAL General-purpose UCITS and alternative investment funds intended for non-professionals and equivalents in other countries</b>			<b>18,738,650.62</b>	<b>1.79</b>
<b>Total collective investment undertakings</b>			<b>18,738,650.62</b>	<b>1.79</b>
<b>Titles put in dépôt</b>				
<b>Listed bonds and similar securities</b>				
ANGLETERRE 3.75% 07/09/2020	GBP	2,830,000	3,776,372.97	0.36
BTPS 4 3/4 09/01/44	EUR	50,000,000	68,329,785.91	6.51
ESPAGNE 5.4% 31/01/2023	EUR	13,810,000	18,404,571.15	1.76
PORT OBRI DO 3.85% 15-04-21	EUR	15,800,000	17,527,589.32	1.67
PORTUGAL 4.80% 15/06/20	EUR	5,578,000	6,377,296.07	0.61
SPGB 3.8 04/30/24	EUR	47,300,000	57,885,701.12	5.53
SPGB 4.4% 10/31/23	EUR	16,800,000	20,900,629.15	2.00
UK TSY 3.25% 22/01/2044	GBP	21,923,000	33,602,948.14	3.21
<b>Total listed bond and similar securities</b>			<b>226,804,893.83</b>	<b>21.65</b>
<b>TOTAL Securities put in dépôt</b>			<b>226,804,893.83</b>	<b>21.65</b>
<b>Securities sold under agreements to repurchase</b>				
<b>ITALY</b>				
BTPS 4 3/4 09/01/44	EUR	88,000,000	120,260,423.20	11.48
<b>TOTAL ITALY</b>			<b>120,260,423.20</b>	<b>11.48</b>
<b>PORTUGAL</b>				
PGB 2 7/8 10/15/25	EUR	105,000,000	100,445,768.84	9.59
PGB 5.65% 02/15/24	EUR	44,290,000	52,999,053.70	5.06
PORT OBRI DO 2.875% 21-07-26	EUR	20,000,000	18,869,506.85	1.80
PORTUGAL REPUBLIQUE 4.1% 15-02-45	EUR	28,000,000	26,629,625.68	2.54
PORTUGAL4.1%06-150437	EUR	71,000,000	70,388,865.07	6.72
<b>TOTAL PORTUGAL</b>			<b>269,332,820.14</b>	<b>25.71</b>
<b>TOTAL Securities sold under agreement to resell</b>			<b>389,593,243.34</b>	<b>37.19</b>
<b>Debts representative of securities sold under agreements to repurchase</b>			<b>-404,749,311.00</b>	<b>-38.64</b>
<b>Indemnification on securities sold under agreements to repurchase</b>			<b>184,577.89</b>	<b>0.02</b>



Name of security	Currency	Quantity	Market value	%
<b>Hedges</b>				
<b>Urgent commitments closed</b>				
<b>Urgent commitments firm on regulated or assimilated market</b>				
CBO CBOT USUL 3 0317	USD	583	-884,880.64	-0.08
CME CME 3M EUR 0318	USD	-150	186,655.61	0.02
CME 3M EUR1217	USD	-2,470	878,170.18	0.08
EUR XEUR FBTP B 0317	EUR	6,424	15,084,540.00	1.44
EUR XEUR FOAT E 0317	EUR	5	6,500.00	
FV CBOT UST 5 0317	USD	-24,449	7,066,124.32	0.67
JGBL JAPAN GO 0317	JPY	-23	-40,480.96	
LIFFE LG GILT 0317	GBP	-852	-2,689,432.99	-0.26
TU CBOT UST 2 0317	USD	-216	31,953.67	
TY CBOT YST 1 0317	USD	8	-5,258.94	
US US TBOND 3 0317	USD	1,775	546,856.69	0.05
XEUR FGBL BUN 0317	EUR	-3	-5,730.00	
XEUR FGBM BOB 0317	EUR	-2	-1,920.00	
XEUR FGBS SCH 0317	EUR	-8,747	-506,120.00	-0.05
XEUR FGBX BUX 0317	EUR	-1,114	-2,762,360.00	-0.26
<b>Total Firm urgent commitments on market reglemente</b>			<b>16,904,616.94</b>	<b>1.61</b>
<b>Total Firm urgent commitments</b>			<b>16,904,616.94</b>	<b>1.61</b>
<b>Commitments with conditional terms</b>				
<b>Commitments with conditional terms on OTC market</b>				
03/2017 CALL 0000	USD	22,000,000	1,168,987.91	0.11
03/2017 CALL 0000	USD	1,700,000	197,440.15	0.02
03/2017 PUT 0000	USD	-22,000,000	-6,674.57	
AUD/USD OTC 03/2017 CALL 0000	AUD	-37,500,000	-64,168.28	-0.01
AUD/USD OTC 03/2017 PUT 0000	AUD	75,000,000	1,155,475.80	0.11
AUD/USD OTC 03/2017 PUT 0000	AUD	-150,000,000	-767,081.91	-0.07
EUR/JPY OTC 05/2017 CALL 0000	EUR	50,000,000	2,909,506.88	0.28
EUR/JPY OTC 05/2017 CALL 0000	EUR	-50,000,000	-688,253.26	-0.07
EUR/JPY OTC 05/2017 PUT 0000	EUR	-50,000,000	-231,615.15	-0.02
EUR/JPY OTC 05/2017 PUT 0000	EUR	-50,000,000	-322,493.04	-0.03
EUR/JPY OTC 06/2017 CALL 0000	EUR	100,000,000	7,642,869.89	0.74
EUR/JPY OTC 06/2017 CALL 0000	EUR	50,000,000	3,821,434.95	0.37
EUR/JPY OTC 06/2017 CALL 0000	EUR	-50,000,000	-1,838,547.76	-0.18
EUR/JPY OTC 06/2017 CALL 0000	EUR	-100,000,000	-3,246,867.64	-0.31
EUR/JPY OTC 06/2017 PUT 0000	EUR	-50,000,000	-440,932.43	-0.04
EUR/JPY OTC 06/2017 PUT 0000	EUR	-100,000,000	-881,864.86	-0.08
EUR/MXN OTC 05/2017 CALL 0000	EUR	-30,000,000	-497,913.91	-0.05
EUR/MXN OTC 05/2017 CALL 0000	EUR	-30,000,000	-497,913.91	-0.05
EUR/MXN OTC 06/2017 CALL 0000	EUR	-50,000,000	-1,002,981.54	-0.10

Name of security	Currency	Quantity	Market value	%
EUR/USD OTC 03/2017 PUT 0000	EUR	-115,000,000	-607,691.90	-0.06
EUR/USD OTC 06/2017 CALL 0000	EUR	58,000,000	773,865.45	0.07
EUR/USD OTC 06/2017 CALL 0000	EUR	-58,000,000	-773,865.45	-0.07
EUR/USD OTC 06/2017 PUT 0000	EUR	-58,000,000	-464,909.64	-0.04
USD/CNH OTC 03/2017 PUT 0000	USD	22,000,000	6,674.57	
USD/JPY OTC 03/2017 CALL 0000	USD	100,000,000	1,604,729.28	0.15
USD/JPY OTC 03/2017 CALL 0000	USD	30,000,000	488,464.20	0.05
USD/JPY OTC 03/2017 CALL 0000	USD	30,000,000	411,265.58	0.04
USD/JPY OTC 03/2017 CALL 0000	USD	20,000,000	274,177.05	0.03
USD/JPY OTC 03/2017 CALL 0000	USD	-30,000,000	-488,464.20	-0.05
USD/JPY OTC 03/2017 CALL 0000	USD	-50,000,000	-685,442.64	-0.07
USD/JPY OTC 03/2017 CALL 0000	USD	-110,000,000	-875,032.08	-0.08
USD/JPY OTC 03/2017 CALL 0000	USD	-100,000,000	-1,604,729.28	-0.15
USD/JPY OTC 03/2017 PUT 0000	USD	-20,000,000	-22,697.17	
USD/JPY OTC 03/2017 PUT 0000	USD	-30,000,000	-34,045.75	
USD/JPY OTC 03/2017 PUT 0000	USD	-50,000,000	-56,742.92	-0.01
USD/JPY OTC 03/2017 PUT 0000	USD	-30,000,000	-58,187.70	-0.01
USD/JPY OTC 03/2017 PUT 0000	USD	-100,000,000	-184,606.62	-0.02
USD/JPY OTC 04/2017 CALL 0000	USD	40,000,000	714,514.35	0.07
USD/JPY OTC 04/2017 CALL 0000	USD	-40,000,000	-714,514.35	-0.07
USD/JPY OTC 04/2017 PUT 0000	USD	-40,000,000	-104,334.09	-0.01
USD/MXN OTC 02/2017 CALL 0000	USD	-50,000,000	-504,103.00	-0.05
USD/MXN OTC 02/2017 PUT 0000	USD	50,000,000	16,443.28	
USD/MXN OTC 02/2017 PUT 0000	USD	-50,000,000	-5,830.77	
USD/MXN OTC 11/2017 CALL 0000	USD	-50,000,000	-2,077,549.41	-0.20
<b>TOTAL Commitments with conditional terms on OTC</b>			<b>1,435,794.11</b>	<b>0.14</b>
<b>TOTAL Commitments with conditional terms</b>			<b>1,435,794.11</b>	<b>0.14</b>
<b>Total hedges</b>			<b>18,340,411.05</b>	<b>1.75</b>
<b>Margin call</b>				
Appels de marges C.A.Indo en £ sterling	GBP	2,295,700	2,689,432.99	0.26
Appels de marges C.A.Indo en \$ us	USD	-7,109,529.82	-6,740,488.10	-0.64
Appels de marges C.A.Indo en euro	EUR	-11,728,390	-11,728,390.00	-1.12
Appels de marges C.A.Indo en yen	JPY	2,450,000	19,915.33	
<b>Total margin call</b>			<b>-15,759,529.78</b>	<b>-1.50</b>
<b>Receivables</b>			<b>4,927,333,769.86</b>	<b>470.39</b>
<b>Debts</b>			<b>-4,955,774,998.77</b>	<b>-473.11</b>
<b>Financial accounts</b>			<b>26,206,941.18</b>	<b>2.50</b>
<b>Net assets</b>			<b>1,047,498,700.33</b>	<b>100.00</b>

<b>H2O MULTIBONDS RSGD(C)</b>	<b>SGD</b>	<b>14,694.8305</b>	<b>144.74</b>
<b>H2O MULTIBONDS IUSD(C)</b>	<b>USD</b>	<b>162.1718</b>	<b>111,136.59</b>
<b>H2O MULTIBONDS HUSD-I(C)</b>	<b>USD</b>	<b>135.7152</b>	<b>75,999.11</b>
<b>H2O MULTIBONDS HCHF-I(C)</b>	<b>CHF</b>	<b>39.7957</b>	<b>65,228.52</b>
<b>H2O MULTIBONDS R(C)</b>	<b>EUR</b>	<b>2,807,948.8681</b>	<b>261.14</b>
<b>H2O MULTIBONDS PARTS HCHF-R(C)</b>	<b>CHF</b>	<b>41,776.9915</b>	<b>280.11</b>
<b>H2O MULTIBONDS I(C)</b>	<b>EUR</b>	<b>1,458.5586</b>	<b>131,952.82</b>
<b>H2O MULTIBONDS RUSD(C)</b>	<b>USD</b>	<b>55,158.2616</b>	<b>124.34</b>
<b>H2O MULTIBONDS R(C/D)</b>	<b>EUR</b>	<b>48,236.0592</b>	<b>147.60</b>
<b>H2O MULTIBONDS M(C/D)</b>	<b>EUR</b>	<b>32,407.7499</b>	<b>115.07</b>
<b>H2O MULTIBONDS HUSD-R(C)</b>	<b>USD</b>	<b>407,934.1069</b>	<b>162.38</b>

- **ADDITIONAL INFORMATION CONCERNING THE FISCAL REGIME OF THE COUPON**

BREAKDOWN OF THE COUPON UNIT : M(C/D)

	TOTAL NET INCOME	CURRENCY	UNIT NET INCOME	CURRENCY
Revenue qualifying for the withholding tax option	39,537.45	EUR	1.22	EUR
Shares entitling a deduction				
Other revenue not entitling a deduction or withholding tax	5,833.39	EUR	0.18	EUR
Non-distributable and non-taxable income				
Amount distributed on capital gains and losses	141,297.79	EUR	4.36	EUR
TOTAL	186,668.63	EUR	5.76	EUR

BREAKDOWN OF THE COUPON UNIT : R(C/D)

	TOTAL NET INCOME	CURRENCY	UNIT NET INCOME	CURRENCY
Revenue qualifying for the withholding tax option	35,694.68	EUR	0.74	EUR
Shares entitling a deduction				
Other revenue not entitling a deduction or withholding tax				
Non-distributable and non-taxable income				
Amount distributed on capital gains and losses	320,287.43	EUR	6.64	EUR
TOTAL	355,982.11	EUR	7.38	EUR

## **ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY**

The function of the Paying and Information Agent in the Federal Republic of Germany is performed by:

CACEIS Bank, Germany Branch  
Lilienthalallee 34 - 36,  
D-80939 Munich,  
Germany

(hereinafter: German Paying and Information Agent)

Applications for the redemptions and conversion of units may be sent to the German Paying and Information Agent.

All payments to investors, including redemption proceeds and potential distributions may be obtained upon request through the German Paying and Information Agent.

The following documents may be obtained, free of charge, in hardcopy form at the office of the German Paying and Information Agent:

- the prospectus,
- the key investor information document,
- the current annual and semi-annual reports,
- the Management Regulations,
- the custody agreement between the Management Company and CACEIS Bank.

The issue and redemption prices, the net asset value as well as any notices to investors are also available from the German Paying and Information Agent. In addition, the issue and redemption prices are published on [www.fundinfo.com](http://www.fundinfo.com) and any notices to investors in the Federal Gazette ("[www.bundesanzeiger.de](http://www.bundesanzeiger.de)").

**Pursuant to section 297 (5 of the investment code (Kapitalanlagegesetzbuch -KAGB) in conjunction with Article 63 (5) of Directive 2009/65/EC, in the case of a Master-Feeder structure, a paper copy of the prospectus and of the annual and semi-annual reports of the master UCITS will be delivered by the German Information Agent to investors on request and free of charge.**

In addition, communications to investors in the Federal Republic of Germany will be by means of a durable medium (section 167 of the Investment Code) in the following cases:

- suspension of the redemption of the units,
- termination of the management of the fund or its liquidation,
- any amendments to the fund's rules which are inconsistent with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool,
- merger of the fund with one or more other funds and
- the change of the fund into a feeder fund or the modification of a master fund.