



Genossenschaftliche FinanzGruppe  
Volksbanken Raiffeisenbanken



# Semi-annual report as at March 31<sup>st</sup>, 2017

## UniEM Fernost

Management Company:  
Union Investment Luxembourg S.A.

In case of discrepancy between the English and German version, the German version shall prevail.

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# Preface

## Union Investment – devoted to your interests

With managed assets of roughly EUR 293 billion the Union Investment Group is one of the largest German fund management companies for private and institutional investors. It is a fund management expert within the cooperative finance association. About 4.2 million private and institutional investors have placed their trust in us as their partner for fund-based investments.

Today, the idea behind the foundation of the group in 1956 is more topical than ever: private investors should have the opportunity to benefit from economic developments – even with only small monthly savings contributions. The interests of these investors have always been our main concern and, together with our approximately 2,900 employees, we are committed to looking after them. About 1,260 public-investment and specialist funds offer private and institutional investors solutions tailored to their individual requirements. These include share, bond and money-market funds, and open-end real estate funds as well as intelligent solutions for asset accumulation, risk management and private and corporate pension schemes.

Partner cooperation with advisers from the Volksbanken and Raiffeisen banks forms the basis of Union Investment's strong investor orientation. In approximately 11,800 branches our employees are able to provide personalised advice on all investment matters.

Our awards for individual funds – and our solid performance in industry ratings – provide the best evidence of the quality of our fund management. For instance, at the 2017 FERI EuroRating Awards Union Investment won the award for best asset manager in the "Socially Responsible Investing" category for the third year in a row. In addition, in January 2017 at the Euro Fund Awards 2017 sponsored by publishers Finanzen Verlag we again won "2017 Fund Management Company of the Year" at the "Golden Bull" awards. Many of our funds came away from this event with awards. Moreover, industry magazine Capital once again awarded Union Investment five stars in February 2017. This makes us the only fund management company to have received this prestigious award every year since it was first awarded in 2003. What's more, in December 2016 at the Scope Awards 2017 the Scope Group gave us the "Best Asset Manager Retail Real Estate European" award in the open-end real estate funds category.

## Dealing with the change in the markets

Over the last six months developments in the international capital markets have been shaped by several important events. Central banks have also continued to act in a supportive role. The trend in equity markets was initially sideways because positive and negative announcements were evenly balanced. The most important milestone was the Donald Trump's victory in the US presidential election on 9th November – a result that surprised most people. This caused a significant rise in share prices, above all in the USA, while international bond markets came under considerable pressure due to expectations of increased inflation. In the USA the subject that dominated the market for some time was the question of whether and/or when the US Federal Reserve would take the first step towards increasing interest rates since the end of 2015. In Europe the picture was very different: the European Central Bank (ECB) bolstered the markets with its wide-ranging bond purchasing programme, which also included corporate bonds from June onwards. In December 2016 the Fed increased the US base rate as had been expected, while the European Central Bank announced an extension of its bond purchasing programme. Following Trump's inauguration it soon became apparent that expectations regarding his zeal for economic reform and his ability to implement his political agenda were too high. Nevertheless, positive announcements by companies and good overall economic data ensured that stock exchanges were able to continue their upward trend in the first quarter of 2017. Another important issue was the elections in Europe. Following the victory of mainstream parties in the Netherlands the spotlight moved to the presidential election in France. Fears of a victory for Marine Le Pen caused a noticeable increase in risk premiums for French government bonds, whereas German bunds were in demand as a safe haven. Elsewhere, Italian bond prices also suffered price falls due to the political turmoil.

## Bond markets hit by deflation fears

Good economic data and higher inflation expectations due to a rising oil price led to higher returns on the US bond market right from the start of the reporting period. Donald Trump's surprising victory in the presidential election gave this trend additional impetus. Although he avoided setting out a definite manifesto, he did repeatedly say that he was in favour of an economic stimulus plan. Hopes of a fiscal stimulus and associated expectations that additional US government bonds would be issued to finance it led to falls in prices. Prices started to recover slightly mid-December. New issues placed at the start of the year sold very well, above all in other countries. In his first days as president Donald Trump acted in a very unconstrained manner.

Initially his words were followed by more action than had been expected, which also increased the likelihood of an economic stimulus. Due to action by the Fed, the associated rise in bond yields picked up speed again from the middle of January. The Fed was preparing for an unexpected interest rate increase; it finally raised the base rate in March 2017. The second increase within three months gave many market participants the impression that the Fed would pursue a much tighter monetary policy from now on. However, a maximum of two further interest rate changes are expected over the rest of the year, and this has led to bond prices increasing again. A more sober view of the new US government's policies also soon took hold. The culmination of this process came at the end of March 2017 when Congress voted down the US health reform package. In index terms (JP Morgan Global Bond US Index), this resulted in a loss of 3.4% for US Treasuries over the reporting period.

In Europe speculation about a possible reduction in bond purchases by the European Central Bank (tapering) initially depressed prices. This was exacerbated by the fact that it was difficult for the securities to break free of the negative signals coming from the USA. In November bonds in other countries also came under pressure ahead of the Italian referendum on reform of the Senate. Investors were primarily concerned about the prospect of fresh elections if the reform plans were not backed, which could give a further boost to strongly Eurosceptic parties. On top of all this, there was protracted uncertainty regarding the fate of the stricken Monte dei Paschi bank. However, a change in trend started in Europe too from December 2016 onwards. The ECB extended the bond purchase programme, which finally put an end to the tapering debate. Good economic data, an initial pick-up in inflation rates, the elections in the Netherlands and France, and not least the British government's formal application to leave the European Union then exerted an adverse effect on European government bonds in the second half of the reporting period. This meant that European government bonds fell by 4.5% as measured by the iBoxx Euro Sovereign Index.

There was also a slight fall in the market for European corporate bonds. However, the European Central Bank's bond purchase programme repeatedly had a supportive effect, and the decline in values was consequently limited to one percent as measured by the BofA Merrill Lynch Euro Corporate Index.

Securities from emerging economies were initially hit particularly badly by the interest rate increases in the USA and the resulting strength of the US dollar. However, in the second half of the reporting period almost all the lost ground was recovered due to a noticeable pick-up in global trade. At index level (JPMorgan EMBI Global Diversified Index), the final outcome was a fall of just 0.3%.

## Political events affect share markets

Over the last six months there have been significant price increases in global equity markets. The uncertainty surrounding the Fed's monetary policy, changes in oil prices and the US presidential election were the main factors influencing the markets. In the new year the focus then switched to the elections in Europe. The MSCI World Index was able to add 9.5% in local currency terms.

In the Eurozone, the EURO STOXX 50 rose on balance by 16.6%. The benchmark German DAX rose by 17.1%. In October attention again focused on European monetary policy. Fears surfaced that the European Central Bank might soon begin a gradual scaling back of its bond purchases (tapering). However in December the central bankers made it clear that they were (still) not considering this. They extended the bond purchase programme until the end of 2017, although at a reduced level. At the end of the year, euro equity markets rallied in the aftermath of the US presidential election and the Senate reform referendum in Italy. At the start of 2017 the markets suffered due to the increasing political and economic uncertainties in the Eurozone where several important elections were due to be held, and due to the strain the Italian banks were under. Thanks to strong economic data and an increasing probability that one of the mainstream parties would win the French presidential elections, prices started to rise again in February.

In the USA stock markets were initially on a downward trend. The question of a possible interest rate increase by the Fed again came to the fore. Then, in November and December, Donald Trump's surprising victory in the presidential election triggered huge price surges. The background to this was increased hopes of a government economic stimulus programme and tax cuts. However, after taking office Trump repeatedly caused uncertainty with his travel ban decrees and the announcement of punitive import tariffs. Nevertheless, overall sentiment was positive, partly due to good figures coming in for the corporate sector and the economy as a whole. Overall, the market-wide S&P 500 Index rose by 9.0% over the reporting period. The Dow Jones Industrial Average Index simultaneously climbed 12.9%.

In Japan, the Nikkei 225 Index rose by 15.0%. The equities market posted considerable price gains from October onwards as a result of a lower yen exchange rate. There was strong upswing, particularly after the US presidential elections. Then in the first quarter of 2017 the Nikkei Index flat-lined, not least due to a stronger yen exchange rate.

Stock markets in emerging countries initially performed well against the backdrop of the continued relaxed US interest-rate policy and increasing commodity prices. From November onwards they initially came under pressure following the US elections. The strong US dollar combined with the interest rate rise in the USA and the prospect of trade restrictions being imposed by Trump hit prices noticeably. However, in the first quarter of 2017 prices picked up sharply again. Trump had not so far followed through on any of his threats to the emerging economies. The MSCI Emerging Markets Index gained 5.5% overall in local currency terms.

### Important information:

Unless otherwise specified, the data source for the financial indices is Datastream. All unit performance data on the following pages is taken from Union Investment's own calculations in accordance with the method applied by the German Investment Funds Association (BVI), unless otherwise specified. The ratios illustrate past performance. Future results may be either higher or lower.

The performance of all the indices referred to in the preface always relates to local currency.

Detailed information on the Management Company and the Depositary of the investment fund (the "Fund") can be found on the last pages of this report.

## Performance in percent <sup>1)</sup>

6 months	1 year	3 years	10 years
8.88	20.55	41.63	75.55

1) Based on published unit values (BVI method).

## Breakdown by country <sup>1)</sup>

South Korea	12.31 %
India	12.23 %
Taiwan	10.70 %
Malaysia	10.60 %
Indonesia	10.40 %
Pakistan	10.33 %
Philippines	9.73 %
Thailand	9.49 %
China	6.71 %
Cayman Islands	5.58 %
Hong Kong	0.47 %
<b>Portfolio assets</b>	<b>98.55 %</b>
<b>Bank deposits</b>	<b>1.73 %</b>
<b>Other assets/Other liabilities</b>	<b>-0.28 %</b>
<b>Fund assets</b>	<b>100.00 %</b>

1) Due to rounding differences in each position, the sum may deviate from the actual value.

## Composition of the fund's assets as at March 31st, 2017

	EUR
Portfolio assets (Cost of securities: EUR 96,588,049.84)	129,053,310.27
Bank deposits	2,260,343.82
Dividends receivable	550,521.21
Receivable from currency exchange transactions	579,268.81
	<b>132,443,444.11</b>
Liabilities on repurchase of units	-122,248.03
Interest liabilities	-4,005.61
Liabilities on security trades	-620,330.86
Payable on currency exchange transactions	-582,433.30
Other liabilities	-217,277.32
	<b>-1,546,295.12</b>
<b>Fund assets</b>	<b>130,897,148.99</b>
Units in circulation	78,245.000
Unit value	1,672.91 EUR

## Breakdown by sector <sup>1)</sup>

Banks	20.27 %
Software & Services	7.52 %
Technology Hardware & Equipment	6.90 %
Raw materials and supplies	6.57 %
Capital Goods	6.48 %
Utilities	5.84 %
Automobiles & Components	5.69 %
Semiconductors & Semiconductor Equipment	5.29 %
Telecommunication Services	5.22 %
Energy	4.79 %
Food, Beverage & Tobacco	3.91 %
Diversified Financials	3.06 %
Insurance	2.15 %
Health Care Equipment & Services	1.97 %
Pharmaceuticals, Biotechnology & Life Sciences	1.87 %
Consumer Durables & Apparel	1.82 %
Transportation	1.78 %
Real Estate	1.67 %
Consumer Services	1.55 %
Media	1.31 %
Household & Personal Products	1.20 %
Commercial & Professional Services	1.08 %
Retailing	0.61 %
<b>Portfolio assets</b>	<b>98.55 %</b>
<b>Bank deposits</b>	<b>1.73 %</b>
<b>Other assets/Other liabilities</b>	<b>-0.28 %</b>
<b>Fund assets</b>	<b>100.00 %</b>

1) Due to rounding differences in each position, the sum may deviate from the actual value.

## Schedule of assets

Prices as at March 31st, 2017

ISIN	Securities	Additions	Disposals	Volume	Price	Market Value	Per cent of fund assets % <sup>1)</sup>
						EUR	

### Equities, rights on equities and profit-participation certificates

#### Stock-exchange-traded securities

##### Cayman Islands

US01609W1027	Alibaba Group Holding Ltd. ADR	USD	6,000	5,000	23,000	107.8300	2,319,141.57	1.77
KYG040111059	Anta Sports Products Ltd.	HKD	0	80,000	320,000	21.5000	827,858.40	0.63
KYG390101064	Ginko International Co. Ltd.	TWD	0	30,000	60,000	278.0000	514,091.28	0.39
KYG6501M1050	Nexteer Automotive Group Ltd.	HKD	500,000	0	500,000	11.4600	689,480.90	0.53
KYG875721634	Tencent Holdings Ltd.	HKD	0	20,000	110,000	222.8000	2,949,004.89	2.25
KYG9123W1050	Tungda Innovative Lightning Holding Ltd.	HKD	0	0	11,330,000	0.0100	13,633.19	0.01
							<b>7,313,210.23</b>	<b>5.58</b>

##### China

CNE1000001W2	Anhui Conch Cement Co. Ltd.	HKD	0	0	300,000	26.4000	952,999.78	0.73
CNE1000001Z5	Bank of China Ltd.	HKD	0	0	2,100,000	3.8600	975,380.84	0.75
CNE1000002G3	China Communications Services Corporation Ltd.	HKD	0	600,000	800,000	5.0900	489,976.66	0.37
CNE1000002H1	China Construction Bank Corporation	HKD	0	0	1,000,000	6.2500	752,051.60	0.57
CNE100000HD4	China Longyuan Power Group	HKD	400,000	0	1,100,000	6.0400	799,460.93	0.61
CNE1000003G1	Industrial and Commercial Bank of China Ltd. -H-	HKD	0	0	1,500,000	5.0800	916,901.31	0.70
CNE1000003X6	Ping An Insurance (Group) Co. of China Ltd. -H-	HKD	0	140,000	220,000	43.5000	1,151,541.41	0.88
CNE100000FN7	Sinopharm Group Co. Ltd.	HKD	150,000	0	150,000	36.0500	650,675.04	0.50
CNE1000004J3	Travelsky Technology Ltd.	HKD	300,000	500,000	300,000	18.3600	662,768.03	0.51
CNE000000PY4	Zhengzhou Yutong Bus Co. Ltd.	CNY	0	0	239,904	21.4800	699,195.12	0.53
							<b>8,050,950.72</b>	<b>6.15</b>

##### Hong Kong

HK0883013259	CNOOC Ltd.	HKD	0	0	550,000	9.2800	614,155.42	0.47
							<b>614,155.42</b>	<b>0.47</b>

##### India

INE917I01010	Bajaj Auto Ltd.	INR	0	0	20,000	2,805.4500	808,066.70	0.62
INE102D01028	Godrej Consumer Products Ltd.	INR	0	10,000	40,000	1,671.4000	962,842.10	0.74
INE047A01021	Grasim Industries Ltd.	INR	105,000	40,000	65,000	1,049.0000	981,982.00	0.75
INE090A01021	ICICI Bank Ltd.	INR	0	0	425,000	276.8500	1,694,525.61	1.29
INE663F01024	Info Edge (India) Ltd.	INR	0	20,000	70,000	801.2000	807,706.65	0.62
INE154A01025	ITC Ltd.	INR	0	80,000	280,000	280.3000	1,130,305.42	0.86
INE018A01030	Larsen & Toubro Ltd.	INR	0	0	30,000	1,574.9000	680,438.56	0.52
INE115A01026	LIC Housing Finance Ltd.	INR	0	0	80,000	618.4500	712,540.02	0.54
INE326A01037	Lupin Ltd.	INR	0	0	38,000	1,445.2000	790,908.48	0.60
INE585B01010	Maruti Suzuki India Ltd.	INR	0	0	12,000	6,015.7000	1,039,637.88	0.79
INE002A01018	Reliance Industries Ltd.	INR	0	20,000	55,000	1,320.9000	1,046,278.52	0.80
INE044A01036	Sun Pharmaceutical Industries Ltd.	INR	0	0	100,000	688.1500	991,055.09	0.76
INE467B01029	Tata Consultancy Services Ltd.	INR	20,000	0	40,000	2,431.8000	1,400,885.13	1.07
INE628A01036	UPL Ltd.	INR	0	30,000	110,000	726.9000	1,151,547.97	0.88
INE051B01021	Vakrangee Ltd.	INR	170,000	0	170,000	328.9500	805,366.37	0.62
INE256A01028	Zee Entertainment Enterprises Ltd.	INR	0	0	130,000	535.5500	1,002,670.08	0.77
							<b>16,006,756.58</b>	<b>12.23</b>

##### Indonesia

ID1000122807	PT Astra International Tbk	IDR	0	0	1,600,000	8,625.0000	968,583.08	0.74
ID1000109507	PT Bank Central Asia Tbk	IDR	0	400,000	1,200,000	16,550.0000	1,393,917.39	1.06
ID1000095003	PT Bank Mandiri Tbk	IDR	1,000,000	500,000	1,000,000	11,700.0000	821,190.00	0.63
ID1000096605	PT Bank Negara Indonesia Persero Tbk	IDR	800,000	0	1,700,000	6,475.0000	772,585.38	0.59
ID1000118201	PT Bank Rakyat Indonesia Persero Tbk	IDR	300,000	340,500	1,900,000	12,975.0000	1,730,289.45	1.32
ID1000068604	PT Gudang Garam Tbk	IDR	0	90,000	300,000	65,525.0000	1,379,704.49	1.05
ID1000057003	PT Indofood Sukses Makmur Tbk	IDR	0	0	2,200,000	8,000.0000	1,235,294.36	0.94
ID1000108103	PT Jasa Marga Tbk	IDR	700,000	0	3,000,000	4,620.0000	972,794.31	0.74
ID1000111602	PT Perusahaan Gas Negara Tbk	IDR	0	0	5,000,000	2,530.0000	887,867.82	0.68

The notes on the report form an integral part of this report.

# UniEM Fernost

ISIN	Securities		Additions	Disposals	Volume	Price	Market Value	Per cent of fund assets % <sup>1)</sup>
							EUR	
ID1000129000	PT Telekomunikasi Indonesia Persero Tbk	IDR	0	1,100,000	9,900,000	4,130.0000	2,869,743.22	2.19
ID1000095706	PT Unilever Indonesia Tbk	IDR	0	0	200,000	43,325.0000	608,171.91	0.46
							<b>13,640,141.41</b>	<b>10.40</b>
<b>Malaysia</b>								
MYL101500006	AMMB Holding Berhad	MYR	500,000	0	500,000	4.6500	491,543.34	0.38
MYL416200003	British American Tobacco Malaysia Berhad	MYR	0	0	65,000	45.6000	626,638.48	0.48
MYL102300000	CIMB Group Holdings Berhad	MYR	500,000	0	500,000	5.5700	588,794.93	0.45
MYL539800002	Gamuda Berhad	MYR	500,000	0	2,500,000	5.1800	2,737,843.52	2.09
MYL318200002	Genting Berhad	MYR	250,000	0	1,000,000	9.5900	2,027,484.11	1.55
MYL522500007	IHH Healthcare Berhad	MYR	0	0	384,700	6.0000	487,991.54	0.37
MYL115500000	Malayan Banking Berhad	MYR	0	0	700,000	8.9200	1,320,084.54	1.01
MYL601200008	Maxis Berhad at Kuala Lumpur	MYR	0	0	450,000	6.4400	612,684.99	0.47
MYL129500004	Public Bank Berhad	MYR	170,000	0	400,000	19.9000	1,682,875.23	1.29
MYL486300006	Telekom Malaysia Berhad	MYR	0	0	400,000	6.4200	542,917.55	0.41
MYL534700009	Tenaga Nasional Berhad	MYR	0	0	700,000	13.7200	2,030,443.94	1.55
MYL467700000	YTL Corporation Berhad	MYR	0	0	2,300,000	1.4900	724,524.31	0.55
							<b>13,873,826.48</b>	<b>10.60</b>
<b>Pakistan</b>								
PK0052401012	D. G. Khan Cement Ltd.	PKR	0	200,000	1,400,000	232.4000	2,902,828.06	2.22
PK0012101017	Engro Corporation Ltd. Pakistan	PKR	0	0	220,000	368.0200	722,355.95	0.55
PK0085101019	Habib Bank Ltd.	PKR	0	0	1,078,200	269.6100	2,593,537.17	1.98
PK0065001015	Hub Power Corporation Ltd.	PKR	0	1,100,000	1,900,000	131.0600	2,221,677.00	1.70
PK0054501017	Indus Motor Co. Ltd.	PKR	0	30,000	50,000	1,591.5600	709,986.64	0.54
PK0055601014	MCB Bank Ltd.	PKR	0	0	571,215	227.4000	1,158,903.35	0.89
PK0080201012	Oil & Gas Development Co. Ltd.	PKR	0	508,776	491,224	148.3100	649,990.73	0.50
PK0030501016	Pak Suzuki Motors Co. Ltd.	PKR	0	60,000	190,000	619.9700	1,050,948.49	0.80
PK0022501016	Pakistan State Oil Co. Ltd.	PKR	0	0	400,000	423.5200	1,511,440.55	1.15
							<b>13,521,667.94</b>	<b>10.33</b>
<b>Philippines</b>								
PHY003341054	Alliance Global Group Plc.	PHP	1,800,000	2,000,000	1,800,000	12.6800	425,409.77	0.32
PHY0486V1154	Ayala Corporation	PHP	15,000	0	40,000	845.0000	629,988.18	0.48
PHY0488F1004	Ayala Land Inc.	PHP	0	0	600,000	33.0500	369,605.49	0.28
PHY077751022	BDO Unibank Inc.	PHP	196,271	0	1,196,271	117.6000	2,622,120.22	2.00
PHY290451046	GT Capital Holdings Inc.	PHP	10,000	0	25,000	1,145.0000	533,532.89	0.41
PHY603051020	Metro Pacific Investments Corporation	PHP	0	0	14,000,000	6.0200	1,570,869.94	1.20
PHY6028G1361	Metropolitan Bank & Trust	PHP	0	0	973,238	80.0000	1,451,191.57	1.11
PHY7072Q1032	PLDT Inc.	PHP	0	0	29,000	1,646.0000	889,699.88	0.68
PHY731961264	Robinsons Land Corporation	PHP	400,000	0	1,100,000	23.0000	471,559.20	0.36
PHY806761029	SM Investment Corporation	PHP	0	0	129,375	697.0000	1,680,733.45	1.28
PHY8076N1120	SM Prime Holding Inc.	PHP	0	0	1,500,000	28.3000	791,212.97	0.60
PHY9297P1004	Universal Robina Corporation	PHP	0	0	250,000	163.5000	761,857.01	0.58
PHY9382G1068	Vista Land & Lifescapes Inc.	PHP	0	3,000,000	6,000,000	5.0800	568,107.69	0.43
							<b>12,765,888.26</b>	<b>9.73</b>
<b>South Korea</b>								
KR7130960008	CJ E&M Corporation	KRW	0	4,000	10,000	85,000.0000	710,882.97	0.54
KR7161390000	Hankook Tire Co. Ltd.	KRW	0	0	20,000	54,500.0000	911,602.87	0.70
KR7005380001	Hyundai Motor Co. Ltd.	KRW	0	0	5,000	157,500.0000	658,612.17	0.50
KR7105560007	KB Financial Group Inc.	KRW	15,000	0	15,000	49,000.0000	614,704.69	0.47
KR7000270009	Kia Motors Corporation	KRW	0	0	20,000	37,050.0000	619,722.69	0.47
KR7015760002	Korea Electric Power Corporation	KRW	0	0	8,000	46,450.0000	310,781.31	0.24
KR7000120006	Korea Express Co. Ltd.	KRW	4,000	0	4,000	166,500.0000	556,997.72	0.43
KR7035420009	Naver Corporation	KRW	0	600	1,200	855,000.0000	858,077.57	0.66
KR7005490008	POSCO	KRW	0	0	2,000	291,000.0000	486,745.75	0.37
KR7005930003	Samsung Electronics Co. Ltd.	KRW	0	0	3,000	2,060,000.0000	5,168,537.39	3.95
KR7005931001	Samsung Electronics Co. Ltd. -VZ-	KRW	0	1,000	400	1,603,000.0000	536,256.66	0.41
KR7032830002	Samsung Life Insurance Co. Ltd.	KRW	0	0	5,000	108,500.0000	453,710.60	0.35
KR7055550008	Shinhan Financial Group Co. Ltd.	KRW	0	0	32,000	46,600.0000	1,247,139.64	0.95
KR7000660001	SK Hynix Inc.	KRW	0	8,000	32,000	50,500.0000	1,351,513.98	1.03

The notes on the report form an integral part of this report.



# UniEM Fernost

ISIN	Securities		Additions	Disposals	Volume	Price	Market Value	Per cent of fund assets % <sup>1)</sup>
							EUR	
KR7017670001	SK Telecom Ltd.	KRW	0	0	5,000	252,000.0000	1,053,779.47	0.81
KR7021240007	Woongjin Coway Co. Ltd.	KRW	0	0	7,000	96,200.0000	563,186.58	0.43
							<b>16,102,252.06</b>	<b>12.31</b>
<b>Taiwan</b>								
TW0002882008	Cathay Financial Holding Co. Ltd.	TWD	200,000	300,000	800,000	48.7000	1,200,779.15	0.92
TW0002412004	Chunghwa Telecom Co. Ltd.	TWD	0	0	120,000	103.0000	380,945.34	0.29
TW0002884004	E.Sun Financial Holding Co.	TWD	0	0	1,329,508	18.4500	756,016.92	0.58
TW0004746003	Formosa Laboratories Inc.	TWD	0	0	220,000	88.6000	600,759.43	0.46
TW0002881000	Fubon Financial Holding Co. Ltd.	TWD	0	0	350,000	49.5000	533,970.71	0.41
TW0002317005	Hon Hai Precision Industry Co. Ltd.	TWD	90,000	0	472,494	91.0000	1,325,201.38	1.01
TW0002301009	Lite-On Technology Corporation	TWD	0	0	301,497	52.3000	485,991.72	0.37
TW0002454006	Mediatek Inc.	TWD	0	0	60,000	215.0000	397,588.58	0.30
TW0009904003	Pou Chen Corporation	TWD	390,000	0	770,000	42.0000	996,745.32	0.76
TW0004915004	Primax Electronics Ltd.	TWD	0	0	550,000	49.7500	843,334.69	0.64
TW0002330008	Taiwan Semiconductor Manufacturing Co. Ltd.	TWD	0	0	890,000	189.0000	5,184,370.15	3.96
TW0004105002	TTY Biopharm Co. Ltd.	TWD	0	0	200,000	109.0000	671,893.88	0.51
TW0003702007	WPG Holdings Co. Ltd.	TWD	550,000	0	550,000	38.1000	645,850.28	0.49
							<b>14,023,447.55</b>	<b>10.70</b>
<b>Thailand</b>								
TH0268010R11	Advanced Info Service PCL NVDR	THB	180,000	170,000	180,000	178.0000	872,066.91	0.67
TH0765010R16	Airports of Thailand PCL NVDR	THB	810,000	300,000	600,000	39.2500	640,985.51	0.49
TH0264010R10	Bangkok Dusit Medical Services PCL NVDR	THB	0	2,000,000	1,600,000	21.2000	923,236.88	0.71
TH0221010R10	BTS Group Holdings PCL NVDR	THB	0	0	3,500,000	8.4500	804,974.37	0.61
TH0737010R15	CP All PCL NVDR	THB	0	0	500,000	59.0000	802,933.02	0.61
TH0465010013	Electricity Generating PCL -F-	THB	0	0	115,000	214.0000	669,836.66	0.51
TH0016010017	Kasikornbank PCL -F-	THB	0	0	100,000	189.0000	514,421.49	0.39
TH0150010R11	Krung Thai Bank PCL NVDR	THB	0	0	2,300,000	20.4000	1,277,071.77	0.98
TH0355010R16	PTT Exploration & Production PCL NVDR	THB	0	0	298,735	93.0000	756,182.04	0.58
TH1074010R12	PTT Global Chemical PCL NVDR	THB	0	0	700,000	73.2500	1,395,606.46	1.07
TH0646010R18	PTT PCL NVDR	THB	0	0	160,000	387.0000	1,685,342.80	1.29
TH0003010R12	Siam Cement PCL NVDR	THB	0	0	110,000	540.0000	1,616,753.27	1.24
TH0015010R16	Siam Commercial Bank PCL NVDR	THB	0	0	100,000	163.0000	443,654.52	0.34
							<b>12,403,065.70</b>	<b>9.49</b>
<b>Stock-exchange-traded securities</b>							<b>128,315,362.35</b>	<b>97.99</b>
<b>Equities, rights on equities and profit-participation certificates</b>							<b>128,315,362.35</b>	<b>97.99</b>
<b>Participating certificates</b>								
<b>Stock-exchange-traded securities</b>								
<b>China</b>								
CWN5645J5256	Merrill Lynch Intl. & Co./Kweichow Moutai Co. Ltd. WTS v. 13(2018)	USD	0	8,000	14,000	56.1766	735,432.97	0.56
							<b>735,432.97</b>	<b>0.56</b>
<b>Thailand</b>								
TH012805RBR4	Minor International PCL NVDR WTS v.14(2017)	THB	0	0	30,000	3.0800	2,514.95	0.00
							<b>2,514.95</b>	<b>0.00</b>
<b>Stock-exchange-traded securities</b>							<b>737,947.92</b>	<b>0.56</b>
<b>Participating certificates</b>							<b>737,947.92</b>	<b>0.56</b>
<b>Portfolio assets</b>							<b>129,053,310.27</b>	<b>98.55</b>
<b>Bank deposits - current account</b>							<b>2,260,343.82</b>	<b>1.73</b>
<b>Other assets/Other liabilities</b>							<b>-416,505.10</b>	<b>-0.28</b>
<b>Fund assets in EUR</b>							<b>130,897,148.99</b>	<b>100.00</b>

1) Due to rounding differences in each position, the sum may deviate from the actual value.

The notes on the report form an integral part of this report.

## Exchange rates

For the valuation of assets in a foreign currency, the following exchange rate for March 31st, 2017 was used for conversion into Euro.

Chinese renminbi offshore	CNH	1	7.3485
Chinese renminbi yuan	CNY	1	7.3701
Hong Kong dollar	HKD	1	8.3106
Indian rupee	INR	1	69.4361
Indonesian rupiah	IDR	1	14,247.6162
Malaysian ringgit	MYR	1	4.7300
Pakistani rupee	PKR	1	112.0838
Philippine peso	PHP	1	53.6518
Singapore dollar	SGD	1	1.4940
South Korean won	KRW	1	1,195.6961
Taiwan dollar	TWD	1	32.4456
Thai baht	THB	1	36.7403
US dollar	USD	1	1.0694

## Purchases and sales from October 1st, 2016 to March 31st, 2017

Purchases and sales of securities, loans evidenced by promissory notes and derivatives, including changes without money movements, made during the reporting period insofar as they are not specified in the schedule of assets.

ISIN	Securities	Additions	Disposals
<b>Equities, rights on equities and profit-participation certificates</b>			
<b>Stock-exchange-traded securities</b>			
<b>Cayman Islands</b>			
KYG202881093	Chailease Holding Co. Ltd.	0	332,800
KYG211081248	China Medical System Holdings Ltd.	0	500,000
KYG258851156	CT Environmental Group Ltd.	0	2,500,000
US98980A1051	ZTO Express (Cayman) Inc. ADR	400	400
<b>China</b>			
CNE1000002Q2	China Petroleum & Chemical Corporation -H-	0	1,000,000
CNE1000021L3	China Railway Signal & Communication Corporation Ltd.	0	700,000
CNE1000002V2	China Telecom Corporation Ltd.	0	700,000
CNE1000003R8	Maanshan Iron and Steel Co. Ltd.	0	1,900,000
CNE100000593	PICC Property & Casualty Co. Ltd.	0	400,000
<b>Hong Kong</b>			
HK0941009539	China Mobile Ltd.	0	85,000
<b>India</b>			
INE522F01014	Coal India Ltd.	0	110,000
INE047A01013	Grasim Industries Ltd.	0	21,000
INE158A01026	Hero MotoCorp Ltd.	0	10,000
INE213A01029	Oil & Natural Gas Corporation Ltd.	250,000	450,000
INE062A01020	State Bank of India	0	140,000
IN9155A01020	Tata Motors Ltd.	0	90,000
<b>Indonesia</b>			
ID1000125909	Matahari Putra Prima Tbk PT	0	4,000,000
ID1000105604	PT Global Mediacom Tbk	0	11,188,000
ID3000043504	PT Jasa Marga (Persero) Tbk BZR 08.12.16	202,002	202,002
ID1000125107	PT Kalbe Farma	0	6,000,000
ID1000106800	PT Semen Indonesia (Persero) Tbk	0	800,000
ID1000058407	PT United Tractors Tbk	0	800,000
<b>Malaysia</b>			
MYL688800001	Axiata Group Berhad	0	500,000
MYL694700005	Digi.Com Berhad	0	285,500
MYL419700009	Kumpulan Sime Darby Berhad	0	270,000
<b>Pakistan</b>			
PK0053401011	Fauji Fertilizer Co. Ltd.	0	600,000

The notes on the report form an integral part of this report.

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ISIN	Securities	Additions	Disposals
<b>Philippines</b>			
PHY096751694	Bank of the Philippine Islands	0	210,000
PHY594811127	Megaworld Corporation	0	4,000,000
<b>South Korea</b>			
KR7012330007	Hyundai Mobis	0	2,000
KR7005381009	Hyundai Motor Co. Ltd. -VZ-	0	8,000
KR7051900009	LG Household & Health Care Ltd.	0	1,400
KR7051901007	LG Household & Healthcare Ltd. -VZ-	0	600
KR7000810002	Samsung Fire & Marine Insurance Co. Ltd.	0	3,000
<b>Taiwan</b>			
TW0002886009	Mega Financial Holding Co. Ltd.	0	700,000
TW0009914002	Merida Industry Co. Ltd.	0	120,000
TW0002912003	President Chain Store Corporation	0	90,000
TW0002382009	Quanta Computer Inc.	0	200,000
TW0002347002	Synnex Technology International Corporation	0	546,000
TW0001216000	Uni-President Enterprises Corporation	0	250,000
<b>Thailand</b>			
TH0617010R19	Amata Corporation PCL NVDR	0	2,600,000
TH0101010R14	Charoen Pokphand Foods PCL NVDR	0	700,000
TH0016010R14	Kasikornbank PCL NVDR	0	170,000
TH0128010R17	Minor International PCL NVDR	0	760,000
TH0796010R11	Thai Oil PCL NVDR	0	250,000
<b>Unquoted securities</b>			
<b>Philippines</b>			
XC000A2DJ9S0	BDO Unibank Inc. BZR 24.01.17	196,271	196,271
<b>Taiwan</b>			
TW000A2DGP00	Cathay Financial Holding Co. Ltd. BZR 29.11.16	900,000	900,000
<b>Participating certificates</b>			
<b>Stock-exchange-traded securities</b>			
<b>China</b>			
CWN5646P3633	Merrill Lynch Intl & Co./Zhengzhou Yutong Bus Co. Ltd. WTS v.15(2020)	0	120,000

The notes on the report form an integral part of this report.

## Notes on the report as at the end of March 2017

The fund's accounts are kept in Euro.

The fund's semi-annual accounts were prepared based on the applicable classification and valuation principles in the country of domicile.

The price of securities and other exchange-listed derivatives reflects the relevant stock exchange or market value at the end of March 2017. Securities traded on a regulated market are valued at the market prices published for the relevant market.

If the fund holds OTC derivatives on the closing date, these are valued daily on the basis of indicative quotes from brokers or mathematical valuation models.

If the fund has pending forward exchange transactions, these are valued based on the forward rates applicable to the residual maturity.

Securities whose prices are not in line with market conditions and all assets for which no representative market value can be obtained are valued at a price established by the Management Company in good faith using recognised valuation rules.

Bank deposits were estimated at par value.

Assets and liabilities denominated in a currency other than that of the fund are converted at the latest available mean rate of exchange into Euro. Transactions in foreign currencies are converted into the fund currency at the time of compiling the accounts. Realised and unrealised currency gains and losses are included as income or expenses.

If the fund has the position interest on bonds, it also includes pro rata income from issue yields, where applicable.

The issue or redemption price of the fund units are determined from the net asset value per unit on the respective valid trading days and, if relevant, plus any initial sales charge and/or redemption fee as defined in the sales prospectus. The initial sales charge shall be levied in favour of the Management Company and the sales agent and can be scaled according to the size of the order. The redemption fee is credited to the fund.

The fees of the Management Company and the all-in fee are calculated based on the net fund assets per calendar day and paid out on a monthly basis. The all-in fee covers the depositary fee, general custody and bearing fees for holding assets in custody, auditors' fees, costs of appointing proxies and costs of principal management activities, such as fund accounting and reporting. The calculation is based on a contractual agreement.

The fund is subject to a performance-related fee which is charged by the Management Company based on the terms defined in the prospectus.

If profit and loss includes other expenses, these expenses consist of the costs referred to in the prospectus, such as government fees, collateral management fees, or cost of changes to the prospectus.

Earnings and expense adjustments have been charged to the ordinary net income. These include net income generated during the reporting period, which purchasers of units pay as part of the issue price, and sellers of units receive in the redemption price.

Fund assets are currently subject to a "taxe d'abonnement" of 0.05 % p.a. in Luxembourg, payable quarterly and based on the respective reported net fund assets at the end of the quarter. Insofar as fund assets are invested in other Luxembourg investment funds that are already subject to the taxe d'abonnement, the portion of fund assets invested in such Luxembourg investment funds is exempt from this tax.

Income from the investments of the fund's assets will not be taxed in Luxembourg. However, it may be subject to withholding or other tax in the countries in which the fund assets are invested. Neither the Management Company nor the Depositary will obtain individual or collective receipts for such taxes.

The performance of the fund's units is calculated based on the unit values published on the closing dates, according to the BVI formula. In individual cases, it may vary slightly from the performance of the units as shown in the fund report.

The Management Company, in its role as the management company of the fund, may benefit from "soft commissions" (e.g. broker research, financial analyses, market and price information systems) in connection with trade transactions. Said commissions are used in the interests of unitholders when making investment decisions. Transactions of this type cannot be conducted with natural persons; the service providers concerned may trade only in the interests of the fund and the services provided must be directly associated with fund activities.

#### **Note on the Law of 17 December 2010**

The fund was set up in accordance with Part I of the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment ("Law of 17 December 2010") and fulfils the conditions laid down by Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of legal and administrative provisions relating to undertakings for collective investment in transferable securities ("Directive 2009/65/EC").

#### **Other information**

Securities transactions are only ever carried out with counterparties, which have been included in a list of approved parties by the Fund Management. The composition of this list is reviewed on an ongoing basis. Criteria such as quality of execution, level of transaction costs, quality of research and reliability in the settlement of transferable securities transactions are given precedence. Furthermore, the annual reports of the counterparties are inspected.

#### **Disclosures in accordance with Regulation (EU) 2015/2365**

During the period under review, no transactions were entered in accordance to Regulation (EU) 2015/2365 on securities finance transactions and overall yield swaps.

## **Management Company and Main Management Company**

Union Investment Luxembourg S.A.  
308, route d'Esch  
L-1471 Luxembourg  
Grand Duchy of Luxembourg  
R.C.S.L. B 28679

Equity capital as at 31/12/2016:  
Euro 162.737 million  
after profit appropriation

## **Management body of Union Investment Luxembourg S.A.:**

### **Board of Directors**

#### **Chairman of the Board of Directors**

Hans Joachim REINKE  
Chairman of the Executive Board of  
Union Asset Management Holding AG  
Frankfurt / Main

#### **Deputy Chairman of the Board of Directors**

Giovanni GAY  
Member of the Board of Management of  
Union Investment Privatfonds GmbH  
Frankfurt / Main

#### **Other Members of the Board of Directors**

Björn JESCH  
Member of the Management Board of  
Union Investment Privatfonds GmbH  
Frankfurt / Main

Nikolaus SILLEM  
Member of the Management Board of  
Union Investment Institutional GmbH  
Frankfurt / Main

Maria LÖWENBRÜCK  
Member of the Management Board of  
Union Investment Luxembourg S.A.  
Luxembourg

Rudolf KESSEL  
Member of the Management Board of  
Union Investment Luxembourg S.A.  
Luxembourg

Dr. Joachim VON CORNBERG  
Member of the Management Board of  
Union Investment Luxembourg S.A.  
Luxembourg

Bernd SCHLICHTER  
Independent member of the  
Board of Directors  
Luxembourg

## **Chief Executive of Investment Luxembourg S.A.**

Maria LÖWENBRÜCK  
Rudolf KESSEL  
Dr. Joachim VON CORNBERG

## **Shareholders of Union Investment Luxembourg S.A.**

Union Asset Management Holding AG  
Frankfurt / Main

## **Outsourcing of portfolio management to the following companies belonging to the Union Investment Group:**

Union Investment Privatfonds GmbH  
Weißfrauenstraße 7  
D-60311 Frankfurt / Main

Union Investment Institutional GmbH  
Weißfrauenstraße 7  
D-60311 Frankfurt / Main

## **Auditor (Réviseur d'entreprises agréé)**

Ernst & Young S.A.  
35E avenue John F. Kennedy,  
L-1855 Luxembourg

also the auditor of  
Union Investment Luxembourg S.A.

## **Depositary and Main Paying Agent**

DZ PRIVATBANK S.A.  
4, rue Thomas Edison  
L-1445 Luxembourg-Strassen

## **Paying and sales agent in the Grand Duchy of Luxembourg**

DZ PRIVATBANK S.A.  
4, rue Thomas Edison  
L-1445 Luxembourg-Strassen

## **Paying Agents, Distributors and Information Agents in the Federal Republic of Germany**

DZ BANK AG  
Deutsche Zentral-Genossenschaftsbank  
Platz der Republik  
D-60265 Frankfurt / Main  
Registered Office: Frankfurt / Main

BBBank eG  
Herrenstraße 2-10  
D-76133 Karlsruhe  
Registered Office: Karlsruhe

Deutsche Apotheker- und Ärztebank eG  
Richard-Oskar-Mattern-Str. 6  
D-40547 Düsseldorf  
Registered Office: Düsseldorf

## **Further Distributors in the Federal Republic of Germany**

Banks affiliated to the abovementioned banks and cooperative central banks are additional distributors in the Federal Republic of Germany.

## **Paying Agent and Distributor in Austria**

VOLKSBANK WIEN AG  
Kolingasse 14-16  
A-1090 Vienna

Union Investment Luxembourg S.A.  
308, route d'Esch  
L-1471 Luxembourg  
[service@union-investment.com](mailto:service@union-investment.com)  
[privatkunden.union-investment.de](mailto:privatkunden.union-investment.de)