

ABSALON

**Annual Report
as of December 31, 2018**

Société d'Investissement à Capital Variable

R.C.S. Lux B 195.023

Domiciliary:



ABSALON

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Organisation

Registered Office

ABSALON

R.C.S. Lux B 195.023

15, rue de Flaxweiler, L - 6776 Grevenmacher

Board of Directors

Helle Bendorff

Chairman of the Board

Head of Institutional Client Management, Absalon Capital Fondsmæglerselskab A/S

Jens Philip Hage

Member of the Board

Director Sales, Absalon Capital Fondsmæglerselskab A/S

Daniel Flück

Member of the Board

Director Sales, Universal-Investment-Gesellschaft mbH

Jhon Mortensen

Member of the Board

Independant Director

Management Company, Domiciliary and Corporate Agent

Universal-Investment-Luxembourg S.A.

R.C.S. Lux B 75.014

15, rue de Flaxweiler, L - 6776 Grevenmacher

Depositary Bank, Paying Agent, Registrar and Transfer Agent

BROWN BROTHERS HARRIMAN (Luxembourg) S.C.A.

80, route d'Esch, L - 1470 Luxembourg

Paying Agent Austria

Erste Bank der oesterreichischen Sparkassen AG

Am Belvedere 1, A - 1100 Vienna

Representative Switzerland

1741 Fund Solutions AG

Burggraben 16, CH - 9000 St. Gallen

Paying Agent Switzerland

Bank Vontobel AG

Gotthardstraße 43, CH - 8022 Zurich

Distributor

Absalon Capital Fondsmæglerselskab A/S

Tuborg Havnevej 15, DK - 2900 Hellerup

Portfolio Manager

Absalon Capital Fondsmæglerselskab A/S

Tuborg Havnevej 15, DK - 2900 Hellerup

Formuepleje A/S

Værkmestergade 25, DK - 8000 Århus C

Réviseur d'Entreprises agréé

KPMG Luxembourg, Société coopérative

Cabinet de révision agréé

39, avenue John F. Kennedy, L - 1855 Luxembourg

ABSALON

Report of the Board of Directors

Dear Shareholders,

We hereby present to you the annual report of ABSALON, together with its sub-funds ABSALON - EM Corporate Debt and ABSALON - Global High Yield.

ABSALON is organised in Luxembourg as a société d'investissement à capital variable ("SICAV") and qualifies as a collective investment undertaking under Part I of the Luxembourg law of December 17, 2010. The Company qualifies as an undertaking for collective investment in transferable securities under article 1(2) of the Directive 2009/65/EC and may therefore be offered for sale in any EU Member State, subject to registration.

The Company was established on February 27, 2015 for an indefinite duration.

The Company is presently structured as an umbrella fund.

As at December 31, 2018, the net assets and the performance of the share price of the sub-funds during the reporting period were as follows:

Share class	ISIN	Net asset value in currency (EUR)	Performance of the share price in % *)
ABSALON - EM Corporate Debt-R EUR	LU1138630725	2,759,552.57	-4.77
ABSALON - EM Corporate Debt-I EUR	LU1138630998	99,155,522.69	-4.17
ABSALON - Global High Yield-R EUR	LU1138630139	2,975,483.84	-7.56
ABSALON - Global High Yield-I EUR	LU1138630212	83,997,935.03	-6.95

*) Performance was recalculated by considering the following distributions:

ex-date May 7, 2018 and value date May 11, 2018

ABSALON - EM Corporate Debt-R EUR

3.320000 EUR per share

ABSALON - Global High Yield-R EUR

4.890000 EUR per share

Derivative Exposure (unaudited)

The table below shows the derivative exposure as per December 31, 2018:

Sub-fund	Derivative exposure in %
ABSALON - EM Corporate Debt	98.98
ABSALON - Global High Yield	79.66

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Risk Management (unaudited)

When determining the global risk exposure of the fund, the Management Company uses the value-at-risk calculation as its risk management procedure for the ABSALON in accordance with CSSF circular (11/512). The relative value-at-risk method has been used for its sub-funds.

During the period from January 1, 2018 until December 31, 2018 the relative VaR approach has been used for monitoring and measuring the global risk associated with derivatives.

The derivative-free reference portfolio is shown below:

Sub-fund	Derivative-free reference portfolio
ABSALON - EM Corporate Debt	100% JP Morgan Emerging Markets Bond Index Global Diversified (USD)
ABSALON - Global High Yield	60% BofA Merrill Lynch Global High Yield Index; 20% JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified (USD); 20% MSCI AC World Local

The VaR of the sub-fund is set in relation to the VaR of the reference portfolio and should not exceed 200% VaR limit utilization.

The VaR is calculated based on a historical simulation and the following parameterization 99% confidence level, 1-day holding period and 1-year observation period.

The following utilizations of VaR limits have been calculated during the reporting period:

Sub-fund	Minimum in %	Maximum in %	Average in %
ABSALON - EM Corporate Debt	44.97	67.26	55.24
ABSALON - Global High Yield	50.10	152.97	111.60

The leverage is calculated in accordance with the sum of notional approach and guidelines specified in CESR/10-788. Hedging and netting effects are not considered in the calculation. Therefore an unleveraged portfolio results in a leverage of 100%.

The average leverage during the reporting period is shown below:

Sub-fund	Average leverage in %
ABSALON - EM Corporate Debt	216.63
ABSALON - Global High Yield	199.87

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Remuneration Policy of the Management Company (unaudited)

The fees of the employees are specified as follows (as of September 30, 2018):

Total of paid remuneration	5.11 Mio. EUR
- thereof fixed fee	4.74 Mio. EUR
- thereof variable fee	0.37 Mio. EUR
Number of employees	48.2 FTE
Amount of paid carried Interest	n/a
Total of paid fee to Risktaker	0.85 Mio. EUR
- thereof Executive Managers	0.76 Mio. EUR
- thereof other Risktaker	0.09 Mio. EUR

The remuneration policy is compliant with the requirements of the Management Company.

Details with regard to the remunerationsystem of the Management Company are available on the website of Universal-Investment-Gesellschaft mbH (<http://www.universal-investment.com/en/Remuneration-system-Luxemburg>) and in the Prospectus.

There were no changes in the remuneration system during the reporting period compared to the prior period.

Remuneration Policy of the Portfoliomanager (unaudited)

The Portfolio Manager did not publish any information and no data could be provided.

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Report of the Portfolio Manager

Absalon – EM Corporate Debt

Performance 2018

Absalon – EM Corporate Debt continued the strong track-record by outperforming its benchmark again in 2018. During the year of 2018 the asset class, EM fixed income, experienced a soft tone throughout the entire year. When examining the return in more detail you find that it is not explained by an upturn in default rates or increasing corporate leverage. In fact, the default rate for EM corporate high yield was 1.6% in 2018, which was significantly lower than expected. Also corporate fundamentals and technicals ended better than expected. Instead macro-economic factors and political uncertainty were the main reasons for the year's relatively weak returns. In early 2018 we saw increasing US rates and a stronger dollar that triggered a period of spread widening across EM fixed income markets. Later in the year the trade war between the US and China as well as a number of more country specific issues in Turkey, Mexico and Brazil increased bond price volatility.

Expectations for 2019

The asset class came out with a very positive start which is well justified. The asset class looks very attractive not only in terms of pricing, but also because of a continued expectation for a low default rate, strong fundamentals, and supportive technicals with limited supply. The US – China trade war drew a lot of attention in the last half of 2018. During the first weeks of 2019 news surrounding the ongoing trade talks has improved market sentiment. It will be very positive if the US and China announce a statement with a clear indication of the outcome of a future trade agreement.

We still find EM companies well managed and investors are well compensated for the default risk. We do expect to generate high returns for our investors in 2019.

Risks for 2019

If the US – China authorities find it hard to come to an agreement we could see increasing bond price volatility due to growing uncertainty. In addition, more rate hikes by the FED than expected could possibly trigger wider spreads in EM Corporate bonds. We do though see the latter as less likely because of the recent more dovish signal from the FED.

Absalon – Global High Yield

Performance 2018

After a good start to 2018, our fund had a difficult fourth quarter. We saw a massive underperformance of European credit spreads compared to US, which had a negative influence on our relative performance compared to index, since our fund is overweight Europe. The underperformance of our fund is not driven by underlying loss of capital coming from defaults however, as the vast majority of companies in our portfolio have delivered stable to positive developments in the underlying credit quality. In cases where we have been negatively surprised and seen default risk become a potential issue, we have cut exposure fast to minimize future loss of capital. In 2018, our fund experienced a default in CMC Ravenna. The exposure to CMC Ravenna was 0.25%. For the global high yield market, the default rate for 2018 came in at just above 1%.

Expectations for 2019

We expect default rates for the global high yield market to stay low based on our model for predicting future default activity. Our model is telling us that 12 months from now the global default rate will stay around 2%. Leverage and interest coverage ratios continue to look stable in all regions from US to Europe and EM. However, valuations are most attractive in Europe in particular in an area like subordinated insurance. US CCCs on the other hand are still expensive from a relative perspective. But we don't invest in these credits anyway.

We believe that investors in our fund will get a high return for 2019.

Risks for 2019

The risks for 2019 are related to politics. The US trade war with China, Brexit and so are all casting a shadow over financial markets. When/if these issues will disappear during 2019 is hard to say and the trade war does have the potential to derail the world economy unfortunately. Nevertheless, we take comfort from a couple of positive things that we can observe already now; A lower oil price, The FED is on hold, China is doing a lot to stimulate its economy, EM countries are doing ok and in Europe we will get some expansionary fiscal stimulus.

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The combined statement of net assets, the statement of operations and the combined statement of changes in net assets consist of the sum of the statements of each sub-fund.

Combined Statement of Net Assets as at December 31, 2018

	Market Value in EUR	% of Fund Assets *)
Assets		
Portfolio at market value	173,951,439.31	92.09
Derivatives	220,405.48	0.12
Cash at bank	12,263,080.59	6.49
Interest receivable	3,032,410.69	1.61
Incorporation cost, activated	4,143.74	0.00
Total Assets	189,471,479.81	100.31
Liabilities		
Loan liabilities	-6,882.72	0.00
Management Company fee payable	-507,678.97	-0.27
Depositary Bank fee payable	-5,510.00	-0.00
Audit fee payable	-16,905.56	-0.01
Taxe d'abonnement payable	-5,171.57	-0.00
Other payables	-40,836.87	-0.02
Total Liabilities	-582,985.69	-0.31
Total Net Assets as at December 31, 2018	188,888,494.13	100.00

*) There might be small differences due to rounding.

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Combined Statement of Operations (including income equalisation) for the period from 01/01/2018 to 31/12/2018

		Total
I. Income		
- Interest on securities	EUR	12,738,216.46
- Interest on liquidity investments *)	EUR	19,664.57
- Other income	EUR	64.68
Total income	EUR	12,757,945.71
II. Expenses		
- Interest on bank overdraft	EUR	-2,170.35
- Management Company fee	EUR	-2,108,993.66
- Depositary Bank fee	EUR	-42,386.30
- Custody service expenses	EUR	-84,318.23
- Auditing and publication expenses	EUR	-21,430.07
- Subscription tax ("Taxe d'abonnement")	EUR	-21,756.89
- Registrar and Transfer Agent fee	EUR	-48,466.68
- Legal fee	EUR	-1,764.00
- Foreign withholding taxes	EUR	-2.75
- Incorporation expenses	EUR	-3,500.26
- Equalisation of ordinary expenses	EUR	-8,578.56
- Other expenses	EUR	-98,438.19
Total expenses	EUR	-2,441,805.94
III. Ordinary net result	EUR	10,316,139.77

*) The position 'interest on liquidity investments' includes negative interest of 28,534.46 EUR.

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Combined Statement of Operations (including income equalisation) for the period from 01/01/2018 to 31/12/2018

				Total
IV. Realised profit/loss on				
1. Realised profit on			EUR	18,062,084.93
- Securities	EUR	5,143,305.20		
- Forward exchange transactions	EUR	10,908,851.83		
- Futures transactions	EUR	1,130,903.08		
- Foreign exchange transactions	EUR	879,024.82		
2. Realised loss on			EUR	-29,608,571.55
- Securities	EUR	-7,153,147.27		
- Forward exchange transactions	EUR	-21,407,745.82		
- Futures transactions	EUR	-727,453.93		
- Foreign exchange transactions	EUR	-320,224.53		
Total realised profit/loss			EUR	-11,546,486.62
V. Net change in unrealised profit/loss				
- Net change in unrealised profit	EUR	-4,636,572.65		
- Net change in unrealised loss	EUR	-5,791,567.12		
Total net change in unrealised profit/loss			EUR	-10,428,139.77
VI. Result of operations for the period			EUR	-11,658,486.62

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Combined Statement of Changes in Net Assets

2018

I. Net assets at the beginning of the period			EUR	193,700,642.58
1. Distribution for the previous year			EUR	-213,252.95
2. Interim distributions			EUR	0.00
3. Net cash flow			EUR	6,654,297.52
a) Proceeds from shares issued	EUR	30,612,583.13		
b) Proceeds from shares redeemed	EUR	-23,958,285.61		
4. Income/expense equalisation			EUR	405,293.60
5. Result of operations for the period			EUR	-11,658,486.62
II. Net assets at the end of the period			EUR	188,888,494.13

ABSALON - EM Corporate Debt

Fund Structure as at 31/12/2018

Investment Focus	Market Value in EUR	% of fund assets *)
I. Assets	102,246,904.35	100.32
1. Equities	73,894.99	0.07
2. Bonds	93,857,824.66	92.09
3. Certificates	828.83	0.00
4. Derivatives	150,447.99	0.15
5. Bank balances	6,603,503.59	6.48
6. Other Assets	1,560,404.28	1.53
II. Liabilities	-331,829.09	-0.32
III. Fund Assets	101,915,075.26	100.00

*) There might be small differences due to rounding.

ABSALON - EM Corporate Debt

Statement of Net Assets as at 31/12/2018

Description	ISIN	Shares / % in 1,000	Holdings 31/12/2018	Currency	Price	Market Value in EUR	% of the Fund- assets *)
Portfolio holdings				EUR		93,932,548.48	92.17
Exchange-traded securities				EUR		46,036,599.77	45.17
Equities				EUR		73,894.99	0.07
Frontera Energy Corp. Registered Shares o.N.	CA35905B1076	shares	5,234	USD	12.440	41,772.61	0.04
SeaDrill Ltd. Registered Shares DL 2,-	BMG7998G1069	shares	3,874	USD	9.480	32,122.38	0.03
Interest-bearing securities				EUR		45,962,704.78	45.10
2,3750 % DP World Ltd. EO-Med.-Term Nts 2018(26)Reg.S	XS1883878966	%	750	EUR	98.723	740,422.50	0.73
4,8750 % Hellenic Petroleum Finance PLC EO-Notes 2016(21)	XS1500377517	%	350	EUR	104.983	367,440.50	0.36
5,7700 % BW Offshore Ltd. NK-FLR Notes 2013(13/20-20)	NO0010673841	%	5,000	NOK	99.089	496,184.31	0.49
5,5400 % BW Offshore Ltd. NK-FLR Notes 2015(16/21-22)	NO0010740111	%	6,000	NOK	98.094	589,442.27	0.58
7,2500 % 361 Degrees International Ltd DL-Notes 2016(19/21)	XS1415758991	%	2,050	USD	95.591	1,713,999.39	1.68
6,2500 % Absa Group Ltd. DL-FLR Notes 2018(23/28)	XS1799058174	%	1,800	USD	94.664	1,490,380.48	1.46
4,8750 % Abu Dhabi National Energy Co. DL-Med.-Term Nts 2018(30)Reg.S	XS1808738212	%	950	USD	100.819	837,729.16	0.82
3,8750 % Africa Finance Corp. DL-Med.-Term Nts 2017(24)Reg.S	XS1598047550	%	1,200	USD	95.309	1,000,351.61	0.98
7,2000 % Akbank T.A.S. DL-FLR M.-T.Nts 17(22/27)Reg.S	XS1574750292	%	500	USD	88.338	386,329.05	0.38
8,7500 % Alternatifbank AS DL-FLR Notes 2016(21/26)	XS1396282177	%	700	USD	88.526	542,008.66	0.53
6,5000 % AngloGold Ashanti Holdings PLC DL-Notes 2010(10/40)	US03512TAB70	%	1,050	USD	96.823	889,216.74	0.87
7,1250 % Braskem America Finance Co. DL-Notes 2011(11/41) Reg.S	USU1065PAA94	%	700	USD	109.375	669,662.38	0.66
7,0961 % C10 Capital SPV Ltd. DL-FLR Debts 06(16/Und.) Reg.S	USG23491AA40	%	300	USD	96.002	251,906.32	0.25
4,9500 % Chandra Asri Petrochem.Tbk, PT DL-Notes 2017(21/24) Reg.S	USY7141GAA05	%	1,500	USD	87.593	1,149,212.81	1.13
4,2150 % Coca Cola Icecek A.S. DL-Bonds 2017(17/24) Reg.S	XS1577950402	%	1,350	USD	93.988	1,109,797.30	1.09
8,7500 % DNO ASA DL-Notes 2015(17/20)	NO0010740392	%	500	USD	100.544	439,709.61	0.43
8,2500 % Eagle Bulk Shipco LLC DL-Notes 2017(17/18-22)	NO0010810872	%	1,350	USD	98.000	1,134,033.06	1.11
4,2500 % Equate Petrochemical B.V. DL-Med.-Term Nts 2016(26)Reg.S	XS1513739760	%	1,500	USD	97.244	1,275,833.11	1.25
5,5000 % Fibria Overseas Finance Ltd. DL-Notes 2017(17/27)	US31572UAF30	%	1,100	USD	100.857	970,372.61	0.95
10,0000 % Genel Energy Finance 2 Ltd. DL-Notes 2014(17/22)	NO0010710882	%	1,439	USD	102.753	1,293,012.55	1.27
7,0000 % Gol Finance DL-Notes 2017(22/25) Reg.S	USL4441RAA43	%	1,300	USD	89.285	1,015,223.48	1.00
8,8661 % Golar LNG Partners LP DL-FLR Notes 2017(21)	NO0010786056	%	1,200	USD	99.417	1,043,474.15	1.02
4,6250 % Golden Eagle Retail Group Ltd. DL-Notes 2013(23) Reg.S	USG3958RAB53	%	2,150	USD	85.305	1,604,178.69	1.57
4,3750 % GPN Capital S.A. DL-M.T.LPN 12(22)GAZPROM Reg.S	XS0830192711	%	600	USD	98.349	516,132.25	0.51
7,8750 % Grupo Unicomer Co. Ltd. DL-Notes 2017(17/24) Reg.S	USG42037AA25	%	1,200	USD	104.647	1,098,367.88	1.08
7,2500 % Hilong Holding Ltd DL-Notes 2017(20)	XS1628314889	%	1,650	USD	88.605	1,278,731.96	1.25
7,2500 % JBS Investments GmbH DL-Notes 2014(14/24) Reg.S	USA29866AB53	%	1,100	USD	101.109	972,792.36	0.95
3,0000 % Kia Motors Corp. DL-Notes 2017(23) Reg.S	USY47606AF80	%	750	USD	95.797	628,421.02	0.62
3,5000 % Kia Motors Corp. DL-Notes 2017(27) Reg.S	USY47606AH47	%	1,500	USD	93.899	1,231,947.00	1.21

ABSALON - EM Corporate Debt

Statement of Net Assets as at 31/12/2018

Description	ISIN	Shares / % in 1,000	Holdings 31/12/2018	Currency	Price	Market Value in EUR	% of the Fund- assets *)
4,7500 % Lukoil Internat. Finance B.V. DL-Notes 2016(26) Reg.S	XS1514045886	%	750	USD	97.199	637,621.36	0.63
6,7500 % Medco Platinum Road Pte Ltd. DL-Notes 2018(18/25) Reg.S	USY59505AA82	%	1,000	USD	85.600	748,705.50	0.73
5,5000 % Mexico City Airport Trust DL-Notes 2016(16/46) Reg.S	USP6629MAB83	%	1,563	USD	88.571	1,210,849.93	1.19
5,3730 % MTN (Mauritius) Invest. Ltd. DL-Notes 2016(16/22) Reg.S	XS1503116912	%	2,050	USD	97.365	1,745,808.19	1.71
5,3750 % Nexa Resources S.A. DL-Notes 2017(17/27) Reg.S	USP98118AA38	%	1,000	USD	97.083	849,147.21	0.83
6,7500 % Noble Group Ltd. DL-Notes 2009(20) Reg.S	USG6542TAE13	%	500	USD	46.023	201,270.45	0.20
6,6250 % Oztel Holdings SPC Ltd. DL-Notes 2018(28) Reg.S	XS1805476659	%	750	USD	92.341	605,753.08	0.59
5,9990 % Petrobras Global Finance B.V. DL-Notes 2017(17/28)	US71647NAY58	%	1,200	USD	94.407	990,889.53	0.97
4,7000 % Polyus Finance PLC DL-Bonds 2018(18/24) Reg.S	XS1713474325	%	1,750	USD	94.428	1,445,368.67	1.42
4,8000 % Press Metal (Labuan) Ltd. DL-Bonds 2017(20/22)	XS1704655635	%	500	USD	92.797	405,827.43	0.40
8,3750 % PT Gajah Tunggal DL-Notes 2017(20/22)	XS1655090139	%	800	USD	84.116	588,583.92	0.58
8,3750 % Soechi Capital Pte. Ltd. DL-Notes 2018(18/23) Reg.S	USY8078LAA45	%	750	USD	71.320	467,856.21	0.46
5,9000 % Steel Capital S.A. DL-LP MTN12(22)SeverStal Reg.S	XS0841671000	%	400	USD	102.796	359,646.64	0.35
5,7500 % Tata Motors Ltd. DL-Notes 2014(24)	XS1121908211	%	700	USD	93.977	575,386.16	0.56
5,1250 % TC Ziraat Bankasi A.S. DL-Med.-Term Nts 2017(23)Reg.S	XS1691349010	%	1,500	USD	88.473	1,160,758.33	1.14
7,5000 % The Oil and Gas Hd Co. BSC DL-Med.-T.Notes 2017(27) Reg.S	US67778NAA63	%	1,550	USD	98.882	1,340,567.66	1.32
6,7500 % Theta Capital Pte Ltd. DL-Notes 2016(21/26)	XS1506085114	%	750	USD	68.864	451,744.95	0.44
4,5000 % Tupras Turkiye Petrol Rafin.AS DL-Notes 2017(17/24) Reg.S	XS1686704948	%	1,100	USD	87.818	844,920.84	0.83
4,8750 % Turk Telekomunikasyon AS DL-Bonds 2014(24) Reg.S	XS1028951264	%	900	USD	86.794	683,234.06	0.67
5,7500 % Turkcell Iletisim Hizmetl. AS DL-Bonds 2015(15/25) Reg.S	XS1298711729	%	750	USD	91.662	601,295.59	0.59
4,2500 % Türkiye Sise ve Cam Fabri.A.S. DL-Bonds 2013(20) Reg.S	XS0927634807	%	800	USD	97.682	683,509.14	0.67
6,1000 % Yapi Ve Kredi Bankasi A.S. DL-Med.-Term Nts 2018(23)Reg.S	XS1788516679	%	2,200	USD	89.696	1,725,969.56	1.69
6,9000 % Yestar Healthcare Hldg.Co.Ltd. DL-Notes 2016(16/21)	XS1485533944	%	1,250	USD	82.471	901,677.16	0.88

Securities admitted to or included in organised markets

EUR 45,852,067.38 44.99

Interest-bearing securities

EUR 45,852,067.38 44.99

4,4720 % C10-EUR Capital SPV Ltd. EO-FLR Bonds 2007(17/Und.)	XS0300179198	%	1,236	EUR	83.080	1,026,868.80	1.01
10,0000 % Crystal Almond S.a.r.l. EO-Notes 2016(16/21) Reg.S	XS1405766202	%	1,077	EUR	106.020	1,141,835.40	1.12
4,5000 % Jaguar Land Rover Automotive EO-Notes 2018(18/26) Reg.S	XS1881005976	%	1,100	EUR	84.420	928,614.50	0.91
2,7500 % Petróleos Mexicanos (PEMEX) EO-Med.-Term Notes 2015(15/27)	XS1172951508	%	400	EUR	83.122	332,488.00	0.33
4,7500 % Petróleos Mexicanos (PEMEX) EO-Med.-Term Notes 2018(18/29)	XS1824424706	%	1,200	EUR	91.776	1,101,312.00	1.08
6,4500 % América Móvil S.A.B. de C.V. MN-Notes 2012(22)	XS0860706935	%	12,000	MXN	89.007	476,085.71	0.47
3,6500 % Abu Dhabi Cr. Oil Pip. (ADCOP) DL-Notes 2017(17/18-29) Reg.S	XS1709529520	%	1,650	USD	95.305	1,375,425.74	1.35
6,8750 % ACI Airport SudAmerica S.A. DL-Notes 2015(15/16-32) Reg.S	USE0351QAA07	%	950	USD	103.126	801,200.26	0.79
6,0000 % Adecoagro S.A. DL-Notes 2017(22/27) Reg.S	USL00849AA47	%	750	USD	85.346	559,862.90	0.55
5,7500 % AEGEA Finance S.a.r.l. DL-Notes 2017(17/24) Reg.S	USP01014AA03	%	500	USD	95.579	417,996.15	0.41
6,8750 % Aeropuertos Argentina 2000 SA DL-Notes 2017(17/19-27) Reg.S	USP0092MAE32	%	800	USD	92.378	646,395.52	0.63
7,7500 % AES Argentina Generación S.A. DL-Notes 2017(17/24) Reg.S	USP1000CAA29	%	500	USD	81.153	354,906.85	0.35

ABSALON - EM Corporate Debt

Statement of Net Assets as at 31/12/2018

Description	ISIN	Shares / % in 1,000	Holdings 31/12/2018	Currency	Price	Market Value in EUR	% of the Fund- assets *)
6,5000 % Ajecorp B.V. DL-Notes 2012(17/22) Reg.S	USN01766AA73	%	1,241	USD	64.000	694,690.81	0.68
6,5000 % Banco GNB Sudameris S.A. DL-FLR Notes 2017(22/27) Reg.S	USP1265VAD49	%	800	USD	98.800	691,332.11	0.68
3,5000 % Bco de Cred.e Inver.(BCI)(MB) DL-Med.-T.Nts 2017(17/27)Reg.S	US05890PZA73	%	1,500	USD	90.075	1,181,776.44	1.16
6,8750 % Capex S.A. DL-Notes 2017(21/24) Reg.S	USP20058AC08	%	1,400	USD	83.694	1,024,848.25	1.01
9,2500 % Cemig Geração e Transmissão SA DL-Notes 2017(17/24) Reg.S	USP2205LAC92	%	750	USD	106.667	699,727.76	0.69
4,7500 % Com. Federal de Electr. (CFE) DL-Notes 2016(16/27) Reg.S	USP29595AB42	%	700	USD	94.616	579,295.46	0.57
4,6250 % Corporación Lindley S.A. DL-Notes 2013(13/21-23) Reg.S	USP31442AC34	%	44	USD	100.166	38,548.97	0.04
7,0000 % Cosan Luxemburg S.A. DL-Notes 2016(16/27) Reg.S	USL20041AD89	%	1,126	USD	100.986	994,574.24	0.98
9,7500 % Credivalores - Crediserv. SAS DL-Notes 2017(17/22) Reg.S	USP32086AL73	%	549	USD	87.481	420,074.08	0.41
6,2500 % Cydsa S.A.B. de C.V. DL-Notes 2017(22/27) Reg.S	USP3R26HAA81	%	1,300	USD	90.108	1,024,581.47	1.01
3,8750 % El Puerto de Liverpool. SAB de CV DL-Notes 2016(16/26) Reg.S	USP3691NBF61	%	1,000	USD	91.548	800,734.72	0.79
9,7500 % Empr.Distrib. y Com.Norte S.A. DL-Notes 2010(18/22) Reg.S	USP3710FAJ32	%	750	USD	97.572	640,064.94	0.63
9,7000 % Frontera Energy Corp. DL-Notes 2018(18/23) Reg.S	USC35898AA00	%	750	USD	99.128	650,275.52	0.64
6,5000 % Geopark Ltd. DL-Notes 2017(17/24) Reg.S	USG38327AA30	%	1,500	USD	93.117	1,221,687.22	1.20
8,1250 % Global Liman Isletmeleri A.S. DL-Bonds 2014(18/21) Reg.S	XS1132825099	%	1,700	USD	95.674	1,422,599.49	1.40
7,8750 % Grupo IDESA S.A. de C.V. DL-Notes 2013(13/20) Reg.S	USP4954WAA82	%	1,000	USD	70.229	614,265.72	0.60
8,8750 % Grupo Kaltex S.A. de C.V. DL-Notes 2017(17/22) Reg.S	USP4953VAJ28	%	1,500	USD	69.464	911,355.29	0.89
7,2500 % GTL Trade Finance Inc. DL-Bonds 2014(43/44) Reg.S	USG2440JAG07	%	950	USD	104.491	868,244.99	0.85
7,2500 % Health & Happiness (H&H) Int. DL-Notes 2016(18/21) Reg.S	USG11259AB79	%	871	USD	101.181	770,827.00	0.76
9,1250 % HTA Group Ltd. DL-Notes 2017(17/22) Reg.S	XS1572144464	%	600	USD	102.143	536,040.41	0.53
9,5000 % IHS Netherlands Holdco B.V. DL-Notes 2016(18/21) Reg.S	XS1505674751	%	1,350	USD	101.186	1,194,796.64	1.17
7,7500 % JSL Europe S.A. DL-Notes 2017(17/24) Reg.S	USL5800PAB87	%	1,300	USD	92.714	1,054,213.24	1.03
8,5000 % Liquid Telecommunic.Fin. PLC DL-Notes 2017(20/22) Reg.S	XS1644418904	%	550	USD	101.226	486,961.43	0.48
6,8750 % MARB BondCo PLC DL-Notes 2018(21/25) Reg.S	USG5825AAB82	%	1,300	USD	93.012	1,057,595.99	1.04
10,6250 % McDermott Tech.(Amer)/(US)Inc. DL-Notes 2018(18/24) Reg.S	USU5742YAA20	%	600	USD	84.317	442,490.16	0.43
5,8750 % Mexichem S.A.B. de C.V. DL-Notes 2014(14/44) Reg.S	USP57908AF58	%	1,100	USD	90.629	871,966.24	0.86
6,6250 % Millicom Intl Cellular S.A. DL-Notes 2018(18/26) Reg.S	XS1894610119	%	500	USD	101.835	445,355.55	0.44
6,5000 % Minerva Luxembourg S.A. DL-Notes 2016(16/26) Reg.S	USL6401PAF01	%	1,500	USD	93.356	1,224,822.88	1.20
5,8750 % Nexteer Automotive Group Ltd. DL-Notes 2014(14/21) Reg.S	USG6501MAA39	%	600	USD	101.678	533,600.10	0.52
8,0000 % Nostrum Oil & Gas Finance B.V. DL-Notes 2017(17/22) Reg.S	USN64884AB02	%	1,400	USD	66.271	811,505.29	0.80
6,3500 % Odebrecht D.Norbe VIII/IX Ltd. DL-Nts 17(18/18-21) Reg.S Tr.1	USG67106AB35	%	133	USD	96.605	69,850.00	0.07
5,3750 % Peru LNG S.R.L. DL-Notes 2018(18/24-30) Reg.S	USP7721BAE13	%	1,150	USD	97.462	980,331.50	0.96
5,8750 % Petkim Petrokimya Holding AS DL-Notes 2018(21/23) Reg.S	XS1747548532	%	550	USD	91.484	440,093.81	0.43
6,5000 % Petróleos Mexicanos (PEMEX) DL-Med.-T.Nts 2011(11/41)	US71654QAZ54	%	750	USD	83.270	546,244.42	0.54
8,1250 % Petropavlovsk 2016 Ltd. DL-Notes 2017(22/22) Reg.S	XS1711554102	%	1,750	USD	77.570	1,187,330.53	1.17
4,5000 % San Miguel Industrias Pet S.A. DL-Notes 2017(17/22) Reg.S	USP84523AB85	%	550	USD	96.704	465,207.73	0.46
12,0000 % Seadrill New Finance Ltd. DL-Notes 2018(18/25) Reg.S	USG8000AAA19	%	20	USD	99.318	17,711.84	0.02
9,2500 % SEPLAT Petroleum Devel. Co.PLC DL-Bonds 2018(18/23) Reg.S	XS1789190243	%	1,150	USD	99.478	1,000,609.64	0.98
9,8750 % Serv. Corpor. Javier SAPI de CV DL-Notes 2011(11/21) Reg.S	USP8585LAC65	%	594	USD	100.243	520,811.18	0.51
5,7500 % Suzano Austria GmbH DL-Notes 2016(16/26) Reg.S	USA9890AAA81	%	500	USD	102.363	447,664.65	0.44

ABSALON - EM Corporate Debt

Statement of Net Assets as at 31/12/2018

Description	ISIN	Shares / % in 1,000	Holdings 31/12/2018	Currency	Price	Market Value in EUR	% of the Fund- assets *)
6,0000 % Suzano Austria GmbH DL-Notes 2018(18/29) Reg.S	USA8372TAF50	%	1,000	USD	102.356	895,268.08	0.88
8,2000 % Tecnoglass Inc. DL-Notes 2017(17/22) Reg.S	USG87264AA81	%	1,500	USD	104.568	1,371,923.38	1.35
6,7500 % Telefónica Cel.d. Paraguay SA DL-Notes 2012(12/22) Reg.S	USP90475AA57	%	1,300	USD	101.391	1,152,875.89	1.13
3,8750 % Transelec S.A. DL-Notes 2016(16/29) Reg.S	USP9339SAS34	%	750	USD	91.363	599,337.44	0.59
6,6250 % Tupy Overseas S.A. DL-Notes 2014(19/24) Reg.S	USL9326VAA46	%	1,100	USD	101.825	979,686.00	0.96
8,2500 % TV Azteca S.A.B. de C.V. DL-Notes 2017(17/24)	XS1662406468	%	650	USD	96.518	548,733.49	0.54
8,8750 % Unifin Finan. S.A.B. de C.V. DL-FLR Nts 2018(25/Und.) Reg.S	USP94461AD52	%	750	USD	83.078	544,988.19	0.53
7,0000 % Unifin Finan. S.A.B. de C.V. DL-Notes 2017(17/25) Reg.S	USP94461AC79	%	1,350	USD	85.668	1,011,555.37	0.99
New issue				EUR		1,290,022.30	1.27
admission to stock exchange				EUR		1,290,022.30	1.27
Interest-bearing securities				EUR		1,290,022.30	1.27
8,7500 % DNO ASA DL-Notes 2018(21/23)	NO0010823347	%	1,500	USD	98.326	1,290,022.30	1.27
Unlisted securities				EUR		753,859.03	0.74
Interest-bearing securities				EUR		753,030.20	0.74
7,8750 % Sherritt International Corp. CD-Notes 2014(14/25)	CA823901AL77	%	1,500	CAD	68.688	661,007.57	0.65
10,7500 % Ceagro Agricola Ltda DL-Notes 2010(16) Reg.S	USP3465UAA62	%	500	USD	1.110	4,854.37	0.00
7,3500 % Odebrecht D.Norbe VIII/IX Ltd. DL-Nts 2017(18/26) Reg.S Tr.2	USG67106AC18	%	176	USD	56.739	87,168.26	0.09
Certificates				EUR		828.83	0.00
Odebrecht Oil & Gas Fin. Ltd. EO/DL Nts 2017(17/Und.)	USG6712EAB41	%	92	USD	1.030	828.83	0.00
Total securities				EUR		93,932,548.48	92.17

ABSALON - EM Corporate Debt

Statement of Net Assets as at 31/12/2018

Description	ISIN	Shares / % in 1,000	Holdings 31/12/2018	Currency	Price	Market Value in EUR	% of the Fund- assets *)
Derivatives				EUR		150,447.99	0.15
Bank balances, non-securitised money market instruments and money market funds				EUR		6,603,503.59	6.48
Bank balances				EUR		6,603,503.59	6.48
Balances with Société Générale SA, Paris deposits callable prior to maturity			127,659.05	CAD		81,900.98	0.08
Balances with Brown Brothers Harriman Trust Co. [Cayman] Ltd. deposits callable prior to maturity			5,193.11	CHF		4,614.87	0.00
			75,163.64	DKK		10,065.97	0.01
			171,238.08	NOK		17,149.36	0.02
			46,235.27	SEK		4,502.11	0.00
Balances with Brown Brothers Harriman (Luxembourg) S.C.A. Balances in non-EU/EEA currencies			1,791,683.97	MXN		79,862.18	0.08
			432.26	USD		378.08	0.00
Balances with Santander DE deposits callable prior to maturity			3,349,904.71	EUR		3,349,904.71	3.29
			3,316,507.86	USD		2,900,820.31	2.85
Balances with JP Morgan Securities plc London Balances in the Fund currency (Initial Margin)			123,255.03	EUR		123,255.03	0.12
Balances with JP Morgan Securities plc London Balances in the Fund currency (Variation Margin)			31,050.00	EUR		31,050.00	0.03
Other Assets				EUR		1,560,404.28	1.53
Interest receivables			1,558,332.41	EUR		1,558,332.41	1.53
Incorporation cost,activated			2,071.87	EUR		2,071.87	0.00

ABSALON - EM Corporate Debt

Statement of Net Assets as at 31/12/2018

Description	ISIN	Shares / % in 1,000	Holdings 31/12/2018	Currency	Price	Market Value in EUR	% of the Fund- assets *)
Loan liabilities				EUR		-3,220.65	0.00
Loans with Brown Brothers Harriman Trust Co. [Cayman] Ltd. EUR - loans			-1,867.31	EUR		-1,867.31	0.00
Loans in other EU/EEA currencies			-10,105.50	DKK		-1,353.34	0.00
Liabilities				EUR		-328,608.44	-0.32
Management Company fee payable			-294,376.82	EUR		-294,376.82	-0.29
Depository Bank fee payable			-2,755.00	EUR		-2,755.00	0.00
Audit fee payable			-8,452.78	EUR		-8,452.78	-0.01
Taxe d'Abonnement payable			-2,756.10	EUR		-2,756.10	0.00
Other payables			-20,267.74	EUR		-20,267.74	-0.02
Total net assets				EUR		101,915,075.26	100.00
ABSALON - EM Corporate Debt-R EUR							
Net Asset Value per share				EUR		107.93	
Subscription price				EUR		107.93	
Redemption price				EUR		107.93	
Number of shares in circulation				shares		25,567.616	
ABSALON - EM Corporate Debt-I EUR							
Net Asset Value per share				EUR		11,501.90	
Subscription price				EUR		11,501.90	
Redemption price				EUR		11,501.90	
Number of shares in circulation				shares		8,620.794	

*) There might be small differences due to rounding.

ABSALON - EM Corporate Debt

Derivatives as at 31/12/2018

Statement of Forward Transactions as at 31/12/2018

	Ccy	Amount		Ccy	Amount	Commitment in EUR	Maturity	Unrealised profit/ loss in EUR	Counterparty
Sell	USD	-103,000,000.00	Buy	EUR	90,005,854.75	90,090,090.09	31/01/2019	181,497.99	Brown Brothers Harriman & Co. New York
Total Forward Transactions								181,497.99	

Statement of Future Transactions as at 31/12/2018

Contract Description	Maturity	Number	Ccy	Cost price in Ccy	Market price in Ccy	Commitment in EUR	Unrealised profit/ loss in EUR
FUTURE EURO-BOBL 03.19 EUREX	07/03/2019	-80	EUR	132.2780	132.5200	10,601,600.00	-19,200.00
FUTURE EURO-BUND 03.19 EUREX	07/03/2019	-15	EUR	162.7480	163.5400	2,453,100.00	-11,850.00
Total Future Transactions							-31,050.00
Total Derivatives							150,447.99

ABSALON - EM Corporate Debt

Statement of Operations (including income equalisation) for the period from 01/01/2018 to 31/12/2018

		Total
I. Income		
- Interest on securities	EUR	6,509,841.03
- Interest on liquidity investments *)	EUR	10,923.97
- Other income	EUR	2.79
Total income	EUR	6,520,767.79
II. Expenses		
- Interest on bank overdraft	EUR	-661.40
- Management Company fee	EUR	-1,204,083.20
- Depositary Bank fee	EUR	-20,661.07
- Custody service expenses	EUR	-43,541.72
- Auditing and publication expenses	EUR	-10,933.70
- Subscription tax ("Taxe d'abonnement")	EUR	-11,154.98
- Registrar and Transfer Agent fee	EUR	-24,233.34
- Legal fee	EUR	-882.00
- Foreign withholding taxes	EUR	-2.75
- Incorporation expenses	EUR	-1,750.13
- Equalisation of ordinary expenses	EUR	-37,795.98
- Other expenses	EUR	-43,237.83
Total expenses	EUR	-1,398,938.10
III. Ordinary net result	EUR	5,121,829.69

*) The position 'interest on liquidity investments' includes negative interest of 12,726.16 EUR.

ABSALON - EM Corporate Debt

Statement of Operations (including income equalisation) for the period from 01/01/2018 to 31/12/2018

				Total
IV. Realised profit/loss on				
1. Realised profit on			EUR	9,184,753.53
- Securities	EUR	1,654,819.56		
- Forward exchange transactions	EUR	6,597,149.45		
- Futures transactions	EUR	554,024.55		
- Foreign exchange transactions	EUR	378,759.97		
2. Realised loss on			EUR	-16,770,834.20
- Securities	EUR	-3,256,031.11		
- Forward exchange transactions	EUR	-13,088,840.59		
- Futures transactions	EUR	-319,967.84		
- Foreign exchange transactions	EUR	-105,994.66		
Total realised profit/loss			EUR	-7,586,080.67
V. Net change in unrealised profit/loss				
- Net change in unrealised profit	EUR	-1,532,852.40		
- Net change in unrealised loss	EUR	-757,962.33		
Total net change in unrealised profit/loss			EUR	-2,290,814.73
VI. Result of operations for the period			EUR	-4,755,065.71

ABSALON - EM Corporate Debt

Statement of Changes in Net Assets

2018

I. Net assets at the beginning of the period			EUR	107,566,389.55
1. Distribution for the previous year			EUR	-82,420.99
2. Interim distributions			EUR	0.00
3. Net cash flow			EUR	-1,177,100.86
a) Proceeds from shares issued	EUR	11,035,979.02		
b) Proceeds from shares redeemed	EUR	-12,213,079.88		
4. Income/expense equalisation			EUR	363,273.27
5. Result of operations for the period			EUR	-4,755,065.71
II. Net assets at the end of the period			EUR	101,915,075.26

ABSALON - EM Corporate Debt

ABSALON - EM Corporate Debt-R EUR Statistical information

Financial period	Number of shares outstanding at the end of the financial period		Total net assets at the end of the financial period		Net Asset Value per share at the end of the financial period	
2015 *)	Shares	24,805.475	EUR	2,360,210.64	EUR	95.15
2016	Shares	25,294.100	EUR	2,780,569.88	EUR	109.93
2017	Shares	24,825.600	EUR	2,897,987.93	EUR	116.73
2018	Shares	25,567.616	EUR	2,759,552.57	EUR	107.93

*) Inception: 04/03/2015

Changes in the number of shares outstanding

	Shares
Number of shares outstanding at the beginning of the period	24,825.600
Number of shares issued	742.016
Number of shares redeemed	0.000
Number of shares outstanding at the end of the period	25,567.616

ABSALON - EM Corporate Debt

ABSALON - EM Corporate Debt-I EUR Statistical information

Financial period	Number of shares outstanding at the end of the financial period		Total net assets at the end of the financial period		Net Asset Value per share at the end of the financial period	
2015 *)	Shares	5,305.794	EUR	51,008,324.23	EUR	9,613.70
2016	Shares	5,951.794	EUR	66,606,292.46	EUR	11,190.96
2017	Shares	8,720.794	EUR	104,668,401.61	EUR	12,002.16
2018	Shares	8,620.794	EUR	99,155,522.69	EUR	11,501.90

*) Inception: 04/03/2015

Changes in the number of shares outstanding

	Shares
Number of shares outstanding at the beginning of the period	8,720.794
Number of shares issued	937.000
Number of shares redeemed	-1,037.000
Number of shares outstanding at the end of the period	8,620.794

ABSALON - Global High Yield

Fund Structure as at 31/12/2018

Investment Focus	Market Value in EUR	% of fund assets *)
I. Assets	87,224,575.47	100.29
1. Equities	4,350.05	0.01
2. Bonds	80,014,395.35	92.00
3. Other equity securities	145.43	0.00
4. Derivatives	69,957.49	0.08
5. Bank balances	5,659,577.00	6.51
6. Other Assets	1,476,150.15	1.69
II. Liabilities	-251,156.60	-0.29
III. Fund Assets	86,973,418.87	100.00

*) There might be small differences due to rounding.

ABSALON - Global High Yield

Statement of Net Assets as at 31/12/2018

Description	ISIN	Shares / % in 1,000	Holdings 31/12/2018	Currency	Price	Market Value in EUR	% of the Fund- assets *)
Portfolio holdings				EUR		80,018,890.83	92.00
Exchange-traded securities				EUR		35,719,962.10	41.07
Equities				EUR		4,350.05	0.01
Abengoa S.A. Acciones Port. B EO -,0002	ES0105200002	shares	1,450,017	EUR	0.003	4,350.05	0.01
Interest-bearing securities				EUR		35,715,612.05	41.06
4,7500 % ABN AMRO Bank N.V. EO-FLR Cap. Secs 2017(27/Und.)	XS1693822634	%	1,500	EUR	87.542	1,313,130.00	1.51
7,0000 % Axactor SE EO-FLR Bonds 2018(21)	NO0010819725	%	800	EUR	98.992	791,936.00	0.91
4,7500 % CNP Assurances S.A. EO-FLR Notes 2018(28/Und.)	FR0013336534	%	1,000	EUR	93.929	939,290.00	1.08
7,0000 % Intesa Sanpaolo S.p.A. EO-FLR Notes 2016(21/Und.)	XS1346815787	%	300	EUR	101.477	304,431.00	0.35
4,2500 % KBC Groep N.V. EO-FLR Notes 2018(25/UND.)	BE0002592708	%	1,200	EUR	85.381	1,024,566.00	1.18
6,0000 % NIBC Bank N.V. EO-FLR Notes 2017(24/Und.)	XS1691468026	%	1,750	EUR	92.424	1,617,420.00	1.86
4,5000 % Raiffeisen Bank Intl AG EO-FLR Notes 2018(25/Und.)	XS1756703275	%	1,800	EUR	79.415	1,429,470.00	1.64
3,8750 % Telefónica Europe B.V. EO-FLR Bonds 2018(26/Und.)	XS1795406658	%	600	EUR	90.790	544,740.00	0.63
8,0000 % Travelex Financing PLC EO-Notes 2017(17/22) Reg.S	XS1577963306	%	650	EUR	86.404	561,626.00	0.65
6,5830 % Ziton A/S EO-FLR Bonds 2018(18/19-21)	NO0010832488	%	700	EUR	100.905	706,335.00	0.81
5,8750 % Barclays PLC LS-FLR Notes 2017(24/Und.)	XS1658012023	%	1,200	GBP	90.984	1,211,498.00	1.39
7,5000 % Crédit Agricole S.A. LS-FLR Nts 2014(26/Und.)	XS1055037920	%	250	GBP	103.895	288,212.94	0.33
6,0000 % Electricité de France (E.D.F.) LS-FLR Med.-T. Nts 13(26/Und.)	FR0011401728	%	1,200	GBP	97.498	1,298,242.34	1.49
5,7500 % Phoenix Group Holdings LS-FLR MTN 2018(28/Und.)	XS1802140894	%	2,250	GBP	81.212	2,027,596.54	2.33
6,8750 % Rothesay Life PLC LS-FLR Notes 2018(28/Und.)	XS1865334020	%	750	GBP	94.753	788,556.92	0.91
9,2500 % American Tanker Inc. DL-Notes 2017(17/20-22)	NO0010777519	%	1,000	USD	97.145	849,689.50	0.98
6,5000 % AngloGold Ashanti Holdings PLC DL-Notes 2010(10/40)	US03512TAB70	%	500	USD	96.823	423,436.54	0.49
7,0000 % BNP Paribas S.A. DL-FLR Nts 2018(28/Und.) Reg.S	USF1R15XK854	%	250	USD	95.010	207,752.78	0.24
7,1250 % Braskem America Finance Co. DL-Notes 2011(11/41) Reg.S	USU1065PAA94	%	600	USD	109.375	573,996.33	0.66
7,6000 % CenturyLink Inc. DL-Notes 2009(09/39) Ser.P	US156700AM80	%	600	USD	77.987	409,270.53	0.47
7,2500 % Credit Suisse Group AG DL-FLR Bds 2018(25/Und.) Reg.S	USH3698DBZ62	%	1,500	USD	94.766	1,243,321.96	1.43
7,8750 % Diamond Offshore Drilling DL-Notes 2017(17/25)	US25271CAP77	%	500	USD	81.453	356,218.84	0.41
9,5000 % Diana Shipping Inc. DL-Notes 2018(21/23)	NO0010832868	%	1,000	USD	97.465	852,484.04	0.98
8,7500 % DNO ASA DL-Notes 2015(17/20)	NO0010740392	%	200	USD	100.544	175,883.85	0.20
9,5000 % DOF Subsea AS DL-Notes 2017(22)	NO0010788177	%	400	USD	93.797	328,162.34	0.38
8,2500 % Eagle Bulk Shipco LLC DL-Notes 2017(17/18-22)	NO0010810872	%	750	USD	98.000	630,218.37	0.72
7,7500 % Ensco PLC DL-Notes 2018(18/26)	US29358QAH20	%	500	USD	72.087	315,258.46	0.36
7,5000 % Euronav Luxembourg S.A. DL-Notes 2017(22)	NO0010793888	%	1,000	USD	96.457	843,667.45	0.97
8,8661 % Golar LNG Partners LP DL-FLR Notes 2017(21)	NO0010786056	%	800	USD	99.417	695,649.44	0.80
7,2500 % Hilong Holding Ltd DL-Notes 2017(20)	XS1628314889	%	675	USD	88.605	523,117.62	0.60

ABSALON - Global High Yield

Statement of Net Assets as at 31/12/2018

Description	ISIN	Shares / % in 1,000	Holdings 31/12/2018	Currency	Price	Market Value in EUR	% of the Fund- assets *)
6,7500 % Medco Platinum Road Pte Ltd. DL-Notes 2018(18/25) Reg.S	USY59505AA82	%	1,300	USD	85.600	973,317.15	1.12
7,7500 % Navigator Holdings PLC DL-Notes 2017(19/21)	NO0010785959	%	500	USD	96.469	421,886.21	0.49
6,6250 % Nokia Oyj DL-Notes 2009(09/39)	US654902AC90	%	1,600	USD	101.758	1,424,053.18	1.64
8,3750 % PT Gajah Tunggal DL-Notes 2017(20/22)	XS1655090139	%	750	USD	84.116	551,797.43	0.63
7,8750 % Pulte Group Inc. DL-Notes 2002(02/32)	US745867AM30	%	1,000	USD	104.155	910,998.86	1.05
5,2500 % QBE Insurance Group Ltd. DL-FLR Med.-T. Nts 17(25/Und.)	XS1707749229	%	1,000	USD	87.296	763,544.13	0.88
11,5000 % REC Silicon ASA DL-Bonds 2018(18/23)	NO0010820590	%	200	USD	98.350	172,045.83	0.20
5,2500 % SCOR SE DL-FLR Notes 2018(29/Und.)	FR0013322823	%	3,000	USD	82.014	2,152,033.59	2.47
7,8750 % Société Générale S.A. DL-FLR Notes 2013(23/Und.)RegS	USF8586CRW49	%	1,750	USD	99.133	1,517,386.08	1.74
7,1250 % Teekay Shuttle Tanker LLC DL-Notes 2017(22)	NO0010801707	%	800	USD	94.208	659,200.56	0.76
7,2000 % Telecom Italia Capital S.A. DL-Notes 2006(06/36)	US87927VAR96	%	600	USD	96.209	504,901.60	0.58
7,7210 % Telecom Italia Capital S.A. DL-Notes 2008(08/38)	US87927VAV09	%	500	USD	98.949	432,734.19	0.50
9,3500 % Transocean Inc. DL-Notes 2011(41)	US893830AZ29	%	1,050	USD	84.924	779,937.02	0.90
6,1000 % Yapi Ve Kredi Bankasi A.S. DL-Med.-Term Nts 2018(23)Reg.S	XS1788516679	%	1,500	USD	89.696	1,176,797.43	1.35

Securities admitted to or included in organised markets

EUR 40,744,054.01 46.85

Interest-bearing securities

EUR 40,744,054.01 46.85

0,2500 % Abengoa AbeNewco 2, S.A.U. EO-FLR Notes 2017(17/23) Reg.S	XS1584123225	%	480	EUR	0.567	2,775.48	0.00
7,2500 % Altice Luxembourg S.A. EO-Notes 2014(14/22) Reg.S	XS1061642317	%	1,000	EUR	93.603	936,030.00	1.08
4,6250 % ASR Nederland N.V. EO-FLR Cap. Secs 17(27/Und.)	XS1700709683	%	750	EUR	88.479	663,592.50	0.76
5,8750 % Banco Bilbao Vizcaya Argent. EO-FLR Notes 2018(23/Und.)	ES0813211002	%	1,200	EUR	93.153	1,117,836.00	1.29
4,7500 % Banco Santander S.A. EO-FLR Nts 2018(25/Und.)	XS1793250041	%	800	EUR	79.699	637,592.00	0.73
4,4720 % C10-EUR Capital SPV Ltd. EO-FLR Bonds 2007(17/Und.)	XS0300179198	%	1,168	EUR	83.080	970,374.40	1.12
7,8750 % CGG Holding (U.S.) Inc. EO-Notes 2018(18/23) Reg.S	XS1713465760	%	200	EUR	101.902	203,804.00	0.23
6,7500 % Codere Fin.2 (Luxembourg) S.A. EO-Notes 2016(16/21) Reg.S	XS1513765922	%	1,600	EUR	86.737	1,387,792.00	1.60
6,0000 % Coop.Muratori&Cementisti-CMC EO-Notes 2017(17/23) Reg.S	XS1717576141	%	250	EUR	6.689	16,722.50	0.02
11,7500 % Corral Petroleum Holdings AB EO-Notes 2016(19/21) Reg.S	XS1400707771	%	1,500	EUR	105.520	1,582,800.00	1.82
10,0000 % Crystal Almond S.a.r.l. EO-Notes 2016(16/21) Reg.S	XS1405766202	%	159	EUR	106.020	168,571.80	0.19
5,1250 % Garrett LX I S.à.r.l. EO-Notes 2018(18/26) Reg.S	XS1884811594	%	1,000	EUR	88.817	888,170.00	1.02
6,7500 % Intralot Capital Luxembourg SA EO-Notes 2016(16/21) Reg.S	XS1405774727	%	1,500	EUR	76.669	1,150,035.00	1.32
4,5000 % Jaguar Land Rover Automotive EO-Notes 2018(18/26) Reg.S	XS1881005976	%	1,550	EUR	84.420	1,308,502.25	1.50
6,7500 % KME AG Senior Notes v.18(18/23) Reg.S	XS1756722069	%	1,250	EUR	86.733	1,084,162.50	1.25
6,5000 % Nordex SE Senior Notes v.18(18/23)Reg.S	XS1713474168	%	1,800	EUR	91.074	1,639,332.00	1.88
6,3750 % Raffinerie Heide GmbH Anleihe v.17(17/22)Reg.S	XS1729059862	%	1,250	EUR	86.006	1,075,075.00	1.24
3,8750 % Servion Holding GmbH Notes v.17(17/22)Reg.S	XS1608040090	%	2,200	EUR	66.877	1,471,283.00	1.69
6,2500 % Thomas Cook Group PLC EO-Notes 2016(16/22) Reg.S	XS1531306717	%	1,500	EUR	77.526	1,162,882.50	1.34
6,3750 % Vallourec S.A. EO-Notes 2018(18/23) Reg.S	XS1807435026	%	900	EUR	74.480	670,315.50	0.77
7,0000 % VIVAT N.V. EO-FLR Notes 2018(25/Und.)	XS1835946564	%	1,500	EUR	102.365	1,535,467.50	1.77

ABSALON - Global High Yield

Statement of Net Assets as at 31/12/2018

Description	ISIN	Shares / % in 1,000	Holdings 31/12/2018	Currency	Price	Market Value in EUR	% of the Fund- assets *)
10,5000 % Waste Italia S.p.A. EO-Notes 2014(14/19) Reg.S	XS1139056037	%	900	EUR	2.000	18,000.00	0.02
5,2500 % Debenhams PLC LS-Notes 2014(14/21) Reg.S	XS1081972850	%	750	GBP	62.820	522,802.93	0.60
7,5000 % InterGen N.V. LS-Notes 2013(17/21) Reg.S	XS0940701807	%	1,000	GBP	98.146	1,089,059.03	1.25
6,7500 % Matalan Finance PLC LS-Notes 2018(20/23) Reg.S	XS1756324411	%	400	GBP	86.330	383,177.98	0.44
7,6500 % CenturyLink Inc. DL-Notes 2012(12/42) Ser.U	US156700AT34	%	700	USD	78.609	481,293.62	0.55
8,0000 % Chembulk Holding LLC DL-Notes 2018(18/23)	NO0010814593	%	1,000	USD	99.242	868,031.14	1.00
6,2500 % Cydsa S.A.B. de C.V. DL-Notes 2017(22/27) Reg.S	USP3R26HAA81	%	700	USD	90.108	551,697.72	0.63
7,0000 % EnQuest PLC DL-Notes 2016(16/22) Reg.S	XS1517932585	%	2,644	USD	68.516	1,584,342.28	1.82
7,2500 % First Quantum Minerals Ltd. DL-Notes 2017(17/23) Reg.S	USC3535CAF52	%	900	USD	88.021	692,892.94	0.80
7,1250 % Frontier Communications Corp. DL-Notes 2012(12/23)	US35906AAM09	%	1,500	USD	57.025	748,156.65	0.86
7,8750 % Grupo IDESA S.A. de C.V. DL-Notes 2013(13/20) Reg.S	USP4954WAA82	%	750	USD	70.229	460,699.29	0.53
9,1250 % HTA Group Ltd. DL-Notes 2017(17/22) Reg.S	XS1572144464	%	750	USD	102.143	670,050.51	0.77
7,7500 % JSL Europe S.A. DL-Notes 2017(17/24) Reg.S	USL5800PAB87	%	1,375	USD	92.714	1,115,033.24	1.28
9,6250 % KCA Deutag UK Finance PLC DL-Notes 2018(18/23) Reg.S	USG5222MAC94	%	1,250	USD	79.785	872,310.42	1.00
6,8750 % Kinross Gold Corp. DL-Notes 2012(12/41)	US496902AK39	%	250	USD	95.648	209,148.95	0.24
8,2500 % Liberty Interactive LLC DL-Debts. 2000(30)	US530715AJ01	%	1,350	USD	97.018	1,145,581.21	1.32
7,5000 % Lloyds Banking Group PLC DL-FLR Notes 2018(25/Und.)	US539439AU36	%	500	USD	96.377	421,486.05	0.48
10,6250 % McDermott Tech.(Amer)/(US)Inc. DL-Notes 2018(18/24) 144A	US58003XAA00	%	2,250	USD	84.317	1,659,338.10	1.91
6,7500 % Mexichem S.A.B. de C.V. DL-Notes 2012(12/42) Reg.S	USP57908AE83	%	950	USD	100.779	837,400.94	0.96
8,1250 % Navios Mar.Acq.Corp./Fin.Inc. DL-Notes 2013(13/21) 144A	US63938MAD83	%	1,250	USD	76.675	838,302.50	0.96
7,9500 % Noble Holding Intern. Ltd. DL-Notes 2015(15/25)	US65504LAN73	%	1,150	USD	74.874	753,122.76	0.87
12,0000 % Oilflow Spv 1 DAC DL-Certs 2017(20-22) Reg.S	XS1539823093	%	900	USD	99.704	784,864.86	0.90
6,6250 % Petróleos Mexicanos (PEMEX) DL-Notes 2009(09/38)	US706451BR12	%	1,500	USD	85.525	1,122,080.82	1.29
8,1250 % Petropavlovsk 2016 Ltd. DL-Notes 2017(22/22) Reg.S	XS1711554102	%	1,350	USD	77.570	915,940.70	1.05
7,8750 % Pride International LLC DL-Notes 2010(40)	US74153QAJ13	%	50	USD	73.906	32,321.35	0.04
7,5000 % Sappi Papier Holding GmbH DL-Notes 2002(02/32) Reg.S	XS0149581935	%	1,050	USD	93.000	854,106.53	0.98
12,0000 % Seadrill New Finance Ltd. DL-Notes 2018(18/25) Reg.S	USG8000AAA19	%	953	USD	99.318	827,562.26	0.95
8,2500 % TV Azteca S.A.B. de C.V. DL-Notes 2017(17/24)	XS1662406468	%	300	USD	96.518	253,261.61	0.29
7,2500 % Votorantim Cimentos Intl S.A. DL-Notes 2011(11/41) 144A	US92911QAA58	%	400	USD	102.575	358,871.69	0.41
Unlisted securities				EUR		3,554,874.72	4.09
Interest-bearing securities				EUR		3,554,729.29	4.09
7,8750 % Sherritt International Corp. CD-Notes 2014(14/25)	CA823901AL77	%	2,800	CAD	68.688	1,233,880.80	1.42
3,0000 % Grupo Isolux Corsan S.A. EO-Notes 2016(16/21)	XS1527710963	%	112	EUR	0.752	844.26	0.00
7,1600 % Navigator Holdings PLC NK-FLR Notes 2018(21/23)	NO0010835069	%	5,000	NOK	95.192	476,670.24	0.55
10,0000 % Bluewater Holding B.V. DL-Bonds 2018(20/21-23)	NO0010836794	%	1,750	USD	93.972	1,438,381.22	1.65
9,0000 % Floatel International Ltd. DL-Bonds 2018(18/24)	NO0010833775	%	500	USD	92.597	404,952.77	0.47

ABSALON - Global High Yield

Statement of Net Assets as at 31/12/2018

Description	ISIN	Shares / % in 1,000	Holdings 31/12/2018	Currency	Price	Market Value in EUR	% of the Fund- assets *)
Other equity securities				EUR		145.43	0.00
Grupo Isolux Corsan S.A. EO-Units (Unsec.Bds+Equ.Secs)	XS1540730865	shares	277	EUR	0.525	145.43	0.00
Total securities				EUR		80,018,890.83	92.00
Derivatives				EUR		69,957.49	0.08
Bank balances, non-securitised money market instruments and money market funds				EUR		5,659,577.00	6.51
Bank balances				EUR		5,659,577.00	6.51
Balances with Société Générale SA, Paris deposits callable prior to maturity			230,790.87	CAD		148,066.25	0.17
Balances with Brown Brothers Harriman Trust Co. [Cayman] Ltd. deposits callable prior to maturity			4,802.92 465,970.68 18,188.12	CHF DKK NOK		4,268.12 62,403.17 1,821.53	0.00 0.07 0.00
Balances with Brown Brothers Harriman (Luxembourg) S.C.A. Balances in non-EU/EEA currencies			112,381.89 10,000.00	MXN USD		5,009.29 8,746.61	0.01 0.01
Balances with Sumitomo Mitsui Banking Corporation deposits callable prior to maturity			890,128.18	EUR		890,128.18	1.02
Balances with JP Morgan Securities plc London Balances in the Fund currency (Initial Margin)			140,501.88	EUR		140,501.88	0.16
Balances with JP Morgan Securities plc London Balances in the Fund currency (Variation Margin)			34,800.00	EUR		34,800.00	0.04
Balances with Santander DE deposits callable prior to maturity			1,278,004.64 2,764,537.47	GBP USD		1,418,114.34 2,418,033.30	1.63 2.78
Balances with Skandinaviska Enskilda Banken AB Stockholm deposits callable prior to maturity			5,419,159.79	SEK		527,684.33	0.61

ABSALON - Global High Yield

Statement of Net Assets as at 31/12/2018

Description	ISIN	Shares / % in 1,000	Holdings 31/12/2018	Currency	Price	Market Value in EUR	% of the Fund- assets *)
Other Assets				EUR		1,476,150.15	1.69
Interest receivables			1,474,078.28	EUR		1,474,078.28	1.69
Incorporation cost, activated			2,071.87	EUR		2,071.87	0.00
Loan liabilities				EUR		-3,662.07	0.00
Loans with Brown Brothers Harriman Trust Co. [Cayman] Ltd. EUR - loans			-3,662.07	EUR		-3,662.07	0.00
Liabilities				EUR		-247,494.53	-0.28
Management Company fee payable			-213,302.15	EUR		-213,302.15	-0.25
Depository Bank fee payable			-2,755.00	EUR		-2,755.00	0.00
Audit fee payable			-8,452.78	EUR		-8,452.78	-0.01
Taxe d'Abonnement payable			-2,415.47	EUR		-2,415.47	0.00
Other payables			-20,569.13	EUR		-20,569.13	-0.02
Total net assets				EUR		86,973,418.87	100.00
ABSALON - Global High Yield-R EUR							
Net Asset Value per share				EUR		103.99	
Subscription price				EUR		103.99	
Redemption price				EUR		103.99	
Number of shares in circulation				shares		28,612.557	
ABSALON - Global High Yield-I EUR							
Net Asset Value per share				EUR		11,216.26	
Subscription price				EUR		11,216.26	
Redemption price				EUR		11,216.26	
Number of shares in circulation				shares		7,488.941	

*) There might be small differences due to rounding.

ABSALON - Global High Yield

Derivatives as at 31/12/2018

Statement of Forward Transactions as at 31/12/2018

	Ccy	Amount		Ccy	Amount	Commitment in EUR	Maturity	Unrealised profit/ loss in EUR	Counterparty
Sale	GBP	-8,200,000.00	Buy	EUR	9,086,567.28	9,098,979.14	31/01/2019	-1,569.02	Brown Brothers Harriman & Co. New York
Sale	USD	-52,000,000.00	Buy	EUR	45,454,545.45	45,482,375.58	31/01/2019	106,326.51	Brown Brothers Harriman & Co. New York
Total Forward Transactions								104,757.49	

Statement of Future Transactions as at 31/12/2018

Contract Description	Maturity	Number	Ccy	Cost price in Ccy	Market price in Ccy	Commitment in EUR	Unrealised profit/ loss in EUR
FUTURE EURO-BOBL 03.19 EUREX	07/03/2019	-125	EUR	132.2396	132.5200	16,565,000.00	-34,800.00
Total Future Transactions							-34,800.00
Total Derivatives							69,957.49

ABSALON - Global High Yield

Statement of Operations (including income equalisation) for the period from 01/01/2018 to 31/12/2018

		Total
I. Income		
- Interest on securities	EUR	6,228,375.43
- Interest on liquidity investments *)	EUR	8,740.60
- Other income	EUR	61.89
Total income	EUR	6,237,177.92
II. Expenses		
- Interest on bank overdraft	EUR	-1,508.95
- Management Company fee	EUR	-904,910.46
- Depositary Bank fee	EUR	-21,725.23
- Custody service expenses	EUR	-40,776.51
- Auditing and publication expenses	EUR	-10,496.37
- Subscription tax ("Taxe d'abonnement")	EUR	-10,601.91
- Registrar and Transfer Agent fee	EUR	-24,233.34
- Legal fee	EUR	-882.00
- Incorporation expenses	EUR	-1,750.13
- Equalisation of ordinary expenses	EUR	29,217.42
- Other expenses	EUR	-55,200.36
Total expenses	EUR	-1,042,867.84
III. Ordinary net result	EUR	5,194,310.08

*) The position 'interest on liquidity investments' includes negative interest of 15,808.30 EUR.

ABSALON - Global High Yield

Statement of Operations (including income equalisation) for the period from 01/01/2018 to 31/12/2018

				Total
IV. Realised profit/loss on				
1. Realised profit on			EUR	8,877,331.40
- Securities	EUR	3,488,485.64		
- Forward exchange transactions	EUR	4,311,702.38		
- Futures transactions	EUR	576,878.53		
- Foreign exchange transactions	EUR	500,264.85		
2. Realised loss on			EUR	-12,837,737.35
- Securities	EUR	-3,897,116.16		
- Forward exchange transactions	EUR	-8,318,905.23		
- Futures transactions	EUR	-407,486.09		
- Foreign exchange transactions	EUR	-214,229.87		
Total realised profit/loss			EUR	-3,960,405.95
V. Net change in unrealised profit/loss				
- Net change in unrealised profit	EUR	-3,103,720.25		
- Net change in unrealised loss	EUR	-5,033,604.79		
Total net change in unrealised profit/loss			EUR	-8,137,325.04
VI. Result of operations for the period			EUR	-6,903,420.91

ABSALON - Global High Yield

Statement of Changes in Net Assets

2018

I. Net assets at the beginning of the period			EUR	86,134,253.03
1. Distribution for the previous year			EUR	-130,831.96
2. Interim distributions			EUR	0.00
3. Net cash flow			EUR	7,831,398.38
a) Proceeds from shares issued	EUR	19,576,604.11		
b) Proceeds from shares redeemed	EUR	-11,745,205.73		
4. Income/expense equalisation			EUR	42,020.33
5. Result of operations for the period			EUR	-6,903,420.91
II. Net assets at the end of the period			EUR	86,973,418.87

ABSALON - Global High Yield

ABSALON - Global High Yield-R EUR Statistical information

Financial period	Number of shares outstanding at the end of the financial period		Total net assets at the end of the financial period		Net Asset Value per share at the end of the financial period	
2015 *)	Shares	24,753.475	EUR	2,252,517.91	EUR	91.00
2016	Shares	24,769.475	EUR	2,628,354.69	EUR	106.11
2017	Shares	26,478.003	EUR	3,108,414.43	EUR	117.40
2018	Shares	28,612.557	EUR	2,975,483.84	EUR	103.99

*) Inception: 04/03/2015

Changes in the number of shares outstanding

	Shares
Number of shares outstanding at the beginning of the period	26,478.003
Number of shares issued	3,385.554
Number of shares redeemed	-1,251.000
Number of shares outstanding at the end of the period	28,612.557

ABSALON - Global High Yield

ABSALON - Global High Yield-I EUR Statistical information

Financial period	Number of shares outstanding at the end of the financial period		Total net assets at the end of the financial period		Net Asset Value per share at the end of the financial period	
2015 *)	Shares	5,794.941	EUR	53,288,395.08	EUR	9,195.68
2016	Shares	5,781.941	EUR	62,464,808.99	EUR	10,803.43
2017	Shares	6,887.941	EUR	83,025,838.59	EUR	12,053.80
2018	Shares	7,488.941	EUR	83,997,935.03	EUR	11,216.26

*) Inception: 04/03/2015

Changes in the number of shares outstanding

	Shares
Number of shares outstanding at the beginning of the period	6,887.941
Number of shares issued	1,570.000
Number of shares redeemed	-969.000
Number of shares outstanding at the end of the period	7,488.941

Notes to the Financial Statements

1. General

ABSALON ("the Company") was constituted in the Grand Duchy of Luxembourg on February 27, 2015 in accordance with Part I of the Law of December 17, 2010. The Company is organized as a company with variable capital, Société d'investissement à capital variable ("SICAV"), under the Law of August 10, 1915 relating commercial companies. The Company has been established for an indefinite period.

2. Significant Accounting Policies

2.1 Computation of the net asset value

The Company is presently structured as an umbrella fund. The reference currency of the Company is the Euro (EUR).

The net asset value per sub-fund, net asset value per share, net asset value per class, the redemption price of shares and the issue price of shares shall be determined on each valuation date, at least twice a month. The valuation dates for each sub-fund are indicated in the relevant appendix of the prospectus.

The net asset value of each sub-fund and the net asset value of the relevant class shall be expressed in the currency of each sub-fund as described in the relevant appendix of the Prospectus. Whilst the reporting currency of the Company is the Euro, the net asset value is made available in the currency of each sub-fund as described in the relevant appendix of the Prospectus. The net asset value shall be determined on each valuation date separately for each share of each sub-fund and for each class dividing the total net asset value of the relevant sub-fund and of the relevant class by the number of outstanding shares of such sub-fund and of the relevant class.

The net asset value shall be determined by subtracting the total liabilities of the sub-fund or class from the total assets of the respective sub-fund or class in accordance with the principles laid down in the Company's articles of incorporation and in such further valuation regulations as may be adopted from time to time by the Board of Directors.

2.2 Valuation of investment securities

Investments shall be valued as follows:

- a. The value of any cash in hand or on deposit, discount notes, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such provision as the Company may consider appropriate in such case to reflect the true value thereof.
- b. The value of all securities which are listed on an official stock exchange is determined on the basis of the last available prices. If there is more than one stock exchange on which the securities are listed, the Board of Directors may in its discretion select the stock exchange which shall be the principal stock exchange for such purposes.
- c. Securities traded on a regulated market are valued in the same manner as listed securities.
- d. Securities which are not listed on an official stock exchange or traded on a regulated market shall be valued by the Company in accordance with valuation principles decided by the Board of Directors, at a price no lower than the bid price and no higher than the ask price on the relevant valuation date.
- e. Derivatives and repurchase agreements which are not listed on an official stock exchange or traded on a regulated market shall be valued by the Company in accordance with valuation principles decided by the Directors on the basis of their marked-to-market price.
- f. Term deposits shall be valued at their present value.
- g. Traded options and futures contracts to which the Company is a party which are traded on a stock, financial futures or other exchange shall be valued by reference to the profit or loss which would arise on closing out the relevant contract at or immediately before the close of the relevant market.

All securities or other assets for which the valuation in accordance with the above sub-paragraphs would not be possible or practicable, or would not be representative of their fair realisation value, will be valued at their fair realisation value, as determined in good faith and prudently pursuant to the procedures established by the Board of Directors.

Amounts determined in accordance with such valuation principles shall be translated into the currency of the sub-fund's accounts at the respective exchange rates, using the relevant rates quoted by a bank or another first class financial institution.

Notes to the Financial Statements

The liabilities of the Company shall be deemed to include:

- a. all borrowings, bills and other amounts due;
- b. all administrative expenses due or accrued including (but not limited to) the costs of its constitution and registration with regulatory authorities, as well as legal and audit fees and expenses, the costs of legal publications, the cost of listing, prospectus, financial reports and other documents made available to shareholders, translation expenses and generally any other expenses arising from the administration of the Company;
- c. all known liabilities, due or not yet due including all matured contractual obligations for payments of money or property, including the amount of all dividends declared by the company which remain unpaid until the day these dividends revert to the Company by prescription;
- d. any appropriate amount set aside for taxes due on the date of the valuation of the net asset value and any other provision of reserves authorised and approved by the Board; and
- e. any other liabilities of the Company of whatever kind towards third parties.

For the purposes of valuation of its liabilities, the Company may duly take into account all ongoing or periodic administrative and other expenses by valuing them for the entire year or any other period and by dividing the amount concerned proportionately for the relevant fractions of such period.

Amounts determined in accordance with such valuation principles shall be translated into the currency of the sub-fund's accounts at the respective exchange rates, using the relevant rates quoted by a bank or another first class financial institution.

Shares of the different Sub-Funds may be issued, redeemed and converted at prices computed on the basis of the Adjusted Net Asset Value per Share of the relevant Sub-Fund or Class (the Adjusted Pricing Methodology as further detailed).

2.3 Net realised gain/loss on disposals of securities

The realised gains or losses on disposals of securities are determined on basis of the average acquisition cost.

2.4 Foreign exchange conversion

As of December 31, 2018, positions denominated in foreign currencies were valued at the following exchange rates:

EUR - CAD	1.5587
EUR - CHF	1.1253
EUR - DKK	7.4671
EUR - GBP	0.9012
EUR - MXN	22.4347
EUR - NOK	9.9851
EUR - SEK	10.2697
EUR - USD	1.1433

2.5 Transactions on investments in securities

Transactions on investments in securities are booked on a trade date basis.

2.6 Incorporation expenses

Incorporation expenses are amortised on a straight-line basis over a period of five years.

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Notes to the Financial Statements

2.7 Allocation of accrued expenses

Accrued expenses which can be allocated directly to a sub-fund are charged to this sub-fund. Accrued expenses which cannot be allocated directly are divided among the sub-funds in proportion of their net assets.

3. Management Company and Administration fee

The Management Company receives for the sub-fund ABSALON - EM Corporate Debt remuneration in the amount of up to 1.73% p.a. and for sub-fund ABSALON - Global High Yield up to 1.48% p.a. of the net asset value of the sub-fund with a minimum fee of up to 45,000.- EUR p.a. per sub-fund, currently not subject to Luxembourg VAT.

The Management Company can accept a lower fee or waive the fee.

4. Portfolio Manager fee

The Portfolio Manager fee will be paid out of the Management Company and Administration fee.

The Portfolio Manager receives for the sub-fund ABSALON - EM Corporate Debt remuneration in the amount of up to 1.00% p.a. of the net asset value of the share class I EUR and up to 1.45% p.a. of the net asset value of the share class R EUR.

The Portfolio Manager receives for the sub-fund ABSALON - Global High Yield remuneration in the amount of up to 0.75% p.a. of the net asset value of the share class I EUR and up to 1.20% p.a. of the net asset value of the share class R EUR.

The amount of this remuneration is calculated on each valuation date, and paid to the investment manager, on a monthly basis. The Portfolio Manager can accept a lower fee or waive the fee.

5. Depositary Bank fee

The Depositary Bank receives remuneration in the amount of up to 0.05% p.a. of the net asset value of each sub-fund with a minimum fee of up to 30,000.- EUR p.a. The Depositary Bank fee shall be charged to sub-fund plus Luxembourg VAT - currently 12%, monthly on a pro rata basis. Transaction costs are charged separately to each individual sub-fund.

6. Registrar and Transfer Agent fee

The company of the above named function receives a minimum fee of up to 24,000.- EUR p.a. The remuneration is payable monthly on a pro rata basis. Transaction costs are charged separately to each individual sub-fund.

7. Domiciliary and Corporate Agency Services fee

The fee occurred during the corresponding period 3,600.- EUR p.a. for Core Domiciliation Services for the SICAV and 7,500.- EUR p.a. for Core Corporate Agency Services (two sub-funds included; fee for every additional sub-fund: 3,500.- EUR). Any additional services, including collection of data elements and compilation into Board Packs, will be subject to negotiation; in addition, like the aforementioned, any further external costs will be charged on top (and be borne by the fund).

8. Subscription Tax ("taxe d'abonnement")

The Company is subject to an annual tax of 0.05% p.a. for the share classes "R" (retail) and 0.01% p.a. for the share classes "I" (institutional) of the net asset value as valued at the end of each quarter, and which is payable quarterly. To the extent that parts of the Company's assets are invested in other Luxembourg UCITS which are subject to the tax, such parts are not taxed.

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Notes to the Financial Statements

9. Transaction Costs

For reporting period from January 1, 2018 until December 31, 2018:

Sub-fund	Transaction costs in EUR
ABSALON - EM Corporate Debt	21,355.62
ABSALON - Global High Yield	30,897.02

10. Portfolio Turnover Ratio/PTR

For reporting period from January 1, 2018 until December 31, 2018:

Sub-fund	PTR in %
ABSALON - EM Corporate Debt	69.27
ABSALON - Global High Yield	172.76

The PTR was calculated using the following formula:

$$\text{Turnover} = \frac{[\text{Total 1} - \text{Total 2}]}{M} * 100$$

Total 1 = Total purchases + Total sales of securities

Total 2 = Total subscription + Total redemption

M = Average assets (daily)

11. Ongoing Charges

Ongoing Charges - the ongoing charges figure shall include all types of cost borne by the UCITS, whether they represent expenses necessarily incurred in its operation, or the remuneration of any party connected with it or providing services to it.

For reporting period from January 1, 2018 until December 31, 2018:

Share class	Ongoing Charges in %
ABSALON - EM Corporate Debt-R EUR	1.95
ABSALON - EM Corporate Debt-I EUR	1.33
ABSALON - Global High Yield-R EUR	1.75
ABSALON - Global High Yield-I EUR	1.10

Notes to the Financial Statements

12. Poolfactor

The poolfactor is a percentage of the original principal that is left to be distributed in the debt security, as represented by numerical factor that will be attached on periodic market quotes. The original principal will be multiplied by the poolfactor.

The following poolfactors have been used:

Description	Factor
6.8750% ACI Airport SudAmericaS.A. DL-Notes 2015(15/16-32), USE0351QAA07	0.95250000
0.2500% Abengoa AbeNewco 2, S.A.U. EO-FLR Notes 2017(17/23) Reg.S	1.01921453
8.2500% Eagle Bulk Shipco LLC DL-Notes 2017(17/18-22)	0.98000000
6.3500% Odebrecht D.Norbe VIII/IX Ltd. DL-Nts 17(18/18-21) Reg.S Tr.1	0.61999985

13. Changes in Portfolio Composition

Details of purchases and sales of investments are available free of charge from the registered office of the Company.

14. Disclosures according to Regulation (EU) 2015/2365 of the European Parliament and of the Council of November 25, 2015 on transparency of securities financing transactions and of reuse and amending regulation (EU) No 648/2012 - Disclosure as per Section A

During the reporting period no securities financing transactions and total return swaps as defined in the above mentioned regulation occurred.



KPMG Luxembourg, Société coopérative
39, avenue John F. Kennedy
L - 1855 Luxembourg

Tel.: +352 22 51 51 1
Fax: +352 22 51 71
E-mail: info@kpmg.lu
Internet: www.kpmg.lu

To the Shareholders of ABSALON

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of ABSALON and each of its sub-funds ("the Fund"), which comprise the statement of the net assets as at December 31, 2018 and the statement of operations and the statement of changes in net assets for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ABSALON and each of its sub-funds as at December 31, 2018, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession ("Law of July 23, 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of July 23, 2016 and ISAs are further described in the « Responsibilities of "Réviseur d'Entreprises agréé" for the Audit of the Financial Statements » section of our report. We are also independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of Réviseur d'Entreprises agréé thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.



Responsibilities of Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Réviseur d'Entreprises agréé for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "Réviseur d'Entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of Board of the Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of "Réviseur d'Entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of "Réviseur d'Entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, March 29, 2019

KPMG Luxembourg, Société coopérative
Cabinet de révision agréé

S. Kraiker