

# **SAMARANG UCITS**

An Investment Company with Variable Capital  
organised under the laws of the Grand Duchy of Luxembourg

**RCS Luxembourg B 200 230**

## **Annual Report including the audited financial statements for the year ended 31 December 2016**

No subscription may be accepted on the basis of the Annual Report including the audited financial statements. Subscriptions are accepted only on the basis of the current Prospectus and the Key Investor Information Document, the latest annual report or the latest semi-annual report if published thereafter.

The Shares referred to in the Prospectus of the Fund (the "Prospectus") are offered solely on the basis of the information contained in the Prospectus and in the reports referred to in the Prospectus. No person is authorised to give any information or to make any representations other than those contained in the Prospectus, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information contained in the Prospectus shall be solely at the risk of the purchaser.

The Shares have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and the Fund has not been registered under the United States Investment Company Act of 1940, as amended. The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to U.S. Persons (as defined in Regulation S under the Securities Act) except to certain qualified U.S. institutions in reliance on certain exemptions from the registration requirements of the Securities Act. Neither the Shares nor any interest therein may be beneficially owned by any other U.S. Person. SAMARANG UCITS may redeem Shares held by a U.S. Person or refuse to register any transfer to a U.S. Person as it deems appropriate to assure compliance with the Securities Act. See Heading "Redemption of Shares" in the Prospectus.

THIS ANNUAL REPORT DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT LAWFUL OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO. THE PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

# SAMARANG UCITS

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# SAMARANG UCITS

## Management and Administration

### REGISTERED OFFICE

SAMARANG UCITS  
7A, Rue Robert Stümper  
L-2557 Luxembourg  
Grand Duchy of Luxembourg  
(until 19 May 2016)

1, Hildegard Von Bingen  
L-1282 Luxembourg  
Grand Duchy of Luxembourg  
(from 19 May to 11 June 2016)

4, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg  
(since 11 June 2016)

### MEMBERS OF THE BOARD OF DIRECTORS

#### Chairman

Gregory Charles Fisher, Director,  
Samarang LLP, London

#### Directors

Alain Léonard, Director,  
Andbank Asset Management Luxembourg

Phu-Van Luc, Executive Advisor,  
Andbank Asset Management Luxembourg

### MANAGEMENT COMPANY

Andbank Asset Management Luxembourg  
4, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

### DOMICILIARY AND CORPORATE AGENT

Andbank Asset Management Luxembourg  
4, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

### INVESTMENT ADVISOR

Samarang LLP  
78 Pall Mall  
London SW1Y 5ES  
United Kingdom

### ADMINISTRATIVE AGENT

ADEPA Asset Management S.A.  
6A, rue Gabriel Lippmann  
L-5365 Munsbach  
Grand Duchy of Luxembourg

### DEPOSITARY AND PAYING AGENT

KBL European Private Bankers S.A.  
43, boulevard Royal  
L-2955 Luxembourg  
Grand Duchy of Luxembourg

### REGISTRAR AND TRANSFER AGENT

Kredietrust Luxembourg S.A.  
11, rue Aldringen  
L-2960 Luxembourg  
Grand Duchy of Luxembourg

Kredietrust Luxembourg S.A. has delegated, under its full responsibility its duties to:

### SUB-REGISTRAR AND TRANSFER AGENT

European Fund Administration S.A.  
2, rue d'Alsace  
L-1122 Luxembourg  
Grand Duchy of Luxembourg

### CABINET DE REVISION AGREE

Deloitte Audit,  
*Société à responsabilité limitée*  
560, rue de Neudorf  
L-2220 Luxembourg  
Grand Duchy of Luxembourg

### LEGAL ADVISOR

Elvinger Hoss Prussen  
2, Place Winston Churchill  
L-2014 Luxembourg  
Grand Duchy of Luxembourg

# SAMARANG UCITS

## Fund Information

SAMARANG UCITS (the “Fund”) is a Luxembourg open-ended investment company established as a “*société d’investissement à capital variable*” (investment company with variable capital) formed as a “*société anonyme*” (public limited company) in accordance with the Luxembourg Law of 17 December 2010 concerning undertakings for collective investment as may be amended from time to time (the “Law of 2010”).

The Fund is subject, in particular, to the provisions of Part I of the Law of 2010 which relate specifically to undertakings for collective investment in transferable securities as defined by the European Directive of 13 July 2009 (2009/65/EC) as may be amended from time to time.

The Fund is registered on the official list of undertakings for collective investment pursuant to the Law of 2010. However, such registration shall not, under any circumstances, be described in any way whatsoever as a positive assessment made by the Luxembourg supervisory authority, the “*Commission de Surveillance du Secteur Financier*” (the “CSSF”), of the quality of the shares offered for sale by the Fund (the “Shares”).

The Fund is registered with the “*Registre de Commerce et des Sociétés de Luxembourg*” under number B 200 230.

The Fund may be comprised of multiple Sub-Funds, each Sub-Fund corresponding to a distinct part of the assets and liabilities of the Fund.

The Fund currently offers one Sub-Fund:  
- SAMARANG JAPAN VALUE

The Board of Directors of the Fund may, at any time, create additional Sub-Funds.

The Fund may issue Shares of different Classes or Categories reflecting the various Sub-Funds which the Board of Directors of the Fund may decide to open. Within a Sub-Fund, Classes or Categories may be defined from time to time by the Board of Directors of the Fund so as to correspond to a specific distribution policy, such as entitling to distributions or not entitling to distributions, and/or a specific sales and redemption charge structure, and/or a specific management, performance or advisory fee structure, and/or a specific distribution fee structure, and/or specific types of investors entitled to subscribe the relevant Classes/Categories, and/or a specific currency, and/or any other specific features applicable to one Class/Category. If Classes or Categories are defined within a Sub-Fund, such Classes or Categories will be described in the specific information relating to the relevant Sub-Fund contained in Part B of the Prospectus.

The Classes of Shares may be sub-divided into two categories: accumulation of income and distribution of income.

The amounts invested in the various Classes or Categories of Shares of each Sub-Fund are themselves invested in a common underlying portfolio of investments. The Board of Directors of the Fund may decide to create further Classes or Categories of Shares with different characteristics and, in such case, the Prospectus will be updated accordingly.

Shares of different Classes or Categories within each Sub-Fund may be issued, redeemed and converted at prices computed on the basis of the Net Asset Value per Share, within the relevant Sub-Fund, as defined in the articles of incorporation of the Fund.

# SAMARANG UCITS

## Management Report

### Samarang Japan Fund - Review and Outlook

The fund returned approximately 14% in USD over calendar 2016, significantly more for the UK classes as a result of the weakness of Sterling. This performance was in excess of both the overall Topix index and also the small cap index, which posted a slightly better return as small caps outperformed large caps. Indeed this better performance by smaller companies just underlies our rationale for launching the fund 15 months ago, as a way of investing specifically in these opportunities. Overall the Tokyo market was extremely volatile over 2016, beginning with a sharp market sell-off caused by concerns over the slowdown in the Chinese economy, leading to big falls in the Japanese market in particular. Then after a brief recovery, BREXIT led to another wide market decline, before the election of Donald Trump brought with it a recovery in indices and a more positive economic outlook for 2017. However, one of the increasingly characteristic features of the Tokyo stock market has been the stepping up of buying by domestic institutions, notably the government pension fund, and the Bank of Japan itself, as part of its monetary easing program, as well as companies buying back their own stock. These purchases counteracted foreign investor selling pressure and will continue to be a major positive for the market for the foreseeable future.

The fund's strategy will remain focused on classic value investing, looking for opportunities to buy and hold quality businesses at low valuations and cash flow multiples. These can be found in a variety of sectors in the Japanese economy, and are very attractive in spite of apparently sluggish national economic statistics. Our companies have been raising dividends, buying back stock, and will see continued NAV increases over the coming 12 months. We expect their stock prices to benefit from this and with the potential to re-rate once they are better understood and recognized by the wider market place. We will also continue to hedge significant Yen exposure back into the USD in order to protect the fund's capital from any further Yen weakness.

For 2017 we expect a better underlying market performance given all of the above and are confident of reaching our longer term return objectives of 10-15% pa. The fund is likely to remain largely fully invested over the period.

To the Shareholders of SAMARANG UCITS  
4, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

## **Report of the *Réviseur d'Entreprises Agréé***

Following our appointment by the Annual General Meeting of shareholders of SAMARANG UCITS ("the Fund"), we have audited the accompanying financial statements of the Fund and its Sub-Fund SAMARANG JAPAN VALUE, which comprise the statement of net assets and the statement of investments and other net assets as at 31 December 2016 and the statement of operations and the statement of changes in net assets for the year ended and a summary of significant accounting policies and notes to the financial statements.

### *Responsibility of the 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 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.

### *Responsibility of the Réviseur d'Entreprises Agréé*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the *Réviseur d'Entreprises Agréé's* judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the *Réviseur d'Entreprises Agréé* considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Fund, as well as evaluating the overall presentation of the financial statements.

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

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of SAMARANG UCITS and its Sub-Fund SAMARANG JAPAN VALUE as of 31 December 2016, and of the results of its operations and changes in its net assets for the year ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

*Other information*

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included 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.

For Deloitte Audit, *Cabinet de Révision Agréé*



Nicolas Hennebert, *Réviseur d'Entreprises Agréé*  
Partner

31 March 2017

# SAMARANG UCITS

## Statement of Net Assets as at 31/12/2016

		Combined Statement	SAMARANG JAPAN VALUE
	notes	(in USD)	(in USD)
<b>Assets</b>			
Portfolio at cost	2, 5	46,150,084.20	46,150,084.20
Unrealised result on portfolio	2, 5	6,132,283.25	6,132,283.25
Portfolio at market value	2, 5	52,282,367.45	52,282,367.45
Unrealised result on foreign exchange contracts	14	1,073,158.75	1,073,158.75
Receivable dividends		136,808.24	136,808.24
Cash at banks and liquidities		5,944,930.79	5,944,930.79
Other assets		64,274.16	64,274.16
<b>Total Assets</b>		<b>59,501,539.39</b>	<b>59,501,539.39</b>
<b>Liabilities</b>			
Payable on management fees	7	170,103.08	170,103.08
Payable on performance fees	8	719,526.04	719,526.04
Other payables		88,686.09	88,686.09
<b>Total Liabilities</b>		<b>978,315.21</b>	<b>978,315.21</b>
<b>Total Net Assets</b>		<b>58,523,224.18</b>	<b>58,523,224.18</b>



# SAMARANG UCITS

## Statement of Operations from 01/01/2016 to 31/12/2016

		Combined Statement	SAMARANG JAPAN VALUE
	notes	(in USD)	(in USD)
<b>Income</b>			
Dividends, net	2	702,081.80	702,081.80
		<b>702,081.80</b>	<b>702,081.80</b>
<b>Expenses</b>			
Management company, investment management and investment advisory fees	7	559,311.50	559,311.50
Depositary fees	9	41,867.71	41,867.71
Transfer Agent fees	6	19,695.74	19,695.74
Professional fees	6	34,230.96	34,230.96
Subscription tax	4	24,458.72	24,458.72
Performance fees	8	719,531.87	719,531.87
Administration fees	10	26,574.25	26,574.25
Legal fees	6	6,345.54	6,345.54
Other fees	6	133,508.49	133,508.49
Transaction fees	12	160,667.57	160,667.57
		<b>1,726,192.35</b>	<b>1,726,192.35</b>
<b>Net Income (loss)</b>		<b>(1,024,110.55)</b>	<b>(1,024,110.55)</b>
Net realised gain (loss) on investments		3,402,458.83	3,402,458.83
Net realised gain (loss) on forward exchange contracts		(1,943,762.62)	(1,943,762.62)
Net realised gain (loss) on foreign exchange		162,088.10	162,088.10
<b>Net realised profit (loss)</b>		<b>596,673.76</b>	<b>596,673.76</b>
Changes in net unrealised gain (loss) on investments		6,479,650.46	6,479,650.46
Changes in net unrealised gain (loss) on forward exchange contracts		852,694.72	852,694.72
Changes in net unrealised gain (loss) on foreign exchange		(1,593,256.96)	(1,593,256.96)
<b>Net increase (decrease) in net asset as a result of operations</b>		<b>6,335,761.98</b>	<b>6,335,761.98</b>

# SAMARANG UCITS

## Statement of Changes in Net Assets from 01/01/2016 to 31/12/2016

	Combined Statement	SAMARANG JAPAN VALUE
	notes	
	(in USD)	(in USD)
Net Assets at the beginning of the year	32,168,067.32	32,168,067.32
Net Income	(1,024,110.58)	(1,024,110.58)
Net realised profit (loss) on sales of investments, forward exchange contracts and foreign exchange	1,620,784.31	1,620,784.31
	<u>596,673.73</u>	<u>596,673.73</u>
Subscriptions	23,856,052.48	23,856,052.48
Redemptions	(3,629,953.32)	(3,629,953.32)
	<u>20,226,099.16</u>	<u>20,226,099.16</u>
Changes in Net Unrealised appreciation	5,739,088.20	5,739,088.20
Distribution	11 (206,704.23)	(206,704.23)
Net Assets at the end of the year	<b>58,523,224.18</b>	<b>58,523,224.18</b>
<b>Changes in the number of outstanding shares</b>		-
<b>Class</b>		<b>Class A1 (USD)</b>
No of shares at the beginning of the year		199,493.282
No of shares issued		164,312.250
No of shares redeemed		(24,927.349)
No of shares at the end of the year		<b>338,878.183</b>
<b>Class</b>		<b>Class A2 (USD)</b>
No of shares at the beginning of the year		58,099.176
No of shares issued		2,670.000
No of shares redeemed		(6,308.167)
No of shares at the end of the year		<b>54,461.009</b>
<b>Class</b>		<b>Class B1 (GBP)</b>
No of shares at the beginning of the year		25,905.869
No of shares issued		27,963.664
No of shares redeemed		(144.656)
No of shares at the end of the year		<b>53,724.877</b>
<b>Class</b>		<b>Class B2 (GBP)</b>
No of shares at the beginning of the year		10,592.112
No of shares issued		17,953.085
No of shares redeemed		(2,360.000)
No of shares at the end of the year		<b>26,185.197</b>
<b>Other Information</b>		
Net Assets as of 31/12/2016		58,523,224.18
Net asset value per share - Class A1 (USD)		114.43
Net asset value per share - Class A2 (USD)		112.15
Net asset value per share - Class B1 (GBP)		139.19
Net asset value per share - Class B2 (GBP)		136.39
Net Assets as of 31/12/2015		32,168,067.32
Net asset value per share - Class A1 (USD)		102.40
Net asset value per share - Class A2 (USD)		102.40
Net asset value per share - Class B1 (GBP)		107.69
Net asset value per share - Class B2 (GBP)		107.69

The accompanying notes form an integral part of these financial statements

# SAMARANG UCITS

## Statement of Investments in Securities as at 31/12/2016 (expressed in USD)

### SAMARANG JAPAN VALUE

Number / Nominal	Description	Market value (note 2)	% of net assets
<b>Transferable securities admitted to an official stock exchange listing - Shares</b>			
<b>Shares</b>			
<b>JPY Shares</b>			
16,500	AGRO-KANESHO CO LTD	172,130.23	0.29
20,000	ALCONIX CORP	285,962.22	0.49
124,400	ALPS LOGISTICS CO LTD	719,791.60	1.23
16,800	ASAX CO LTD	233,439.81	0.40
269,000	CHUGOKU MARINE PAINTS LTD	1,977,973.96	3.38
22,300	CMC CORP	611,698.57	1.05
100	COMPUTER INSTITUTE OF JAPAN	452.60	0.00
58,700	DAIHATSU DIESEL MFG CO LTD	358,261.98	0.61
21,500	DAIICHI KENSETSU CORP	214,154.50	0.37
27,900	DKK TOA CORP	126,754.30	0.22
130,000	DKS CO LTD	414,542.36	0.71
34,200	DOSHISHA CO LTD	615,641.69	1.05
80,800	EBASE CO LTD	920,489.77	1.57
44,700	EM SYSTEMS CO LTD	617,284.95	1.05
14,800	ENCOURAGE TECHNOLOGIES CO LTD	210,343.39	0.36
61,600	FENWAL CONTROLS OF JAPAN LTD	706,511.85	1.21
16,500	FIRSTLOGIC INC/JP	297,161.55	0.51
500	GIGA PRIZE CO LTD	24,001.63	0.04
143,800	GRANDY HOUSE CORP	494,294.62	0.84
269,100	INFOCOM CORP	3,810,714.08	6.51
30,000	ISHIHARA SANGYO KAISHA LTD	236,073.13	0.40
32,800	IWATSUKA CONFECTIONERY CO	1,148,546.36	1.96
29,400	JAPAN CORPORATE HOUSING SERV	157,510.67	0.27
197,000	KABU.COM SECURITIES CO LTD	678,851.69	1.16
118,500	KURIYAMA HOLDINGS CORP	1,704,484.01	2.91
101,100	LONSEAL CORP	1,790,457.83	3.06
30,000	MKSYSTEM CORP	445,658.75	0.76
60,000	NEXT CO LTD	407,341.87	0.70
95,200	NIHON FLUSH CO LTD	1,064,136.07	1.82
101,600	NIPPON CONCEPT CORP	933,622.09	1.60
63,400	NIPPON DRY-CHEMICAL CO LTD	1,266,817.79	2.16
36,600	NIPPON GAS CO LTD	1,054,151.39	1.80
231,800	NIPPON MANUFACTURING SERVICE	1,061,053.57	1.81
84,325	NIPPON PILLAR PACKING CO LTD	884,026.80	1.51
38,100	NITTO CONSTRUCTION CO LTD	153,825.56	0.26
56,000	OAT AGRIO CO LTD	640,363.37	1.09
74,000	OPTOELECTRONICS CO LTD	334,925.54	0.57
80,000	PEGASUS SEWING MACHINE MFG	490,318.92	0.84
36,700	RIKEN KEIKI CO LTD	527,572.02	0.90
392,000	RVH INC	3,054,446.86	5.22
71,000	SAKAI CHEMICAL INDUSTRY CO	237,967.54	0.41
156,800	SANSEI LANDIC CO LTD	955,648.72	1.63
90,100	SEIKOH GIKEN CO LTD	1,156,962.35	1.98
28,800	SOLITON SYSTEMS KK	299,211.12	0.51
18,000	SOTSU CO LTD	319,393.06	0.55
201,000	SOURCENEXT CORP	1,001,047.80	1.71
195,700	SUN FRONTIER FUDOUSAN CO LTD	1,727,868.45	2.95
398,000	TAYCA CORP	2,183,462.16	3.73
208,300	TECHMATRIX CORPORATION	3,651,448.72	6.24
90,151	TEIKOKU ELECTRIC MFG CO LTD	785,139.60	1.34
75,400	TERASAKI ELECTRIC CO LTD	572,001.60	0.98
15,200	TOA CORP	136,809.27	0.23
199,500	TOELL CO LTD	1,658,812.34	2.83
45,900	TOHO ACETYLENE CO LTD	335,617.30	0.57
280,700	TOSEI CORP	2,105,392.59	3.60
117,100	TRUST CO LTD	308,161.16	0.53
66,500	VOYAGE GROUP INC	596,830.42	1.02
129,000	WDB HOLDINGS CO LTD	1,525,989.06	2.61
48,200	YAMAYA CORP	705,695.79	1.21
111,718	YOSHICON CO LTD	1,173,118.45	2.00
		<b>52,282,367.45</b>	<b>89.34</b>
<b>Total Shares</b>		<b>52,282,367.45</b>	<b>89.34</b>
<b>Total Transferable securities admitted to an official stock exchange listing - Shares</b>		<b>52,282,367.45</b>	<b>89.34</b>
<b>Total Investments in Securities</b>		<b>52,282,367.45</b>	<b>89.34</b>
<b>Other net assets</b>		<b>6,240,856.73</b>	<b>10.66</b>
<b>Total net assets</b>		<b>58,523,224.18</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements

## SAMARANG UCITS

### Breakdown by Country and Economic Sector of the Investments in Securities as at 31/12/2016 (in % of Net Assets)

#### SAMARANG UCITS - JAPAN VALUE

JAPAN	89.34
<b>Total</b>	<b>89.34</b>
COMPUTERS & PERIPHERALS	11.35
CHEMICALS	9.49
REAL ESTATE COMPANIES	9.29
SOFTWARE	7.95
COMMERCIAL SERVICES	7.63
CONSTRUCTION, BUILDING MATERIAL	6.88
DIVERSIFIED MANUFACTURING	5.63
SEMICONDUCTOR	5.22
RETAIL	4.57
INTERNET / INTRANET	3.39
DISTRIBUTION	3.34
ELECTRONICS	3.10
TRANSPORTATION	2.83
MECHANICS, MACHINERY	2.79
FOOD AND TOBACCO	1.96
AGRICULTURE	1.09
ELECTRIC EQUIPMENT	0.98
ENGINEERING	0.63
ENTERTAINMENT	0.55
FINANCE	0.40
CONSUMER DURABLES	0.23
TELECOMMUNICATIONS	0.04
<b>Total</b>	<b>89.34</b>

# SAMARANG UCITS

## Notes to the Financial Statements for the year ended 31/12/2016

### 1. GENERAL

The purpose of SAMARANG UCITS (the "Fund") is to offer its Shareholders investments in a selection of negotiable securities and other eligible financial assets with high growth potential.

The Fund is subject, in particular, to the provisions of Part I of the amended Law of 17 December 2010 which relate specifically to undertakings for collective investment in transferable securities as defined by the European Directive of 13 July 2009 (2009/65/EC) as may be amended from time to time.

Sub-Fund available to investors as at 31 December 2016 is as follows:

Sub-Fund	Launch Date
SAMARANG JAPAN VALUE (the "Sub-Fund")	15/10/2015

### 2. ACCOUNTING POLICIES

#### - PRESENTATION OF THE FINANCIAL STATEMENTS

The Financial Statements are presented in accordance with generally accepted accounting principles in Luxembourg and regulations relating to undertakings for collective investment. Figures in this report are shown as at 31 December 2016.

#### - DETERMINATION OF THE NET ASSET VALUE OF SHARES

The Net Asset Value per Share of each Class or Category of Shares in the Sub-Fund is weekly as indicated in the Prospectus. If such day is not a business day in Luxembourg, then the Valuation Day is the next business day. The Net Asset Value is expressed in the reference currency of the Sub-Fund or of the relevant Class.

The Net Asset Value per Share is determined by dividing the net assets of the Sub-Fund attributable to such Class/Category in the Sub-Fund as determined in accordance with applicable generally accepted accounting principles in Luxembourg, by the total number of Shares in the relevant Class/Category in the Sub-Fund then outstanding.

The value of the assets is determined as follows:

(a) The value of any cash on hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is 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 is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

(b) The value of any security or other asset which is quoted or dealt in on a stock exchange is based on its last available price in Luxembourg on the stock exchange which is normally the principal market for such security.

(c) The value of any security or other asset which is dealt in on any other regulated market is based on its last available price in Luxembourg on this other regulated market.

(d) In the event that any assets are not listed nor dealt in on any stock exchange or on any other regulated market, or if, with respect to assets listed or dealt in on any stock exchange or on any other regulated market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not, in the opinion of the Board of Directors of the Fund, representative of the fair market value of the relevant assets, the value of such assets is based on the reasonably foreseeable sales price determined prudently and in good faith by the Board of Directors of the Fund.

(e) The liquidating value of futures, spot, forward or options contracts not traded on stock exchanges nor on other regulated markets mean their net liquidating value determined, pursuant to the policies established by the Board of Directors of the Fund, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, spot, forward or options contracts traded on stock exchanges or on other regulated markets is based upon the last available settlement prices of these contracts on stock exchanges and regulated markets on which the particular futures, spot, forward or options contracts are traded by the Fund; provided that if a futures, spot, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract is such value as the Board of Directors of the Fund may deem fair and reasonable.

# SAMARANG UCITS

## Notes to the Financial Statements for the year ended 31/12/2016 (continued)

### 2. ACCOUNTING POLICIES (continued)

(f) The value of money market instruments not traded on stock exchanges nor on other regulated markets and with a remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money market instruments with a remaining maturity of 90 days or less are valued by the amortized cost method, which approximates market value.

(g) All other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors of the Fund.

(h) Income is recognized as follows:

- Dividends are recognized as of execution date of the corporate actions.
- Interest on bonds and money market instruments are recognized on accrual basis.
- Interest on cash accounts are recognized as of payment date and or accrual basis when applicable.

(i) However the Board of Directors may at any time and at its own discretion decide to create within a Sub-Fund or within a Class two Categories, one Category entitling the holders thereof to receive a distribution (a "Distribution Category") and another Category capitalizing its entire earnings (a "Capitalization Category"). Entitlements to distributions and allocations not claimed within five years of the due date shall be forfeited and the corresponding assets returned to the relevant Sub-Fund(s).

### 3. REFERENCE CURRENCY

The reference currency of the Fund is USD. The exchange rate JPY/USD is 116.658766 as at 31 December 2016.

### 4. SUBSCRIPTION TAX

In accordance with the regulations, the Fund is subject to an annual subscription tax of 0.05% p.a.. This tax is payable quarterly on the basis of the net assets of the Sub-Fund.

### 5. FOREIGN EXCHANGE

The Fund, during the financial year, has placed investments in JPY and USD is its reference currency. All rates are sourced using London composite 18:00 London time.

### 6. FEES AND EXPENSES

The Fund pays out of the net assets of the Fund all expenses payable by the Fund which includes but are not limited to:

- Fees payable to and reasonable disbursements and out-of-pocket expenses incurred by the Fund, the Depository Bank, the Registrar and Transfer Agent, as applicable;
- All taxes which may be due on the assets and the income of the Fund (in particular, the subscription tax and any stamp duties payable);
- Usual banking fees due on transactions involving securities held in the Fund;
- Legal expenses incurred by the Administrative Agent and the Depository Bank while acting in the interests of the Shareholders;
- The costs and expenses of the preparation and printing of written confirmations of Shares; the costs and expenses of preparing and/or filing and printing of all other documents concerning the Fund, including registration statements and Prospectus and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Shares of the Fund;
- The costs and expenses of preparing, in such languages as are necessary for the benefit of the Shareholders, including the beneficial holders of the Shares, and distributing annual reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities;
- The cost of accounting, bookkeeping and calculating the Net Asset Value; the cost of preparing and distributing public notices to the Shareholders; lawyers' and auditor's fees; and all similar administrative charges, including all advertising expenses and other expenses directly incurred in offering or distributing the Shares;

# SAMARANG UCITS

## Notes to the Financial Statements for the year ended 31/12/2016 (continued)

### 6. FEES AND EXPENSES (continued)

- Expenses incurred in connection with the incorporation of the Fund including those incurred in the preparation and publication of the first Prospectus and constitutive documents, as well as the taxes, duties and any other incorporation and publication expenses that are amortised over a maximum period of five years.

### 7. MANAGEMENT COMPANY, INVESTMENT MANAGEMENT AND INVESTMENT ADVISORY FEES

The Management Company is entitled to fees out of the net assets of the Fund payable quarterly as follows:

Sub-Fund	Class	Ccy	Management Company Fee (*)
SAMARUNG JAPAN VALUE	A1	USD	1.25%
	A2	USD	1.25%
	B1	GBP	1.25%
	B2	GBP	1.25%

\* Minimum of EUR 35,000.- per sub-fund per annum

The investment advisory fees are paid by the Management Company to the Investment Advisor out of those fees.

### 8. PERFORMANCE FEES

The Investment Advisor is entitled to a performance fee (as the case may be) out of the net assets of the relevant Sub-Fund payable at the end of each year as follows:

Sub-Fund	Class	Ccy	Performance Fee (*)	Hurdle Rate
SAMARUNG JAPAN VALUE	A1	USD	15.00%	10.00% (*)
	A2	USD	15.00%	10.00% (*)
	B1	GBP	15.00%	5.00%
	B2	GBP	15.00%	5.00%

\* The performance fee is calculated based on each net asset value (NAV) and is payable yearly in arrears & reference to the highwater mark is 10% initial NAV / renewed yearly

In addition, a performance fee ("Performance Fee") may be paid annually by the relevant Sub-Fund to the Investment Advisor, at a rate equal to 15% of the outperformance of the NAV per share over the Target NAV (as defined below), as further set out below. The outperformance of the Sub-Fund is determined in respect of each Calculation Period by the increase of the Gross Asset Value per share as of the last Valuation Day of such Calculation Period compared to the Target NAV.

### 9. DEPOSITARY FEES

The Depositary Bank is entitled to a fee, expressed as a percentage per annum based on the net assets at the end of the relevant month and payable monthly in arrears as follows:

- up to EUR 75 millions: 0.06% p.a.;
- from EUR 75 millions to 250 millions: 0.045% p.a.;
- above EUR 250 millions: 0.03% p.a..

This remuneration is subject to a monthly minimum of EUR 850.- per Sub-Fund. In addition, there are bank charges and depositary transaction fees included.

### 10. ADMINISTRATION FEES

The Administrative Agent is entitled to a fee, expressed as a percentage per annum based on the net assets at the end of the relevant month and payable monthly in arrears as follows:

- a fixed fee of EUR 18,000- per annum and as long as its average net assets are below EUR 25 million; and
- a variable fee of 0.03% per annum on the average net assets over EUR 25 million.

# SAMARANG UCITS

## Notes to the Financial Statements for the year ended 31/12/2016 (continued)

### 11. DISTRIBUTION

For distribution Shares in issue of SAMARANG, as of 2<sup>nd</sup> December 2016 the Board of Directors of the Fund has declared dividends for record date 28<sup>th</sup> November 2016, ex-date 2<sup>nd</sup> December 2016 and value date 7<sup>th</sup> December 2016. The declared dividends are for the following:

Sub-Funds	Share Class	Dividend per Share Class	Total Amount
SAMARANG JAPAN VALUE	A2 Distribution	2.21 USD	120,358.83 USD
SAMARANG JAPAN VALUE	B2 Distribution	2.66 GBP	68,062.03 GBP

### 12. TRANSACTION FEES

The transaction fees represent the fees incurred by the Fund in connection with purchases and sales of investments.

### 13. CHANGES IN PORTFOLIO COMPOSITION

Details of purchases and sales of investments for the year are available free of charge at the registered office of the Fund or Management Company.

### 14. FOREIGN FORWARD EXCHANGE CONTRACTS

Forward exchange contracts opened as at 31 December 2016 with the counterparty being KBL European Private Bankers S.A. are as follows:

#### SAMARANG UCITS - SAMARANG JAPAN VALUE

Description (Purchase and Sale)	Closing Forward Rate (at Closing)	Maturity Date	Unrealised (USD)
Bought USD 46,511.63 Sold JPY 5,000,000	116.3808	16/02/2017	3,540.76
Bought USD 15,000,000 Sold JPY 1,639,620,000	116.3808	16/02/2017	909,421.59
Bought USD 2,000,000 Sold JPY 224,900,000	116.3808	16/02/2017	67,389.71
Bought USD 14,262,499.14 Sold JPY 1,650,000,000	116.3808	16/02/2017	84,700.54
Bought JPY 233,705,000 Sold USD 2,000,000	116.3808	16/02/2017	8,106.15
Grand Total			1,073,158.75

### 15. SUBSEQUENT EVENTS

There are no subsequent events.



# SAMARANG UCITS

## Unaudited appendix

### Method used to calculate global risk exposure

The method retained by the Management Company for the determination of the global risk exposure of the active Sub-Fund is the Commitment Approach.

### Total Expense Ratio (TER)

Pursuant to the Swiss Fund & Asset Management Association ("SFAMA") Directive of 16 May 2008, the "Guidelines on the calculation and disclosure of the TER and PTR", the Fund is required to publish a TER for the last twelve-month period.

The TER is defined as the ratio between the total operating expenses (Operating charges primarily consist of management and investment advisory fees, depositary fees, bank charges and interest, service fees, performance fees, taxes and duties) and the relevant Sub-Fund's / share class' average NAV (calculated on the basis of the daily average of the total net assets for the relevant period) expressed in its reference currency.

For the year ended December 31, 2016, the TER of the Fund was 1.89%. TER of the each share class was as follows:

- Class A1 1.89%, Class A2 1.88%;
- Class B1 1.88%, Class B2 1.89%.

### Portfolio Turnover Ratio (PTR)

Pursuant to the Swiss Fund & Asset Management Association ("SFAMA") Directive of 16 May 2008, the "Guidelines on the calculation and disclosure of the TER and PTR", the Fund is required to publish a PTR for the year ended 31 December 2016.

The PTR refers to the measure of trading activity within a Fund's portfolio.

The PTR is defined as the ratio between the difference of the sum of the purchases and sales and the sum of the subscriptions and redemptions and the average NAV (calculated on the basis of the daily average of the total net assets for the relevant period) of the Fund expressed in its reference currency.

For the year ended December 31, 2016, the PTR of the Fund was 73.19%.

### Remuneration

The Management Company has established a remuneration policy for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profiles of the Management Company or the Fund, that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles or the Fund's Articles.

The remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the Fund and of its shareholders, and includes measures to avoid conflicts of interest.

### Structure of remuneration packages:

It is stated in the remuneration policy that the remuneration packages of the Management Company are structured around a fixed component and a variable component. The fixed remuneration components are normally granted to all employees of the Management Company with a permanent contract.

The variable remuneration is granted on the basis of the results of the performance assessment process. It shall be based on relevant, pre-determined and measurable criteria linked to the Management Company's corporate values, business strategy goals, long-term interests of its shareholders and clients, and risk management.

The remuneration policy provides that an assessment of the results of the Management Company shall be conducted using a multi-year perspective in order to ensure that the assessment process is based on longer term performance.

The variable remuneration is determined on the basis of a combination of the assessment of the performance of the individual and of the business unit or funds concerned and of the overall results of the Management Company through both financial and non-financial criteria, enabling the alignment of the employees' interests with the Management Company and the funds it manages.

## **SAMARANG UCITS**

### **Unaudited appendix** (continued)

The Management Company shall not offer guaranteed Variable Remuneration.

The Management Company has to maintain a sound financial situation and has to take into consideration any negative financial result and performance of the Management Company and/or the Funds.

### **Balanced between fixed and variable remuneration:**

The remuneration policy also ensures that fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

### **Performance assessment:**

The Management Company assesses the performance of all of its employees once a year.

Each employee shall be informed of the individual criteria that govern his/her Remuneration and how his/her performance is assessed.

### **Proportionality principle:**

This remuneration policy takes into account the principle of proportionality, which allows procedures, mechanisms and organizational structure to be calibrated to the nature, scale and complexity of the Management Company's business and to the nature and range of activities carried out in the course of its business.

The application of the principle of proportionality is motivated by the size, the internal organization and the nature, scope and complexity of the activities of the Management Company.

In this context, as defined in the ESMA Guidelines, the Management Company decided not to apply the following requirements:

- Requirement to pay out a part of the variable remuneration in instruments and, de facto, the related instrument retention obligations;
- Requirement to pay out a part of the variable remuneration through a deferral scheme and, de facto, the related ex-post risk adjustment obligations (malus);
- Requirement to set up a Remuneration Committee

However, for the purpose of closely monitoring matters linked to remuneration practices, the Management Company has established a Nomination & Remuneration Committee.

### **Nomination and Remuneration Committee:**

The role of the Nomination & Remuneration & Committee, as a specialized committee of the Board of the Management Company, is to assist and advise the Board of the Management Company in all analyses and decisions related to nomination and remuneration.

The Nomination and Remuneration Committee is constituted in a way that enables it to exercise competent and independent judgment on the remuneration policies and practices and the incentives created for managing risks.

Thus, Nomination and Remuneration Committee is composed of members of the Board of Directors of the Management Company who do not perform any executive functions in the Management Company and one representative of the Andbank Group to ensure a consistent approach within the Andbank Group."

Information on the aggregate remuneration paid by the Management Company and the Funds shall be disclosed in the Management Company's annual report (i) according to UCITS V applicable rules and market practice and (ii) for the first time in the audited annual report as at 31st December 2017.

### **Security Financing Transaction and of Reuse ("SFTR"):**

As at December 31, 2016, the SICAV is currently not in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of Securities Financing Transactions and of Reuse ("SFTR"). Furthermore, no corresponding transactions were carried out during the period referring to the financial statements.