

# **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 2017**

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

4, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg  
(until 31/07/2017)

11a, Avenue Monterey,  
L-2163 Luxembourg  
Grand Duchy of Luxembourg  
(since 01/08/2017)

### MEMBERS OF THE BOARD OF DIRECTORS

#### Chairman

Gregory Charles Fisher, Director,  
Samarang LLP, London  
(until 31/07/2017)

Alain Léonard, Director,  
Andbank Asset Management Luxembourg  
(since 01/08/2017)

#### Directors

Alain Léonard, Director,  
Andbank Asset Management Luxembourg  
(until 31/07/2017)

Tim Price, Director,  
Price Value Partners Ltd  
(since 21/08/2017)

Phu-Van Luc, Executive Advisor,  
Andbank Asset Management Luxembourg  
(until 31/07/2017)

Christiane Diademi, Legal Officer,  
Andbank Asset Management Luxembourg  
(since 21/08/2017)

### MANAGEMENT COMPANY

Andbank Asset Management Luxembourg  
4, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg  
(until 31/07/2017)

Samarang Asset Management S.A.  
11a, Avenue Monterey,  
L-2163 Luxembourg  
Grand Duchy of Luxembourg  
(since 01/08/2017)

### INVESTMENT ADVISOR

Samarang LLP  
78 Pall Mall  
London SW1Y 5ES  
United Kingdom  
(until 31/07/2017)

### DOMICILIARY AND CORPORATE AGENT

Andbank Asset Management Luxembourg  
4, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg  
(until 31/07/2017)

Samarang Asset Management S.A.  
11a, Avenue Monterey,  
L-2163 Luxembourg  
Grand Duchy of Luxembourg  
(since 01/08/2017)

### 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 two Sub-Funds:

- SAMARANG ASIAN PROSPERITY
- 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 Asian Prosperity - Review and Outlook

The Samarang Asian Prosperity activities have been initiated on 27 October 2017 following the one to one merger of Halley Asian Prosperity in Samarang Asian Prosperity. The Sub-Fund returned, since the merger date 7% in USD and 4% for the GBP classes. Looking at the 2017 complete calendar year (before and after the merger) the Asian Prosperity Sub-Fund returned 34% in USD over calendar 2017 and approximately 24% for the UK classes as a result of the appreciation of Sterling.

Over 2017 strong performance was driven by good stock selection, even though our value based strategy was at odds with a market environment favoring 'growth' stocks, such as Tencent, Alibaba and Baidu, none of which we owned. There were notable strong contributions in particular from some of our Japanese small/midcap positions, such as Tayca, which more than doubled. Also in Vietnam some of our utility holdings finally began to rally having done little in the previous 2 years, though we have had the benefit of very high dividends being paid into the Sub-Fund.

The strategy of the Sub-Fund remains the same: to invest in businesses at inexpensive valuations which will benefit from relatively higher economic growth in Asia than is presently seen in the West. We prefer to hold companies which have strong business franchises but which also pay good dividends and hold little or any long term debt, instead, usually a buffer of cash on the balance sheet. We expect many of these companies to buy back shares if their valuations remain too low for long periods of time. The expectation is that these characteristics afford us both capital protection but also the opportunity to benefit not just from expected increases in NAV caused by annual earnings, but also potential re-ratings when the stocks attract a wider coverage by the marketplace.

The geographical breakdown of the Sub-Fund's holdings is very similar to where it started the year, with a small majority of holdings in Japan and the next biggest weighting to Vietnam. In both markets we are able to find very cheap listed businesses, still sometimes trading below the cash on the companies' balance sheets. The overall average P/E is only 10x and EV/EBITDA about 3.5x, the average yield 3.6%. In terms of changes, we have been slowly building up the Malaysian weightings and are likely to continue this over 2017, taking profits in both Japan and particularly Vietnam.

Our outlook for 2018 is optimistic: the region's markets remain at worst fairly valued and it is clear that both economic growth and earnings growth are picking up.

There is increasingly less dependence upon the west and the US in particular to drive this growth and it is interesting already how some markets have performed year to date against the background of a weaker US stock market. We also believe Asian foreign exchange exposure will prove positive to the Sub-Fund returns over the next few years as these currencies appreciate against an overvalued and more vulnerable US dollar.

### Samarang Japan Value - Review and Outlook

The Samarang Japan Value returned approximately 45% in USD over calendar 2017 and approximately 34% for the UK classes as a result of the appreciation of Sterling. This was a very strong performance, in excess of both large cap and small cap indices. It was driven primarily by very strong stock selection, with several significant holdings rallying substantially. The Sub-Fund has now begun to compound at a relatively high rate of return since inception.

Against a generally stronger global market environment, Japanese stocks saw price appreciation, although in many cases earnings growth was even stronger than this, so that over the year as a whole, many stocks were in fact de-rated. The market is presently driven far more than in the recent past by a set of quite sustainable positive factors- earnings growth, higher dividends, stock buybacks, and higher rates of return on equity. There is increasing evidence of corporate Japan paying much more attention to cash building up on balance sheets and improving capital allocation. We no longer expect the Yen to fall substantially as it has become somewhat undervalued against the US dollar and the current account surplus has begun to increase again.

The Sub-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 about 30% of Yen exposure back into the USD in order to protect the Sub-Fund's capital from any further Yen weakness.

For 2018 we expect a good underlying market performance given all of the above and are confident of reaching our long term return objectives of 10-15% pa. The Sub-Fund is likely to remain largely fully invested over the period.

The figures stated in the report are historical and not necessarily indicative of future performance

To the Shareholders of  
SAMARANG UCITS  
11a Avenue Monterey  
L-2163 Luxembourg  
Grand Duchy of Luxembourg

## REPORT OF THE *REVISEUR D'ENTREPRISES AGREE*

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of SAMARANG UCITS (the "Fund"), which comprise the statement of net assets and the statement of investments and other net assets as at 31 December 2017 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 the Fund as at 31 December 2017, and of the results of its operations and changes in its 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 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*" (CSSF). Our responsibilities under those Law and standards are further described in the "*Responsibilities of the 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 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 concluded that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regards.

## **Responsibilities 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 the 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**

Our objectives 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 the *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 23 July 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 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism 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 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 the *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 the *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.

For Deloitte Audit, *Cabinet de Révision Agréé*



Nicolas Hennebert, *Réviseur d'Entreprises Agréé*  
Partner

April 3, 2018



# SAMARANG UCITS

## Statement of Net Assets as at 31/12/2017

		Combined Statement	SAMARANG ASIAN PROSPERITY	SAMARANG JAPAN VALUE
	notes	(in USD)	(in USD)	(in USD)
<b>Assets</b>				
Portfolio at cost	2, 5	499,527,240.95	407,490,969.80	92,036,271.15
Unrealised result on portfolio	2, 5	155,648,016.37	120,650,801.84	34,997,214.53
Portfolio at market value	2, 5	655,175,257.32	528,141,771.64	127,033,485.68
Unrealised result on forward foreign exchange contracts	14	912,302.75	912,302.75	-
Unrealised result on spot currencies		1,042.29	1,042.29	-
Receivable on securities sold		428,101.19	428,101.19	-
Dividends receivable		1,821,644.51	1,567,080.66	254,563.85
Cash at banks and liquidities		27,855,521.11	17,324,942.42	10,530,578.69
Other assets		47,316.22	-	47,316.22
<b>Total Assets</b>		<b>686,241,185.39</b>	<b>548,375,240.95</b>	<b>137,865,944.44</b>
<b>Liabilities</b>				
Bank overdraft		2,251.53	2,251.53	-
Unrealised result on forward foreign exchange contracts	14	290,162.25	-	290,162.25
Payable on securities purchased		1,619,595.32	1,619,595.32	-
Payable on management company fees	7	630,721.51	491,843.75	138,877.76
Payable on performance fees	8	18,254,881.97	13,264,679.91	4,990,202.06
Other payables		228,705.37	135,111.01	93,594.36
<b>Total Liabilities</b>		<b>21,026,317.95</b>	<b>15,513,481.52</b>	<b>5,512,836.43</b>
<b>Total Net Assets</b>		<b>665,214,867.44</b>	<b>532,861,759.43</b>	<b>132,353,108.01</b>

The accompanying notes form an integral part of these financial statements

# SAMARANG UCITS

## Statement of Operations from 01/01/2017 to 31/12/2017

		Combined Statement	SAMARANG ASIAN PROSPERITY (*)	SAMARANG JAPAN VALUE
	notes	(in USD)	(in USD)	(in USD)
<b>Income</b>				
Dividends, net	2	5,721,328.54	4,492,705.93	1,228,622.61
Bank interest		6,961.42	-	6,961.42
		<b>5,728,289.96</b>	<b>4,492,705.93</b>	<b>1,235,584.03</b>
<b>Expenses</b>				
Management company fees	7	2,231,474.55	984,992.06	1,246,482.49
Depositary fees	9	92,761.12	14,094.23	78,666.89
Transfer Agent fees	6	31,824.45	4,570.59	27,253.86
Professional fees	6	43,105.50	15,399.46	27,706.04
Subscription tax	4	107,692.70	50,133.63	57,559.07
Performance fees	8	10,158,470.92	5,168,268.86	4,990,202.06
Administration fees	10	75,831.24	32,935.19	42,896.05
Formation fees	6	17,093.82	135.92	16,957.90
Legal fees	6	7,703.29	237.44	7,465.85
Other fees	6, 15	454,715.69	297,666.83	157,048.86
Transaction fees	12	407,672.86	107,361.58	300,311.28
		<b>13,628,346.14</b>	<b>6,675,795.79</b>	<b>6,952,550.35</b>
<b>Net Income (loss)</b>		<b>(7,900,056.18)</b>	<b>(2,183,089.86)</b>	<b>(5,716,966.32)</b>
Net realised gain (loss) on investments		19,358,284.23	6,940,500.96	12,417,783.27
Net realised gain (loss) on forward foreign exchange contracts		2,362,485.44	1,347,951.83	1,014,533.61
Net realised gain (loss) on foreign exchange		2,693,675.25	1,030,082.58	1,663,592.67
<b>Net realised profit (loss)</b>		<b>16,514,388.74</b>	<b>7,135,445.51</b>	<b>9,378,943.23</b>
Changes in net unrealised gain (loss) on investments		53,697,119.96	25,965,516.49	27,731,603.47
Changes in net unrealised gain (loss) on forward exchange contracts		(3,019,171.17)	(1,655,850.17)	(1,363,321.00)
Changes in net unrealised gain (loss) on foreign exchange		4,467,407.00	4,592,789.47	(125,382.47)
<b>Net increase (decrease) in net asset as a result of operations</b>		<b>71,659,744.53</b>	<b>36,037,901.30</b>	<b>35,621,843.23</b>

(\*) For the period from merger date to 31 December 2017 - refer to note 1

The accompanying notes form an integral part of these financial statements

# SAMARANG UCITS

## Statement of Changes in Net Assets from 01/01/2017 to 31/12/2017

	Combined Statement	SAMARANG ASIAN PROSPERITY (*)	SAMARANG JAPAN VALUE	
	(in USD)	(in USD)	(in USD)	
Net Assets at the beginning of the year / period	58,523,224.18	-	58,523,224.18	
Net Income / (loss)	(7,900,056.24)	(2,183,089.89)	(5,716,966.35)	
Net realised profit / (loss) on investments, forward foreign exchange contracts and foreign exchange	24,414,444.92	9,318,535.37	15,095,909.55	
	<b>16,514,388.68</b>	<b>7,135,445.48</b>	<b>9,378,943.20</b>	
Subscriptions	567,692,949.42	516,616,119.66	51,076,829.76	
Redemptions	(23,534,027.18)	(11,027,343.77)	(12,506,683.41)	
	<b>544,158,922.24</b>	<b>505,588,775.89</b>	<b>38,570,146.35</b>	
Changes in Net Unrealised appreciation	55,145,355.77	28,902,455.79	26,242,899.98	
Distribution	11 (9,127,023.43)	(8,764,917.73)	(362,105.70)	
Net Assets at the end of the year / period	<b>665,214,867.44</b>	<b>532,861,759.43</b>	<b>132,353,108.01</b>	
<b>Changes in the number of outstanding shares</b>				
<b>Class</b>		<b>Class A1 (GBP)</b>	<b>Class B1 (GBP)</b>	<b>Class A1 (USD)</b>
Number of shares at the beginning of the year / period		-	-	338,878.183
Number of shares issued		104,700.539	-	216,449.560
Number of shares redeemed		(2,043.808)	-	(72,611.857)
Number of shares at the end of the year / period		<b>102,656.731</b>	<b>-</b>	<b>482,715.886</b>
<b>Class</b>		<b>Class A1D (GBP)</b>	<b>Class B1D (GBP)</b>	<b>Class A2 (USD)</b>
Number of shares at the beginning of the year / period		-	-	54,461.009
Number of shares issued		489,460.256	470.138	75,543.878
Number of shares redeemed		(22,446.282)	-	(520.000)
Number of shares at the end of the year / period		<b>467,013.974</b>	<b>470.138</b>	<b>129,484.887</b>
<b>Class</b>		<b>Class A2 (USD)</b>	<b>Class B2 (USD)</b>	<b>Class B1 (GBP)</b>
Number of shares at the beginning of the year / period		-	-	53,724.877
Number of shares issued		479,607.221	2,624.294	19,293.494
Number of shares redeemed		(52,395.642)	(943.431)	(5,501.222)
Number of shares at the end of the year / period		<b>427,211.579</b>	<b>1,680.863</b>	<b>67,517.149</b>
<b>Class</b>		<b>Class A2D (USD)</b>	<b>Class B2D (USD)</b>	<b>Class B2 (GBP)</b>
Number of shares at the beginning of the year / period		-	-	26,185.197
Number of shares issued		116,478.535	-	42,818.304
Number of shares redeemed		(5,368.703)	-	(3,373.735)
Number of shares at the end of the year / period		<b>111,109.832</b>	<b>-</b>	<b>65,629.766</b>
<b>Class</b>		<b>Class A3 (GBP)</b>	<b>Class B3 (GBP)</b>	
Number of shares at the beginning of the year / period		-	-	
Number of shares issued		211,726.230	38,024.714	
Number of shares redeemed		(51,366.199)	-	
Number of shares at the end of the year / period		<b>160,360.031</b>	<b>38,024.714</b>	
<b>Class</b>		<b>Class A3D (GBP)</b>	<b>Class B3D (GBP)</b>	
Number of shares at the beginning of the year / period		-	-	
Number of shares issued		41,764.448	15,236.410	
Number of shares redeemed		(8,500.000)	-	
Number of shares at the end of the year / period		<b>33,264.448</b>	<b>15,236.410</b>	

(\*) For the period from merger date to 31 December 2017 - refer to note 1

The accompanying notes form an integral part of these financial statements

# SAMARANG UCITS

## Statistical Information as of 31/12/2017

	<b>SAMARANG ASIAN PROSPERITY</b>	<b>SAMARANG JAPAN VALUE</b>
	<b>(in USD)</b>	<b>(in USD)</b>
Net Assets as of 31/12/2017	532,861,759.43	132,353,108.01
Net asset value per share - Class A1 (GBP)	377.12	-
Net asset value per share - Class A1 (USD)	-	165.39
Net asset value per share - Class A1D (GBP)	307.63	-
Net asset value per share - Class A2 (USD)	535.81	160.48
Net asset value per share - Class A2D (USD)	437.49	-
Net asset value per share - Class A3 (GBP)	24.60	-
Net asset value per share - Class A3D (GBP)	20.10	-
Net asset value per share - Class B1 (GBP)	-	185.95
Net asset value per share - Class B1D (GBP)	296.59	-
Net asset value per share - Class B2 (GBP)	-	180.42
Net asset value per share - Class B2 (USD)	509.85	-
Net asset value per share - Class B2D (USD)	-	-
Net asset value per share - Class B3 (GBP)	19.35	-
Net asset value per share - Class B3D (GBP)	19.35	-
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



# SAMARANG UCITS

## Statement of Investments in Securities as at 31/12/2017 (expressed in USD)

### SAMARANG JAPAN VALUE

Number / Nominal	Description	Market value (note 2)	% of net assets	Number / Nominal	Description	Market value (note 2)	% of net assets
<b>Transferable securities admitted to an official stock exchange listing - Shares</b>				259,300	UTOC CORP	1,245,063.49	0.94
<b>Shares</b>				30,400	VINX CORP	341,045.54	0.26
<b>JPY Shares</b>				66,500	VOYAGE GROUP INC	867,032.06	0.66
25,900	A&T CORP	229,874.86	0.17	17,100	WDB HOLDINGS CO LTD	569,139.98	0.43
187,800	ADVANCED MEDIA INC	3,203,617.72	2.42	3,000	XNET CORP	24,309.93	0.02
115,200	AIRTECH JAPAN LTD	960,085.23	0.73	328,500	YAMATO CORP	2,463,677.16	1.86
124,400	ALPS LOGISTICS CO LTD	1,029,029.93	0.78	400	YAMAYA CORP	12,177.15	0.01
43,000	AP COMPANY CO LTD	329,360.09	0.25	238,618	YOSHICON CO LTD	3,714,706.50	2.81
333,100	APAMANSHOP HOLDINGS CO LTD	2,530,696.78	1.91			<b>127,033,485.68</b>	<b>95.98</b>
53,600	AVAL DATA CORP	1,198,828.46	0.91	<b>Total Shares</b>			
153,000	BROADLEAF CO LTD	1,423,129.52	1.08	<b>Total Transferable securities admitted to an official stock exchange listing - Shares</b>			
191,000	CAREER DESIGN CENTER	3,988,843.61	3.01	<b>Total Investments in Securities</b>			
5,000	CCS INC	142,229.52	0.11	<b>Other net assets</b>			
27,900	DKK TOA CORP	276,845.66	0.21	<b>Total net assets</b>			
185,500	EBASE CO LTD	2,410,331.11	1.82	<b>5,319,622.33</b>			
82,000	EBOOK INITIATIVE JAPAN CO LTD	797,656.89	0.60	<b>100.00</b>			
73,800	EM SYSTEMS CO LTD	1,682,721.26	1.27				
209,100	ENCOURAGE TECHNOLOGIES CO LTD	3,572,534.92	2.70				
263,900	FUTURE CORP	2,855,188.67	2.16				
62,200	GIGA PRIZE CO LTD	1,435,342.18	1.08				
143,800	GRANDY HOUSE CORP	718,553.31	0.54				
21,700	HABA LABORATORIES INC	1,201,810.62	0.91				
239,500	INFOCOM CORP	5,828,605.79	4.40				
126,800	INTER ACTION CORP	1,012,869.46	0.77				
19,000	ITO EN LTD	748,735.26	0.57				
52,100	ITO EN LTD-PREF	991,412.11	0.75				
41,200	IWATSUKA CONFECTIONERY CO	1,930,735.82	1.46				
88,400	JAPAN CORPORATE HOUSING SERV	700,640.83	0.53				
50,000	JBCC HOLDINGS INC	499,689.37	0.38				
56,000	KOMEHYO CO LTD	1,137,694.18	0.86				
63,900	KURIYAMA HOLDINGS CORP	1,535,256.09	1.16				
131,200	LONSEAL CORP	2,786,559.04	2.11				
194,000	MANEZOU HOLDINGS CO LTD	2,200,514.83	1.66				
48,700	MARUHACHI HOLDINGS CO LTD	401,114.77	0.30				
747,100	MEDICAL SYSTEM NETWORK CO	4,031,568.39	3.05				
73,800	MKSYSTEM CORP	1,515,038.64	1.14				
180,000	MORNINGSTAR JAPAN KK	618,265.75	0.47				
26,700	NATOCO CO LTD	336,504.84	0.25				
50,000	ND SOFTWARE CO LTD	556,936.20	0.42				
38,600	NEOJAPAN INC	469,695.58	0.35				
161,200	NIHON FLUSH CO LTD	4,821,549.77	3.64				
160,700	NIPPON CONCEPT CORP	1,975,410.53	1.49				
56,500	NIPPON DRY-CHEMICAL CO LTD	1,250,652.38	0.94				
46,100	NIPPON FINE CHEMICAL CO LTD	466,441.83	0.35				
109,325	NIPPON PILLAR PACKING CO LTD	1,683,490.54	1.27				
108,600	NITTO BOSEKI CO LTD	3,132,599.70	2.37				
208,100	NITTO CONSTRUCTION CO LTD	1,315,054.61	0.99				
1,900	NTT DATA INTRAMART CORP	36,172.01	0.03				
87,100	OAT AGRIO CO LTD	2,153,728.64	1.63				
70,000	ONO PHARMACEUTICAL CO LTD	1,631,490.23	1.23				
91,500	OPTOELECTRONICS CO LTD	505,942.14	0.38				
26,800	PAPYLESS CO LTD	473,584.82	0.36				
42,600	PCA CORP	680,571.60	0.51				
41,100	PIPEDO HD INC	418,405.09	0.32				
34,700	PRAP JAPAN INC	457,040.93	0.35				
16,800	RION CO LTD	334,001.96	0.25				
12,900	RYOMO SYSTEMS CO LTD	159,718.65	0.12				
15,800	SAKAI CHEMICAL INDUSTRY CO	423,502.27	0.32				
80,000	SAKURA RUBBER CO LTD	377,740.31	0.29				
156,800	SANSEI LANDIC CO LTD	1,551,717.44	1.17				
795,000	SANWA COMPANY	2,236,753.40	1.69				
15,500	SDS BIOTECH K K	125,326.18	0.09				
50,100	SEIKOH GIKEN CO LTD	842,633.37	0.64				
177,300	SHINKAWA LTD	1,828,548.90	1.38				
57,300	SOTSU CO LTD	1,279,040.59	0.97				
221,700	SUN FRONTIER FUDOUSAN CO LTD	2,520,615.13	1.90				
91,000	TAISEI ONCHO CO LTD	1,721,141.42	1.30				
61,000	TAKAHASHI CURTAIN WALL CORP	377,358.67	0.29				
181,600	TAYCA CORP	5,326,954.94	4.02				
210,300	TECHMATRIX CORPORATION	3,699,428.50	2.80				
156,600	TEIJIN LTD	3,488,648.34	2.64				
1	TEIKOKU ELECTRIC MFG CO LTD	13.93	0.00				
182,000	TEIKOKU SEN-I CO LTD	3,655,507.31	2.76				
42,200	TENMA CORP	829,242.94	0.63				
4,200	TKC CORP	153,767.64	0.12				
157,200	TOA CORP	1,978,429.08	1.49				
2,000	TOELL CO LTD	18,780.51	0.01				
25,900	TOHO ACETYLENE CO LTD	372,397.27	0.28				
23,200	TOKYO NISSAN COMPUTER SYSTEM	818,496.51	0.62				
54,400	TOREX SEMICONDUCTOR LTD	768,658.93	0.58				
361,700	TOSEI CORP	3,524,865.61	2.66				
32,400	TOSNET CORP	319,197.66	0.24				
149,100	TRUST CO LTD	381,120.09	0.29				
15,000	UACJ CORP	392,074.21	0.30				

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 31/12/2017 (in % of Net Assets)

### SAMARANG UCITS - ASIAN PROSPERITY

JAPAN	56.64
VIETNAM	21.56
MALAYSIA	10.14
CAYMAN ISLANDS	2.20
BERMUDA ISLANDS	1.80
SINGAPORE	1.74
AUSTRALIA	1.67
SOUTH KOREA	1.27
HONG KONG	1.25
CANADA	0.69
INDONESIA & TAIWAN	0.15

**Total 99.11**

CHEMICALS	14.62
ELECTRICITY	12.75
REAL ESTATE COMPANIES	10.63
DIVERSIFIED MANUFACTURING	8.30
ENGINEERING	7.08
CONSTRUCTION, BUILDING MATERIAL	5.26
DISTRIBUTION	4.56
MECHANICS, MACHINERY	4.53
COMMERCIAL SERVICES	3.07
CONSUMER DURABLES	2.76
COMPUTERS & PERIPHERALS	2.62
SOFTWARE	2.16
METAL FABRICATION	2.11
PACKAGE AND CONTAINER INDUSTRY	2.09
APPAREL & TEXTILE	1.74
MINING	1.67
TRANSPORTATION	1.53
OFFICE EQUIPMENT	1.18
INTERNET / INTRANET	1.18
SERVICES	1.16
HOLDING AND FINANCE COMPANIES	1.07
SHIP CONSTRUCTION	1.05
DIVERSIFIED HOLDING COMPANY	0.83
FINANCE	0.80
NATURAL GAS	0.69
OIL SERVICE	0.50
PHARMACEUTICALS AND COSMETICS	0.50
RETAIL	0.50
HEALTHCARE	0.43
ELECTRIC EQUIPMENT	0.41
CONSTRUCTION & HOUSING	0.39
ELECTRONICS	0.37
FOOD AND TOBACCO	0.21
COMMERCE	0.17
PRODUCT DISTRIBUTION	0.10
FOREST PRODUCTS AND PAPER	0.05
INDUSTRIE	0.04
MACHINE TOOLS & RELATED	0.04

**Total 99.11**

### SAMARANG UCITS - JAPAN VALUE

JAPAN	95.08
<b>Total</b>	<b>95.08</b>

COMPUTERS & PERIPHERALS	12.97
CONSTRUCTION, BUILDING MATERIAL	8.76
REAL ESTATE COMPANIES	8.64
CHEMICALS	8.06
SOFTWARE	7.54
TEXTILE	5.08
COMMERCIAL SERVICES	4.80
RETAIL	4.43
TELECOMMUNICATIONS	4.06
DIVERSIFIED MANUFACTURING	3.03
INTERNET / INTRANET	2.31
ENGINEERING	2.27
TRANSPORTATION	2.25
SEMICONDUCTOR	2.24
PHARMACEUTICALS	2.12
COMMERCE	2.02
BUILDING MATERIAL	1.84
INFORMATION SERVICES	1.65
AGRICULTURE	1.61
CONSUMER DURABLES	1.48
FOOD AND TOBACCO	1.45
ELECTRONICS	1.42
BEVERAGE	1.30
ENTERTAINMENT	0.96
POLLUTION CONTROL	0.72
COMPUTER SYSTEMS	0.61
MANUFACTURING	0.53
BROADCASTING & PUBLISHING	0.34
APPLIANCE & FURNITURE	0.30
METAL FABRICATION	0.29

**Total 95.08**

# SAMARANG UCITS

## Notes to the Financial Statements for the year ended 31/12/2017

### 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-Funds available to investors as at 31 December 2017 are as follows:

Sub-Funds	Launch Date
SAMARANG ASIAN PROSPERITY (*)	27/10/2017
SAMARANG JAPAN VALUE	15/10/2015

(\*) Sub-Fund merged-in from HALLEY SICAV

### 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 2017.

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

The Net Asset Value per Share of each Class or Category of Shares in the Sub-Funds 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-Funds or of the relevant Class.

The Net Asset Value per Share is determined by dividing the net assets of the Sub-Funds attributable to such Class/Category in the Sub-Funds 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-Funds 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 31/12/2017 (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 of the Fund 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 rates as at 31 December 2017 are as follows:

AUD	1.278791	HKD	7.817637	JPY	112.669998	SGD	1.336664
EUR	0.832709	IDR	13,570	KRW	1,070.700308	TWD	29.767008
GBP	0.739362	INR	63.669988	MYR	4.049963	VND	22,727

### 4. SUBSCRIPTION TAX

In accordance with the regulations, the Sub-Funds are 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 Sub-Funds, during the financial year, has placed investments in AUD, EUR, GBP, HKD, IDR, INR, JPY, KRW, MYR, SGD, TWD, VND and USD is its reference currency. All rates are sourced using WM Reuters 16:00 GMT.

### 6. FEES AND EXPENSES

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

- Fees payable to and reasonable disbursements and out-of-pocket expenses incurred by the Sub-Funds, the Depository Bank, the Registrar and Transfer Agent, as applicable;
- All taxes which may be due on the assets and the income of the Sub-Funds (in particular, the subscription tax and any stamp duties payable);
- Usual banking fees due on transactions involving securities held in the Sub-Funds;
- 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 31/12/2017 (continued)

### 6. FEES AND EXPENSES (continued)

- Expenses incurred in connection with the incorporation of the Sub-Funds 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 FEES

The Management Company is entitled to receive fees out of the net assets of the Sub-Funds payable quarterly as follows:

Sub-Funds	Class	Ccy	Management Company Fee
SAMARANG ASIAN PROSPERITY	A1-Cap/Dist	GBP	1.125%
	A2-Cap/Dist	USD	1.125%
	A3-Cap/Dist	GBP	1.625%
	B1-Cap/Dist	GBP	1.125%
	B2-Cap/Dist	USD	1.125%
	B3-Cap/Dist	GBP	1.625%
SAMARANG JAPAN VALUE (*)	A1	USD	1.25%
	A2	USD	1.25%
	B1	GBP	1.25%
	B2	GBP	1.25%

\* Minimum of EUR 35,000 per annum

### 8. PERFORMANCE FEES

The Management Company is entitled to a performance fee ("Performance Fee") to be paid annually in arrears by the relevant Sub-Fund to the Management Company, 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 increased by the hurdle rate.

Sub-Funds	Class	Ccy	Performance Fee	Hurdle Rate
SAMARANG ASIAN PROSPERITY	A1 - Cap/Dist	GBP	15.00%	10.00%
	A2 - Cap/Dist	USD	15.00%	10.00%
	A3 - Cap/Dist	GBP	15.00%	10.00%
	B1 - Cap/Dist	GBP	15.00%	5.00%
	B2 - Cap/Dist	USD	15.00%	5.00%
	B3 - Cap/Dist	GBP	15.00%	5.00%
SAMARANG JAPAN VALUE	A1	USD	15.00%	10.00%
	A2	USD	15.00%	10.00%
	B1	GBP	15.00%	10.00%
	B2	GBP	15.00%	10.00%

The "Calculation Period" starts on the 1st January and ends on the 31st December of each accounting year. The "Target NAV" means the greater of the two following figures:

- The high water mark ("High Water Mark"), which refers to the last NAV per Share of the last Calculation Period in respect of which a Performance Fee has been paid. The first High Water Mark is the initial NAV per Share of the Sub-Fund, increased by:
  - 10% for the Classes A1, A2, A3 and C;
  - 10% for the Classes B1 and B2 (SAMARANG JAPAN VALUE); or
  - 5% for the Classes B1, B2 and B3 (SAMARANG ASIAN PROSPERITY); and
- The last NAV per Share, after deduction of the Performance Fee, of the last Calculation Period (for the first Calculation Period, it will be the initial NAV per share), increased by a return of:
  - 10% for the Classes A1, A2, A3 and C;
  - 10% for the Classes B1 and B2 (SAMARANG JAPAN VALUE); or
  - 5% for the Classes B1, B2 and B3 (SAMARANG ASIAN PROSPERITY);

This return in respect of each Calculation Period is calculated on a non-prorata basis. No Performance Fee will be paid in respect of a Calculation Period where the NAV per share of the relevant Sub-Fund as at the end of the relevant Calculation Period is below the Target NAV.

# SAMARANG UCITS

## Notes to the Financial Statements for the year ended 31/12/2017 (continued)

### 8. PERFORMANCE FEES (continued)

#### Crystallisation

The amount of the Performance Fee is accrued on each Valuation Day and payable yearly in arrears.

Crystallisation of the Performance Fee occurs at the end of each Calculation Period. Accordingly, once a Performance Fee has crystallised in respect of a Calculation Period, no refund will be made even if no Performance Fee is due in respect of subsequent Calculation Period(s).

### 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.

However, the Sub-Fund SAMARANG ASIAN PROSPERITY is entitled to a specific fee which is as follows:

- a fee of 0.03% per annum on the average net assets of the Sub-Fund during the relevant month with a fixed fee of EUR 2,500 per month.

### 11. DISTRIBUTION

For distribution Shares in issue of SAMARANG UCITS Sub-Funds, as of 4<sup>th</sup> December 2017 the Board of Directors of the Fund has declared dividends for record date 6<sup>th</sup> December 2017, ex-date 8<sup>th</sup> December 2017 and value date 14<sup>th</sup> December 2017. The declared dividends are for the following:

Sub-Funds	Share Class	Dividend per Share	Total Amount
SAMARANG ASIAN PROSPERITY	A1 Distribution	12.56 GBP	5,280,707.22 GBP
SAMARANG ASIAN PROSPERITY	A2 Distribution	17.71 USD	1,642,528.12 USD
SAMARANG ASIAN PROSPERITY	A3 Distribution	0.82 GBP	28,096.85 GBP
SAMARANG ASIAN PROSPERITY	B1 Distribution	12.12 GBP	5,698.07 GBP
SAMARANG ASIAN PROSPERITY	B3 Distribution	0.79 GBP	11,079.00 GBP
SAMARANG JAPAN VALUE	A2 Distribution	1.58 USD	203,679.07 USD
SAMARANG JAPAN VALUE	B2 Distribution	1.80 GBP	118,459.38 GBP

### 12. TRANSACTION FEES

The transaction fees represent the fees incurred by the Sub-Funds 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.

## SAMARANG UCITS

### Notes to the Financial Statements for the year ended 31/12/2017 (continued)

#### 14. FOREIGN FORWARD EXCHANGE CONTRACTS

Forward exchange contracts opened as at 31 December 2017 with the counterparty being KBL European Private Bankers S.A. are as follows:

##### SAMARANG ASIAN PROSPERITY

Description (Purchase and Sale)	Closing Forward Rate (at Closing)	Maturity Date	Unrealised (USD)
Bought SGD 22,000,000 Sold USD 16,221,796.2	1.33661	03/01/2018	237,754.45
Bought USD 35,201,971.31 Sold JPY 4,000,000,000	112.456045	07/02/2018	-366,783.80
Bought USD 52,798,310.45 Sold JPY 6,000,000,000	112.456045	07/02/2018	-554,813.40
Bought SGD 100,000,000 Sold USD 73,356,807.51	1.336064	07/02/2018	1,489,906.42
Bought USD 31,268,146.69 Sold JPY 3,500,000,000	112.353872	26/02/2018	116,245.24
Bought SGD 22,000,000 Sold USD 16,490,517.95	1.33491	05/04/2018	-10,006.16
Grand Total			912,302.75

##### SAMARANG JAPAN VALUE

Description (Purchase and Sale)	Closing Forward Rate (at Closing)	Maturity Date	Unrealised (USD)
Bought USD 41,000,000 Sold JPY 4,641,405,000	112.40762	16/02/2018	-290,162.25
Grand Total			-290,162.25

#### 15. DIRECTORS FEES

The Directors fees for the year supported by the Fund amount to USD 37,202.25.

#### 16. 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-Funds 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 31 December 2017, the TER of each of the share class of SAMARANG ASIAN PROSPERITY is as follows:

- Class A1 6.29%, Class A1D 6.27%, Class A2 8.62%, Class A2D 8.62%, Class A3 6.68%, Class A3D 6.70%;
- Class B1D 6.36%, Class B2 8.62%, Class B3 6.77%, Class B3D 6.80%.

For the year ended 31 December 2017, the TER of each of the share class of SAMARANG JAPAN VALUE is as follows:

- Class A1 7.20%, Class A2 7.85%;
- Class B1 5.89%, Class B2 6.12%.

### 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 2017.

The PTR refers to the measure of trading activity within a Sub-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 31 December 2017, the PTR of the Sub-Funds was as follows:

- SAMARANG ASIAN PROSPERITY – (97.28%);
- SAMARANG JAPAN VALUE – 78.90%.

### Remuneration – Andbank Asset Management Luxembourg

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.

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.

# SAMARANG UCITS

## Unaudited appendix (continued)

### Remuneration (continued)

#### 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 31 December 2017.

### **Remuneration – Samarang Asset Management S.A.**

Samarang Asset Management S.A. ("SAMCO") as Management Company has setup a Remuneration Policy designed to comply with the requirements set out in the European and Luxembourg legislation relating to remuneration. This Policy in its revised version is applicable to all employees and directors of SAMCO as from its incorporation, i.e. to the calculation of payments relating to the 2017 accounting period.

The objective of this Policy is to lay down the principles governing how the remuneration of SAMCO's employees and directors shall be established, applied and monitored. This Policy takes into account the principle of proportionality, as detailed in the relevant pieces of legislation, which allows procedures, mechanisms and organizational structure to be calibrated to the size, internal organization, and to the nature, scope and complexity of SAMCO's business and to the nature and range of activities carried out in the course of its business. The overall philosophy of this Policy is to promote sound and effective risk management, as well as a long-term perspective, and to discourage excessive risk-taking by SAMCO's employees. In particular, consideration has been given to the business strategy, objectives, values and interests of SAMCO and the Funds it manages and those of the investors in such Funds, in accordance with the Conflicts of Interest Policy. This Policy aims at encouraging the alignment of the risks taken by SAMCO's staff with those of the UCITS, the investors of the UCITS and SAMCO itself.

# SAMARANG UCITS

## Unaudited appendix (continued)

### Remuneration (continued)

As a result of the self-assessment performed by SAMCO Board, with the input of the Conducting Officers and Control functions, SAMCO is a small management company (less than EUR 1.5 billion assets under management and less than 50 employees), a simple legal structure and organization (Luxembourg public limited company with no branch, small teams in one office) and that its business is simple by nature (one UCITS with 2 plain vanilla sub-funds), limited in scope (one strategy in one geographical region) and non-complex (investment in listed markets, low number of service providers). Subsequently, SAMCO has taken the view that establishing a Remuneration Committee would be disproportionate and discarded this option. Based on the same considerations, SAMCO has decided to partially apply the pay-out process set out in Section 13.4 of the ESMA Guidelines.

#### **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.

Variable Remuneration shall consist in a bonus in cash based on relevant, pre-determined and measurable criteria linked to SAMCO's corporate values, business strategy goals, long-term interests of its shareholders and clients, and risk management. There shall be an appropriate balance between Fixed and Variable Remuneration.

Specifically, Variable Remuneration for Identified Persons shall be based both on the individual performance of the employee, of the business unit and of SAMCO. Both financial and non-financial criteria (such as seniority, years of service, etc.) shall be considered when assessing the employee's performance. The financial and non-financial criteria on which the Variable Remuneration is based on shall be specified and documented for each Identified Person.

Assessment of the results of SAMCO shall be conducted using a multi-year perspective in order to ensure that the assessment process is based on longer-term performance.

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 31 December 2017.

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

Remuneration that is comprised of both Fixed and Variable Remuneration shall be appropriately balanced. Fixed Remuneration shall represent a large enough portion to be able to, if necessary, set any or all Variable Remuneration to zero.

#### **Performance assessment:**

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

A general individual criterion is that the employee has acted in compliance with all relevant laws, regulations and SAMCO's policies.

#### **Security Financing Transaction Regulation ("SFTR"):**

As at 31 December 2017, the Fund is in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions regulation ("SFTR"). Nevertheless, no corresponding transactions were carried out during the period referring to the financial statements.