CPR Invest

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Annual Report,
including Audited Financial Statements
as at 31/12/16

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Table of Contents

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Management and Administration

REGISTERED OFFICE :
5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

DEPOSITARY :
CACEIS Bank, Luxembourg Branch
(formerly known as CACEIS Bank Luxembourg S.A.)
5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

MANAGEMENT COMPANY :
CPR Asset Management
90, Boulevard Pasteur
F-75015 Paris
France

ADMINISTRATIVE, REGISTRAR AND TRANSFER AGENT :
CACEIS Bank, Luxembourg Branch
(formerly known as CACEIS Bank Luxembourg S.A.)
5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

CABINET DE RÉVISION AGRÉÉ *:*
Deloitte Audit
Société à responsabilité limitée
560, rue de Neudorf
L-2220 Luxembourg
Grand Duchy of Luxembourg

GLOBAL DISTRIBUTOR :
CPR Asset Management
90, Boulevard Pasteur
F-75015 Paris
France

Board of Directors of the Company

Chairman : Mr Jean-François Griveaud (until January 31, 2016)
Deputy Chief Executive Officer
CPR Asset Management

Mrs Nadine Lamotte
Deputy Chief Executive Officer
CPR Asset Management

Directors : Mr Bertrand Pujol
Deputy Head of Retail Marketing - Head of Client Marketing and Innovation
Amundi Asset Management

Mrs Emmanuelle Court
Sales Director
CPR Asset Management

Mr Gilles Cutaya (since February 12, 2016)
Marketing & Communication Director
CPR Asset Management

Management Report

CPR INVEST – SILVER AGE

January was very negative for European equity markets and for all financial markets in general. Disappointing Chinese manufacturing PMI figures and fears of a possible sharp devaluation of the yuan threw stock markets and oil prices into a downward spiral. The fall in markets was accompanied by high volatility, which was stabilised only when central bank executives came out with accommodative statements at month-end.

The European Central Bank ("ECB") again reduced its deposit rate. The Bank of England ("BoE") postponed the prospect of a forthcoming rate hike. The US Federal Reserve confirmed that it would continue to normalise monetary policy, accompanying its discourse with fairly accommodative comments. The Bank of Japan (BoJ") surprised the markets by setting some of its rates in negative territory.

As regards economic indicators, the signals remained fairly positive in Europe. The composite PMI came to 54.3 in December compared with 54.2 in November, thanks to manufacturing activity, services remaining unchanged. The unemployment rate came to 10.5% in November, 0.2 pp less than in October. Inflation was lower than forecast, mainly due to the fall in energy components.
As regards interest rates, central banks' discourse led to a flattening of the curves, confirming a risk-off environment.

As for commodities, WTI touched US$26.55 a barrel, its lowest point since May 2003, Iran announced ambitious production objectives and the other producers confirmed that they did not envisage cutting their output. At the end of the month, Brent and WTI had limited their falls to 6.8% and 9.2% respectively. China's macroeconomic statistics and the fall in manufacturing activity weighed on prices of industrial metals, and gold was the only one to gain more than 5% in the month.

In terms of securities, in Europe as in the US, cyclical stocks suffered badly while defensive stocks held up better. Financial securities notably underperformed, with Italian banks affected by non-performing loans (estimated at 17% of total lending). Analysts' forecasts continued to be adjusted downwards, and the first US earnings publications were worse than expected in a large number of cases.

Against this backdrop the MSCI Europe index ended the month down by 6.21%. In terms of sectors, the ranking was headed by major retailers, health and beauty products and agri-food. At the bottom were the banking sector, the pharmaceutical industry and construction materials.

In terms of stocks, Fresenius Medical Care, bioMérieux and Svenska Cellulosa were the top contributors, while Renault, InterContinental Hotels and Credit Suisse showed the weakest performances.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Air France and GlaxoSmithKline, financed by the sale or trimming of lines such as Credit Suisse, Peugeot and Renault.

Management Report (continued)

February was a negative month for the European equity markets and more generally all financial markets. The month was divided into two parts: the first part was initially characterised by a sharp fall, against a backdrop of volatility in currencies and fear of a major yuan devaluation, further falls in commodity prices and lastly liquidity stresses in credit markets. In the second part of the month the markets rallied thanks to the rebound in the price of oil and statements by the Chinese authorities ruling out a significant devaluation of the yuan.

In Europe, analysts' forecasts were revised significantly downwards, with Earning per Share ("EPS") forecast to shrink by 2.5% on a moving annual basis in a context of quarterly earnings reports with no surprises.

As regards commodities, the sharp fall in oil prices at the beginning of the month led some producers to start negotiations on limiting supply, and this in itself was enough to trigger an uptick in the price of oil.

Against this backdrop the MSCI Europe index ended the month down by 2.19%. In terms of sectors, at the head of the ranking were construction materials, consumer services and the energy sector. At the bottom were technological facilities, insurance and diversified financial entities.

In terms of securities Lundbeck, Intercontinental Hotel and Air France were the biggest contributors, while Korian, Eurotunnel and NN Group made negative contributions to the Sub-Fund's performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Unilever, Resmed and Healthcare Realty Trust, financed by the sale or trimming of lines such as Eurotunnel, Finecobank and Novo Nordisk.

March was a positive month for the European equity markets and more generally all financial markets.

This rise in equities came about as a result of the uptick in commodity prices and the calming of fears of a devaluation of the Chinese yuan. The movement was strengthened by the accommodative statements by the US Federal Reserve, stressing the gradual nature of the normalisation of its monetary policy. Thus the dollar fell by nearly 5% against the euro and the yen over the course of the month. The dollar's weakness helped commodity prices, as shown by the rise in prices of oil, gas and grains. Emerging markets were to the fore, with the MSCI Emerging Markets index ending the month up by 8.2% in euro terms. In China, the People's Bank of China ("PBOC") made its first reduction to the required reserve ratio since August, and the government committed to growth objectives which investors found reassuring. In Brazil, the market rebounded in the hope of a change of government like Argentina's a few months earlier.

In Europe, despite the ECB's new initiatives (new rate cuts, increase and expansion of purchasing programmes), the markets remained unmoved, restrained by analysts continuing to lower their corporate forecasts. In the UK, the Governor of the Bank of England warned of the risks of sterling depreciation and imported inflation if the country were to leave the EU. The BoE decided to move in advance by announcing three special refinancing operations immediately before and after the referendum.
Against this backdrop the MSCI Europe index ended the month up by 1.33%. In terms of sectors, at the top of the ranking were the property sector, benefiting from the ECB's announcements, the automotive sector and materials, both of which benefited from their exposure to China and emerging markets. At the bottom were consumer services and the pharmaceutical sector, which has suffered from the strength of the euro and concerns about the US elections. The banking sector also underperformed, with investment banks affected by a difficult start to the year in the markets and Italian banks penalised by their doubtful debts.

The PMI activity index continued to fall in February, basically because of manufacturing activity. Consumer prices in the euro zone started to fall again in February, as a result of price reductions in the energy sector.

Management Report (continued)

The labour market continued to improve, with a third consecutive month of falling unemployment, which reached its lowest level since August 2011.
In terms of securities, Husqvarna, William Demant and Securitas were the biggest contributors, while bioMérieux, Lundbeck and Orpea made negative contributions to the Sub-Fund's performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Royal Philips, Elior and Mediaset, financed by the sale or trimming of lines such as Lundbeck, Luxottica and Hikma.

<u>April</u> was a positive month for the European equity markets. However the month got off to a hesitant start because of the price of oil, which was still very low, lower manufacturing orders in Germany and disappointing figures from the ISM manufacturing index in the euro zone. The markets managed to rally in tandem with the rebound in oil against a background of speculation ahead of the meeting of oil producing countries in Doha and thanks to the first increase in Chinese exports for nine months.

Central banks remained fairly accommodative, the ECB seeking to achieve price stability for the whole euro zone, leaving the door open for new measures should they prove necessary and the US Federal Reserve continuing to accompany its rate-raising cycle with conciliatory discourse. Nonetheless, the Bank of Japan's decision to stay with the *status quo* surprised the markets, which had been expecting additional measures at a time when monetary policy was already far advanced in its support actions.

Statistics published in the euro zone indicated that inflation was still falling, at a negative 0.2% on a moving annual basis. Statistics on activity tended to confirm the relatively positive outlook. Euro zone GDP growth in Q1 increased to 0.6% QoQ, and the unemployment rate continued to fall in March, to 10.2% from 10.4% in February. Lastly there was very little change in the PMI for April, suggesting that recovery was continuing, thanks in particular to further easing of borrowing conditions for companies.
Against this backdrop the MSCI Europe index ended the month up by 1.20%. In terms of sectors, at the top of the ranking were the energy sector, thanks to an increase of more than 20% in the price of oil over the course of the month and less-bad-than-expected quarterly earnings, bank stocks, supported by reassuring earnings reports, and basic materials. At the bottom were the telecommunication sector with the expected consolidation in France being stopped in its tracks. We note also the major retailing and media sectors, both of which turned in disappointing performances against a background of fears about consumer confidence.

In terms of securities in portfolio, Edwards, bioMérieux and Husqvarna were the biggest contributors, while Carnival, Ryanair and Sky contributed negatively to the performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Investec, GlaxoSmithKline and Sanofi, financed by the sale or trimming of lines such as Sky, Air France and Korian.

<u>May</u> was a positive months for the equity markets, which continued on the upward trend embarked on in February.

In the euro zone, the macroeconomic indices sent positive signals. Inflation increased slightly in May, driven by components other than energy and food. However, it remained low, and growth was still too weak to generate an uptick in inflationary expectations in the following months.

In the US, the economic indicators were looking positive. This prompted the Federal Reserve to reaffirm the possibility of a rate hike in June as part of the process of normalisation of its monetary policy. The final decision on this hike was linked to two conditions: economic growth in line with expectations, and continuing positive US job data. As a result of the Federal Reserve's remarks, the dollar regained strength against the euro and the yen.

Management Report (continued)

In Japan on the other hand, the economic indicators were disappointing, but concerns were allayed by the weakening of the yen and the announcement that the sales tax increase would be postponed. In the emerging markets, and particularly in China, we saw some stabilisation of these indicators.

In political terms, developments in the month were enough to reassure investors. Fears about the UK referendum on leaving the EU receded during the month following some reassuring opinion polls. The compromise struck with the Greek government on the creditors' support plan was also well received by investors, since it avoided a further bout of volatility for the euro zone. Lastly, the ECB's statements about work aimed at reducing the weight of doubtful debts in European banks' balance sheets eased some of the fears about a sector already heavily penalised by an environment of low interest rates.

As regards European companies' earnings reports, in the first quarter of 2016 more than 20% of companies published lower-than-forecast sales, but earnings exceed expectations in approximately 30% of cases. This difference was mainly the result of cost reduction policies.

Against this backdrop the MSCI Europe index ended the month up by 2.47%. In terms of sectors, at the top of the ranking were semi-conductor makers, software application publishers and consumer services. At the bottom were the materials sector, energy companies and technological Original Equipment Manufacturer ("OEMs"). Concerning market styles, we note the good performance of businesses with strong growth in revenues and quality companies with good returns on capital invested. This rally came after a long period in which undervalued stocks had outperformed.

In terms of securities in portfolio, Straumann, Recordati and Compass were the biggest contributors, while Air France-KLM, Investec and Edwards Lifesciences Corporation contributed negatively to the performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as DSM, Cooper and Berendsen, financed by the sale or trimming of lines such as ITV, Securitas and Investec.

<u>June</u> was a volatile month for European equity markets, with investors facing several surprises. The month ended with a significant fall which was basically attributable to the shock Brexit result.

The period under review started with the publication of US employment figures. These mixed figures led the Federal Reserve to indicate a possible pause in the rate-raising process, whereas investors had been assuming that the cycle was committed to. This statement led to an uptick in equity and commodity markets in the first part of the month. Then markets were then dominated by the UK referendum on whether to remain in the EU or leave it. Against a backdrop of polled voting intentions in favour of the "leave" (Brexit) camp, risk assets such as oil shares first fell before rallying strongly in the week before the vote, as polls indicated that the "remainers" would win. On 24 June markets were taken by surprise by the results of the UK vote and in two sessions the stock markets wiped out all their gains. The end of the month saw a technical rebound, which gained pace when the Bank of England announced quantitative easing measures to limit the slowdown in growth.

In this turbulent situation country exposures played a very important role, with financial and debt securities of southern European countries badly underperforming. UK companies' share prices reacted strongly to the sharp fall in the pound, with positive effects for exporters and very negative ones for domestic stocks.

At the macroeconomic level, euro zone statistics remained in line with a trend of gradual improvement. Euro zone inflation recovered somewhat, supported by the recent rise in oil prices.

Management Report (continued)

Analysts' upward revisions of European companies' earnings forecasts came to a grinding halt, and the first post-Brexit consensus adjustments were published with a marked downturn in the transport, media and banking sectors.

In the US too, financials underperformed badly, and stocks linked to commodities performed well, as did sectors sensitive to interest rate cuts such as telecommunications and services to local authorities. In Japan, the equity markets suffered greatly from the appreciation of the yen. Japan's Prime Minister announced the postponement of the next sales tax increase from April 2017 to October 2019, and revealed his intention of taking major budgetary stimulus measures for 2016.

In bond markets, the European Central Bank continued to implement the measures announced in March and started buying significant volumes of corporate bonds. Over the course of the month German rates fell for all major issuers and the yield on the Bund fell below zero.

In the UK, the yield on ten-year gilts fell sharply to end the month at 0.86%. Credit spreads for Spain and Italy widened, reflecting increased risk aversion.

Currency markets were also turbulent, sterling falling by nearly 9% against the dollar as a result of fears raised by the Brexit vote. The yen served as a safe-haven currency, gaining nearly 7% against the dollar.
Against this backdrop the MSCI Europe index ended the month down by 4.25%. In terms of sectors, the ranking was headed by the energy sector, manufacturers of cosmetic and healthcare products and agri-food. At the bottom of the ranking were the banking and diversified finance sectors and auto makers and automotive OEMs.

In terms of securities in portfolio, Healthcare Realty Trust, Compass and Straumann were the biggest contributors, while International Consolidated Airlines, Ryanair and Mediaset contributed negatively to the performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as DSM, Cooper and Berendsen, financed by the sale or trimming of lines such as ITV, Securitas and Investec.

July ended with a positive performance from equity markets. And yet the month had started out looking difficult, with serious concerns about the consequences of Brexit, poor employment figures published in June in the US and uncertainties concerning the effectiveness of the monetary policies put in place by the various central banks.

In the event the markets rallied when new, more reassuring US job creation figures were published in July. With market volatility at its lowest, investors stayed fairly calm amid the mixed quarterly earnings reports and the Bank of Japan's timid actions, expectations of which had been high in view of the still gloomy economic signals.

In Europe, quarterly earnings reports were reassuring on the whole. Mining and steel companies benefited from the rise in steel and iron ore prices. Oil stocks were depressed by the consolidation of the oil price (WTI was down by 13.9%) due to high levels of stocks in the US and the return to normal levels of production in Canada and Nigeria. Lastly, telecommunications operators' half-year earnings releases were rather disappointing. In the US, 73% of companies that had released their quarterly earnings by the end of the month had exceeded analysts' profit forecasts.

At macroeconomic level, the Bank of England and the ECB opted to maintain the *status quo*, waiting to until they can better evaluate the impact of Brexit before acting. At the end of the month, UK statistics showed clearer evidence of the negative impact of the Brexit vote, with indices pointing to a sharp fall in activity,

Management Report (continued)

particularly in services. The consumer confidence survey also fell appreciably in July. In the property market, the RICS survey showed price expectations at the 12-month time horizon collapsing. In the euro zone however, the statistics were almost unaffected by Brexit, with business climate and activity indices holding up well. Euro zone inflation increased slightly in July.

On the fixed income markets, corporate bonds continued to soar, boosted by the actions of Europeans central banks, which increased their purchases, by high-yield issuers taking advantage of the abundant liquidity resulting from the numerous redemptions, and lastly by fairly positive corporate earnings.

Against this backdrop the MSCI Europe index ended the month up by 3.51%. In terms of sectors, the ranking was headed by semi-conductors, auto makers and automotive OEMs and software application publishers. At the bottom of the ranking were the energy sector, makers of healthcare products and the telecommunications sector.

It was noticeable that in the Fund's universe the healthcare sector held up very well in the wake of the Brexit vote. The sector's defensive profile and positive earnings reports certainly contributed to this. For example AstraZeneca rose on the back of quarterly EPS of 10% more than analysts' forecasts and glowing comments on its product development pipeline. GlaxoSmithKline benefited from the pound's weakness and published good Q2 earnings. Sanofi also confirmed its objectives for 2016, despite a decline in sales of Lantus and the expiry of the Plavix patent in Japan.

In terms of securities in portfolio, Lonza, Husqvarna and Renault were the biggest contributors, while Svenska Cellulosa, Reckitt Benckiser Group and Straumann contributed negatively to the performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Shire, Prudential and Icade, financed by the sale or trimming of lines such as NN Group, Swiss Life and Mediaset S.p.A.

August held no particular surprises for the equity markets. The first few days of the month saw the publication of rather disappointing second quarter GDP figures in the US, a guarded reading of the European bank stress tests and a continuation of the correction in crude oil prices that had started one month earlier. Decisive measures announced by the Bank of England on 4 August and the publication of excellent employment figures in the US allowed indices and the oil price to move ahead again. Lastly, Janet Yellen's speech at the end of August, hinting at a rate hike, wiped out part of the gains of the previous two weeks.
In macroeconomic terms, the main event of the month was the Bank of England's monetary policy decision of 4 August. The BoE exceeded expectations by announcing a cut in the base rate, a new financing programme for banks, an expansion of its Quantitative Easing ("QE") and the launch of a new corporate bond purchasing programme. US employment figures were seen as a pro-growth message, and the markets were reassured about the impact of Brexit after euro zone PMIs returned to their seven-month highs. The Stoxx600 had no trouble digesting expectations of rate hikes by the Federal Reserve following Janet Yellen's speech in Jackson Hole, ending the month up by 0.8%.

European equity markets saw profit-taking at the beginning of the month, particularly bank stocks, which lost 6% in two sessions, in a difficult context marked by concerns over certain euro zone banks' balance sheets in the wake of the inconclusive results of the stress tests. The rally was triggered by the Bank of England's decision to cut its base rate by 25 bps. Banking and cyclical manufacturing stocks were the main drivers of the rebound. We should point out that the major cyclical industrial stocks (chemicals, construction and oil and gas) rebounded thanks to good quarterly earnings reports and an uptick in the price of crude towards month-end. However, healthcare stocks suffered substantial sell-offs as a result of their defensive nature and Hillary Clinton's proposals on price capping.

Management Report (continued)

Against this backdrop the MSCI Europe index ended the month up by 0.71%. In terms of sectors, the ranking is led by the banking sector, diversified financial companies, insurance companies and retailers. Trailing the field were the pharmaceutical and biotechnology sectors, public services, materials and technology and healthcare facilities.

The only sector making a positive contribution to the Sub-Fund's performance was the financial savings sector, more specifically thanks to its diversification into the US. Otherwise the defensive sectors, and more precisely the pharmaceutical sector, continued to cost the strategy dear. We note also that the good performance of the banking sector, which is structurally absent from the Sub-Fund's themes, also weighed on its performance, costing it more than 40 bps.

In terms of securities, Novo Nordisk, Standard Life and NN Group were the biggest contributors, while HSBC, ASSA Abloy and Recordati made negative contributions to the Sub-Fund's performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Credit Suisse, Shire and ING, financed by the sale or trimming of lines such as Straumann, Novartis and Accor.

Following a relatively stable month of August, the markets remained hesitant throughout September. However there was no shortage of information, with central bank meetings (ECB, FOMC and BoJ), an unexpectedly successful Organization of the Petroleum Exporting Countries ("OPEC") meeting and renewed stresses on European financial stocks.

In Europe, Mario Draghi's remarks threw cold water on the market dynamic. Contrary to market expectations, he indicated that no extension of the asset purchase programme had been discussed in the ECB's monthly meeting. The correction was accentuated by oil's dipping back below $43 a barrel. Financials suffered after both the US Federal Reserve and the Bank of Japan kept their monetary policies unchanged. The $14 billion fine imposed by the US Department of Justice on Deutsche Bank in connection with the sub-prime crisis accentuated the sector's fall due to the systemic nature of German banking. The rebound came at the end of the period with the surprise agreement by OPEC on a (symbolic) cut in output.

From a macroeconomic point of view, euro zone statistics were mixed. Euro zone growth slowed to 0.3% in the second quarter, 1.6% YoY. The manufacturing activity index fell to 52.6, its lowest level in 20 months. Following the stability observed in August, September headline inflation increased slightly in the euro zone, to 0.4%. This improvement mainly reflected the effect of energy prices. Lastly unemployment in the euro zone held steady at 10.1%.

The MSCI Europe index ended the month in balance (up by 0.4% in euro terms). The performances of oil companies and the base materials and durable consumer goods sectors offset the declines in banking, pharmaceutical and telecommunications stocks.

For the month as a whole the Sub-Fund benefited from the pharmaceutical sector, capital goods and the media. However the insurance sector and the professional, commercial and household services sectors made negative contributions to the strategy. In terms of securities in portfolio, Fresenius, Smiths Group and Partners Group were the biggest contributors, while Korian, Svenska Cellulosa and Reckitt Benckiser made negative contributions to the performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as BMW, ING Group and Eurofins Scientific, financed by the sale or trimming of lines such as Bayer AG, Novartis and Carnival Plc.

Management Report (continued)

In October the financial markets were largely driven by news on the macroeconomic front, notably the various comments of central banks and economic figures from China. Equity markets turned in divergent performances for the month, with US markets slightly down, European markets holding steady and the Japanese market ending the month sharply up.

In Europe, lower-than-expected US employment figures, the prospect of a “hard” Brexit and China’s sharply lower export figures all weighed on the markets at the beginning of the month. In the second part of the month, the ECB’s decision to hold monetary policy unchanged and better-than-expected figures for China’s export sales and trade balance brought about a rally in banking stocks and commodities. Markets ended the month down amid uncertainties surrounding the US elections.

On the macroeconomic front, US employment figures for September did nothing to alter expectations of rate hike. In fact the US economy created 156,000 new jobs in September compared with the 172,000 expected. The implied probability of a rate hike in December remains stable at 68%.

As for currencies, the dollar appreciated strongly in October (by 14% on a trade-weighted basis) with expectations of a rate hike in December, while the euro and sterling weakened with expectations of additional measures from the ECB and developments linked to Brexit.

The MSCI Europe index ended the month down by 0.81%, the poor performance of sectors such as real estate, healthcare facilities and services and food, beverages and tobacco outweighing the positive performance of sectors such as banking, durable consumer goods and diversified financials.

At Sub-Fund level for the month, sectors such as financial savings and automotive were the biggest contributors, while the pharmaceutical and dependency sectors contributed negatively to the strategy.

In terms of transactions, a non-exhaustive list would include the purchase and/or strengthening of lines such as First Republic Bank, Swiss Life Holdings and Invesco, financed by the sale or trimming of lines such as Credit Suisse, Healthcare Realty Trust and Grifols.

During November, financial markets danced to the tune of geopolitical current affairs, and particularly the US presidential election. Contrary to expectations, equity markets reacted positively to Donald Trump’s victory. In stark contrast, the Republican candidates victory led immediately to a surge in inflationary expectations and a steepening of bond yield curves in the US and Europe. In short, this event accelerated sector rotation, with investors repositioning in favour of financial and cyclical securities and losing interest in defensive stocks such as services to local authorities.

Equally unexpected was the decision of oil producing countries to cut production to 32.5 million barrels a day, which was welcomed by the markets and which allowed the price of crude to jump by 8% within the day, to above US$50 a barrel.

While US and Japanese equity markets made strong gains during the month, the story was appreciably different in emerging markets, which posted falls of more than 2.18% on average. As for currencies, the dollar made solid gains (3.1% against a basket of international currencies).

From the macroeconomic point of view, despite the continued rise of inflation (0.5% YoY in October), the European Central Bank kept up its accommodative discourse. Results in the euro zone remained fairly strong, with November’s manufacturing activity index at 53.7, its most dynamic level since February 2014, and the unemployment rate continuing to recede, reaching 9.8% in October. In the US, the October report showed continued improvement, with 161,000 new hires, an unemployment rate down by 0.1% at 4.9% and growing wage pressure (average hourly wage up by 2.8% YoY).

Management Report (continued)

The MSCI Europe ended the month up by 1.09%. In terms of sectors, those outperforming the index included basic materials, which profited from sector rotation in favour of cyclical stocks and from a significant increase in prices of various minerals, banks and insurance companies which benefited from the steepening of bond yield curves following Trump's election, and the energy sector, which was buoyed by the OPEC's production cuts. Conversely, services to local authorities, telecommunications and major retailers posted the biggest falls in the index, being severely affected by the sharp rise in bond rates and sector rotation.

As for the Sub-Fund's performance, the financial savings and pharmaceutical sectors made positive contributions, while the dependency and healthcare facility sectors made negative contributions to the strategy.
In terms of securities in portfolio, Actelion Ltd., Nestle S.A. and First Republic Bank were the biggest contributors, while Renault, Korian and Orpea contributed negatively to the Sub-Fund's performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Hikma Pharmaceuticals, Amgen and Novartis, financed by the sale or trimming of lines such as Essilor, Elis and ING.

In December, the financial markets continued on their upward trend started by Trump's surprise win. And yet this movement could have been derailed at the beginning of the month by Italian voters' rejection of proposed constitutional reform, which led to the resignation of prime minister Matteo Renzi. However, the markets were unperturbed by the event, and parliament's adoption, at the end of the month, of the plan to recapitalise Italian banks, opened the way for investors to reposition themselves in European (including Italian) bank shares.

Central banks confirmed the improvement in the world economy and the rise of inflationary expectations. The ECB adopted a slightly less accommodative tone in extending its asset purchase programme by a further nine months but reducing the amount of monthly bond purchases to €60 billion. On the other side of the Atlantic, the US Federal Reserve raised its key rate by 25 bps in a widely expected move that had been factored in by the markets. However it surprised investors by signalling its intention of carrying out three further rate hikes in 2017, as opposed to the two mentioned previously.

At mid-month, the oil exporting countries confirmed the agreement struck at the end of November on a cut in production, bringing crude prices to their highest level for the year. The dollar continued to appreciate against a basket of international currencies in December.

On the macroeconomic front, euro zone inflation for November was 0.6% (on a sliding annual basis), confirming the expected uptick. However it should be noted that core inflation, excluding energy, had not increased since August. The composite activity index, while still at a satisfactory level, posted a slightly disappointing 53.7 (compared with the 54.1 expected). This was largely because activity of the French service sector was revised to 51.6 from the 52.6 expected. In the US, the economy performed better than expected in the third quarter, with estimated GDP growth of 3.5%. According to November's employment report, the unemployment rate fell to 4.6%, its lowest level since 2007.

The MSCI Europe ended the month up by 5.84%. In terms of sectors, the industries outperforming the index were notably auto makers and automotive OEMs, which benefited from the sector rotation in favour of cyclical stocks, the energy sector, buoyed by the marked rebound in the price of oil following the OPEC agreement on production cuts, and banks, which benefited from the approval of the recapitalisation plan for Italian banks and the continued steepening of US bond yield curves. Conversely, basic materials posted the weakest performance for December, as they were hit by investors' large-scale profit-taking. Retail distribution and financial services also underperformed the index.

Management Report (continued)

As for the Sub-Fund's performance, the leisure and automotive sectors made positive contributions, while the pharmaceutical and financial savings sectors made negative contributions. In terms of securities in portfolio, Renault, Actelion Ltd. and Modern Times Group were the biggest contributors, while Smiths Group, Halma and Lonza contributed negatively to the Fund's performance.

In terms of transactions, a non-exhaustive list would include the purchase and/or strengthening of lines such as Aviva, Bank of NY Mellon and UBS Group, financed by the sale or trimming of lines such as Amgen, Zimmer Biomet and Cooper Cos.

OUTLOOK FOR 2017

There are many investment themes that seem to us pertinent for 2017: a rebound in capital expenditure, solid and growing results, a rise in bond yields, growing employment and consumer activity, the rise of the US dollar, share buy-back programmes and higher volatility.

The year will be equally full in political terms, with the inauguration of Donald Trump, the negotiations about Brexit and the numerous upcoming elections in Europe (notably France and Germany)... Lastly, account will also have to be taken of shifts in central banks' monetary policies (Fed, ECB, BoJ…). As regards sectors, the sharp rise in commodity prices in 2016 has led to strong revaluation of linked sectors such as basic materials, energy and manufacturing. Admittedly the new stance adopted by the Trump administration Trump (fewer environmental rules and more investment in infrastructure) could support the trend to revaluation for some time longer, particularly for the oil sector. However we do not see this market trend lasting in the long term, and it seems to us that the sectors that were rather neglected in 2016 should regain attraction in 2017, especially those that combine a reasonable valuation with good prospects, such as pharmaceuticals and the leisure industry.

As the year gets under way, we are positive on financials and leisure stocks. As for the remaining sectors, we think there is a need to be selective depending on the pertinence of the investment themes.

- Healthcare facilities: we favour companies focused on innovation and/or emerging markets.
- Pharmaceuticals: in view of its competitive levels of valuation and attractive growth rates, we are positive on this sector. However, the possibility of changes to Obamacare obliges us to be selective with high visibility stocks.
- Automotive: we favour innovative automakers (driverless and/or electric cars) and operational quality – such as General Motors and Renault.
- Leisure: we like media stocks such as Comcast, and also airlines, which could benefit from an acceleration of growth in the USA. We are also positive on US hotels and resorts such as Hilton, which should benefit from Trump's expected fiscal stimulus measures.
- Savings: Although we are benefiting from the windfall effect of the uptick in short/medium term interest rates, we remain cautious in the longer term, since business models are still fragile. We favour the companies that stand to gain most from rising interest rates in the US.
- Health and wellbeing: the sector is still enjoying an increase in worldwide consumption and posting solid results, but we shall have to be selective, since significant obstacles remain (the rising US dollar and rising interest rates) and valuations are still relatively high. We prefer stocks with good fundamentals and good prospects, such as l'Oréal and Procter & Gamble.
- Dependence: we have stepped away from the property-owning companies, which are being penalised by the renewed rise in interest rates, to concentrate on those health services that would be least exposed in the event of changes to Obamacare, such as UnitedHealth Group and Healthcare Trust of America.
- Security: the dramatic surge in terrorist acts around the world, particularly in Europe, increases needs for security and should support the sector in 2017 (Securitas).

Performances

Start date	Closing date	Class	ISIN code	Performance of the class (%)	Performance of the reference value[1] (%)
31/12/2015	31/12/2016	A – Acc	LU1103786700	-7.13	2.58
31/12/2015	31/12/2016	A2 – Acc	LU1291159801	-7.36	2.58
31/12/2015	31/12/2016	A2 USDH – Acc	LU1291159983	-6.26	-0.40
31/12/2015	31/12/2016	A2 SGDH – Acc	LU1291160056	-6.08	1.43
31/12/2015	31/12/2016	A – Dist	LU1203020513	-7.13	2.58
31/12/2015	31/12/2016	I – Acc	LU1103787187	-6.39	2.58
31/12/2015	31/12/2016	F – Acc	LU1291159710	-7.06	2.58

1 Reference value *: MSCI Europe Index Net Return in euros (denominated in the currency of each share class)*

 Past performances are no guide to future results of the collective investment undertaking and are not constant over time.

Management Report (continued)

CPR INVEST – REACTIVE

In the US, the start of the year was disappointing and even gave rise to fears of an impending recession: surveys dipped, job creation marked time, and the fall in activity in the oil sector, linked to the fall in oil prices, was acutely felt. However, this very fall (in oil prices) allowed households to save some US$150 billion, and they were also helped by the very low level of interest rates. This allowed a fairly fast recovery, and in fact starting in the summer we saw an acceleration, or rather a normalisation, of activity. Beyond the monthly or even quarterly figures, which may be made volatile by one-off or short-term factors, the general trend is one of growth being re-established at a rate of more than 2%, which is confirmed notably by ISM purchasing managers surveys. The construction sector showed signs of revival, although sales of used homes were constrained by the relative shortage of available properties. The extractive sector had been heavily penalised by the sharp fall in the price of oil: the reversal of this trend allowed it to stabilise and even start to revive. The manufacturing sector remained rather more timid. The employment market was still highly dynamic, and the unemployment rate was now less than 5%, while wages were at last starting to grow, albeit timidly. What is more, household confidence was returning to pre-crisis levels. Inflation was picking up too, and not only because of the rebound in commodity prices: indeed, although the increase in the private consumption deflator, for which the Federal Reserve had set a target of 2%, remained rather weak, many metrics of core inflation (which excludes food and energy, but also for example, median or capped inflation) were now above this threshold. That being so, beyond the short-term economic situation, the main event of the second half of the year was the unexpected election of Donald J. Trump to the presidency of the United States. His economic programme includes numerous measures that could have a significant impact if they are actually passed and applied: cuts in corporate and personal income tax, a reform of the corporate tax structure, deportation of undocumented immigrants, major infrastructure projects and high import duties on certain products coming particularly from China and Mexico. The prospect of a larger budget deficit, major public works and higher import duties led to appreciable increases in inflationary expectations and in long-term interest rates. In this context, the US Federal Reserve initially displayed extreme caution, refraining from raising its key rate as it had itself led markets to expect, citing market volatility, fears about the Chinese economy and the UK referendum for example. Moreover it repeatedly asserted that the equilibrium level of both long- and short-term interest rates had fallen. The normalisation of activity and of inflation and, possibly, the prospect of short-term acceleration that implementation of the new US president's programme would entail, led the US Federal Reserve to resume the process of normalising its key rate from December on, and no doubt all the more resolutely, raising the target range for Federal funds from 0.25-0.50% to 0.50-0.75%.

In the euro zone, after the flat start to the year, spring was rather better than expected, with consumption and even new lending performing fairly well. However overall activity, and especially inflation, remained below the levels one might have hoped for. This led the ECB to put in place, in the spring, a new series of particularly accommodative measures: cuts in the three key rates (the deposit facility rate, which is now the most important one, to a negative 0.40%), an increase in the amount of monthly asset purchases to €80 billion and an extension of their scope to include high-rated corporate bonds, and four targeted longer-term refinancing operations (TLTROs) with a four-year duration. The beginning of the summer saw a slowdown, exacerbated by the terrorist attacks in France.

However, from August, both surveys and actual results showed respectable growth, possibly even in excess of potential, while prices recovered a little, although mainly thanks to oil (inflation excluding food and energy hardly increased at all.) Admittedly there were great disparities from one country to another, with Germany showing considerable dynamism whereas France and especially Italy were more sluggish. It was in this environment that the ECB decided to extend until December 2017 its asset purchases initially scheduled to end in March, but at the same time bringing the €80 billion figure for monthly asset purchases back down to €60 billion - whether with an eye on shaking off investment ratio constraints, the drying up of the market or the effect of the marked reticence of certain national central banks. In Europe too, it was the political situation that held centre stage: while Spain finally got a government, the Italian people's rejection of the

Management Report (continued)

proposed constitutional reforms led to the resignation of Matteo Renzi, who had tied his fate to the result of the referendum. Above all, the British people chose, by referendum, to leave the European Union, and this led to a change of government, even though the same party stayed in power. Although for the time being there were no noticeable economic consequences, this opened up a period of uncertainty that would no doubt last for several years.

Japan was finding it difficult to shake off stagnation, despite the increasingly accommodative monetary policy of the Bank of Japan (zero interest rate, then qualitative and quantitative easing, then more of the same at negative interest rates). The yen's bouts of depreciation had hardly any effect on exports (largely because of significant relocation of investments in the past), and the yen also served as a safe-haven currency in several periods of financial stress. In spite of everything, at year-end Japan started growing again: although the figures may seem weak in absolute terms, they are very encouraging in view of the trend in the active population and the very weak growth potential. Despite this, and despite a rather tight labour market only partly offset by women's increased rate of participation, wages hardly increased at all. This was a contributory factor in the persistent weakness of inflation, which struggled to rise above zero. To emphasise its struggle against the risk of deflation, the Bank of Japan put in place a new policy (although the US Federal Reserve had used it during World War II), namely setting a target for long-term interest rates, in this case 0%. As a result the annual amounts of securities purchases set by the central bank became purely indicative since it would buy or sell the amounts necessary to stabilise long-term interest rates.

In China, growth stabilised at an admittedly relatively low level, in a context in which the authorities were endeavouring to redirect growth away from export- and manufacturing-centred investment towards a more services and domestic consumption oriented economy. In this regard it should be noted that for the first time the National People's Congress of China ("NPC") set a target in the form of a range (6.5% to 7%) rather than a precise figure. The exchange policy was evolving too, with a target against a basket of currencies, not just the dollar. Among the risks weighing on the economy, we should mention above all financial instability, indebtedness being perhaps excessive. The authorities let the yuan float, certainly against the dollar, which tended to appreciate, but even against the basket of currencies forming the new benchmark. In view of upcoming political events, particularly the 19th congress of the Communist Party of China ("CCP") in the autumn, which has to decide on reappointing, or rather rubber-stamping Mr Xi, it is likely that no effort will be spared to avoid any serious incident disturbing the economy between now and then.

In the early part of the year, oil prices continued the decline that had started in 2014, driven by fears of recession in China and the continued increase in production, notably because of shale oil in the US. When prices first started to fall, many US wells became unprofitable and closed, but cost reductions thanks to technological advances allowed American producers to adapt. Despite this, the price rebounded in mid-year, before an unexpected agreement between OPEC and other oil producing countries, notably Russia, to cut production (perhaps as an optical illusion?), which contributed to holding the price above US$50 a barrel.

MARKET HIGHLIGHTS

As anticipated, 2016 was marked by the return of volatility to financial markets. More precisely, this past year was punctuated by bouts of volatility as brief as they were intense, interspersed among prolonged phases of stabilisation. The peaks in volatility were mainly linked to major political issues such as the Brexit vote, the US election and the Italian referendum. As in previous years, the major central banks' policies loomed large in any assessment of the stakes involved. And while the majority of investors expected some tightening of monetary conditions, particularly in the US, the major central banks remained highly accommodative in 2016.

Despite the start to the year being marked by heavy stresses on risk assets (fears about China, collapse of commodity prices), equity markets ended up making considerable advances in 2016. The MSCI World index, expressed in euros, posted a performance of 10.7% for the year. Investors thus adopted a rather optimistic stance in the face of surprises and disappointments on the political front. As is so often the case, reduced uncertainty won the upper hand, and markets rallied significantly after these events. But the main

Management Report (continued)

gains in equity markets were posted during the last quarter of the year, when reflation was taking hold in the US. While inflationary expectations had started to pick up from the end of the first half of the year, Trump's election certainly acted as a catalyst in the latter part of the year. In equities, emerging markets and the US posted the biggest advances over the course of the year (14.5% and 14.2% respectively, both in euro terms). Although the euro zone remained in retreat, a catch-up phase started right at the end of the year. Beyond geographical allocation, disparities among and within sectors and styles were also extreme over the course of the year. Such was notably the case of the banking sector, which having suffered at the beginning of the period went on to outperform substantially in the wake of increased interest rates. Conversely, lower volatility strategies, having initially been much in favour with investors, ended the year underperforming. In the US market there were significant reallocations to growth stocks and small-caps towards the end of the period.

While a possible rise in interest rates was one of the major risks anticipated for 2016, in the first half of the year the fixed income markets continued on their trajectory of previous years. New records were set, as Japanese and German ten-year bonds crossed the symbolic threshold of absolute zero and posted negative yields, while US ten-year Treasuries flirted with 1.30% at the time of the Brexit episode. The trend nevertheless reversed in the second half of the year, and this movement accelerated very noticeably after the US election. Indeed, improved prospects for world growth, driven in particular by a dynamic US economy, pushed yields up towards year-end. At the end of December 2016, US ten-year rates were close to 2.5%, compared with 0.2% in Germany. In parallel, the US dollar strengthened against the euro to close at 1.05. New event: the more marked and lasting recovery in inflationary expectations led investors to pile into indexed bonds (ten-year US Treasuries close to 2% at year-end).

As well as sovereign bonds, high-yield paper also did well after two difficult years, particularly in the US market, with a positive performance of 15.6% (hedged against the euro) for the year. This asset class benefited greatly from the rally in commodities (with oil above US$50 a barrel at year-end after low points of close to US$25) and improved growth prospects, without being much affected by the upswing in long-term interest rates. While emerging market debt had benefited from investors' search for yield, the picture became more mixed following the US elections. Corporate bonds were also in favour over the course of the year, particularly in Europe, where the extension of the ECB's asset purchase programme had a very positive effect on this asset class. The euro investment grade segment posted a performance of nearly 4.7%, and the high-yield segment posted 8.8% for 2016.

Throughout the year we maintained a relatively positive baseline (most likely) scenario of "stabilisation of world growth". This scenario of normalisation following the stresses of late 2015 and early 2016 led us to maintain a close-to-neutral positioning in equities practically throughout the year. We nevertheless adjusted this scenario towards one of "improved world growth dynamic" at year-end, in view of the improved short-term potential for the US economy. At the same time we raised the level of risk in our allocation and also significantly increased our equity exposure in order to take advantage of the US post-election rally.
But while we kept our baseline scenario overall, our alternative scenarios evolved substantially over the course of 2016. The aim was to take account of a wide variety of risks anticipated in relation to how market context evolved.
For example for the first quarter we had incorporated risk scenarios centred on China, the emerging markets and commodities. These scenarios led us to start the year concentrating our equity positions in the US and euro zone markets, which ended up penalising the portfolios since the emerging markets proved surprisingly resilient. On the other hand our bullish "doubts about China dispelled" risk scenario allowed us quickly to reposition the portfolio when the markets rebounded in March, notably in emerging market equities and high-yield debt securities.

Starting in April, the risk associated with the UK referendum appeared on our allocation horizon (as a reminder, our market scenarios are made with a three-month horizon). This risk was then taken into account up until the day of the referendum, and we incorporated some hedging strategies into the portfolio in order to minimise the impact of a possible Brexit result. More precisely, we had put in place hedging strategies on

Management Report (continued)

our European equity positions and were positioned in some uncorrelated assets such as gold stocks, US and UK long-term fixed income securities and the US dollar. Together, these strategies allowed us very substantially to cushion the surge in volatility caused by this milestone event of 2016, notably by reducing EMU equities to zero.

Since the first half of the year we had taken a rather negative view on fixed income. This positioning was further accentuated after the UK referendum, as sovereign yields had reached all-time lows. We then embarked on a more marked desensitisation movement as regards interest rates, by reducing the portfolios' sensitivity to levels close to zero. In parallel, we accentuated our exposure to break-even inflation rates.

Lastly, towards year-end we incorporated several risk scenarios centred on the US (Federal Reserve risk, political risk and upswing in inflation). While we had been deliberately underweight in US equities at the beginning of the last quarter of the year, we tactically increased our exposure before and after the presidential election. In view of the lack of visibility as to the medium-term impact of Trump's election on emerging markets, we cleared nearly all our emerging market positions, both equities and debt. The election of Donald Trump was perceived by the markets as an inflection point towards a scenario of reflation and reinforcement of growth. In fact we positioned the portfolio so as to benefit from the rise in equity markets, notably favouring Japan (hedging the currency risk) in November and the euro zone at the beginning of December, which made a strong contribution to the Fund's performance.

OUTLOOK FOR 2017

Investors' reaction to Donald Trump's election was irrefutable. The bond market saw a spectacular downturn, with emerging debt funds suffering unprecedented withdrawals and precious metals undergoing massive outflows as the dollar rose. Investors piled into US equities. Optimism seems to have returned, and we take note of this change of paradigm with an "accelerating world growth driven by US" baseline scenario.

In the bond segment, yields remain low despite the recent movement, and the risks are rather on the increase in our view. Nonetheless the central banks in Europe and Japan will maintain fairly accommodative monetary policies. Increases in the balance sheets of the ECB and the BoJ are still topical. In Japan, the reforms are proving difficult to put in place, and we shall have to wait for a new programme of budgetary stimulus. The increase in US interest rates will nevertheless probably continue to be gradual. We do not expect more than three increases in the federal funds rate in 2017. The success of the reflation policy could however lead to speculative bubbles starting to build up in certain assets, and once again we shall have to stay vigilant. Too much optimism on the markets is dangerous. At year-end investors bought in to an "idyllic" scenario. There remain the questions of the timing and actual implementation of the stimulus measures in the US. The effects on economic growth will not be immediate, and at the same time long-term interest rates might over-react. Faced with multiple uncertainties, forecasting the performance of stock market indices is more and more difficult, but we are staying with a scenario of a rise of between 5% and 10%. A more gradual rise in interest rates should not penalise equity markets in the baseline scenario, and would be offset by a fall in the risk premium. Equities would basically profit from a switch out of bond markets. In this environment of more sustained economic growth in the developed countries, with a more favourable short-term economic situation in the emerging markets and continuing recovery of commodity prices, corporate earnings could stage a bigger-than-expected rebound.

Beyond this baseline scenario, we remain attentive to the potential risks of slippage, and have established three alternative market scenarios for the coming year. Our first alternative scenario is based once again on increased political risk in Europe and the continued rise of populism in its various forms. From this point of view, the gap between the other major regions and Europe should widen while Europe nosedives for the third time since the onset of the crisis.

The second risk scenario envisaged is that of "disillusionment with Trump's programme", which in the short to medium term could bring an end to the trend that started towards the end of 2016. Reversal of expectations, which would ultimately lead to growth being hobbled by runaway inflation and excessive

Management Report (continued)

tightening of monetary conditions. Our last alternative scenario is based on a worsening of China's slowdown, the impact of which would in the first instance be significant for other emerging economies and subsequently spread to the developed economies.

Performances

Start date	Closing date	Class	ISIN code	Performance of the class (%)	Performance of the reference value[1] (%)
31/12/2015	31/12/2016	A – Acc	LU1103787690	3.44	6.61
31/12/2015	31/12/2016	A – Dist	LU1203020943	3.44	6.61
31/12/2015	31/12/2016	I – Acc	LU1103787930	4.25	6.61
31/12/2015	31/12/2016	F – Acc	LU1291159637	3.40	6.61
22/12/2016	31/12/2016	R – Acc	LU1530898177	-0.58	-0.43

[1] Reference value *: 50% J.P. Morgan GBI Global Index Hedge Return in euros + 50% MSCI World Index Net Return in euros*

 Past performances are no guide to future results of the collective investment undertaking and are not constant over time.

Management Report (continued)

CPR INVEST – DEFENSIVE

CPR Invest – Defensive has as its objective to outperform its benchmark, which is composed 80% of the performance of the JPM World Hedged bond index plus 20% of that of the MSCI World equity index.

CPR Invest – Defensive is 100% invested in CPR Croissance Prudente 0-40 Part T (the "Fund"). To achieve its objective, CPR Croissance Prudente 0-40 uses two main levers:
- over- or under-weighting of equities and bonds relative to 20% and 80% of the benchmark in phase with the guidelines set by the diversified management committee meetings;
- allocation of betas, mainly via UCITS and ETFs so as to achieve geographical, thematic or sectoral diversification of equities and geographical, curve and credit diversification in bonds.

To attain its objective, the fund uses futures or options on equity indices as both exposure and hedging so as to manage the overall exposure of the portfolio to equity risk by recourse to derivatives listed on organised markets. The fund uses interest rate derivatives (futures or options) by way of both hedging and exposure so as to manage the overall exposure of the portfolio to interest rate risk by recourse to derivatives listed on organised markets.

<u>First quarter of 2016</u>
The beginning of the year was marked by strong financial disturbances: a sharp fall in the stock market and the price of oil, and currency movements. Fear of a hard landing in China was one of the apparent causes of this sharply increased volatility. This state of affairs influenced central banks' decisions, despite the relative normalisation that followed.

In the US, in view of the risks posed by financial stresses and the international environment, the US Federal Reserve did not continue with the process of raising interest rates that it had embarked upon in December, and the average forecast of the federal funds rate by members of the FOMC was revised downwards, with only two rate hikes in 2016 (and the markets did not seem to think even these would come about).

In the euro zone, although credit conditions and new lending was relatively satisfactory, it was no doubt the lack of inflation as well as the deterioration of the international and financial contexts that led the ECB to put in place a new series of quantitative easing measures, cutting the three key rates, with the main refinancing operations (MRO) rate set at 0% and that of the deposit facility at minus 0.40%, an increase in the volume of monthly asset purchases, an extension of their scope to include high-rated non-financial corporate bonds, and four targeted longer-term refinancing operations (TLTROs) with a four-year duration at a fixed rate of 0%.

Against this backdrop, shares fell sharply in the first part of the quarter and made a negative contribution to the performance of the portfolio. The difference in performance relative to the benchmark was due mainly to the overall overweighting of equities in the portfolio. Our underweighting in fixed income securities, although we reduced it during the quarter, had a negative effect on performance.

<u>April 2016</u>
Following a first quarter marked by some notable jolts, the environment calmed considerably in April and the economic situation seemed to stabilise. This was reflected in the share volatility indices, which in April reached their lowest points since the beginning of the year (close to 12.5 and 20 respectively for the VIX and the V-Stoxx). The equity market advanced moderately (MSCI World up 1.1% in euros), driven notably by Europe and the US, whose economies remained solid. Despite an initial estimate for Q1 GDP growth of "only" 0.5%, the US economy proved resilient overall, while manufacturing surveys picked up and employment remained dynamic. In the euro zone, growth surprised positively, at 0.6%, reflecting the continued recovery in spite of still mixed inflation figures. In this context both the ECB and the US Federal Reserve unsurprisingly kept their policies and statements unchanged in April. In contrast with this, investors were rather alarmed by Mr Kuroda's unchanged stance at the recent meeting of the BoJ, at a time when the Japanese economy was still suffering. With the EUR-JPY exchange rate crashing to levels close to 122,

Management Report (continued)

Japan's equity market posted a smokescreen performance for the month (down 0.4% in yen, up more than 4% in euros). The positive dynamic of March continued as far as credit was concerned, and particularly for high-yield securities. In this generally calm market environment, rates started to inch up again, especially in the euro zone (rising yields and widening spreads of peripheral euro zone countries).

The upswing in interest rates penalised the portfolio over the course of the month, despite our relatively small exposure in the bond segment of the portfolio.

We increased the portfolio's equity exposure during the month. We maintained our preference for the US market, positioning on European equities (including small caps) and diversification in emerging markets. At month end we reinvested tactically in the Japanese market in expectation of economic support measures from the central bank.

As interest rates gradually rose, we substantially desensitised the portfolio. We mainly sold positions in Germany and strengthened exposure to France and Belgium, which offer a spread relative to Germany: in an environment of negative interest rates, this is attractive. However we kept our positions in credit spreads, notably in the high-yield compartment.

<u>May 2016</u>

After marking time in the previous few weeks, risk assets resumed an upward trajectory towards month-end. Indeed, the latest economic publications seemed more upbeat, both in the US and in the euro zone. US first-quarter growth was revised upwards to 0.8% from the initial estimate of 0.5%. Inflation also continues to gain in strength (clear rise in consumer prices in April) and the labour market remains dynamic, even if the effects on wages remain moderate for the time being. The published minutes of the FOMC meeting refer to this dynamic, and alert to a forthcoming rate hike. This announcement surprised the markets: the probability of a June rate hike, until then close to zero, shot up to around 30%, and 10-year Treasuries gained 20 bps, ending the month at close to 1.90%. The rise in yields did not spread to euro bonds, which remained at low points (the 10-year Bund being close to 0.15% at the end of May). Particularly as the good news came from Europe, and it was both economic and political. The agreement on Greek debt, and polls pointing to a "remain" victory in the UK referendum also contributed to the recovery in investor confidence, allowing equities to rebound.

Over the course of the month, US equities outperformed (the MSCI USA in euros gained 4.7%), helped by the dollar's return to levels close to 1.12. Euro zone and Japanese equity markets also advanced (by 2.1% and 1.8% respectively), while the emerging markets were in retreat (by 0.95% in euros) despite performances of Asian emerging markets being overall in line.

The portfolio benefited from the stabilisation of the environment and the rebound in risk assets at the end of the month.

We held overall exposure to the equity markets close to neutral during most of May, slightly raising the risks at the end of the period. In terms of geographical allocation, we continued to have a clear preference for the US market. At the end of the month we also cleared our positions in emerging markets in favour of euro zone equities.

In fixed income, we kept the portfolio's sensitivity at relatively low levels, in a context of improving macro figures in both the US and the euro zone. While exposures to all geographical regions remained low, we nonetheless preferred US to euro zone given the levels attained. We kept the credit diversification segment of the portfolio.

Management Report (continued)

June 2016
2016 was no exception to the rule, with June synonymous with volatility of risk assets. And as usual, these stresses originated in Europe. Having narrowly avoided Grexit in the previous year, the EU was faced with Brexit when the result of the UK referendum was announced on 24 June. Although the outcome of the vote had been uncertain, the previous week had seemed rather to favour the “remain” side, and investors had been optimistic. The outcome therefore took investors by surprise, and the markets reacted violently. Risk assets fell sharply (euro equities by 8%) and spreads shot up (high-yield by 80 bps, peripheral sovereign debt by 50 bps) while investors piled into safe-haven assets: core euro zone 10-year bond rates fell by 30 bps and the yen surged past 100 to the dollar. Even so, the downward movement was relatively contained, given on the one hand equities’ pre-referendum advance ad on the other the notable rebound at the end of June. And yet, although the markets seem to have quickly wiped out the “Brexit effect”, visibility on the real economic and political impact of the vote remained limited. And therefore the risk was certainly there! It was there in particular for risk assets, even though investors no longer expected any further rate hikes in the US before 2017 and bond yields continued to fall.

Our overall exposure to the equity markets was reduced during the month, reaching a low point after the announcement of the UK referendum result. This desensitisation was largely due to the option-based hedging strategies put in place for the euro zone. At the end of the period, we took advantage of some attractive entry points to take on some risk again, mainly on European equities, so as to return to a neutral position. In geographical terms, we remained very US-centred. We maintained our low weighting in fixed income securities.

July 2016
Brexit continued to occupy centre stage in July. David Cameron resigned and Theresa May became Prime Minister of the UK. Next step in the process: triggering of Article 50, which should take place sometime in 2017. The Bank of England left its rates unchanged, but the minutes of the meeting clearly announced easing in August. Despite the uncertainty leading up to the UK referendum, GDP growth remained vigorous in Q2, accelerating from 0.4% to 0.6% for the quarter. That said, the negative effect of the Brexit vote could be seen in the surveys indicating that growth would no doubt be penalised in Q3. The ECB indicated that it was not yet in a position to assess the impact of Brexit, but that it was ready to act. The ECB’s position would probably become clearer in September, once its new projections became available, and it would no doubt also take account of the effects of the newly implemented programmes on inflation and growth.
GDP growth in the euro zone fell from 0.6% to 0.3% in the second quarter, as a result of the slowdown in all the major euro zone economies. In France, GDP growth in Q2 was zero, albeit following a robust 0.7% in Q1. As for prices, euro zone inflation continued to increase in July, to 0.2% on a sliding annual basis, as opposed to 0.1% the month before. In the US, after a weak summer, job creation rallied strongly in June, with 287,000 new jobs created. US Federal Reserve members considered that the weakness of the labour market had been temporary, and that the risks associated with Brexit and other external factors had diminished. The US economy remained weak in the second quarter (up by 1.2% on an annualised basis), partly because of a marked movement to clear inventories, but also due to the weakness of investment. In contrast with this, household consumption recovered strongly in Q2. Monthly confidence indicators signalled a recovery in economic activity. Economic indicators also improved, with industrial production up 0.6% for the month and a 75.4% capacity utilisation rate. Headline inflation held steady at 1.0% on a moving annual basis in June, while core inflation increased slightly to 2.3%.

Following a volatile June, equity markets worldwide posted modest gains in July. On the currency markets, the major exchange rates remained practically stable during the month. Oil prices suffered a new bout of weakness, with Brent crude falling by nearly 14% to US$42.90 per barrel. At the same time, gold prices remained spread out on a monthly basis, but they were up by 22% YoY. Government bond rates were down in France, the UK and Japan but slightly up in Germany and the US.

Management Report (continued)

August 2016
Following a notable rebound in risk assets after the UK referendum, the markets remained very calm over the course of August. The BoE's announcement of measures to counter the negative effects of the Brexit vote (rate cuts, support for banks via the TFS (term funding scheme) and an increase in the asset purchase programme) had been widely anticipated by investors following Mark Carney's earlier statements. The minutes of the ECB's meeting also noted a smaller shock wave than had been expected. Surveys generally held up well in the euro zone (PMI composite at 53.3), despite the fact that growth in the second quarter had been just 0.3% on an annualised basis, compared with 0.6% in the previous quarter. In any case these figures pointed to growth for 2016 slightly above forecasts at the beginning of the year for the euro zone, in contrast with the Japanese economy, which continued to suffer, with sluggish growth of 0.1% and inflation in retreat at a negative 0.5%. Growth was also below expectations in the US, at 1.1% in the second quarter, although consumption and employment remained vigorous. This led investors to adopt a wait-and-see attitude, while the issue of the US Federal Reserve's rate normalisation returned to centre-stage. In this environment, volatility reached its lowest point since the beginning of the year, and daily movements in US equities were confined to a range of minus 1% to plus 1% throughout the month.
In August, the MSCI World stagnated at +0.5% in euros, while the emerging markets continued to advance (+2.9% for the MSCI EM), buoyed by the rebound in oil (WTI close to US$45 a barrel). Core rates rose slightly in the US, the euro zone and Japan, by some 10 bps in the case of 10-year maturities. High-yield debt securities continued to perform well (+1.6% in Europe and +2.1% in the US), the rally being fuelled notably by the ECB's CSPP (corporate sector purchase programme).

The slight increase in interest rates penalised the performance of the portfolio for the month, despite the low exposure to bonds.

The equity exposure remained virtually unchanged, still with a preference for euro zone equities. We rounded out our exposure to risk assets with our positions in credit spreads, notably in the high-yield compartment.

September 2016
The stabilisation phase continued in September, despite a full calendar dominated by meetings of the major central banks. The BoJ was first off the mark, with an assessment of the monetary policies implemented over the past few years. As well as adjusting his inflation target, Mr Kuroda stressed his determination to manage long-term rates, and not only those remunerating the banks as before. Investors continued in wait-and-see mode, as the weakness of the August ISM figures sent mixed signals regarding the FOMC's actions (or lack of them). In the end the Federal Reserve opted yet again to leave things as they were, while at the same time noting that the continued progress of the US economy still argued for a rate hike before long. Indeed, US inflation continued to recover (faster, in fact), the labour market remained vigorous and GDP had one more been revised upwards. All the same, the FOMC members reduced their dot plot forecasts, noting the more limited potential for the US economy. In the euro zone too, the economy remained vigorous, as evidenced by the tone of the main surveys (PMI, IFO, etc.). However political risk continued to weigh on the zone, exemplified by the political deadlock in Spain and the upcoming referendum in Italy, to which was added the bout of volatility linked to Deutsche Bank towards the end of the month. Another milestone was the unexpected agreement among OPEC members which allowed oil to continue climbing towards US$50 a barrel. Equities posted a slight fall for the month of September (MSCI World down 0.4% in euros), mainly due to the exchange effect, which penalised the US market. Fixed income securities also eased (JPM GBI Global -0.2%) against a backdrop of steepening yield curves in the US and the euro zone.

In a market environment with no clear trend, the Fund's performance fell back slightly in September.

We maintained a deliberately cautious allocation strategy, while overall exposure to equities remained stable during September at 10%. We concentrated our positions in low volatility strategies, both in the US and in Europe. We continued to steer clear of the Japanese and emerging markets.

Management Report (continued)

As part of the same approach based on reducing overall risk, we kept interest rate sensitivity at its lowest levels since the beginning of the year and cleared out our diversification play on emerging market debt. We did however manage our positioning in US fixed income securities tactically. We continued with our carry strategy on credit spreads, notably high-yield.

October 2016

After a prolonged stabilisation phase, equity markets progressed during October against a backdrop of strengthening economic dynamics. But the disparities among geographical regions were accentuated. Thus the euro zone performed on the back of reduced political risk (in Spain and Portugal), while emerging markets were buoyed by the rebound in commodities. Despite the positive macro- and micro-economic indicators, the US underperformed for the month, penalised notably by uncertainty as to the outcome of the presidential elections of 8 November. In fact recent US economic indicators had been rather reassuring, with GDP growth in Q3 of 2.9%, a still solid employment market and an increasingly palpable return of inflation. In this context, bond yields resumed their upward trend (US and German 10-year paper up nearly 30 bps over the course of the month). This movement was also stoked at the beginning of the month by rumours of a possible premature tapering of the ECB's asset purchase programme. And while sovereigns eased (JPM World -1.6%), carry assets proved resilient (credit and emerging sovereign debt outperforming in line).

In a context of rising interest rates, the Fund held up well. We maintained a deliberately cautious allocation strategy, while overall exposure to equities remained stable during the month at 10%. We nevertheless adjusted our geographical allocation, strengthening our positions in the euro zone at the expense of the US and Europe ex-EMU. While still staying away from emerging markets, we did return to the Japanese market at the end of the period. During October we gradually took profits on our positions in the US dollar.
As part of the same approach based on reducing overall risk, we once again reduced the interest rate sensitivity by reducing our exposure to UK sovereign bonds. We maintained our carry strategy on high-yield credit spreads, and established a position of diversification on inflation.

November 2016

2016 was certainly a year of political surprises, not least among which was the victory of Donald Trump in the US presidential elections. The markets reacted violently, especially the fixed income markets, with 10-year US Treasuries increasing by 50 bps to 2.37% in a marked steepening of the curve, and currency markets, where the euro-dollar rate returned to levels of close to 1.06. And while this burst of speed may seem overdone in the short term, it nevertheless took place in an overall context of hardening policy on the part of the US Federal Reserve and a recovery in inflation. Indeed, while investors seem to have detected a potential return to growth in the US, the budgetary and trade issues are just as significant. On this particular point, the lack of visibility led to large-scale withdrawals of capital from emerging markets during the month, from both equities and debt securities; however, the OPEC agreement right at the end of the month might provide support to producer countries. Beyond that, the equity markets welcomed Trump's surprise win, world equities being buoyed by the US market, which posted a performance of 7% in euro terms. November's best performance in local currency terms however was posted by the Japanese market, which gained nearly 5.8%, driven by the marked appreciation of the yen and the continued active support of the Bank of Japan. Euro zone equities continued to fall, penalised in particular by the problems associated with the Italian referendum. As well as the upcoming ECB meeting, these misgivings were certainly at least part of the reason why the rise in US yields did not spread more than it did to core euro zone countries.
In a context of sharply rising US rates, the Fund proved resilient.
We maintain a resolutely prudent allocation strategy, and the overall equity exposure held steady over the course of the month at 10%. We also kept our geographical allocation, strengthening our preference for the US and Europe. While continuing to stay out of emerging markets, we are still positive on the Japanese market.
In fixed income, we continued to gradually reduce the sensitivity of the portfolio, first to US and then to euro zone interest rates. We would point out that the interest rate sensitivity is now close to zero, and even negative as far as the euro zone is concerned. At the same time we increased our position in break-even inflation and maintained our positions in HY spreads.

Management Report (continued)

December 2016

The rising trend continued following the already notable advances of November. While all risk assets benefited from this return of optimism, in December it was euro zone equities that did best, with a performance of nearly 7% (compared with 3% for the MSCI World denominated in euros). And this in spite of the (not unexpected) victory of the "No" vote in the Italian referendum and the return of banking risk in the euro zone. On this point, Deutsche Bank's announcement of an agreement with the US authorities and the bailout of Monte Dei Paschi by the Italian state will have benefited the sector, which advanced by nearly 10% during the month. Across the Atlantic, the dynamism of the US economy was confirmed. Evidence of this came in the form of the rebound in the ISM surveys and the revision of Q3 GDP to 3.5% from the initial 3.1%. Inflation also continued its gradual normalisation and the core index came in at 2.1%. In this environment, the members of the FOMC decided to raise the key rate once again. This decision had been very widely anticipated by investors, which explains why the markets' reaction, beyond that already seen, was rather limited. Ten-year US Treasuries nonetheless ended the year at around 2.5%. The decoupling of monetary policies intensified further, since Mario Draghi had announced an extension of the ECB's asset purchase programme from March to December 2017, albeit at a lower pace of €60 billion a months as opposed to €80 billion previously. This naturally depressed yields in the euro zone, the 10-year Bund closing the year at close to 0.2%. The credit markets also ended the year on a positive note, with performances close to 2% in December for European and US markets.

Over the course of the month the portfolio benefited from the continued rise in risk assets.
Our equity exposure increased sharply at the beginning of the month, coming close to neutrality at 20%, basically due to the exercise of options in the portfolio. Our positioning in the euro zone thus increased substantially, from 2.5% to 10%. Beyond our preference for the European market, we also remained invested in US and Japanese equities. We continued to steer clear of emerging markets however.
In fixed income, we kept the sensitivity of the portfolio low, close to zero for all geographical regions. In parallel we kept our position in break-even inflation and our high-yield credit spread strategy.
Our market baseline scenario for the beginning of 2017, which is one of positive world growth dynamic, led us to start the year with a relatively large exposure to equities and a substantial underweighting in fixed income securities. The lag between economic cycles in the euro zone and the United States, with central banks on one side of the Atlantic implementing monetary policy to stave off deflation and on the other side the prospect of key interest rate increases, leads us to favour geographical allocation strategies more geared to the euro zone.

Management Report (continued)

Performances

Start date	Closing date	Class	ISIN code	Performance of the class (%)	Performance of the reference value[1] (%)
31/12/2015	31/12/2016	A – Acc	LU1203018533	2.37	4.02
31/12/2015	31/12/2016	A – Dist	LU1203018376	2.37	4.02
31/12/2015	31/12/2016	I – Acc	LU1203018707	3.08	4.02
31/12/2015	31/12/2016	F – Acc	LU1291159124	2.47	4.02
22/12/2016	31/12/2016	R – Acc	LU1530898334	-0.11	0.05

[1] Reference value : 80% J.P. Morgan GBI Global Index Hedge Return in euros + 20% MSCI World Index Net Return in euros

 Past performances are no guide to future results of the collective investment undertaking and are not constant over time.

Management Report (continued)

CPR INVEST – EURO HIGH DIVIDEND

During the period under review, and in accordance with its management objective, the Sub-Fund remained exposed to high-dividend stocks with the highest probability of their actually being paid. Consisting on average of around 85 stocks over the course of the year, the Sub-Fund has an ex ante tracking error of close to 5.75% and some very marked sector plays.

In view of its "dividend" theme, the Fund remained heavily overweight in the insurance sector (18.19% in absolute weighting, or an average overweighting of 11.83% over the period) and utilities (15.13% in absolute terms, average overweighting of 9.99%) at the expense of pharmaceuticals (no stocks in position, or underweighting of 6.10%), capital goods (3.87% absolute, average underweighting 7.25%). With regard to geographical plays, the Sub-Fund was massively underweight on France (19.46% in absolute terms, underweight by 12.98%) and Germany (17.85%, underweight 11.61%) in favour of Italy (20.34% absolute, overweight 13.57%) and Finland (11.43%, overweight 8.20%).

The historical underperformance of financial securities, which led us to adjust our position relative to our model portfolio during the first nine months of the year by reducing our position in the insurance sector as much as possible and to a lesser extent that in banks, so as to limit the Sub-Fund's underperformance without over-sacrificing the dividend rate. During the period under review the main positive contributors to performance were BNP, Banco Santander and ING, while the main negative contributors were Intesa, Generali, Coface and ICAG (because of Brexit).

OUTLOOK FOR 2017

We are no doubt in for a bumpy ride in 2017, with a return of volatility in the region due to electoral shocks, despite earnings that should remain positive and consequently dividends still less volatile than results. The fund's structure is unlikely to change much as regards sectors, with a preponderance of insurance and services to local authorities at the expense of capital goods and pharmaceuticals. Banks are likely to make something of a comeback. In geographical terms, the country distribution should remain unchanged overall, with Italy and Finland overweight and Germany underweight. We will continue to aim for a dividend of around 5%.

Management Report (continued)

Performances

Start date	Closing date	Class	ISIN code	Performance of the class (%)	Performance of the reference value[1] (%)
31/12/2015	31/12/2016	A – Acc	LU1203019267	-0.61	4.37
31/12/2015	31/12/2016	A – Dist	LU1203018962	-0.61	4.37
31/12/2015	31/12/2016	I – Acc	LU1203019697	0.19	4.37
31/12/2015	31/12/2016	F – Acc	LU1291159470	-0.54	4.37

[1] Reference value : *MSCI EMU Index Net Return in euros*

Past performances are no guide to future results of the collective investment undertaking and are not constant over time.

Management Report (continued)

CPR INVEST – DYNAMIC

In the US, the start of the year was disappointing and even gave rise to fears of an impending recession: surveys dipped, job creation marked time, and the fall in activity in the oil sector, linked to the fall in oil prices, was acutely felt. However, this very fall (in oil prices) allowed households to save some US$150 billion, and they were also helped by the very low level of interest rates. This allowed a fairly fast recovery, and in fact starting in the summer we saw an acceleration, or rather a normalisation, of activity. Beyond the monthly or even quarterly figures, which may be made volatile by one-off or short-term factors, the general trend is one of growth being re-established at a rate of more than 2%, which is confirmed notably by ISM purchasing managers surveys. The construction sector showed signs of revival, although sales of used homes were constrained by the relative shortage of available properties. The extractive sector had been heavily penalised by the sharp fall in the price of oil: the reversal of this trend allowed it to stabilise and even start to revive. The manufacturing sector remained rather more timid. The employment market was still highly dynamic, and the unemployment rate was now less than 5%, while wages were at last starting to grow, albeit timidly. What is more, household confidence was returning to pre-crisis levels. Inflation was picking up too, and not only because of the rebound in commodity prices: indeed, although the increase in the private consumption deflator, for which the Federal Reserve had set a target of 2%, remained rather weak, many metrics of core inflation (which excludes food and energy, but also for example, median or capped inflation) were now above this threshold. That being so, beyond the short-term economic situation, the main event of the second half of the year was the unexpected election of Donald J. Trump to the presidency of the United States. His economic programme includes numerous measures that could have a significant impact if they are actually passed and applied: cuts in corporate and personal income tax, a reform of the corporate tax structure, deportation of undocumented immigrants, major infrastructure projects and high import duties on certain products coming particularly from China and Mexico. The prospect of a larger budget deficit, major public works and higher import duties led to appreciable increases in inflationary expectations and in long-term interest rates. In this context, the US Federal Reserve initially displayed extreme caution, refraining from raising its key rate as it had itself led markets to expect, citing market volatility, fears about the Chinese economy and the UK referendum for example. Moreover it repeatedly asserted that the equilibrium level of both long- and short-term interest rates had fallen. The normalisation of activity and of inflation and, possibly, the prospect of short-term acceleration that implementation of the new US president’s programme would entail, led the US Federal Reserve to resume the process of normalising its key rate from December on, and no doubt all the more resolutely, raising the target range for Federal funds from 0.25-0.50% to 0.50-0.75%.

In the euro zone, after the flat start to the year, spring was rather better than expected, with consumption and even new lending performing fairly well. However overall activity, and especially inflation, remained below the levels one might have hoped for. This led the ECB to put in place, in the spring, a new series of particularly accommodative measures: cuts in the three key rates (the deposit facility rate, which is now the most important one, to a negative 0.40%), an increase in the amount of monthly asset purchases to €80 billion and an extension of their scope to include high-rated corporate bonds, and four targeted longer-term refinancing operations (TLTROs) with a four-year duration. The beginning of the summer saw a slowdown, exacerbated by the terrorist attacks in France.

However, from August, both surveys and actual results showed respectable growth, possibly even in excess of potential, while prices recovered a little, although mainly thanks to oil (inflation excluding food and energy hardly increased at all.) Admittedly there were great disparities from one country to another, with Germany showing considerable dynamism whereas France and especially Italy were more sluggish. It was in this environment that the ECB decided to extend until December 2017 its asset purchases initially scheduled to end in March, but at the same time bringing the €80 billion figure for monthly asset purchases back down to €60 billion - whether with an eye on shaking off investment ratio constraints, the drying up of the market or the effect of the marked reticence of certain national central banks. In Europe too, it was the

Management Report (continued)

political situation that held centre stage: while Spain finally got a government, the Italian people's rejection of the proposed constitutional reforms led to the resignation of Matteo Renzi, who had tied his fate to the result of the referendum. Above all, the British people chose, by referendum, to leave the European Union, and this led to a change of government, even though the same party stayed in power. Although for the time being there were no noticeable economic consequences, this opened up a period of uncertainty that would no doubt last for several years.

Japan was finding it difficult to shake off stagnation, despite the increasingly accommodative monetary policy of the Bank of Japan (zero interest rate, then qualitative and quantitative easing, then more of the same at negative interest rates). The yen's bouts of depreciation had hardly any effect on exports (largely because of significant relocation of investments in the past), and the yen also served as a safe-haven currency in several periods of financial stress. In spite of everything, at year-end Japan started growing again: although the figures may seem weak in absolute terms, they are very encouraging in view of the trend in the active population and the very weak growth potential. Despite this, and despite a rather tight labour market only partly offset by women's increased rate of participation, wages hardly increased at all. This was a contributory factor in the persistent weakness of inflation, which struggled to rise above zero. To emphasise its struggle against the risk of deflation, the Bank of Japan put in place a new policy (although the US Federal Reserve had used it during World War II), namely setting a target for long-term interest rates, in this case 0%. As a result the annual amounts of securities purchases set by the central bank became purely indicative since it would buy or sell the amounts necessary to stabilise long-term interest rates.

In China, growth stabilised at an admittedly relatively low level, in a context in which the authorities were endeavouring to redirect growth away from export- and manufacturing-centred investment towards a more services and domestic consumption oriented economy. In this regard it should be noted that for the first time the National People's Congress of China ("NPC") set a target in the form of a range (6.5% to 7%) rather than a precise figure. The exchange policy was evolving too, with a target against a basket of currencies, not just the dollar. Among the risks weighing on the economy, we should mention above all financial instability, indebtedness being perhaps excessive. The authorities let the yuan float, certainly against the dollar, which tended to appreciate, but even against the basket of currencies forming the new benchmark. In view of upcoming political events, particularly the 19th congress of the Communist Party of China ("CCP") in the autumn, which has to decide on reappointing, or rather rubber-stamping Mr Xi, it is likely that no effort will be spared to avoid any serious incident disturbing the economy between now and then.

In the early part of the year, oil prices continued the decline that had started in 2014, driven by fears of recession in China and the continued increase in production, notably because of shale oil in the US. When prices first started to fall, many US wells became unprofitable and closed, but cost reductions thanks to technological advances allowed American producers to adapt. Despite this, the price rebounded in mid-year, before an unexpected agreement between OPEC and other oil producing countries, notably Russia, to cut production (perhaps as an optical illusion?), which contributed to holding the price above US$50 a barrel.

MARKET HIGHLIGHTS

As anticipated, 2016 was marked by the return of volatility to financial markets. More precisely, this past year was punctuated by bouts of volatility as brief as they were intense, interspersed among prolonged phases of stabilisation. The peaks in volatility were mainly linked to major political issues such as the Brexit vote, the US election and the Italian referendum. As in previous years, the major central banks' policies loomed large in any assessment of the stakes involved. And while the majority of investors expected some tightening of monetary conditions, particularly in the US, the major central banks remained highly accommodative in 2016.

Despite the start to the year being marked by heavy stresses on risk assets (fears about China, collapse of commodity prices), equity markets ended up making considerable advances in 2016. The MSCI World index, expressed in euros, posted a performance of 10.7% for the year. Investors thus adopted a rather optimistic stance in the face of surprises and disappointments on the political front. As is so often the case,

Management Report (continued)

reduced uncertainty won the upper hand, and markets rallied significantly after these events. But the main gains in equity markets were posted during the last quarter of the year, when reflation was taking hold in the US. While inflationary expectations had started to pick up from the end of the first half of the year, Trump's election certainly acted as a catalyst in the latter part of the year. In equities, emerging markets and the US posted the biggest advances over the course of the year (14.5% and 14.2% respectively, both in euro terms). Although the euro zone remained in retreat, a catch-up phase started right at the end of the year. Beyond geographical allocation, disparities among and within sectors and styles were also extreme over the course of the year. Such was notably the case of the banking sector, which having suffered at the beginning of the period went on to outperform substantially in the wake of increased interest rates. Conversely, lower volatility strategies, having initially been much in favour with investors, ended the year underperforming. In the US market there were significant reallocations to growth stocks and small-caps towards the end of the period.

While a possible rise in interest rates was one of the major risks anticipated for 2016, in the first half of the year the fixed income markets continued on their trajectory of previous years. New records were set, as Japanese and German ten-year bonds crossed the symbolic threshold of absolute zero and posted negative yields, while US ten-year Treasuries flirted with 1.30% at the time of the Brexit episode. The trend nevertheless reversed in the second half of the year, and this movement accelerated very noticeably after the US election. Indeed, improved prospects for world growth, driven in particular by a dynamic US economy, pushed yields up towards year-end. At the end of December 2016, US ten-year rates were close to 2.5%, compared with 0.2% in Germany. In parallel, the US dollar strengthened against the euro to close at 1.05. New event: the more marked and lasting recovery in inflationary expectations led investors to pile into indexed bonds (ten-year US Treasuries close to 2% at year-end).

As well as sovereign bonds, high-yield paper also did well after two difficult years, particularly in the US market, with a positive performance of 15.6% (hedged against the euro) for the year. This asset class benefited greatly from the rally in commodities (with oil above US$50 a barrel at year-end after low points of close to US$25) and improved growth prospects, without being much affected by the upswing in long-term interest rates. While emerging market debt had benefited from investors' search for yield, the picture became more mixed following the US elections. Corporate bonds were also in favour over the course of the year, particularly in Europe, where the extension of the ECB's asset purchase programme had a very positive effect on this asset class. The euro investment grade segment posted a performance of nearly 4.7%, and the high-yield segment posted 8.8% for 2016.

Throughout the year we maintained a relatively positive baseline (most likely) scenario of "stabilisation of world growth". This scenario of normalisation following the stresses of late 2015 and early 2016 led us to maintain a close-to-neutral positioning in equities practically throughout the year. We nevertheless adjusted this scenario towards one of "improved world growth dynamic" at year-end, in view of the improved short-term potential for the US economy. At the same time we raised the level of risk in our allocation and also significantly increased our equity exposure in order to take advantage of the US post-election rally.
But while we kept our baseline scenario overall, our alternative scenarios evolved substantially over the course of 2016. The aim was to take account of a wide variety of risks anticipated in relation to how market context evolved.
For example for the first quarter we had incorporated risk scenarios centred on China, the emerging markets and commodities. These scenarios led us to start the year concentrating our equity positions in the US and euro zone markets, which ended up penalising the portfolios since the emerging markets proved surprisingly resilient. On the other hand our bullish "doubts about China dispelled" risk scenario allowed us quickly to reposition the portfolio when the markets rebounded in March, notably in emerging market equities and high-yield debt securities.

Starting in April, the risk associated with the UK referendum appeared on our allocation horizon (as a reminder, our market scenarios are made with a three-month horizon). This risk was then taken into account up until the day of the referendum, and we incorporated some hedging strategies into the portfolio in order

Management Report (continued)

to minimise the impact of a possible Brexit result. More precisely, we had put in place hedging strategies on our European equity positions and were positioned in some uncorrelated assets such as gold stocks, US and UK long-term fixed income securities and the US dollar. Together, these strategies allowed us very substantially to cushion the surge in volatility caused by this milestone event of 2016, notably by reducing EMU equities to zero.

Since the first half of the year we had taken a rather negative view on fixed income. This positioning was further accentuated after the UK referendum, as sovereign yields had reached all-time lows. We then embarked on a more marked desensitisation movement as regards interest rates, by reducing the portfolios' sensitivity to levels close to zero. In parallel, we accentuated our exposure to break-even inflation rates.

Lastly, towards year-end we incorporated several risk scenarios centred on the US (Federal Reserve risk, political risk and upswing in inflation). While we had been deliberately underweight in US equities at the beginning of the last quarter of the year, we tactically increased our exposure before and after the presidential election. In view of the lack of visibility as to the medium-term impact of Trump's election on emerging markets, we cleared nearly all our emerging market positions, both equities and debt. The election of Donald Trump was perceived by the markets as an inflection point towards a scenario of reflation and reinforcement of growth. In fact we positioned the portfolio so as to benefit from the rise in equity markets, notably favouring Japan (hedging the currency risk) in November and the euro zone at the beginning of December, which made a strong contribution to the Fund's performance.

OUTLOOK FOR 2017

Investors' reaction to Donald Trump's election was irrefutable. The bond market saw a spectacular downturn, with emerging debt funds suffering unprecedented withdrawals and precious metals undergoing massive outflows as the dollar rose. Investors piled into US equities. Optimism seems to have returned, and we take note of this change of paradigm with an "accelerating world growth driven by US" baseline scenario.

In the bond segment, yields remain low despite the recent movement, and the risks are rather on the increase in our view. Nonetheless the central banks in Europe and Japan will maintain fairly accommodative monetary policies. Increases in the balance sheets of the ECB and the BoJ are still topical. In Japan, the reforms are proving difficult to put in place, and we shall have to wait for a new programme of budgetary stimulus. The increase in US interest rates will nevertheless probably continue to be gradual. We do not expect more than three increases in the federal funds rate in 2017. The success of the reflation policy could however lead to speculative bubbles starting to build up in certain assets, and once again we shall have to stay vigilant. Too much optimism on the markets is dangerous. At year-end investors bought in to an "idyllic" scenario. There remain the questions of the timing and actual implementation of the stimulus measures in the US. The effects on economic growth will not be immediate, and at the same time long-term interest rates might over-react. Faced with multiple uncertainties, forecasting the performance of stock market indices is more and more difficult, but we are staying with a scenario of a rise of between 5% and 10%. A more gradual rise in interest rates should not penalise equity markets in the baseline scenario, and would be offset by a fall in the risk premium. Equities would basically profit from a switch out of bond markets. In this environment of more sustained economic growth in the developed countries, with a more favourable short-term economic situation in the emerging markets and continuing recovery of commodity prices, corporate earnings could stage a bigger-than-expected rebound.

Beyond this baseline scenario, we remain attentive to the potential risks of slippage, and have established three alternative market scenarios for the coming year. Our first alternative scenario is based once again on increased political risk in Europe and the continued rise of populism in its various forms. From this point of view, the gap between the other major regions and Europe should widen while Europe nosedives for the third time since the onset of the crisis.
The second risk scenario envisaged is that of "disillusionment with Trump's programme", which in the short to medium term could bring an end to the trend that started towards the end of 2016. Reversal of

Management Report (continued)

expectations, which would ultimately lead to growth being hobbled by runaway inflation and excessive tightening of monetary conditions. Our last alternative scenario is based on a worsening of China's slowdown, the impact of which would in the first instance be significant for other emerging economies and subsequently spread to the developed economies.

Management Report (continued)

Performances

Start date	Closing date	Class	ISIN code	Performance of the class (%)	Performance of the reference value[1] (%)
31/12/2015	31/12/2016	A – Acc	LU1203020190	4.17	9.11
31/12/2015	31/12/2016	A – Dist	LU1203019853	4.17	9.11
31/12/2015	31/12/2016	I – Acc	LU1203020356	5	9.11
31/12/2015	31/12/2016	F – Acc	LU1291159553	4.17	9.11
22/12/2016	31/12/2016	R – Acc	LU1530898763	-0.91	-0.89

[1]Reference value : 20% J.P. Morgan GBI Global Index Hedge Return in euros + 80% MSCI World Index Net Return in euros

Past performances are no guide to future results of the collective investment undertaking and are not constant over time.

Management Report (continued)

CPR INVEST – GLOBAL SILVER AGE

January was very negative for European equity markets and for all financial markets in general. Disappointing Chinese manufacturing PMI figures and fears of a possible sharp devaluation of the yuan threw stock markets and oil prices into a downward spiral. The fall in markets was accompanied by high volatility, which was stabilised only when central bank executives came out with accommodative statements at month-end.

The European Central Bank again reduced its deposit rate. The Bank of England postponed the prospect of a forthcoming rate hike. The US Federal Reserve confirmed that it would continue to normalise monetary policy, accompanying its discourse with fairly accommodative comments. The Bank of Japan surprised the markets by setting some of its rates in negative territory.

As regards economic indicators, the signals remained fairly positive in Europe. The composite PMI came to 54.3 in December compared with 54.2 in November, thanks to manufacturing activity, services remaining unchanged. The unemployment rate came to 10.5% in November, 0.2 pp less than in October. Inflation was lower than forecast, mainly due to the fall in energy components.

In the US, published statistics confirmed the trends observed over the past few months. The manufacturing sector continued to contract because of the difficulties of the energy sector, and industrial production was down by 0.4% on a sliding monthly basis. Conversely, services and consumer morale remained positive. The employment market remained dynamic, and hourly wages were improving. However, US markets ended the month sharply down due to fears about global growth and the collapse in oil prices.

In Japan, the BoJ decided to introduce negative interest rates to try to kick-start inflation. Activity indices remained mixed, with the manufacturing sector unchanged and services in retreat. The Nikkei fell sharply in the wake of China's stock markets.
As regards interest rates, central banks' discourse led to a flattening of the curves, confirming a risk-off environment.

As for commodities, WTI touched US$26.55 a barrel, its lowest point since May 2003, Iran announced ambitious production objectives and the other producers confirmed that they did not envisage cutting their output. At the end of the month, Brent and WTI had limited their falls to 6.8% and 9.2% respectively. China's macroeconomic statistics and the fall in manufacturing activity weighed on prices of industrial metals, and gold was the only one to gain more than 5% in the month.

In terms of securities, in Europe as in the US, cyclical stocks suffered badly while defensive stocks held up better. Financial securities notably underperformed, with Italian banks affected by non-performing loans (estimated at 17% of total lending). Analysts' forecasts continued to be adjusted downwards, and the first US earnings publications were worse than expected in a large number of cases.

Against this backdrop the MSCI World index in euros ended the month down by 5.59%. In terms of sectors, the ranking was headed by services to local authorities, cosmetic and healthcare products and telecommunications. At the bottom were auto makers, banks and diversified financial companies.
In terms of stocks, Stryker, Teleflex and M3 were the biggest contributors, while SEI Investments, Norwegian Cruise and Regeneron Pharmaceuticals showed the weakest performances.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Intuitive Surgical, WABMD Health Corp and Healthcare Trust, financed by the sale or trimming of lines such as Regeneron, Cardinal Health and SEI Investment.

Management Report (continued)

February was a negative month for the European equity markets and more generally all financial markets. The month was divided into two parts: the first part was initially characterised by a fall against a backdrop of volatility in currencies and fear of a major yuan devaluation, further falls in commodity prices and lastly liquidity stresses in credit markets. In the second part of the month the markets rallied thanks to the rebound in the price of oil and statements by the Chinese authorities ruling out a significant devaluation of the yuan.

In Europe, analysts' forecasts were revised down significantly, with EPS now predicted to fall by 2.5% on a sliding year basis, in a context of quarterly earnings reports with no surprises.

In the, the market once again proved itself the most resilient of equity markets. And this despite Yellen's determination to continue with the normalisation of monetary policy despite the deterioration in the domestic and global environment. Employment figures also continued to look positive, as did minimum wages, which continued to grow.

In Japan, the equity market continued to see heavy selling at the beginning of the month, reflecting fears of contagion from China. The BoJ meanwhile surprised the market by announcing negative rates on deposits in the hope of accelerating the transmission of liquidity to the real economy. The valuation of the yen meanwhile weighed on earnings, which accentuated the fall in the domestic market.

As regards commodities, the sharp fall in oil prices at the beginning of the month led some producers to start negotiations on limiting supply, and this in itself was enough to trigger an uptick in the price of oil and to allay fears regarding the world economic situation.

Against this backdrop the MSCI Europe index ended the month down by 2.19% (NR in euros), the MSCI Japan down by 3.15% (NR in euros) and the MSCI USA down by 0.7% (NR in euros). The MSCI World lost 1.16% (NR in euros).

In terms of sectors, at the head of the ranking were materials, transport and capital goods. At the bottom were banks, automotive and software applications.
In terms of securities Lundbeck, Edwards Lifesciences and Toro Company were the biggest contributors, while Prudential, Mazda and Toyota made negative contributions to the Sub-Fund's performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Lion Corp, Paramount Bed and Hilton, financed by the sale or trimming of lines such as Toyota, Daiwa House and Sawai.

March was a positive month for global financial markets. This rise in equities came about as a result of the uptick in commodity prices and the calming of fears of a devaluation of the Chinese yuan. The movement was strengthened by the accommodative statements by the US Federal Reserve, stressing the gradual nature of the normalisation of its monetary policy. Thus the dollar fell by nearly 5% against the euro and the yen over the course of the month. The dollar's weakness helped commodity prices, as shown by the rise in prices of oil, gas and grains. Emerging markets were to the fore, with the MSCI Emerging Markets index ending the month up by 8.2% in euro terms. In China, the PBOC made its first reduction to the required reserve ratio since August, and the government committed to growth objectives which investors found reassuring. In Brazil, the market rebounded in the hope of a change of government like Argentina's a few months earlier.

In the US, confirmation of the rally in commodity prices and emerging markets, as well as the retreat of the dollar, supported the upward movement. Macroeconomic indicators remained positive for employment, services and real estate, but manufacturing activity was more haphazard, with sluggish indicators, albeit better than expected. Net job creation for February amply surpassed forecasts, and the unemployment rate touched bottom at 4.9%. However this was not enough to trigger wage inflation. On the corporate front, the

Management Report (continued)

saga of the acquisition of Starwood (hotels) continued throughout the month. After raising its bid, the Chinese group Angbang ended up throwing in the towel in favour of Marriott.

In Japan, fluctuations in the yen's exchange rate were at the centre of investors' attention. Even though the yen strengthened slightly against the dollar during the month, exporters underpinned the rise of the index. The macroeconomic signals were still not good, manufacturing activity remained poor, with industrial production falling by more than 6% in February. Household consumption fell for the fifth consecutive month, despite a very low unemployment rate of 3.2%

In Europe, despite the ECB's new initiatives (new rate cuts, increase and expansion of purchasing programmes), the markets remained unmoved, restrained by analysts continuing to lower their corporate forecasts. The PMI activity index continued to fall in February, basically because of manufacturing activity. Consumer prices in the euro zone started to fall again in February, as a result of price reductions in the energy sector. The labour market continued to improve, with a third consecutive month of falling unemployment, which reached its lowest level since August 2011.

Against this backdrop the MSCI World index ended the month up by +1.89%. In terms of sectors, at the top of the ranking were the property sector, benefiting from central banks' announcements, materials and technological facilities, both of which benefited from their exposure to China and emerging markets. At the bottom were the pharmaceutical sector and medical facilities providers, which suffered from the concerns surrounding the US elections, and health and beauty products.

In terms of securities in portfolio, Nihon M&A, Spectrum and William were the biggest contributors, while bioMérieux, Lundbeck and Teva made negative contributions to the Sub-Fund's performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Johnson & Johnson, Toro and Comcast, financed by the sale or trimming of lines such as Cigna, ICU and Teva.

April was a positive month for international equity markets. However the month got off to a hesitant start because of the price of oil, which was still very low, lower manufacturing orders in Germany and disappointing figures from the ISM manufacturing index in the euro zone. The markets managed to rally in tandem with the rebound in oil against a background of speculation ahead of the meeting of oil producing countries in Doha and thanks to the first increase in Chinese exports for nine months.

Central banks remained fairly accommodative, the ECB seeking to achieve price stability for the whole euro zone, leaving the door open for new measures should they prove necessary and the US Federal Reserve continuing to accompany its rate-raising cycle with conciliatory discourse. Nonetheless, the Bank of Japan's decision to stay with the *status quo* surprised the markets, which had been expecting additional measures at a time when monetary policy was already far advanced in its support actions.

Statistics published in the euro zone indicated that inflation was still falling, at a negative 0.2% on a moving annual basis. Statistics on activity tended to confirm the relatively positive outlook. Euro zone GDP growth in Q1 increased to 0.6% QoQ, and the unemployment rate continued to fall in March, to 10.2% from 10.4% in February. Lastly there was very little change in the PMI for April, suggesting that recovery was continuing, thanks in particular to further easing of borrowing conditions for companies.

In the US, the equity markets marked time, having rebounded strongly from a low point in mid-February. The few quarterly earnings reports were less bad than expected, but the deterioration in the macroeconomic indicators at month-end raised doubts about the solidity of US growth. The US Federal Reserve opted for the *status quo* but left open the possibility of a rate hike at its next meeting in June, despite recent statistics signalling a downturn in activity in the first quarter, with growth slowing to 0.5% QoQ annualised, after 1.4% in Q4, due to slowing household consumption and a dip in business investment.

Management Report (continued)

In Japan, the month was marked by a sluggish manufacturing index, with major Japanese industries' confidence falling to its lowest level for nearly three years. The Bank of Japan revised its growth forecasts to 1.2% for 2016-17 (as against 1.5% previously) and 0.1% for 2017-18 (from 0.3%), due to the weakness of exports. The volatility of the yen had a marked impact on exporters' stock market performances.
Against this backdrop the MSCI World index ended the month up by +1.89%. In terms of sectors, at the top of the ranking were the property sector, benefiting from central banks' announcements, materials and technological facilities, both of which benefited from their exposure to China and emerging markets. At the bottom were the pharmaceutical sector and medical facilities providers, which suffered from the concerns surrounding the US elections, and health and beauty products.

In terms of securities in portfolio, Boston Scientific, Edwards Lifesciences and Lion Corporation were the biggest contributors, while Norwegian Cruise, Kimberly-Clark and Ryanair contributed negatively to performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Johnson & Johnson, Toro and Comcast, financed by the sale or trimming of lines such as Cigna, ICU and Teva.

May was a positive months for equity markets, which continued on the upward trend embarked on in February.

In the euro zone, the macroeconomic indices sent positive signals. Inflation increased slightly in May, driven by components other than energy and food. However, it remained low, and growth was still too weak to generate an uptick in inflationary expectations in the following months.

In political terms, developments in the month were enough to reassure investors. Fears about the UK referendum on leaving the EU receded during the month following some reassuring opinion polls. The compromise struck with the Greek government on the creditors' support plan was also well received by investors, since it avoided a further bout of volatility for the euro zone. Lastly, the ECB's statements about work aimed at reducing the weight of doubtful debts in European banks' balance sheets eased some of the fears about a sector already heavily penalised by an environment of low interest rates.

In the US, the economic indicators were looking positive. This prompted the Federal Reserve to reaffirm the possibility of a rate hike in June as part of the process of normalisation of its monetary policy. The final decision on this hike was linked to two conditions: economic growth in line with expectations, and continuing positive US job data. As a result of the Federal Reserve's remarks, the dollar regained strength against the euro and the yen, reversing the trend that had started in January.

In Japan on the other hand, the economic indicators were disappointing, but concerns were allayed by the weakening of the yen and the announcement that the sales tax increase would be postponed. The postponement of the sales tax increase and the third consecutive month of wage increases should support consumption, which had been struggling to take off. However the market is still waiting for Abe to announce his fiscal and budgetary plan; it should be announced in the autumn so as to stimulate the stagnant economy.

Against this backdrop the MSCI World index in euros ended the month up by 3.55%. In terms of sectors, at the top of the ranking were semi-conductor makers, software application publishers and technological facility providers. At the bottom were the materials sector, energy companies and the transport sector.

In terms of securities in portfolio, Lion Corporation, Recordati and Sysmex were the biggest contributors, while Edwards Lifesciences, Investec Plc and Prestige Brands contributed negatively to the performance.

Management Report (continued)

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Cooper, Lincoln and Axa, financed by the sale or trimming of lines such as NN Group, ITV and Hologic.

June was a volatile month for equity markets, investors having had a series of surprises from central banks and the result of the Brexit referendum.

The period under review started with the publication of US employment figures. These mixed figures led the Federal Reserve to hint at a possible pause in the rate-raising process, whereas investors had been assuming that the cycle was committed to. This statement led to an uptick in equity and commodity markets in the first part of the month. Then markets were then dominated by the UK referendum on whether to remain in the EU or leave it. Against a backdrop of polled voting intentions in favour of the "leave" (Brexit) camp, risk assets such as oil shares first fell before rallying strongly in the week before the vote, as polls indicated that the "remainers" would win. On 24 June markets were taken by surprise by the results of the UK vote and in two sessions the stock markets wiped out all their gains. The end of the month saw a technical rebound, which gained pace when the Bank of England announced quantitative easing measures to limit the slowdown in growth.

At the macroeconomic level, euro zone statistics remained in line with a trend of gradual improvement. Euro zone inflation recovered somewhat, supported by the recent rise in oil prices. In the US, the very disappointing employment report, particularly in terms of job creation (38,000 as against 160,000 expected) led the US Federal Reserve to adopt a more cautious stance, leading to the status quo on monetary policy being maintained. In Japan, the economic situation showed no significant improvement, with Q1 GDP in line with expectations even though the manufacturing sector showed very slight signs of improvement. Japan's Prime Minister announced the postponement of the next sales tax increase from April 2017 to October 2019, and revealed his intention of taking major budgetary stimulus measures for 2016.

Analysts' upward revisions of European companies' earnings forecasts, observed in May, came to a grinding halt, and the first post-Brexit consensus adjustments were published with a marked downturn in the transport, media and banking sectors. This pessimism did not affect US companies for the time being, upward revisions of the past month continuing in June.

In bond markets, the European Central Bank continued to implement the measures announced in March and started buying significant volumes of corporate bonds. Over the course of the month German rates fell for all major issuers and the yield on the Bund fell below zero. In the UK, the yield on ten-year gilts fell sharply to end the month at 0.86%. Credit spreads for Spain and Italy widened, reflecting increased risk aversion. In the US, fixed income securities evolved in tandem with the slowdown in the pace of rate hikes; thus over the month as a whole Treasury yields retreated.

Currency markets were also turbulent, sterling falling by nearly 9% against the dollar as a result of fears raised by the Brexit vote. The yen served as a safe-haven currency, gaining nearly 7% against the dollar.

Against this backdrop the MSCI World index in euros ended the month down by 0.92%. In terms of sectors, at the head of the ranking were the energy sector, services to local authorities and real estate. At the bottom were auto makers and automotive OEMs, banks and diversified financial companies.

In terms of securities in portfolio, Paramount Bed, Tsukui and Teleflex were the biggest contributors, while Voya Financial, McCarthy & Stone and Ryanair Holdings contributed negatively to the performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Zimmer Biomet, Baxter and UnitedHealth, financed by the sale or trimming of lines such as WebMD, Ford and Daimler.

Management Report (continued)

July ended with a positive performance from equity markets. And yet the month had started out looking difficult, with serious concerns about the consequences of Brexit, poor employment figures published in June in the US and uncertainties concerning the effectiveness of the monetary policies put in place by the various central banks.

In the event the markets rallied when new, more reassuring US job creation figures were published in July. With market volatility at its lowest, investors stayed fairly calm amid the mixed quarterly earnings reports and the Bank of Japan's timid actions, expectations of which had been high in view of the still gloomy economic signals.

In Europe, quarterly earnings reports were reassuring on the whole. Mining and steel companies benefited from the rise in steel and iron ore prices. Oil stocks were depressed by the consolidation of the oil price due to high levels of stocks in the US and the return to normal levels of production. At macroeconomic level, the Bank of England and the ECB opted to maintain the *status quo*, waiting to until they can better evaluate the impact of Brexit before acting. In the euro zone, the statistics were almost unaffected by Brexit, with business climate and activity indices holding up well. Euro zone inflation increased slightly in July.

In the US, 73% of companies that had released their quarterly earnings by the end of the month had exceeded analysts' profit forecasts. At the macroeconomic level, retail sales for June surprised favourably, sending a positive signal about household consumption. But business investment remained weak and estimated US GDP growth in 2Q came out below expectations, with orders for capital goods suggesting no improvement in the near future.

In Japan, economic news remained gloomy. Activity indices, industrial production and external trade figures were all disappointing. The yen declined again, allowing equity markets to pick up. At month end the prime minister announced a fiscal stimulus plan, but this plan was broadly in line with expectations.
On the fixed income markets, corporate bonds continued to soar, boosted by the actions of Europeans central banks, which increased their purchases, by high-yield issuers taking advantage of the abundant liquidity resulting from the numerous redemptions, and lastly by fairly positive corporate earnings.

Against this backdrop the MSCI World index ended the month up by +3.54%. In terms of sectors, the ranking was headed by auto makers and automotive OEMs, makers of semi-conductors and software application publishers. At the bottom of the ranking were the energy sector, makers of healthcare and cosmetic products and major retailers.

It was noticeable that in the Fund's universe the healthcare sector held up very well in the wake of the Brexit vote. The sector's defensive profile and positive earnings reports certainly contributed to this. For example AstraZeneca rose on the back of quarterly EPS of 10% more than analysts' forecasts. GlaxoSmithKline benefited from the pound's weakness and published good Q2 earnings. Sanofi also confirmed its objectives for 2016, despite a decline in sales of its flagship product. In the US, biotechnology firms benefited from the return of risk appetite and turned in some very good performances for the month.

In terms of securities in portfolio, Edwards Lifesciences, Renault and Nomura were the biggest contributors, while Paramount Bed Holdings, C. R. Bard and Clorox contributed negatively to the performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Bristol-Myers Squibb, UnitedHealth and ING, financed by the sale or trimming of lines such as Dentsply Sirona, Healthcare Services and Ryanair.

August held no particular surprises for the equity markets. The first few days of the month saw the publication of rather disappointing second quarter GDP figures in the US, a guarded reading of the European bank stress tests and a continuation of the correction in crude oil prices that had started one month earlier. Decisive measures announced by the Bank of England on 4 August and the publication of excellent employment figures in the US allowed indices and the oil price to move ahead again. Lastly, Janet Yellen's speech at the end of August, hinting at a rate hike, wiped out part of the gains of the previous two weeks.

European equity markets saw profit-taking at the beginning of the month, particularly bank stocks, which lost 6% in two sessions, in a difficult context marked by concerns over certain euro zone banks' balance sheets in the wake of the inconclusive results of the stress tests. The starting gun was fired by the Bank of England. The BoE exceeded expectations by announcing a cut in the base rate, a new financing programme for banks, an expansion of its QE and the launch of a new corporate bond purchasing programme. Banking and cyclical manufacturing stocks were the main drivers of the rebound. We should point out that the major cyclical industrial stocks (chemicals, construction and oil and gas) rebounded thanks to good quarterly earnings reports and an uptick in the price of crude towards month-end. However, healthcare stocks suffered substantial sell-offs as a result of their defensive nature and Hillary Clinton's proposals on price capping.

In the US, the S&P ended the month flat. And yet the month had started well, with good employment figures and news of the Bank of England's measures. Janet Yellen's speech in Jackson Hole on 19 August, in which she stressed the solidity of US growth, was perceived as foreshadowing normalisation of the Federal Reserve's monetary policy. The probability of a December rate hike, indicated by Fed Futures, went from 35% on 1 August to 59% on 31 August. The dollar started to appreciate once again, bringing pressure to bear on commodities and equity indices.

In Japan, after a very good July, the Nikkei still posted the best performance among the developed markets. The depreciation of the yen following the good US employment figures continued after Janet Yellen's speech. Bank of Japan governor Kuroda supported this trend by indicating that the BoJ might intensify its already highly accommodative monetary policy at the September meeting. Over the course of the month the yen fell by 1.3% against the dollar. At the macroeconomic level, the indicators were very mixed, with Q2 GDP growth below the consensus and core inflation falling more quickly than forecast. The unemployment rate, which fell to a twenty-year low, was the only bright spot on the macro scene.

The MSCI World index ended the month up by 0.54%, driven by banks, capital goods and diversified finance companies. At the bottom of the ranking were the pharmaceutical, services and telecommunications sectors.

The Sub-Fund posted a performance of -0.84% for the month. Sectors such as diversified financial companies, consumer services and household goods and services were the biggest contributors to the Fund, while pharmaceuticals, healthcare equipment and services and retailing were the worst contributors.

In terms of securities in portfolio, Vali Resorts, ING Group and Aramark were the biggest contributors, while Bristol Meyers, Norwegian Cruise Line and Tsukui Corporation contributed negatively to the performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Credit Suisse Group, Chartwell Retirement Residence and ING Group, financed by the sale or trimming of Norwegian Cruise Line, M3 Inc and Nihon M&A Center.

Following a relatively stable month of August, the markets remained hesitant throughout September. However there was no shortage of information, with central bank meetings (ECB, FOMC and BoJ), an unexpectedly successful OPEC meeting in Algiers and renewed stresses on European financial stocks.

In Europe, Mario Draghi's remarks threw cold water on the market dynamic. Contrary to market expectations, he indicated that no extension of the asset purchase programme had been discussed in the ECB's monthly meeting. The correction was accentuated by oil's dipping back below $43 a barrel. Financials suffered after both the US Federal Reserve and the Bank of Japan kept their monetary policies unchanged. The $14 billion fine imposed by the US Department of Justice on Deutsche Bank in connection

Management Report (continued)

with the sub-prime crisis accentuated the sector's fall due to the systemic nature of German banking. The rebound would come at the end of the period with the surprise OPEC agreement on a (symbolic) cut in production.

In the US, the S&P 500 ended the month in equilibrium, after a period of decline. The turnaround was made possible by the accommodative statements of the FOMC, which decided not to raise its key rates in September. However the Federal Reserve left little room for doubt about a December rate hike. The implied probability of a rate hike in December was now 60%. At the head of the ranking of contributors to the index were oil and oilfield services companies and technology stocks. Banks ended the month down, penalised by the legal action against Deutsche Bank and the scandal surrounding fraudulent accounts at Wells Fargo.

The Japanese market fell by 2.6% in September. The index was penalised in particular by the strengthening of the Japanese currency against the dollar and the euro, weighing on exporters. And yet the month had started well, with the comments of the governor of the BoJ sending positive signals to the markets. The market was caught unawares when the BoJ decided not to touch its key rates on 21 September. The BoJ also abandoned its growth target for the money supply in favour of controlling interest rates so as to hold ten-year yields at their current level. Growth in Q2 came to 0.7% on a sliding annual basis, and the manufacturing activity index was 50.3 compared with 49.5 in August. Inflation in August was in line with expectations at a negative 0.5%, but still far from the 2% target.

The MSCI World index ended the month up by 0.20% in dollars (down 0.33% in euros), driven by good performances from the technology, energy, materials and semi-conductor sectors. The banking, pharmaceutical, diversified financial and durable goods sectors contributed negatively to performance.

As for the Sub-Fund, sectors such as pharmaceuticals, food and retailing and transport contributed positively to its performance. However the diversified finance, consumer services and real estate sectors made negative contributions. In terms of securities in portfolio, Intuitive Surgical, Lion Corporation and Smiths Group were the biggest contributors, while Tractor Supply, Teleflex Inc and Texas Roadhouse made negative contributions to the performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Invesco, Priceline Group and AIA Group, financed by the sale or trimming of lines such as Fresenius Medical Care, Tractor Supply and SEI Investments.

In <u>October</u> the financial markets were largely driven by news on the macroeconomic front, notably the various comments of central banks and economic figures from China. Equity markets turned in divergent performances for the month, with US markets slightly down, European markets holding steady and the Japanese market sharply up.

In Europe, lower-than-expected US employment figures, the prospect of a "hard" Brexit and China's sharply lower export figures all weighed on the markets at the beginning of the month. In the second part of the month, the ECB's decision to hold monetary policy unchanged and better-than-expected figures for China's export sales and trade balance brought about a rally in banking stocks and commodities. Markets ended the month down amid uncertainties surrounding the US elections.

In the US, employment figures for September did nothing to alter expectations of rate hike. In fact the US economy created 156,000 new jobs in September compared with the 172,000 expected. The implied probability of a rate hike in December remained stable at 68%. The dollar appreciated strongly in October (by 14% on a trade-weighted basis).

In Japan, despite the gloomy macroeconomic data, the market rose by 5.9% in October, profiting from the yen's weakness. GDP growth in the second quarter was 0.2% QoQ. Household spending was disappointing, falling by 2.1%, and the composite activity index fell from 49.8 to 48.9. The Bank of Japan did not hold a

Management Report (continued)

monetary policy meeting in October, and the market expected the BoJ to hold its rates unchanged in November.

The MSCI World index in euros ended the month up by 0.55%, driven by the technology, media and services sectors. The real estate, food and tobacco sectors weighed the index down.

As for currencies, the dollar appreciated with expectations of a rate hike in December, while the euro and sterling weakened with expectations of additional measures from the ECB and developments linked to Brexit.

At Sub-Fund level for the month, sectors such as automotive and retail were the biggest contributors, while the property and media sectors contributed negatively to the strategy.

In terms of transactions, a non-exhaustive list would include the purchase and/or strengthening of lines such as State Street Corporation, First Republic Bank and Varian Medical Systems, financed by the sale or trimming of lines such as Healthcare Realty Trust, Rohen Klinikum and Texas Roadhouse.

During November, financial markets danced to the tune of geopolitical current affairs, and particularly the US presidential election. Contrary to expectations, equity markets reacted positively to Donald Trump’s victory. In stark contrast, the Republican candidates victory led immediately to a surge in inflationary expectations and a steepening of bond yield curves in the US and Europe. In short, this event accelerated sector rotation, with investors repositioning in favour of financial and cyclical securities and losing interest in defensive stocks such as services to local authorities.

Equally unexpected was the decision of oil producing countries to cut production to 32.5 million barrels a day, which was welcomed by the markets and which allowed the price of crude to jump by 8% within the day, to above US$50 a barrel.

In Europe, the markets were torn between the ruling of the UK Supreme Court that parliament must be consulted before triggering the Brexit procedure and fears about Matteo Renzi’s referendum on Italian constitutional reform. At the macroeconomic level, the European Central Bank continued with its accommodative discourse despite the continued rise in inflation (0.5% on a sliding annual basis in October). Results remained fairly strong, with November’s manufacturing activity index at 53.7, its most dynamic level since February 2014, and the unemployment rate continuing to recede, reaching 9.8% in October.

In the US, the October report showed continued improvement, with 161,000 new hires, an unemployment rate down by 0.1% at 4.9% and growing wage pressure (average hourly wage up by 2.8% YoY). In view of this, together with the uptick in US third-quarter growth, investors now put the implied probability of a December rate hike at more than 92%. As for currencies, the dollar made solid gains (+3.1% against a basket of international currencies).

In Japan, the equity markets logically benefited from the yen’s downward trend (it depreciated by 8.4% in November) and from encouraging macroeconomic statistics: the manufacturing activity index put in a surprise de 51.4 against the expected 50.4 and third-quarter GDP growth came to 0.5% as opposed to the 0.2% expected.

The MSCI World index ended the month up sharply, by 4.82% (in euro terms). In terms of sectors, those outperforming the index included banks and financial services benefiting from renewed steepening of yield curves in the wake of Trump’s election and the leisure industry, which benefited from sector rotation in favour of cyclical stocks. Conversely, services to local authorities, agri-food and cosmetics posted the biggest falls in the index, being severely affected by the sharp rise in bond rates and sector rotation.

Management Report (continued)

As for the Sub-Fund's performance, the financial savings and dependency sectors made positive contributions, while the healthcare facility and health and beauty products sectors made negative contributions to the strategy. In terms of securities in portfolio, Actelion, Matthews International and Aetna were the biggest contributors, while Edwards Lifesciences, Boston Scientific Group and Aramark contributed negatively to the Sub-Fund's performance.

In terms of transactions, a non-exhaustive list would include the following movements; the purchase and/or strengthening of lines such as Metlife, Amgen and Merck and Co, financed by the sale or trimming of lines such as Church Dwight, Essilor and CVS Health Corp.

In December, the financial markets continued on their upward trend started by Trump's surprise win. And yet this movement could have been derailed at the beginning of the month by Italian voters' rejection of proposed constitutional reform, which led to the resignation of prime minister Matteo Renzi. However, the markets were unperturbed by the event, and parliament's adoption, at the end of the month, of the plan to recapitalise Italian banks, opened the way for investors to reposition themselves in European (including Italian) bank shares.

In Europe, the markets ended the year up by 5.84% (in euros), driven in particular by southern Europe, especially Italy. The ECB adopted a slightly less accommodative tone in extending its asset purchase programme by a further nine months but reducing the amount of monthly bond purchases to €60 billion. As regards short-term economic indicators, euro zone inflation for November was 0.6% (on a sliding annual basis), confirming the expected uptick. However it should be noted that core inflation, excluding energy, had not increased since August. The composite activity index, while still at a satisfactory level, posted a slightly disappointing final figure for November of 53.7 (compared with the 54.1 expected). This was largely because activity of the French service sector was revised to 51.6 from the 52.6 expected.

In the US, the Federal Reserve raised its key rate by 25 bps in a widely expected move that had been factored in by the markets. However it surprised investors by signalling its intention of carrying out three further rate hikes in 2017, as opposed to the two mentioned previously. The economy performed better than expected in the third quarter, with estimated GDP growth of 3.5%. According to November's employment report, the unemployment rate fell to 4.6%, its lowest level since 2007.

In Japan, despite the rather mixed macroeconomic data (third-quarter GDP growth came in at 0.3% as against the 0.6% expected), the equity market ended up by 3.23% (in yen terms), helped by the weaker yen and by a positive global trend.

At mid-month, the oil exporting countries confirmed the agreement struck at the end of November on a cut in production, bringing crude prices to their highest level for the year. The dollar continued to appreciate against all other major currencies in December.
The MSCI World index ended the month up by 2.98% (in euro terms). In terms of sectors, the industries outperforming the index were notably auto makers and automotive OEMs, which benefited from the sector rotation in favour of cyclical stocks, the telecommunications sector, which is enjoying positive news, and banks, which benefited from the approval of the recapitalisation plan for Italian banks and the continued steepening of US bond yield curves. The poorest performances in December were posted by retailing, customer services and software and services.

As for the Sub-Fund's performance, the leisure and health and beauty products sectors made positive contributions, while the dependency and security sectors made negative contributions. In terms of securities in portfolio, Renault, Actelion Ltd. and First Republic Bank were the biggest contributors, while Aetna, Expedia and MetLife contributed negatively to the Sub-Fund's performance.

Management Report (continued)

In terms of transactions, a non-exhaustive list would include the purchase and/or strengthening of lines such as General Motors, Southwest Airlines and Prudential Financial, financed by the sale or trimming of lines such as Orpea, AIA Group and CSL Ltd.

OUTLOOK FOR 2017

There are many investment themes that seem to us pertinent for 2017: a rebound in capital expenditure, solid and growing results, a rise in bond yields, growing employment and consumer activity, the rise of the US dollar, share buy-back programmes and higher volatility.

The year will be equally full in political terms, with the inauguration of Donald Trump, the negotiations about Brexit and the numerous upcoming elections in Europe (notably France and Germany)... Lastly, account will also have to be taken of shifts in central banks' monetary policies (Fed, ECB, BoJ…). As regards sectors, the sharp rise in commodity prices in 2016 has led to strong revaluation of linked sectors such as basic materials, energy and manufacturing. Admittedly the new stance adopted by the Trump administration Trump (fewer environmental rules and more investment in infrastructure) could support the trend to revaluation for some time longer, particularly for the oil sector. However we do not see this market trend lasting in the long term, and it seems to us that the sectors that were rather neglected in 2016 should regain attraction in 2017, especially those that combine a reasonable valuation with good prospects, such as pharmaceuticals and the leisure industry.

As the year gets under way, we are positive on financials and leisure stocks. As for the remaining sectors, we think there is a need to be selective depending on the pertinence of the investment themes.

- Healthcare facilities: we favour companies focused on innovation and/or emerging markets.
- Pharmaceuticals: in view of its competitive levels of valuation and attractive growth rates, we are positive on this sector. However, the possibility of changes to Obamacare obliges us to be selective with high visibility stocks.
- Automotive: we favour innovative automakers (driverless and/or electric cars) and operational quality – such as General Motors and Renault.
- Leisure: we like media stocks such as Comcast, and also airlines, which could benefit from an acceleration of growth in the USA. We are also positive on US hotels and resorts such as Hilton, which should benefit from Trump's expected fiscal stimulus measures.
- Savings: Although we are benefiting from the windfall effect of the uptick in short/medium term interest rates, we remain cautious in the longer term, since business models are still fragile. We favour the companies that stand to gain most from rising interest rates in the US.
- Health and wellbeing: the sector is still enjoying an increase in worldwide consumption and posting solid results, but we shall have to be selective, since significant obstacles remain (the rising US dollar and rising interest rates) and valuations are still relatively high. We prefer stocks with good fundamentals and good prospects, such as l'Oréal and Procter & Gamble.
- Dependence: we have stepped away from the property-owning companies, which are being penalised by the renewed rise in interest rates, to concentrate on those health services that would be least exposed in the event of changes to Obamacare, such as UnitedHealth Group and Healthcare Trust of America.
- Security: the dramatic surge in terrorist acts around the world, particularly in Europe, increases needs for security and should support the sector in 2017 (Securitas).

Management Report (continued)

Performances

Start date	Closing date	Class	ISIN code	Performance of the class (%)	Performance of the reference value[1] (%)
31/12/2015	31/12/2016	A – Acc	LU1291158233	-1.87	10.73
01/06/2016	31/12/2016	A USD – Acc	LU1425272603	-3.55	5.71
01/06/2016	31/12/2016	A CZKH – Acc	LU1425272355	1.49	11.22
31/12/2015	31/12/2016	A2 USD – Acc	LU1291158662	-4.78	7.51
31/12/2015	31/12/2016	A2 SGD – Acc	LU1291158746	-3.01	9.48
31/12/2015	31/12/2016	A2 SGDH – Acc	LU1291159041	-0.63	9.48
31/12/2015	31/12/2016	A – Dist	LU1291158407	-1.95	10.73
31/12/2015	31/12/2016	I – Acc	LU1291158316	-0.98	10.73
01/06/2016	31/12/2016	I GBP – Acc	LU1425272785	14.19	24.41
31/12/2015	31/12/2016	F – Acc	LU1291158589	-1.66	10.73
22/12/2016	31/12/2016	R – Acc	LU1530898920	-0.68	-1.20

[1]Reference value : *MSCI World Net Total Return Index (denominated in the currency of each share class)*

 Past performances are no guide to future results of the collective investment undertaking and are not constant over time.

Management Report (continued)

CPR INVEST – GLOBAL DISRUPTIVE OPPORTUNITIES

Market environment 2016
After a difficult start to the year linked to concerns about China's growth, the equity markets stabilised in anticipation of new support measures from central banks.

The surprise victory of the "leave" vote in the UK referendum on whether to remain in the EU brought an end to an already complicated first half-year that had been characterised in particular by a rebound in value style (mediocre quality) securities.

The second part of the year was marked by two other major political events: the victory of Donald Trump in the US presidential elections, which was not foreseen by the polls but rather well received by the markets, and the victory of the "no" vote in the Italian referendum which lead to a rapid rebound of the Italian market and the adoption by the Italian parliament of a recapitalisation plan for its banks.

The theme of reflation then came to the fore bringing with it a notable appreciation of the dollar and a rise in interest rates.

Thus in 2016 the MSCI World gained 10.73%.

Cyclical stocks, headed by energy and materials, but also including industrial and technological stocks, outperformed the market. In contrast, telecommunications mainly, but also healthcare and services to local authorities, underperformed the market.

OUTLOOK FOR 2017
Several factors lead us to remain positive as regards equities in 2017. Corporate earnings, inflation, economic growth and interest rates are all headed in the right direction. Our baseline scenario of world growth of around 3% allows us to predict a modestly positive performance by equity markets this year; indeed they are already partly reflecting this good news.

In an environment of moderate growth and persistently low interest rates, the "disruption" theme offers exposure to growth stocks at the highest world level, via four dimensions: the digital economy, healthcare, the 4.0 industry and the environment.

The Sub-Fund is currently exposed 46% to the digital economy, 23% to healthcare, 13% to the 4.0 industry and 15.5% to environmental stocks.

Performances

Start date	Closing date	Class	ISIN code	Performance of the class (%)	Performance of the reference value[1] (%)
22/12/2016	31/12/2016	A – Acc	LU1530899142	-1.02	-1.2
22/12/2016	31/12/2016	A USD – Acc	LU1530899498	-0.17	-0.34
22/12/2016	31/12/2016	I – Acc	LU1530899811	-0.99	-1.2
22/12/2016	31/12/2016	I USD – Acc	LU1530900098	-0.42	-0.5
22/12/2016	31/12/2016	R – Acc	LU1530900684	-0.96	-1.2

[1]*Reference value : MSCI World Net Total Return Index (denominated in the currency of each share class)*

Past performances are no guide to future results of the collective investment undertaking and are not constant over time.

Management Report (continued)

CPR INVEST – EUROPE SPECIAL SITUATIONS

Market environment 2016
After a difficult start to the year linked to concerns about China's growth, the equity markets stabilised in anticipation of new support measures from central banks.

The surprise victory of the "leave" vote in the UK referendum on whether to remain in the EU brought an end to an already complicated first half-year that had been characterised in particular by a rebound in value style (mediocre quality) securities.

The second part of the year was marked by two other major political events: the victory of Donald Trump in the US presidential elections, which was not foreseen by the polls but rather well received by the markets, and the victory of the "no" vote in the Italian referendum which lead to a rapid rebound of the Italian market and the adoption by the Italian parliament of a recapitalisation plan for its banks.

The theme of reflation then came to the fore bringing with it a notable appreciation of the dollar and a rise in interest rates.

Thus in 2016 the MSCI Europe gained 4.4%.

Cyclical stocks, headed by energy and materials, but also including industrial and technological stocks, outperformed the market. In contrast, telecommunications mainly, but also healthcare and services to local authorities, underperformed the market.

OUTLOOK FOR 2017
Several factors lead us to remain positive as regards equities in 2017. Corporate earnings, inflation, economic growth and interest rates are all headed in the right direction. Our baseline scenario of world growth of around 3% allows us to predict a modestly positive performance by equity markets this year; indeed they are already partly reflecting this good news.

The themes remain topical even if market uncertainty weighs on the performance of companies that are restructuring and delays expected M&A transactions (although we noted some revival in activity towards year end).

We are still meanwhile in an environment of moderate growth, with still low interest rates, which should once again support stocks of restructuring companies (quest for growth through improved earnings) and on the other hand stocks that might be candidates for (quest for external growth). Apart from this, the low level of inflation is s support factor for the consolidation of sectors, since it allows companies to control their final prices. Lastly, cash waiting to be invested worldwide reached record levels, and this again should support M&A activity.

The portfolio is currently 65% exposed to the dynamic of mergers and acquisitions and 35% to companies undergoing restructuring.

Performances

Start date	Closing date	Class	ISIN code	Performance of the class (%)	Performance of the benchmark[1] (%)
22/12/2016	31/12/2016	A – Acc	LU1530900841	0.18	0.44
22/12/2016	31/12/2016	I – Acc	LU1530901146	0.21	0.44
22/12/2016	31/12/2016	R – Acc	LU1530901229	0.22	0.44

[1] *Reference value : MSCI Europe Index Net Return in euros (denominated in the currency of each share*

 Past performances are no guide to future results of the collective investment undertaking and are not constant over time.

Management Report (continued)

Performances & ESMA guidelines for the master funds

CPR Silver Age

1. **Performance**

- During the year under review, the performance of CPR Silver Age - P came to -6.83%.
- During the year under review, the performance of CPR Silver Age - I came to -6.14%.
- During the year under review, the performance of CPR Silver Age - E came to -7.30%.
- During the year under review, the performance of CPR Silver Age - T came to -5.50%.
- Between 1 December 2016, launch date of the class, and 31 December 2016, the performance of CPR Silver Age - T0 came to 2.90%.

Past performances are no guide to future results of the collective investment undertaking and are not constant over time.

2. **ESMA guidelines**

I - Implementation of efficient portfolio management techniques (securities lending/borrowing, repos).

We carried out some repo transactions with securities with a view to placing our surplus liquidity and optimising our cash management.

II - Use of derivative instruments

We have made use of derivative instruments to hedge interest rate risk or exchange risk.

CPR Croissance Réactive

1. **Performance**

- During the year under review, the performance of CPR Croissance Réactive - P came to 3.62% as against 6.61% for its benchmark, with a Tracking Error of 2.13%.
- During the year under review, the performance of CPR Croissance Réactive - I came to 4.40% as against 6.61% for its benchmark, with a Tracking Error of 2.13%.
- During the year under review, the performance of CPR Croissance Réactive - T came to 4.98% as against 6.61% for its benchmark, with a Tracking Error of 2.13%.

Past performances are no guide to future results of the collective investment undertaking and are not constant over time.

Management Report (continued)

2. **ESMA guidelines**

I - Implementation of efficient portfolio management techniques (securities lending/borrowing, repos).

We have not carried out any repo transactions or securities lending or borrowing involving securities in the portfolio.

II - Use of derivative instruments

We have made use of derivative instruments in the context of hedging or exposure to interest rate risk, equity risk or exchange risk.

CPR Croissance Défensive

1. **Performance**

- During the year under review, the performance of CPR Croissance Défensive - P came to 2.57% as against 4.02% for its benchmark, with a Tracking Error of 2.07%.
- During the year under review, the performance of CPR Croissance Défensive - I came to 3.24% as against 4.02% for its benchmark, with a Tracking Error of 2.07%.
- During the year under review, the performance of CPR Croissance Défensive - T came to 3.70% as against 4.02% for its benchmark, with a Tracking Error of 1.89%.

Past performances are no guide to future results of the collective investment undertaking and are not constant over time.

2. **ESMA guidelines**

I - Implementation of efficient portfolio management techniques (securities lending/borrowing, repos).

We have not carried out any repo transactions or securities lending or borrowing involving securities in the portfolio.

II - Use of derivative instruments

We have made use of derivative instruments in the context of hedging or exposure to interest rate risk, equity risk or exchange risk.

Management Report (continued)

CPR Euro High Dividend

1. Performance

- During the year under review, the performance of CPR Euro High Dividend - P came to -0.50% as against 4.37% for its benchmark, with a Tracking Error of 5.20%.
- During the year under review, the performance of CPR Euro High Dividend - I came to 0.25% as against 4.37% for its benchmark, with a Tracking Error of 5.19%.
- During the year under review, the performance of CPR Euro High Dividend - O came to 0.84% as against 4.37% for its benchmark, with a Tracking Error of 5.36%.
- During the year under review, the performance of CPR Euro High Dividend - T came to 0.92% as against 4.37% for its benchmark, with a Tracking Error of 4.80%.

✍ *Past performances are no guide to future results of the collective investment undertaking and are not constant over time.*

2. ESMA guidelines

I - Implementation of efficient portfolio management techniques (securities lending/borrowing, repos).

We have not carried out any repo transactions or securities lending or borrowing involving securities in the portfolio.

II - Use of derivative instruments

We have made use of derivative instruments in the context of hedging or exposure to interest rate risk, equity risk or exchange risk.

CPR Croissance Dynamique

1. Performance

- During the year under review, the performance of CPR Croissance Dynamique - P came to 4.36% as against 9.11% for its benchmark, with a Tracking Error of 1.86%.
- During the year under review, the performance of CPR Croissance Dynamique - I came to 5.14% as against 9.11% for its benchmark, with a Tracking Error of 1.85%.
- During the year under review, the performance of CPR Croissance Dynamique - T came to 5.77% as against 9.11% for its benchmark, with a Tracking Error of 1.85%.

✍ *Past performances are no guide to future results of the collective investment undertaking and are not constant over time.*

Management Report (continued)

2. ESMA guidelines

I - Implementation of efficient portfolio management techniques (securities lending/borrowing, repos).

We have not carried out any repo transactions or securities lending or borrowing involving securities in the portfolio.

II - Use of derivative instruments

We have made use of derivative instruments in the context of hedging or exposure to interest rate risk, equity risk or exchange risk.

Deloitte Audit
Société à responsabilité limitée
560, rue de Neudorf
L-2220 Luxembourg
B.P.1173
L-1011 Luxembourg

Tel: +352 451 451
www.deloitte.lu

To the Shareholders of
CPR Invest
Société d'Investissement à Capital Variable
5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

REPORT OF THE *REVISEUR D'ENTREPRISES AGRÉÉ*

Following our appointment by the annual general meeting of the Shareholders dated April 14, 2016, we have audited the accompanying financial statements of CPR Invest (the "Company") and of each of its sub-funds, which comprise the Statements of Net Assets and the Securities portfolio as at December 31, 2016 and the Statements of Operations and Changes in Net Assets for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Board of Directors of the Company for the financial statements

The Board of Directors of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 Company 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.

Société à responsabilité limitée au capital de 35.000 EUR
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

Deloitte.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of CPR Invest and of each of its sub-funds as of December 31, 2016 and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other information

The Board of Directors of the Company 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*

Laurent Fedrigo, *Réviseur d'entreprises agréé*
Partner

Luxembourg, March 31, 2017

CPR Invest

Combined

Financial Statements as at 31/12/16

Statement of Net Assets as at 31/12/16

Expressed in EUR

Assets		**516,166,554.43**
Securities portfolio at market value	Note 2	420,901,473.13
Cost price		*427,397,793.82*
Unrealised loss on the securities portfolio		*-6,496,320.69*
Cash at banks and liquidities		10,006,728.28
Interest receivable		361.61
Brokers receivable		306.89
Subscriptions receivable		51,372,163.63
Dividends receivable		37,949.21
Unrealised profit on forward foreign exchange contracts	Note 2, 6	25,902.17
Unrealised net appreciation on financial future contracts	Note 2, 7	13,237.85
Receivable on forward foreign exchange contracts		33,808,431.66
Liabilities		**94,781,754.52**
Bank overdrafts		8,091,466.69
Brokers payable		50,625,726.49
Administrative fees payable	Note 5	46,090.36
Performance fees payable	Note 4	4,362.80
Redemptions payable		117,508.69
Unrealised net depreciation on financial future contracts	Note 2, 7	3,259.03
Management Company fees payable	Note 4	1,931,189.21
Payable on forward foreign exchange contracts		33,919,113.72
Other liabilities		43,037.53
Net asset value		**421,384,799.91**

CPR Invest
Combined

Statement of Operations and Changes in Net Assets from 01/01/16 to 31/12/16

Expressed in EUR

Income		**9,500,616.34**
Net dividends	Note 2	9,499,903.04
Bank interest on cash account		713.30
Expenses		**4,066,315.95**
Management Company fees	Note 4	3,547,289.05
Subscription tax	Note 3	126,661.40
Administrative fees	Note 5	265,465.44
Performance fees	Note 4	4,447.27
Professional fees		22,573.21
Bank interests on overdrafts		9,979.48
Transaction fees	Note 2	89,900.10
Net income from investments		**5,434,300.39**
Net realised profit / loss on:		
- sales of investment securities	Note 2	2,588,037.21
- forward foreign exchange contracts	Note 2	-46,764.74
- foreign exchange	Note 2	130,115.40
Net realised profit		**8,105,688.26**
Movement in net unrealised gain / loss on:		
- investment securities		-7,385,466.77
- forward foreign exchange contracts		72,256.60
- financial future contracts		9,978.82
Increase in net assets as a result of operations		**802,456.91**
Subscription capitalisation shares		236,562,374.42
Subscription distribution shares		21,365,552.87
Redemption capitalisation shares		-56,018,409.09
Redemption distribution shares		-3,911,002.96
Increase in net assets		**198,800,972.15**
Net assets at the beginning of the year/period		**222,583,827.76**
Net assets at the end of the year/period		**421,384,799.91**

CPR Invest

- Silver Age

CPR Invest - Silver Age

Financial Statements as at 31/12/16

Statement of Net Assets as at 31/12/16

Expressed in EUR

Assets		**107,493,450.58**
Securities portfolio at market value	Note 2	107,350,373.18
Cost price		*109,588,812.87*
Unrealised loss on the securities portfolio		*-2,238,439.69*
Cash at banks and liquidities		9,990.48
Subscriptions receivable		131,208.21
Unrealised profit on forward foreign exchange contracts	Note 2, 6	1,878.71
Liabilities		**907,791.23**
Bank overdrafts		17,544.10
Brokers payable		61,837.27
Administrative fees payable	Note 5	14,194.85
Performance fees payable	Note 4	147.73
Redemptions payable		56,772.05
Management Company fees payable	Note 4	744,839.29
Other liabilities		12,455.94
Net asset value		**106,585,659.35**

Changes in number of shares outstanding from 01/01/16 to 31/12/16

	Shares outstanding as at 01/01/16	**Shares issued**	**Shares redeemed**	**Shares outstanding as at 31/12/16**
Class A - Acc				
Capitalisation shares	68,923.9582	19,154.1703	8,135.6247	79,942.5038
Class A2 - Acc				
Capitalisation shares	100.0000	-	-	100.0000
Class A2 USDH - Acc				
Capitalisation shares	78,014.0000	1,444.0000	21,526.1509	57,931.8491
Class A2 SGDH - Acc				
Capitalisation shares	79,500.0000	-	-	79,500.0000
Class A - Dist				
Distribution shares	4,701.3695	3,123.2544	985.8544	6,838.7695
Class I - Acc				
Capitalisation shares	54.3135	59.5170	38.3327	75.4978
Class F - Acc				
Capitalisation shares	1.0000	-	-	1.0000

Key figures

Year ended as at:		31/12/16	31/12/15	31/12/14
Total Net Assets	EUR	106,585,659.35	96,694,991.33	21,148,854.63
Class A - Acc		EUR	EUR	EUR
Capitalisation shares				
Number of shares		79,942.5038	68,923.9582	19,349.6562
Net asset value per share		1,131.34	1,218.14	1,065.36
Class A2 - Acc		EUR	EUR	EUR
Capitalisation shares				
Number of shares		100.0000	100.0000	-
Net asset value per share		10.20	11.01	-
Class A2 USDH - Acc		USD	USD	USD
Capitalisation shares				
Number of shares		57,931.8491	78,014.0000	-
Net asset value per share		10.33	11.02	-
Class A2 SGDH - Acc		SGD	SGD	SGD
Capitalisation shares				
Number of shares		79,500.0000	79,500.0000	-
Net asset value per share		10.35	11.02	-
Class A - Dist		EUR	EUR	EUR
Distribution shares				
Number of shares		6,838.7695	4,701.3695	-
Net asset value per share		928.07	999.30	-
Class I - Acc		EUR	EUR	EUR
Capitalisation shares				
Number of shares		75.4978	54.3135	5.0000
Net asset value per share		115,065.81	122,916.53	106,912.65
Class F - Acc		EUR	EUR	EUR
Capitalisation shares				
Number of shares		1.0000	1.0000	-
Net asset value per share		1,023.61	1,101.33	-

CPR Invest - Silver Age

Securities portfolio as at 31/12/16

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
	Units of UCITS		107,350,373.18	100.72%
	Units in investment funds		**107,350,373.18**	**100.72%**
	France		*107,350,373.18*	*100.72%*
9,398.78	CPR SILVER AGE -T- (note 9)	EUR	107,350,373.18	100.72%
	Total securities portfolio		**107,350,373.18**	**100.72%**

The accompanying notes form an integral part of these financial statements

CPR Invest - Silver Age

Statement of Operations and Changes in Net Assets from 01/01/16 to 31/12/16

Expressed in EUR

Income		**3,789,040.45**
Net dividends	Note 2	3,789,040.45
Expenses		**1,569,726.01**
Management Company fees	Note 4	1,420,312.20
Subscription tax	Note 3	47,345.04
Administrative fees	Note 5	89,805.44
Performance fees	Note 4	147.73
Professional fees		10,694.35
Bank interests on overdrafts		1,421.25
Net income from investments		**2,219,314.44**
Net realised profit / loss on:		
- sales of investment securities	Note 2	-500,537.90
- forward foreign exchange contracts	Note 2	-39,840.53
- foreign exchange	Note 2	39,871.39
Net realised profit		**1,718,807.40**
Movement in net unrealised gain / loss on:		
- investment securities		-8,438,970.26
- forward foreign exchange contracts		31,059.20
Decrease in net assets as a result of operations		**-6,689,103.66**
Subscription capitalisation shares		28,046,174.19
Subscription distribution shares		2,830,568.02
Redemption capitalisation shares		-13,409,755.42
Redemption distribution shares		-887,215.11
Increase in net assets		**9,890,668.02**
Net assets at the beginning of the year		**96,694,991.33**
Net assets at the end of the year		**106,585,659.35**

The accompanying notes form an integral part of these financial statements

CPR Invest

- Reactive

Financial Statements as at 31/12/16

Statement of Net Assets as at 31/12/16

Expressed in EUR

Assets		**96,198,200.96**
Securities portfolio at market value	Note 2	95,948,125.93
Cost price		*99,785,524.33*
Unrealised loss on the securities portfolio		*-3,837,398.40*
Subscriptions receivable		250,075.03
Liabilities		**829,606.86**
Bank overdrafts		5,684.91
Brokers payable		171,812.22
Administrative fees payable	Note 5	12,163.67
Redemptions payable		26,386.51
Management Company fees payable	Note 4	602,000.51
Other liabilities		11,559.04
Net asset value		**95,368,594.10**

Changes in number of shares outstanding from 01/01/16 to 31/12/16

	Shares outstanding as at 01/01/16	**Shares issued**	**Shares redeemed**	**Shares outstanding as at 31/12/16**
Class A - Acc				
Capitalisation shares	71,930.5424	13,566.1335	17,001.8481	68,494.8278
Class A - Dist				
Distribution shares	12,474.5555	6,523.0009	2,568.6108	16,428.9456
Class I - Acc				
Capitalisation shares	7.0000	24.9300	-	31.9300
Class F - Acc				
Capitalisation shares	1.0000	-	-	1.0000
Class R - Acc				
Capitalisation shares	-	1.0000	-	1.0000

CPR Invest - Reactive

Key figures

Year ended as at:		**31/12/16**	**31/12/15**	**31/12/14**
Total Net Assets	EUR	95,368,594.10	89,554,868.66	4,816,514.01
Class A - Acc		EUR	EUR	EUR
Capitalisation shares				
Number of shares		68,494.8278	71,930.5424	3,983.1688
Net asset value per share		1,113.58	1,076.55	1,073.96
Class A - Dist		EUR	EUR	EUR
Distribution shares				
Number of shares		16,428.9456	12,474.5555	-
Net asset value per share		941.49	910.21	-
Class I - Acc		EUR	EUR	EUR
Capitalisation shares				
Number of shares		31.9300	7.0000	5.0000
Net asset value per share		113,531.79	108,898.62	107,752.08
Class F - Acc		EUR	EUR	EUR
Capitalisation shares				
Number of shares		1.0000	1.0000	-
Net asset value per share		1,067.90	1,032.80	-
Class R - Acc		EUR	EUR	EUR
Capitalisation shares				
Number of shares		1.0000	-	-
Net asset value per share		99.19	-	-

CPR Invest - Reactive

Securities portfolio as at 31/12/16

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
	Units of UCITS		95,948,125.93	100.61%
	Units in investment funds		**95,948,125.93**	**100.61%**
	France		*95,948,125.93*	*100.61%*
8,727.22	CPR CROISSANCE REACTIVE -T- (note 9)	EUR	95,948,125.93	100.61%
	Total securities portfolio		**95,948,125.93**	**100.61%**

The accompanying notes form an integral part of these financial statements

CPR Invest - Reactive

Statement of Operations and Changes in Net Assets from 01/01/16 to 31/12/16

Expressed in EUR

Income		**5,006,622.50**
Net dividends	Note 2	5,006,622.50
Expenses		**1,313,159.85**
Management Company fees	Note 4	1,177,697.11
Subscription tax	Note 3	44,232.74
Administrative fees	Note 5	79,680.89
Professional fees		10,296.03
Bank interests on overdrafts		1,253.08
Net income from investments		**3,693,462.65**
Net realised profit / loss on:		
- sales of investment securities	Note 2	-1,652,594.26
Net realised profit		**2,040,868.39**
Movement in net unrealised gain / loss on:		
- investment securities		912,284.32
Increase in net assets as a result of operations		**2,953,152.71**
Subscription capitalisation shares		17,106,605.44
Subscription distribution shares		5,806,422.24
Redemption capitalisation shares		-17,732,092.04
Redemption distribution shares		-2,320,362.91
Increase in net assets		**5,813,725.44**
Net assets at the beginning of the year		**89,554,868.66**
Net assets at the end of the year		**95,368,594.10**

CPR Invest

- Defensive

Financial Statements as at 31/12/16

Statement of Net Assets as at 31/12/16

Expressed in EUR

Assets		**60,274,852.03**
Securities portfolio at market value	Note 2	59,696,182.21
Cost price		*58,713,037.99*
Unrealised profit on the securities portfolio		*983,144.22*
Subscriptions receivable		578,669.82
Liabilities		**735,360.81**
Bank overdrafts		960.16
Brokers payable		444,741.25
Administrative fees payable	Note 5	7,157.82
Redemptions payable		19,812.14
Management Company fees payable	Note 4	255,639.83
Other liabilities		7,049.61
Net asset value		**59,539,491.22**

Changes in number of shares outstanding from 01/01/16 to 31/12/16

	Shares outstanding as at 01/01/16	Shares issued	Shares redeemed	Shares outstanding as at 31/12/16
Class A - Acc Capitalisation shares	12,446.1839	25,280.9224	1,129.4480	36,597.6583
Class A - Dist Distribution shares	9,051.5267	11,332.6645	428.6744	19,955.5168
Class I - Acc Capitalisation shares	52.7268	0.0493	13.3232	39.4529
Class F - Acc Capitalisation shares	1.0000	-	-	1.0000
Class R - Acc Capitalisation shares	-	1.0000	-	1.0000

CPR Invest - Defensive

Key figures

		Year ended as at:	**31/12/16**	**31/12/15**
Total Net Assets		EUR	59,539,491.22	25,745,068.10
Class A - Acc			EUR	EUR
	Capitalisation shares			
	Number of shares		36,597.6583	12,446.1839
	Net asset value per share		983.29	960.55
Class A - Dist			EUR	EUR
	Distribution shares			
	Number of shares		19,955.5168	9,051.5267
	Net asset value per share		983.35	960.60
Class I - Acc			EUR	EUR
	Capitalisation shares			
	Number of shares		39.4529	52.7268
	Net asset value per share		99,588.05	96,610.55
Class F - Acc			EUR	EUR
	Capitalisation shares			
	Number of shares		1.0000	1.0000
	Net asset value per share		1,041.53	1,016.44
Class R - Acc			EUR	EUR
	Capitalisation shares			
	Number of shares		1.0000	-
	Net asset value per share		99.83	-

CPR Invest - Defensive

Securities portfolio as at 31/12/16

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
	Units of UCITS		59,696,182.21	100.26%
	Units in investment funds		**59,696,182.21**	**100.26%**
	France		*59,696,182.21*	*100.26%*
5,967.63	CPR CROISSANCE DEFENSIVE -T- (note 9)	EUR	59,696,182.21	100.26%
	Total securities portfolio		**59,696,182.21**	**100.26%**

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets from 01/01/16 to 31/12/16

Expressed in EUR

Income		**209,568.27**
Net dividends	Note 2	209,568.27
Expenses		**480,080.20**
Management Company fees	Note 4	420,733.51
Subscription tax	Note 3	20,006.97
Administrative fees	Note 5	38,543.69
Professional fees		575.87
Bank interests on overdrafts		220.16
Net loss from investments		**-270,511.93**
Net realised profit / loss on:		
- sales of investment securities	Note 2	2,634.88
Net realised loss		**-267,877.05**
Movement in net unrealised gain / loss on:		
- investment securities		1,229,010.68
Increase in net assets as a result of operations		**961,133.63**
Subscription capitalisation shares		24,635,704.62
Subscription distribution shares		11,027,271.04
Redemption capitalisation shares		-2,412,580.75
Redemption distribution shares		-417,105.42
Increase in net assets		**33,794,423.12**
Net assets at the beginning of the year		**25,745,068.10**
Net assets at the end of the year		**59,539,491.22**

CPR Invest

- Euro High Dividend

CPR Invest - Euro High Dividend

Financial Statements as at 31/12/16

Statement of Net Assets as at 31/12/16

Expressed in EUR

Assets		**6,333,928.97**
Securities portfolio at market value	Note 2	6,328,454.02
Cost price		*6,598,115.33*
Unrealised loss on the securities portfolio		*-269,661.31*
Cash at banks and liquidities		4,821.59
Brokers receivable		306.89
Subscriptions receivable		346.47
Liabilities		**48,399.64**
Brokers payable		5,922.73
Administrative fees payable	Note 5	790.29
Performance fees payable	Note 4	17.17
Management Company fees payable	Note 4	40,930.16
Other liabilities		739.29
Net asset value		**6,285,529.33**

Changes in number of shares outstanding from 01/01/16 to 31/12/16

	Shares outstanding as at 01/01/16	Shares issued	Shares redeemed	Shares outstanding as at 31/12/16
Class A - Acc Capitalisation shares	3,088.8788	1,411.4399	300.7972	4,199.5215
Class A - Dist Distribution shares	1,679.3392	619.0939	135.2176	2,163.2155
Class I - Acc Capitalisation shares	5.0000	-	-	5.0000
Class F - Acc Capitalisation shares	1.0000	-	-	1.0000

Key figures

		Year ended as at:	**31/12/16**	**31/12/15**
Total Net Assets		EUR	6,285,529.33	4,852,927.25
Class A - Acc			EUR	EUR
	Capitalisation shares			
	Number of shares		4,199.5215	3,088.8788
	Net asset value per share		914.77	920.39
Class A - Dist			EUR	EUR
	Distribution shares			
	Number of shares		2,163.2155	1,679.3392
	Net asset value per share		914.79	920.44
Class I - Acc			EUR	EUR
	Capitalisation shares			
	Number of shares		5.0000	5.0000
	Net asset value per share		92,799.92	92,627.43
Class F - Acc			EUR	EUR
	Capitalisation shares			
	Number of shares		1.0000	1.0000
	Net asset value per share		1,069.39	1,075.15

CPR Invest - Euro High Dividend

Securities portfolio as at 31/12/16

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
	Units of UCITS		6,328,454.02	100.68%
	Units in investment funds		**6,328,454.02**	**100.68%**
	France		*6,328,454.02*	*100.68%*
721.75	CPR EURO HIGH DIVIDEND -T- (note 9)	EUR	6,328,454.02	100.68%
	Total securities portfolio		**6,328,454.02**	**100.68%**

The accompanying notes form an integral part of these financial statements

CPR Invest - Euro High Dividend

Statement of Operations and Changes in Net Assets from 01/01/16 to 31/12/16

Expressed in EUR

Income		**15.80**
Bank interest on cash account		15.80
Expenses		**83,821.94**
Management Company fees	Note 4	75,819.43
Subscription tax	Note 3	2,559.22
Administrative fees	Note 5	5,306.87
Performance fees	Note 4	17.17
Bank interests on overdrafts		119.25
Net loss from investments		**-83,806.14**
Net realised profit / loss on:		
- sales of investment securities	Note 2	214,285.71
Net realised profit		**130,479.57**
Movement in net unrealised gain / loss on:		
- investment securities		-22,002.91
Increase in net assets as a result of operations		**108,476.66**
Subscription capitalisation shares		1,180,526.33
Subscription distribution shares		517,516.38
Redemption capitalisation shares		-260,992.88
Redemption distribution shares		-112,924.41
Increase in net assets		**1,432,602.08**
Net assets at the beginning of the year		**4,852,927.25**
Net assets at the end of the year		**6,285,529.33**

CPR Invest

- Dynamic

CPR Invest - Dynamic

Financial Statements as at 31/12/16

Statement of Net Assets as at 31/12/16

Expressed in EUR

Assets		**7,626,649.58**
Securities portfolio at market value	Note 2	7,598,040.73
Cost price		*7,353,556.57*
Unrealised profit on the securities portfolio		*244,484.16*
Cash at banks and liquidities		5,619.65
Subscriptions receivable		22,989.20
Liabilities		**72,756.36**
Brokers payable		23,699.22
Administrative fees payable	Note 5	909.96
Performance fees payable	Note 4	1.69
Redemptions payable		5,832.30
Management Company fees payable	Note 4	41,417.99
Other liabilities		895.20
Net asset value		**7,553,893.22**

Changes in number of shares outstanding from 01/01/16 to 31/12/16

	Shares outstanding as at 01/01/16	**Shares issued**	**Shares redeemed**	**Shares outstanding as at 31/12/16**
Class A - Acc Capitalisation shares	2,928.7941	2,868.2523	401.0203	5,396.0261
Class A - Dist Distribution shares	1,504.0877	525.8894	122.3276	1,907.6495
Class I - Acc Capitalisation shares	5.0000	-	-	5.0000
Class F - Acc Capitalisation shares	1.0000	-	-	1.0000
Class R - Acc Capitalisation shares	-	1.0000	-	1.0000

CPR Invest - Dynamic

Key figures

		Year ended as at:	**31/12/16**	**31/12/15**
Total Net Assets		EUR	7,553,893.22	4,583,041.61
Class A - Acc			EUR	EUR
	Capitalisation shares			
	Number of shares		5,396.0261	2,928.7941
	Net asset value per share		966.90	928.21
Class A - Dist			EUR	EUR
	Distribution shares			
	Number of shares		1,907.6495	1,504.0877
	Net asset value per share		967.10	928.38
Class I - Acc			EUR	EUR
	Capitalisation shares			
	Number of shares		5.0000	5.0000
	Net asset value per share		98,078.45	93,411.81
Class F - Acc			EUR	EUR
	Capitalisation shares			
	Number of shares		1.0000	1.0000
	Net asset value per share		1,118.97	1,074.16
Class R - Acc			EUR	EUR
	Capitalisation shares			
	Number of shares		1.0000	-
	Net asset value per share		98.65	-

Securities portfolio as at 31/12/16

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
	Units of UCITS		7,598,040.73	100.58%
	Units in investment funds		**7,598,040.73**	**100.58%**
	France		*7,598,040.73*	*100.58%*
766.16	CPR CROISSANCE DYNAMIQUE -T- (note 9)	EUR	7,598,040.73	100.58%
	Total securities portfolio		**7,598,040.73**	**100.58%**

The accompanying notes form an integral part of these financial statements

CPR Invest - Dynamic

Statement of Operations and Changes in Net Assets from 01/01/16 to 31/12/16

Expressed in EUR

Income		**15,267.48**
Net dividends	Note 2	15,267.48
Expenses		**81,182.68**
Management Company fees	Note 4	72,940.13
Subscription tax	Note 3	2,760.69
Administrative fees	Note 5	5,352.56
Performance fees	Note 4	1.69
Professional fees		85.95
Bank interests on overdrafts		41.66
Net loss from investments		**-65,915.20**
Net realised profit / loss on:		
- sales of investment securities	Note 2	-16,621.96
Net realised loss		**-82,537.16**
Movement in net unrealised gain / loss on:		
- investment securities		427,268.90
Increase in net assets as a result of operations		**344,731.74**
Subscription capitalisation shares		2,627,304.66
Subscription distribution shares		472,867.78
Redemption capitalisation shares		-359,749.73
Redemption distribution shares		-114,302.84
Increase in net assets		**2,970,851.61**
Net assets at the beginning of the year		**4,583,041.61**
Net assets at the end of the year		**7,553,893.22**

The accompanying notes form an integral part of these financial statements

CPR Invest

- Global Silver Age

Financial Statements as at 31/12/16

Statement of Net Assets as at 31/12/16

Expressed in EUR

Assets		**193,955,777.75**
Securities portfolio at market value	Note 2	101,036,780.20
Cost price		*102,030,937.06*
Unrealised loss on the securities portfolio		*-994,156.86*
Cash at banks and liquidities		8,716,124.26
Interest receivable		2.81
Subscriptions receivable		50,388,874.90
Dividends receivable		24,225.44
Unrealised profit on forward foreign exchange contracts	Note 2, 6	24,023.46
Receivable on forward foreign exchange contracts		33,765,746.68
Liabilities		**91,951,313.44**
Bank overdrafts		7,888,763.00
Brokers payable		49,917,713.80
Administrative fees payable	Note 5	9,089.09
Redemptions payable		8,705.69
Management Company fees payable	Note 4	241,550.10
Payable on forward foreign exchange contracts		33,876,393.74
Other liabilities		9,098.02
Net asset value		**102,004,464.31**

Changes in number of shares outstanding from 01/01/16 to 31/12/16

	Shares outstanding as at 01/01/16	**Shares issued**	**Shares redeemed**	**Shares outstanding as at 31/12/16**
Class A - Acc				
Capitalisation shares	1.0000	2,859.7659	80.8515	2,779.9144
Class A USD - Acc				
Capitalisation shares	-	10.0000	-	10.0000
Class A CZKH - Acc				
Capitalisation shares	-	27,537.4782	1,340.7541	26,196.7241
Class A2 USD - Acc				
Capitalisation shares	1,118.0000	-	-	1,118.0000
Class A2 SGD - Acc				
Capitalisation shares	1,590.0000	-	-	1,590.0000
Class A2 SGDH - Acc				
Capitalisation shares	79,500.0000	-	-	79,500.0000
Class A - Dist				
Distribution shares	1.0000	678.1736	54.3772	624.7964
Class I - Acc				
Capitalisation shares	5.0000	992.1928	199.2923	797.9005

Changes in number of shares outstanding from 01/01/16 to 31/12/16

	Shares outstanding as at 01/01/16	Shares issued	Shares redeemed	Shares outstanding as at 31/12/16
Class I GBP - Acc				
Capitalisation shares	-	1.0000	-	1.0000
Class F - Acc				
Capitalisation shares	1.0000	-	-	1.0000
Class R - Acc				
Capitalisation shares	-	1.0000	-	1.0000

Key figures

Year ended as at:		**31/12/16**	**31/12/15**
Total Net Assets	EUR	102,004,464.31	1,152,930.81
Class A - Acc		EUR	EUR
Capitalisation shares			
Number of shares		2,779.9144	1.0000
Net asset value per share		1,087.25	1,108.01
Class A USD - Acc		USD	USD
Capitalisation shares			
Number of shares		10.0000	-
Net asset value per share		964.82	-
Class A CZKH - Acc		CZK	CZK
Capitalisation shares			
Number of shares		26,196.7241	-
Net asset value per share		10,149.27	-
Class A2 USD - Acc		USD	USD
Capitalisation shares			
Number of shares		1,118.0000	1,118.0000
Net asset value per share		10.17	10.68
Class A2 SGD - Acc		SGD	SGD
Capitalisation shares			
Number of shares		1,590.0000	1,590.0000
Net asset value per share		10.32	10.64
Class A2 SGDH - Acc		SGD	SGD
Capitalisation shares			
Number of shares		79,500.0000	79,500.0000
Net asset value per share		11.03	11.10
Class A - Dist		EUR	EUR
Distribution shares			
Number of shares		624.7964	1.0000
Net asset value per share		1,086.52	1,108.14

CPR Invest - Global Silver Age

Key figures

Year ended as at:		**31/12/16**	**31/12/15**
Total Net Assets	EUR	102,004,464.31	1,152,930.81
Class I - Acc		EUR	EUR
Capitalisation shares			
Number of shares		797.9005	5.0000
Net asset value per share		109,941.28	111,025.43
Class I GBP - Acc		GBP	GBP
Capitalisation shares			
Number of shares		1.0000	-
Net asset value per share		114,190.72	-
Class F - Acc		EUR	EUR
Capitalisation shares			
Number of shares		1.0000	1.0000
Net asset value per share		1,089.60	1,108.01
Class R - Acc		EUR	EUR
Capitalisation shares			
Number of shares		1.0000	-
Net asset value per share		98.99	-

CPR Invest - Global Silver Age

Securities portfolio as at 31/12/16

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
	Transferable securities admitted to official stock exchange listing and/or dealt in on another regulated market		101,036,780.20	99.05%
	Shares		**101,036,780.20**	**99.05%**
	Australia		*618,723.53*	*0.61%*
7,354.00	COCHLEAR	AUD	618,723.53	0.61%
	Bermuda		*986,643.28*	*0.97%*
34,300.00	INVESCO LTD	USD	986,643.28	0.97%
	Canada		*751,670.26*	*0.74%*
24,000.00	BROOKFIELD ASSET MANAGEMENT INC -A-	CAD	751,670.26	0.74%
	France		*6,466,569.71*	*6.34%*
69,411.00	AXA SA	EUR	1,664,822.84	1.63%
7,018.00	BIOMERIEUX SA	EUR	995,854.20	0.98%
2,110.00	EUROFINS SCIENTIFIC	EUR	854,550.00	0.84%
6,490.00	L'OREAL SA	EUR	1,125,366.00	1.10%
12,537.00	RENAULT SA	EUR	1,059,501.87	1.04%
7,019.00	SODEXHO SA	EUR	766,474.80	0.75%
	Germany		*1,441,136.86*	*1.41%*
8,170.00	BEIERSDORF AG	EUR	658,502.00	0.65%
7,907.00	HENKEL KGAA	EUR	782,634.86	0.76%
	Ireland		*1,695,665.33*	*1.66%*
3,700.00	ALLERGAN	USD	736,702.54	0.72%
14,200.00	MEDTRONIC HLD	USD	958,962.79	0.94%
	Italy		*853,552.44*	*0.84%*
31,707.00	RECORDATI SPA	EUR	853,552.44	0.84%
	Japan		*4,901,830.18*	*4.81%*
35,300.00	ASTELLAS PHARMA	JPY	465,852.52	0.46%
2,300.00	CENTRAL JAPAN RAILWAY CO	JPY	359,524.57	0.35%
37,000.00	LION CORP	JPY	577,463.32	0.57%
36,200.00	MAZDA MOTOR CORP	JPY	562,623.56	0.55%
199,200.00	NOMURA HOLDINGS INC	JPY	1,115,817.16	1.10%
144,000.00	OKASAN SECURITIES	JPY	845,125.38	0.83%
24,700.00	PALTAC CORP	JPY	554,551.75	0.54%
6,400.00	SUNDRUG CO LTD	JPY	420,871.92	0.41%
	Jersey Island		*580,341.89*	*0.57%*
10,576.00	SHIRE	GBP	580,341.89	0.57%
	Spain		*624,923.08*	*0.61%*
56,401.00	MELIA HOTELS	EUR	624,923.08	0.61%
	Sweden		*2,559,123.43*	*2.51%*
43,395.00	ASSA ABLOY -B- NEW I	SEK	765,820.76	0.75%
58,213.00	SECURITAS -B- FREE	SEK	871,190.17	0.85%
34,340.00	SVENSKA CELLULOSA SCA AB-SHS-B-	SEK	922,112.50	0.91%
	Switzerland		*1,868,752.33*	*1.83%*
5,460.00	ACTELION LTD NAMEN	CHF	1,123,069.03	1.10%
2,011.00	STRAUMANN HOLDING REG	CHF	745,683.30	0.73%
	The Netherlands		*4,286,367.97*	*4.20%*
218,039.00	AEGON NV	EUR	1,139,907.89	1.12%
16,020.00	DSM KONINKLIJKE	EUR	912,499.20	0.89%
117,499.00	ING GROEP	EUR	1,570,961.63	1.54%
16,950.00	UNILEVER NV	EUR	662,999.25	0.65%
	United Kingdom		*6,538,272.50*	*6.41%*
15,867.00	ASTRAZENECA PLC	GBP	824,857.23	0.81%
59,293.00	COMPASS GRP PLC	GBP	1,042,628.78	1.02%
16,840.00	CRODA INTERNATIONAL PLC	GBP	630,513.59	0.62%
63,471.00	GLAXOSMITHKLINE PLC	GBP	1,161,453.87	1.13%
56,689.00	PRUDENTIAL PLC	GBP	1,080,849.91	1.06%
10,970.00	RECKITT BENCKISER GROUP PLC	GBP	884,951.03	0.87%
55,039.00	SMITHS GROUP -SHS-	GBP	913,018.09	0.90%
	United States of America		*66,863,207.41*	*65.54%*
9,800.00	AETNA INC	USD	1,152,214.27	1.13%
18,600.00	AFLAC INC	USD	1,227,361.93	1.20%
9,500.00	ALIGN TECHNOLOGY INC	USD	865,830.77	0.85%
7,500.00	AMGEN INC	USD	1,039,653.95	1.02%
43,700.00	ARAMARK HOLDING CORP	USD	1,479,937.43	1.45%
33,200.00	BANK OF NEW YORK MELLON CORP	USD	1,491,363.83	1.46%

The accompanying notes form an integral part of these financial statements

Securities portfolio as at 31/12/16

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
7,500.00	BARD INC	USD	1,597,487.56	1.57%
20,000.00	BAXTER INTERNATIONAL INC	USD	840,767.95	0.82%
8,200.00	BECTON DICKINSON	USD	1,287,044.32	1.26%
2,400.00	BIOGEN IDEC INC	USD	645,263.81	0.63%
3,800.00	BLACKROCK INC	USD	1,370,990.28	1.34%
36,000.00	BLACKSTONE GROUP PARTNERSHIP UNITS	USD	922,569.33	0.90%
78,500.00	BOSTON SCIENTIFIC CORP	USD	1,609,817.49	1.58%
6,000.00	CELGENE CORP	USD	658,449.87	0.65%
10,300.00	CLOROX CO	USD	1,172,036.98	1.15%
11,900.00	COLGATE-PALMOLIVE CO	USD	738,313.34	0.72%
25,200.00	COMCAST CORP	USD	1,649,736.90	1.62%
5,800.00	COOPER COMPANIES INC	USD	961,928.42	0.94%
11,800.00	DANAHER CORP	USD	870,833.85	0.85%
31,000.00	DISCOVERY COMM -A-	USD	805,603.22	0.79%
22,600.00	EATON VANCE NON-VOTING	USD	897,357.67	0.88%
8,800.00	EDWARDS LIFESCIENCES CORP	USD	781,758.71	0.77%
15,400.00	ELI LILLY & CO	USD	1,073,875.33	1.05%
6,600.00	EXPEDIA WI	USD	708,839.06	0.69%
12,400.00	FIRST REPUBLIC BANK	USD	1,083,229.20	1.06%
30,300.00	GENERAL MOTORS CO	USD	1,000,855.18	0.98%
9,600.00	GILEAD SCIENCES INC	USD	651,771.51	0.64%
14,000.00	HCA HOLDINGS INC	USD	982,488.74	0.96%
38,400.00	HEALTHCARE TRUST	USD	1,059,799.95	1.04%
37,300.00	HILTON WORLDWIDE HOLDINGS INC	USD	961,896.18	0.94%
8,400.00	HOME DEPOT INC	USD	1,067,809.43	1.05%
2,100.00	INTUITIVE SURGICAL	USD	1,262,628.11	1.24%
52,700.00	JETBLUE AIRWAYS CORP	USD	1,120,202.89	1.10%
20,400.00	JOHNSON AND JOHNSON	USD	2,228,285.38	2.19%
7,300.00	LABORATORY CORP OF AMERICA HOLDINGS	USD	888,527.14	0.87%
16,100.00	LINCOLN NATIONAL CORP	USD	1,011,563.88	0.99%
17,100.00	MATTHEWS INTERNATIONAL -A-	USD	1,245,920.83	1.22%
13,600.00	MERCK AND CO	USD	759,072.77	0.74%
30,500.00	METLIFE INC	USD	1,558,326.62	1.53%
31,200.00	PFIZER INC	USD	960,773.64	0.94%
23,000.00	PRESTIGE BRANDS HOLDINGS INC	USD	1,136,098.60	1.11%
1,100.00	PRICELINE GROUP	USD	1,528,955.68	1.50%
17,900.00	PRINCIPAL FINANCIAL GROUP INC	USD	981,933.16	0.96%
10,300.00	PROCTER AND GAMBLE CO	USD	821,070.40	0.80%
12,300.00	PRUDENTIAL FINANCIAL INC	USD	1,213,498.93	1.19%
10,600.00	QUINTILES IMS HLDGS SHS	USD	764,285.38	0.75%
12,700.00	RESMED	USD	747,129.65	0.73%
13,400.00	SCRIPPS NETWORKS	USD	906,715.34	0.89%
21,700.00	SOUTHWEST AIRLINES CO	USD	1,025,388.01	1.01%
7,500.00	SPECTRUM BRANDS HOLDINGS INC	USD	869,850.68	0.85%
20,000.00	STATE STREET CORP	USD	1,473,714.15	1.44%
11,000.00	STRYKER CORP	USD	1,249,499.88	1.22%
6,400.00	TELEFLEX INC	USD	977,824.13	0.96%
7,300.00	THERMO FISHER SCIEN SHS	USD	976,563.17	0.96%
38,300.00	TORO CO	USD	2,031,652.05	2.00%
11,200.00	UNITEDHEALTH GROUP INC	USD	1,699,405.55	1.68%
33,900.00	UNUM SHS	USD	1,411,924.15	1.38%
11,500.00	VAIL RESORTS INC	USD	1,758,772.22	1.73%
10,000.00	WALGREENS BOOTS ALLIANCE INC	USD	784,640.91	0.77%
8,300.00	ZIMMER BIOMET HLDGS SHS	USD	812,097.65	0.80%
Total securities portfolio			**101,036,780.20**	**99.05%**

The accompanying notes form an integral part of these financial statements

CPR Invest - Global Silver Age

Statement of Operations and Changes in Net Assets from 01/01/16 to 31/12/16

Expressed in EUR

Income		**466,019.27**
Net dividends	Note 2	465,680.57
Bank interest on cash account		338.70
Expenses		**501,586.34**
Management Company fees	Note 4	374,975.34
Subscription tax	Note 3	9,032.37
Administrative fees	Note 5	44,991.31
Professional fees		921.01
Bank interests on overdrafts		6,692.85
Transaction fees	Note 2	64,973.46
Net loss from investments		**-35,567.07**
Net realised profit / loss on:		
- sales of investment securities	Note 2	4,540,870.74
- forward foreign exchange contracts	Note 2	-6,924.21
- foreign exchange	Note 2	88,553.57
Net realised profit		**4,586,933.03**
Movement in net unrealised gain / loss on:		
- investment securities		-1,108,764.69
- forward foreign exchange contracts		41,197.40
Increase in net assets as a result of operations		**3,519,365.74**
Subscription capitalisation shares		118,523,590.89
Subscription distribution shares		710,907.41
Redemption capitalisation shares		-21,843,238.27
Redemption distribution shares		-59,092.27
Increase in net assets		**100,851,533.50**
Net assets at the beginning of the year		**1,152,930.81**
Net assets at the end of the year		**102,004,464.31**

CPR Invest

- Global Disruptive Opportunities

Financial Statements as at 31/12/16

Statement of Net Assets as at 31/12/16

Expressed in EUR

Assets		**35,206,239.63**
Securities portfolio at market value	Note 2	34,046,253.07
Cost price		*34,471,548.54*
Unrealised loss on the securities portfolio		*-425,295.47*
Cash at banks and liquidities		1,089,981.16
Interest receivable		358.80
Dividends receivable		13,723.77
Unrealised net appreciation on financial future contracts	Note 2, 7	13,237.85
Receivable on forward foreign exchange contracts		42,684.98
Liabilities		**179,338.87**
Bank overdrafts		127,063.16
Administrative fees payable	Note 5	1,384.24
Performance fees payable	Note 4	4,196.21
Management Company fees payable	Note 4	3,247.04
Payable on forward foreign exchange contracts		42,719.98
Other liabilities		728.24
Net asset value		**35,026,900.76**

Changes in number of shares outstanding from 22/12/16 to 31/12/16

	Shares outstanding as at 22/12/16	**Shares issued**	**Shares redeemed**	**Shares outstanding as at 31/12/16**
Class A - Acc				
Capitalisation shares	-	1.0000	-	1.0000
Class A USD - Acc				
Capitalisation shares	-	1.0000	-	1.0000
Class I - Acc				
Capitalisation shares	-	201.4001	-	201.4001
Class I USD - Acc				
Capitalisation shares	-	159.7822	-	159.7822
Class R - Acc				
Capitalisation shares	-	1.0000	-	1.0000

CPR Invest - Global Disruptive Opportunities

Key figures

	Period ended as at:	**31/12/16**
Total Net Assets	EUR	35,026,900.76
Class A - Acc		EUR
Capitalisation shares		
Number of shares		1.0000
Net asset value per share		989.71
Class A USD - Acc		USD
Capitalisation shares		
Number of shares		1.0000
Net asset value per share		998.29
Class I - Acc		EUR
Capitalisation shares		
Number of shares		201.4001
Net asset value per share		99,002.95
Class I USD - Acc		USD
Capitalisation shares		
Number of shares		159.7822
Net asset value per share		99,583.06
Class R - Acc		EUR
Capitalisation shares		
Number of shares		1.0000
Net asset value per share		99.05

Securities portfolio as at 31/12/16

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
	Transferable securities admitted to official stock exchange listing and/or dealt in on another regulated market		34,046,253.07	97.20%
	Shares		**34,046,253.07**	**97.20%**
	Belgium		*585,144.90*	*1.67%*
10,806.00	UMICORE	EUR	585,144.90	1.67%
	Bermuda		*463,292.72*	*1.32%*
13,800.00	IHS MARKIT	USD	463,292.72	1.32%
	Cayman Islands		*949,281.01*	*2.71%*
3,400.00	AMBARELLA INC	USD	174,488.74	0.50%
33,400.00	TENCENT HLDG	HKD	774,792.27	2.21%
	Denmark		*411,248.39*	*1.17%*
6,662.00	VESTAS WIND SYSTEMS AS	DKK	411,248.39	1.17%
	France		*1,344,149.73*	*3.84%*
11,700.00	CRITEO ADR REPR 1 SHS	USD	455,687.13	1.30%
2,642.00	DBV TECHNOLOGIES	EUR	175,296.70	0.50%
6,390.00	VALEO SA	EUR	348,957.90	1.00%
13,600.00	WORLDLINE SA	EUR	364,208.00	1.04%
	Germany		*550,128.00*	*1.57%*
4,710.00	SIEMENS AG REG	EUR	550,128.00	1.57%
	Ireland		*484,243.66*	*1.38%*
12,400.00	JOHNSON CONTROLS INTERNATIONAL PLC	USD	484,243.66	1.38%
	Japan		*3,334,853.13*	*9.52%*
19,200.00	HARMONIC DRIVE SYSTEMS INC	JPY	451,982.10	1.29%
700.00	KEYENCE CORP	JPY	456,345.59	1.30%
4,400.00	SHINOGI CO LTD	JPY	200,255.57	0.57%
1,500.00	SMC CORP	JPY	340,247.34	0.97%
11,600.00	SOFTBANK GROUP	JPY	732,185.13	2.10%
18,600.00	SO-NET M3	JPY	445,266.17	1.27%
13,800.00	SONY CORP	JPY	367,376.90	1.05%
6,200.00	SYSMEX	JPY	341,194.33	0.97%
	Jersey Island		*385,146.88*	*1.10%*
20,887.00	EXPERIAN GROUP	GBP	385,146.88	1.10%
	Switzerland		*751,827.43*	*2.15%*
3,465.00	ROCHE HOLDING AG GENUSSSCHEIN	CHF	751,827.43	2.15%
	The Netherlands		*1,930,790.32*	*5.51%*
64,800.00	ING GROEP	EUR	866,376.00	2.47%
7,600.00	NXP SEMICONDUCTORS	USD	706,210.95	2.02%
9,700.00	SENSATA TECHNOLOGIES	USD	358,203.37	1.02%
	United Kingdom		*617,068.50*	*1.76%*
17,600.00	ABENGOA YIELD PLC	USD	322,882.20	0.92%
6,900.00	LIVANOVA	USD	294,186.30	0.84%
	United States of America		*22,239,078.40*	*63.50%*
5,000.00	ACACIA COMM	USD	292,723.39	0.84%
21,100.00	ACCELERATE DIAGNOSTICS CORP	USD	415,098.36	1.19%
5,200.00	AKAMAI TECHNOLOGIES	USD	328,737.62	0.94%
13,300.00	ALARM COM HOLDINGS INC	USD	350,925.81	1.00%
4,600.00	ALBERMARLE CORPORATION	USD	375,414.08	1.07%
1,800.00	ALEXION PHARMACEUTICALS	USD	208,798.29	0.60%
1,600.00	ALPHABET INC	USD	1,202,104.76	3.44%
500.00	AMAZON.COM INC	USD	355,472.86	1.01%
25,800.00	ANTERO RESOURCES	USD	578,497.27	1.65%
4,800.00	APPLE INC	USD	527,078.45	1.50%
5,600.00	BADGER METER INC	USD	196,179.19	0.56%
3,000.00	BIOMARIN PHARMACEUTICAL INC	USD	235,619.82	0.67%
4,100.00	CELGENE CORP	USD	449,940.74	1.28%
10,200.00	CERNER CORP	USD	458,093.39	1.31%
16,700.00	CHARLES SCHWAB CORP/THE	USD	624,933.87	1.78%
7,100.00	CYRUSONE INC	USD	301,097.89	0.86%
6,500.00	EDWARDS LIFESCIENCES CORP	USD	577,435.41	1.65%
8,400.00	ELI LILLY & CO	USD	585,750.18	1.67%
6,800.00	ELLIE MAE	USD	539,487.08	1.54%
7,200.00	EVESTNET INC	USD	240,625.74	0.69%
2,900.00	EXPEDIA WI	USD	311,459.59	0.89%
8,100.00	FACEBOOK -A-	USD	883,531.64	2.52%

Securities portfolio as at 31/12/16

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
6,500.00	FIRST SOLAR INC	USD	197,757.76	0.56%
11,300.00	FORTINET	USD	322,688.79	0.92%
10,400.00	GRUBHUB INC	USD	370,939.09	1.06%
25,700.00	HANNON ARMSTRONG SUSTAINABLE INFRA.	USD	462,709.65	1.32%
3,400.00	ILLUMINA INC	USD	412,738.56	1.18%
600.00	INTUITIVE SURGICAL	USD	360,750.89	1.03%
6,700.00	JOHNSON AND JOHNSON	USD	731,838.82	2.09%
5,800.00	JUNO THERAPEUTICS INC	USD	103,654.89	0.30%
5,700.00	MANHATTAN ASSOCIATES INC	USD	286,580.71	0.82%
5,800.00	MICROSOFT CORP	USD	341,703.72	0.98%
3,100.00	NEVRO CORP	USD	213,553.92	0.61%
7,900.00	NEW RELIC	USD	211,590.42	0.60%
15,700.00	NOBLE ENERGY INC	USD	566,524.77	1.62%
3,300.00	NUVASIVE INC	USD	210,749.47	0.60%
4,100.00	PALO ALTO NET	USD	486,091.49	1.39%
11,600.00	PATTERN ENERGY -A-	USD	208,849.49	0.60%
14,600.00	PAYPAL HOLDINGS INC WI	USD	546,349.37	1.56%
500.00	PRICELINE GROUP	USD	694,979.85	1.98%
5,500.00	PROTO LABS INC	USD	267,764.87	0.76%
4,400.00	RED HAT	USD	290,760.84	0.83%
10,200.00	SALESFORCE COM.INC	USD	662,045.03	1.89%
5,200.00	SPLUNK	USD	252,173.50	0.72%
19,300.00	SQUARE -A-	USD	249,404.12	0.71%
6,600.00	STERICYCLE INC	USD	482,070.63	1.38%
1,100.00	TESLA MOTORS INC	USD	222,857.55	0.64%
3,200.00	THE ULTIMATE SOFTWARE GROUP INC	USD	553,230.62	1.58%
3,900.00	THERMO FISHER SCIEN SHS	USD	521,725.53	1.49%
7,700.00	TRIPADVISOR INC WHEN ISSUED	USD	338,515.29	0.97%
5,100.00	VANTIV INC -A-	USD	288,278.74	0.82%
7,000.00	VARONIS SYSTEMS INC	USD	177,862.05	0.51%
11,500.00	VERIZON COMMUNICATIONS INC	USD	582,005.21	1.66%
3,500.00	WORKDAY -A-	USD	219,307.89	0.63%
3,700.00	ZIMMER BIOMET HLDGS SHS	USD	362,019.44	1.03%
Total securities portfolio			**34,046,253.07**	**97.20%**

CPR Invest - Global Disruptive Opportunities

Statement of Operations and Changes in Net Assets from 22/12/16 to 31/12/16

Expressed in EUR

Income		**14,082.57**
Net dividends	Note 2	13,723.77
Bank interest on cash account		358.80
Expenses		**18,795.17**
Management Company fees	Note 4	3,247.04
Subscription tax	Note 3	498.75
Administrative fees	Note 5	1,384.24
Performance fees	Note 4	4,280.68
Bank interests on overdrafts		194.51
Transaction fees	Note 2	9,189.95
Net loss from investments		**-4,712.60**
Net realised profit / loss on:		
- foreign exchange	Note 2	2,302.69
Net realised loss		**-2,409.91**
Movement in net unrealised gain / loss on:		
- investment securities		-425,295.47
- financial future contracts		13,237.85
Decrease in net assets as a result of operations		**-414,467.53**
Subscription capitalisation shares		35,441,368.29
Increase in net assets		**35,026,900.76**
Net assets at the beginning of the period		**0.00**
Net assets at the end of the period		**35,026,900.76**

The accompanying notes form an integral part of these financial statements

CPR Invest

- Europe Special Situations

Financial Statements as at 31/12/16

Statement of Net Assets as at 31/12/16

Expressed in EUR

Assets		**9,077,454.93**
Securities portfolio at market value	Note 2	8,897,263.79
Cost price		*8,856,261.13*
Unrealised profit on the securities portfolio		*41,002.66*
Cash at banks and liquidities		180,191.14
Liabilities		**57,187.31**
Bank overdrafts		51,451.36
Administrative fees payable	Note 5	400.44
Unrealised net depreciation on financial future contracts	Note 2, 7	3,259.03
Management Company fees payable	Note 4	1,564.29
Other liabilities		512.19
Net asset value		**9,020,267.62**

Changes in number of shares outstanding from 22/12/16 to 31/12/16

	Shares outstanding as at 22/12/16	**Shares issued**	**Shares redeemed**	**Shares outstanding as at 31/12/16**
Class A - Acc				
Capitalisation shares	-	1.0000	-	1.0000
Class I - Acc				
Capitalisation shares	-	90.0000	-	90.0000
Class R - Acc				
Capitalisation shares	-	1.0000	-	1.0000

CPR Invest - Europe Special Situations

Key figures

		Period ended as at:	31/12/16
Total Net Assets		EUR	9,020,267.62
Class A - Acc			EUR
	Capitalisation shares		
	Number of shares		1.0000
	Net asset value per share		1,001.83
Class I - Acc			EUR
	Capitalisation shares		
	Number of shares		90.0000
	Net asset value per share		100,212.95
Class R - Acc			EUR
	Capitalisation shares		
	Number of shares		1.0000
	Net asset value per share		100.22

Securities portfolio as at 31/12/16

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
	Transferable securities admitted to official stock exchange listing and/or dealt in on another regulated market		8,897,263.79	98.64%
	Shares		**8,897,263.79**	**98.64%**
	Austria		*99,777.94*	*1.11%*
2,092.00	ANDRITZ AG	EUR	99,777.94	1.11%
	Belgium		*178,171.52*	*1.98%*
2,252.00	KBC GROUPE SA	EUR	132,485.16	1.47%
2,301.00	ORANGE BELGIUM	EUR	45,686.36	0.51%
	Denmark		*148,256.70*	*1.64%*
3,837.00	H. LUNDBECK	DKK	148,256.70	1.64%
	France		*2,606,811.54*	*28.89%*
2,507.00	ACCOR SA	EUR	88,823.01	0.98%
6,752.00	AXA SA	EUR	161,946.72	1.80%
2,941.00	BNP PARIBAS SA	EUR	178,077.55	1.97%
3,421.00	BOUYGUES	EUR	116,467.95	1.29%
3,219.00	CAP GEMINI SA	EUR	258,002.85	2.87%
4,346.00	CARREFOUR SA	EUR	99,479.94	1.10%
2,175.00	CASINO GUICHARD PERRACHON SA	EUR	99,158.25	1.10%
1,525.00	DANONE	EUR	91,805.00	1.02%
801.00	DBV TECHNOLOGIES	EUR	53,146.35	0.59%
900.00	ILIAD SA	EUR	164,385.00	1.82%
611.00	INGENICO GROUP	EUR	46,356.57	0.51%
1,980.00	IPSEN	EUR	136,026.00	1.51%
25,012.00	NATIXIS SA	EUR	134,064.32	1.49%
1,054.00	PERNOD RICARD SA	EUR	108,509.30	1.20%
10,306.00	PEUGEOT SA	EUR	159,691.47	1.77%
1,685.00	REMY COINTREAU	EUR	136,518.70	1.51%
1,454.00	SAFRAN	EUR	99,482.68	1.10%
1,715.00	SFR GROUP	EUR	46,013.45	0.51%
4,035.00	SOCIETE GENERALE SA	EUR	188,616.08	2.09%
3,388.00	VEOLIA ENVIRONNEMENT SA	EUR	54,800.90	0.61%
4,911.00	VIVENDI SA	EUR	88,668.11	0.98%
4,436.00	ZODIAC AEROSPACE SA	EUR	96,771.34	1.07%
	Germany		*1,228,051.13*	*13.61%*
911.00	BAYER AG REG SHS	EUR	90,307.43	1.00%
1,228.00	BEIERSDORF AG	EUR	98,976.80	1.10%
685.00	COVESTRO AG	EUR	44,648.30	0.49%
1,520.00	DEUTSCHE WOHNEN AG	EUR	45,356.80	0.50%
3,313.00	EVONIK INDUSTRIES AG	EUR	94,022.94	1.04%
2,405.00	GEA GROUP AG	EUR	91,943.15	1.02%
1,274.00	MERCK KGAA	EUR	126,317.10	1.40%
1,791.00	OSRAM LICHT	EUR	89,236.58	0.99%
438.00	PUMA AG	EUR	109,346.70	1.21%
1,453.00	SIEMENS AG REG	EUR	169,710.40	1.88%
1,553.00	SYMRISE AG	EUR	89,809.99	1.00%
5,853.00	THYSSENKRUPP AG	EUR	132,511.92	1.47%
1,484.00	VONOVIA SE	EUR	45,863.02	0.51%
	Italy		*503,066.88*	*5.58%*
17,260.00	ANIMA HOLDING	EUR	89,061.60	0.99%
6,320.00	ASSICURAZIONI GENERALI SPA	EUR	89,238.40	0.99%
5,933.00	ENI SPA	EUR	91,783.51	1.01%
6,697.00	FINMECCANICA SPA	EUR	89,337.98	0.99%
4,005.00	SALVATORE FERRAGAMO S.P.A.	EUR	89,832.15	1.00%
64,293.00	TELECOM ITALIA SPA	EUR	53,813.24	0.60%
	Jersey Island		*137,622.68*	*1.53%*
2,508.00	SHIRE	GBP	137,622.68	1.53%
	Luxembourg		*47,519.37*	*0.53%*
6,773.00	ARCELORMITTAL SA REG SHS	EUR	47,519.37	0.53%
	Norway		*149,502.10*	*1.66%*
8,569.00	STATOIL ASA	NOK	149,502.10	1.66%
	Spain		*455,479.20*	*5.05%*
25,339.00	BANCO SANTANDER SA REG SHS	EUR	125,656.10	1.39%
47,923.00	CAIXABANK	EUR	150,478.22	1.67%
13,364.00	REPSOL SA	EUR	179,344.88	1.99%

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
	Sweden		*45,366.31*	*0.50%*
1,610.00	MODERN TIMES GROUP -B-	SEK	45,366.31	0.50%
	Switzerland		*584,112.94*	*6.48%*
448.00	ACTELION LTD NAMEN	CHF	92,149.25	1.02%
88.00	BARRY CALLEBAUT NOM.SHS	CHF	102,283.58	1.13%
21.00	CHOCOLADEFAB.LINDT.SPRUENGLI PARTIZIPSCH	CHF	103,334.89	1.15%
5,889.00	CLARIANT NAMEN AKT	CHF	96,520.27	1.07%
2,893.00	LAFARGEHOLCIM N NAMEN-AKT.	CHF	144,784.93	1.61%
681.00	TEMENOS GROUP AG NAM.AKT	CHF	45,040.02	0.50%
	The Netherlands		*1,315,030.44*	*14.58%*
1,714.00	AIRBUS GROUP	EUR	107,707.76	1.19%
1,525.00	AKZO NOBEL NV	EUR	90,569.75	1.00%
15,483.00	FIAT CHRYSLER AUTOMOBILES -A-	EUR	134,160.20	1.49%
11,226.00	ING GROEP	EUR	150,091.62	1.66%
38,507.00	KONINKLIJKE KPN NV	EUR	108,358.70	1.20%
2,837.00	NN GROUP NV	EUR	91,337.22	1.01%
1,000.00	NXP SEMICONDUCTORS	USD	92,922.49	1.03%
5,106.00	QIAGEN NV	EUR	136,228.08	1.51%
9,192.00	ROYAL DUTCH SHELL PLC	GBP	241,483.83	2.69%
4,146.00	UNILEVER NV	EUR	162,170.79	1.80%
	United Kingdom		*1,398,495.04*	*15.50%*
4,367.00	ANGLO AMERICAN PLC	GBP	59,345.36	0.66%
1,767.00	ASTRAZENECA PLC	GBP	91,858.75	1.02%
20,715.00	AVIVA PLC	GBP	118,038.61	1.31%
6,218.00	BURBERRY GROUP PLC	GBP	109,048.10	1.21%
2,426.00	CRODA INTERNATIONAL PLC	GBP	90,832.90	1.01%
8,980.00	GLAXOSMITHKLINE PLC	GBP	164,324.74	1.81%
2,173.00	IMPERIAL BRANDS	GBP	90,181.03	1.00%
2,816.00	INTERCONTINENTAL HOTELS GRP	GBP	120,016.49	1.33%
15,363.00	J SAINSBURY PLC	GBP	44,868.74	0.50%
17,948.00	MEGGITT PLC	GBP	96,426.35	1.07%
1,356.00	RECKITT BENCKISER GROUP PLC	GBP	109,388.66	1.21%
8,706.00	SMITH AND NEPHEW PLC	GBP	124,531.70	1.38%
8,730.00	TATE LYLE PLC	GBP	72,357.95	0.80%
4,845.00	WEIR GROUP PLC	GBP	107,275.66	1.19%
Total securities portfolio			**8,897,263.79**	**98.64%**

Statement of Operations and Changes in Net Assets from 22/12/16 to 31/12/16

Expressed in EUR

Expenses		**17,963.76**
Management Company fees	Note 4	1,564.29
Subscription tax	Note 3	225.62
Administrative fees	Note 5	400.44
Bank interests on overdrafts		36.72
Transaction fees	Note 2	15,736.69
Net loss from investments		**-17,963.76**
Net realised profit / loss on:		
- foreign exchange	Note 2	-612.25
Net realised loss		**-18,576.01**
Movement in net unrealised gain / loss on:		
- investment securities		41,002.66
- financial future contracts		-3,259.03
Increase in net assets as a result of operations		**19,167.62**
Subscription capitalisation shares		9,001,100.00
Increase in net assets		**9,020,267.62**
Net assets at the beginning of the period		**0.00**
Net assets at the end of the period		**9,020,267.62**

CPR Invest

Notes to the financial statements

Notes to the Financial Statements as at December 31, 2016

1. General Information

CPR Invest (the "Company") was incorporated in Luxembourg as a "Société d'Investissement à Capital Variable" (SICAV) on August 19, 2014 and qualifies as an open-ended collective investment company. The Company is submitted to Part I of the amended law of December 17, 2010 relating to Undertakings for Collective Investment (the "Law"). The Company is incorporated for an unlimited period and is registered under the number B189795.

The Company also qualifies as an Undertaking for Collective Investment in Transferable Securities under article 1(2) of the UCITS Directive 2009/65/EC and may therefore be offered for sale in any EU Member State, subject to registration.

The Company has the structure of an umbrella fund with the ability to provide investors with investment opportunities in a variety of Sub-Funds.

The Company has appointed CPR Asset Management, a "société anonyme" governed by French laws to act as its Management Company (the "Management Company"), pursuant to a management company services agreement dated August 19, 2014. Under this agreement, the Management Company provides investment management services, administrative agency, registrar and transfer agency services and marketing, principal distribution and sales services to the Company, subject to the overall supervision and control of the Board of Directors of the Company.

As at December 31, 2016, the following Sub-Funds are open:
CPR Invest - Silver Age
CPR Invest - Reactive
CPR Invest - Defensive
CPR Invest - Euro High Dividend
CPR Invest - Dynamic
CPR Invest - Global Silver Age
CPR Invest - Global Disruptive Opportunities (launched on December 22, 2016)
CPR Invest - Europe Special Situations (launched on December 22, 2016)

At closing date, the following Sub-Funds are Feeders of the T-units of French Mutual Investment Funds as described in the Note 9 :
CPR Invest - Silver Age
CPR Invest - Reactive
CPR Invest - Defensive
CPR Invest - Euro High Dividend
CPR Invest - Dynamic

Shareholders may be offered various classes of shares:

Classes of shares	Currency	Investors
Class A	EUR	Capitalisation share, for all investors Distribution share, for all investors
Class A USD	USD	Capitalisation share, for all investors
Class A CZKH *	CZK	Capitalisation share, for all investors
Class A2	EUR	Capitalisation share, reserved to all investors of Asian, Latin America and Middle East countries, approved by the Board of Directors of the Company
Class A2 USD	USD	Capitalisation share, reserved to all investors of Asian, Latin America and Middle East countries, approved by the Board of Directors of the Company
Class A2 USDH *	USD	Capitalisation share, reserved to all investors of Asian, Latin America and Middle East countries, approved by the Board of Directors of the Company
Class A2 SGD	SGD	Capitalisation share, reserved to all investors of Asian countries, approved by the Board of Directors of the Company

Notes to the Financial Statements as at December 31, 2016 (continued)

1. General Information (continued)

Classes of shares	Currency	Investors
Class A2 SGDH *	SGD	Capitalisation share, reserved to all investors of Asian countries, approved by the Board of Directors of the Company
Class I	EUR	Capitalisation share, reserved to institutional investors
Class I USD	USD	Capitalisation share, reserved to institutional investors
Class I GBP	GBP	Capitalisation share, reserved to institutional investors
Class F	EUR	Capitalisation share, for all investors, class only available through a network of distributors specifically approved by the Board of Directors of the Company
Class R	EUR	Capitalisation share, for all investors, class only available through a network of distributors based in a list of countries authorized by the Board of Directors of the Company or distributors specifically authorised by the Board of Directors

* Hedged Classes of shares : this operation aims to hedge the exchange rate risk in the currency of the shares compared to the reference currency of the Sub-Funds (EUR).

The detail of each class of shares offered within each Sub-Fund is disclosed in the prospectus of the Company.

2. Principal accounting principles

2.a. Presentation of the financial statements

The financial statements of the Company are presented in accordance with the Luxembourg legal and regulatory requirements relating to undertakings for collective investments and prepared in accordance with generally accepted accounting principles. The combined financial statements of the Company are expressed in EUR and obtained by addition of the figures of the different Sub-Funds on a line by line basis.

2.b. Valuation policy of the Master Funds

The valuation of units or shares of the Master Funds is based on the last determined and available net asset value.

2.c Net realised profit and loss on sales of investments

The net realised profits and losses on sales of investments are determined on the basis of average cost and are recognised in the Statement of Operations and Changes in Net Assets under the item “Net realised profit/loss on sales of investment securities”.

2.d Currency translation

The Company’s financial statements are expressed in EUR.

The transactions and acquisition costs denominated in foreign currencies are converted into the accounting currency of each Sub-Fund based on the exchange rate in force on the date of the transaction or acquisition. Assets and liabilities denominated in foreign currencies are converted into the accounting currency of each Sub-Fund based on the exchange rate in force at the end of the financial year. Any resulting gains or losses are recognised in the Statement of Operations and Changes in Net Assets under the item “Net realised profit/loss on foreign exchange”.

2.e Liquid assets

Liquid assets and money market instruments are valued at their nominal value plus accrued interest or on the basis of amortized costs.

2.f Transaction fees

The transaction fees, i.e. fees charged by the brokers for securities transactions and similar transactions, are recorded separately in the Statement of Operations and Changes in Net Assets.

2.g Formation expenses

The costs of incorporation of the Company are borne by the Management Company.

Notes to the Financial Statements as at December 31, 2016 (continued)

2. Principal accounting principles (continued)

2.h Forward foreign exchange contracts

Outstanding forward foreign exchange contracts are valued at the closing date by reference to the forward foreign exchange rate applicable to the outstanding life of the contract. The unrealised profit or loss is disclosed in the Statement of Net Assets.

Realised profit and loss on forward foreign exchange contracts is recorded in the Statement of Operations and Changes in Net Assets under the item “Net realised profit/loss on forward foreign exchange contracts”.

2.i Financial Future Contracts

Open financial future contracts are valued at their last known price on the valuation date or on the closing date. The unrealised net appreciation or depreciation is disclosed in the Statements of Net Assets.

Realised profit and loss on financial future contracts is recorded in the Statement of Operations and Changes in Net Assets under the item “Net realised profit/loss on financial future contracts”.

2.j Income

Dividends are recognised as income on the date securities are first quoted ex-dividend. Dividends are recorded net of any eventual withholding taxation. Interest is accrued for each net asset valuation.

3. Subscription Tax ("taxe d’abonnement")

The Company is subject in Luxembourg to an annual tax of 0.05%, for all Classes of shares, payable quarterly on the basis of the net assets of the Company as calculated at the end of the relevant quarter, except for the Class I shares which benefits from a reduced "taxe d’abonnement" of 0.01% of the net asset value as the class is reserved to institutional investors.

The net assets invested in collective investment undertakings subject to the "taxe d’abonnement" stipulated by Article 175 (a) of the Law are exempt from the "taxe d’abonnement".

4. Management Company and Performance fees

Management Company fees

The Management Company receives a management company fee based on the average net asset value of each class of shares, calculated and accrued each valuation day and paid quarterly. The Management Company fee is calculated in arrears and the following maximum rates are applicable:

Sub-Funds	Classes of shares	Management Company fees p.a.
CPR Invest - Silver Age	Class A - Acc	1.50%
	Class A2 - Acc	1.70%
	Class A2 USDH - Acc	1.70%
	Class A2 SGDH - Acc	1.70%
	Class A - Dist	1.50%
	Class I - Acc	0.75%
	Class F - Acc	1.50%
CPR Invest - Reactive	Class A - Acc	1.35%
	Class A - Dist	1.35%
	Class I - Acc	0.60%
	Class F - Acc	1.45%
	Class R - Acc	0.60%
CPR Invest - Defensive	Class A - Acc	1.15%
	Class A - Dist	1.15%
	Class I - Acc	0.50%
	Class F - Acc	1.15%
	Class R - Acc	0.50%

4. Management Company and Performance fees continued)

Sub-Funds	Classes of shares	Management Company fees p.a.
CPR Invest - Euro High Dividend	Class A - Acc	1.70%*
	Class A - Acc	1.50%**
	Class A - Dist	1.70%*
	Class A - Dist	1.50%**
	Class I - Acc	1.00%*
	Class I - Acc	0.75%**
	Class F - Acc	1.70%*
	Class F - Acc	1.50%**
CPR Invest - Dynamic	Class A - Acc	1.40%
	Class A - Dist	1.40%
	Class I - Acc	0.65%
	Class F - Acc	1.50%
	Class R - Acc	0.65%
CPR Invest - Global Silver Age	Class A - Acc	2.00%*
	Class A - Acc	1.50%**
	Class A USD - Acc	2.00%*
	Class A USD - Acc	1.50%**
	Class A CZKH - Acc	2.10%*
	Class A CZKH - Acc	1.50%**
	Class A2 USD - Acc	2.40%*
	Class A2 USD - Acc	1.70%**
	Class A2 SGD - Acc	2.40%*
	Class A2 SGD - Acc	1.70%**
	Class A2 SGDH - Acc	2.50%*
	Class A2 SGDH - Acc	1.70%**
	Class A - Dist	2.00%*
	Class A - Dist	1.50%**
	Class I - Acc	1.00%*
	Class I - Acc	0.75%**
	Class I GBP - Acc	1.00%
	Class F - Acc	2.00%*
	Class F - Acc	1.50%**
	Class R - Acc	1.00%
CPR Invest - Global Disruptive Opportunities (launched on December 22, 2016)	Class A - Acc	2.00%
	Class A USD - Acc	2.00%
	Class I - Acc	1.00%
	Class I USD - Acc	1.00%
	Class R - Acc	1.00%
CPR Invest - Europe Special Situations (launched on December 22, 2016)	Class A - Acc	2.00%
	Class I - Acc	1.00%
	Class R - Acc	1.00%

* since December 22, 2016
** until December 22, 2016

Performance fees

The Performance fee is provisioned every time the net asset value is calculated. The Performance fee is charged on an annual basis.
It is charged even if the performance during the year is negative. When the amount of redemptions is higher than the amount of subscriptions, the portion assigned to the Performance fee provision corresponding to that amount (redemptions less subscriptions) accrues to the Management Company on a permanent basis.
In the event that the Sub-Fund underperforms the benchmark index, the Performance fee is readjusted via a provision reversal that is limited to the amount of the existing provision.

4. Management Company and Performance fees (continued)

The first calculation period of the Performance fee shall start at launch of the Sub-Fund and end at the close of the first financial year.

CPR Invest - Silver Age

Class A - Acc Class A - Dist Class I - Acc Class F - Acc	15% max. (including tax) of the performance realised by the Sub-Fund relevant class of shares above that of the MSCI Europe Index Net Return in euro + 1% during the financial year, up to a maximum of 2% of the net assets.

CPR Invest - Reactive

All classes of shares	25% max. (including tax) of the performance realised by the Sub-Fund relevant class of shares above that of the composite benchmark [50% J.P. Morgan GBI Global Index Hedge Return in euro + 50% MSCI World Index Net Return in euro] during the financial year.

CPR Invest - Defensive

Class I - Acc Class R - Acc	25% max. (including tax) of the performance realised by the Sub-Fund relevant class of shares above that of the composite benchmark [80% J.P. Morgan GBI Global Index Hedge Return in euro + 20% MSCI World Index Net Return in euro] during the financial year, up to a maximum of 0.60% including tax of the net assets.

CPR Invest - Euro High Dividend

All classes of shares	20% max. (including tax) of the performance realised by the Sub-Fund relevant class of shares above that of the MSCI EMU Index Net Return in euro during the financial year, up to a maximum of 2% including tax of the net assets.

CPR Invest - Dynamic

All classes of shares	25% max. (including tax) of the performance realised by the Sub-Fund relevant class of shares above that of the composite benchmark [20% J.P. Morgan GBI Global Index Hedge Return in euro + 80% MSCI World Index Net Return in euro] during the financial year.

CPR Invest - Global Silver Age

Class A - Acc Class A USD - Acc Class A CZKH - Acc Class A - Dist Class I - Acc Class I GBP - Acc Class F - Acc Class R - Acc	15% max. (including tax) of the performance realised by the Sub-Fund relevant class of shares above that of the MSCI World Net Total Return Index (denominated in the currency of each relevant class of shares) during the financial year, up to a maximum of 2% including tax of the net assets.

CPR Invest - Global Disruptive Opportunities (launched on December 22, 2016)

All classes of shares	15% max. (including tax) of the performance realised by the Sub-Fund relevant class of shares above the MSCI World Net Total Return Index (denominated in the currency of each relevant class of shares) during a one year period, up to a maximum of 2% of the net assets. The one year period starts April 1 and end March 31 of the next year. Exceptionally the first period of calculation begins at the launch of the Sub-Fund and will end March 31, 2018.

CPR Invest - Europe Special Situations (launched on December 22, 2016)

All classes of shares	15% max. (including tax) of the performance realised by the Sub-Fund relevant class of shares above the MSCI Europe Net Total Return Index during the financial year, up to a maximum of 2% of the net assets. The first calculation period of the performance fee starts at the launch of the Sub-Fund and will end at the close of the financial year, December 31, 2017.

Notes to the Financial Statements as at December 31, 2016 (continued)

4. Management Company and Performance fees (continued)

For the year ended December 31, 2016, the following performance fees have been recorded :

Sub-Funds	Performance fees for the year/period then ended December 31, 2016 (EUR)
CPR Invest - Silver Age	147.73
CPR Invest - Euro High Dividend	17.17
CPR Invest - Dynamic	1.69
CPR Invest - Global Disruptive Opportunities	4,280.68
	4,447.27

5. Administrative fees

An Administrative fee is applied on the Sub-Funds' average net assets and payable monthly in arrears.
For all the Sub-Funds the maximum rate applicable is 0.30% per annum, except for the Class I - Acc, the Class I USD - Acc and the Class I GBP - Acc for which 0.20% per annum is applied.

The above rates include the remuneration of the Administrative Agent for its services as Administrative Agent, Depositary and Transfer Agent.

The aggregated Administrative fees and Management Company fee (Note 4) should not exceed, at any time, the following maximum annual rates:

Sub-Funds	Classes of shares	
CPR Invest - Silver Age	Class A - Acc	1.80%
	Class A2 - Acc	2.00%
	Class A2 USDH - Acc	2.00%
	Class A2 SGDH - Acc	2.00%
	Class A - Dist	1.80%
	Class I - Acc	0.95%
	Class F - Acc	1.80%
CPR Invest - Reactive	Class A - Acc	1.65%
	Class A - Dist	1.65%
	Class I - Acc	0.80%
	Class F - Acc	1.75%
	Class R - Acc	0.90%
CPR Invest - Defensive	Class A - Acc	1.45%
	Class A - Dist	1.45%
	Class I - Acc	0.70%
	Class F - Acc	1.45%
	Class R - Acc	0.80%
CPR Invest - Euro High Dividend	Class A - Acc	2.00%*
	Class A - Acc	1.80%**
	Class A - Dist	2.00%*
	Class A - Dist	1.80%**
	Class I - Acc	1.20%*
	Class I - Acc	0.95%**
	Class F - Acc	2.00%*
	Class F - Acc	1.80**
CPR Invest - Dynamic	Class A - Acc	1.70%
	Class A - Dist	1.70%
	Class I - Acc	0.85%
	Class F - Acc	1.80%
	Class R - Acc	0.95%

Notes to the Financial Statements as at December 31, 2016 (continued)

5. Administrative fees (continued)

CPR Invest - Global Silver Age	Class A - Acc	2.30%*
	Class A - Acc	1.80%**
	Class A USD - Acc	2.30%
	Class A CZKH - Acc	2.40%
	Class A2 USD - Acc	2.70%*
	Class A2 USD - Acc	2.00%**
	Class A2 SGD - Acc	2.70%*
	Class A2 SGD - Acc	2.00%**
	Class A2 SGDH - Acc	2.80%*
	Class A2 SGDH - Acc	2.00%**
	Class A - Dist	2.30%*
	Class A - Dist	1.80%**
	Class I - Acc	1.20%*
	Class I - Acc	0.95%**
	Class I GBP - Acc	1.20%*
	Class F - Acc	2.30%*
	Class F - Acc	1.80%**
	Class R - Acc	1.30%
CPR Invest - Global Disruptive Opportunities (launched on December 22, 2016)	Class A - Acc	2.30%
	Class A USD - Acc	2.30%
	Class I - Acc	1.20%
	Class I USD - Acc	1.20%
	Class R - Acc	1.30%
CPR Invest - Europe Special Situations (launched on December 22, 2016)	Class A - Acc	2.30%
	Class I - Acc	1.20%
	Class R - Acc	1.30%

* since December 22, 2016
** until December 22, 2016

6. Forward foreign exchange contracts

As at December 31, 2016, outstanding forward foreign exchange contracts were as follows and are linked to Class A2 USDH, Class A2 SGDH and Class A CZKH:

CPR Invest - Silver Age

Currency	Buy	Currency	Sell	Maturity date	Unrealised profit(loss) (EUR)
SGD	779,290.32	EUR	(513,339.43)	05/01/17	(2,008.42)
USD	569,411.28	EUR	(535,886.74)	05/01/17	3,887.13
				Total	**1,878.71**

CPR Invest - Global Silver Age

Currency	Buy	Currency	Sell	Maturity date	Unrealised profit(loss) (EUR)
SGD	844,539.95	EUR	(556,321.11)	05/01/17	(2,176.96)
CZK	215,565,283.96	EUR	(7,999,139.25)	05/01/17	(21,371.50)
CZK	25,717,730.72	EUR	(954,355.40)	05/01/17	(2,578.36)
CZK	2,750,644.15	EUR	(101,980.94)	05/01/17	(183.47)
CZK	864,536.11	EUR	(32,057.01)	05/01/17	(61.74)
CZK	1,659,445.99	EUR	(61,558.34)	05/01/17	(144.58)
CZK	946,650.96	EUR	(35,138.15)	05/01/17	(103.93)
CZK	494,684.58	EUR	(18,341.31)	05/01/17	(33.73)
CZK	466,481.03	EUR	(17,308.25)	05/01/17	(44.44)
CZK	1,119,088.32	EUR	(41,504.64)	05/01/17	(88.76)
CZK	8,500,000.00	EUR	(315,511.04)	05/01/17	(938.00)
CZK	1,173,164.40	EUR	(43,505.87)	05/01/17	(88.71)
CZK	1,008,704.43	EUR	(37,432.31)	05/01/17	(101.58)

Notes to the Financial Statements as at December 31, 2016 (continued)

6. Forward foreign exchange contracts (continued)

CPR Invest - Global Silver Age (continued)

Currency	Buy	Currency	Sell	Maturity date	Unrealised profit(loss) (EUR)
CZK	765,088.42	EUR	(28,378.20)	05/01/17	(63.35)
CZK	510,244.36	EUR	(18,910.56)	05/01/17	(27.13)
CZK	1,686,955.96	EUR	(62,572.62)	05/01/17	(140.75)
CZK	1,401,027.47	EUR	(51,912.31)	05/01/17	(62.25)
CZK	637,280.47	EUR	(23,610.69)	05/01/17	(25.84)
CZK	608,529.53	EUR	(22,563.49)	05/01/17	(42.67)
JPY	370,000,000.00	USD	(3,151,033.29)	05/01/17	20,675.98
CZK	145,661.41	EUR	(5,398.90)	05/01/17	(8.18)
CZK	284,884.99	EUR	(10,563.06)	05/01/17	(19.87)
CAD	4,000,000.00	USD	(2,949,465.34)	05/01/17	31,668.49
CZK	52,704.23	EUR	(1,951.55)	05/01/17	(1.04)
CZK	719,344.80	EUR	(26,636.11)	05/01/17	(14.17)
				Total	**24,023.46**

The counterparties of all the contracts are Crédit Agricole Corporate and Investment Bank London, BNP and Royal Bank of Canada.

7. Financial Future Contracts

As at December 31, 2016, outstanding financial future contracts were as follows:

CPR Invest - Global Disruptive Opportunities (launched on December 22, 2016)

	Number of contracts	Denomination	Currency	Commitment (in EUR)	Unrealised result (in EUR)
Buy	5	USD/AUD (CME) 03/17	USD	341,407.92	2,322.83
Sell	(6)	EUR/CAD (IMM) 03/17	CAD	(753,473.08)	(2,651.21)
Buy	28	EUR/USD (CME) 03/17	USD	3,508,793.55	21,130.60
Sell	(3)	EUR/SWISS FRANCE (CME) 03/17	CHF	(374,930.04)	174.91
Sell	(19)	EUR/GBP (CME) 03/17	GBP	(2,380,703.78)	(7,739.28)
				Total	**13,237.85**

CPR Invest - Europe Special Situations (launched on December 22, 2016)

	Number of contracts	Denomination	Currency	Commitment (in EUR)	Unrealised result (in EUR)
Sell	(6)	EUR/SWISS FRANCE (CME) 03/17	CHF	-749,860.07	-1,084.42
Sell	(7)	EUR/GBP (CME) 03/17	GBP	-877,101.39	-2,174.61
				Total	**-3,259.03**

The counterparty of all these financial future contracts is Société Générale Newedge UK Limited.

8. Statement of changes in portfolio

The Statement of changes in portfolio for the year from January 1, 2016 to December 31, 2016 is available free of charge at the Company’s registered office.

9. Master-Feeder structure

The Sub-Funds CPR Invest - Silver Age, CPR Invest - Reactive, CPR Invest - Defensive, CPR Invest - Euro High Dividend and CPR Invest - Dynamic are each Feeder of a Master Fund, a French Mutual Investment Fund authorized by the *Autorité des Marchés Financiers* as a UCITS, as described as follows, and invests at least 85% of its assets in units of the Master Fund. The Sub-Funds may hold up to 15% of its assets in one or more of the following:

- Ancillary liquid assets,
- Financial derivative instruments, which may be used only for hedging purposes.

The Sub-Funds and the Master Funds are both managed by the Management Company.
The financial years of the Master Funds end on December 31 each year.

On November 21, 2016, the Board of Directors of the Company decided to change the investment policy of the Sub-Fund CPR Invest - Global Silver Age with effect as at December 22, 2016. As from December 22, 2016, the Sub-Fund CPR Invest - Global Silver Age is not anymore a feeder of CPR Global Silver Age and holds its own investments.

The Feeder Sub-Funds are investing in Class T units of their respective Master Funds as follows:

Feeder Sub-Funds	Master Funds	% of Class T units
CPR Invest - Silver Age	CPR Silver Age	100.00%
CPR Invest - Reactive	CPR Croissance Réactive	100.00%
CPR Invest - Defensive	CPR Croissance Défensive	100.00%
CPR Invest - Euro High Dividend	CPR Euro High Dividend	100.00%
CPR Invest - Dynamic	CPR Croissance Dynamique	100.00%

The investment objective of each Sub-Fund is the same as the Master Fund:

CPR Invest - Silver Age:
The Master Fund's objective is to outperform the European equity markets over the long-term, at least 5 years, by taking advantage of the momentum of European equities associated with the ageing of the population.

CPR Invest - Reactive:
The Master Fund's objective is to deliver over the medium term – with a minimum of 4 years – a higher return than the one of the composite benchmark: [50% J.P. Morgan GBI Global Index Hedge Return in euro + 50% MSCI World Index Net Return in euro].

CPR Invest - Defensive:
The Master Fund's objective is to deliver, net of management fees, over the medium term – 2 years minimum – a higher return than the one of the composite benchmark: [80% J.P. Morgan GBI Global Index Hedge Return in euro + 20% MSCI World Index Net Return in euro] with an expected maximum volatility of 7%.

CPR Invest - Euro High Dividend:
The Master Fund's objective is to deliver over a long-term investment horizon – at least 8 years – a higher return than the one of the benchmark MSCI EMU Index Net Return in euro, by selecting securities with a higher dividend rate (dividend to share price) than the average dividend rate of the securities included in the MSCI EMU.

CPR Invest - Dynamic:
The Master Fund's investment objective is to deliver over a long-term investment horizon – at least 5 years – a higher return than the one of the composite benchmark: [20% J.P. Morgan GBI Global Index Hedge Return in euro + 80% MSCI World Index Net Return in euro].

9. Master-Feeder structure (continued)

At the level of the Master Funds, the fees, charges and expenses associated with the investments are the operating and management fees covering all the expenses invoiced directly to the Master Funds, with the exception of transaction charges.

As at December 31, 2016, the maximum operating and management fees charged by the Master Funds for the class of units held by the Feeder Sub-Funds (Class T) is equal to 0.15%.

For the year ended December 31, 2016, the total fees charged for the Feeder Sub-Funds and for the Master Funds are as follows:

Feeder Sub-Funds	Total fees in EUR	% year-end NAV
CPR Invest - Silver Age	1,569,726.01	1.47%
CPR Invest - Reactive	1,313,159.85	1.38%
CPR Invest - Defensive	480,080.20	0.81%
CPR Invest - Euro High Dividend	83,821.94	1.33%
CPR Invest - Dynamic	81,182.68	1.07%

Master Funds	Total fees in EUR	% year-end NAV
CPR Silver Age	14,886,652.84	1.25%
CPR Croissance Réactive	11,563,212.98	1.14%
CPR Croissance Défensive	8,398,921.56	0.99%
CPR Euro High Dividend	1,843,142.32	1.82%
CPR Croissance Dynamique	2,373,634.16	1.11%

Complete information about the Master Funds, including prospectus, KIIDs, regulations, articles of incorporation and financial reports can be obtained free of charge at the Management Company's postal adress, 90, Boulevard Pasteur, CS 61595, F-75730 Paris, France.

10. Total Expenses Ratio (TER)

The TER is calculated by dividing the expenses, excluding transaction costs and performance fees, by the average net assets of the Sub-Funds.

The TERs for the year ended December 31, 2016, excluding performance fees and accrued transaction costs, are as follows:

Sub-Funds	Classes of shares	TER
CPR Invest - Silver Age	Class A - Acc	1.56%
	Class A2 - Acc	1.75%
	Class A2 USDH - Acc	1.74%
	Class A2 SGDH - Acc	1.76%
	Class A - Dist	1.57%
	Class I - Acc	0.79%
	Class F - Acc	1.48%
CPR Invest - Reactive	Class A - Acc	1.4%
	Class A - Dist	1.42%
	Class I - Acc	0.68%
	Class F - Acc	1.44%
	Class R - Acc	0.82%*
CPR Invest - Defensive	Class A - Acc	1.25%
	Class A - Dist	1.25%
	Class I - Acc	0.53%
	Class F - Acc	1.13%
	Class R - Acc	0.81%*
CPR Invest - Euro High Dividend	Class A - Acc	1.58%
	Class A - Dist	1.58%
	Class I - Acc	0.79%
	Class F - Acc	1.51%

Notes to the Financial Statements as at December 31, 2016 (continued)

10. Total Expenses Ratio (TER) (continued)

Sub-Funds	Classes of shares	TER
CPR Invest - Dynamic	Class A - Acc	1.48%
	Class A - Dist	1.48%
	Class I - Acc	0.68%
	Class F - Acc	1.48%
	Class R - Acc	0.82%*
CPR Invest - Global Silver Age	Class A - Acc	1.68%
	Class A USD - Acc	1.69%*
	Class A CZKH - Acc	1.72%*
	Class A2 USD - Acc	1.85%
	Class A2 SGD - Acc	1.85%
	Class A2 SGDH - Acc	1.85%
	Class A - Dist	1.65%
	Class I - Acc	0.87%
	Class I GBP - Acc	0.88%*
	Class F - Acc	1.55%
	Class R - Acc	0.82%*
CPR Invest - Global Disruptive Opportunities (launched on December 22, 2016)	Class A - Acc	2.61%*
	Class A USD - Acc	2.68%*
	Class I - Acc	1.15%*
	Class I USD - Acc	0.4%*
	Class R - Acc	0.81%*
CPR Invest - Europe Special Situations (launched on December 22, 2016)	Class A - Acc	2.19%*
	Class I - Acc	0.99%*
	Class R - Acc	0.81%*

* TERs have been calculated on the basis of annualised expenses as these classes of shares were not active entirely during the last 12 months.

11. Subsequent events

There were no significant events occurring after the closing date, which would require revision of the figures or disclosures in the Financial Statements.

12. Securities Financing Transactions and of Reuse Regulation (“SFTR”)

The Company does not use any instruments falling into the scope of SFTR.

Unaudited informations

1. Global exposure calculation method

The method used to calculate overall exposure of the Sub-Funds is the commitment calculation method.

2. Remuneration

Remuneration policy and practices for manager's personnel

The remuneration policy adopted by CPR Asset Management ("CPR AM") complies with the remuneration rules laid down in European Parliament and Council Directive 2011/61/EU of 8 June 2011 on alternative investment fund managers (hereinafter referred to as the "*AIFM Directive"*) and UCITS V Directive 2014/91/EU of 23 July 2014 (hereinafter referred to as the "*UCITS V Directive*"). These rules, which deal with the manager's remuneration organisation, practices and policy, are primarily intended to help ensure sound, effective and controlled management of the risks incurred by both the management company and the funds under management.

CPR AM's remuneration policy reflects the policy of the Amundi Group (the "Group"), to which CPR AM belongs.
The remuneration policy is supervised by the Group's Board of Directors and CPR AM's Board of Directors.
This policy is reviewed each year by the Group's Remunerations Committee. During the meeting on 10 February 2016, the Committee approved the policy applicable to the 2015 financial year and acknowledged its compliance with the principles of the AIFM Directive. The policy applicable to the 2015 financial year was reviewed at the Remunerations Committee meeting on 10 February 2016 and maintained in 2016.

In 2016, the Group's General Inspection department conducted an independent central review of the Amundi Group's remuneration policy and its application.

Amount of remunerations paid by the manager to its employees

In FY2016, the total amount of remunerations (including fixed and deferred and non-deferred variable remunerations) paid by CPR AM to its entire workforce (i.e. 105 beneficiaries on 31 December 2016) came to €11,567,124. This amount broke down as follows:

- Total amount of fixed remunerations paid by CPR AM for the year: €8,166,938, i.e. 71% of total remunerations paid by the manager to its entire workforce was paid in the form of fixed remunerations.
- Total amount of deferred and non-deferred variable remunerations paid by CPR AM for the year: €3,400,186, i.e. 29% of total remunerations paid by the manager to its entire workforce was paid in this form. All employees are eligible for the variable remuneration mechanism.

Moreover, no carried interest was paid for the year.

Because of the low number of "executives and senior managers" and "decision-making managers" whose work has a material impact on risk profile of the funds under management, the total amount of remunerations (fixed and deferred and non-deferred variable bonuses) paid to employees in these categories is not published.

Impact of remuneration policy and practices on the risk profile and on conflict of interest management

CPR AM's remuneration policy and practices comply with the most recent laws, regulations and opinions issued by the regulatory authorities.

2. Remuneration (continued)

CPR AM has also identified its Key Employees. This category includes all employees with decision-making powers in respect of company management or funds under management and therefore liable to have a material impact on results or the risk profile.

Variable remunerations awarded to CPR AM employees are determined by combining the outcome of an individual employee's performance evaluation with the operating unit where he or she is employed and the Group's overall results. An individual performance evaluation factors in financial criteria as well as compliance with sound risk management rules.

The criteria used to evaluate job performance and to award variable remunerations depend upon the nature of someone's job :

<u>1. Portfolio selection and management functions</u>
Usual financial criteria :
- Gross and net results over 1 and 3 years of the fund under management;
- Information ratio and Sharpe ratio over 1 and 3 years;
- Performance fees generated during the past financial year if relevant;
- Contribution to net income collected during the financial year.

Usual non-financial criteria :
- Compliance with internal risk prevention and management rules (Risks/Compliance);
- Product innovation;
- Cross-functional sharing of best practices and collaboration;
- Contribution to commercial commitment;
- Management quality.

<u>2. Commercial functions</u>
Usual financial criteria :
- Net income collected;
- Profitability;
- Market shares, growth of customer portfolio.

Usual non-financial criteria :
- Compliance with internal risk prevention and management rules (Risks/Compliance);
- Recognition and inclusion of customer interests;
- Customer satisfaction and quality of commercial relations;
- Management quality.

<u>3. Support, control and audit functions</u>
As regards control and audit functions, job performance evaluations and the award of variable remunerations are independent from the results of the activities over which control is exercised.
Usually, the following criteria are applied:
- Primarily criteria calling for the achievement of internal objectives (risk control, quality of control and audits, completion of projects, improvement of tools and systems, etc.);
- Financial criteria, where used, focus mainly on cost management and optimisation.

The above performance criteria, particularly those applicable to Key Employees with management duties, are designed to reflect the general regulations applicable to funds under management and the investment strategy of the manager's Investment Committee.

For its entire workforce, CPR AM has further implemented measures intended to ensure that remunerations reflect long-term results and risks and to minimise the risk of conflicts of interest.

Unaudited informations (continued)

2. Remuneration (continued)

In particular, CPR AM has :
- Implemented a scale for deferred remunerations, pursuant to the requirements of the AIFM and UCITS V Directives.
- The deferred fraction of bonuses paid to Key Employees is paid out in the form of instruments that are 100% indexed to the performance of a representative basket of funds.
- The final vesting of the deferred fraction is subject to Amundi's financial situation, the employee's continued employment in the Group and sound and controlled risk management during the entire vesting period.