

# **DSM Capital Partners Funds**

*Société d'Investissement à Capital Variable  
Luxembourg*

## **Annual Report and Audited Financial Statements for the year ended 30 September 2017**

6, rue Lou Hemmer  
L-1748 Senningerberg  
Grand Duchy of Luxembourg  
R.C.S. Luxembourg B 184885

# CONTENTS

Directory .....	1
Investment Manager’s Report .....	2
Independent Auditor’s Report .....	5
Combined Statement of Net Assets .....	7
Combined Statement of Operations and Changes in Net Assets .....	8
Statistical Information	
DSM Capital Partners Funds – Global Growth Sub-Fund .....	9
DSM Capital Partners Funds – U.S. Large Cap Growth Sub-Fund .....	10
Schedule of Investments and Other Net Assets	
DSM Capital Partners Funds – Global Growth Sub-Fund .....	11
DSM Capital Partners Funds – U.S. Large Cap Growth Sub-Fund .....	13
Other Information on Investments	
DSM Capital Partners Funds – Global Growth Sub-Fund .....	14
DSM Capital Partners Funds – U.S. Large Cap Growth Sub-Fund .....	15
Notes to the Financial Statements .....	16
Appendix I – Additional Information (unaudited) .....	22

*No subscription can be received on the basis of the financial statements alone. Subscriptions are only valid if made on the basis of the current Prospectus and Key Investor Information Document(s) accompanied by the latest annual report and the most recent semi-annual report, if published thereafter.*

# DSM Capital Partners Funds

## Directory

### Registered Office

6, rue Lou Hemmer  
L-1748 Senningerberg  
Grand Duchy of Luxembourg

### Board of Directors

Russell Katz, DSM Capital Partners LLC, General Counsel and Chief Compliance Officer  
Stephen E. Memishian, DSM Capital Partners LLC, Co-Managing Partner  
Michael Vareika, Independent Director

### Management Company\*

FundRock Management Company S.A.  
33, rue de Gasperich  
L-5826 Hesperange  
Grand Duchy of Luxembourg

### Administrator, Domiciliary Agent and Registrar and Transfer Agent

Northern Trust Luxembourg Management Company S.A.  
6, rue Lou Hemmer  
L-1748 Senningerberg  
Grand Duchy of Luxembourg

### Independent Auditor

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

### Global Distributor

DSM Capital Partners LLC  
7111 Fairway Drive, Suite 350  
Palm Beach Gardens, FL 33418  
United States of America

### Depository and Paying Agent

Northern Trust Global Services Limited  
Luxembourg Branch  
6, rue Lou Hemmer  
L-1748 Senningerberg  
Grand Duchy of Luxembourg

### Investment Manager

DSM Capital Partners LLC  
7111 Fairway Drive, Suite 350  
Palm Beach Gardens, FL 33418  
United States of America

### Legal Advisers to Luxembourg Law

Dechert Luxembourg  
1, Allée Scheffer  
B.P. 709  
L-2017 Luxembourg  
Grand Duchy of Luxembourg

\* The Management Company, with the approval and upon recommendation of the Company, has delegated the central administration, registrar and transfer agent, global distributor and investment management functions.

# DSM Capital Partners Funds

## Investment Manager's Report

### Global Growth Sub-Fund

#### Performance

From its inception on 11 March 2014, the Global Growth Sub-Fund Class I2 NAV was up 17.09% annualized in EUR as of 30 September 2017, while the MSCI All Country World Index Net (the "Benchmark"), total return, annualized including dividends, was up 12.12%. For the period 1 October 2016 through 30 September 2017, the Global Growth Sub-Fund Class I2 NAV was up 23.60% in EUR, while the MSCI All Country World Index Net (the "Benchmark"), total return, including dividends, was up 12.79%.

Over the twelve-month period ended 30 September 2017, the Manager's selections in information technology, as well as the Sub-Fund's overweight of the technology sector were primarily responsible for the outperformance versus the Benchmark. The Manager's selections in the consumer discretionary sector and underweight in energy versus the Benchmark also benefitted performance. The major contributors to performance during the period were Alibaba Group, Tencent Holdings, Facebook, Royal Caribbean Cruises and Wynn Macau. The holdings which detracted most from the Sub-Fund's performance over the period were Shire, Capgemini, Allergan, Newell Brands and UCB SA.

#### Sector Performance

At 30 September 2017, the portfolio was primarily invested in the technology, consumer discretionary, health care and financials sectors, with smaller weights in consumer staples, industrials and utilities.

During the twelve-month period ended 30 September 2017, based on the total return in EUR, the portfolio's technology holdings were up 34%, financials were up 32%, consumer discretionary was up 29%, industrials were up 21%, consumer staples were up 6%, utilities were down (2)% and health care was down (3)%.

#### The Portfolio

The Global Growth Sub-Fund owned the shares of thirty-seven companies at the close on 30 September 2017.

In the technology sector, the Sub-Fund owned companies in application software development (Adobe Systems); Chinese e-commerce (Alibaba Group); internet search and advertising (Alphabet-Class A); automobile consumer website operations in China (Autohome); interactive entertainment software (Electronic Arts); social network website operations (Facebook); online marketplace for restaurant delivery (Just Eat); business and consumer software development (Microsoft); digital and mobile payments (PayPal); instant messaging and electronic game platforms (Tencent Holdings); electronic payments (Visa); and Chinese social media platforms (Weibo).

The consumer discretionary sector was represented by a Chinese manufacturer of sports shoes, apparel and equipment (Anta Sports Products); a Chinese online travel services provider (Ctrip.com); a Chinese educational services provider (New Oriental Education & Technology Group); two global cruise operators (Norwegian Cruise Line Holdings and Royal Caribbean Cruises); an online travel agent (Priceline Group); a satellite radio broadcaster (Sirius XM Holdings); and a casino resort operator in China (Wynn Macau).

The health care businesses that were owned included a diversified health care products and services provider (Abbott Laboratories); two specialty pharmaceuticals companies (Alexion Pharmaceuticals and Regeneron Pharmaceuticals); and a manufacturer of animal health medicines and vaccines (Zoetis).

In financials, the Sub-Fund held a corporate banking services provider (HDFC Bank); an Indian banking and financial services provider (IndusInd Bank); a US-based provider of diversified financial services (Charles Schwab); a Swiss private banking services provider (Julius Baer Group); and a Canadian banking and brokerage services provider (Toronto-Dominion Bank).

Consumer staples holdings included a Coca-Cola bottler in Europe, Asia and Africa (Coca-Cola HBC); an operator of convenience stores in Thailand and China (CP ALL); a Mexican convenience store operator and Coca-Cola distributor in Latin America (Fomento Economico Mexicano); and a producer of energy drinks and other alternative beverages (Monster Beverage).

The Sub-Fund's industrial exposure was represented by a railway operator in the Midwestern and Southern US (Kansas City Southern); a provider of human resources and other information services (Recruit Holdings); and a French manufacturer of aerospace and defense systems (Thales).

In the utilities sector, the Sub-Fund held a Chinese developer of water treatment systems (Beijing Enterprises Water Group).

## DSM Capital Partners Funds

### Investment Manager's Report (continued)

#### U.S. Large Cap Growth Sub-Fund

##### Performance

From its inception on 19 July 2016, the U.S. Large Cap Growth Sub-Fund was up 32.05% in USD as of 30 September 2017, while the Russell 1000 Growth Index (the "Benchmark"), total return, including dividends, was up 23.18%. For the period 1 October 2016 through 30 September 2017, the U.S. Large Cap Growth Sub-Fund was up 26.13% in USD, while the Russell 1000 Growth Index (the "Benchmark"), total return, including dividends, was up 21.94%

Over the twelve-month period ended 30 September 2017, the Manager's selections in information technology, as well as the Sub-Fund's overweight of the technology sector were primarily responsible for the outperformance versus the Benchmark. The Manager's selections in the consumer discretionary sector and the Sub-Fund's underweight of consumer staples also benefitted performance. The major contributors to performance during the period were Alibaba Group, Tencent Holdings, Royal Caribbean Cruises, Facebook and Adobe Systems. The holdings which detracted most from the Sub-Fund's performance over the period were Allergan, Shire, FleetCor Technologies, Nielsen Holdings and Newell Brands.

*\*Note: The U.S. Large Cap Growth Sub-Fund Class I3 closed in mid-June, so performance from June onward is calculated using Bloomberg's conversion of the U.S. Large Cap Growth Sub-Fund Class I2 NAV from EUR to USD.*

##### Sector Performance

At 30 September 2017, the portfolio was primarily invested in the technology, health care and consumer discretionary sectors, with smaller weights in financials, consumer staples and industrials.

During the twelve-month period ended 30 September 2017, based on the total return in USD, the portfolio's technology holdings were up 37%, consumer discretionary was up 26%, financials were up 21%, consumer staples were up 13%, health care was up 11% and industrials were up 9%.

##### The Portfolio

The U.S. Large Cap Growth Sub-Fund owned the shares of twenty-six companies at the close on 30 September 2017.

In the technology sector, the Sub-Fund owned companies in application software development (Adobe Systems); Chinese e-commerce (Alibaba Group); internet search and advertising (Alphabet - Class A); interactive entertainment software (Electronic Arts); social network website operations (Facebook); business and consumer software development (Microsoft); digital and mobile payments (PayPal); instant messaging and electronic game platforms (Tencent Holdings); and electronic payments (Visa).

The health care businesses that were owned included a diversified health care products and services provider (Abbott Laboratories); three specialty pharmaceuticals companies (Alexion Pharmaceuticals, Allergan and Regeneron Pharmaceuticals); a global medical technology company (Becton Dickinson); and a manufacturer of animal health medicines and vaccines (Zoetis).

The consumer discretionary sector was represented by a US discount store chain operator (Dollar Tree); two global cruise operators (Norwegian Cruise Line Holdings and Royal Caribbean Cruises); an online travel agent (Priceline Group); a satellite radio broadcaster (Sirius XM Holdings); and a casino resort operator in the US and China (Wynn Resorts).

In financials, the Sub-Fund held a provider of diversified financial services (Charles Schwab) and a Canadian banking and brokerage services provider (Toronto-Dominion Bank).

Consumer staples holdings included a producer of energy drinks and other alternative beverages (Monster Beverage).

The Sub-Fund's industrial exposure was represented by a railway operator in the Midwestern and Southern US (Kansas City Southern) and a manufacturer of communications and in-flight entertainment systems for aircraft (Rockwell Collins).

## DSM Capital Partners Funds

### Investment Manager's Report (continued)

#### Market and Economic Outlook

DSM continues to expect an extended, slow-growth global economic cycle driven by low inflation and low interest rates. Our multi-year outlook of stable 3% global growth remains unchanged and we continue to believe that this will prove to be a longer, albeit slower, global growth cycle than the majority of previous growth periods. In our view, if President Trump moves forward with pro-growth income tax cuts, corporate tax reform, eased regulatory restrictions, repatriation of capital trapped abroad and pragmatic energy policies, US economic growth may improve thereby providing a boost to global growth.

It appears to us that growth in the United States will remain in the 2%+ range, while Europe can grow 1% to 2%, with China continuing in the mid-single digits and Japan approximating 1%. The economic outlook has improved globally, as employment worldwide continues to grow, reinforcing the underpinnings of a sustained upcycle in global growth. With inflation in the US recently exhibiting some signs of inching upward, we think the Federal Reserve is likely to raise rates in December. Should such statistics continue to show strength into 2018, we suspect that two, or possibly three rate increases are possible next year, especially if Trump's growth-inducing tax cuts are passed by Congress.

Chinese economic growth continues in the 6% range, resulting in solid corporate profits, particularly in the non-financial industries. Standard & Poor's knocked China's debt rating down by one notch, even as cities throughout China have created additional real estate purchasing limits in order to reduce property speculation. The government also continues its ever-broader program to clean up the environment, now setting a goal for eliminating all fossil fuel vehicles, perhaps within 20 years. Of note, some analysts believe that Chinese-made electric cars already account for over 40% of the global market.

The economic outlook in Europe has certainly improved over the course of 2017, although growth remains restrained versus prior growth cycles. The ECB is focused on inflation reaching a level of 2%, before acting to tighten in order to reduce excess liquidity in the system. Although deflation has receded as a risk, with inflation remaining dormant, the bank's accommodative policy will likely remain unchanged for some time. European business confidence is quite strong, as manufacturing indices globally accelerate. In the UK, although worries over Brexit persist, business' hiring and investment plans remain stable if not solid. In Japan, economic growth and corporate profits have accelerated due to solid exports, construction, consumer and investment spending and a growing tourist industry. However, inflation remains below the Bank of Japan's 2% target, causing the BOJ to make clear that even with economic expansion, inflation remains too low to consider a change in the current quantitative easing policy.

The strong earnings growth in 2016, which approximated 20% on a weighted average basis, has been followed by earnings growth of more than 25% over the first half of 2017. The Manager believes that the strength of earnings has continued to drive performance. Last year the portfolios' earnings grew, but the prices of the Sub-Funds' holdings did not respond accordingly. As earnings continue to advance, the Manager believes the portfolio has the potential to be driven higher by the economic earnings value earned over both 2016 and 2017.

Both of the portfolios remain focused on unique global businesses with strong balance sheets and significant free cash flow. The Manager believes the portfolios to be attractively valued in the current economic and investment environment. Although several well-publicized macro and geopolitical risks remain of concern to investors, the positive scenario of moderate global inflation, low interest rates, an extended-steady/slow global economic growth cycle, growing global corporate earnings, normal global market valuations given a low-inflation world and an improving and increasingly stable global financial system, as well as the possibility of US tax reform, continues to form the foundation of an upwardly driven global equity market.

## Independent Auditor's Report

To the Shareholders holders of  
DSM Capital Partners Funds  
6, rue Lou Hemmer  
L-1748 Senningerberg  
Grand Duchy of Luxembourg

### **Opinion**

We have audited the financial statements of DSM Capital Partners Funds (the "Fund"), which comprise the statement of net assets and the schedule of investments as at 30 September 2017 and the statement of operations and the statement of changes in net assets for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 September 2017, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### **Basis for Opinion**

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

### **Other information**

The Board of Directors of the Management Company of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

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

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

### **Responsibilities of the Board of Directors of the Management Company of the Fund and those charged with governance for the financial statements**

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

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

***Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements***

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

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

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

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

Ernst & Young  
Société anonyme  
Cabinet de révision agréé



Michael Ferguson

Luxembourg, 18 January 2018

## DSM Capital Partners Funds

### Combined Statement of Net Assets

As at 30 September 2017

	Note	Combined USD	Global Growth USD	U.S. Large Cap Growth USD
Investments at cost		742,761,575	716,745,232	26,016,343
Unrealised gain on investments		317,488,145	309,837,013	7,651,132
Investments at market value	2c	<u>1,060,249,720</u>	<u>1,026,582,245</u>	<u>33,667,475</u>
Cash at bank	2h	12,484,002	12,347,644	136,358
Receivable on investments sold	2f	2,269,464	2,163,572	105,892
Dividends receivable		425,298	415,725	9,573
Unamortised formation costs	3	56,606	56,606	–
Other assets	6	62,148	9,025	53,123
<b>Total assets</b>		<b><u>1,075,547,238</u></b>	<b><u>1,041,574,817</u></b>	<b><u>33,972,421</u></b>
Payable on investments purchased	2f	(181,758)	(70,687)	(111,071)
Payable on fund shares redeemed		(9,110,031)	(9,110,031)	–
Investment management fees payable	4a	(1,859,309)	(1,774,048)	(85,261)
Other liabilities	6	(371,004)	(346,640)	(24,364)
<b>Total liabilities</b>		<b><u>(11,522,102)</u></b>	<b><u>(11,301,406)</u></b>	<b><u>(220,696)</u></b>
<b>Net assets</b>		<b><u>1,064,025,136</u></b>	<b><u>1,030,273,411</u></b>	<b><u>33,751,725</u></b>

The accompanying notes form an integral part of these financial statements.

## DSM Capital Partners Funds

### Combined Statement of Operations and Changes in Net Assets

For the year ended 30 September 2017

	Note	Combined USD	Global Growth USD	U.S. Large Cap Growth USD
<b>Net asset value at the beginning of the year</b>		<b>903,951,447</b>	<b>887,861,644</b>	<b>16,089,803</b>
<b>Income</b>				
Net bank interest		50,050	4,753	45,297
Net dividends	2g	6,469,078	6,322,568	146,510
<b>Total income</b>		<b>6,519,128</b>	<b>6,327,321</b>	<b>191,807</b>
<b>Expenses</b>				
Investment Management fees	4a	(6,865,242)	(6,442,556)	(422,686)
Depository fees	4b	(403,033)	(379,783)	(23,250)
Administration, Registrar and Transfer Agent fees	4c	(324,627)	(294,204)	(30,423)
Management Company fees	4d	(239,303)	(217,410)	(21,893)
Taxation	5	(107,192)	(91,476)	(15,716)
Directors' fees and expenses	11	(39,405)	(38,713)	(692)
Transaction fees	10	(49,565)	(48,153)	(1,412)
Formation costs	3	(43,324)	(43,324)	–
Other expenses	4e, 8	(228,984)	(208,493)	(20,491)
<b>Total expenses</b>		<b>(8,300,675)</b>	<b>(7,764,112)</b>	<b>(536,563)</b>
Investment Management fees rebate	9	209,082	–	209,082
<b>Net investment (loss)</b>		<b>(1,572,465)</b>	<b>(1,436,791)</b>	<b>(135,674)</b>
<b>Net realised gains/(losses):</b>				
- on investments	2i	50,768,520	46,286,830	4,481,690
- on foreign exchange	2e	(165,579)	(164,983)	(596)
<b>Total net realised gains</b>		<b>50,602,941</b>	<b>46,121,847</b>	<b>4,481,094</b>
<b>Change in net unrealised gains/(losses):</b>				
- on investments		210,955,905	204,119,604	6,836,301
- on foreign exchange		(38,068)	(38,068)	–
<b>Total change in net unrealised gains:</b>		<b>210,917,837</b>	<b>204,081,536</b>	<b>6,836,301</b>
<b>Result of operations for the year</b>		<b>259,948,313</b>	<b>248,766,592</b>	<b>11,181,721</b>
Proceeds from shares issued		43,213,597	7,913,491	35,300,106
Payments for shares redeemed		(143,088,221)	(114,268,316)	(28,819,905)
<b>Net asset value at the end of the year</b>		<b>1,064,025,136</b>	<b>1,030,273,411</b>	<b>33,751,725</b>

The accompanying notes form an integral part of these financial statements.

## DSM Capital Partners Funds

### Statistical Information

#### DSM Capital Partners Funds – Global Growth Sub-Fund

As at 30 September 2017

		<b>USD</b>
<b>Total net assets</b>	<b>At 30 September 2017</b>	<b>1,030,273,411</b>
	At 30 September 2016	887,861,644
	At 30 September 2015	715,229,047
	At 30 September 2014	606,611,881
<b>NAV per share</b>		<b>EUR</b>
Class I1*	<b>At 30 September 2017</b>	–
	At 30 September 2016	106.01
	At 30 September 2015	92.75
	At 30 June 2015 (launch date)	100.00
Class I2	<b>At 30 September 2017</b>	<b>175.33</b>
	At 30 September 2016	141.86
	At 30 September 2015	123.98
	At 30 September 2014	107.42
<b>Number of shares outstanding</b>		
Class I1*	<b>At 30 September 2017</b>	–
	Redemptions	(4,625)
	At 30 September 2016	4,625
	At 30 September 2015	10,311
	At 30 June 2015 (launch date)**	–
Class I2	<b>At 30 September 2017</b>	<b>4,970,344</b>
	Subscriptions	47,362
	Redemptions	(642,747)
	At 30 September 2016	5,565,729
	At 30 September 2015	5,160,278
	At 30 September 2014	4,470,137

\* Liquidated on 19 May 2017

\*\* Shares issued during initial offering: 10,311

## DSM Capital Partners Funds

### Statistical Information (continued)

#### DSM Capital Partners Funds – U.S. Large Cap Growth Sub-Fund

As at 30 September 2017

<b>Total net assets</b>	<b>At 30 September 2017</b>	<b>USD</b>
	At 30 September 2016	33,751,725
	At 15 July 2016 (launch date)	16,089,803
		–
 <b>NAV per share</b>		
Class I2	<b>At 30 September 2017</b>	<b>EUR</b>
	At 8 December 2016 (launch date)	116.34
		100.00
Class I3-USD*	<b>At 30 September 2017</b>	<b>USD</b>
	At 30 September 2016	–
	At 15 July 2016 (launch date)	104.69
		100.00
Class A-USD**	<b>At 30 September 2017</b>	<b>USD</b>
	At 8 December 2016 (launch date) (EUR)	137.40
		100.00
<b>Number of shares outstanding</b>		
Class I2	<b>At 30 September 2017</b>	<b>1,015</b>
	Subscriptions	1,015
	At 8 December 2016 (launch date)***	–
Class I3-USD*	<b>At 30 September 2017</b>	<b>–</b>
	Redemptions	(153,695)
	At 30 September 2016	153,695
	At 15 July 2016 (launch date)****	–
Class A-USD**	<b>At 30 September 2017</b>	<b>244,636</b>
	Subscriptions	331,635
	Redemptions	(86,999)
	At 8 December 2016 (launch date)*****	–

\* Liquidated on 19 June 2017

\*\* Name and currency changed on 14 August 2017 (from Class A to Class A-USD and from EUR to USD)

\*\*\* Shares issued during initial offering: 1,015

\*\*\*\* Shares issued during initial offering: 201,981

\*\*\*\*\* Shares issued during initial offering: 331,298

## DSM Capital Partners Funds

### Schedule of Investments and Other Net Assets

#### DSM Capital Partners Funds – Global Growth Sub-Fund

As at 30 September 2017

Holdings	Description	Currency	Market Value USD	% of Net Assets
<b>Transferable Securities Listed on an Official Stock Exchange</b>				
<b>Equities</b>				
<b>Canada</b>				
402,400	Toronto-Dominion Bank	CAD	22,603,126	2.19
			<b>22,603,126</b>	<b>2.19</b>
<b>France</b>				
101,400	Thales SA	EUR	11,481,635	1.11
			<b>11,481,635</b>	<b>1.11</b>
<b>India</b>				
310,200	HDFC Bank Ltd ADR	USD	29,893,974	2.90
678,900	IndusInd Bank Ltd	INR	17,483,858	1.70
			<b>47,377,832</b>	<b>4.60</b>
<b>Japan</b>				
802,800	Recruit Holdings Co Ltd	JPY	17,380,390	1.69
			<b>17,380,390</b>	<b>1.69</b>
<b>Macau</b>				
10,285,600	Wynn Macau Ltd	HKD	27,719,907	2.69
			<b>27,719,907</b>	<b>2.69</b>
<b>Mexico</b>				
98,900	Fomento Economico Mexicano SAB	USD	9,447,917	0.92
			<b>9,447,917</b>	<b>0.92</b>
<b>People's Republic of China</b>				
516,500	Alibaba Group Holding Ltd ADR	USD	89,204,715	8.66
5,664,000	ANTA Sports Products Ltd	HKD	23,821,476	2.31
322,000	Autohome Inc	USD	19,345,760	1.88
27,876,000	Beijing Enterprises Water Group Ltd	HKD	22,448,697	2.18
165,600	Ctrip.com International Ltd	USD	8,733,744	0.85
214,500	New Oriental Education & Technology Group ADR	USD	18,931,770	1.84
1,952,000	Tencent Holdings Ltd	HKD	84,020,946	8.15
224,100	Weibo Corp	USD	22,172,454	2.15
			<b>288,679,562</b>	<b>28.02</b>
<b>Switzerland</b>				
381,100	Coca-Cola HBC AG	GBP	12,910,396	1.25
354,100	Julius Baer Group Ltd	CHF	20,969,336	2.04
			<b>33,879,732</b>	<b>3.29</b>
<b>Thailand</b>				
8,972,300	CP ALL PCL	THB	17,958,052	1.74
			<b>17,958,052</b>	<b>1.74</b>
<b>United Kingdom</b>				
1,582,900	Just Eat PLC	GBP	14,196,919	1.38
			<b>14,196,919</b>	<b>1.38</b>
<b>United States</b>				
371,200	Abbott Laboratories	USD	19,807,232	1.92
167,400	Adobe Systems Inc	USD	24,972,732	2.42
101,000	Alexion Pharmaceuticals Inc	USD	14,169,290	1.38
44,765	Alphabet Inc Class A	USD	43,588,576	4.23
441,600	Charles Schwab Corp	USD	19,315,584	1.87

The accompanying notes form an integral part of these financial statements.

## DSM Capital Partners Funds

### Schedule of Investments and Other Net Assets (continued)

#### DSM Capital Partners Funds – Global Growth Sub-Fund

As at 30 September 2017

Holdings	Description	Currency	Market Value USD	% of Net Assets
<b>United States (continued)</b>				
213,200	Electronic Arts Inc	USD	25,170,392	2.44
430,800	Facebook Inc Class A	USD	73,610,796	7.14
110,500	Kansas City Southern	USD	12,009,140	1.17
334,800	Microsoft Corp	USD	24,939,252	2.42
575,525	Monster Beverage Corp	USD	31,797,756	3.09
426,900	Norwegian Cruise Line Holdings	USD	23,073,945	2.24
254,800	PayPal Holdings Inc	USD	16,314,844	1.58
16,800	Priceline Group Inc	USD	30,757,776	2.99
111,500	Regeneron Pharmaceuticals Inc	USD	49,853,880	4.84
368,100	Royal Caribbean Cruises Ltd	USD	43,634,574	4.23
2,701,200	Sirius XM Holdings Inc	USD	14,910,624	1.45
369,700	Visa Inc Class A	USD	38,907,228	3.78
455,200	Zoetis Inc	USD	29,023,552	2.82
			<b>535,857,173</b>	<b>52.01</b>
	<b>Total Equities</b>		<b>1,026,582,245</b>	<b>99.64</b>
	<b>Total Transferable Securities Listed on an Official Stock Exchange</b>		<b>1,026,582,245</b>	<b>99.64</b>
	<b>Total Value of Investments</b>		<b>1,026,582,245</b>	<b>99.64</b>
	<b>Cash</b>		<b>12,347,644</b>	<b>1.20</b>
	<b>Other Net Liabilities</b>		<b>(8,656,478)</b>	<b>(0.84)</b>
	<b>Total Net Assets</b>		<b>1,030,273,411</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

## DSM Capital Partners Funds

### Schedule of Investments and Other Net Assets (continued)

#### DSM Capital Partners Funds – U.S. Large Cap Growth Sub-Fund

As at 30 September 2017

Holdings	Description	Currency	Market Value USD	% of Net Assets
<b>Transferable Securities Listed on an Official Stock Exchange</b>				
<b>Equities</b>				
<b>Canada</b>				
13,600	Toronto-Dominion Bank	USD	765,272	2.27
			<b>765,272</b>	<b>2.27</b>
<b>People's Republic of China</b>				
15,750	Alibaba Group Holding Ltd ADR	USD	2,720,183	8.06
60,500	Tencent Holdings Ltd ADR	USD	2,656,857	7.87
			<b>5,377,040</b>	<b>15.93</b>
<b>United States</b>				
20,800	Abbott Laboratories	USD	1,109,888	3.29
9,475	Adobe Systems Inc	USD	1,413,480	4.19
8,375	Alexion Pharmaceuticals Inc	USD	1,174,929	3.48
2,750	Allergan PLC	USD	563,613	1.67
2,210	Alphabet Inc Class A	USD	2,151,921	6.37
2,275	Becton Dickinson and Co	USD	445,786	1.32
28,500	Charles Schwab Corp	USD	1,246,590	3.69
7,425	Dollar Tree Inc	USD	644,639	1.91
10,375	Electronic Arts Inc	USD	1,224,872	3.63
14,850	Facebook Inc Class A	USD	2,537,420	7.52
6,975	Kansas City Southern	USD	758,043	2.25
20,707	Microsoft Corp	USD	1,542,464	4.57
23,827	Monster Beverage Corp	USD	1,316,442	3.90
18,125	Norwegian Cruise Line Holdings	USD	979,656	2.90
11,425	PayPal Holdings Inc	USD	731,543	2.17
795	Priceline Group Inc	USD	1,455,502	4.31
3,915	Regeneron Pharmaceuticals Inc	USD	1,750,475	5.19
3,211	Rockwell Collins Inc	USD	419,710	1.24
13,025	Royal Caribbean Cruises Ltd	USD	1,543,983	4.57
119,225	Sirius XM Holdings Inc	USD	658,122	1.95
15,875	Visa Inc Class A	USD	1,670,685	4.95
3,800	Wynn Resorts Ltd	USD	565,896	1.68
25,400	Zoetis Inc	USD	1,619,504	4.80
			<b>27,525,163</b>	<b>81.55</b>
<b>Total Equities</b>			<b>33,667,475</b>	<b>99.75</b>
<b>Total Transferable Securities Listed on an Official Stock Exchange</b>			<b>33,667,475</b>	<b>99.75</b>
<b>Total Value of Investments</b>			<b>33,667,475</b>	<b>99.75</b>
<b>Cash</b>			<b>136,358</b>	<b>0.40</b>
<b>Other Net Liabilities</b>			<b>(52,108)</b>	<b>(0.15)</b>
<b>Total Net Assets</b>			<b>33,751,725</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

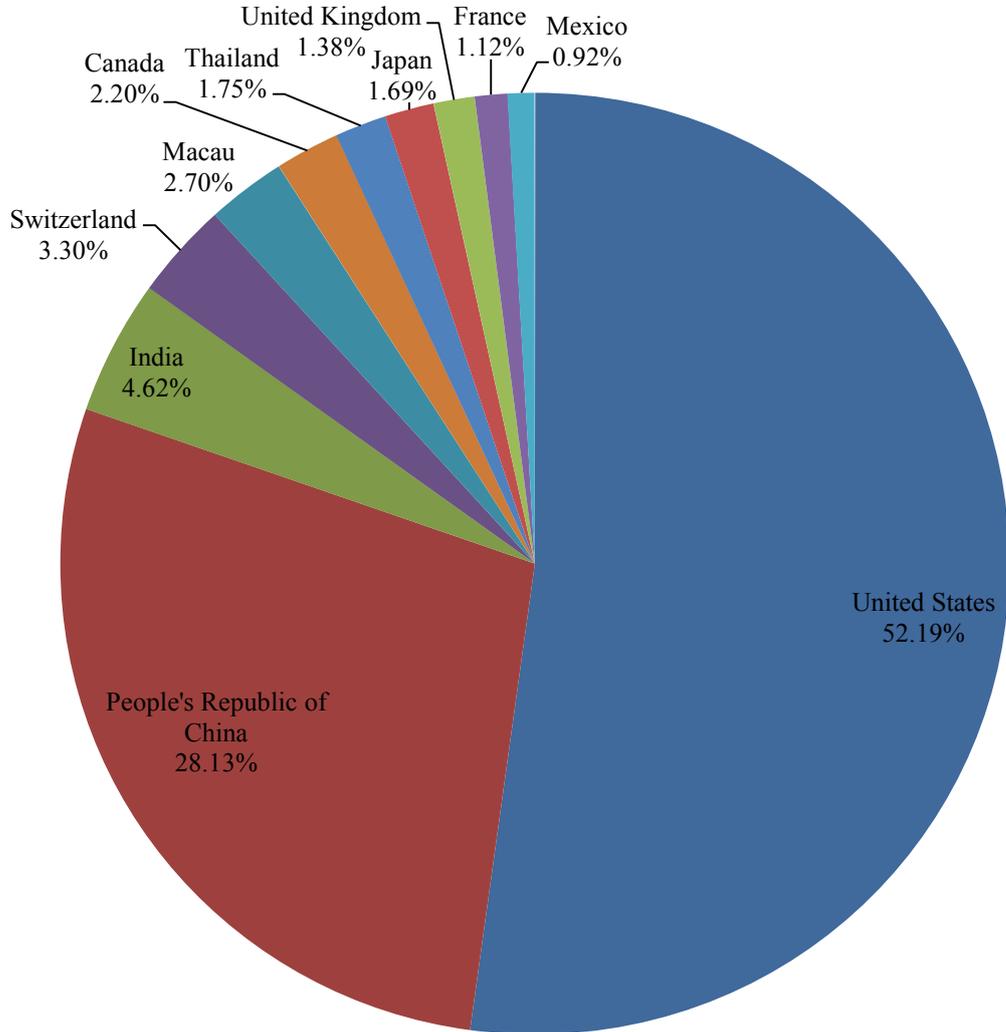
# DSM Capital Partners Funds

## Other Information on Investments

### DSM Capital Partners Funds – Global Growth Sub-Fund

As at 30 September 2017

#### Breakdown of Investment Portfolio by Country of Risk



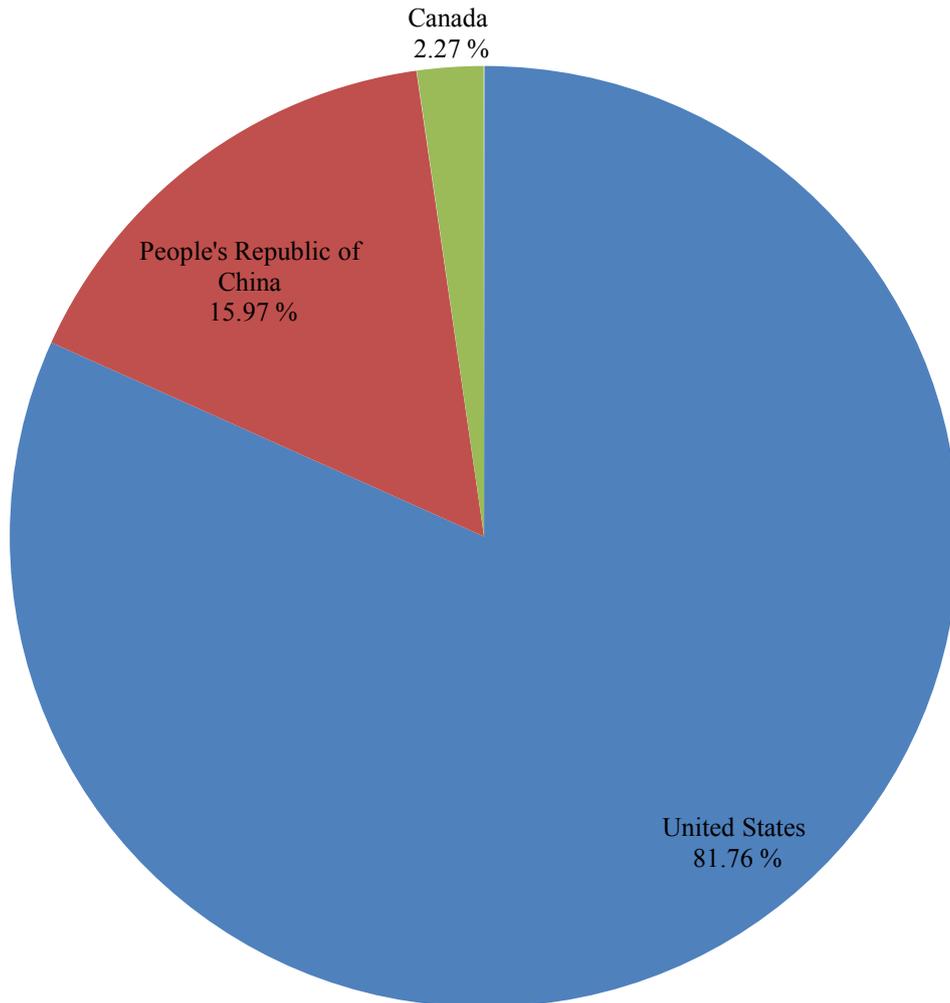
## DSM Capital Partners Funds

### Other Information on Investments (continued)

#### DSM Capital Partners Funds – U.S. Large Cap Growth Sub-Fund

As at 30 September 2017

#### Breakdown of Investment Portfolio by Country of Risk



# DSM Capital Partners Funds

## Notes to the Financial Statements

### 1. GENERAL

Capitalized terms used and not defined herein shall have the same meaning as included in the Prospectus of DSM Capital Partners Funds (the "Company").

The Company was incorporated for an unlimited period on 21 February 2014 as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and qualifies as an open-ended SICAV under part I of the Law of 2010, as amended.

The Company was incorporated with an initial capital of the equivalent in USD of EUR 31,000. The Shares subscribed for by the founding Shareholders at the incorporation of the Company were transferred to investors subscribing in the Initial Offering Period of the initial Sub-Fund. The capital of the Company is equal to the net assets of the Company. The minimum capital of the Company may not be less than the equivalent in USD of EUR 1,250,000.

The Company is authorised by the CSSF as a UCITS under the Law of 2010, as amended.

The Board shall maintain for each Sub-Fund a separate portfolio of assets. Each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund. A Shareholder shall only be entitled to the assets and profits of that Sub-Fund in which it participates. The Company is considered as one single legal entity. With regard to third parties, including the Company's creditors, the Company will only be responsible for all liabilities incurred by a Sub-Fund exclusively based on the assets of the relevant Sub-Fund. The liabilities of each Sub-Fund to its Shareholders are only incurred with respect to the relevant Sub-Fund.

As at 30 September 2017, the Company has two active Sub-Funds: DSM Capital Partners Funds – Global Growth Sub-Fund and DSM Capital Partners Funds – U.S. Large Cap Growth Sub-Fund.

DSM Capital Partners Funds – U.S. Large Cap Growth Sub-Fund absorbed The Westchester Fund on 8 December 2016.

### 2. PRINCIPAL ACCOUNTING POLICIES

#### a) Presentation of Financial Statements

The financial statements are prepared and presented in accordance with Luxembourg legal and regulatory requirements relating to undertakings for collective investment as prescribed by the Luxembourg authorities for Luxembourg investment funds and are expressed in US Dollar (USD), the reference currency of the Sub-Funds and the Company.

#### b) Combined Financial Statements

The combined financial statements of the Company are the aggregate of the financial statement of the different Sub-Funds.

#### c) Valuation of Investments

The value of investments which are listed or dealt in on any stock exchange is based on the last sales price on the stock exchange which is normally the principal market for such assets. The value of assets dealt in on any other Regulated Market is based on the last sales price.

If investments are not traded or admitted on any official stock exchange or any Regulated Market, or in the case of investments so traded or admitted the last sales price of which does not reflect their true value, the Board of Directors or its appointed agents are required to proceed on the basis of the quoted bid price, which shall be valued with prudence and in good faith, unless this price is not representative of fair value.

#### d) Forward Foreign Exchange Contracts

Forward foreign exchange contracts are valued at forward market rates for the remaining period from valuation date to the maturity of the contracts. The realised gain/loss on forward foreign exchange contracts is disclosed in the Statement of Operations and Changes in Net Assets under the caption "Net realised gains/losses on forward foreign exchange contracts".

#### e) Foreign Exchange Conversion

The acquisition cost of securities in currencies other than the reference currency is converted into the reference currency at the foreign exchange rates prevailing at the date of acquisition.

Assets and liabilities in currencies other than the reference currency are converted into the reference currency at the foreign exchange rates prevailing at the date of valuation.

## DSM Capital Partners Funds

### Notes to the Financial Statements (continued)

#### 2. PRINCIPAL ACCOUNTING POLICIES (continued)

##### e) Foreign Exchange Conversion (continued)

Income and expenses in currencies other than the reference currency are converted into the reference currency at the foreign exchange rates prevailing at the date of the transactions. Realised gain/loss on foreign currencies is recognised in the Statement of Operations and Changes in Net Assets under the caption “Net realised gains/losses on foreign exchange”.

Principal exchange rates applied at 30 September 2017 are as follows:

Australian dollar	1 USD =	1.27445 AUD
British pound sterling	1 USD =	0.74535 GBP
Canadian dollar	1 USD =	1.25065 CAD
Euro	1 USD =	0.84588 EUR
Hong Kong dollar	1 USD =	7.8107 HKD
Indian rupee	1 USD =	65.32 INR
Japanese yen	1 USD =	112.565 JPY
Singapore dollar	1 USD =	1.35795 SGD
Swiss franc	1 USD =	0.9676 CHF
Thai baht	1 USD =	33.35 THB

##### f) Transactions on Investments in Securities

The transactions on investments in securities are accounted for on a trade date + 1 day basis.

##### g) Income and Expenses

Dividends are shown net of withholding tax deducted at source and are recorded as income at ex-dividend date. Expenses are recognised on an accrual basis.

##### h) Cash and Cash Equivalents

All cash and cash equivalents amounts are carried at face value.

##### i) Realised Gain/(Loss)

Realised gains and losses on the disposal of investments are calculated using the average acquisition cost method.

##### j) Partial Swing Pricing

If on any Valuation Day the aggregate transactions in Shares of a Sub-Fund result in a net increase or decrease in net assets which exceeds a certain percentage of total net assets, as established by the Board, in situations other than in case of subscriptions or redemptions in specie, the Net Asset Value of the relevant Sub-Fund will be adjusted by an amount not exceeding 1.50% of that Net Asset Value, which reflects the estimated dealing costs that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the Sub-Fund invests. The adjustment will be an addition when the net movement results in a net increase in total net assets of the Sub-Fund and a deduction when it results in a net decrease.

#### 3. FORMATION EXPENSES

The costs and expenses of the formation of the Company are to be borne by the Company and amortised over a period not exceeding five years. The formation costs of any new Sub-Fund shall be borne by the relevant Sub-Fund and amortised over a period not exceeding five years.

## DSM Capital Partners Funds

### Notes to the Financial Statements (continued)

#### 4. EXPENSES

##### a) Investment Management Fees

###### Investment Management Fees (per annum)

Class	Global Growth	U.S. Large Cap Growth
I1	0.84%	-
I2	0.70%	0.60%*
I3-USD	-	0.60%
A-USD***	-	0.60%**

\* Effective 14 August 2017, previously the rate was 0.70%.

\*\* Effective 14 August 2017, previously the rate was 1.50%.

\*\*\* Name and currency changed on 14 August 2017 (from Class A to Class A-USD and from EUR to USD)

##### b) Depositary Fees

The Depositary is entitled to a variable fee based on the assets of the Sub-Fund of 0.015% to 0.0225% per annum, but subject to a minimum monthly fee per Sub-Fund of USD 1,250. Such fees are calculated and paid at the end of each calendar month on the basis of the average total net assets of the Sub-Fund during the relevant month. Additionally, the Sub-Fund pays the Depositary safekeeping and transaction charges, which vary depending on the kinds of securities held by the Depositary and the types of transactions entered into by the Sub-Fund. The Depositary has the ability to appoint correspondent banks. Any additional fees for such correspondent banks will be borne by the Sub-Fund.

##### c) Administrator, Registrar and Transfer Agent, Corporate and Domiciliary Agent Fees

Northern Trust Luxembourg Management Company S.A. is entitled to receive a remuneration consisting of a Domiciliary and Corporate Agent's commission, an Administrative Agent's commission and a Registrar and Transfer Agent's commission as follows:

Corporate and Domiciliary Agent:

USD 12,500 per annum for the Company (includes one Sub-Fund), each additional Sub-Fund is charged USD 2,500 per annum.

Administrative Agent:

A variable rate of between 0.025% and 0.03% based on the assets of the applicable Sub-Fund is charged, subject to a monthly minimum fee per Sub-Fund of USD 2,813 for the first six months of such Sub-Fund's operations, rising to a minimum of USD 3,750 per month thereafter. Additionally, for any Sub-Fund with more than three classes of shares, an additional fee of USD 3,000 per annum per share class will be charged. With respect to the preparation of financial statements, the Administrative Agent will also charge a fee of USD 5,000 per set of interim and annual financial statements.

Transfer Agent:

For processing share subscription/redemption/conversion applications for each Sub-Fund: USD 30 per subscription and per redemption or other transaction and an annual account maintenance fee of USD 100 per investor is charged.

##### d) Management Company Fees

A variable rate of between 0.02% and 0.04% based on the assets of the applicable Sub-Fund is charged, subject to a monthly minimum fee of EUR 1,500 per Sub-Fund. A fee payable only once on implementation or liquidation will be charged per Sub-Fund amounting to EUR 5,000. Additionally, any out-of-pocket expenses incurred by the Management Company will be charged on an actual cost basis subject to approval by the Company.

##### e) Other Operating Expenses

Other operating expenses represent other amounts paid by the Company relating to the operation of the Sub-Fund. They include legal fees, fees in connection with obtaining or maintaining any registration or authorisation of the Company with any governmental agency and other miscellaneous expenses.

## DSM Capital Partners Funds

### Notes to the Financial Statements (continued)

#### 5. TAXATION

Under Luxembourg law, the Company is not subject to any taxes on income or capital gains. However, the Company is subject to the “Taxe d’abonnement” or “Subscription tax” of 0.01% per annum for all Institutional class shares’ net assets and 0.05% per annum for all Retail class shares’ net assets. Such tax is payable quarterly and calculated on the NAV of the Company at the end of the relevant calendar quarter. No Subscription Tax is paid on the assets held by the Company in other Undertakings for Collective Investment already subject to that tax in Luxembourg.

Withholding tax on dividend income and gains on securities, deducted in certain countries, may not be refundable in certain instances.

#### 6. OTHER ASSETS AND LIABILITIES

As at 30 September 2017, “Other Assets” comprise:

	<b>Global Growth</b>	<b>U.S. Large Cap Growth</b>
	USD	USD
Accrued interest on cash at bank	404	27
Investment management fees rebate	–	48,323
Prepaid Directors' insurance fees	6,810	220
Prepaid publication fees	–	4,443
Prepaid regulatory fees	1,811	110
	9,025	53,123

As at 30 September 2017, “Other Liabilities” comprise:

	<b>Global Growth</b>	<b>U.S. Large Cap Growth</b>
	USD	USD
Accrued administration fees	(55,254)	(4,486)
Accrued audit fees	(37,021)	(1,192)
Accrued depositary fees	(64,817)	(6,759)
Accrued Directors' fees	(11,733)	(378)
Accrued financial servicing fees	(10,737)	(345)
Accrued legal fees	(57,165)	(1,842)
Accrued management company fees	(52,807)	(4,540)
Accrued professional fees	(26,954)	(694)
Accrued publication fees	(6,524)	–
Accrued subscription tax	(23,628)	(4,128)
	(346,640)	(24,364)

#### 7. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties including DSM Capital Partners, as disclosed in notes 4a and 9, have been entered into in the ordinary course of business and on normal commercial terms.

## DSM Capital Partners Funds

### Notes to the Financial Statements (continued)

#### 8. OTHER EXPENSES

As at 30 September 2017, "Other Expenses" comprise:

	<b>Global Growth</b>	<b>U.S. Large Cap Growth</b>
	USD	USD
Audit fees	(48,001)	(2,319)
Directors' insurance fees	(19,611)	(823)
Financial servicing fees	(30,601)	(3,459)
Legal fees	(63,339)	(3,692)
Miscellaneous expense	(41)	(31)
Professional services fees	(18,184)	(3,366)
Publication fees	(21,466)	(6,154)
Regulatory fees	(4,476)	(380)
VAT expense	(2,774)	(267)
	<b>(208,493)</b>	<b>(20,491)</b>

#### 9. INVESTMENT MANAGEMENT FEES REBATE

Up to and until 31 December 2020, to the extent that the Ongoing Charges per Class exceed the percentage for each Class noted below during any financial year, such excess amount shall be paid by the Investment Manager, subject to recoupment by the Investment Manager over a period not exceeding five years. For the avoidance of doubt, the recoupment will not lead to the aforementioned Ongoing Charges being exceeded. The Investment Manager may decide on a voluntary basis to extend year by year the above-mentioned period in which it will pay such excess amount. As at 30 September 2017, an amount of USD Nil was available for recoupment for the Global Growth Sub-Fund and USD 48,323 for the U.S. Large Cap Growth Sub-Fund.

#### Maximum Ongoing Charges (per annum)

<b>Class</b>	<b>Global Growth</b>	<b>U.S. Large Cap Growth</b>
I1	0.99%	-
I2	0.85%	0.75%**
I3-USD	-	0.75%
A-USD***	-	0.75%*

\* Effective 19 October 2016, previously the rate was 1.65%

\*\* Effective 19 October 2016, previously the rate was 0.85%

\*\*\* Name and currency changed on 14 August 2017 (from Class A to Class A-USD and from EUR to USD)

#### 10. TRANSACTION FEES

Transaction fees included in the statement of operations and other changes in net assets are related to charges on American Depositary Receipts ("ADRs").

Transaction costs incurred by the Company relating to purchase or sale of securities are included in the transaction price used to calculate the realised and unrealised gain/(loss) on securities. They are mainly broker fees. For the year ended 30 September 2017 these transaction costs amount to USD 970,086 for Global Growth Sub-Fund and USD 32,440 for the U.S. Large Cap Growth Sub-Fund.

Other transaction fees are mainly composed of fees relating to liquidation of transactions paid to the custodian. These fees are included in custody fees in the Statement of Operations and Changes in Net Assets.

#### 11. DIRECTORS' FEES AND EXPENSES

Each of the Directors is entitled to remuneration for his services at the rate determined by the General Meeting of shareholders from time to time.

In addition, each Director may be paid reasonable travelling, hotel and other incidental expenses for attending and returning from Board Meetings or General Meetings of shareholders.

## **DSM Capital Partners Funds**

### **Notes to the Financial Statements (continued)**

#### **11. DIRECTORS' FEES AND EXPENSES (continued)**

Total Directors' fees and travel expenses for the year ended 30 September 2017 were USD 38,713 for the Global Growth Sub-Fund and USD 692 for the U.S. Large Cap Growth Sub-Fund.

#### **12. SOFT COMMISSION AGREEMENTS**

The Company has not entered into any soft commission agreements. However, the investment manager has allocated soft commission expenses to the Company.

#### **13. CHANGE IN INVESTMENT PORTFOLIO AND LATEST PROSPECTUS**

The schedule of changes in the investment portfolio and the latest Prospectus are available free of charge on request from the Registered Office in Luxembourg.

#### **14. SUBSEQUENT EVENTS**

There were no material subsequent events that required adjustments or disclosure in the notes to the financial statements.

## DSM Capital Partners Funds

### Appendix I – Additional Information (unaudited)

#### RISK MANAGEMENT

##### Global Exposure

The global risk on derivatives has been determined according to the commitment approach during the year ended 30 September 2017.

#### SECURITIES FINANCING TRANSACTION REGULATION (“SFTR”)

Regulation (EU) 2015/2365 on Transparency of Securities Financing Transactions and of Reuse (the “SFT Regulation”), which aims to improve the transparency of the securities financing markets, introduces additional financial reporting requirements for any financial statements published on or after 13 January 2017. During the year under review, the Company did not enter into any securities financing transactions.

#### REMUNERATION POLICY

Following the implementation of European Union Directive 2014/91/EU (known as the “UCITS V Directive”) which came into effect on 18 March 2016, the management company is required to operate a remuneration policy in accordance with applicable requirements of the UCITS V Directive.

FundRock Management Company S.A. (“FundRock”) has established and applies a remuneration policy in accordance with the principles laid out under the Alternative Investment Fund Managers Directive (“AIFMD”) and UCITS V Directive, and any related legal & regulatory provisions applicable in Luxembourg. The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the Funds that it manages and of the investors in such Funds, and which includes, inter alia, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds that the Management Company manages.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock’s employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the funds under management. A paper version of the remuneration policy is made available free of charge to investors at FundRock’s registered office.

The amount of remuneration for the financial year ending 31 December 2016 paid by the FundRock to its staff: EUR 5,598,600.31.

Fixed remuneration: EUR 5,425,050.31

Variable remuneration: EUR 173,550.00

Number of beneficiaries: 61

The aggregated amount of remuneration for the financial year ending 31 December 2016 paid by FundRock to Identified staff/risk takers is as follows:

Identified staff/risk takers: EUR 1,736,085.01

Other risk takers: EUR Nil

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the overall results of FRMC, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The review of the policy and its implementation is performed by the FundRock Board of Directors/Remuneration Committee and FundRock’s control Functions.

The policy was last updated in December 2016, to reflect the additional requirements of the UCITS V Directive.