

**Annual report including audited financial statements  
as at 31st December 2017**

# **RAM (LUX) TACTICAL FUNDS II**

Société d'Investissement à Capital Variable  
under Luxembourg law with multiple sub-funds

R.C.S. Luxembourg B 178 133

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Subscriptions may be made only on the basis of the prospectus ("Prospectus"), including the articles of incorporation and the fact sheets of each of the sub-funds and the key investor information document ("KIID"). The Prospectus may only be distributed if accompanied by the most recent annual report and the most recent semi-annual report, if the semi-annual report is more recent than the annual report.

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## RAM (LUX) TACTICAL FUNDS II

### Organisation

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**Registered Office**

14, Boulevard Royal  
L-2449 LUXEMBOURG

**Board of Directors of the SICAV**

**Chairman**

Roberto ZITO  
Chief Operating Officer  
RAM Active Investments S.A.  
Société Anonyme  
62, Rue du Rhône  
CH-1204 GENEVA

**Directors**

Jean DE COURREGES  
Independent Director  
2, Rue Jean l'Aveugle  
L-1148 LUXEMBOURG

Grégoire GLOTIN  
Sales & Marketing  
RAM Active Investments (LUXEMBOURG) S.A.  
Société Anonyme  
51, Avenue John F. Kennedy  
L-1855 LUXEMBOURG

Philippe WAGENER  
Conducting Officer  
RAM Active Investments (LUXEMBOURG) S.A.  
Société Anonyme  
51, Avenue John F. Kennedy  
L-1855 LUXEMBOURG

**Management Company**

RAM Active Investments (LUXEMBOURG) S.A.  
Société Anonyme  
51, Avenue John F. Kennedy  
L -1855 LUXEMBOURG

**Board of Directors  
of the Management Company**

**Chairman**

Roberto ZITO  
Chief Operating Officer  
RAM Active Investments S.A.  
Société Anonyme  
62, Rue du Rhône  
CH-1204 GENEVA

**Directors**

Pierre-Olivier POURCELOT  
Head of Sales & Marketing  
RAM Active Investmens S.A.  
Société Anonyme  
62, Rue du Rhône  
CH-1204 GENEVA

## RAM (LUX) TACTICAL FUNDS II

### Organisation (continued)

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	<p>Philippe WAGENER Conducting Officer RAM Active Investments (LUXEMBOURG) S.A. Société Anonyme 51, Avenue John F. Kennedy L-1855 LUXEMBOURG</p>
	<p>Yves WAGNER Independent Director The Director's Office, Luxembourg 19, Rue de Bitbourg L-1273 LUXEMBOURG</p>
<b>Managers of the Management Company</b>	<p>Philippe WAGENER Conducting Officer RAM Active Investments (LUXEMBOURG) S.A. Société Anonyme 51, Avenue John F. Kennedy L-1855 LUXEMBOURG</p> <p>Yves WAGNER Independent Director The Director's Office, Luxembourg 19, Rue de Bitbourg L-1273 LUXEMBOURG</p>
<b>Investment Manager</b>	<p>Nexus Investment Advisors Limited Limited Company 10/F, 8 Queen's Road Central HONG KONG</p>
<b>Central Administration, Depository, Domiciliary and Paying Agent</b>	<p>BANQUE DE LUXEMBOURG Société Anonyme 14, Boulevard Royal L-2449 LUXEMBOURG</p>
<b>Central Administration's Subcontractor</b>	<p>EUROPEAN FUND ADMINISTRATION Société Anonyme 2, Rue d'Alsace L-1122 LUXEMBOURG</p>
<b>Independent auditor</b>	<p>ERNST &amp; YOUNG Société Anonyme 35E, Avenue John F. Kennedy L-1855 LUXEMBOURG</p>
<b>Representative in Switzerland</b>	<p>RAM Active Investments S.A. Société Anonyme 62, Rue du Rhône CH-1204 GENEVA</p>

## RAM (LUX) TACTICAL FUNDS II

### Organisation (continued)

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#### Payment Service in Switzerland

CACEIS BANK, Paris, Succursale de Nyon / Suisse  
Route de Signy, 35  
CH-1260 NYON  
(since 1st January 2018)

CREDIT SUISSE AG  
11-19, Rue de Lausanne  
CH-1201 GENEVA  
(until 31st December 2017)

#### Payment Service in Germany

MARCARD, STEIN & CO AG  
Ballindamm 36  
D-20095 HAMBOURG

#### Payment Service in Austria

ERSTE BANK DER ÖSTERREICHISCHEN  
SPARKASSEN AG  
Am Belvedere 1  
A-1100 VIENNA

## RAM (LUX) TACTICAL FUNDS II

### General information

RAM (LUX) TACTICAL FUNDS II (the "SICAV") is a "*Société d'Investissement à Capital Variable*" (SICAV) with multiple sub-funds incorporated under Luxembourg law, subject to Part I of the amended law of 17th December 2010 relating to Undertakings for Collective Investment (the "Law of 2010").

The Directive 2014/91/EUR of the European Parliament and of the Council of 23rd July amending the Directive 2009/65/EC had been transposed by the law of 10th May 2016 coming into force on 1st June 2016 and amending the amended law of 17th December 2010.

RAM (LUX) TACTICAL FUNDS II was an open-ended investment fund incorporated on 14th October 2011 as a company limited by shares under the laws of Cayman Islands. It changed its registered office without interruption of the legal personality to Luxembourg on 13th June 2013 and amended its articles of incorporation consequently.

The SICAV has appointed RAM Active Investments (LUXEMBOURG) S.A., as the Management Company in charge of the portfolio management, the central administration and the distribution of the SICAV. The Management Company is authorised to act as a Management Company in accordance with the provisions of chapter 15 of the amended Law of 2010.

At the date of the financial statements, the following sub-fund is available to subscribers:

RAM (LUX) TACTICAL FUNDS II - ASIA BOND TOTAL RETURN FUND in USD.

Please note that for purely administrative and processability reasons in the context of marketing of shares, classes of shares have been categorized into six "Clusters": Retail 1, Retail 2, Retail 3, Instit 1, Instit 2 and RAM.

At the date of the present financial statements, the following classes of shares are issued:

#### Classes of shares belonging to Cluster Retail 1:

- **A USD shares:** accumulation shares expressed in USD currency, which in theory do not grant their holder the right to receive a dividend, but for which the holder's entitlement on the amount to be distributed is reinvested in the sub-fund in which the accumulation shares are held. For this class of shares, foreign exchange risk is non-systematically hedged with respect to the reference currency of the sub-fund. The SICAV however cannot guarantee that the foreign exchange risk with respect to the reference currency of the sub-fund is at all times totally hedged and a residual foreign exchange cannot therefore be excluded.
- **B EUR shares:** accumulation shares expressed in EUR currency, which in theory do not grant their holder the right to receive a dividend, but for which the holder's entitlement on the amount to be distributed is reinvested in the sub-fund in which the accumulation shares are held. For this class of shares, foreign exchange risk is non-systematically hedged with respect to the reference currency of the sub-fund. The SICAV however cannot guarantee that the foreign exchange risk with respect to the reference currency of the sub-fund is at all times totally hedged and a residual foreign exchange cannot therefore be excluded;
- **C CHF shares:** accumulation shares expressed in CHF currency, which in theory do not grant their holder the right to receive a dividend, but for which the holder's entitlement on the amount to be distributed is reinvested in the sub-fund in which the accumulation shares are held. For this class of shares, foreign exchange risk is non-systematically hedged with respect to the reference currency of the sub-fund. The SICAV however cannot guarantee that the foreign exchange risk with respect to the reference currency of the sub-fund is at all times totally hedged and a residual foreign exchange cannot therefore be excluded.

## RAM (LUX) TACTICAL FUNDS II

### General information (continued)

#### Classes of shares belonging to Cluster Retail 2:

- **D shares:** accumulation shares expressed in USD currency, which in theory do not grant their holder the right to receive a dividend, but for which the holder's entitlement on the amount to be distributed is reinvested in the sub-fund in which the accumulation shares are held. For this class of shares, foreign exchange risk is non-systematically hedged with respect to the reference currency of the sub-fund. The SICAV however cannot guarantee that the foreign exchange risk with respect to the reference currency of the sub-fund is at all times totally hedged and a residual foreign exchange risk cannot therefore be excluded;
- **E shares:** accumulation shares expressed in EUR currency, which in theory do not grant their holder the right to receive a dividend, but for which the holder's entitlement on the amount to be distributed is reinvested in the sub-fund in which the accumulation shares are held. For this class of shares, the objective is to hedge the foreign exchange risk with respect to the reference currency of the sub-fund. The SICAV however cannot guarantee that the foreign exchange risk with respect to the reference currency of the sub-fund is at all times totally hedged and a residual foreign exchange risk cannot therefore be excluded;
- **F shares:** accumulation shares expressed in CHF currency, which in theory do not grant their holder the right to receive a dividend, but for which the holder's entitlement on the amount to be distributed is reinvested in the sub-fund in which the accumulation shares are held. For this class of shares, the objective is to hedge the foreign exchange risk with respect to the reference currency of the sub-fund. The SICAV however cannot guarantee that the foreign exchange risk with respect to the reference currency of the sub-fund is at all times totally hedged and a residual foreign exchange risk cannot therefore be excluded.

#### Classes of shares belonging to Cluster Instit 1:

- **PI USD shares:** accumulation shares expressed in USD currency, which in theory do not grant their holder the right to receive a dividend, but for which the holder's entitlement on the amount to be distributed is reinvested in the sub-fund in which the accumulation shares are held. For this class of shares, foreign exchange risk is non-systematically hedged with respect to the reference currency of the sub-fund. The SICAV however cannot guarantee that the foreign exchange risk with respect to the reference currency of the sub-fund is at all times totally hedged and a residual foreign exchange risk cannot therefore be excluded. This class of shares is intended exclusively for institutional investors within the meaning of article 174(2) of the Law of 2010 and benefits from a reduced subscription tax of 0.01%;
- **PI EUR shares:** accumulation shares expressed in EUR currency, which in theory do not grant their holder the right to receive a dividend, but for which the holder's entitlement on the amount to be distributed is reinvested in the sub-fund in which the accumulation shares are held. For this class of shares, the objective is to hedge the foreign exchange risk with respect to the reference currency of the sub-fund. The SICAV however cannot guarantee that the foreign exchange risk with respect to the reference currency of the sub-fund is at all times totally hedged and a residual foreign exchange risk cannot therefore be excluded. This class of shares is intended exclusively for institutional investors within the meaning of article 174(2) of the Law of 2010 and benefits from a reduced subscription tax of 0.01%;
- **PI CHF shares:** accumulation shares expressed in CHF currency, which in theory do not grant their holder the right to receive a dividend, but for which the holder's entitlement on the amount to be distributed is reinvested in the sub-fund in which the accumulation shares are held. For this class of shares, the objective is to hedge the foreign exchange risk with respect to the reference currency of the sub-fund. The SICAV however cannot guarantee that the foreign exchange risk with respect to the reference currency of the sub-fund is at all times totally hedged and a residual foreign exchange risk cannot therefore be excluded. This class of shares is intended exclusively for institutional

## RAM (LUX) TACTICAL FUNDS II

### General information (continued)

investors within the meaning of article 174(2) of the Law of 2010 and benefits from a reduced subscription tax of 0.01%;

- **PI GBP shares:** accumulation shares expressed in GBP currency, which in theory do not grant their holder the right to receive a dividend, but for which the holder's entitlement on the amount to be distributed is reinvested in the sub-fund in which the accumulation shares are held. For this class of shares, the objective is to hedge the foreign exchange risk with respect to the reference currency of the sub-fund. The SICAV however cannot guarantee that the foreign exchange risk with respect to the reference currency of the sub-fund is at all times totally hedged and a residual foreign exchange risk cannot therefore be excluded. This class of shares is intended exclusively for institutional investors within the meaning of article 174(2) of the Law of 2010 and benefits from a reduced subscription tax of 0.01%;
- **PI SEK shares:** accumulation shares expressed in SEK currency, which in theory do not grant their holder the right to receive a dividend, but for which the holder's entitlement on the amount to be distributed is reinvested in the sub-fund in which the accumulation shares are held. For this class of shares, the objective is to hedge the foreign exchange risk with respect to the reference currency of the sub-fund. The SICAV however cannot guarantee that the foreign exchange risk with respect to the reference currency of the sub-fund is at all times totally hedged and a residual foreign exchange risk cannot therefore be excluded. This class of shares is intended exclusively for institutional investors within the meaning of article 174(2) of the Law of 2010 and benefits from a reduced subscription tax of 0.01%.

#### Classes of shares belonging to Cluster RAM:

- **R shares:** accumulation shares expressed in the reference currency of the sub-fund and exclusively reserved to UCITS and other UCI promoted and managed by Reyl & Cie Group, Geneva, to entities of Reyl & Cie Group and to institutional investors having entered into an agreement with RAM Active Investments S.A., Geneva. The access to R shares is subject to approval of the Advisor, RAM Active Investments S.A., Geneva or the Management Company. R class of shares are intended exclusively for institutional investors within the meaning of article 174(2) of the Law of 2010. This class of shares also benefits from a reduced subscription tax of 0.01%.
- **Sp shares:** accumulation shares expressed in CHF currency and exclusively reserved to RAM Active Investments S.A., Geneva, its subsidiaries, related entities and/or employees of such entities. For this class of shares, foreign exchange risk is non-systematically hedged with respect to the reference currency of the sub-fund. The SICAV however cannot guarantee that the foreign exchange risk with respect to the reference currency of the sub-fund is at all times totally hedged and a residual foreign exchange risk cannot therefore be excluded.

The calculation of the Net Asset Value of the sub-fund RAM (LUX) TACTICAL FUNDS II - ASIA BOND TOTAL RETURN FUND is performed each banking day in Luxembourg ("Valuation Day").

The Net Asset Value, issue price, redemption and conversion prices of each class of shares are available every banking day in Luxembourg at the SICAV's registered office.

The combination currency is the USD.

The SICAV's financial year ends on 31st December of each year.

The following documents are made available to the public at the registered office of the SICAV and at the registered office of the Management Company:

- the Prospectus of the SICAV, including the articles of incorporation,
- the KIID document of the SICAV,

## RAM (LUX) TACTICAL FUNDS II

### General information (continued)

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- the annual and semi-annual reports of the SICAV.

A copy of the agreements contracted with the Management Company, Investment Managers and Advisors of the SICAV are available free of charge at the SICAV's registered office.

The complaint settlement procedure foreseen by the CSSF Regulation N°13-02 relating to the out-of-court resolution of complaints is available at the registered office of the SICAV.

**For the distribution of the SICAV's shares in Germany**, MARCARD, STEIN & CO AG is appointed paying and information agent. The paying and information agent in Germany accepts the redemption and conversion orders.

**For the distribution of the SICAV's shares in Austria**, ERSTE BANK DER ÖSTERREICHISCHEN SPARKASSEN AG is appointed paying and information agent. In this capacity, the aforementioned agent ensures that Austrian investors are able to make subscription payments and to receive income corresponding to repayments on redemptions and distributions of dividends.

**Representative in Switzerland:**

RAM Active Investments S.A. in Switzerland was appointed as the representative of the SICAV and of companies that have contracted commitments to the SICAV's shareholders for Switzerland.

**Payment service in Switzerland:**

CACEIS BANK, Paris, Succursale de Nyon / Suisse and its branches in Switzerland were appointed as paying office of the SICAV for Switzerland since 1st January 2018.

CREDIT SUISSE AG were appointed as paying office of the SICAV for Switzerland until 31st December 2017.

**Payment service in United Kingdom:**

SOCIETE GENERALE LONDON BRANCH, SOCIETE GENERALE SECURITIES SERVICES CUSTODY LONDON was appointed as facilities agent of the SICAV for United Kingdom.

## RAM (LUX) TACTICAL FUNDS II

### Report on activities of the Board of Directors

Despite the sudden spike in US Treasury bond (UST) yields in December, Asian credit managed to hold up well and delivered positive returns in 2017. The J.P. Morgan Asia Credit Index (JACI) benchmark reported a 5.78% return for the year. In hindsight, it was a year compounded with low volatility, low default rates, strong growth and record new supply. A smooth leadership transition in Chinese Gov't and a rating upgrade on index heavy-weighted countries like Indonesia provided a solid backdrop for Asian credit to perform.

In terms of performance, the RAM (Lux) Tactical Funds II - Asia Bond Total Return Fund (share class PI USD) delivered a return of +6.30% in 2017. The fund (share class PI USD) outperformed the JACI benchmark last year in spite of lower volatility. In sum, the outperformance was largely driven by shorter duration (especially in the 4th quarter of 2017) and the funds corporate bond positions, which benefited from a strong regional equity market.

However, some of these supportive factors have been showing signs of fatigue recently, making 2018 a more challenging year than 2017. In our opinion, there are two prominent and imminent risks for our readers' consideration, namely 1) U.S. Interest rate outlook; 2) Chinese economy.

The 10-year UST yield touched a high in March and then dropped during the summer in the face of rising geopolitical risk and a fading Trump Trade. Yet, UST yields reversed their declining trend starting in the 4th quarter of 2017, thanks to the passage of US Tax Bill, the kick-off of Quantitative Tightening (QT) in October, and a synchronized global economic recovery. On a one-year horizon, 10yr UST actually closed lower than its 2016 level. While we can call UST yield movement range-trading, the movement of LIBOR looked starkly different. The latter rose steadily from where it started in 2017, moving almost in a straight line without any correction. Given that many financial products are LIBOR-based rather than UST-based, we believe a higher LIBOR would translate into a tougher environment to hold on with those shorter-dated, highly-rated investment grade (IG) bonds because of their tiny spread cushion. We believe a sustainable rally in funding costs poses the biggest threat to Asian IG's performance in 2018.

In China some key policies, such as macro deleveraging and quality growth, would be sustained in 2018. A better, cleaner and less levered China are good for Chinese credit in the medium term, but it would come at the expense of some short-term pain. By squeezing out excessive leverage from the system, the Chinese Gov't intentionally tightened up liquidity in the system.

Because of the changing dynamic in the Chinese financial system, we believe the performance between the top 5 state-owned banks and the small and medium-sized enterprises (SME) banks in China will diverge in 2018. The former will benefit from its huge deposit base and enjoy earnings improvement via a steepening yield curve whilst the latter would suffer as they rely heavily on interbank financing.

Luxembourg, 22nd February 2018

The Board of Directors

Note: The information in this report represents historical data and is not an indication of future results.



Ernst & Young  
Société anonyme

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L-1855 Luxembourg

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## Independent auditor's report

To the Shareholders of  
**RAM (LUX) TACTICAL FUNDS II**  
Luxembourg

### Opinion

We have audited the financial statements of RAM (LUX) TACTICAL FUNDS II (the "SICAV") , which comprise the statement of net assets and the statement of investments and other net assets as at 31st December 2017, and the statement of operations and other 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 SICAV as at 31st December 2017, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### Basis for Opinion

We conducted our audit in accordance with the Law of 23rd July 2016 on the audit profession (the "Law of 23rd 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 SICAV 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 SICAV 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.

## **Independent auditor's report (continued)**

### **Responsibilities of the Board of Directors of the SICAV and those charged with governance for the financial statements**

The Board of Directors of the SICAV 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 SICAV 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 SICAV is responsible for assessing the SICAV'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 SICAV either intends to liquidate the SICAV 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 23rd 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 23rd 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 SICAV'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 SICAV.
- Conclude on the appropriateness of the Board of Directors of the SICAV 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 SICAV'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 SICAV to cease to continue as a going concern.

**Independent auditor's report (continued)**

- 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



Nadia FABER

Luxembourg, 27th April 2018

## RAM (LUX) TACTICAL FUNDS II

### Combined statement of net assets (in USD) as at 31st December 2017

#### Assets

Securities portfolio at market value	58,637,897.29
Deposits on futures contracts	105,000.00
Cash at banks	802,150.47
Formation expenses, net	7,144.48
Income receivable on portfolio	584,747.04
Unrealised gain on futures contracts	25,781.30
Unrealised gain on forward foreign exchange contracts	462,505.24
Prepaid expenses	5,469.14
	<hr/>
Total assets	60,630,694.96
	<hr/>

#### Liabilities

Bank overdrafts	1,847.06
Redeemable cash collateral received	300,000.00
Payable on redemptions of shares	104,846.89
Expenses payable	225,188.92
Other liabilities	63,218.75
	<hr/>
Total liabilities	695,101.62
	<hr/>
Net assets at the end of the year	59,935,593.34
	<hr/> <hr/>

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

## RAM (LUX) TACTICAL FUNDS II

### Combined statement of operations and other changes in net assets (in USD)

from 1st January 2017 to 31st December 2017

#### Income

Interest on bonds and other debt securities, net	2,626,157.20
Return on sukuk	14,968.81
Interest on bank accounts	34,289.49
Total income	2,675,415.50

#### Expenses

Management fees	589,085.65
Performance fees	27,093.50
Depository fees	25,647.97
Banking charges and other fees	4,539.08
Transaction fees	58,221.57
Central administration costs	213,810.51
Professional fees	16,844.11
Other administration costs	284,586.10
Subscription duty ("taxe d'abonnement")	26,465.85
Bank interest paid	2,320.53
Other expenses	97,546.42
Total expenses	1,346,161.29

Net investment income 1,329,254.21

#### Net realised gain/(loss)

- on securities portfolio	1,011,625.86
- on futures contracts	30,546.88
- on forward foreign exchange contracts	1,595,220.43
- on foreign exchange	-12,767.55
Realised result	3,953,879.83

#### Net variation of the unrealised gain/(loss)

- on securities portfolio	973,582.62
- on futures contracts	25,781.30
- on forward foreign exchange contracts	304,978.16

Result of operations 5,258,221.91

Subscriptions 42,067,355.16

Redemptions -49,945,437.10

Total changes in net assets -2,619,860.03

Total net assets at the beginning of the year 62,555,453.37

Total net assets at the end of the year 59,935,593.34

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

## RAM (LUX) TACTICAL FUNDS II - ASIA BOND TOTAL RETURN FUND

### Statement of net assets (in USD)

as at 31st December 2017

#### Assets

Securities portfolio at market value	58,637,897.29
Deposits on futures contracts	105,000.00
Cash at banks	802,150.47
Formation expenses, net	7,144.48
Income receivable on portfolio	584,747.04
Unrealised gain on futures contracts	25,781.30
Unrealised gain on forward foreign exchange contracts	462,505.24
Prepaid expenses	5,469.14
<b>Total assets</b>	<b>60,630,694.96</b>

#### Liabilities

Bank overdrafts	1,847.06
Redeemable cash collateral received	300,000.00
Payable on redemptions of shares	104,846.89
Expenses payable	225,188.92
Other liabilities	63,218.75
<b>Total liabilities</b>	<b>695,101.62</b>
<b>Net assets at the end of the year</b>	<b>59,935,593.34</b>

#### Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in USD)
A USD	70,158.64	USD	134.82	9,458,737.09
B EUR	97,688.03	EUR	130.41	15,298,524.63
C CHF	22,555.15	CHF	129.47	2,997,314.02
D	66,342.68	USD	129.52	8,592,660.85
E	22,679.62	EUR	123.32	3,358,495.59
F	4,096.30	CHF	120.77	507,768.45
PI USD	21,947.04	USD	142.64	3,130,551.77
PI CHF	37,939.61	CHF	130.55	5,083,853.71
PI EUR	8,433.28	EUR	131.55	1,332,208.17
PI GBP	4,760.69	GBP	135.90	875,124.69
PI SEK	8,005.54	SEK	1,316.99	1,287,926.71
R	16,715.22	USD	140.01	2,340,306.80
Sp	51,062.93	CHF	108.22	5,672,120.86
				<b>59,935,593.34</b>

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

## RAM (LUX) TACTICAL FUNDS II - ASIA BOND TOTAL RETURN FUND

### Statement of operations and other changes in net assets (in USD)

from 1st January 2017 to 31st December 2017

#### Income

Interest on bonds and other debt securities, net	2,626,157.20
Return on sukuk	14,968.81
Interest on bank accounts	34,289.49
Total income	2,675,415.50

#### Expenses

Management fees	589,085.65
Performance fees	27,093.50
Depositary fees	25,647.97
Banking charges and other fees	4,539.08
Transaction fees	58,221.57
Central administration costs	213,810.51
Professional fees	16,844.11
Other administration costs	284,586.10
Subscription duty ("taxe d'abonnement")	26,465.85
Bank interest paid	2,320.53
Other expenses	97,546.42
Total expenses	1,346,161.29

Net investment income 1,329,254.21

#### Net realised gain/(loss)

- on securities portfolio	1,011,625.86
- on futures contracts	30,546.88
- on forward foreign exchange contracts	1,595,220.43
- on foreign exchange	-12,767.55
Realised result	3,953,879.83

#### Net variation of the unrealised gain/(loss)

- on securities portfolio	973,582.62
- on futures contracts	25,781.30
- on forward foreign exchange contracts	304,978.16

Result of operations 5,258,221.91

Subscriptions 42,067,355.16

Redemptions -49,945,437.10

Total changes in net assets -2,619,860.03

Total net assets at the beginning of the year 62,555,453.37

Total net assets at the end of the year 59,935,593.34

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

## RAM (LUX) TACTICAL FUNDS II - ASIA BOND TOTAL RETURN FUND

Statistical information (in USD)  
as at 31st December 2017

Total net assets	Currency	31.12.2015	31.12.2016	31.12.2017
	USD	63,008,821.74	62,555,453.37	59,935,593.34

  

Net asset value per share	Currency	31.12.2015	31.12.2016	31.12.2017
A USD	USD	-	127.69	134.82
B EUR	EUR	-	126.29	130.41
C CHF	CHF	-	125.94	129.47
D	USD	118.36	123.91	129.52
E	EUR	116.54	120.31	123.32
F	CHF	115.02	118.34	120.77
PI USD	USD	125.41	134.19	142.64
PI CHF	CHF	120.23	126.11	130.55
PI EUR	EUR	-	126.51	131.55
PI GBP	GBP	121.45	129.65	135.90
PI SEK	SEK	-	1,267.81	1,316.99
R	USD	121.57	130.91	140.01
Sp	CHF	98.57	103.97	108.22

  

Annual performance per share (in %)	Currency	31.12.2015	31.12.2016	31.12.2017
A USD	USD	-	-	5.58
B EUR	EUR	-	-	3.26
C CHF	CHF	-	-	2.8
D	USD	1.54	4.69	4.53
E	EUR	0.87	3.23	2.50
F	CHF	0.16	2.89	2.05
PI USD	USD	3.12	7.00	6.30
PI CHF	CHF	-	4.89	3.52
PI EUR	EUR	-	-	3.98
PI GBP	GBP	2.87	6.75	4.82
PI SEK	SEK	-	-	3.88
R	USD	-	7.68	6.95
Sp	CHF	-	5.48	4.09

  

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A USD	49,351.94	37,773.06	-16,966.36	70,158.64
B EUR	23,990.28	83,676.83	-9,979.08	97,688.03
C CHF	781.54	23,013.61	-1,240.00	22,555.15
D	132,358.28	23,819.00	-89,834.60	66,342.68
E	56,325.51	38,473.00	-72,118.89	22,679.62
F	17,462.59	7,515.00	-20,881.29	4,096.30
PI USD	153,595.37	16,933.74	-148,582.07	21,947.04
PI CHF	5,773.87	33,935.74	-1,770.00	37,939.61
PI EUR	6,655.00	10,220.35	-8,442.07	8,433.28
PI GBP	3,784.69	976.00	-	4,760.69
PI SEK	8,002.49	3.05	-	8,005.54
R	12,265.22	4,450.00	-	16,715.22
Sp	17,965.27	33,097.66	-	51,062.93

Annual returns were calculated for the last 3 consecutive financial years. For sub-funds / share types launched or liquidated during the financial year, the corresponding annual return has not been calculated.

The historical performance is not an indication of current or future results. The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares of the SICAV.

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

## RAM (LUX) TACTICAL FUNDS II - ASIA BOND TOTAL RETURN FUND

Statistical information (in USD) (continued)  
as at 31st December 2017

TER per share as at 31.12.2017	TER without performance fee (in %)	Performance fee ratio (in %)	(in %)
A USD	2.09	-	2.09
B EUR	2.06	-	2.06
C CHF	2.06	-	2.06
D	2.86	0.22	3.08
E	2.87	0.00	2.87
F	2.86	0.00	2.86
PI USD	1.49	-	1.49
PI CHF	1.39	-	1.39
PI EUR	1.38	-	1.38
PI GBP	1.40	-	1.40
PI SEK	1.40	-	1.40
R	0.81	-	0.81
Sp	0.82	-	0.82

Annual returns were calculated for the last 3 consecutive financial years. For sub-funds / share types launched or liquidated during the financial year, the corresponding annual return has not been calculated.

The historical performance is not an indication of current or future results. The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares of the SICAV.

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

# RAM (LUX) TACTICAL FUNDS II - ASIA BOND TOTAL RETURN FUND

## Statement of investments and other net assets (in USD)

as at 31st December 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Investments in securities</b>					
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Bonds</b>					
CNY	2,000,000	Bank of China Ltd VAR Sub Reg S 14/23.10.Perpetual	341,752.37	322,148.88	0.54
CNY	2,000,000	Hitachi Capital UK Plc 4.5% EMTN Sen 17/09.10.20	302,622.22	306,787.67	0.51
			644,374.59	628,936.55	1.05
EUR	250,000	Softbank Group Corp 4% Sen Reg S 17/19.09.29	293,248.52	295,225.97	0.49
HKD	12,000,000	Haitong Intl Securities Gr Ltd 0% Conv Reg S 16/25.10.21	1,584,540.30	1,552,012.79	2.59
HKD	10,000,000	Harvest International Co 0% Conv HaiEleGr Sen 17/21.11.22	1,298,384.73	1,272,195.74	2.12
			2,882,925.03	2,824,208.53	4.71
JPY	100,000,000	Ezaki Glico Co Ltd 0% Conv Sen Reg S 17/30.01.24	939,066.04	936,295.46	1.56
JPY	40,000,000	Mitsubishi Chemical Hgs Corp 0% Conv Sen Reg S 17/29.03.24	398,002.55	407,265.31	0.68
			1,337,068.59	1,343,560.77	2.24
USD	650,000	Adani Transmissions (India)Ltd 4% Reg S Sen 16/03.08.26	648,259.76	647,998.00	1.08
USD	1,250,000	Alibaba Group Holding Ltd 4.2% Sen 17/06.12.47	1,283,720.00	1,299,962.50	2.17
USD	968,000	Anton Oilfield Serv Group 9.75% Sen Reg S 17/05.12.20	898,624.34	979,291.72	1.63
USD	1,000,000	Bahrain 6.75% Sen Reg S 17/20.09.29	1,000,955.88	988,460.00	1.65
USD	600,000	Baoxin Auto Finance I Ltd VAR Sen Reg S 17/30.04.Perpetual	597,825.00	593,274.00	0.99
USD	500,000	BDO Unibank Inc 2.95% MTN Sen Reg S 17/06.03.23	499,690.28	492,737.50	0.82
USD	2,000,000	Charming Light Invs Ltd 4.375% EMTN Sen Reg S 17/21.12.27	2,002,718.50	2,015,840.00	3.36
USD	400,000	China Evergrande Group 6.25% Sen Reg S 17/28.06.21	390,389.87	400,928.00	0.67
USD	2,300,000	China Evergrande Group 8.25% Sen Reg S 17/23.03.22	2,369,087.90	2,441,461.50	4.07
USD	1,000,000	Chiyu Banking Corp Ltd VAR Jun Sub Reg S 17/29.05.Perpetual	995,000.00	981,470.00	1.64
USD	1,500,000	CIMB Bank Bhd 3.263% EMTN Sen Reg S 17/15.03.22	1,500,000.00	1,511,910.00	2.52
USD	1,000,000	CNRC Capitale Ltd VAR Sen Reg S 17/02.12.Perpetual	1,008,750.00	992,850.00	1.66
USD	500,000	DP World Ltd 6.85% EMTN Reg S Ser 1 07/02.07.37	617,250.00	617,890.00	1.03
USD	1,000,000	Dubai 5.25% EMTN Reg Ser 6 13/30.01.43	1,032,500.00	1,016,465.00	1.70
USD	1,250,000	FWD Ltd VAR Sub 17/24.07.Perpetual	1,304,250.00	1,309,375.00	2.18
USD	300,000	Gajah Tunggal Tbk PT 8.375% Sen Reg S 17/10.08.22	299,175.00	296,622.00	0.49
USD	1,900,000	Hindustan Petroleum Corp Ltd 4% Sen Reg S 17/12.07.27	1,921,082.61	1,907,505.00	3.18
USD	850,000	HPCL Mittal Energy Ltd 5.25% Sen Reg S 17/28.04.27	882,937.50	885,933.75	1.48
USD	800,000	Indian Railway Financ Corp Ltd 3.835% Sen Reg S 17/13.12.27	802,105.00	805,420.00	1.34
USD	250,000	Jababeka International BV 6.5% Sen Reg S 16/05.10.23	261,250.00	258,727.50	0.43
USD	1,600,000	Macquarie Bk Ltd London Branch VAR Conv 17/08.09.Perpetual	1,632,436.71	1,668,536.00	2.78
USD	750,000	Malayan Banking Bhd VAR MTN Reg S Sub 16/29.10.26	765,022.50	766,713.75	1.28
USD	1,300,000	Melco Resort Fin Ltd 4.875% Sen Reg S 17/06.06.25	1,305,091.67	1,315,931.50	2.20
USD	1,000,000	Minejesa Capital BV 4.625% Sk Sen Reg S 17/10.08.30	1,010,500.00	1,016,740.00	1.70
USD	1,450,000	Minejesa Capital BV 5.625% Sk Sen Reg S 17/10.08.37	1,534,125.00	1,530,830.25	2.55
USD	1,300,000	Modernland Ov Pte Ltd 6.95% Sen Reg S 17/13.04.24	1,305,265.00	1,328,723.50	2.22
USD	500,000	Pakistan (Republic of) 6.875% Sen Reg S 17/05.12.27	500,000.00	502,302.50	0.84
USD	1,750,000	Pertamina (Persero) PT 4.3% EMTN Reg S Sen 13/20.05.23	1,780,181.97	1,831,191.25	3.06
USD	1,000,000	Postal Savings Bank of China VAR Conv 17/27.09.Perpetual	995,937.50	982,690.00	1.64
USD	600,000	Power Finance Corp Ltd 3.75% EMTN Sen 17/06.12.27	592,464.00	587,958.00	0.98
USD	400,000	Press Metal (Labuan) Ltd 4.8% Sen Reg S 17/30.10.22	402,635.00	403,476.00	0.67
USD	2,000,000	PTTEP Treasury Center Co Ltd VAR Sub 17/18.06.Perpetual	2,036,056.50	2,030,070.00	3.39
USD	1,250,000	Qatar (State of) 4.625% Reg S Sen 16/02.06.46	1,305,375.00	1,297,993.75	2.17
USD	600,000	Reliance Industries Ltd 3.667% Sen Reg S 17/30.11.27	600,000.00	593,451.00	0.99
USD	2,000,000	Saka Energi Indonesia (PT) 4.45% Sen Reg S 17/05.05.24	2,024,312.50	2,034,390.00	3.39
USD	500,000	Santos Finance Ltd 4.125% EMTN Sen 17/14.09.27	497,405.00	494,460.00	0.83
USD	1,000,000	Shanghai Port Group BVI 0% Conv PosSaBkC Sen 17/09.08.21	982,500.00	985,235.00	1.64
USD	2,000,000	Siam Commercial Bank 2.75% EMTN Sen Reg S 17/16.05.23	1,968,990.00	1,959,740.00	3.27
USD	1,500,000	Sinochem Intl Dev Pte Ltd 3.125% Sen 17/25.07.22	1,499,355.00	1,487,295.00	2.48
USD	2,000,000	Sinopec Gr Ov Dev (2017) Ltd 3.625% Sen Reg S 17/12.04.27	2,050,215.69	2,018,000.00	3.37
USD	1,750,000	Softbank Group Corp 5.125% Sen Reg S 17/19.09.27	1,742,921.01	1,737,181.25	2.90
USD	300,000	Studio City Co Ltd 7.25% Reg S Sen 16/30.11.21	318,000.00	317,784.00	0.53
USD	1,150,000	The Oil and Gas Holding Co BSC 7.5% MTN Tr 1 Sen 17/25.10.27	1,171,100.00	1,180,337.00	1.97
USD	1,250,000	Wanda Properties Intl Co Ltd 7.25% Sen Reg S 14/29.01.24	1,256,500.00	1,255,856.25	2.10

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

## RAM (LUX) TACTICAL FUNDS II - ASIA BOND TOTAL RETURN FUND

### Statement of investments and other net assets (in USD) (continued)

as at 31st December 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	1,400,000	Wuhan Sta-Own Asset Mgt Ltd Co 3.8% Sen Reg S 17/18.12.20	1,398,726.00	1,397,319.00	2.33
USD	850,000	Wynn Macau Ltd 4.875% Sen Reg S 17/01.10.24	852,625.00	855,941.50	1.43
			51,843,312.69	52,024,267.97	86.80
<b>Total bonds</b>			57,000,929.42	57,116,199.79	95.29
<b><u>Transferable securities dealt in on another regulated market</u></b>					
<b>Bonds</b>					
USD	500,000	Reliance Holdings USA Inc 4.5% Regs 10/19.10.20	540,650.00	522,982.50	0.87
USD	1,000,000	Westpac Banking Corp VAR Sub 17/21.03.Perpetual	1,002,912.50	998,715.00	1.67
<b>Total bonds</b>			1,543,562.50	1,521,697.50	2.54
Total investments in securities			58,544,491.92	58,637,897.29	97.83
Cash at banks				802,150.47	1.34
Bank overdrafts				-1,847.06	0.00
Other net assets/(liabilities)				497,392.64	0.83
<b>Total</b>				59,935,593.34	100.00

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

## RAM (LUX) TACTICAL FUNDS II - ASIA BOND TOTAL RETURN FUND

### Industrial and geographical classification of investments

as at 31st December 2017

#### Industrial classification

(in percentage of net assets)

Financials	47.23 %
Energy	23.95 %
Countries and governments	6.36 %
Cyclical consumer goods	6.31 %
Technologies	5.56 %
Raw materials	2.53 %
Special Purpose Vehicle (SPV)	2.22 %
Non-cyclical consumer goods	1.56 %
Utilities	1.08 %
Industrials	1.03 %
Total	<u>97.83 %</u>

## RAM (LUX) TACTICAL FUNDS II - ASIA BOND TOTAL RETURN FUND

### Industrial and geographical classification of investments (continued)

as at 31st December 2017

#### Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Cayman Islands	16.47 %
British Virgin Islands	13.65 %
India	9.05 %
Indonesia	6.94 %
Thailand	6.66 %
Japan	5.63 %
Singapore	4.70 %
The Netherlands	4.68 %
China	4.51 %
Malaysia	4.47 %
Bahrain	3.62 %
United Kingdom	3.29 %
United Arab Emirates	2.73 %
Bermuda	2.59 %
Australia	2.50 %
Qatar	2.17 %
Hong Kong	1.64 %
United States of America	0.87 %
Pakistan	0.84 %
Philippines	0.82 %
Total	<u>97.83 %</u>

## RAM (LUX) TACTICAL FUNDS II

### Notes to the financial statements

as at 31st December 2017

#### Note 1 - Significant accounting policies

##### **a) Presentation of the financial statements**

The financial statements of the SICAV are prepared in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment and with generally accepted accounting principles in Luxembourg.

##### **b) Valuation of assets**

The value of cash on hand or on deposit, bills and notes due on demand, accounts receivable, prepaid expenses, dividends, and interest declared or due but not yet received consists of the nominal value of these assets, unless it is unlikely that this value is received, in which event, the value is determined by deducting an amount which the SICAV deems adequate to reflect the real value of these assets.

The value of all transferable securities, money-market instruments and financial derivative instruments that are listed on a stock exchange or traded on another regulated market that operates regularly, and is recognised and open to the public, is determined based on the most recent available price.

The value for liquid assets and money market instruments is determined by using an amortised cost method. This involves valuing an investment at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium. All other assets, where practice allows, may be valued in the same manner.

The value of securities representative of an open-ended undertaking for collective investment is determined according to the last official net asset value per unit or according to the last estimated net asset value per unit if it is more recent than the official net asset value per unit, and provided that the SICAV is assured that the valuation method used for this estimate is consistent with that used for the calculation of the official net asset value.

To the extent that

- any transferable securities, money market instruments and/or financial derivative instruments held in the portfolio on the Valuation Day are not listed or traded on a stock exchange or other regulated market that operates regularly and is recognised and open to the public or,
- for transferable securities, money market instruments and/or financial derivative instruments listed and traded on a stock exchange or on other market but for which the price determined is not, in the opinion of the Board of Directors, representative of the real value of these transferable securities, money market instruments and/or financial derivative instruments or,
- for financial derivative instruments traded over-the-counter and/or securities representing undertakings for collective investment, the price determined is not, in the opinion of the Board of Directors, representative of the real value of these financial derivative instruments or securities representing undertakings for collective investment,

the Board of Directors estimates the probable realisation value prudently and in good faith.

##### **c) Acquisition cost of securities in the portfolio**

The acquisition cost of the securities held by each sub-fund that are denominated in currencies other than the reference currency of the sub-fund is converted into this currency at the exchange rate prevailing on the date of purchase.

## RAM (LUX) TACTICAL FUNDS II

### Notes to the financial statements (continued)

as at 31st December 2017

#### d) Net realised gain / (loss) on securities portfolio

The realised gains and losses on securities portfolio are calculated on the basis of the average acquisition cost and are disclosed net in the statement of operations and other changes in net assets.

#### e) Investment portfolio income

Interest income is recorded, net of any withholding tax.

#### f) Return on sukuk

Sukuk are certificates of equal value representing undivided shares in the ownership of tangible assets, usufructs and services or (in the ownership of) the assets of particular projects or special investment activity. The remuneration of sukuk is variable and based on the performance of the underlying asset.

#### g) Valuation of 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. Net unrealised gains or losses are disclosed in the statement of net assets. Net variation of unrealised gains or losses and net realised gains or losses are disclosed in the statement of operations and other changes in net assets.

#### h) Valuation of futures contracts

Open futures contracts are valued at the last settlement or close price on the stock exchanges or regulated markets. Unrealised gains or losses of open contracts are disclosed in the statement of net assets. Net variation of the unrealised gains or losses and net realised gains or losses are disclosed in the statement of operations and other changes in net assets.

#### i) Formation expenses

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

If the launch of a sub-fund occurs after the launch date of the SICAV, the formation expenses related to the launch of the new sub-fund is charged to such sub-fund alone and may be amortised over a maximum of five years with effect as from the sub-fund's launch date.

#### j) Conversion of foreign currencies

Cash at banks, other net assets and liabilities and the market value of the securities in portfolio expressed in currencies other than the reference currency of the sub-fund are converted into this currency at the exchange rate prevailing on the date of the financial statements. Income and expenses expressed in currencies other than the reference currency of the sub-fund are converted into this currency at the exchange rate prevailing on the date of the transaction. Net realised gains or losses on foreign exchange are disclosed in the statement of operations and other changes in net assets.

#### k) Combined financial statements

The combined financial statements of the SICAV are expressed in USD and are equal to the corresponding items in the financial statements of the sub-fund.

## RAM (LUX) TACTICAL FUNDS II

### Notes to the financial statements (continued)

as at 31st December 2017

#### I) Transaction fees

Transaction costs disclosed under the caption "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the SICAV, of fees relating to liquidation of transactions paid to the depositary as well as of transaction fees on financial instruments and derivatives.

#### **Note 2 - Management fees**

The SICAV has appointed RAM Active Investments (LUXEMBOURG) S.A., as the Management Company in charge of the portfolio management, the central administration and the distribution of the SICAV.

For the portfolio management, the Management Company receives an annual management fee calculated on the average net assets of the concerned class of shares and is payable quarterly.

<u>Share class</u>	<u>Effective rate in % p.a.</u>
D	1.60
E	1.60
F	1.60
PI USD	0.48
PI GBP	0.48
PI SEK	0.48
PI EUR	0.48
PI CHF	0.48
R	0.00
C CHF	1.00
B EUR	1.00
A USD	1.00
Sp	0.00

The management fees is recorded under the caption "Management fees" in the expenses of the statement of operations and other changes in net assets.

#### **Note 3 - Performance fees**

A performance fee is accrued for the classes of Shares D, E and F, for each Net Asset Value calculation and is paid to the Investment Manager at the end of each quarter.

The performance fee is calculated as follows:

For each quarter in which the performance of the sub-fund exceeds the minimum rate of return (hurdle rate) set as a *prorata temporis* of an annual rate of 3%, a fee of 15% of the outperformance is due, provided that the performance exceeds the hurdle rate calculated on a *prorata temporis* basis, and the final NAV per share is greater than the highest final NAV per share for which a performance fee has been paid (High Watermark Principle); in this case, the performance fee is applied to the difference between the final NAV per share and the higher of the High Watermark and the hurdle rate.

The performance fee was amended for the share classes D, E and F for the RAM (LUX) TACTICAL FUNDS II - ASIA BOND TOTAL RETURN FUND sub-fund in order to introduce the principle of crystallisation on redemptions and adjustments on subscriptions so as to limit bias in the performance fee calculation.

No performance fee is foreseen for the classes of shares PI USD, PI EUR, PI CHF, PI GBP, PI SEK, R, Sp, A USD, B EUR and C CHF.

At the date of the financial statements, the performance fee was recorded for the following sub-fund and amounted to:

RAM (LUX) TACTICAL FUNDS II - ASIA BOND TOTAL RETURN FUND

USD 27,093.50

## RAM (LUX) TACTICAL FUNDS II

### Notes to the financial statements (continued)

as at 31st December 2017

#### **Note 4 - Subscription, redemption and conversion fees**

The subscription price corresponds to the Net Asset Value to which is added a subscription fee of maximum 3% of the amount subscribed, payable to placing agents.

No conversion or redemption fee is applied.

#### **Note 5 - Depository fees and Central administration costs**

Information concerning the depository fee as well as the central administration costs can be found in the current Prospectus of the SICAV.

The item "Central administration costs" disclosed in the statement of operations and other changes in net assets is mainly composed of the administrative agent commissions.

#### **Note 6 - Other administration costs**

The amount recorded under the caption "Other administration costs" in the statement of operations and other changes in net assets is mainly composed by distribution fees paid to the Management Company for an amount of USD 147,271.36 and by commissions on administrative intervention for an amount of USD 37,727.51.

#### **Note 7 - Subscription duty ("Taxe d'abonnement")**

The SICAV is governed by Luxembourg laws.

Pursuant to the legislation and regulations in force, the SICAV is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each sub-fund on the last day of each quarter.

The class of shares PI USD, PI EUR, PI CHF, PI GBP, PI SEK, R and Sp intended exclusively for institutional investors within the meaning of article 174 (2) of the amended law of 17th December 2010 is subject to a reduced subscription tax of 0.01%.

Pursuant to article 175 (a) of the amended law of 17th December 2010 the net assets invested in undertakings for collective investment already subject to the "*taxe d'abonnement*" are exempt from this tax.

#### **Note 8 - Total Expense Ratio ("TER")**

The TER disclosed under "Statistical information" of this report is calculated in accordance with the "Guidelines on the calculation and disclosure of the TER of collective investment schemes" issued by the Swiss Funds & Asset Management Association "SFAMA" on 16th May 2008 as modified on 20th April 2015.

The TER is calculated for the last 12 months preceding the date of this report.

Transaction fees are not taken into account in the calculation of the TER.

## RAM (LUX) TACTICAL FUNDS II

### Notes to the financial statements (continued)

as at 31st December 2017

#### **Note 9 - Changes in investments**

Changes in the composition of the securities portfolio during the current year are available on demand and free of charge:

- from the registered office of the SICAV,
- from the registered office of the Management Company,
- from the registered office of the Representative and Distributor in Switzerland, RAM Active Investments S.A., Geneva,
- from the Payment Service in Switzerland, CACEIS BANK, Paris, Succursale de Nyon / Suisse, and its branches in Switzerland (since 1st January 2018),
- from the paying and information agent in Germany, MARCARD, STEIN & CO AG, Hamburg,
- from the paying and information agent in Austria, ERSTE BANK DER ÖSTERREISCHICHEN SPARKASSEN AG, Vienna.

#### **Note 10 - "Swing Pricing"**

The Board of the SICAV may decide to apply a swing pricing on the Net Asset Value of its sub-fund. Swing pricing is a technique enabling the sub-fund of the SICAV to manage the negative dilution impact occurring as a result of subscriptions and redemptions in the sub-fund. The aim of the swing pricing is to protect existing Shareholders against transaction costs generated by subscriptions and redemptions in the sub-fund, those transaction costs being directly integrated into the Net Asset Value through a pre-defined factor ("Swing Factor") and borne by incoming or outgoing investors.

The Swing Factors that are used for the purpose of adjusting the Net Asset Value are calculated on the basis of the brokerage fees, taxes and/or stamp duties, as well as on an estimation of the gap between bid-ask prices on transactions that the sub-fund shall execute further to the subscriptions or redemptions.

The adjustment of the Net Asset Value may be triggered once a specific threshold is reached. Such threshold is determined by the Board of the SICAV and will trigger the application of a Swing Factor on the subscriptions or redemptions. The threshold's value is defined on a sub-fund's basis and is expressed as a percentage of the total net assets of the sub-fund.

The direction of the swing depend on the net capital flows, subscriptions and redemptions, on a specific Net Asset Value. In case of a net capital inflow, the Swing Factor will apply on subscriptions and will be added to the Net Asset Value. In case of a net capital outflow, the Swing Factor will apply on redemptions and will reduce the Net Asset Value. In both cases, all investors subscribing and redeeming at a given date will receive a unique and similar Net Asset Value.

At the date of the financial statements, there was no "Swing Pricing" applied to the Net Assets Value of closing for the SICAV's sub-fund.

## RAM (LUX) TACTICAL FUNDS II

### Notes to the financial statements (continued)

as at 31st December 2017

#### Note 11 - Forward foreign exchange contracts

As at 31st December 2017, the following sub-fund of the SICAV is committed in the following forward foreign exchange contracts with BANQUE DE LUXEMBOURG, LUXEMBOURG:

#### RAM (LUX) TACTICAL FUNDS II - ASIA BOND TOTAL RETURN FUND

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in USD)
<b>Forward foreign exchange contracts linked to Classes F, Sp, C CHF and PI CHF shares</b>					
CHF	13,799,502.40	USD	14,068,348.54	29.03.2018	182,795.05
CHF	88,828.40	USD	90,478.73	29.03.2018	1,256.42
					<u>184,051.47</u>
<b>Forward foreign exchange contracts linked to Classes E, B EUR and PI EUR shares</b>					
EUR	17,092,826.92	USD	20,384,563.53	29.03.2018	248,206.71
EUR	47,000.32	USD	56,198.75	29.03.2018	535.39
USD	105,343.68	EUR	87,310.56	29.03.2018	-48.99
USD	482,752.41	EUR	402,380.86	29.03.2018	-2,961.97
					<u>245,731.14</u>
<b>Forward foreign exchange contracts linked to Class PI GBP shares</b>					
GBP	645,619.46	USD	866,466.51	29.03.2018	9,296.48
					<u>9,296.48</u>
<b>Forward foreign exchange contracts linked to Class PI SEK shares</b>					
SEK	10,498,249.96	USD	1,265,595.03	29.03.2018	23,426.15
					<u>23,426.15</u>

In order to reduce counterparty risk on forward foreign exchange exposure and from a minimum transfer amount of one hundred thousand Euros,

- BANQUE DE LUXEMBOURG pays to the sub-fund cash collateral, if the unrealised result is positive: thus, cash collateral received is disclosed in the caption "Cash at banks" in the Statement of net assets. The amount received and to be redeemed to BANQUE DE LUXEMBOURG is disclosed in the caption "Redeemable cash collateral received",

- BANQUE DE LUXEMBOURG receives cash collateral, if the unrealised result is negative: thus, cash collateral paid is disclosed under the caption "Cash at banks" in the Statement of net assets. The amount paid and to be received by the Fund from BANQUE DE LUXEMBOURG is disclosed in the caption "Receivable on cash collateral paid".

#### Note 12 - Futures contracts

As at 31st December 2017, the following sub-fund is committed in the following futures contracts:

#### RAM (LUX) TACTICAL FUNDS II - ASIA BOND TOTAL RETURN FUND

	Number of contracts	Denomination	Currency	Exposure (in USD)	Unrealised result (in USD)
Sale	100	US Treasury Note 10 Years FUT 03/18 CBOT	USD	-12,404,687.50	25,781.30
					<u>25,781.30</u>

The deposits on futures contracts are disclosed in the statement of net assets.

## RAM (LUX) TACTICAL FUNDS II

### Notes to the financial statements (continued)

as at 31st December 2017

#### **Note 13 - Subsequent events**

Shareholders are informed that the Board of Directors of the SICAV has decided on the following changes with effect on 13th February 2018:

- Change of the denomination of share classes

In order to align the definition of the share classes available for the distribution and to simplify the communication to shareholders, the Board of Directors has decided to rebrand a certain amount of class of shares. Changes per class of shares and ISIN codes are detailed in the following URL: [www.ram-ai.com](http://www.ram-ai.com).

- Information to disclose with respect to the EU Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse ("Regulation")

The Regulation requires that undertakings in collective investment such as the SICAV to disclose information in their prospectus. Consequently, the Board of Directors informs shareholders of the changes that occurred in Chapter 6.10 and Chapter 6.11 of the prospectus. As of today, the SICAV and its sub-fund do not enter into transactions such as repurchase transaction, securities or commodities lending and securities or commodities borrowing, buy-sell back transaction or sell-buy back transaction, margin lending transaction and/or total return swaps as defined in SFTR Regulation.

## RAM (LUX) TACTICAL FUNDS II

### Additional information (unaudited)

as at 31st December 2017

#### 1 - Risk management

As required by Circular CSSF 11/512, the Board of Directors needs to determine the global risk exposure of the SICAV either by applying the commitment approach or the VaR approach.

In terms of risk management, the Board of Directors of the SICAV decided to adopt the commitment approach as a method of determining the global risk exposure.

#### 2 - Remuneration

From 1st January 2017 until 31st December 2017 (the "Reference Period"), the total amount of wages and salaries paid-in cash and/or restricted securities by RAM Active Investments (Luxembourg) SA (the "Management Company") to its entire staff (composed during the Reference Period in average of 8 employees) was EUR 1,005,151.86.

In particular, during the Reference Period, the total amount of wages and salaries was split into fixed and variable remuneration as follows :

- Fixed remuneration: EUR 523,328.90
- Variable remuneration: EUR 481,763.96

No fees based on the performance of the Fund or carried interest are used to remunerate employees of the Company.

The total amount of remuneration paid to senior management and members of staff (including outsourced staff) of the Company whose actions have a material impact on the risk profile of the Company or falling within the remuneration bracket of senior management and risk takers during the Reference Period was EUR 397,558.44.

Please note that above figures are provided for overall services provided by the Company and they do not represent a breakdown at the level of the Fund.

Details of the remuneration policy of the Management Company, including a description of the key remuneration elements and an overview of how remuneration is determined, is available under [www.ram-ai.com](http://www.ram-ai.com).

#### 3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")

At the date of the financial statements, the SICAV is not in the scope of the publication requirements of SFTR. No transactions were carried out during the reporting period.