

Europa One
Fonds Commun de Placement
R.C.S. Luxembourg N° K 1111

Annual Report
as at December 31, 2018
(Audited)

COMMERZBANK 

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Management and Administration

Management Company

Commerz Funds Solutions S.A.
25, rue Edward Steichen,
L-2540 Luxembourg
Grand Duchy of Luxembourg

Board of Directors of the Management Company

Thomas Timmermann (Chairman of the Board of Directors)

Commerzbank AG, Mainzer Landstraße 153, D-60327 Frankfurt am Main, Germany

Hermann Berger

Commerzbank AG, Mainzer Landstraße 153, D-60327 Frankfurt am Main, Germany

Peter Corner

Commerzbank AG, London Branch, 30 Gresham Street, London EC2P 2XY, United Kingdom

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Thomas Meyer zu Drewer

Commerzbank AG, Mainzer Landstraße 153, D-60327 Frankfurt am Main, Germany

Fund Manager

Commerzbank Aktiengesellschaft
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D-60311 Frankfurt am Main
Germany

Advisor

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17, Avenue d'Albigny
F-74000 Annecy
France

Depositary and Paying Agent

BNP Paribas Securities Services - Luxembourg Branch
60, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Management and Administration (continued)

Registrar and Transfer Agent

BNP Paribas Securities Services - Luxembourg Branch
60, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Administrator

BNP Paribas Securities Services - Luxembourg Branch
60, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Auditor

Since January 1, 2018:
Ernst & Young, Société anonyme
35E, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Distributor

Surperformance SAS
17, Avenue d'Albigny
F-74000 Annecy
France

Directors' report

The investment objective of the fund, Europa One, UCITS IV launched on September 18th 2015, is to achieve capital growth in a medium to long term investment horizon by investing in listed companies (Equity only). The fund is long only, fully invested at all times. No market timing is used. The Management team is focused on best data-driven stock selection only, based on company fundamentals. The Fund is typically invested in 40 to 50 different companies at all time.

The main objective of the fund is to outperform the Stoxx Europe 600 net return index on a long-term basis, while respecting strict risk constraints regarding exposure to countries, currencies, sectors (as defined by Factset), style (defensive versus cyclical), market capitalisation, trading liquidity and rebalancing.

Because the fund is eligible to the french's "PEA" regime, it invests at least 75% of assets under management in European equities which meet the PEA criterias. The remaining may be invested in other international equities. Throughout 2018, the Fund was not invested in any non-European company. The Management team tend to invest only in companies which market capitalisation is above \$500 million (US Dollar equivalent) and daily liquidity is above \$3 million, although it has no statutory obligation to do so.

The investment process is data-driven and quantitative, based on Surperformance SAS' proprietary fundamental ratings. Around 25'000 listed companies worldwide (followed by at least two analysts) are graded and ranked against each other, on a daily basis. Those ratings take into account various financial metrics, among which past earnings and sales reports, estimates from analysts' consensus and their anticipated trends. Significant daily changes in ratings are rare, consequently the fund's portfolio turnover is limited. Noticeably, companies in the banking, insurance and real estate industries tend to be under-represented because of their unusual balance sheet, particularly regarding debt figures.

Following an excellent performance in 2017, the Fund's 2018 return was significantly below that of the Stoxx Europe 600 NR. In large part due to the Fund's exposure to cyclical stocks. Historically, a research of "growth at reasonable price" companies (known as GARP style) tilted the portfolio towards cyclical stocks. From mid-2018, the broad sector rotation of the market led to continued underperformance until the end of the year. Also, the fund's "all-cap" investment universe, which naturally drives a bigger exposure to mid and small caps compared to the benchmark, negatively impacted the return.

The beginning of 2019 was much better as the Fund rebounded much more than the market. In addition, the Fund's Management team has started a process to adjust the strategy in order to better take into account the defensive versus cyclical exposure as well as the sector allocation compared the benchmark's. We are highly confident our unbiased data-driven investment process remains excellent and will allow the Fund to outperform its benchmark, on the long term.

Pursuant to CSSF Circular 11/512 on risk management for UCITS, the overall risk of Europa One is calculated by means of a commitment approach, which is used for funds with few, or less complex, derivative financial instruments, or with derivative financial instruments that are used only for hedging purposes.

The Board of Directors



Luxembourg, April 29, 2019

Note: The information stated in this report is historical and not necessarily indicative of future performance.

Audit report

To the Unitholders of
Europa One (FCP)

Opinion

We have audited the financial statements of Europa One (the "Fund"), which comprise statement of net assets as at 31 December 2018, the statement of operations and changes in net assets for the year ended 31 December 2018, the securities portfolio as at 31 December 2018 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 31 December 2018, 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 matter

The financial statements of Europa One for the year ended 31 December 2017 were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 April 2018.

Other information

The Board of Directors of the management company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of 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

The Board of Directors of the management company 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 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 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 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.

Audit report (Continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the management company.
- Conclude on the appropriateness of Board of Directors of the management company 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

Christoph HAAS

Luxembourg, April 29, 2019

Statistics

		December 31, 2018	December 31, 2017	December 31, 2016
Europa One				
Net Asset Value	EUR	18,805,122.51	19,625,983.41	6,727,647.10
Net asset value per unit				
I*	EUR	77.40	-	-
R	EUR	103.32	136.55	108.09
Number of units				
I*		38,653.68	-	-
R		153,046.97	143,724.55	62,242.70
* The unit class was launched with effective date February 14, 2018.				

Europa One (in EUR)

Statement of Net Assets as at December 31, 2018

Statement of Operations and Changes in Net Assets for the year ended December 31, 2018

	Notes	EUR		Notes	EUR
Assets			Income		
Investment in securities at cost		22,345,080.67	Dividends (net of withholding taxes)		833,992.63
Unrealised appreciation / (depreciation) on securities		(3,664,039.93)	Bank interest		121.73
Investment in securities at market value	2.2	18,681,040.74	Other income		79.28
Cash at bank	2.4	59,688.58	Total income		834,193.64
Receivable for investment sold		164,277.85	Expenses		
Receivable on subscription		39,457.71	All-in fee	5	632,074.45
Dividends and interest receivable		329.63	Performance fees	6	5,398.39
Total assets		18,944,794.51	Transaction costs	8	121,683.68
Liabilities			Taxe d'abonnement	4	13,679.66
Bank overdraft		18.14	Bank interest and charges		5,153.16
Accrued expenses	9	39,375.34	Total expenses		777,989.34
Payable on fund shares repurchased		100,278.52	Net investment income / (loss)		56,204.30
Total liabilities		139,672.00	Net realised gain / (loss) on:		
Net assets at the end of the year		18,805,122.51	Investments	2.3	(3,277,334.74)
			Foreign currencies transactions	2.4	799.53
			Net realised gain / (loss) for the year		(3,220,330.91)
			Net change in unrealised appreciation / (depreciation) on:		
			Investments		(5,834,451.54)
			Increase / (Decrease) in net assets as a result of operations		(9,054,782.45)
			Proceeds received on subscription of units		43,017,354.72
			Net amount paid on redemption of units		(34,783,433.17)
			Net assets at the beginning of the year		19,625,983.41
			Net assets at the end of the year		18,805,122.51

* The unit class was launched with effective date February 14, 2018.

Statement of Changes in Number of Units

	Number of units in issue at the beginning of the year	Number of units subscribed	Number of units redeemed	Number of units in issue at the end of the year
I*	-	191,738.68	(153,085.00)	38,653.68
R	143,724.55	174,245.13	(164,922.71)	153,046.97

Europa One (in EUR)

Securities Portfolio as at December 31, 2018

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV	Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV	
Transferable securities admitted to an official exchange listing										
Shares										
Diversified machinery										
10,535.00	AMG ADVANCED METALLURGICAL	EUR	288,237.60	1.53	13,898.00	FLOW TRADERS	EUR	384,974.60	2.05	
48,455.00	GRANGES AB	SEK	384,867.04	2.05				767,271.62	4.08	
19,843.00	INDUTRADE AB	SEK	402,537.82	2.13	Insurance					
30,167.00	SKF AB-B SHARES	SEK	400,192.71	2.13	2,168.00	ALLIANZ AG REG	EUR	379,703.52	2.02	
38,040.00	TENARIS SA	EUR	359,097.60	1.91	1,084.00	SWISS LIFE HOLDING AG-REG	CHF	364,187.06	1.94	
27,346.00	TRELLEBORG AB-B SHS	SEK	375,990.64	2.00				743,890.58	3.96	
			2,210,923.41	11.75	Distribution & Wholesale					
Diversified services										
20,996.00	ASHTHEAD GROUP PLC	GBP	383,638.13	2.04	95,038.00	JD SPORTS FASHION PLC	GBP	359,165.39	1.91	
75,185.00	PAGEGROUP PLC	GBP	377,788.81	2.01	1,476.00	SWATCH GROUP AG/THE-BR	CHF	375,516.19	2.00	
28,120.00	SECURITAS AB-B SHS	SEK	394,678.84	2.10				734,681.58	3.91	
8,635.00	TRIGANO SA	EUR	670,939.50	3.56	Transportation					
			1,827,045.28	9.71	56,353.00	INTL CONSOLIDATED AIRLINE-DI	GBP	388,390.24	2.07	
Building materials										
5,157.00	ALTEN SA	EUR	375,687.45	2.00						
10,448.00	KINGSPAN GROUP PLC	EUR	386,784.96	2.06	Internet					
71,812.00	REDROW PLC	GBP	390,763.53	2.08	8,190.00	REPLY SPA	EUR	361,015.20	1.92	
3,555.00	SIKA AG-REG	CHF	393,072.14	2.08				361,015.20	1.92	
			1,546,308.08	8.22	Engineering & Construction					
Cosmetics										
3,459.00	IPSEN	EUR	377,722.80	2.01	300.00	DASSAULT AVIATION SA	EUR	356,700.00	1.90	
1,728.00	LOREAL	EUR	342,316.80	1.82				356,700.00	1.90	
5,218.00	NOVARTIS AG-REG	CHF	389,138.98	2.07	Real estate					
20,287.00	SWEDISH ORPHAN BIOVITRUM AB	SEK	386,323.73	2.05	8,598.00	NEXITY	EUR	337,041.60	1.79	
			1,495,502.31	7.95				337,041.60	1.79	
Food services										
31,970.00	AUSTEVOLL SEAFOOD ASA	NOK	344,932.04	1.83	Office & Business equipment					
14,804.00	FEVERTREE DRINKS PLC	GBP	367,316.67	1.95	14,624.00	JENOPTIK AG	EUR	333,134.72	1.77	
33,990.00	GRIEG SEAFOOD ASA	NOK	351,274.35	1.87				333,134.72	1.77	
6,326.00	ROYAL UNIBREW	DKK	380,622.18	2.03				18,670,382.56	99.28	
			1,444,145.24	7.68	Rights					
Textile										
3,024.00	LVMH MOET HENNESSY LOUIS VUI	EUR	764,316.00	4.07	Energy					
13,982.00	MONCLER SPA	EUR	404,499.26	2.15	26,579.00	REPSOL SA RTS	EUR	10,658.18	0.06	
			1,168,815.26	6.22				10,658.18	0.06	
Electric & Electronic										
10,456.00	SILTRONIC AG	EUR	754,923.20	4.01				10,658.18	0.06	
32,901.00	STMICROELECTRONICS NV	EUR	402,379.23	2.14				18,681,040.74	99.34	
			1,157,302.43	6.15	Summary of net assets					
Energy										
92,777.00	GAZPROM PAO -SPON ADR	USD	356,694.15	1.90	Total securities portfolio					
26,347.00	REPSOL SA	EUR	373,205.26	1.98				18,681,040.74	99.34	
15,094.00	ROYAL DUTCH SHELL PLC-A SHS	EUR	384,972.47	2.05	Cash at bank					
			1,114,871.88	5.93				59,670.44	0.32	
Banks										
37,550.00	CREDIT AGRICOLE SA	EUR	353,195.30	1.88	Other assets and liabilities					
56,082.00	NORWEGIAN FINANCE HOLDING AS	NOK	379,592.78	2.02				64,411.33	0.34	
27,608.00	TCS GROUP HOLDING -REG S	USD	363,228.20	1.93				Total net assets	18,805,122.51	100.00
			1,096,016.28	5.83	Auto Parts & Equipment					
Auto Parts & Equipment										
577.00	FISCHER (GEORG)-REG	CHF	402,706.98	2.15						
9,832.00	HEXAGON AB-B SHS	SEK	395,802.27	2.10						
			798,509.25	4.25						
Forest products & Paper										
69,914.00	ENCE ENERGIA Y CELULOSA SA	EUR	370,544.20	1.97						
18,170.00	SMURFIT KAPPA GROUP PLC	EUR	418,273.40	2.22						
			788,817.60	4.19						
Financial services										
7,649.00	EURONEXT NV - W/I	EUR	382,297.02	2.03						

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

Europa One (in EUR)

Portfolio Breakdowns

Sector allocation	% of portfolio	% of net assets
Diversified machinery	11.83	11.75
Diversified services	9.78	9.71
Building materials	8.28	8.22
Cosmetics	8.01	7.95
Food services	7.73	7.68
Textile	6.26	6.22
Electric & Electronic	6.20	6.15
Energy	6.02	5.99
Banks	5.87	5.83
Auto Parts & Equipment	4.27	4.25
Forest products & Paper	4.22	4.19
Financial services	4.11	4.08
Insurance	3.98	3.96
Distribution & Wholesale	3.93	3.91
Other	9.51	9.45
	100.00	99.34

Country allocation	% of portfolio	% of net assets
France	19.14	19.03
Sweden	14.67	14.56
Switzerland	10.30	10.24
United Kingdom	10.06	9.99
Netherlands	9.86	9.80
Germany	7.86	7.80
Spain	6.12	6.08
Norway	5.76	5.72
Ireland	4.31	4.28
Italy	4.10	4.07
Denmark	2.04	2.03
Other	5.78	5.74
	100.00	99.34

Top Ten Holdings

Top Ten Holdings	Sector	Market value EUR	% of net assets
LVMH MOET HENNESSY LOUIS VUI	Textile	764,316.00	4.07
SILTRONIC AG	Electric & Electronic	754,923.20	4.01
TRIGANO SA	Diversified services	670,939.50	3.56
SMURFIT KAPPA GROUP PLC	Forest products & Paper	418,273.40	2.22
MONCLER SPA	Textile	404,499.26	2.15
FISCHER (GEORG)-REG	Auto Parts & Equipment	402,706.98	2.15
INDUTRADE AB	Diversified machinery	402,537.82	2.13
STMICROELECTRONICS NV	Electric & Electronic	402,379.23	2.14
SKF AB-B SHARES	Diversified machinery	400,192.71	2.13
HEXAGON AB-B SHS	Auto Parts & Equipment	395,802.27	2.10

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

Notes to the Financial Statements as at December 31, 2018

Note 1 - General

Europa One (the "Fund") is a Luxembourg investment fund ("Fonds Commun de Placement", FCP) and has been established on August 20, 2015. The Fund has been launched in Luxembourg as an undertaking for collective investments (UCITS) under Part I of the law of December 17, 2010 as amended (the "2010 Law").

The Fund is managed by Commerz Funds Solutions S.A. (the "Management Company") a public limited company under the laws of the Grand Duchy of Luxembourg. The Management Company has been incorporated on June 5, 2008, in accordance with Chapter 15 of the Law of 2010 as "société de gestion" under Luxembourg law for an indefinite period with an initial capital of EUR 5,000,000.00. On October 7, 2015 the Management Company obtained the license for the management of certain alternative investment funds. The Management Company complies with the requirements of the EU Directive 2009/65/EG as transposed into Luxembourg law by the Law of 17 December 2010 and with the EU Directive 2011/61/EU relating to manager for alternative investment funds as transposed into the Luxembourg law of 2013.

The Fund is registered with Luxembourg "*Recueil Electronique des Sociétés et Associations*" (R.E.S.A.) under number K-1111.

As at December 31, 2018, the following unit classes are open to investors:

- Unit class R a capitalising class that is open to retail investors;
- Unit class I a capitalising class that is open to institutional investors (launched with effective date February 14, 2018).

Note 2 - Principle Accounting Policies

1) Presentation of financial statements

The financial statements are presented in accordance with the legal and regulatory requirements in force in Luxembourg relating to Undertakings for Collective Investment and they are prepared in accordance with accounting principles generally accepted.

2) Valuation of the investments in securities

- a) Securities and money market instruments that are listed on a stock exchange shall be valued at the last available paid price at the time of the calculation of the Asset Value.
- b) Securities and money market instruments that are not listed on a stock exchange but are traded on another regulated market that is recognised, open to the public and trading regularly, shall be valued at a price that must not be lower than the bid price and not higher than the offer price at the time of the valuation and that is deemed the best price by the Management Company at which the securities and/or money market instruments can be sold.
- c) Securities and money market instruments that are neither listed on a stock exchange nor traded on another regulated market shall be valued at their respective fair market value at the time the Asset Value is calculated, as determined in good faith by the Management Company in accordance with generally recognised valuation principles that can be verified by auditors.
- d) Shares in UCITS and/or UCI shall be valued at their last determined and available asset value at the time of the calculation of the asset value, possibly by taking into account a redemption fee.
- e) The liquid funds shall be valued at their nominal value, plus interest at the time the Asset Value is calculated. Fixed-term deposits with an original maturity of more than 30 days may be valued at the respective yield rate.
- f) All assets denominated in a currency other than the Fund currency shall be converted on the basis of the average exchange rate last available at the time of valuation into the currency of the Fund or Sub-fund.
- g) Derivatives (such as options) shall generally be valued on the basis of the last available stock exchange prices, broker prices or recognised theoretical valuation models at the valuation time.
- h) The pro-rata interest due on the securities and/or money market instruments shall be included, unless it is not already expressed within the price value.
- i) All other securities and assets shall be valued at their fair market value, which shall be determined in good faith by the Management Company in accordance with a procedure determined by the latter.
- j) Assets whose prices are not in line with the market shall be valued at the probable realisation value, which shall be determined prudently and in good faith.

3) Net realised gain or loss on sales of investments

Realised gains or losses on sales of investments are calculated on the basis of average cost of the investments sold.

Notes to the Financial Statements as at December 31, 2018 (continued)

Note 2 - Principle Accounting Policies (continued)

4) Conversion of foreign currencies

The accounting records and the financial statements of the sub-fund are expressed in EUR. Bank accounts, other net assets and liabilities as well as the valuation value of the portfolio securities that are expressed in currencies other than in EUR were converted into EUR at the exchange rates prevailing on December 31, 2018. Income and fees in currencies other than EUR are converted into EUR at the exchange rates prevailing on the transaction date.

Note 3 - Exchange rates

The exchange rates as at December 31, 2018 used for the translation of the Fund's assets and liabilities not denominated in EUR are as follows:

1 EUR =	1.143150 USD	1 EUR =	1.126900 CHF
1 EUR =	7.462450 DKK	1 EUR =	10.135000 SEK
1 EUR =	0.897550 GBP	1 EUR =	9.898750 NOK

Note 4 - Taxation

The Fund is subject to Luxembourg taxation. Under present Luxembourg law and practice, the Fund is not liable to any Luxembourg income tax nor are dividends paid by the Fund liable to any Luxembourg withholding tax.

The Fund is subject to an annual tax ("taxe d'abonnement") of 0.05% p.a. or 0.01% in case of an institutional share class of the Net Asset Value, calculated and payable at the end of each quarter.

Note 5 - All-in fee

The all-in fee is calculated on the basis of the daily Net Asset Value of the relevant share class and paid in accordance with the terms of the custodian agreement. The all-in fee shall be apportioned by the Management Company and paid by it directly to the Custodian and/or the relevant service provider. The all-in fee covers all costs, fees and expenses not defined as "Other Costs" and excluded from the all-in fee. The all-in fee covers in particular the fee for the Management Company, for the Fund Manager, for the Custodian, for the Paying and Transfer Agent as well as the fees for the Administrator, however the list is not meant to be exhaustive.

The Fund incurs other costs that are not included in the all-in fee and may be charged to the Fund in addition to the all-in fee ("Other Costs"). Other Costs encompass the following costs, fees and expenses:

- All taxes and other tax-related expenses payable by the Fund, such as the annual tax in Luxembourg ("taxe d'abonnement"), any value added taxes or similar sales or service related charges payable by the Fund ("VAT") (similar taxes or tax related expenses "Other Taxes and Tax-related Expenses");
- All costs and expenses incurred as a result of purchase or sale of securities or other Fund investments, e.g. brokerage commissions and commissions payable to correspondents in connection with the transfer of securities or other investments ("Transaction Costs");
- All costs and commissions incurred outside the normal scope of Fund business (e.g. costs for legal services incurred when the Fund initiates litigation to collect from a debtor or defends against such litigation) ("Extraordinary Costs");
- Formation costs for the establishment of the Fund are depreciated against the value of the Fund within the first three (3) accounting years ("Formation Costs");
- The costs and commissions required for the listing of the shares on a stock exchange ("Listing Costs").

If VAT is applicable to the all-in fee or other fees payable by the Fund, said amount is borne by the Fund in addition to the defined Other Costs.

Fund	Unit Class	Current All-in fee
Europa One	R	2.00% p.a.
Europa One	I*	1.20% p.a.

* The unit class was launched with effective date February 14, 2018.

Note 6 - Performance fees

The Management Company shall also be entitled to an additional performance fee for the management of the fund, chargeable to the fund. This fee shall be equivalent to 15 percent of the fund's outperformance against the Stoxx Europe 600 NR Index (Bloomberg: SXXR Index), after deduction of the All-in fee charged to the fund mentioned above. The performance fee shall be paid yearly and calculated beginning on the first valuation day of every calendar year on every valuation date and shall be based on the current value of the fund, and the total amount shall be calculated on a cumulative basis. Provisions for the accumulated total shall be made, and shall be deducted from the fund on the end of each calendar year. On valuation dates when the investment result of the fund underperforms the benchmark specified in sentence 2, the accumulated total, for which provisions have been made decreases in accordance with the method described above. A negative total shall be accumulated during the calculation period and be carried forward to subsequent calculation periods. Should the reference index cease to exist, the Company shall specify another comparable index to replace the index set out above.

As at December 31, 2018, an amount of EUR 5,398.39 performance fees has been accounted for the year.

Notes to the Financial Statements as at December 31, 2018 (continued)

Note 7 - Management Company

The Management Company was established on June 5, 2008 in accordance with Chapter 15 of the Law of 2010 as a "*société de gestion*" under Luxembourg law with unlimited duration. The Articles of Association of the Management Company were deposited with the Luxembourg Trade and Companies' Register and were published in the Mémorial of June 30, 2008. The Company is entered in the Luxembourg Trade and Companies' Register under number B-139.351.

At present, the Management Company renders management services for all existing sub-funds of ComStage and CBK SICAV as well as for Bank of China International (BOCI) Commerzbank, SICAV, Commerzbank Aktientrend Deutschland, Commerzbank Rohstoff Strategie, CBK € 12,5 Corporate Bond Fund, Europe SectorTrend UCITS ETF, CBK Wertsicherungsfonds plus, Commerzbank Renten Protect 80, Dynamic Vario Protect, Garant Dynamic and Commerzbank Flexible Volatility Strategy Fund. The Management Company furthermore pursues the activities of collective portfolio management in the Federal Republic of Germany and manages the Commerzbank Stiftungsfonds, ComStage Alpha Dividende Plus UCITS ETF, ComStage Alpha Deutschland Dividende Plus UCITS ETF as well as all sub-funds of the ComStage 1 and ComStage Vermögensstrategie. In the United Kingdom, the Management Company provides collective portfolio management within the framework of freedom to provide cross-border services and manages all sub-funds of the British Directive Compliant investment company Commerzbank CCBI Investment Funds ICVC.

The Management Company's corporate objective is the establishment and management of investment funds. The monies received by the Fund are used for purchasing securities and other legally permissible assets in accordance with the investment policy laid down in the Fund Management Regulations.

Note 8 - Transaction costs

For the year ended December 31, 2018, the Fund incurred transaction costs which have been defined as brokerage fees, certain taxes and certain custodian fees relating to the purchase and sale of transferable securities.

All these costs are included in the caption "Transaction costs". As at December 31, 2018, they amount to EUR 121,683.68.

Note 9 - Accrued expenses

As at December 31, 2018, the caption "Accrued expenses" is detailed below:

All-in fee	31,931.06
Taxe d'abonnement	2,045.89
<u>Accrued performance fees</u>	<u>5,398.39</u>
	EUR 39,375.34

The fees are included in the Statement of Net Assets.

Note 10 - Changes in the composition of the securities portfolio

The report on changes in the composition of the Securities Portfolio for the year ended December 31, 2018 is available upon request and free of charge at the Depository Bank and registered office of the Management Company of the fund.

Total Expense Ratio (TER) and Portfolio Turnover Rate (PTR) as at December 31, 2018 (unaudited)

For the purpose of the calculation of TER, all fees charged to the opened unit classes have been taken into account and are expressed in percentage of the average Net Asset Value. The TER is annualised for periods less than one year. Transaction costs are excluded from this calculation.

Unit Class	TER
Europa One R	2.09%
Europa One I*	1.20%

* The unit class was launched with effective date February 14, 2018.

The Portfolio Turnover Ratio (PTR), expressed as a percentage, reflects the volume of dealing in the Fund. It is equal to the total of purchases and sales of securities netted against the value of the subscriptions and redemptions, over the average net assets of the Fund for the year.

Fund	PTR
Europa One	126.24%

Remuneration Policy (unaudited)

Commerz Funds Solutions S.A. (hereinafter "CFS") has adopted the remuneration policy of its sole shareholder, Commerzbank AG, taking account of local and European requirements for UCITS and AIFMD regulations.

The remuneration policy establishes the applicable ground rules for:

- Any kind of payment or other services from CFS to employees;
- Any payments made directly through the entity managed by CFS for the purpose of collective investment (hereinafter "UCI") and payments made by itself, including performance-related remuneration; and
- Any transfer of share in the relevant UCI; in exchange for professional services rendered to CFS by employees.

In order to guarantee a market rate total remuneration for CFS employees, this is made up of several components: the success of the company, voluntary occupational benefits and pensions. The above-mentioned remuneration components are determined by taking into account an appropriate and permissible relationship between variable and fixed market remuneration for the employees.

In the 2018 financial year the total fixed remuneration for all employees of CFS amounted to 1.504 TEUR (96.23%) and the variable component amounted to 59 TEUR (3.77%).

In general, no performance-related remuneration (Performance Fee) is paid to CFS employees. The number of beneficiaries corresponds to the average number of employees in the past financial year 2018 (18). The total amount of compensation paid to certain employee groups in the 2018 financial year is pro rata for the Europa One:

- Senior Management:	1,014.95	EUR
- Staff:	1,643.55	EUR
- Total Compensation:	2,658.50	EUR

In the 2018 financial year, the total fixed remuneration, paid by Commerzbank AG, for the portfolio management team amounted to 1.710 TEUR (87.24%) and the variable component amounted to 250 TEUR (12.76%).

The number of beneficiaries corresponds to the average number of employees in the portfolio management team during the past financial year 2018 (15). The total amount of the remuneration paid to the portfolio management team in the 2018 financial year is pro rata for the Europa One:

- Portfolio Management (Commerzbank AG):	3,332.00	EUR
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Further to Chapter 7 of the ESMA Guidelines on Remuneration Policy (Final Report of March 31, 2016), CFS applies the proportionality principle envisaged therein.

As a consequence, CFS:

- does not have a remuneration committee;
- does not pay variable remuneration through AIF/UCITS instruments; and
- does not employ the "disbursement procedure" (i.e. blocking period, deferral and ex-post consideration of risk).

The proportionality principle applied to remuneration is also applied to the nature and quantity of disclosed information. This means that CFS does not disclose information about the decision-making procedure upon which the remuneration policy is based, nor information relating to the composition and mandate of the remuneration committee, the names of external consultants whose services were procured to determine the remuneration policy, nor the role of concerned parties.

Furthermore, no information is disclosed on (i) the relationship between variable remuneration and performance, (ii) criteria for assessment of performance and the risk adjustment on which it is based, (iii) the performance criteria on which the claim to variable remuneration is founded, and (iv) the main parameters and justification for any annual bonus regulations and other non-cash benefits. In addition, confidential quantitative aspects of remuneration are not subject to disclosure.

Further information on the remuneration policy of the Management Company may be viewed on the internet at the URL <http://www.am.commerzbank.de/News/EditorialList.aspx?c=34929>. On request, a printed version will be provided free of charge.

Securities Financing Transactions Regulation as at December 31, 2018 (unaudited)

During the financial year the fund did not enter into any securities financing transactions falling under the regulation (EU) 2015/ 2365 ("SFTR").

