



THESAN SICAV

Société d'Investissement à Capital Variable

Audited annual report for the period
from 09/02/16 (date of incorporation) to 31/12/16

RCS Luxembourg B 203934

THESAN SICAV

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Subscriptions can only be received on the basis of the latest prospectus accompanied by the latest annual report as well as by the latest semi-annual report, if published after the latest annual report.

THESAN SICAV

Management and Administration

The Company	THESAN SICAV 5, allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
Directors of the Company <i>Chairman of the Board</i>	Mr Stefano Sardelli Managing Director Invest Banca
Members of the Board	Mr Giacomo Turco Deputy Managing Director Invest Banca Mrs Lidia Palumbo Chief Executive Officer Pharus Management Lux S.A.
Management Company	Pharus Management Lux S.A. 16, avenue de la Gare L-1610 Luxembourg Grand Duchy of Luxembourg
Directors of the Management Company <i>Chairman of the Board</i>	Mr Davide Berra Pharus Management S.A. Via Pollini, 7 CH-6850 Mendrisio Switzerland
Members of Board	Mr Davide Pasquali Pharus Management S.A. Via Pollini, 7 CH-6850 Mendrisio Switzerland Mr Sante Jannoni (up to 20/06/2016) Managing Director TMF Compliance (Luxembourg) S.A. Mrs Lidia Palumbo (as from 20/06/2016) PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare, L-1610 Luxembourg
Depository Bank	CACEIS Bank Luxembourg (up to 31/12/2016) CACEIS Bank, Luxembourg Branch (as from 01/01/2017) 5, allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
Central Administration, Transfer, Registrar And Paying Agent	CACEIS Bank Luxembourg (up to 31/12/2016) CACEIS Bank, Luxembourg Branch (as from 01/01/2017) 5, allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
Auditor	KPMG Luxembourg Société coopérative 39, avenue John F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
Investment Manager and Distributor	Invest Banca Via Cherubini, 99 50053 Empoli (FI) Italy

THESAN SICAV

Management report

Even though the Brexit was quickly absorbed in the financial markets the second half year of 2016 has been quite volatile.

The unexpected victory of Trump's presidency election caused a phase of rise in yields on all bond curves and has resulted in a rapid sell-off in bonds. Further on the shock market Trump's election has resulted in a good year-end rally. This positive effects on stock markets have offset the downturns suffered by the stock markets in the first two months of the year 2016.

Ultimately quite complex markets were also affected by the distorting effects caused by extraordinary monetary measures implemented by central banks.

On bonds the portfolio manager understands that the risk-return ratio can be supported due to the high European creditworthiness. These Bonds are slightly more interesting than the US and UK Bonds. On corporate bond investments the portfolio manager focused in 2016 on lower investment-grade issuers which offer due to the understanding of the portfolio manager attractive yields especially in dollar market. On corporate bonds in Euros the portfolio manager has arranged for a mix of government bonds and high yield Italian bonds to establish an attractive income flow.

Invested stocks in the portfolio of the Sub-Fund THESAN SICAV - Flexible Allocation are all of a high quality criteria due to the financial statements related to these stocks invested and are to its majority f Mid & Small cap companies that offer high quality products and that have a global target market.

The year-end equity recovery has made a decisive contribution to the recovery of the prices of invested equities in the Sub-Fund Flexible Allocation.

On the contrary to this development of the equity markets the year end of 2016 was more challenging for the Sub-Fund THESAN SICAV - Flexible Bond that has been exposed to rising bond yields.

Conclusions

Both active Sub-Funds, (THESAN SICAV - Flexible Bond and THESAN SICAV - Flexible Allocation Sub-Funds) have been developing substantially positive in 2016 showing a gross performance even though the target market have been definitely volatile. The current small size of the Sub-Funds compared to the high cost burden the Sub-Funds have to cover has caused the current negative performance of the Sub-Funds. In 2016, the volume of the THESAN SICAV - Flexible Bond Sub-Fund has already increased which has diminished the negative cost effects compared the Asset size.

Luxembourg, 21 April 2017

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



KPMG Luxembourg, Société coopérative
39, Avenue John F. Kennedy
L-1855 Luxembourg

Tel.: +352 22 51 51 1
Fax: +352 22 51 71
E-mail: info@kpmg.lu
Internet: www.kpmg.lu

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Shareholders of
THESAN SICAV
5, Allée Scheffer
L-2520 Luxembourg

We have audited the accompanying financial statements of THESAN SICAV (the "SICAV"), and each of its sub-funds, which comprise the statement of net assets and the securities portfolio as at December 31, 2016, and the statement of operations and changes in net assets for the period from 9 February 2016 (date of incorporation) to 31 December 2016, and a summary of significant accounting policies and other explanatory information.

Board of Directors of the SICAV responsibility 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 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.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of THESAN SICAV and each of its sub-funds as of 31 December 2016, and of the results of their operations and changes in their net assets for the period from 9 February 2016 (date of incorporation) to 31 December 2016 in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.



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 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.

Luxembourg, 27 April 2017

KPMG Luxembourg,
Société coopérative
Cabinet de révision agréé

A handwritten signature in black ink, appearing to read 'P. Perichon', written over the printed name.

P. Perichon

THESAN SICAV

Consolidated

THESAN SICAV
Consolidated
Financial Statements as at 31/12/16

Statement of net assets as at 31/12/16

Expressed in EUR

Assets		6,833,817.91
Securities portfolio at market value	Note 2.2	6,116,844.34
<i>Cost price</i>		6,115,007.18
<i>Unrealised profit on the securities portfolio</i>		1,837.16
Cash at banks and liquidities		111,466.38
Interest receivable		61,409.16
Formation expenses	Note 2.3	44,172.57
Subscriptions receivable		499,925.46
Liabilities		89,386.13
Directors fees payable		3,750.01
Taxe d'abonnement payable	Note 6	1,204.50
Management Company fees payable	Note 3	21,354.61
Unrealised net depreciation on financial futures	Note 7	2,050.24
Global fees payable	Note 5	28,478.85
Depositary and Administration fees payable		154.02
Administrative fees payable		3,750.00
Accrued audit fees		14,803.81
Shareholder servicing fees payable		3,622.72
Other liabilities		10,217.37
Net asset value		6,744,431.78

THESAN SICAV

Consolidated

Statement of Operations and Changes in Net Assets from 09/02/16 (date of incorporation) to 31/12/16

Expressed in EUR

Income		53,348.51
Net dividends		3,048.91
Net interest on bonds		50,299.60
Expenses		198,190.15
Amortisation of formation expenses	Note 2.3	8,490.54
Management Company fees	Note 3	49,687.95
Global fees	Note 5	28,478.85
Depositary and Administration fees		1,120.33
Taxe d'abonnement	Note 6	1,428.60
Administrative fees		33,055.56
Domiciliation fees		3,620.22
Professional fees		14,803.81
Bank interest on overdrafts		934.06
Legal fees		9,605.56
Transaction fees	Note 2.4	6,670.10
Shareholder servicing fees		5,442.61
Directors Fees		13,050.62
Other expenses		21,801.34
Net loss from investments		-144,841.64
Net realised profit / loss on:		
- sales of investment securities		71,186.51
- financial futures		-2,493.38
- foreign exchange		-5,778.36
Net realised loss		-81,926.87
Movement in net unrealised appreciation / depreciation on:		
- investments		1,837.16
- financial futures		-2,050.24
Decrease in net assets as a result of operations		-82,139.95
Subscription capitalisation shares		6,831,453.37
Redemption capitalisation shares		-4,881.64
Increase in net assets		6,744,431.78
Net assets at the beginning of the period		0.00
Net assets at the end of the period		6,744,431.78

THESAN SICAV

- Flexible Bond

THESAN SICAV - Flexible Bond

Financial Statements as at 31/12/16

Statement of net assets as at 31/12/16

Expressed in EUR

Assets			5,803,021.43
Securities portfolio at market value	Note 2.2		5,181,006.71
<i>Cost price</i>			5,184,964.61
<i>Unrealised loss on the securities portfolio</i>			-3,957.90
Cash at banks and liquidities			45,450.40
Interest receivable			54,552.58
Formation expenses	Note 2.3		22,086.28
Subscriptions receivable			499,925.46
Liabilities			55,810.67
Directors fees payable			2,586.01
Taxe d'abonnement payable	Note 6		956.14
Management Company fees payable	Note 3		15,108.16
Unrealised net depreciation on financial futures	Note 7		1,025.12
Global fees payable	Note 5		17,848.65
Depositary and Administration fees payable			120.56
Administrative fees payable			1,875.00
Accrued audit fees			7,842.98
Shareholder servicing fees payable			2,593.03
Other liabilities			5,855.02
Net asset value			5,747,210.76

Changes in number of shares outstanding from 11/04/16 to 31/12/16

	Shares outstanding as at 11/04/16*	Shares issued	Shares redeemed	Shares outstanding as at 31/12/16
R Share Class				
Capitalisation shares	0.000	59,709.760	50.660	59,659.100

Key figures

Period ending as at: **31/12/16**

Total Net Assets EUR 5,747,210.76

R Share Class

	EUR
Capitalisation shares	
Number of shares	59,659.100
Net asset value per share	96.33

* Launch date of the Sub-Fund

THESAN SICAV - Flexible Bond

Securities portfolio as at 31/12/16

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market			4,970,196.71	86.48
Bonds			3,635,093.71	63.25
<i>France</i>			<i>238,269.67</i>	<i>4.15</i>
100,000.00	EDF 1.00 16-26 13/10A	EUR	96,282.00	1.68
150,000.00	EDF REGS 3.625 15-25 13/10S	USD	141,987.67	2.47
<i>Germany</i>			<i>136,617.83</i>	<i>2.38</i>
50,000.00	DAIMLER AG 4.125 13-17 03/04A	NZD	33,182.83	0.58
100,000.00	DEUTSCHE BANK AG 4.50 16-26 19/05A	EUR	103,435.00	1.80
<i>Italy</i>			<i>1,713,765.64</i>	<i>29.81</i>
100,000.00	INTESA SAN PAOLO 5.15 10-20 16/07A	EUR	110,217.00	1.92
100,000.00	ITALIA LONG TERM TB 2.80 16-67 01/03S	EUR	89,102.00	1.55
50,000.00	ITALY BOT 1.65 15-32 01/03S	EUR	46,870.00	0.82
150,000.00	ITALY BOT 2.25 16-36 01/09S	EUR	145,692.00	2.54
175,000.00	ITALY BTP 1.60 16-26 01/06S	EUR	173,101.25	3.01
50,000.00	ITALY BTP 2.70 16-47 01/03S	EUR	47,930.00	0.83
500,000.00	ITALY INFL. INDEX 0.35 16-24 24/10S	EUR	500,108.75	8.69
150,000.00	ITALY INFL. INDEX 0.40 16-24 11/04S	EUR	148,937.11	2.59
100,000.00	ITALY INFL. INDEX 1.65 14-20 23/04S	EUR	105,108.53	1.83
150,000.00	TELECOM ITALIA SPA 3.00 16-25 30/09A	EUR	151,191.00	2.63
200,000.00	UGF 3.00 15-25 18/03A	EUR	195,508.00	3.40
<i>Luxembourg</i>			<i>176,159.28</i>	<i>3.07</i>
200,000.00	TI CAPITAL 6.00 05-34 30/09S	USD	176,159.28	3.07
<i>Mexico</i>			<i>86,867.98</i>	<i>1.51</i>
100,000.00	PETROLEOS MEXICANOS 3.50 13-23 30/01S	USD	86,867.98	1.51
<i>The Netherlands</i>			<i>482,842.25</i>	<i>8.40</i>
200,000.00	CNH INDUSTRIAL FIN 4.50 16-23 15/08S	USD	187,523.11	3.26
100,000.00	FIAT CHRYSLER A 3.75 16-24 29/03A	EUR	104,043.00	1.81
100,000.00	PETROBRAS INTL FIN 4.875 11-18 07/03A	EUR	103,790.00	1.81
100,000.00	TEVA PHARMA NE 3.15 16-26 01/10S	USD	87,486.14	1.52
<i>United Kingdom</i>			<i>190,729.56</i>	<i>3.32</i>
200,000.00	VEDANTA RES REGS 6.00 13-19 31/01S	USD	190,729.56	3.32
<i>United States of America</i>			<i>609,841.50</i>	<i>10.61</i>
50,000.00	APPLE 3.70 15-22 28/08	AUD	34,869.22	0.61
150,000.00	ARCONIC 5.40 11-21 15/04S	USD	151,506.04	2.64
50,000.00	DISCOVERY COMM 4.90 16-26 11/03M	USD	49,840.25	0.87
50,000.00	HEWLETT PACKARD 4.05 12-22 15/09S	USD	49,159.52	0.86
200,000.00	USA TREASURY NOTES 1.625 16-26 15/05S	USD	176,700.64	3.06
50,000.00	VERIZON COMMUNICATION 5.15 13-23 15/09S	USD	52,381.14	0.91
50,000.00	VIACOM 3.875 14-24 01/04S	USD	46,030.34	0.80
50,000.00	XEROX 4.50 11-21 15/05S	USD	49,354.35	0.86
Floating rate bonds			1,335,103.00	23.23
<i>Italy</i>			<i>1,157,909.00</i>	<i>20.15</i>
350,000.00	ASSICURAZIONI GENERAL FL.R 16-48 08/06A	EUR	355,929.00	6.19
250,000.00	CASSA DEPOSITI PRESTI FL.R 15-22 20/03Q	EUR	248,142.50	4.32
150,000.00	ITALY FL.R 99-19 30/08A	EUR	149,977.50	2.61
200,000.00	ITALY CCTS FL.R 10-17 15/10S	EUR	201,480.00	3.51
200,000.00	ITALY CCTS FL.R 11-17 15/06S	EUR	202,380.00	3.52
<i>The Netherlands</i>			<i>177,194.00</i>	<i>3.08</i>
200,000.00	VW INTL FINANCE SUB FL.R 15-XX 20/03A	EUR	177,194.00	3.08
Shares/Units of UCITS/UCIS			210,810.00	3.67
Shares/Units in investment funds			210,810.00	3.67
<i>Ireland</i>			<i>210,810.00</i>	<i>3.67</i>
1,000.00	ISHS JPMORGA EM USD SHS USD ETF	EUR	103,740.00	1.81
1,000.00	ISHS USD CO BOND USD	EUR	107,070.00	1.86
Total securities portfolio			5,181,006.71	90.15

THESAN SICAV - Flexible Bond

Statement of Operations and Changes in Net Assets from 11/04/16 to 31/12/16

Expressed in EUR

Income		37,794.40
Net interest on bonds		37,794.40
Expenses		112,465.94
Amortisation of formation expenses	Note 2.3	4,245.27
Management Company fees	Note 3	29,274.83
Global fees	Note 5	17,848.65
Depositary and Administration fees		679.62
Taxe d'abonnement	Note 6	1,068.41
Administrative fees		16,250.00
Domiciliation fees		1,810.11
Professional fees		7,842.98
Bank interest on overdrafts		472.93
Legal fees		5,512.39
Transaction fees	Note 2.4	3,055.18
Shareholder servicing fees		3,506.32
Directors Fees		8,600.50
Other expenses		12,298.75
Net loss from investments		-74,671.54
Net realised profit / loss on:		
- sales of investment securities		25,038.84
- foreign exchange		-6,259.42
Net realised loss		-55,892.12
Movement in net unrealised appreciation / depreciation on:		
- investments		-3,957.90
- financial futures		-1,025.12
Decrease in net assets as a result of operations		-60,875.14
Subscription capitalisation shares		5,812,967.54
<i>R Share Class</i>		<i>5,812,967.54</i>
Redemption capitalisation shares		-4,881.64
<i>R Share Class</i>		<i>-4,881.64</i>
Increase in net assets		5,747,210.76
Net assets at the beginning of the period		0.00
Net assets at the end of the period		5,747,210.76

THESAN SICAV
- Flexible Allocation

THESAN SICAV - Flexible Allocation

Financial Statements as at 31/12/16

Statement of net assets as at 31/12/16

Expressed in EUR

Assets		1,030,796.48
Securities portfolio at market value	Note 2.2	935,837.63
<i>Cost price</i>		930,042.57
<i>Unrealised profit on the securities portfolio</i>		5,795.06
Cash at banks and liquidities		66,015.98
Interest receivable		6,856.58
Formation expenses	Note 2.3	22,086.29
Liabilities		33,575.46
Directors fees payable		1,164.00
Taxe d'abonnement payable	Note 6	248.36
Management Company fees payable	Note 3	6,246.45
Unrealised net depreciation on financial futures	Note 7	1,025.12
Global fees payable	Note 5	10,630.20
Depositary and Administration fees payable		33.46
Administrative fees payable		1,875.00
Accrued audit fees		6,960.83
Shareholder servicing fees payable		1,029.69
Other liabilities		4,362.35
Net asset value		997,221.02

Changes in number of shares outstanding from 11/04/16 to 31/12/16

	Shares outstanding as at 11/04/16*	Shares issued	Shares redeemed	Shares outstanding as at 31/12/16
R Share Class				
Capitalisation shares	0.000	10,184.970	0.000	10,184.970

Key figures

Period ending as at: **31/12/16**

Total Net Assets EUR 997,221.02

R Share Class

EUR

Capitalisation shares

Number of shares	10,184.970
Net asset value per share	97.91

* Launch date of the Sub-Fund

THESAN SICAV - Flexible Allocation

Securities portfolio as at 31/12/16

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market			896,257.63	89.99
Shares			237,111.20	23.81
<i>France</i>			<i>65,631.35</i>	<i>6.59</i>
100.00	BIC	EUR	12,915.00	1.30
500.00	CIE DE SAINT-GOBAIN	EUR	22,127.50	2.22
230.00	VINCI SA	EUR	14,881.00	1.49
870.00	VIVENDI SA	EUR	15,707.85	1.58
<i>Germany</i>			<i>24,752.00</i>	<i>2.49</i>
350.00	DAIMLER AG REG SHS	EUR	24,752.00	2.49
<i>Italy</i>			<i>130,577.10</i>	<i>13.11</i>
6,600.00	ASCOPIAVE	EUR	17,978.40	1.81
1,000.00	DANIELI (ORD)	EUR	19,310.00	1.94
3,900.00	ENEL SPA	EUR	16,333.20	1.64
1,250.00	ENI SPA	EUR	19,337.50	1.94
1,500.00	ERG SPA	EUR	15,300.00	1.54
3,000.00	INFRASTRUTTURE WIRELESS ITALIANE SPA	EUR	13,206.00	1.33
12,000.00	INTESA SANPAOLO SPA	EUR	29,112.00	2.91
<i>United States of America</i>			<i>16,150.75</i>	<i>1.62</i>
500.00	NEWMONT MINING CORP	USD	16,150.75	1.62
Bonds			456,226.13	45.81
<i>Germany</i>			<i>50,487.00</i>	<i>5.07</i>
50,000.00	THYSSENKRUPP AG 2.50 15-25 25/02S	EUR	50,487.00	5.07
<i>Italy</i>			<i>188,017.00</i>	<i>18.88</i>
100,000.00	ITALIA LONG TERM TB 2.80 16-67 01/03S	EUR	89,102.00	8.95
100,000.00	ITALY BTP 1.60 16-26 01/06S	EUR	98,915.00	9.93
<i>Mexico</i>			<i>43,433.99</i>	<i>4.36</i>
50,000.00	PETROLEOS MEXICANOS 3.50 13-23 30/01S	USD	43,433.99	4.36
<i>Portugal</i>			<i>49,414.00</i>	<i>4.96</i>
50,000.00	PORTUGAL 2.20 15-22 17/10A	EUR	49,414.00	4.96
<i>The Netherlands</i>			<i>46,880.77</i>	<i>4.71</i>
50,000.00	CNH INDUSTRIAL FIN 4.50 16-23 15/08S	USD	46,880.77	4.71
<i>United States of America</i>			<i>77,993.37</i>	<i>7.83</i>
30,000.00	FRESENIUS MED CARE 4.75 14-24 15/10S	USD	28,833.85	2.90
50,000.00	HEWLETT PACKARD 4.05 12-22 15/09S	USD	49,159.52	4.93
Floating rate bonds			202,920.30	20.37
<i>Italy</i>			<i>202,920.30</i>	<i>20.37</i>
50,000.00	ASSICURAZ GENERALI FL.R 06-XX 16/06A	GBP	57,403.35	5.76
50,000.00	BANCA IMI FL.R 13-20 18/10Q	USD	45,895.95	4.61
50,000.00	CASSA DEPOSITI PRESTI FL.R 15-22 20/03Q	EUR	49,628.50	4.98
50,000.00	ITALY FL.R 99-19 30/08A	EUR	49,992.50	5.02
Shares/Units of UCITS/UCIS			39,580.00	3.97
Shares/Units in investment funds			39,580.00	3.97
<i>Ireland</i>			<i>39,580.00</i>	<i>3.97</i>
2,000.00	ETFX DAXGLOBAL GOLD MINING FUND ETF	EUR	39,580.00	3.97
Total securities portfolio			935,837.63	93.96

THESAN SICAV - Flexible Allocation

Statement of Operations and Changes in Net Assets from 11/04/16 to 31/12/16

Expressed in EUR

Income		15,554.11
Net dividends		3,048.91
Net interest on bonds		12,505.20
Expenses		85,724.21
Amortisation of formation expenses	Note 2.3	4,245.27
Management Company fees	Note 3	20,413.12
Global fees	Note 5	10,630.20
Depositary and Administration fees		440.71
Taxe d'abonnement	Note 6	360.19
Administrative fees		16,805.56
Domiciliation fees		1,810.11
Professional fees		6,960.83
Bank interest on overdrafts		461.13
Legal fees		4,093.17
Transaction fees	Note 2.4	3,614.92
Shareholder servicing fees		1,936.29
Directors Fees		4,450.12
Other expenses		9,502.59
Net loss from investments		-70,170.10
Net realised profit / loss on:		
- sales of investment securities		46,147.67
- financial futures		-2,493.38
- foreign exchange		481.06
Net realised loss		-26,034.75
Movement in net unrealised appreciation / depreciation on:		
- investments		5,795.06
- financial futures		-1,025.12
Decrease in net assets as a result of operations		-21,264.81
Subscription capitalisation shares		1,018,485.83
<i>R Share Class</i>		<i>1,018,485.83</i>
Increase in net assets		997,221.02
Net assets at the beginning of the period		0.00
Net assets at the end of the period		997,221.02

THESAN SICAV

Notes to the financial statements

THESAN SICAV

Notes to the financial statements as at 31 December 2016

Note 1 - Activity

THESAN SICAV ("The Company") was incorporated in Luxembourg on 9 February 2016 and is registered at the Register of Commerce and Companies of Luxembourg under number B 203934. The Company has adopted the status of an investment company with variable capital ("SICAV") and qualifies as a collective investment undertaking under Part I of the Luxembourg Law of the 17 December 2010 relating to Undertakings for Collective Investment.

The Articles of Incorporation have been published in the Mémorial, Recueil Spécial des Sociétés et Associations (The "Mémorial") on 16 February 2016.

The minimum share capital of the Company is the equivalent of EUR 1,250,000.00 which shall be reached within 6 months from its constitution.

The Company has designated Pharos Management Lux S.A. as its Management Company.

The Company is a multi-compartment structure consisting of several sub-funds, each one representing a specific portfolio of assets and liabilities.

As at 31 December 2016, two sub-funds are active:

- **THESAN SICAV - Flexible Bond**
- **THESAN SICAV - Flexible Allocation**

Note 2 - Principal accounting policies

2.1 Presentation of the financial statements

The financial statements are prepared in accordance with Luxembourg legal and regulatory requirements relating to investment funds and generally accepted accounting principles in Luxembourg.

2.2 Valuation of investments

The value of any cash in hand or on deposit, discount notes, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such provision as the Company may consider appropriate in such case to reflect the true value thereof.

The value of all securities which are listed on an official stock exchange is determined on the basis of the last available prices as at 31 December 2016. If there is more than one stock exchange on which the securities are listed, the Board of Directors may in its discretion select the stock exchange which shall be the principal stock exchange for such purposes.

Securities traded on a regulated market are valued in the same manner as listed securities.

Securities which are not listed on an official stock exchange or traded on a regulated market shall be valued by the Company in accordance with valuation principles decided by the Board of Directors, at a price no lower than the bid price and no higher than the ask price on the relevant Valuation Date.

Derivatives and repurchase agreements which are not listed on an official stock exchange or traded on a regulated market shall be valued by the Company in accordance with valuation principles decided by the Directors on the basis of their marked-to-market price.

Term deposits shall be valued at their present value.

Traded options and futures contracts to which the Company is a party which are traded on a stock, financial futures or other exchange shall be valued by reference to the profit or loss which would arise on closing out the relevant contract at or immediately before the close of the relevant market.

Notes to the financial statements as at 31 December 2016 (continued)

Note 2 - Principal accounting policies (continued)

2.2 Valuation of investments (continued)

All securities or other assets for which the valuation in accordance with the above sub-paragraphs would not be possible or practicable, or would not be representative of their fair realization value, will be valued at their fair realization value, as determined in good faith and prudently pursuant to the procedures established by the Board of Directors.

Amounts determined in accordance with such valuation principles shall be translated into the currency of the Sub-Fund's accounts at the respective exchange rates, using the relevant rates quoted by a bank or another first class financial institution.

The principal exchange rates applied at period-end are the followings:

1 EUR =	1.45660	AUD
	0.85360	GBP
	1.51265	NZD
	1.05475	USD

2.3 Formation expenses

Formation expenses are amortised over a period of five years.

2.4 Transaction fees

Transaction fees include custodian transaction fees and settlement fees linked to transactions on portfolio securities and futures contracts.

2.5 Cross Investment

As at 31 December 2016, there is no cross investment.

Note 3 - Management Company fees

Pharus Management Lux S.A. is entitled to receive a management company fee payable at the end of quarter and calculated on the average net asset value of each class of share during the relevant quarter.

The applicable annual rates are :

Total Net Assets of the Company	Minimum Yearly for the Company	p.a. in %
Under EUR 50 mio	EUR 60,000	0.15
Between EUR 50 mio and EUR 100 mio	EUR 65,000	0.13
Over EUR 100 mio	EUR 110,000	0.11

Note 4 - Performance fees

The Company pays for all classes a performance fee, payable to the Investment Manager calculated on each valuation date and paid on a quarterly basis, provided that the net asset value per share before payment of the performance fee is higher than any (Absolute High watermark) previous quarter-end net asset value per share.

The performance fee shares is equal to 20% of the difference between the net asset value per share before performance fee and the previous quarter-end net asset value per share multiplied by the quarterly average number of shares outstanding on each valuation date.

For the period ended 31 December 2016, no performance fee has been charged to the sub-funds THESAN SICAV - Flexible Bond and THESAN SICAV - Flexible Allocation.

THESAN SICAV

Notes to the financial statements as at 31 December 2016 (continued)

Note 5 - Global fees

A Global fee is payable to the Investment Manager and to the financial intermediaries involved in the marketing and the distribution of the Fund's shares, at annual rate which could vary according to the sub-funds. The Global fee is levied on each sub-fund pro rata its net assets.

The Global fee is composed as follow :

- Distribution fee making out 70% of the Global fee
- Investment Management fee making out 30% of the Global fee

Sub-fund	Distribution fee p.a. in %	Investment Management fee p.a. in %
THESAN SICAV - Flexible Bond	1.05	0.45
THESAN SICAV - Flexible Allocation	1.05	0.45

Note 6 - Taxation

The Company is subject to an annual tax in Luxembourg corresponding to 0.05% of the net asset value as valued at the end of each quarter, and which is payable quarterly. The net asset value corresponding to a share category for "Institutional Investors" pursuant to the Luxembourg tax legislation, is subject to a reduced tax rate of 0.01% per annum, on the basis that the Company classifies the Investors in this share category as Institutional Investors within the meaning of the tax legislation.

Note 7 - Futures contracts

As at 31 December 2016, the following futures contracts are open :

THESAN SICAV - Flexible Bond

Currency	Quantity	Buy/Sell	Description	Maturity	Commitment	Unrealised appreciation/ (depreciation) in EUR
USD	1	Buy	EUR/USD (CME)	31/03/17	125,314.06	-1,025.12
					Total	-1,025.12

The broker for the issued contracts is Caceis Bank.

THESAN SICAV - Flexible Allocation

Currency	Quantity	Buy/Sell	Description	Maturity	Commitment	Unrealised appreciation/ (depreciation) in EUR
USD	1	Buy	EUR/USD (CME)	31/03/17	125,314.06	-1,025.12
					Total	-1,025.12

The broker for the issued contracts is Caceis Bank.

Note 8 - Statement of changes in portfolio

Upon request to be addressed to the registered office of the Fund, a copy of the statement of changes in the portfolio for the period ended 31 December 2016 can be obtained free of charge.

THESAN SICAV

Unaudited information

Global exposure calculation method

The commitment approach:

The following sub-funds use the commitment approach in order to monitor and measure the global exposure:

- THESAN SICAV - Flexible Bond
- THESAN SICAV - Flexible Allocation

Securities Financing Transactions and of Reuse Regulation ("SFTR")

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

Remuneration

The staff costs of the Management Company proportionated to the total net assets of the Company and the number of staff of the Management Company are available to the Shareholders at the registered office of the Management Company. The remuneration policy can be found on the website <http://www.pharusmanco.lu>.