

EFFICIENCY GROWTH FUND

Société d'Investissement à Capital Variable incorporated in
Luxembourg

Annual Report, including audited Financial
Statements, as at December 31, 2018

EFFICIENCY GROWTH FUND

No subscription can be received on the basis of this annual report, including audited financial statements. Subscriptions are only valid if made on the basis of the current prospectus accompanied by the latest annual report including audited financial statements, and the most recent semi-annual report, if published thereafter.

EFFICIENCY GROWTH FUND

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EFFICIENCY GROWTH FUND

Organisation of the SICAV

REGISTERED OFFICE	5, Allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
BOARD OF DIRECTORS OF THE SICAV	
Chairman	Mr Stefano ZAVAGLIA Managing Director, GFG Groupe Financier de Gestion (Monaco) SAM, Monaco
Directors	Mr Matteo SOLBIATI (until January 31, 2018) Senior Advisor, GFG Groupe Financier de Gestion (Monaco) SAM, Monaco Mr Miguel-Angel RUIZ Chief Operating Officer, GFG Groupe Financier de Gestion SA, Switzerland Mrs Simona INGIGNOLI (since February 1, 2018) Administrator, GFG Groupe Financier de Gestion (Monaco) SAM, Monaco
MANAGEMENT COMPANY	Pharus Management Lux S.A. 16, avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg
INVESTMENT MANAGER	GFG Groupe Financier de Gestion (Monaco) SAM « Monte Carlo Sun » Bloc E/F, bureau N°211 74, Boulevard d'Italie 98000 Monaco
DEPOSITARY	CACEIS Bank, Luxembourg Branch 5, Allée Scheffer, L-2520 Luxembourg Grand Duchy of Luxembourg
ADMINISTRATIVE AGENT, PAYING AGENT, DOMICILIARY, REGISTRAR AND TRANSFER AGENT	CACEIS Bank, Luxembourg Branch 5, Allée Scheffer, L-2520 Luxembourg Grand Duchy of Luxembourg
REPRESENTATIVE IN ITALY	Studio Ghidini, Girino & Associati, Via Santa Sofia 12, I-20122 Milano, Italy
CABINET DE RÉVISION AGRÉÉ /AUDITOR	Deloitte Audit, <i>Société à responsabilité limitée</i> 560, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg
DISTRIBUTION AGENTS AND PAYING AGENTS IN ITALY	ALLFUNDS BANK S.A. Succursale di Milano, Via Santa Margherita 7, I-20121 Milano, Italy SGSS S.p.A. Via Benigno Crespi, 19/A - MAC2 I-20159 Milano, Italy

EFFICIENCY GROWTH FUND

General information

EFFICIENCY GROWTH FUND (the “SICAV”) will publish an Annual Report, including Audited Financial Statements, within four months after the end of the business year and a Semi-annual Report, including unaudited financial statements, within two months after the end of the period to which it refers.

All these reports will be made available to the Shareholders at the registered office of the SICAV, the Depositary and the distributors.

The net asset value per share of each sub-fund as well as the subscription and redemption prices will be made available to the public at the offices of the Depositary and the distributors.

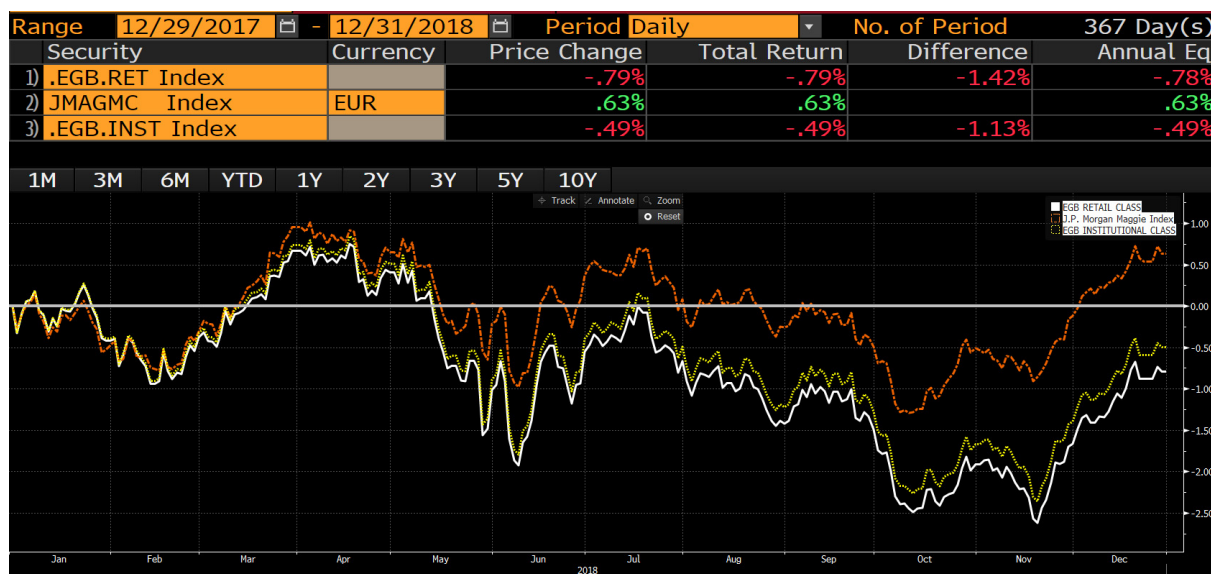
Any amendments to the Articles of Incorporation will be published in the *Recueil Électronique des Sociétés et Associations* ("RESA") of the Grand Duchy of Luxembourg.

EFFICIENCY GROWTH FUND

Investment Manager's report

EFFICIENCY GROWTH FUND - EURO GLOBAL BOND

In 2018, Euro Global Bond registered a performance of -0.79% for the Retail share class and -0.49% for the Institutional share class versus +0.63% for the reference index (J.P. Morgan Maggie Index).



Source: Bloomberg

FIRST QUARTER

Volatility came back this year after the exceptionally low levels of 2017.

In particular, it materialized in two forms:

- **Inflation scare:** a higher than expected rise in the January Average Hourly Earnings in the US triggered fears of a faster-than-expected increase in inflation. All major asset classes corrected, with rates reaching new highs. The yield on 10-year US Treasuries came close to the psychological level of 3%, with European rates following the movement.
- **Global trade war threat:** in accordance with what he promised in his manifesto, Trump announced tariffs on steel and aluminum imports. It later became clear that China was the main target, with US threatening 100\$ billion tariffs on Chinese imports as retaliation against intellectual property theft.

Markets dropped due to fears of a trade war between the two world's biggest players.

Credit suffered from important outflows and was the main source of our underperformance. Given our positive view on equity and the correlation between the two asset classes, we maintained our overweight on credit.

At the beginning of the year, we observed a remarkable resilience of **peripheral assets**, and in particular of Italy, even if more than one month after the elections no agreement on the governing coalition had been reached.

SECOND QUARTER

The catalyst of the second quarter was clearly the political situation in **Italy**.

Months of negotiations between 5 Star Movement and Northern League led to a new coalition government headed by Giuseppe Conte. His economic program based on the three pillars of flat tax, pension reform and citizen's income spurred fears of a renewed Italian debt crisis. The 10-year BTP yield jumped above 3% for the first time in 4 years, while an impressive lack of liquidity exacerbated the sell-off. The situation started to normalize after Finance Minister Tria reassured markets by saying that Italy will not leave the Euro and the country will prioritize structural reforms over deficit spending.

EFFICIENCY GROWTH FUND

Investment Manager's report (continued)

In June, the **ECB** announced the much-awaited details of the end of QE. Asset purchases were scheduled to continue until the end of the year at a pace of EUR 15bn per month.

Regarding our **positioning**, we kept our underweight on core assets and our overweight on peripherals. Regarding Italy in particular, we bought some short-term BTP after the May sell-off in order to profit from the market dislocation.

Credit kept delivering disappointing results over the quarter. We started reducing our exposure to senior bonds, which are closely correlated to the German Bund.

THIRD QUARTER

In the third quarter, the first headlines regarding the **Italian budget law** started to emerge. Markets feared a worsening of the country's deficit, leading to tensions with the European Union and possibly to actions by rating agencies. The Government's decision to present a 2.4% budget deficit for 2019 took markets by surprise and the 10-year BTP yield jumped above 3% retesting the highs of May.

The BTP also suffered due to the Turkish turmoil, showing Italy's high beta to market risks. During the Italian sell-off, both Spain and Portugal behaved more like semi-core assets than peripheral assets and contagion effects were extremely limited.

Credit was once again disappointing but we kept our positioning as we expected a rebound in case of a normalization of the Italian situation.

FOURTH QUARTER

Uncertainty prevailed during the quarter with markets nervous about US-China negotiations, Brexit, the European economy losing momentum and stocks registering heavy losses. In this risk-off context, the Bund yield closed the year on the lows at 0.24%, making core fixed income one of the few positive asset classes in 2018.

The **ECB** ended the asset purchase program but will continue to provide substantial stimulus to the economy through the reinvestment of maturing securities.

In the US, the **Fed** raised rates in December but will most likely keep the policy on hold at the beginning of next year, waiting for more data on the status of the US economy.

The **Italian political saga** came to an end as the Government agreed to lower the budget deficit, finding a compromise with the European Commission just before the end of the year. Our overweight positioning on Italy benefitted from the BTP-Bund spread tightening towards the 250bps area.

In 2019, we still expect **uncertainties** to remain. In particular, we believe negotiations between the US and China will be long and complex and will certainly weigh on investor's expectations on the future of the two major world economies. In the UK, the Parliament will have to vote the Brexit deal and a "no vote" would trigger further political instability as the Brexit deadline approaches. European Parliamentary Elections will also represent a significant risk factor for next year.

We start 2019 with a spread position, long on Italy and short on core assets. We keep our positive bias on credit but we envisage reducing our exposure in case of a significant rebound.

EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY

The 2018 Income Opportunity performance stands at **-7.94%** for the institutional share class (**LU1620753571**) and **-8.44%** for the retail share class (**LU1620753811**).

Income opportunity fund is a total return fund which aims to return a 3% to 4% annualized return net of fees investing in Euro corporate bonds and implementing a long/short strategy on a basket of equity stocks.

EFFICIENCY GROWTH FUND

Investment Manager's report (continued)



Source: Bloomberg

JANUARY 2018

Regarding the bond portion, January was overall a positive month albeit with two stories to tell. Continuing the growth path of 2017, in the first 25 days of the month, our performance was extremely positive, with record highs in world stocks pushing credit bonds to the highest levels seen since 2015. The last week of the month however introduced volatility as ECB President Mr Draghi's comments on inflation were seen as relatively hawkish and these were followed by rising bond yields in the USA.

Regarding the equity portion, January was characterised by one of the strongest move in Equity Indexes since 1987 that pushed stocks to peak price multiple, thanks to a positive development of the earnings season and positive comments from US companies about the impact of the recently approved tax bill.

Our portfolio posted a divergent performance across the US and the European geographies. The long/short worked in US but not in Europe where we suffered from negative alpha. This divergent performance coupled with a contained net exposure produced a slight negative result. The best performing sectors in the portfolio were Industrial and Financial, while Telecoms and Consumer staples were the worst two.

This month Income Opportunity Fund ("IOF") returned a positive **performance of +0.29%**.

FEBRUARY 2018

Regarding the bond portion, February showed material weakness in risk assets as the resurgence of inflation in the USA scared both equity and rates markets. Our portfolio of securities indeed suffered mark to market volatility as both credit and government securities incurred principal losses due to this. Corporate risk in particular was impacted more than financial issuers for whom a rising interest rate environment is more favourable. The shift in sentiment was systemic, with no single bond impacted by idiosyncratic stories.

Regarding the equity portion, February witnessed a significant sell-off in global equities. Concerns over rising inflation and interest rates triggered a notable sell-off early in the month and pushed volatility to the levels last seen in 2015 (as of the VIX Index), when the market was concerned about the strength and stability of China. Our long/short book performance was negatively driven by the European book, as in this market the bounce back from the lows (touched early in the month) was less pronounced than in the S&P 500.

We increased the Equity gross exposure during February and we are now waiting for some clarity regarding the political events that will take place in Italy and Germany, before redeploying the available cash.

This month IOF returned a negative **performance of -0.83%**.

EFFICIENCY GROWTH FUND

Investment Manager's report (continued)

MARCH 2018

The markets were dominated by two other events:

- ✓ Reciprocal trade tariffs announced by the US administration and China,
- ✓ A sell off in some highly crowded big market cap stocks (Facebook, Apple, Nvidia) that ended up affecting the whole market.

All our portfolio was negatively affected by the aforementioned two events. The macro backdrop however remains favourable, with strong US GDP print (+2.9% vs 2.7% expected), inflation under control and unemployment at its lowest levels of 4.1%.

Regarding the bond portion, our mark to market losses were widespread in the portfolio with no company suffering any price drop. Volatility will remain a feature of Q2 and of 2018. As such, we enter April with an unchanged bond portfolio, confident that value will prevail and mean revert to fairer levels as uncertainty is answered and the carry of our holdings more than compensates the current mark to market losses.

The prospects of a trade war will continue to monopolize the attention of the equity markets.

This month IOF returned a negative **performance of -1.65%**.

APRIL 2018

Macro volatility continued to underpin the markets. April was indeed the month where volatility happened in currency markets where the US dollar strengthened materially. Geopolitical headlines continued also to play a significant role in unsettling equity investors, particularly the prospect of a "trade war" between the US and China alongside an escalation of tensions between the US and Russia over the situation in Syria.

Regarding the bond portion, in this context, our fixed income allocation contributed positively to the fund through capital appreciation in bonds and positive carry ultimately. The market however continues to trade erratically, still undecided if credit is a cheap or expensive asset class. This will most probably be addressed in May as earnings and macro data indicate the way for the summer months.

Regarding the equity portion, our portfolio posted positive return in the European bucket and a negative return in the US one. The best performing sectors for our portfolio were Energy and Real Estate, the worst performing were Financials and Industrial. The negative performance of these two sectors brought down the performance of the whole portfolio within the last four trading days. It was driven by mainly the following factors:

- ✓ For the Industrials it was the guidance given by Caterpillar which was interpreted as peak of the cycle for the whole industry and brought down both US and European names,
- ✓ For the Financials it was the flattening of the US yield curve and the forward looking implications of such flattening.

This month IOF returned a positive **performance of +0.21%**.

MAY 2018

Macro view was dominated by heightened political risk in May. The US administration's approach to global trade and North Korea remained uncertain; Italy's new populist government triggered a risk-off move in the bond market.

Regarding the bond portion, our core holdings in financials on a mark-to-market basis have been severely impacted by the Italian crisis. Indeed, nothing of an idiosyncratic nature happened to any of our corporate issuers but being the crisis systemic (the threat of a euro breakup), it dragged down the prices of all our holdings in just 10 trading sessions. Markets have partially recovered as Italy has now formed a government and toned down any anti-Euro talk.

EFFICIENCY GROWTH FUND

Investment Manager's report (continued)

Regarding the equity portion, our portfolio posted a small positive performance for the month, mainly driven by the US book as the European one was negatively impacted by the Italian political turmoil. Also our equity book overall suffered from its high exposure to the Financial sector that was the worst performer last month.

This month IOF returned a negative **performance of -1.77%**.

JUNE 2018

Macro view has been driven by fulfilled expectations in terms of central bank actions but the limelight was unfortunately stolen by the resurgence of geopolitical tensions and risk.

Regarding the bond portion, the fixed income market is now structurally different from those of the last few years and that with which we started the year: the end of QE programs is now being felt across asset classes as decompression of spread trades (very evident in credit), higher volatility and reduced liquidity have taken over from years of excesses. We will adjust our portfolio in the coming months reducing duration, carrying less coupons and tactically holding more cash-like products in the higher part of the credit spectrum. Credit is now relatively cheap and offering yield in segments that were extremely rich just a few months ago.

Ultimately, if trade wars find a solution in the coming months we expect that equity volatility will reduce and as this is accompanied by the compression of the btp/bund spread towards 180/200 basis points (currently 234bps), we believe bonds will recover part of their losses.

Regarding the equity portion, trade concerns have weighed on equity markets, with markets outside the US most affected (has dragged on Chinese, Emerging Market equities and European equities).

Our portfolio posted a positive performance on both geographies, both long and short names contributed to it. The sectors that delivered the best performance in our book were Technology, Real Estate and Materials, those that delivered the worst performance were Financials, Industrial and Consumer Discretionary.

This month IOF returned a negative **performance of -0.38%**.

JULY 2018

Macro view has been driven by acute trade tensions with harsh rhetoric from both US and China.

Regarding the bond portion, July saw a very strong rebound of the credit part of the book while the sovereign bonds have been flat. In the month of August, we will operate a consistent and extensive portfolio rotation in order to reduce the idiosyncratic risk as well as liquidity risk alongside with the Italian and Financial ones. We will consequently increase the cash and money market portions of the portfolio.

Regarding the equity portion, the US continued to report above-trend economic data. Retail sales grew 6.6% year on year for the month of June. This is the fastest pace of spending growth since 2012. Businesses indicators were similarly optimistic.

In Europe surveys in July suggested that activity is stabilizing at a level that is still consistent with growth of around 2%.

Our portfolio posted a small negative performance; this was due to a combination of negative alpha (mainly in the European book) that took place in the first part of the month and low net exposure. The sectors that delivered the best performance in our book were Energy, Health Care and Financials, those that delivered the worst performance were Technology, Consumer Discretionary and Utilities.

This month IOF returned a positive **performance of +1.29%**.

EFFICIENCY GROWTH FUND

Investment Manager's report (continued)

AUGUST 2018

August was a difficult month with the reintroduction of US sanctions against Iran, new tensions between Turkey and the US, a deterioration of trade talks between the US and China and volatility in the Italian government bond market. Most equity markets and risk assets sold off, except the S&P500, where strong macro data and a general absence of any inflation concerns pushed the index higher.

The figure for the second quarter GDP growth was impressive. Net trade and consumption both increased strongly and all indicators point to another robust print for the third quarter. So far, trade tensions had little impact on business sentiment in the US.

In Europe, the softness in economic activity seen at the start of the year was temporary. A rebound in the second half of the year is quite likely. Second-quarter GDP growth has been revised up to 2.2% annualized.

Regarding the portfolio, the main detractor has been the bond component. In fact the equity leg generated a positive monthly return on both Europe and US, thanks to both a correct capital allocation across sectors/names and a relatively low net exposure throughout most of the month. The sectors delivering the best performance in our book were Utilities, Basic Materials and Consumer Cyclical; while the worst performers were Communications, Energy and Consumer Non-Cyclical.

This month IOF returned a negative **performance of -0.77%**.

SEPTEMBER 2018

Stability in growth and employment figures allowed the Fed to drop its accommodative monetary policy and increase its rate by 25 basis points while reaffirming its outlook for further gradual hikes into 2019.

In Europe September started strongly with the Italian 10-year BTPs dropping from 3.38% to 2.78% and European banks shares strongly up (+7%) by mid-month with both giving back most of the gains on the very last trading day of the month, when Italy proposed a higher-than-expected deficit of 2.4% of GDP. European credit was little changed over the month with High Yield (up +0.12%) outperforming Investment Grade credit (down -0.33%).

Main alpha generators were the high yield corporate bond of Norican (positive momentum after the good results), Casino Guichard (deleverage announcement overshadowing doubts on the health of the French business), the recent At1 issued by Abanca Corp Bancaria (mid-size Spanish bank) and the relative value trade on French Cac40 versus S&P500. The main detractors were Aviva, following weak results from RSA, and Barclays USD At1 & Equity, negatively affected by the sharp move in US treasury yield and Brexit newsflows.

This month IOF returned a negative **performance of -0.11%**.

OCTOBER 2018

In the US, equity markets were sharply lower (S&P500 -6.8%). Concerns over the sustainability of recent earnings strength and the economic cycle added to numerous ongoing geopolitical issues.

Eurozone shares and other regional equity markets (MSCI EMU -6.5%) were down on the month. Tightening global financial conditions, trade concerns, the ongoing dispute over Italy's budget, and some weaker corporate earnings contributed to the weak returns.

Italy's 2019 budget proposal was rejected by the European Commission, who gave the country a three-weeks deadline for submitting a new draft.

The main detractors of our fixed income portfolio were our Cocos exposure (Bankia, Banco de Sabadell) which were penalised by a Spanish Court ruling on mortgage taxation and the High Yield securities in general (Kongsberg, AkzoNobel's specialty chemicals (Starfruit) and Ziggo). Our equity leg has also been impacted by the strong sell-off, especially on our financials positions. On the positive, we can highlight the good performance of some of our high yield securities like the Rossini new issue and our shorts on BNP Paribas stock and equity indices (given our macro outlook).

EFFICIENCY GROWTH FUND

Investment Manager's report (continued)

The biggest risk ahead lies in the US-China trade confrontation, and we remain skeptical an agreement will be reached. Other key events are the negotiation between Italy and the European Commission and the likely back-stop Brexit deal between EU and UK. We expect volatility to continue to be above average and we keep our portfolio unlevered and opportunistic, looking to take advantage of market disruptions.

This month IOF returned a negative **performance of -2.28%**.

NOVEMBER 2018

After October's sharp drop, global equity markets regained some of their poise to post modest gains in November for US equities while Eurozone equities still finished in red with the MSCI EMU index down -0.9%. On the Credit side, current spreads levels appear to be pricing in a more adverse economic backdrop for risky assets and didn't participate to the equity bounce, with the European High Yield segment (-2.1%) underperforming the U.S. High Yield segment (-0.9%). The US administration's more hostile approach to global trade played a significant role in the risk-off sentiment that prevailed throughout most of the month. Indeed, the meeting between President Xi and President Trump at the G20 showed some inclination to de-escalate tensions, but significant areas remain where it will be difficult to find common ground.

The main detractors of our fixed income portfolio were Coco Bonds (Bankia, Abanca and Barclays) and the High Yield securities in general (Kongsberg, AkzoNobel's specialty chemicals –Starfruit– and Nidda). The equity leg has delivered a slightly positive return. In particular, we can highlight the good performance of some relative value trades and specific equity positions which have been closed during the month (Bayer, ING, AON and JP Morgan).

Market Outlook: Valuations across risky assets (price/earnings multiples in equities and credit spreads in fixed income) are more attractive following the market sell-off. However, cheaper valuations need to be balanced against a mixed growth outlook. US data are still showing a solid trend despite a few signs of slowdown, while Europe's economic readings showed persistent softening as last flash PMI indicators for November recently confirmed.

This month IOF returned a negative **performance of -1.17%**.

DECEMBER 2018

In December, US equities tumbled 9% - the biggest monthly loss in nearly a decade. Investor sentiment deteriorated amid concern about decelerating global growth and rising interest rates. The downward shift in the Federal Reserve's dot plot (from three to two rate hikes next year) was less dovish than expected, particularly given Powell's rhetoric that the central bank's balance sheet reduction was on autopilot, which accelerated the sell-off into the Christmas holidays. In Europe, the Stoxx600 fell for the third consecutive month and was down 5.5%. European High Yield Credit spreads widened roughly 35bps (-1.4%) and despite the rates rally they were unable to smooth out total returns.

The main detractors of our fixed income portfolio have been High Yield securities (Starfruit, EDF, Altice and VUE International following the decision of this company to postpone the call of their bonds) while our equity long leg has suffered from the general market weakness (Nvidia, Capgemini, Deutsche Boerse or Adidas). In particular, we highlight the good performance of our Coco bonds (Barclays, UniCredit) and some relative value trades (emerging markets vs developed markets).

Market Outlook: Looking ahead, all major advanced economies are converging to a lower rate of growth as tighter financial conditions start to bite and fiscal stimulus fades. While macroeconomic data are softening, we believe there is still some time before the next recession. In this environment, we see substantial value in a diversified fund which can maintain an overall cautious approach investing in a diversified portfolio of assets of fixed income and equity. In fixed income, we see attractive opportunities in both limited duration and negligible corporate credit risk and in more speculative credits. In equity, our long/short approach and relative value should allow to navigate well in the choppy market ahead.

This month IOF returned a negative **performance of -0.98%**.

Luxembourg, January 16, 2019

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

To the shareholders of
EFFICIENCY GROWTH FUND
Société d'Investissement à Capital Variable incorporated in Luxembourg
5, allée Scheffer
L-2520 Luxembourg

REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of EFFICIENCY GROWTH FUND (the “SICAV”) and of each of its sub-funds, which comprise the statement of net assets and the statement of investments and other net assets as at December 31, 2018 and the statement of operations and 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 financial statements give a true and fair view of the financial position of EFFICIENCY GROWTH FUND and of each of its sub-funds as at December 31, 2018, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 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 *Réviser 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 *Réviser d'Entreprises Agréé* thereon.

Other information (continued)

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 concluded 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.

Responsibility 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 the 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.

Responsibility 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 *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 July 23, 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 July 23, 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 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.

Responsibility of the *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Board of Directors of the SICAV's 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.
- 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.

For Deloitte Audit, *Cabinet de Révision Agréé*



Jan van Delden, *Réviseur d'Entreprises Agréé*
Partner

Luxembourg, March 26, 2019
560, rue de Neudorf
L-2220 Luxembourg

EFFICIENCY GROWTH FUND

Combined

EFFICIENCY GROWTH FUND
Combined
Financial Statements as at 31/12/18

Statement of net assets as at 31/12/18

Expressed in EUR

Assets		288,219,005.98
Securities portfolio at market value	Note 2d	261,853,901.35
<i>Cost price</i>		266,345,831.33
<i>Unrealised loss on the securities portfolio</i>		-4,491,929.98
Cash at banks and liquidities	Note 2d	22,468,300.26
Interest receivable		3,194,722.71
Formation expenses	Note 2l	7,446.49
Receivable from sales of securities		90.60
Subscriptions receivable		400,437.61
Net unrealised appreciation on financial futures	Note 2j	209,690.69
Net unrealised profit on swaps		32,804.80
Other receivable		51,611.47
Liabilities		1,877,056.66
Options sold at market value	Note 2j	19,780.37
<i>Options sold at cost</i>		45,488.53
Bank overdrafts		221,685.52
Payable from purchases of securities		405,440.75
"Taxe d'abonnement" payable	Note 3	16,267.51
Performance fees payable	Note 6	47.73
Redemptions payable		463,470.25
Net unrealised depreciation on forward foreign exchange contracts	Note 2g	8,930.86
Investment Management, Advisory and Management Company fees payable	Note 4, 5	684,683.66
Other payable	Note 7	56,750.01
Net asset value		286,341,949.32

EFFICIENCY GROWTH FUND

Combined

Statement of operations and changes in net assets from 01/01/18 to 31/12/18

Expressed in EUR

Income		6,831,409.85
Net dividends	Note 2h	249,038.75
Net interest on bonds	Note 2h	6,514,296.72
Bank interest on cash account		15,263.32
Other financial income		40,845.05
Received on swaps		11,966.01
Expenses		3,904,110.80
Amortisation of formation expenses		2,086.10
Investment Management, Advisory and Management Company fees	Note 4, 5	2,708,006.97
Depositary fees	Note 8	175,413.87
"Taxe d'abonnement"	Note 3	67,697.61
Administrative Agent fees	Note 8	267,829.12
Bank interest on overdrafts		69,393.13
Legal fees		17,094.98
Transaction fees	Note 2i	267,366.76
Paid on swaps		11,868.24
Professional fees, audit fees and other expenses		317,354.02
Net income from investments		2,927,299.05
Net realised profit / loss on:		
- sales of securities portfolio	Note 2e	-4,848,431.36
- options	Note 2j	113,049.54
- forward foreign exchange contracts	Note 2g	76,805.03
- financial futures contracts	Note 2j	-438,214.56
- swaps	Note 2k	-216,495.64
- foreign exchange	Note 2b	430,917.85
Net realised loss		-1,955,070.09
Movement in net unrealised appreciation / depreciation on:		
- securities portfolio		-3,673,390.57
- options		25,708.16
- forward foreign exchange contracts		-3,112.48
- financial futures contracts		313,216.78
- swaps		32,804.80
Decrease in net assets as a result of operations		-5,259,843.40
Subscription capitalisation shares		179,638,158.64
Redemption capitalisation shares		-151,562,586.76
Increase in net assets		22,815,728.48
Net assets at the beginning of the year		263,526,220.84
Net assets at the end of the year		286,341,949.32

EFFICIENCY GROWTH FUND
- EURO GLOBAL BOND

EFFICIENCY GROWTH FUND - EURO GLOBAL BOND

Financial Statements as at 31/12/18

Statement of net assets as at 31/12/18

Expressed in EUR

Assets		233,101,705.59
Securities portfolio at market value	Note 2d	216,527,034.10
<i>Cost price</i>		219,860,390.17
<i>Unrealised loss on the securities portfolio</i>		-3,333,356.07
Cash at banks and liquidities	Note 2d	13,173,997.54
Interest receivable		2,758,764.66
Formation expenses	Note 2l	7,446.49
Receivable from sales of securities		90.60
Subscriptions receivable		400,437.61
Net unrealised appreciation on financial futures	Note 2j	193,100.00
Other receivable		40,834.59
Liabilities		1,258,199.02
Options sold at market value	Note 2j	3,200.00
Bank overdrafts		193,100.00
"Taxe d'abonnement" payable	Note 3	13,447.86
Redemptions payable		463,470.25
Net unrealised depreciation on forward foreign exchange contracts	Note 2g	240.66
Investment Management, Advisory and Management Company fees payable	Note 4, 5	537,080.80
Other payable	Note 7	47,659.45
Net asset value		231,843,506.57

EFFICIENCY GROWTH FUND - EURO GLOBAL BOND

Statement of operations and changes in net assets from 01/01/18 to 31/12/18

Expressed in EUR

Income		5,047,081.50
Net interest on bonds	Note 2h	5,006,115.99
Bank interest on cash account		130.92
Other financial income		40,834.59
Expenses		2,868,506.67
Amortisation of formation expenses		2,086.10
Investment Management, Advisory and Management Company fees	Note 4, 5	2,098,415.16
Depositary fees	Note 8	142,996.97
"Taxe d'abonnement"	Note 3	55,325.30
Administrative Agent fees	Note 8	226,886.32
Bank interest on overdrafts		54,007.78
Legal fees		13,785.96
Transaction fees	Note 2i	31,476.91
Professional fees, audit fees and other expenses		243,526.17
Net income from investments		2,178,574.83
Net realised profit / loss on:		
- sales of securities portfolio	Note 2e	-1,649,181.70
- forward foreign exchange contracts	Note 2g	24,159.82
- financial futures contracts	Note 2j	326,017.30
- foreign exchange	Note 2b	-4,235.34
Net realised profit		875,334.91
Movement in net unrealised appreciation / depreciation on:		
- securities portfolio		-2,369,388.50
- options		-3,200.00
- forward foreign exchange contracts		5,577.72
- financial futures contracts		248,740.00
Decrease in net assets as a result of operations		-1,242,935.87
Subscription capitalisation shares		152,075,540.72
Redemption capitalisation shares		-136,044,797.24
Increase in net assets		14,787,807.61
Net assets at the beginning of the year		217,055,698.96
Net assets at the end of the year		231,843,506.57

EFFICIENCY GROWTH FUND - EURO GLOBAL BOND

Key figures relating to the last 3 years

	<i>Year ended as at:</i>	31/12/18	31/12/17	31/12/16
		EUR	EUR	EUR
Total Net Assets		231,843,506.57	217,055,698.96	320,921,607.04
Class I EUR				
Number of shares		1,351,698.26	1,111,710.28	1,616,115.16
Net asset value per share	EUR	115.25	115.83	117.36
Class P CHF				
Number of shares		-	4,000.00	14,500.00
Net asset value per share	CHF	-	92.25	94.32
Class P EUR				
Number of shares		383,743.79	484,179.89	767,446.47
Net asset value per share	EUR	136.30	137.40	139.62
Class P USD				
Number of shares		1,840.00	4,080.00	44,213.66
Net asset value per share	USD	108.19	106.20	105.93
Class PP EUR				
Number of shares		229,237.87	81,135.40	58,861.45
Net asset value per share	EUR	102.29	103.38	105.30
Class PP USD				
Number of shares		1,469.52	1,099.94	1,099.94
Net asset value per share	USD	106.04	104.45	104.34
Class Q EUR				
Number of shares		-	137,799.50	129,567.42
Net asset value per share	EUR	-	91.43	93.20

EFFICIENCY GROWTH FUND - EURO GLOBAL BOND

Statement of investments and other net assets as at 31/12/18

Expressed in EUR

Quantity	Denomination	Quotation currency	Cost price	Market value	% of net assets
Transferable securities admitted to an official stock exchange listing			219,860,390.17	216,527,034.10	93.39
Bonds			207,961,860.84	205,279,415.60	88.54
<i>Austria</i>			<i>4,446,240.00</i>	<i>4,328,535.20</i>	<i>1.87</i>
960,000.00	AUSTRIA 1.75 13-23 20/10A	EUR	1,069,276.80	1,050,086.40	0.45
880,000.00	AUSTRIA 3.15 12-44 20/06A	EUR	1,243,721.60	1,251,659.20	0.54
640,000.00	AUSTRIA 3.50 05-21 15/09A	EUR	745,376.00	710,336.00	0.31
880,000.00	AUSTRIA S.6 6.25 97-27 15/07A	EUR	1,387,865.60	1,316,453.60	0.57
<i>Belgium</i>			<i>13,768,946.64</i>	<i>13,327,675.50</i>	<i>5.75</i>
1,500,000.00	ANHEUSER BUSCH INBEV 1.15 18-27 22/01A	EUR	1,489,710.00	1,444,230.00	0.62
1,920,000.00	ANHEUSER BUSH INBEV 2.70 04-26 31/03A	EUR	2,185,920.00	2,084,236.80	0.90
2,010,000.00	BELGIQUE 1.00 16-26 22/06A	EUR	2,113,768.14	2,087,666.40	0.90
1,350,000.00	BELGIQUE OLO 4.25 11-21 28/09A	EUR	1,618,285.50	1,524,015.00	0.66
2,010,000.00	BELGIQUE OLO -60- 4.25 10-41 28/03A	EUR	3,178,975.80	3,013,251.30	1.30
880,000.00	BELGIUM KINGDOM 79 0.20 16-23 22/10A	EUR	890,595.20	890,032.00	0.38
2,000,000.00	BELGIUM OLO 75 1.00 15-31 22/06A	EUR	1,992,380.00	1,984,160.00	0.86
300,000.00	GBL 1.375 17-24 23/05A	EUR	299,312.00	300,084.00	0.13
<i>Egypt</i>			<i>497,750.00</i>	<i>454,355.00</i>	<i>0.20</i>
500,000.00	ARAB REP EGYPT 4.75 18-26 16/04A	EUR	497,750.00	454,355.00	0.20
<i>Finland</i>			<i>2,348,448.80</i>	<i>2,298,584.60</i>	<i>0.99</i>
350,000.00	CARGOTEC 1.75 17-22 28/03A	EUR	349,860.00	357,427.00	0.15
560,000.00	FINLAND 1.50 13-23 15/04A	EUR	612,304.00	601,736.80	0.26
480,000.00	FINLAND 2.75 12-28 04/07A	EUR	591,451.20	581,496.00	0.25
400,000.00	FINLAND 3.50 11-21 15/04A	EUR	475,912.00	436,908.00	0.19
240,000.00	FINLANDE 2.625 12-42 04/07A	EUR	318,921.60	321,016.80	0.14
<i>France</i>			<i>45,397,119.11</i>	<i>44,872,748.80</i>	<i>19.35</i>
1,000,000.00	EDF SA 4.625 09-24 11/09A	EUR	1,258,700.00	1,199,490.00	0.52
6,050,000.00	FRANCE GOVT 4.50 09-41 25/04A	EUR	9,809,777.50	9,682,359.50	4.18
6,500,000.00	FRANCE OAT 0.50 15-26 25/05A	EUR	6,524,410.00	6,570,200.00	2.83
9,430,000.00	FRANCE OAT 1.75 12-23 25/05A	EUR	10,393,790.20	10,223,157.30	4.40
10,000,000.00	FRANCE OAT 3.75 05-21 25/04A	EUR	11,200,173.91	10,985,100.00	4.73
3,500,000.00	FRANCE OAT 1.50 15-31 25/05A	EUR	3,611,737.50	3,729,390.00	1.61
600,000.00	FROMAGERIES BEL-SA 1.50 17-24 18/04A	EUR	605,700.00	571,344.00	0.25
380,000.00	SAINT GOBAIN 3.625 12-21 15/06A	EUR	431,870.00	410,742.00	0.18
800,000.00	SOCIETE GENERALE 4.00 13-23 07/06A	EUR	926,400.00	879,336.00	0.38
600,000.00	TOTAL CAPITAL INT 1.375 14-25 19/03A	EUR	634,560.00	621,630.00	0.27
<i>Germany</i>			<i>11,691,185.28</i>	<i>11,919,308.00</i>	<i>5.14</i>
1,500,000.00	ALLEMAGNE 0.25 18-28 15/08A	EUR	1,483,995.00	1,501,635.00	0.65
3,250,000.00	BRD 1.00 15-25 15/08A	EUR	3,467,785.70	3,491,182.50	1.51
2,750,000.00	BRD 3.25 10-42 04/07A	EUR	4,022,567.08	4,232,360.00	1.82
300,000.00	COMMERZBANK 0.50 16-23 13/09A	EUR	297,663.00	288,228.00	0.12
2,250,000.00	DEUTSCHLAND REP 1.00 14-24 15/08A	EUR	2,419,174.50	2,405,902.50	1.04
<i>Greece</i>			<i>496,180.00</i>	<i>483,780.00</i>	<i>0.21</i>
500,000.00	HELLENIC 3.375 18-25 15/02A	EUR	496,180.00	483,780.00	0.21
<i>Ireland</i>			<i>2,095,754.37</i>	<i>2,073,753.60</i>	<i>0.89</i>
720,000.00	IRISH TSY 3.40 14-24 18/03A	EUR	875,099.31	841,284.00	0.36
480,000.00	IRISH TSY REGS 0.80 15-22 15/03A	EUR	501,374.40	495,624.00	0.21
240,000.00	IRLANDE 1.00 16-26 15/05A	EUR	246,384.00	247,192.80	0.11
480,000.00	IRLANDE 1.70 17-37 15/05A	EUR	472,896.66	489,652.80	0.21
<i>Italy</i>			<i>52,744,244.39</i>	<i>51,579,188.50</i>	<i>22.26</i>
1,500,000.00	AZIMUT HOLDING 2.00 17-22 28/03A	EUR	1,547,445.00	1,486,335.00	0.64
500,000.00	BANCA POP MILANO 4.25 14-19 30/01A	EUR	507,900.00	501,357.50	0.22
2,850,000.00	BANCO POPOLARE 3.50 14-19 14/03A	EUR	2,871,580.00	2,864,820.00	1.24
2,000,000.00	BANCO POPOLARE SC 6.00 10-20 05/11A	EUR	2,162,300.00	2,077,700.00	0.90
1,400,000.00	BP MILANO REGS 15 7.125 11-21 01/03A	EUR	1,543,837.50	1,490,230.00	0.64
1,200,000.00	FCA CAPITAL IRELAND 1.00 17-21 15/11A	EUR	1,194,780.00	1,187,532.00	0.51
500,000.00	INTESA SAN PAOLO 2.125 18-23 30/08A	EUR	499,345.00	502,590.00	0.22
2,000,000.00	INTESA SAN PAOLO 6.625 13-23 13/09A	EUR	2,488,460.00	2,273,180.00	0.98
500,000.00	ITALIA LONG TERM TB 2.80 16-67 01/03S	EUR	461,310.00	429,155.00	0.19
4,000,000.00	ITALIE 0.45 16-21 01/06S	EUR	4,006,200.00	3,972,920.00	1.71
1,000,000.00	ITALIE 2.8 18-28 01/08S	EUR	999,520.00	1,006,810.00	0.43
1,000,000.00	ITALIE BTP 0.65 15-20 01/11S	EUR	996,710.00	1,002,560.00	0.43
4,400,000.00	ITALY BOT 1.65 15-32 01/03S	EUR	3,921,284.00	3,812,116.00	1.64
4,500,000.00	ITALY BOT 2.25 16-36 01/09S	EUR	3,886,710.00	4,007,655.00	1.73
4,250,000.00	ITALY BTP 1.60 16-26 01/06S	EUR	4,232,745.53	4,058,155.00	1.76
2,400,000.00	ITALY BTP 4.50 13-24 01/03S	EUR	2,755,692.72	2,700,264.00	1.16

The accompanying notes form an integral part of these financial statements

EFFICIENCY GROWTH FUND - EURO GLOBAL BOND

Statement of investments and other net assets as at 31/12/18

Expressed in EUR

Quantity	Denomination	Quotation currency	Cost price	Market value	% of net assets
1,350,000.00	ITALY BTP 4.75 13-44 01/09S	EUR	1,619,797.50	1,631,542.50	0.70
2,250,000.00	ITALY BTP 5.00 07-39 01/08S	EUR	3,019,320.00	2,767,972.50	1.19
8,500,000.00	ITALY TREASURY BONDS 0.90 17-22 01/08S	EUR	8,152,007.14	8,366,465.00	3.62
1,000,000.00	TELECOM ITALIA SPA 2.875 18-26 28/01A	EUR	1,000,000.00	952,180.00	0.41
1,000,000.00	UGF 3.00 15-25 18/03A	EUR	1,035,600.00	963,870.00	0.42
1,200,000.00	UNICREDIT 4.375 16-27 03/01A	EUR	1,274,700.00	1,201,368.00	0.52
1,800,000.00	UNICREDIT SPA 6.125 11-21 19/04A	EUR	2,099,100.00	1,917,486.00	0.83
500,000.00	UNIPOLSAI ASSICUR 3.875 18-28 01/03A	EUR	467,900.00	404,925.00	0.17
<i>Luxembourg</i>			8,562,387.20	8,353,869.60	3.60
1,770,000.00	BEI 2.75 13-40 15/03A	EUR	2,300,929.20	2,236,271.10	0.96
2,250,000.00	EFSF 0.20 15-25 28/04A	EUR	2,229,480.00	2,233,800.00	0.96
2,650,000.00	EFSF 3.375 11-21 05/07A	EUR	3,045,221.00	2,898,914.50	1.26
950,000.00	OBRIGACOES DO 2.125 18-28 17/10A	EUR	986,757.00	984,884.00	0.42
<i>Mexico</i>			510,750.00	465,889.50	0.20
450,000.00	PEMEX 5.125 16-23 15/03A	EUR	510,750.00	465,889.50	0.20
<i>Portugal</i>			2,484,416.20	2,480,126.00	1.07
500,000.00	OBRIGACOES DO T 2.2500 18-34 18/04A	EUR	497,875.00	498,705.00	0.22
280,000.00	PORTUGAL 2.20 15-22 17/10A	EUR	301,501.20	301,980.00	0.13
150,000.00	PORTUGAL 4.10 15-45 15/02A	EUR	186,318.00	182,241.00	0.08
1,000,000.00	PORTUGAL 5.65 13-24 15/02A	EUR	1,250,850.00	1,253,240.00	0.53
200,000.00	PORTUGAL REPU OF 4.10 06-37 15/04A	EUR	247,872.00	243,960.00	0.11
<i>Spain</i>			28,411,593.35	28,364,280.30	12.23
500,000.00	BANCO SANTANDER 1.375 17-22 09/02A	EUR	499,690.00	506,565.00	0.22
1,190,000.00	BON Y OBL DEL ESTADO 2.70 18-48 31/10A	EUR	1,213,855.00	1,213,074.10	0.52
3,000,000.00	COMUNIDAD DE MADRID 0.727 16-21 19/05A	EUR	3,064,500.00	3,052,530.00	1.32
740,000.00	FCC AQUALIA 1.413 17-22 08/06A	EUR	740,592.00	739,896.40	0.32
4,910,000.00	SPAIN 1.95 16-26 30/04A	EUR	5,221,940.35	5,240,099.30	2.25
1,050,000.00	SPAIN 3.45 16-66 30/07A	EUR	1,113,283.50	1,200,045.00	0.52
4,000,000.00	SPAIN 3.80 14-24 30/04A	EUR	4,734,837.50	4,679,840.00	2.02
3,000,000.00	SPAIN 5.50 11-21 30/04A	EUR	3,571,680.00	3,397,080.00	1.47
2,500,000.00	SPAIN GOVT 1.95 15-30 30/07A	EUR	2,528,400.00	2,578,200.00	1.11
3,500,000.00	SPAIN STRIP 0.45 17-22 31/10A	EUR	3,531,815.00	3,547,075.00	1.53
1,050,000.00	SPANISH 4.90 07-40 30/07A	EUR	1,491,000.00	1,515,265.50	0.65
700,000.00	TELEFONICA EMISION 1.46 16-26 13/04A	EUR	700,000.00	694,610.00	0.30
<i>Sweden</i>			441,000.00	419,410.80	0.18
360,000.00	TELIASONERA EMTN 3.875 10-25 01/10A	EUR	441,000.00	419,410.80	0.18
<i>The Netherlands</i>			22,920,266.00	23,161,914.70	9.99
1,000,000.00	ABN AMRO BANK 0.875 16-26 14/01A	EUR	989,950.00	1,026,640.00	0.44
2,000,000.00	BMW 0.125 18-21 29/08A	EUR	1,991,260.00	1,988,240.00	0.86
1,420,000.00	DEUTSCHE TELEKOM I 0.875 17-24 30/01A	EUR	1,436,898.00	1,429,883.20	0.62
740,000.00	ENEL FIN INTL 1.00 17-24 16/09A	EUR	734,582.00	731,941.40	0.32
1,610,000.00	NEDERLAND 0.00 16-22 15/01U	EUR	1,634,005.10	1,634,439.80	0.70
4,070,000.00	NETHERLANDS 0.50 16-26 15/07A	EUR	4,125,403.90	4,179,116.70	1.80
1,040,000.00	NETHERLANDS 1.75 13-23 15/07A	EUR	1,158,664.00	1,136,980.00	0.49
1,200,000.00	NETHERLANDS GOVT 3.75 10-42 15/01A	EUR	1,909,320.00	1,941,540.00	0.84
6,450,000.00	ROYAUME PAYS-BAS 0.75 18-28 15/07A	EUR	6,524,435.00	6,671,170.50	2.88
1,500,000.00	VOLKSWAGEN INTL FIN 4.125 18-38 16/11A	EUR	1,523,780.00	1,558,357.50	0.67
880,000.00	VW INTL FINANCE 0.875 15-23 16/01A	EUR	891,968.00	863,605.60	0.37
<i>United Kingdom</i>			5,727,440.00	5,333,660.00	2.30
500,000.00	BP CAPITAL MARKETS 1.077 17-25 26/06A	EUR	500,000.00	498,095.00	0.21
500,000.00	HSBC HLDGS 3.125 16-28 07/06A	EUR	533,100.00	527,665.00	0.23
2,000,000.00	LLOYDS TSB 6.50 10-20 24/03A	EUR	2,322,540.00	2,133,580.00	0.92
2,000,000.00	NATIONWIDE BUILDING 6.75 10-20 22/07A	EUR	2,371,800.00	2,174,320.00	0.94
<i>United States of America</i>			5,418,139.50	5,362,335.50	2.31
680,000.00	APPLE INC 1.375 17-29 24/05A	EUR	674,220.00	691,138.40	0.30
300,000.00	GOLDMAN SACHS GROU 1.25 16-25 01/05A	EUR	298,209.00	290,823.00	0.13
320,000.00	IBM 1.25 14-23 26/05A	EUR	333,920.00	330,668.80	0.14
500,000.00	JPMORGAN CHASE & C 1.50 16-26 29/10A	EUR	496,505.00	505,845.00	0.22
1,000,000.00	MCDONALD'S CORP 1.50 17-29 28/11A	EUR	992,820.00	964,820.00	0.41
1,000,000.00	NETFLIX 3.625 17-27 05/02S	EUR	995,770.00	971,440.00	0.41
670,000.00	PHILIP MORRIS INTL 2.875 12-24 30/05A	EUR	765,709.50	731,653.40	0.32
890,000.00	VERIZON COMMUNICATION 0.875 16-25 02/04A	EUR	860,986.00	875,946.90	0.38
Floating rate bonds			11,898,529.33	11,247,618.50	4.85
<i>Denmark</i>			248,705.00	240,702.50	0.10
250,000.00	JYSKE BANK A/S FL.R 17-29 05/04A	EUR	248,705.00	240,702.50	0.10

The accompanying notes form an integral part of these financial statements

EFFICIENCY GROWTH FUND - EURO GLOBAL BOND

Statement of investments and other net assets as at 31/12/18

Expressed in EUR

Quantity	Denomination	Quotation currency	Cost price	Market value	% of net assets
	<i>France</i>		<i>3,574,660.00</i>	<i>3,479,696.00</i>	<i>1.50</i>
3,400,000.00	SOCIETE GEN SUB FL.R 14-26 16/09A	EUR	3,574,660.00	3,479,696.00	1.50
	<i>Germany</i>		<i>2,441,713.33</i>	<i>2,298,180.00</i>	<i>0.99</i>
2,000,000.00	ALLIANZ FL.R 12-42 17/10A	EUR	2,441,713.33	2,298,180.00	0.99
	<i>Italy</i>		<i>1,459,976.00</i>	<i>1,252,620.00</i>	<i>0.54</i>
1,200,000.00	ASSICURAZ GENERALI FL.R 15-47 27/10A	EUR	1,459,976.00	1,252,620.00	0.54
	<i>Spain</i>		<i>4,173,475.00</i>	<i>3,976,420.00</i>	<i>1.72</i>
1,000,000.00	BANCO CREDITO SOCIAL FL.R 17-27 07/06A	EUR	979,875.00	887,560.00	0.38
3,000,000.00	CAIXABANK SA FL.R 17-27 15/02A	EUR	3,193,600.00	3,088,860.00	1.34
Total securities portfolio			219,860,390.17	216,527,034.10	93.39
Cash at banks/(bank overdrafts) and liquidities (net)				12,980,897.54	5.60
Other net assets/(liabilities)				2,335,574.93	1.01
Total net assets				231,843,506.57	100.00

Geographical breakdown

Breakdown per country	% of net assets
Italy	22.80
France	20.85
Spain	13.95
The Netherlands	9.99
Germany	6.13
Belgium	5.75
Luxembourg	3.60
United States of America	2.31
United Kingdom	2.30
Austria	1.87
Portugal	1.07
Finland	0.99
Ireland	0.89
Greece	0.21
Mexico	0.20
Egypt	0.20
Sweden	0.18
Denmark	0.10
	<hr/> 93.39 <hr/>

Economical breakdown

Breakdown per sector	% of net assets
Countries and central government	63.29
Banks and credit institutions	12.60
Holding and finance companies	4.47
Supranational	3.18
Insurance	2.12
Tobacco and alcoholic drinks	1.84
Cantons, Federal States, Provinces	1.32
Communications	1.27
Utilities	0.84
Office supplies and computing	0.44
Healthcare and social services	0.42
Internet and Internet services	0.41
Hotels and restaurants	0.41
Foods and non alcoholic drinks	0.25
Petroleum	0.20
Building materials and trade	0.18
Machine and apparatus construction	0.15
	<hr/> 93.39 <hr/>

EFFICIENCY GROWTH FUND
- INCOME OPPORTUNITY

EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY

Financial Statements as at 31/12/18

Statement of net assets as at 31/12/18

Expressed in EUR

Assets		55,117,300.39
Securities portfolio at market value	Note 2d	45,326,867.25
<i>Cost price</i>		46,485,441.16
<i>Unrealised loss on the securities portfolio</i>		-1,158,573.91
Cash at banks and liquidities	Note 2d	9,294,302.72
Interest receivable		435,958.05
Net unrealised appreciation on financial futures	Note 2j	16,590.69
Net unrealised profit on swaps		32,804.80
Other receivable		10,776.88
Liabilities		618,857.64
Options sold at market value	Note 2j	16,580.37
<i>Options sold at cost</i>		45,488.53
Bank overdrafts		28,585.52
Payable from purchases of securities		405,440.75
"Taxe d'abonnement" payable	Note 3	2,819.65
Performance fees payable	Note 6	47.73
Net unrealised depreciation on forward foreign exchange contracts	Note 2g	8,690.20
Investment Management, Advisory and Management Company fees payable	Note 4, 5	147,602.86
Other payable	Note 7	9,090.56
Net asset value		54,498,442.75

EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY

Statement of operations and changes in net assets from 01/01/18 to 31/12/18

Expressed in EUR

Income		1,784,328.35
Net dividends	Note 2h	249,038.75
Net interest on bonds	Note 2h	1,508,180.73
Bank interest on cash account		15,132.40
Other financial income		10.46
Received on swaps		11,966.01
Expenses		1,035,604.13
Investment Management, Advisory and Management Company fees		609,591.81
Depository fees	Note 8	32,416.90
"Taxe d'abonnement"	Note 3	12,372.31
Administrative Agent fees	Note 8	40,942.80
Bank interest on overdrafts		15,385.35
Legal fees		3,309.02
Transaction fees	Note 2i	235,889.85
Paid on swaps		11,868.24
Professional fees, audit fees and other expenses		73,827.85
Net income from investments		748,724.22
Net realised profit / loss on:		
- sales of securities portfolio	Note 2e	-3,199,249.66
- options	Note 2j	113,049.54
- forward foreign exchange contracts	Note 2g	52,645.21
- financial futures contracts	Note 2j	-764,231.86
- swaps	Note 2k	-216,495.64
- foreign exchange	Note 2b	435,153.19
Net realised loss		-2,830,405.00
Movement in net unrealised appreciation / depreciation on:		
- securities portfolio		-1,304,002.07
- options		28,908.16
- forward foreign exchange contracts		-8,690.20
- financial futures contracts		64,476.78
- swaps		32,804.80
Decrease in net assets as a result of operations		-4,016,907.53
Subscription capitalisation shares		27,562,617.92
Redemption capitalisation shares		-15,517,789.52
Increase in net assets		8,027,920.87
Net assets at the beginning of the year		46,470,521.88
Net assets at the end of the year		54,498,442.75

EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY

Key figures relating to the last 3 years

	<i>Year ended as at:</i>	31/12/18	31/12/17
		EUR	EUR
Total Net Assets		54,498,442.75	46,470,521.88
Class I EUR			
Number of shares		426,876.71	353,174.01
Net asset value per share	EUR	93.54	101.50
Class P EUR			
Number of shares		156,968.00	104,906.00
Net asset value per share	EUR	92.82	101.27

EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY

Statement of investments and other net assets as at 31/12/18

Expressed in EUR

Quantity	Denomination	Quotation currency	Cost price	Market value	% of net assets
Transferable securities admitted to an official stock exchange listing			41,786,553.03	40,631,350.30	74.55
Shares			2,758,626.84	2,579,265.92	4.73
<i>Denmark</i>			<i>249,666.86</i>	<i>247,368.91</i>	<i>0.45</i>
6,200.00	NOVO NORDISK	DKK	249,666.86	247,368.91	0.45
<i>France</i>			<i>1,408,672.60</i>	<i>1,316,269.30</i>	<i>2.42</i>
2,270.00	DANONE	EUR	150,457.85	139,627.70	0.26
1,350.00	LVMH	EUR	349,106.91	348,570.00	0.64
110,000.00	NATIXIS SA	EUR	504,129.62	453,090.00	0.83
8,120.00	TOTAL SA	EUR	404,978.22	374,981.60	0.69
<i>Germany</i>			<i>696,582.53</i>	<i>633,825.50</i>	<i>1.16</i>
1,720.00	ADIDAS NAMEN AKT	EUR	348,323.54	313,728.00	0.58
3,050.00	DEUTSCHE BOERSE AG REG SHS	EUR	348,258.99	320,097.50	0.58
<i>Jersey Island</i>			<i>0.00</i>	<i>55.81</i>	<i>0.00</i>
1.00	FERGUSON	GBP	0.00	55.81	0.00
<i>United Kingdom</i>			<i>403,704.85</i>	<i>381,746.40</i>	<i>0.70</i>
14,880.00	ROYAL DUTCH SHELL PLC	EUR	403,704.85	381,746.40	0.70
Bonds			31,387,740.86	30,837,708.09	56.58
<i>Belgium</i>			<i>4,622,781.67</i>	<i>4,622,698.85</i>	<i>8.48</i>
4,600,000.00	BELG TREA BILL ZCP 12-09-19	EUR	4,622,781.67	4,622,698.85	8.48
<i>Cayman Islands</i>			<i>1,400,625.00</i>	<i>1,376,527.50</i>	<i>2.53</i>
1,350,000.00	UPCB FINANCE IV 4.00 15-27 15/01S	EUR	1,400,625.00	1,376,527.50	2.53
<i>Denmark</i>			<i>382,500.00</i>	<i>345,344.00</i>	<i>0.63</i>
400,000.00	NORICAN GROUP APS 4.50 17-23 15/05S	EUR	382,500.00	345,344.00	0.63
<i>France</i>			<i>5,625,984.35</i>	<i>5,538,621.52</i>	<i>10.16</i>
2,500,000.00	ALTICE FRANCE 5.625 14-24 15/05S	EUR	2,607,562.50	2,521,825.00	4.63
3,000,000.00	FRAN TREA BILL BTF ZCP 06-11-19	EUR	3,018,421.85	3,016,796.52	5.53
<i>Germany</i>			<i>1,454,000.00</i>	<i>1,410,660.00</i>	<i>2.59</i>
1,500,000.00	NIDDA HEALTHCARE 3.50 17-24 30/09S	EUR	1,454,000.00	1,410,660.00	2.59
<i>Luxembourg</i>			<i>5,070,485.96</i>	<i>5,021,611.47</i>	<i>9.21</i>
2,000,000.00	ACTAVIS FUNDING SCS 3.00 15-20 12/03S	USD	1,750,065.96	1,737,675.47	3.19
3,200,000.00	DUFREY FINANCE SCA REGS4.50 15-23 01/08S	EUR	3,320,420.00	3,283,936.00	6.02
<i>Sweden</i>			<i>500,000.00</i>	<i>492,890.00</i>	<i>0.90</i>
500,000.00	VERISURE 3.5 18-23 16/11S	EUR	500,000.00	492,890.00	0.90
<i>The Netherlands</i>			<i>5,814,519.29</i>	<i>5,599,652.72</i>	<i>10.28</i>
1,000,000.00	ALTICE FRANCE S 5.8750 18-27 01/02S	EUR	1,039,000.00	991,490.00	1.82
2,000,000.00	DUTC TREA CERT ZCP 31-05-19	EUR	2,007,314.17	2,006,978.47	3.69
500,000.00	KONGSBERG ACTUATION 5 18-25 15/07	EUR	498,683.33	471,240.00	0.86
1,000,000.00	SIGMA HOLDCO B.V 5.75 18-26 15/05S	EUR	952,500.00	882,970.00	1.62
500,000.00	STARFRUIT FINCO 6.5 18-26 01/10S	EUR	501,875.00	464,430.00	0.85
1,000,000.00	ZIGGO SEC FIN REGS 5.50 16-27 15/01S	USD	815,146.79	782,544.25	1.44
<i>United Kingdom</i>			<i>4,006,414.77</i>	<i>3,939,865.51</i>	<i>7.23</i>
2,000,000.00	HSBC HLDGS 3.40 16-21 08/03S	USD	1,742,629.69	1,738,931.03	3.19
2,000,000.00	VOUGEOT BIDCO REGS 7.875 13-18 21/12S	GBP	2,263,785.08	2,200,934.48	4.04
<i>United States of America</i>			<i>2,510,429.82</i>	<i>2,489,836.52</i>	<i>4.57</i>
2,000,000.00	ABBVIE 2.50 15-20 14/05S	USD	1,737,929.82	1,725,684.02	3.17
750,000.00	ARDAGH PCK REGS 4.125 16-23 15/05S	EUR	772,500.00	764,152.50	1.40
Floating rate bonds			7,640,185.33	7,214,376.29	13.24
<i>France</i>			<i>1,072,125.00</i>	<i>1,026,180.00</i>	<i>1.88</i>
1,000,000.00	ELECT.DE FRANCE FL.R 13-XX 29/01A	EUR	1,072,125.00	1,026,180.00	1.88
<i>Italy</i>			<i>964,916.65</i>	<i>867,897.43</i>	<i>1.59</i>
500,000.00	UNICREDIT FL.R 14-XX 10/09S	EUR	554,850.00	479,010.00	0.88
500,000.00	UNICREDIT REGS SUB FL.R 14-XX 03/06S	USD	410,066.65	388,887.43	0.71
<i>Spain</i>			<i>3,434,000.00</i>	<i>3,219,658.00</i>	<i>5.92</i>
1,400,000.00	ABANCA CORP BANCARIA FL.R 18-XX XX/XXQ	EUR	1,400,000.00	1,329,118.00	2.44
2,000,000.00	BANKIAS.A 6.375 18-XX 31/12Q	EUR	2,034,000.00	1,890,540.00	3.48
<i>United Kingdom</i>			<i>2,169,143.68</i>	<i>2,100,640.86</i>	<i>3.85</i>
2,500,000.00	BARCLAYS PERP FL.R 18-XX XX.XX/Q	USD	2,169,143.68	2,100,640.86	3.85
Shares/Units of UCITS/UCIS			4,698,888.13	4,695,516.95	8.62
Shares/Units in investment funds			4,698,888.13	4,695,516.95	8.62
<i>France</i>			<i>4,698,888.13</i>	<i>4,695,516.95</i>	<i>8.62</i>
116.63	GROUPAMA TRÉSORERIE IC	EUR	4,698,888.13	4,695,516.95	8.62

XX : refers to perpetual securities

The accompanying notes form an integral part of these financial statements

EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY

Statement of investments and other net assets as at 31/12/18

Expressed in EUR

Quantity	Denomination	Quotation currency	Cost price	Market value	% of net assets
Total securities portfolio			46,485,441.16	45,326,867.25	83.17
Cash at banks/(bank overdrafts) and liquidities (net)				9,265,717.20	17.00
Other net assets/(liabilities)				-94,141.70	-0.14
Total net assets				54,498,442.75	100.00

XX : refers to perpetual securities

The accompanying notes form an integral part of these financial statements

Geographical breakdown

Breakdown per country	% of net assets
France	23.08
United Kingdom	11.78
The Netherlands	10.28
Luxembourg	9.21
Belgium	8.48
Spain	5.92
United States of America	4.57
Germany	3.75
Cayman Islands	2.53
Italy	1.59
Denmark	1.08
Sweden	0.90
Jersey Island	-
	<hr/> 83.17 <hr/>

Economical breakdown

Breakdown per sector	% of net assets
Holding and finance companies	24.76
Countries and central government	17.70
Banks and credit institutions	15.38
Communications	6.45
Hotels and restaurants	4.04
Pharmaceuticals and cosmetics	3.62
Healthcare and social services	2.59
Foods and non alcoholic drinks	1.88
Utilities	1.88
Packaging industries	1.40
Petroleum	1.39
Textiles and garments	1.22
Road vehicles	0.86
Building materials and trade	-
	<hr/> 83.17 <hr/>

EFFICIENCY GROWTH FUND

Derivative instruments

EFFICIENCY GROWTH FUND

OPTIONS

As at 31/12/18, the following option contracts were outstanding :

EFFICIENCY GROWTH FUND - EURO GLOBAL BOND

Quantity	Denomination	Currency	Commitment (in absolute value)	Market value (in EUR)	Unrealised (in EUR)
Sale of options					
Listed options					
Options on futures					
10.00	EURO BUND MAR 162.50 22.02.19 CALL	EUR	1,625,000.00	-3,200.00	-3,200.00
Total Sale of options				-3,200.00	-3,200.00

EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY

Quantity	Denomination	Currency	Commitment (in absolute value)	Market value (in EUR)	Unrealised (in EUR)
Sale of options					
Listed options					
Options on equities					
25.00	ADOBE SYSTEMS JAN 192.50 18.01.19 PUT	USD	37,756.02	-2,157.99	6,320.69
4.00	AMAZON N JAN 1270.0 18.01.19 PUT	USD	36,447.82	-2,029.82	10,676.31
75.00	BAYER JAN 54.00 18.01.19 PUT	EUR	66,215.59	-3,675.00	1,575.00
477.00	ING GROUP RG JAN 8.40 18.01.19 PUT	EUR	61,506.58	-4,293.00	954.00
12.00	KERING JAN 360.00 18.01.19 PUT	EUR	42,167.32	-1,896.00	4,098.00
50.00	MARATHON OIL JAN 52.50 18.01.19 PUT	USD	30,808.01	-2,528.56	5,284.16
Total Sale of options				-16,580.37	28,908.16

EFFICIENCY GROWTH FUND

FORWARD FOREIGN EXCHANGE CONTRACTS

As at 31/12/18, the following forward foreign exchange contracts were outstanding :

EFFICIENCY GROWTH FUND - EURO GLOBAL BOND

<u>Currency purchased</u>	<u>Quantity purchased</u>	<u>Currency sale</u>	<u>Quantity sale</u>	<u>Maturity date</u>	<u>Unrealised (in EUR)</u>	<u>Counterparty</u>
USD	197,050.95	EUR	172,107.42	31/01/19	-135.43 *	CACEIS Bank, Luxembourg Branch
USD	153,113.62	EUR	133,731.86	31/01/19	-105.23 *	CACEIS Bank, Luxembourg Branch
					<u>-240.66</u>	

The contracts that are marked with * relate specifically to foreign exchange risk hedging of shares.

EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY

<u>Currency purchased</u>	<u>Quantity purchased</u>	<u>Currency sale</u>	<u>Quantity sale</u>	<u>Maturity date</u>	<u>Unrealised (in EUR)</u>	<u>Counterparty</u>
EUR	2,281,789.99	GBP	2,060,000.00	18/01/19	-8,690.20	CACEIS Bank, Luxembourg Branch
					<u>-8,690.20</u>	

EFFICIENCY GROWTH FUND

FINANCIAL FUTURES CONTRACTS

As at 31/12/18, the following financial futures contracts were outstanding :

EFFICIENCY GROWTH FUND - EURO GLOBAL BOND

Quantity (purchase/(sale))	Denomination	Currency	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)	Counterparty
Futures on interest rates					
25	EURO BOBL FUTURE 03/19	EUR	3,313,000.00	750.00	CACEIS Bank, Paris
				750.00	
Futures on bonds					
40	BTP03YR ITALY 03/19	EUR	4,428,800.00	23,390.00	CACEIS Bank, Paris
45	EURO BTP FUTURE -EUX 03/19	EUR	5,751,900.00	156,920.00	CACEIS Bank, Paris
-20	EURO BUND FUTURE 03/19	EUR	3,270,800.00	1,200.00	CACEIS Bank, Paris
11	EURO BUXL FUTURE 03/19	EUR	1,986,820.00	10,840.00	CACEIS Bank, Paris
				192,350.00	

EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY

Quantity (purchase/(sale))	Denomination	Currency	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)	Counterparty
Futures on bonds					
-18	EURO BUND FUTURE 03/19	EUR	2,943,720.00	-10,890.00	CACEIS Bank, Paris
				-10,890.00	
Futures on index					
-59	DJ EURO STOXX 50 03/19	EUR	1,754,660.00	-46,610.00	CACEIS Bank, Paris
-13	DJ.STOXX600.OIL(EUX) 03/19	EUR	193,830.00	-570.00	CACEIS Bank, Paris
-12	DOLLAR INDEX (FNX) 03/19	USD	1,001,674.08	14,491.24	CACEIS Bank, Paris
-41	FTSE 250 Y2 03/19	GBP	1,592,837.91	-282.57	CACEIS Bank, Paris
96	MINI MSCI EMG MKT 03/19	USD	4,046,246.40	-39,911.94	CACEIS Bank, Paris
5	S&P 500 EMINI INDEX 03/19	USD	546,080.74	30,996.60	CACEIS Bank, Paris
35	STOXX EUR 600 03/19	EUR	584,150.00	-2,800.00	CACEIS Bank, Paris
				-44,686.67	
Futures on currency					
66	EUR/USD (CME) 03/19	USD	8,288,484.17	72,167.36	CACEIS Bank, Paris
				72,167.36	

EFFICIENCY GROWTH FUND

CONTRACTS FOR DIFFERENCE (CFDs)

As at 31/12/2018, the following contracts for difference were outstanding :

EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY

Ccy	Quantity	Sub-fund pays	Sub-fund receives	Market value (in EUR)	Maturity date	Unrealised appreciation/ (depreciation) (in EUR)
EUR	-6,650.00	TECNICAS REUNIDAS	EURO OVERNIGHT AVERAGE RATE	-141,911.00	01/01/2019	7,768.95
EUR	-5,400.00	BNP PARIBAS SA	EURO OVERNIGHT AVERAGE RATE	-213,165.00	01/01/2019	13,829.72
EUR	-2,230.00	COLRUYT NV	EURO OVERNIGHT AVERAGE RATE	-138,795.20	01/01/2019	-12,990.10
SEK	-27,500.00	GETINGE -B-	SEK STIBOR 1 MONTH	-2,197,250.00	01/01/2019	35,995.42
GBP	-16,600.00	ADMIRAL GROUP PLC	GBP SONIA	-339,802.00	01/01/2019	-11,799.18
TOTAL :						32,804.80

The counterparty for all CFDs is Interactive Brokers (U.K.) Ltd.

EFFICIENCY GROWTH FUND

Other notes to the financial statements

EFFICIENCY GROWTH FUND

Other notes to the financial statements as at December 31, 2018

Note 1 - General information

EFFICIENCY GROWTH FUND (the "SICAV") is an open-ended investment fund ("*Société d'Investissement à Capital Variable*") governed by Luxembourg Law, established in accordance with the provisions of Part I of the amended Law of December 17, 2010 (the "Law") relating to undertakings for collective investment.

The SICAV was incorporated for an indefinite period on September 11, 1997, and its Articles of Incorporation were published in the official gazette "*Mémorial C, Recueil Spécial des Sociétés et Associations du Grand-Duché de Luxembourg*" (Mémorial C) on October 14, 1997. The Articles of Incorporation were last modified by notarial deed on June 25, 2010 and published in the Mémorial C on August 20, 2010.

The SICAV is registered in the Commercial Register and Companies of Luxembourg under Number B 60 668.

As at December 31, 2018, the SICAV includes two sub-funds in operation:

- EFFICIENCY GROWTH FUND - EURO GLOBAL BOND, denominated in Euro (EUR),
- EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY, denominated in Euro (EUR).

Five categories of shares are available for subscription in EFFICIENCY GROWTH FUND - EURO GLOBAL BOND, two are available for subscription in EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY. The sub-funds may issue shares of different categories, which differ mainly in respect of fees, commissions and distribution policy. The SICAV reserves the possibility to create new sub-funds according to economic circumstances.

On December 12, 2013, the SICAV has appointed Pharos Management Lux S.A as its Management Company subject to the overall supervision and control of Board of Directors of the SICAV. The Management Company is subject to Chapter 15 of the Law.

EFFICIENCY GROWTH FUND - EURO GLOBAL BOND class Q is listed on Italian stock exchange as from October 7, 2015. This class was liquidated during the financial year 2018.

Note 2 - Summary of significant accounting policies

a) Presentation of financial statements

The financial statements are presented in accordance with the legal reporting requirements in Luxembourg and generally accepted accounting principles relating to undertakings for collective investment in transferable securities.

b) Foreign exchange translation for each sub-fund

Cash at banks and liquidities, other net assets as well as the market value of the securities portfolio in currencies other than the currency of the sub-fund are translated into the currency of the sub-fund at the exchange rate prevailing at year-end.

Income and expenses in currencies other than the currency of the sub-fund are translated into the currency of the sub-fund at the exchange rate prevailing at the transaction date.

Resulting net realised profit/loss and movement in net unrealised appreciation/depreciation on foreign exchange are included in the statement of operations and changes in net assets.

c) Combined financial statements of the SICAV

The combined financial statements of the SICAV are expressed in EUR and are equal to the sum of the corresponding items in the financial statements of the different sub-funds. Accounting items of the different sub-funds denominated in currencies other than EUR are converted in EUR at the exchange rates prevailing at the end of the year.

EFFICIENCY GROWTH FUND

Other notes to the financial statements as at December 31, 2018 (continued)

Note 2 - Summary of significant accounting policies (continued)

d) Valuation of securities portfolio and cash at banks and liquidities

The assets of the SICAV shall be valued as follows:

1. Securities admitted to official listing on an official stock exchange or traded on any other organised market are valued at the last available price, unless such a price is not deemed to be representative of their fair market value;
2. Securities not listed on stock exchanges or not traded on any organised market and securities with an official listing for which the last available price is not representative of a fair market value are valued, prudently and in good faith by the Board of Directors of the SICAV, on the basis of their estimated sale prices;
3. Cash at banks and liquidities are valued at their face value with interest accrued;
4. Units/shares of open-ended undertakings for collective investment ("UCIs") are valued on the basis of the last net asset value available; if the price determined is not representative of the fair value of these assets, the price is determined by the Board of Directors of the SICAV according to equitable and prudent criteria. Units/shares of closed-ended UCIs are valued on the basis of the last market value available.

e) Net realised profit/loss on sales of securities portfolio

The net realised profit/loss on sales of securities portfolio is calculated on the basis of the average cost of the investments sold.

f) Cost of securities portfolio

Cost of securities portfolio in currencies other than the currency of the sub-fund are translated into the currency of the sub-fund at the exchange rate applicable at purchase date.

g) Forward foreign exchange contracts

The net unrealised appreciation/depreciation resulting from outstanding forward foreign exchange contracts, if any, are determined on the basis of the forward rates applicable at the year-end and are recorded in the statement of net assets. Net realised profit/loss and the movement in net unrealised appreciation/depreciation on forward foreign exchange contracts are disclosed in the statement of operations and changes in net assets.

h) Revenues

Dividends "net" are recorded at ex-date. Interest "net" is recorded on an accruals basis.

i) Transaction fees

The transaction fees represent the costs incurred by each sub-fund in connection with purchases and sales of investments.

They include brokerage fees as well as bank commissions, depositary fees and other transaction fees, and are included in the statement of operations and changes in net assets.

j) Financial futures contracts and options

The net unrealised appreciation/depreciation resulting from outstanding financial futures contracts and options, if any, are determined on the basis of the last known available price at the financial year-end and are recorded in the statement of net assets. Net realised profit/loss and the movement in net unrealised appreciation/depreciation on Financial futures contracts and options are disclosed in the statement of operations and changes in net assets.

k) Swaps

Swap contracts are marked to market at each net asset value calculation date. The market value is based on the valuation elements laid down in the contracts and is obtained from third party paying agents, market makers or internal models.

EFFICIENCY GROWTH FUND

Other notes to the financial statements as at December 31, 2018 (continued)

Note 2 - Summary of significant accounting policies (continued)

l) Formation expenses

Formation expenses are amortised on a straight line basis over a period of 5 years.

m) Contracts for difference

Each day, the unrealised result on contracts for difference is accounted as net realised profit/loss on contracts for difference, and all contracts for difference positions are closed and reopened the next day.

For the year ended December 31, 2018, the total net realised result on contracts for difference in EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY amounts to EUR 32,804.80 and is included in the statement of operations and changes in net assets of the sub-fund. The realised result on all contracts for difference transactions is directly booked against cash with Interactive Brokers (U.K.) Limited.

Note 3 - “Taxe d’abonnement”

In accordance with current Luxembourg law, the SICAV is not subject to any tax on income and capital gains or net wealth tax. Moreover, no dividends distributed by the SICAV are subject to withholding tax.

Each sub-fund is subject to a subscription tax or “*taxe d’abonnement*” at an annual rate of 0.05% of the net assets of the sub-fund and is calculated and payable quarterly on the basis of the sub-fund’s net asset value at the end of each quarter, except for the Shares reserved for Institutional Investors who may benefit from a reduced rate of 0.01%, i.e. for ‘I’ Shares.

The value of the net assets invested in units/shares of other Luxembourg Undertakings for Collective Investment is exempt from the “*taxe d’abonnement*” provided such units/shares have already been subject to this tax.

Note 4 - Management Company fees

The Management Company is entitled to receive from each sub-fund a fee up to 0.07% per year, based on the average net assets of the sub-fund, with a minimum of EUR 10,000 p.a. payable in arrears on a quarterly basis.

In addition, the Management Company is entitled to an annual risk management fee of max EUR 10,000 p.a. per sub-fund. The risk management fee is recorded under “Professional fees, audit fees and other expenses” in the statements of operations and changes in net assets.

Note 5 - Investment Management and Advisory fees

The Investment Manager is entitled to receive :

- a global fee payable quarterly calculated on the average net assets of the sub-funds during the relevant quarter. This fee is paid to the Investment Manager and the financial intermediaries involved in the marketing and the distribution of the SICAV’s shares.
- a shareholder servicing fee at a rate of up to 0.03% p.a. of the sub-funds’ average net assets. This fee is payable quarterly calculated on the average net assets of the sub-funds during the relevant quarter for operational support services provided by the Investment Manager to financial intermediaries involved in the marketing and distribution of the sub-funds.

The detail of the global fee is as follows :

- EFFICIENCY GROWTH FUND - EURO GLOBAL BOND Class P EUR, Class P USD : up to 1.00%,
- EFFICIENCY GROWTH FUND - EURO GLOBAL BOND Class PP EUR, Class PP USD : up to 1.25%,
- EFFICIENCY GROWTH FUND - EURO GLOBAL BOND Class I EUR : up to 0.75%,
- EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY Class I EUR : up to 1.00%,
- EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY Class P EUR : up to 1.50%.

The Investment Advisor is paid directly by the SICAV, out of the fees mentioned above.

EFFICIENCY GROWTH FUND

Other notes to the financial statements as at December 31, 2018 (continued)

Note 6 - Performance fees

The sub-fund EFFICIENCY GROWTH FUND - EURO GLOBAL BOND is not subject to a Performance fee calculation.

For the sub-fund EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY, the Investment Manager receives a performance fee, accrued on each valuation date, paid quarterly, based on the net asset value (NAV), equivalent to 15 % of the performance of the NAV per share (measured against the reference NAV) during the current period with the high water mark calculation. The reference NAV is defined as the last end of period NAV per share or the initial NAV per share for the first calculation period and will be decreased by the dividends paid to Shareholders, if any.

For the year ended December 31, 2018, no performance fee was paid.

Note 7 - Other payable

As at December 31, 2018, the caption "Other payable" includes mainly payable on foreign exchange, administrative agent fees, depositary fees, risk management fees and audit fees.

Note 8 - Administrative Agent and Depositary fees

The Depositary and the Administrative Agent are paid by the SICAV on the basis of business practice in Luxembourg. These fees are calculated on the basis of the net assets the sub-funds and payable quarterly/monthly in arrears.

Note 9 - Subscription, redemption and conversion commission (Dilution levy)

The subscription price for shares in each sub-fund is equal to the net asset value per share in that sub-fund, calculated on the first valuation day of the net asset value following the applicable day of subscription.

The redemption price for shares in each sub-fund is equal to the net asset value per share in that sub-fund as calculated on the first valuation day after the application for redemption has been made.

On top of this price sales commissions may be added, which are paid to intermediaries and do not exceed:

- Maximum 5.00% of the net asset value per share for subscription;
- Maximum 3.00% of the net asset value per share for redemption;
- Maximum 1.00% of the net asset value per share for conversion.

The subscription price/redemption price shall be increased/reduced to cover any duties, taxes and stamp duties which might have to be paid. No such fees were charged to the investors for the period under review.

Note 10 - Changes in the composition of securities portfolio

The details of the changes in the composition of securities portfolio for the period/year ended December 31, 2018, are at the disposal of the Shareholders at the registered office of the SICAV and are available upon request free of charge.

Note 11 - Exchange rates

The exchange rates used as at December 31, 2018 for the calculation of the net asset value and the financial statements as follows:

1 EUR =	1.1469	USD
1 EUR =	7.4665	DKK
1 EUR =	0.8989	GBP
1 EUR =	9.9085	NOK
1 EUR =	10.1503	SEK
1 EUR =	1.12751	CHF
1 EUR =	125.69	JPY

EFFICIENCY GROWTH FUND

Other information to Shareholders (unaudited information)

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

The SICAV does not use any instruments falling into the scope of SFTR as at December 31, 2018.

Information on risk management

The sub-fund’s EFFICIENCY GROWTH FUND - EURO GLOBAL BOND global risk exposure was monitored by using the Commitment approach. In that respect, financial derivatives instruments are converted into their equivalent position in the underlying asset. The global risk exposure shall not exceed the sub-fund’s net asset value.

The sub-fund EFFICIENCY GROWTH FUND - INCOME OPPORTUNITY, employs an “Absolute VaR Approach” method to calculate and monitor the global exposure, based on a market standard model with the following features :

Reference Period	Leverage	Maximum level of expected leverage	VaR	VaR Methodology
From 01/01/18 to 31/12/18	Max : 56.72% Average : 28.22% Min : 5.09%	200%	Max : 5.40% Average : 3.96% Min : 1.98%	Historical simulation

Remuneration

The Management Company has elaborated a Remuneration Policy as required by the Law.
A copy is available upon request and free of charge at the registered office of the Management Company.

Total amount of remuneration, paid by Pharus Management Lux S.A. to its staff as from January 2018 - December 2018, split into fixed and variable remuneration and number of beneficiaries.	Fixed remuneration: EUR 1,102,991.18 Variable remuneration: EUR 79,272.00 Total : EUR 1,182,263.18 Number of beneficiaries: 18
Description on what fixed and variable remuneration consist.	Fixed remuneration consists of salaries paid as well as other non-monetary benefits such as car allowances or luncheon vouchers. Variable remuneration consists of annual bonuses paid in accordance with the remuneration policy. The remuneration policy is available for shareholders free of charge on simple request at the registered office of the Management Company (www.pharusmanco.lu).
Aggregate amount of fixed remuneration broken down by categories of employees or other members of staff of the management company whose actions have a material impact on the risk profile of the UCITS.	Chief Executive Officer and Senior Management: EUR 443,081.40 Other members of staff having a material impact on risk profile of UCITS: EUR 236,503.64 Total: EUR 679,585.04 Number of beneficiaries: 8
Outcome of the reviews of the remuneration policy including any irregularities that have occurred.	No
Material changes to remuneration policy.	An update of the remuneration policy occurred in January 2018 without material changes.