

YCAP FUND

Société d'Investissement à Capital Variable

R.C.S. Luxembourg B 172172

Audited Annual Report as at December 31, 2017

YCAP FUND

YCAP TACTICAL INVESTMENT

YCAP EUROPEAN TACTICAL INVESTMENT*

No subscription can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current prospectus and relevant Key Investor Information Document ("KIID") which will be accompanied by a copy of the latest Annual Report and a copy of the latest available Semi-Annual Report, if published after such Annual Report.

* This Sub-Fund was launched on February 7, 2017.

Table of Contents

Organisation	2
Investment Manager's Report	4
Audit Report	11
Statistics	14
Combined Statement of Net Assets as at December 31, 2017	15
Combined Statement of Operations and Changes in Net Assets for the year ended December 31, 2017	15
YCAP TACTICAL INVESTMENT	
Statement of Net Assets as at December 31, 2017	16
Statement of Operations and Changes in Net Assets for the year ended December 31, 2017	16
Statement of Changes in Number of Shares	17
Securities Portfolio as at December 31, 2017	18
Financial derivative instruments as at December 31, 2017	18
Portfolio Breakdowns	20
Top Ten Holdings	20
YCAP EUROPEAN TACTICAL INVESTMENT*	
Statement of Net Assets as at December 31, 2017	21
Statement of Operations and Changes in Net Assets for the period ended December 31, 2017	21
Statement of Changes in Number of Shares	22
Securities Portfolio as at December 31, 2017	23
Financial derivative instruments as at December 31, 2017	23
Portfolio Breakdowns	24
Top Ten Holdings	24
Notes to the Financial Statements as at December 31, 2017	25
Unaudited Information	33

* This Sub-Fund was launched on February 7, 2017.

Organisation

BOARD OF DIRECTORS

Chairman

Mrs. Juliette Mayer
Avocat à la Cour, Mayer Law Firm
4, rue des Girondins
L-1626 Luxembourg
Grand Duchy of Luxembourg

Directors

Mr. Jean-Jacques Ohana
Managing Director - YCAP Asset Management
Chartered Financial Analyst
37, avenue Pierre 1er de Serbie
F-75008 Paris
France

Mrs. Pascale Attuil (until March 27, 2017)
Director
7, rue Léo Delibes
F-75116 Paris
France

Mr. Frédéric Deflorenne (since April 25, 2017)
13, rue Paul Goedert
L-3330 Crauthem
Grand Duchy of Luxembourg

ADMINISTRATION

MANAGEMENT COMPANY

YCAP Asset Management
37, avenue Pierre 1er de Serbie
F-75008 Paris
France

MANAGEMENT OF THE MANAGEMENT COMPANY

Chairman

Mr. Lionel Malca
37, avenue Pierre 1er de Serbie
F-75008 Paris
France

General Manager

Mr. Jean-Jacques Ohana
37, avenue Pierre 1er de Serbie
F-75008 Paris
France

INVESTMENT MANAGER

YCAP Asset Management
37, avenue Pierre 1er de Serbie
F-75008 Paris
France

AUDITOR OF THE MANAGEMENT COMPANY

Maurice Lasry
31, rue Parmentier
92200 Neuilly sur Seine
France

DEPOSITARY BANK

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

Organisation (continued)**ADMINISTRATIVE AGENT AND DOMICILIARY AGENT**

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

REGISTRAR, TRANSFER AND PAYING AGENT

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

AUDITOR

PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator, B.P.1443
L-1014 Luxembourg
Grand Duchy of Luxembourg

PRIME BROKER

Newedge UK Financial Limited
10, Bishop Square
London E1 6EG
United Kingdom

SWAP COUNTERPARTY

JPMorgan Chase Bank, National Association
1 Chaseside
Bournemouth Dorset
BH7 7DA
United Kingdom

REGISTERED OFFICE

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

Investment Manager's Report

YCAP Tactical Investment

January

The fund ended the month in slight negative territory in a very contrasted month.

The dollar ended in sharp negative territory which impacted adversely in our positive dollar stance. In the wake of US trade interventionism, the dollar dropped 3%. This move cost in our dollar positions vs. EUR, CHF and JPY. Meanwhile, our exposure on commodity currencies (AUD, NZD), emerging currencies (BRL, RUB, INR) and gold miners helped to mitigate the loss. All in all, the performance contribution of currencies amounted to a loss of 0.7%

The dollar's weakness weighed on European and Asian equities. The latter accounted for a loss of 0.23% due to the simultaneous correction of Japanese and Australian stocks.

Nevertheless, the dollar drop helped emerging and commodity assets. Emerging equities rose more than 6% while EU Basic Resources surged almost 10%. Emerging and commodity assets contributed to a strong gain of 0.55%.

For sure, the "risk on" picture is contrasted with some pocket of weakness due to geopolitical vulnerabilities (sovereigns in the euro zone, bearish trend on the Mexican Peso or the Turkish lira...). Meanwhile, the systemic contagions are absent for the moment as reflected by a persistently negative Risk Aversion. In addition, trends are mostly positive on equities, favoring cyclical stocks. In this environment, the fund remains overweighted on equities at 74%. The dollar bias has been slightly reduced to 25% as the positive trend strengthened on commodity currencies.

February

In February, YCAP Tactical Investment achieved a strong performance of +2.6%. The performance was driven by every asset class. As a matter of fact, a drop in global bond yields helped both bonds markets and defensive equities.

Equities displayed a strong performance across all regions. US equities surged +4.0%, European equities rose 3.0%, Australian equities advanced +2.0% and even Emerging stocks turned +2.0% higher. The rise of defensive stocks was all the more impressive as they were supported by retreating bond yields in Europe and in the US. All defensive sectors surged by more than 5%. The rise was even more compelling in the Health Care sector, reaching 7%. The total contribution of equities amounted to 1.7%. US and defensive equities' investment theme were the most prominent performance drivers.

Bonds added another 0.30% to the overall fund performance. However, the UK Gilt and the German Bund were the dominant source of performance. The widening spread between French and German yields benefitted the Bund and dragged down the yields of bonds perceived as safe havens (Gilt, Bund).

Last but not least, currencies also accounted for a 0.7% performance. Indeed, a stronger dollar vs. EUR, CHF and JPY supported performance. Following a rise of political uncertainty in the euro zone, the single currency fell -2.0%. Simultaneously, emerging currencies (RUB, ZAR, BRL, INR) progressed. Overall, the fund benefitted from the currency carry trade investment theme.

At the turn of the month, modified duration was slightly increased from 2.5 to 3.2 while equities exposure was increased from 74% to 83%.

March

In March, YCAP Tactical Investment Fund (class EUR A) gained +0.62% for a YTD performance of +3.07%.

Equities were the most significant performance contributors particularly European and Asia Pacific markets. For instance, European stocks were up more than +3.0% and added +0.39% to the overall fund performance. By the same token, the sharp rise of Australian stocks at the turn of the month helped the fund to gain another +0.36% in the Asia Pacific region. Last but not least, emerging market stocks accounted for an overall contribution of +0.26% to the monthly performance, driven by the MSCI Emerging in USD and the Indian Nifty.

Meanwhile, currencies have cost the Fund some performance in March due to a significant appreciation of the yen and euro against the dollar. However, this effect was somewhat alleviated by the strength of emerging currencies rising more than +3.0% vs. the dollar – most notably the Mexican peso (+7.4%), the Russian ruble (+3.8%) and the Indian rupee (+3%). Overall, the Fund gave up -0.12% on currencies.

At the turn of the month, the Fund remains significantly underweighted sovereign bonds. The modified duration stands at 3.4. The Fund's equity exposure has remained stable at 83%. Profits were taken on US equities, while exposure to defensive stocks increased.

April

In April, YCAP Tactical Investment achieved a slight gain. All assets classes contributed to performance except currencies which incurred a small loss. Performance was significant on Equities. In the wake of the result of the French elections, equities rebounded, ending the month on a positive note. European equities rose more than 2%, the US Nasdaq advanced almost 3%. The ascent of EU Real Estate and EU small caps reached almost 5% and was even more impressive. Meanwhile, commodities equities went through a correction reflected in the negative month of EU Basic Resources (-2%) and US Energy (-3%) following the retreat of Oil towards the low end of its range (50 USD) and a severe correction of Iron Ore (-14%). All in all, equities accounted for a gain of 0.67%.

On currencies, the dollar drop reflected negatively on the positions. In particular, the dollar fell 2% vs. the euro following the sentiment improvement in the euro zone political sustainability. The bullish dollar positioning and the simultaneous emerging currencies correction eventually cost 0.39%. Last but not least, bonds markets progressed thus enabling the fund to achieve small profit in this segment. A performance of 0.30% was attained on bonds thanks to the rise of Emerging Bonds, US and Canada sovereign bonds and buoyant credit markets.

Investment Manager's Report (continued)

At the turn of the month, equities' exposure was cut from 82% to 74% due to investment bubbles developing on EU and US stocks. Duration was increased from 3.4 to 4.5 as trends improved on European bonds. The bullish dollar positioning was lowered from 16% down to 14% on the back of deteriorating dollar trend.

May

YCAP Tactical Investment ended the month with a positive performance, the fourth in a row. Performance was mainly driven by emerging equities and defensive stocks although the setback of the dollar reflected negatively on currency positions. As commodities weaken, the inflation outlook remains depressed. As a result, central banks have maintained an accommodative stance and global bonds yields have fallen.

Emerging stocks displayed a strong performance as illustrated by the lofty rise of China mainland equities (+6%), the Hang Seng (+4.5%) and Indian stocks (+3%). The prospect of low yields has supported defensive stocks in particular in the Utilities sector (+8% in Europe, +4% in the US) and Consumer Staples (+4.5% in Europe, +2.6% in the US). All in all, equities achieved a strong performance of +1.26%.

Sovereign Bonds and Corporate Credit also meaningfully contributed to the overall performance (+0.48%). Lower yields drove sovereign bonds and investment grade debt higher, notably in the US. In the wake of surprising lower yields the dollar fell, thus undermining the fund's positive dollar stance. Performance of currencies was negative at -0.39%.

At the turn of the month, the equity exposure was maintained at 74% while duration rose from 4.5 to 5.2. The overall dollar exposure was cut significantly from 14% down to 4%.

June

In June, the fund recorded a negative performance in the wake of rising bond yields and simultaneously falling equities.

Over the month, global yields advanced +20 bps. The rise was most pronounced in Canada, Australia and Germany and slightly subdued in the US. The resulting loss incurred on sovereign bonds amounted to -1.0%. Meanwhile, the credit market proved fairly robust despite the spike in yields. The segment contributed merely a modest loss (-0.1%) to the overall performance.

At the same time, equities also experienced a correction led by growth and defensive sectors. In a reversal of fortune, these sectors which had rallied the most while interest rates trended lower, now suffered the most from soaring yields. For instance, the Nasdaq fell -2.5% while EU Telecom and EU Utilities fell by -5.0%. Overall, developed equities cost more than -0.3% of fund performance.

Meanwhile, inflation themes displayed satisfactory performance. In particular, carry trade currencies rose more than +3.0% with the Australian dollar, the New Zealand dollar and the Mexican Peso leading the field. Among emerging equities, the sharp rise of Chinese and Taiwanese equity indices, surging more than +3.0%, are worth highlighting. Emerging stocks and carry trade currencies alleviated the monthly loss by contributing a +0.4% gain.

By the turn of the month, modified duration had slightly dropped to 5.8. The equities exposure meaningfully declined from 75% down to 61% as rising bubble indicators convey a deterioration of the risk/reward setup of some developed equity markets.

July

In July, fund performance rebounded led by emerging equities and currencies which were key performance drivers. As a matter of fact, the dollar gave up almost -3.0% against a basket of currencies. The decline of the dollar helped stocks of emerging countries to display a strong monthly rise. For example, Hong Kong's Hang Seng surged more than +6.0% while the global emerging index soared +5.6%.

Gains coming from emerging markets stocks were significant amounting to +0.75% of total fund performance. The other meaningful contributor of performance proved to be currencies. The fund benefitted from a tumbling dollar. In particular, long positions on commodity currencies (AUD, NZD, CAD, NOK) were supported by a decline of more than -4.0% of the dollar. Overall, currencies accounted for a performance of +0.45%.

Other equity markets also displayed some positive performance. For instance, EU Basic Resources stocks rallied +8.0% in July supported by rebounding Industrial Base Metals and Iron Ore. Commodity stocks therefore accounted for +0.11% in gains. In this environment, the fund's bond portfolio modestly rose overall. Results were mixed, however, with slightly negative returns on sovereign bonds and strongly positive returns on corporate credit.

At the turn of the month, the equity exposure climbed from 60% to 67%. The Modified Duration was reduced from 5.7 to 5.0. The fund's short dollar exposure advanced from -5% to -16%.

August

In August, renewed tensions over North Korea provoked a significant surge in safe-haven assets. As a matter of fact, yields of US 10-year government bonds fell -18 bps while gold surged +4.1% in USD. The portfolio was thus supported by sovereign bonds which accounted for a performance of +0.7%. Duration in corporate credit added another +0.1%.

Meanwhile, equity performance was mixed. In the US, the Russell 2000 Index (US small caps) tumbled -1.4% whereas the Nasdaq 100 Index climbed +2.0% achieving a year-to-date performance of +24.1%. Emerging markets were supported by a declining dollar while stocks of commodity producers advanced in the wake of the positive trend in industrial and precious metals. EU Basic Resources rose +3.8% (Stoxx 600 Basic resources) and the NYSE Arca Gold Miners Index surged almost +8.0%.

Defensive stocks displayed positive performance in the US thanks to the fall in US interest rates. All in all, equities contributed a slightly positive +0.1% in August. Currencies weighed modestly negative on fund performance (-0.1%) as carry trade currencies retreated.

Investment Manager's Report (continued)

At the turn of the month, the equity exposure was cut from 67% to 55%. Duration was increased from 5.0 to 6.3. The dollar short position stands at -18.0% and has barely changed over the month.

September

In September, the Fund negatively performed, impacted by a rise in interest rates and a rebounding dollar. The significant advance of equities provided performance but the latter did not compensate for the loss incurred on bonds and currencies.

As a matter of fact, 10 years sovereign bonds slumped by -2.69% in the UK and by -2.20% in Canada due to a sharp rise in bonds' yields. The yield surge was particularly acute in the UK with an increase of +33bps following news that the Bank of England would hike interest rates in late 2017, earlier than originally expected. The overall contribution of bonds accounted for a loss of -0.98%. Positions on currencies were impacted by a rise in the dollar. In particular, the Norwegian Krone dropped -2.48%. Currencies accounted for a loss of -0.21%.

Meanwhile, equities rose significantly, in particular value stocks in the wake of rising bond yields. For instance, US small caps advanced by +6.24% as the prospect for a US corporate tax reform looks more imminent. The Japanese (Nikkei) and Eurozone markets (Euro Stocks 50) soared by respectively +4.19% and +5.20%. Energy stocks also sharply rebounded gaining +7.77% in Europe (Stoxx 600 Oil & Gas) and +10.15% in the US (S&P Energy Sector). By contrast, the performance of emerging equities and defensive stocks was more muted due to rising bond yields and a surging dollar. The overall performance of equities totaled +0.81%.

At the turn of the month, duration was cut from 6.3 to 5.1. The equity exposure increased from 55% to 63%. The short dollar positioning remained stable at -18.0%.

October

In October, the Fund posted a positive performance as reflation of financial assets was the dominant investment theme. Indeed, equities rose sharply while Eurozone bonds were propelled by ECB comments. As a matter of fact, the central bank's decision to taper its asset purchase program from January 2018 was perceived more dovish than expected.

US and European equities rose respectively +2.3% (S&P 500) and +2.3% (Euro Stoxx 50), but the Japanese Nikkei came in top of the class with a progression of +8.1%. Other prominent increases within global equities were in China (FTSE China A50: +6.9%) and India (Nifty: +5.7%). As a result, global equities generated a monthly contribution of +2.2% overall.

The ECB's tapering decision was perceived as dovish. Although the asset purchase program was shrunk from 60 billion EUR a month to 30 billion EUR, the purchase program was extended to at least until September of next year. The decision was perceived as a very cautious exit to prevent both a sharp EUR appreciation and a jump in Eurozone interest rates. As a result, the Bund held steady and Italian yields eased 30 bps. Bonds contributed +0.5%.

Meanwhile, in currency markets, the USD rose against the trend reflecting adversely on performance. Commodity currencies were the most hit, notably the NZD/USD (-5.0%), the CAD/USD (-3.3%) and the NOK/USD (-2.6%). Currencies cost -0.5% over the last month.

At the turn of the month, the equities exposure was enhanced from 63% to 74% whereas duration was cut from 5.2 to 4.8, chiefly on US bonds. The overall short dollar exposure was reduced from 19% to 12% in the wake of strengthening trend of the dollar vs. CHF and JPY.

November

In November, YCAP Tactical Investment Fund achieved a modestly positive return.

The performance was driven by a sharp increase in US and Asian equities. As a matter of fact, US S&P 500 index advanced +3.1% while Japanese stocks gained +3.2% (Nikkei 225). The Fund's overweight of Asian equities proved particularly prescient in this context. US equities and Asian stocks accounted for a performance of +0.29% and +0.46%, respectively. Meanwhile, European equities dropped significantly, losing -2.5% (Euro Stoxx 50) as the Euro appreciated. The contribution of European equities was therefore negative (-0.19%).

At the same time, commodity assets were also hit thereby dragging stocks further down. The stocks of commodity producers contributed negatively to the overall performance (-0.13%). The decline in commodities also sparked a depreciation of commodity currencies, in particular NOK and AUD, against funding currencies like EUR, CHF and JPY. The contribution of currencies amounted to -0.21%.

EU Sovereign bonds benefitted from a fall in EU interest rates. The French OAT and the Italian BTP were meaningful contributors to the Fund's performance. Sovereign bonds brought a monthly performance of +0.15%.

At the turn of the month, duration rose slightly from 4.9 to 5.2 whereas the equity exposure marginally declined from 73% to 70%. The overall short dollar exposure was reduced from 12% to 5% through a reduction of the exposure to commodity currencies.

Investment Manager's Report (continued)

December

YCAP Tactical Investment Fund ended the year 2017 on a positive note.

In a reflationary environment featuring rising yields amidst surging commodity markets, performances varied considerably across asset classes. For instance, losses on sovereign bonds (e.g. +12bps on Australian 10-Yr sovereign bond yield) were largely compensated by stronger commodity markets. Among commodities, the Stoxx 600 Basic Resources (+9.9%), the S&P 500 Energy (+4.9%) and the ZAR/USD (+11.0%) stood out as key performance contributors (the latter also benefited from favorable political conditions). But other markets related to the commodity complex also supported the overall fund performance, such as Australian equities (ASX 200 : +1.8%) or UK equities (FTSE +5.0%).

In sync with rising interest rates, defensive stocks gave up some ground. The utility sector which is highly sensitive to interest rates, was under pressure.

Towards yearend, the exposure to equities was slightly enhanced from 70% to 74% while duration fell from 5.2 to 4.9.

We wish all our investors and followers a happy New Year and the best of health and success in 2018!

YCAP European Tactical Investment (launched on February 7, 2017)

February

The Ycap European Tactical Investment fund, launched on 8 February last, posted a performance of +0.62%. All asset classes contributed positively to performance over the period. The significant fall in bond yields carried bonds but also so-called "defensive" shares.

Even though the weight of sovereign bonds has increased during the month, the allocation of the portfolio is resolutely turned towards risky assets (58% of equities vs. 26% of sovereign bonds).

Within the equity portfolio, defensive themes posted robust performances over the period, like the Health Care and Utilities sectors (+4.81% and +2.32% respectively). Overall, equities in the portfolio contributed +0.55% over the period.

Within the bond portfolio, the Bund and the Gilt found favour with investors as safe haven assets (respectively +2.42% and +2.71% over the month of February). German bonds are particularly buoyed by fears surrounding sovereign debt in France and Italy. France/Germany and Italy/Germany spreads widened to 80 bps [basis points] and 200 bps, respectively, before narrowing in recent sessions.

As of 28 February, the portfolio's duration is 2.44 and the equity exposure remains high at 58%.

March

The Ycap European Tactical Investment fund posted a performance over the month of March of +1.93%.

The equity fund stands out as the biggest performance driver, with a total contribution of +2.10%. Sector performances highlight the underperformance of the commodities sector (-3.96%), penalised by the sharp fall in oil prices.

Eurozone equities posted a performance of more than 5%, mainly driven by European banks (Eurostoxx Banks: +12.01%). The behaviour of the banking sector allows the Value theme to post a performance (+ 3.62%) in line with or higher than other themes despite the underperformance of commodities. The banking sector accounts for more than one third of the Value. Defensive stocks also stood out with notable performances over the month, notably in the Utilities sector (Eurostoxx Utilities: +5.40%).

With a contribution of -0.17%, the bond portfolio slightly penalised the fund's performance over the period, as sovereign bonds suffered amid rising rates in Europe. At the end of March, the portfolio's duration is 2.95.

The positioning of the fund was not significantly changed over the month, with an over-weighting of risky assets, to the detriment of the bond sub-fund. As of 31 March, the portfolio allocation is 65% in equities, 26% in sovereign bonds and 20% in corporate bonds.

April

The Ycap European Tactical Investment fund posted a performance in April of +0.90%. All asset classes contributed positively to the performance.

The equity sub-fund stands out as the strongest performance driver with a total contribution of +0.71%. Equity management sectors and styles performed differently. Despite the dominance of cyclical stocks in Europe (+5.8 pts of relative performance compared to defensive stocks since the beginning of the year), the "value" theme is underperforming. The correction of commodities again weighs on the theme (a sector representing more than 13%) by causing a correction of more than 2% in the equities of producing companies. By contrast, small caps and real estate companies stand out and earn close to +5% over the month.

With a contribution of 0.22%, the bond portfolio is doing well mainly thanks to company debt. "Investment Grade" indices slightly under-performed the "High Yield," penalised by their higher sensitivity and by the rebound of risky assets at the end of the period in the wake of the results of the first round of the French presidential elections.

Investment Manager's Report (continued)

The positioning of the fund was not significantly modified during the month, with an over-weighting in risky assets, to the detriment of the bond sub-fund. We made small gains in equities and increased the duration of the portfolio (3.71 vs. 2.94 at the end of last month).

As of April 28, the allocation of the portfolio is oriented at 59% in equities, 35% in sovereign bonds and 20% in corporate bonds.

May

The YCAP European Tactical Investment Fund finished the month of May with a positive performance of +1.73%. The performance was driven by the theme of defensive equities (Utilities, Food & Beverage, Health Care). In a context of low inflation and falling commodity prices, central banks are maintaining their accommodating tone. As a result, bond yields have fallen.

The fall in bond yields for several months is decisive for the theme of defensive equities. The food and health sectors are performing above 3% while the utilities sector is up more than 8% over the month. The entire equity sub-fund contributed positively to the performance of +1.54%.

On the bond markets, the election of Emmanuel Macron reassured investors and allowed a relaxation of peripheral spreads. Nevertheless, the resurgence of the Italian political risk at the end of the month has slowed down this movement. Corporate debt out-performed due to investors' appetite for risky assets that drove credit spreads down. Driven by falling interest rates, the bond markets made a significant contribution of +0.29%.

At the end of the month, equities exposure was 61% and portfolio duration was 3.87.

The fund's performance since launch now stands at +5.27%.

June

The YCAP European Tactical Investment fund posted a negative performance of -2.50% for the month of June. The equities sub-fund contributes -1.82%, of which close to -1.20% is solely to the theme of defensive equities. The sovereign bond portfolio contributed -0.61%, reflecting the strong resilience of European credit, particularly High Yield, which posted a positive a performance over the month (+0.21%).

Defensive equities have thus been heavily penalised in the same way as they have been favoured during the fall in yields since the beginning of the year. In Europe, Utilities and Healthcare posted performances on the month of close to -4%, while the Telecom sector fell by almost -6%.

Mario Draghi mentioned that "the deflationary forces were replaced by reflationary forces." Although "deflationary" themes in Europe have been penalised (sovereign bonds, defensive equities), the "reflationary" themes within the portfolio (Value, Basic Resources Sectors and Oil & Gas) have not been galvanised by the words of the President of the ECB (Banque centrale européenne [European Central Bank]).

The exposure on the equity markets was lowered from 61% to 54% while the duration is shown at the end of the month as 3.78.

The fund's performance since the launch on 8 February last is now +2.63%.

July

The YCAP European Tactical Investment fund posted a slightly negative performance of -0.08% in July, a month marked by the fall in the dollar (-2.9% against a basket of currencies) and a lull in the rate markets. Despite expectations of an adjustment to the ECB's asset purchase program in the autumn, the appetite for corporate debt remained strong and allowed credit spreads to tighten, both in the Investment Grade sub-fund and High Yield.

The equity sub-fund contributed negatively, -0.29%, of which -0.54% was solely in the sole theme of defensive equities (Health Care, Utilities, Real Estate, Food & Beverage). The corporate bond portfolio contributed +0.18%, once again demonstrating the strong resilience of European credit, particularly the Investment Grade sub-fund, which posted a positive performance over the period (+0.78%).

The decline of the dollar over the month is at the heart of the sectoral disparity in the equities portfolio. Cyclical equities, so-called "reflationary," have been sought at the expense of the defensive theme. As a result, the Health Care sector fell by -3.50% over the month and the Real Estate sector fell by -1.10%. In contrast, the Basic Resources, Oil & Gas and MSCI Europe Value sectors posted performances of +8.32%, +1.37% and +0.51%, respectively.

During the month, equity market exposure was strengthened to 67% while the duration was reduced to 3.01. The fund's performance since its launch on 08 February is now +2.54%.

August

The YCAP European Tactical Investment fund posted a performance of +0.71% over the month of August.

Sheltered assets are in the spotlight in an environment of geopolitical tensions. North Korea's nuclear deterrence game and Donald Trump's verbal escalation are at the centre of investor concern.

As a result, sovereign bonds were sought over the period. The contribution to the performance of the latter is +0.40%. The equities portfolio also contributes positively, + 0.27% with, however, a very marked disparity. The theme of defensive equities (Health Care, Utilities, Real Estate, Food & Beverage) appears to be the biggest contributor of the month (+0.44%). At the same time, the themes with higher beta have been abandoned (Stoxx Banks -3.16%, Value -1.19%).

Investment Manager's Report (continued)

The corporate bond portfolio contributed +0.11% once again demonstrating the strong resilience of European credit and, in particular, Investment Grade sub-fund, which posted a positive performance over the period (+0.55%).

During the month, equities exposure was reduced to 57% while the duration was raised to 3.98. The fund's performance since its launch on 08 February is now +3.27%.

September

The YCAP European Tactical Investment fund posted a slightly negative performance of -0.08% in July, a month marked by the fall in the dollar (-2.9% against a basket of currencies) and a lull in the rate markets. Despite expectations of an adjustment to the ECB's asset purchase program in the autumn, the appetite for corporate debt remained strong and allowed credit spreads to tighten, both in the Investment Grade sub-fund and High Yield.

The equity sub-fund contributed negatively, -0.29%, of which -0.54% was solely in the sole theme of defensive equities (Health Care, Utilities, Real Estate, Food & Beverage). The corporate bond portfolio contributed +0.18%, once again demonstrating the strong resilience of European credit and, in particular, the Investment Grade sub-fund, which posted a positive performance over the period (+0.78%).

The decline of the dollar over the month is at the heart of the sectoral disparity in the equities portfolio. Cyclical equities, so-called "reflationary," have been sought at the expense of the defensive theme. As a result, the Health Care sector fell by -3.50% over the month and the Real Estate sector fell by -1.10%. In contrast, the Basic Resources, Oil & Gas and MSCI Europe Value sectors posted performances of +8.32%, +1.37% and +0.51%, respectively.

During the month, equity market exposure was strengthened to 67% while the duration was reduced to 3.01. The fund's performance since its launch on 8 February last is now +2.54%.

October

The YCAP European Tactical Investment fund posted a positive performance of +2.26% over the month of October.

The environment remains oriented toward a regime favourable to risk taking. Volatility remains at historic lows. At the time of his intervention, Mario Draghi has managed to meet the expectations of investors by announcing a smooth exit from quantitative easing, with a decrease in purchases to €30 billion per month but extended until September 2018. A possible extension, if necessary, was also mentioned. The market reaction was unequivocal: equities rose, bond yields fell (by around 15 bp [basis points] from the German 10-year rate) and the EURUSD fell (by around 2%). The fall in the euro also points to a potential catalyst at the end of the year for the euro zone equity markets.

Equities particularly supported the performance over the period with a contribution of +1.52%. Within the sub-fund, a real momentum in commodities and Oil & Gas equities posted performances close to +5% over the month. By contrast, the banking sector fell by -1.12%, penalised by the publication of mixed results and less pronounced prospects for steepening of the curve following the ECB's accommodating intervention.

All asset classes also contributed positively to performance over the month (sovereign bonds +0.53%; corporate bonds: +0.24%). During the month, equity market exposure increased to 65% while the duration was 3.7. The fund's performance since its launch is +5.87%.

November

The YCAP European Tactical Investment fund posted a negative performance of -1.26% in November.

All the themes of the equity sub-fund show negative performances over the period. The worst contributors to performance were Commodities (-0.50%) and defensive equities (-0.24%). The month-on-month increase in European currency (EUR/USD: +2.10%) weighs on the zone's equity sub-fund. More structurally, the European equity indices relative to the other zones (US, Emerging Countries, Japan) are subject to a composition that is too weakly weighted on the technological sector (around 5%). This is a particularly robust sector in recent years (Stoxx 600 Technology: +75.77% vs +40.10% for the Stoxx 600 TR over the last ten years).

The bond sub-fund posted a contribution to positive performance over the month (+0.08%) due to sovereign bonds (+0.12%). Note that corporate bonds, through its High Yield segment, have been abandoned by investors (Iboxx EUR High Yield: -0.39%).

During the month, equity market exposure increased to 67% while the duration was 3.66.

December

The YCAP European Tactical Investment fund posted a positive performance of +0.96% over the period.

The month of December is characterised by a significant increase in commodities (Bloomberg Commodity Index: +2.88%) leading to a simultaneous rise in bond yields in view of a rise in inflation expectations.

Investment Manager's Report (continued)

The commodities sector in the equity sub-fund is in the spotlight with a contribution to performance of +0.63%. Due to its composition (23% in stocks in the commodities sector), the Footsie 100 also significantly contributed monthly to the performance of +0.38%. Euro zone equities (Eurostoxx 50) in line with last month, remain penalised by the appreciation of the European currency (EUR/USD: +0.95%).

The bond sub-fund posted a negative contribution to the performance on the month (-0.26%), being strongly penalised by sovereign bonds and the increase in bond yields, especially in the second half of the month (+12 bp on the 10-year German rate between 15 December and 29 December).

During the month, the equity market exposure increased to 66% while the duration was 3.45. The fund's performance since its launch is +5.54%.

The Board of Directors

Luxembourg, April 25, 2018

Note: The figures stated in this report are historical and not necessarily indicative of futures results.



Audit Report

To the Shareholders of
YCAP FUND

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of YCAP FUND and of each of its sub-funds (the "Fund") as at 31 December 2017, 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.

What we have audited

The Fund's financial statements comprise:

- the statement of net assets as at 31 December 2017;
- the securities portfolio as at 31 December 2017;
- the statement of operations and changes in net assets for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Law and standards are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

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

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T: +352 494848 1, F: +352 494848 2900, www.pwc.lu*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report 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 identified above 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 that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund 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 Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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



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

We also:

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

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 26 April 2018

A handwritten signature in black ink, appearing to read 'Frédéric Botteman', written over a horizontal line.

Frédéric Botteman

YCAP FUND

Statistics

		December 31, 2017	December 31, 2016	December 31, 2015
YCAP TACTICAL INVESTMENT				
Net Asset Value	EUR	110,885,526.44	83,027,808.12	17,929,217.73
Net asset value per share				
Class EUR A Shares	EUR	125.82	117.09	105.49
Class USD A Shares	USD	113.24	103.73	90.31
Class EUR B Shares	EUR	112.56	105.62	95.53
Class EUR E Shares	EUR	118.88	108.75	96.52
Class USD B Shares	USD	124.97	115.28	103.77
Class EUR F Shares	EUR	105.49	-	-
Number of shares				
Class EUR A Shares		214,250.20	592,747.33	126,930.08
Class USD A Shares		134,045.42	100,000.00	1,000.00
Class EUR B Shares		101,945.89	2,954.00	5,967.00
Class EUR E Shares		200.00	200.00	1,148.82
Class USD B Shares		28,017.74	31,600.00	39,514.20
Class EUR F Shares		539,140.68	-	-
YCAP EUROPEAN TACTICAL INVESTMENT*				
Net Asset Value	EUR	60,771,749.73	-	-
Net asset value per share				
Class EUR F Shares	EUR	105.54	-	-
Number of shares				
Class EUR F Shares		575,814.70	-	-

* This Sub-Fund was launched on February 7, 2017.

Combined Statement

Statement of Net Assets as at December 31, 2017

Statement of Operations and Changes in Net Assets for the year ended December 31, 2017

	Notes	EUR		Notes	EUR
Assets			Income		
Investment in securities at cost		149,105,772.75	Dividends (net of withholding taxes)		236,148.72
Unrealised appreciation / (depreciation) on securities		(513,557.19)	Bank interest		6,498.13
Investment in securities at market value	3.c	148,592,215.56	Income on swaps		44,875.57
Cash at bank	3.d	25,615,027.94	Other income		6,040.73
Receivable on Fund shares sold		111,720.91	Total income		293,563.15
Net unrealised appreciation on futures contracts	3.c, 15	370,323.67	Expenses		
Net unrealised appreciation on Total Return Swaps	3.c, 16	33,900.80	Management fees	5	635,932.10
Dividends and interest receivable		1,111,596.45	Depository fees	5	19,361.55
Formation expenses	3.h, 13	21,911.53	Performance fees	5	627,076.99
Prepaid expenses and other assets	5	14,827.48	Administration fees	5	138,682.46
Total assets		175,871,524.34	Professional fees		113,352.75
Liabilities			Transaction costs	10	254,856.97
Bank overdraft	3.d	809,337.50	Taxe d'abonnement	4	63,958.80
Accrued expenses		783,718.23	Bank interest and charges		143,260.78
Payable on fund shares repurchased		1,407,634.90	Publication fees		12,525.84
Net unrealised depreciation on forward foreign exchange contracts	3.c, 17	46,145.89	Amortisation of formation expenses	3.h, 13	16,616.50
Net unrealised depreciation on Total Return Swaps	3.c, 16	41,641.04	Director's fees		5,000.45
Dividend distribution and other liabilities		1,125,770.61	Other expenses	6	49,614.12
Total liabilities		4,214,248.17	Total expenses		2,080,239.31
Net assets at the end of the year		171,657,276.17	Net investment income / (loss)		(1,786,676.16)
			Net realised gain / (loss) on:		
			Investments		(624,814.47)
			Foreign currencies transactions	3.f	(727,018.39)
			Futures contracts	15	11,827,401.74
			Forward foreign exchange contracts	17	(660,797.63)
			Swaps	3.g	1,335,237.04
			Net realised gain / (loss) for the year		9,363,332.13
			Net change in unrealised appreciation / (depreciation) on:		
			Investments		(646,418.91)
			Futures contracts	15	(74,795.24)
			Forward foreign exchange contracts		(106,862.80)
			Swaps	3.g	(246,781.91)
			Increase / (Decrease) in net assets as a result of operations		8,288,473.27
			Proceeds received on subscription of shares		145,686,620.12
			Net amount paid on redemption of shares		(65,345,625.34)
			Net assets at the beginning of the year		83,027,808.12
			Net assets at the end of the year		171,657,276.17

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

YCAP TACTICAL INVESTMENT (in EUR)

Statement of Net Assets as at December 31, 2017

Statement of Operations and Changes in Net Assets for the year ended December 31, 2017

	Notes	EUR		Notes	EUR
Assets			Income		
Investment in securities at cost		97,101,167.32	Dividends (net of withholding taxes)		170,433.31
Unrealised appreciation / (depreciation) on securities		(412,880.62)	Bank interest		6,496.89
Investment in securities at market value	3.c	96,688,286.70	Income on swaps		34,270.80
Cash at bank	3.d	16,678,310.20	Other income		6,027.97
Receivable on Fund shares sold		111,720.91	Total income		217,228.97
Net unrealised appreciation on futures contracts	3.c, 15	161,124.85	Expenses		
Net unrealised appreciation on Total Return Swaps	3.c, 16	33,900.80	Management fees	5	635,932.10
Dividends and interest receivable		1,111,596.45	Depositary fees	5	10,914.01
Formation expenses	3.h, 13	21,270.92	Performance fees	5	627,076.99
Prepaid expenses and other assets	5	12,074.95	Administration fees	5	100,623.29
Total assets		114,818,285.78	Professional fees		82,036.69
Liabilities			Transaction costs	10	179,694.23
Bank overdraft	3.d	600,126.72	Taxe d'abonnement	4	37,654.25
Accrued expenses		754,473.72	Bank interest and charges		91,129.36
Payable on fund shares repurchased		1,407,634.90	Publication fees		12,525.84
Net unrealised depreciation on forward foreign exchange contracts	3.c, 17	46,145.89	Amortisation of formation expenses	3.h, 13	11,257.11
Net unrealised depreciation on Total Return Swaps	3.c, 16	6,650.25	Director's fees		5,000.45
Dividend distribution and other liabilities		1,117,727.86	Other expenses	6	29,337.14
Total liabilities		3,932,759.34	Total expenses		1,823,181.46
Net assets at the end of the year		110,885,526.44	Net investment income / (loss)		(1,605,952.49)
			Net realised gain / (loss) on:		
			Investments		(559,829.10)
			Foreign currencies transactions	3.f	(716,142.82)
			Futures contracts	15	9,808,301.62
			Forward foreign exchange contracts	17	(660,797.63)
			Swaps	3.g	1,022,444.65
			Net realised gain / (loss) for the year		7,288,024.23
			Net change in unrealised appreciation / (depreciation) on:		
			Investments		(545,742.34)
			Futures contracts	15	(283,994.06)
			Forward foreign exchange contracts		(106,862.80)
			Swaps	3.g	(211,791.12)
			Increase / (Decrease) in net assets as a result of operations		6,139,633.91
			Proceeds received on subscription of shares		87,063,709.75
			Net amount paid on redemption of shares		(65,345,625.34)
			Net assets at the beginning of the year		83,027,808.12
			Net assets at the end of the year		110,885,526.44

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

YCAP TACTICAL INVESTMENT (in EUR)

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class EUR A Shares	592,747.33	134,920.57	(513,417.70)	214,250.20
Class USD A Shares	100,000.00	46,022.00	(11,976.58)	134,045.42
Class EUR B Shares	2,954.00	113,105.90	(14,114.01)	101,945.89
Class EUR E Shares	200.00	-	-	200.00
Class USD B Shares	31,600.00	617.74	(4,200.00)	28,017.74
Class EUR F Shares	-	539,140.68	-	539,140.68

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

YCAP TACTICAL INVESTMENT (in EUR)

Securities Portfolio as at December 31, 2017

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
Transferable securities admitted to an official exchange listing				
Undertakings for collective investment				
Open-ended Funds				
28,900.00	ISHARES J.P. MORGAN USD EM BON	USD	2,756,907.89	2.48
50,000.00	MV GOLD MINERS UCITS ETF	USD	1,018,487.67	0.92
			3,775,395.56	3.40
			3,775,395.56	3.40
Other transferable securities				
Money market instruments				
Government				
8,000,000.00	FRENCH BTF 0% 17-07/11/2018	EUR	8,042,400.00	7.25
15,000,000.00	FRENCH BTF 0% 17-10/10/2018	EUR	15,076,425.00	13.60
21,500,000.00	FRENCH BTF 0% 17-12/09/2018	EUR	21,598,255.00	19.47
10,500,000.00	FRENCH BTF 0% 17-15/08/2018	EUR	10,541,160.00	9.51
7,500,000.00	FRENCH BTF 0% 17-20/06/2018	EUR	7,524,787.50	6.79
5,400,000.00	FRENCH BTF 0% 17-24/05/2018	EUR	5,415,663.67	4.88
12,000,000.00	FRENCH BTF 0% 17-25/04/2018	EUR	12,029,820.00	10.85
540,000.00	FRENCH BTF 0% 17-28/02/2018	EUR	540,513.00	0.49
540,000.00	FRENCH BTF 0% 17-28/03/2018	EUR	540,980.10	0.49
9,540,000.00	FRENCH BTF 0% 17-31/01/2018	EUR	9,544,960.80	8.61
2,500,000.00	US TREASURY BILL 0% 17-13/09/2018	USD	2,057,926.07	1.86
			92,912,891.14	83.80
			92,912,891.14	83.80
Total securities portfolio			96,688,286.70	87.20

Financial derivative instruments as at December 31, 2017

Quantity	Name	Currency	Commitment* in EUR	Unrealised appreciation / (depreciation) in EUR
Futures				
174.00	AUST 10 YR BONDS FUTURE 15/03/2018	AUD	14,638,319.37	(124,636.25)
33.00	BRAZIL REAL FUTURE 31/01/2018	USD	828,160.39	970.19
62.00	CAD CURRENCY FUTURES 20/03/2018	USD	4,125,416.39	74,350.43
17.00	CAN 10YR BOND FUT. 20/03/2018	CAD	1,522,937.85	(22,598.87)
(66.00)	CHF / USD CURRENCY FUTURE 19/03/2018	USD	7,095,082.45	(111,987.84)
30.00	CHI AUD / USD 19/03/2018	USD	1,951,449.03	46,469.02
90.00	CONSUMER STAPLES SELECT 16/03/2018	USD	4,293,887.41	29,988.34
70.00	DJ US REAL ESTATE INDEX 16/03/2018	USD	1,873,584.28	(4,663.56)
17.00	DOLLAR INDEX SPOT 19/03/2018	USD	1,300,001.67	(26,530.65)
10.00	E-MINI MSCI EMERGING MARKETS 16/03/2018	USD	484,551.97	18,987.34
64.00	ENERGY SELECT SECTOR 16/03/2018	USD	3,882,211.86	149,442.04
(3.00)	EURO FX CURR FUT (CME) 19/03/2018	USD	377,107.97	(7,651.15)
59.00	EURO OAT FUTURE FRENCH GOVT B 08/03/2018	EUR	9,155,620.00	(108,560.00)
48.00	EURO STOXX FOOD AND BEVERAGE 16/03/2018	EUR	1,608,000.00	(2,880.00)
87.00	EURO STOXX 50 - FUTURE 16/03/2018	EUR	3,038,910.00	(80,110.00)
50.00	EURO-BTP FUTURE 08/03/2018	EUR	6,807,000.00	(163,000.00)
76.00	EURO-BUND FUTURE 08/03/2018	EUR	12,287,680.00	(93,480.00)
41.00	FTSE 100 INDEX 16/03/2018	GBP	3,527,944.57	133,008.51
3.00	HANG SENG INDEX 30/01/2018	HKD	478,552.90	4,058.78
30.00	HEALTH CARE SELECT SECT 16/03/2018	USD	2,077,365.09	(1,249.17)
79.00	INR / USD 29/01/2018	USD	5,140,789.47	23,394.82
(93.00)	JPY CURRENCY FUTURE 19/03/2018	USD	8,629,684.38	(44,048.76)
11.00	LONG GILT FUTURE (LIFFE) 27/03/2018	GBP	1,551,016.73	8,922.44

Quantity	Name	Currency	Commitment* in EUR	Unrealised appreciation / (depreciation) in EUR
20.00	MATERIALS SELECT SECT 16/03/2018	USD	1,070,453.03	25,149.90
39.00	MEXICAN PESO FUTURE 19/03/2018	USD	813,257.83	(19,974.18)
107.00	MSCI EUROPE VALUE NR 16/03/2018	EUR	2,404,290.00	(11,060.00)
114.00	MSCI TAIWAN INDEX 30/01/2018	USD	3,731,012.66	82,345.10
7.00	NASDAQ E-MINI FUTURE 16/03/2018	USD	747,189.37	7,793.97
64.00	NIKKEI 225 (SGX) 08/03/2018	JPY	5,383,007.77	16,796.03
9.00	NZD / USD CURRENCY FUTURE 19/03/2018	USD	531,170.89	11,617.26
80.00	RUSSELL 1000 VALUE INDEX 16/03/2018	USD	4,077,614.92	24,375.42
57.00	RUSSELL 2000 MINI INDEX FUTURES 16/03/18	USD	3,647,231.01	21,889.57
45.00	RUSSIAN RUBLE FUT 15/03/2018	USD	1,613,767.90	51,059.71
50.00	SA RAND CURR (CME) 19/03/2018	USD	1,662,433.38	61,042.64
108.00	SGX FTSE XINHUA FSP 30/01/2018	USD	1,191,030.98	(15,964.36)
175.00	SGX S&P CNX NIFTY INDEX 25/01/2018	USD	3,077,510.83	2,755.66
37.00	S&P / TSE 60 IX FUTURE 15/03/2018	CAD	4,709,046.19	38,660.02
5.00	S&P 500 E-MINI FUTURE 16/03/2018	USD	557,128.58	7,036.98
109.00	S&P/ASX 200 INDEX (AS51) 15/03/2018	AUD	10,685,230.42	46,148.84
170.00	STOXX EUR SMALL 200 IDX FUTURES 16/03/18	EUR	2,520,250.00	35,700.00
99.00	STOXX 600 BASIC RESSOURCES 16/03/2018	EUR	2,300,760.00	156,420.00
16.00	STOXX 600 HEALTHCARE 16/03/2018	EUR	573,760.00	2,240.00
242.00	STOXX 600 OIL&GAS 16/03/2018	EUR	3,788,510.00	56,870.00
214.00	STOXX 600 REAL ESTATE (SX86P) 16/03/2018	EUR	1,924,930.00	31,825.00
17.00	STOXX 600 TELECOMMUNICATIONS 16/03/2018	EUR	238,510.00	(2,295.00)
101.00	STOXX 600 UTILITIES INDEX 16/03/2018	EUR	1,460,460.00	(64,135.00)
176.00	STOXX 600(SXXP) 16/03/2018	EUR	3,402,080.00	(7,280.00)
34.00	US LONG BOND FUT (CBT) 20/03/2018	USD	4,332,111.93	(1,327.38)
18.00	US 10YR NOTE FUT (CBT) 20/03/2018	USD	1,859,463.48	(8,900.39)
36.00	US 5YR NOTE FUTURE (CBT) 29/03/2018	USD	3,482,600.16	(15,224.36)
12.00	USD/NOK 19/03/2018	USD	2,446,768.82	50,183.21
52.00	UTILITIES SELECT SECTOR 16/03/2018	USD	2,300,333.11	(120,819.45)
				161,124.85

Total Futures 161,124.85

Purchase	Sale	Maturity Date	Commitment* in EUR	Unrealised appreciation / (depreciation) in EUR
18,570,000.00	15,596,064.45	14/03/18	15,596,064.45	(197,096.85)
12,833,519.43	15,295,000.00	14/03/18	12,833,519.43	150,950.96
				(46,145.89)

Forward foreign exchange contracts				
Purchase	Sale	Maturity Date	Commitment* in EUR	Unrealised appreciation / (depreciation) in EUR
18,570,000.00	15,596,064.45	14/03/18	15,596,064.45	(197,096.85)
12,833,519.43	15,295,000.00	14/03/18	12,833,519.43	150,950.96
				(46,145.89)

Total Forward foreign exchange contracts (46,145.89)

Name	Maturity Date	Currency	Notional	Unrealised appreciation / (depreciation) in EUR
Total Return Swaps				
IBOXX EUR Corporates Series 1 Version 1	20/03/18	EUR	5,800,000.00	(36,457.56)
IBOXX EUR Liquid High Yield Index Series 1 Version 1	20/03/18	EUR	1,500,000.00	441.14
IBOXX GBP Corporates Series 1 Version 1	20/03/18	GBP	2,450,000.00	21,199.39
IBOXX USD Liquid High Yield Index Series 1 Version 1	20/03/18	USD	2,000,000.00	5,245.60
IBOXX USD Liquid IG Series 1 Version 1	20/03/18	USD	3,100,000.00	2,921.18

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

YCAP TACTICAL INVESTMENT (in EUR)

Financial derivative instruments as at December 31, 2017

Name	Maturity Date	Currency	Notional	Unrealised appreciation / (depreciation) in EUR
Markit CDX HY 5-year Long Excess Return Index (ERINCLHY)	29/06/18	USD	1,000,000.00	19,627.84
Markit iTraxx Europe Crossover 5-year Long Excess Return Index (ERIXILXO)	29/06/18	EUR	500,000.00	14,272.96
				27,250.55
Total Total Return Swap				27,250.55
Total financial derivative instruments				142,229.51

Summary of net assets

		% NAV
Total securities portfolio	96,688,286.70	87.20
Total financial derivative instruments	142,229.51	0.13
Cash at bank and bank overdraft	16,078,183.48	14.50
Other assets and liabilities	(2,023,173.25)	(1.83)
Total net assets	110,885,526.44	100.00

* Unaudited information

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

YCAP TACTICAL INVESTMENT (in EUR)

Portfolio Breakdowns

Nature allocation	% of portfolio	% of net assets
Money market instruments	96.10	83.80
Undertakings for collective investment	3.90	3.40
	100.00	87.20

Sector allocation	% of portfolio	% of net assets
Government	96.10	83.80
Open-ended Funds	3.90	3.40
	100.00	87.20

Top Ten Holdings

Top Ten Holdings	Sector	Market value EUR	% of net assets
FRENCH BTF 0% 17-12/09/2018	Government	21,598,255.00	19.47
FRENCH BTF 0% 17-10/10/2018	Government	15,076,425.00	13.60
FRENCH BTF 0% 17-25/04/2018	Government	12,029,820.00	10.85
FRENCH BTF 0% 17-15/08/2018	Government	10,541,160.00	9.51
FRENCH BTF 0% 17-31/01/2018	Government	9,544,960.80	8.61
FRENCH BTF 0% 17-07/11/2018	Government	8,042,400.00	7.25
FRENCH BTF 0% 17-20/06/2018	Government	7,524,787.50	6.79
FRENCH BTF 0% 17-24/05/2018	Government	5,415,663.67	4.88
ISHARES J.P. MORGAN USD EM BON	Open-ended Funds	2,756,907.89	2.48
US TREASURY BILL 0% 17-13/09/2018	Government	2,057,926.07	1.86

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

YCAP EUROPEAN TACTICAL INVESTMENT* (in EUR)

Statement of Net Assets as at December 31, 2017

Statement of Operations and Changes in Net Assets for the period ended December 31, 2017

	Notes	EUR		Notes	EUR
Assets			Income		
Investment in securities at cost		52,004,605.43	Dividends (net of withholding taxes)		65,715.41
Unrealised appreciation / (depreciation) on securities		(100,676.57)	Bank interest		1.24
Investment in securities at market value	3.c	51,903,928.86	Income on swaps		10,604.77
Cash at bank	3.d	8,936,717.74	Other income		12.76
Net unrealised appreciation on futures contracts	3.c, 15	209,198.82	Total income		76,334.18
Formation expenses	3.h, 13	640.61	Expenses		
Prepaid expenses and other assets	5	2,752.53	Depository fees	5	8,447.54
Total assets		61,053,238.56	Administration fees	5	38,059.17
Liabilities			Professional fees		31,316.06
Bank overdraft	3.d	209,210.78	Transaction costs	10	75,162.74
Accrued expenses		29,244.51	Taxe d'abonnement	4	26,304.55
Net unrealised depreciation on Total Return Swaps	3.c, 16	34,990.79	Bank interest and charges		52,131.42
Dividend distribution and other liabilities		8,042.75	Amortisation of formation expenses	3.h, 13	5,359.39
Total liabilities		281,488.83	Other expenses	6	20,276.98
Net assets at the end of the period		60,771,749.73	Total expenses		257,057.85
			Net investment income / (loss)		(180,723.67)
			Net realised gain / (loss) on:		
			Investments		(64,985.37)
			Foreign currencies transactions	3.f	(10,875.57)
			Futures contracts	15	2,019,100.12
			Swaps	3.g	312,792.39
			Net realised gain / (loss) for the period		2,075,307.90
			Net change in unrealised appreciation / (depreciation) on:		
			Investments		(100,676.57)
			Futures contracts	15	209,198.82
			Swaps	3.g	(34,990.79)
			Increase / (Decrease) in net assets as a result of operations		2,148,839.36
			Proceeds received on subscription of shares		58,622,910.37
			Net amount paid on redemption of shares		-
			Net assets at the beginning of the period		-
			Net assets at the end of the period		60,771,749.73

* This Sub-Fund was launched on February 7, 2017.

YCAP EUROPEAN TACTICAL INVESTMENT* (in EUR)

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the period	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the period
Class EUR F Shares	-	575,814.70	-	575,814.70

* This Sub-Fund was launched on February 7, 2017.

YCAP EUROPEAN TACTICAL INVESTMENT* (in EUR)

Securities Portfolio as at December 31, 2017

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
Transferable securities admitted to an official exchange listing				
Undertakings for collective investment				
Open-ended Funds				
8,847.00	ISHARES HY CORP	EUR	949,990.86	1.56
			949,990.86	1.56
Other transferable securities				
Money market instruments				
Government				
5,000,000.00	FRENCH BTF 0% 17-07/11/2018	EUR	5,026,500.00	8.27
5,000,000.00	FRENCH BTF 0% 17-10/10/2018	EUR	5,025,475.00	8.27
5,000,000.00	FRENCH BTF 0% 17-12/09/2018	EUR	5,022,850.00	8.27
10,000,000.00	FRENCH BTF 0% 17-15/08/2018	EUR	10,039,200.00	16.52
5,800,000.00	FRENCH BTF 0% 17-25/04/2018	EUR	5,814,413.00	9.57
5,000,000.00	FRENCH BTF 0% 17-28/02/2018	EUR	5,004,750.00	8.24
10,000,000.00	FRENCH BTF 0% 17-28/03/2018	EUR	10,018,150.00	16.48
5,000,000.00	FRENCH BTF 0% 17-31/01/2018	EUR	5,002,600.00	8.23
			50,953,938.00	83.85
			50,953,938.00	83.85
Total securities portfolio			51,903,928.86	85.41

Financial derivative instruments as at December 31, 2017

Quantity	Name	Currency	Commitment** in EUR	Unrealised appreciation / (depreciation) in EUR
Futures				
34.00	EURO OAT FUTURE FRENCH GOVT B 08/03/2018	EUR	5,276,120.00	(64,600.00)
75.00	EURO STOXX FOOD AND BEVERAGE 16/03/2018	EUR	2,512,500.00	(4,500.00)
92.00	EURO STOXX 50 - FUTURE 16/03/2018	EUR	3,213,560.00	(78,920.00)
24.00	EURO-BTP FUTURE 08/03/2018	EUR	3,267,360.00	(78,720.00)
60.00	EURO-BUND FUTURE 08/03/2018	EUR	9,700,800.00	(76,200.00)
59.00	FTSE 100 INDEX 16/03/2018	GBP	5,076,798.29	197,775.02
13.00	LONG GILT FUTURE (LIFFE) 27/03/2018	GBP	1,833,019.77	5,418.80
108.00	MSCI EUROPE VALUE NR 16/03/2018	EUR	2,426,760.00	(10,260.00)
218.00	STOXX EUR SMALL 200 IDX FUTURES 16/03/18	EUR	3,231,850.00	44,570.00
357.00	STOXX 600 BANK 16/03/2018	EUR	3,255,840.00	(39,270.00)
148.00	STOXX 600 BASIC RESSOURCES 16/03/2018	EUR	3,439,520.00	234,340.00
15.00	STOXX 600 HEALTHCARE 16/03/2018	EUR	537,900.00	2,175.00
354.00	STOXX 600 OIL&GAS 16/03/2018	EUR	5,541,870.00	83,190.00
554.00	STOXX 600 REAL ESTATE (SX86P) 16/03/2018	EUR	4,983,230.00	82,395.00
126.00	STOXX 600 UTILITIES INDEX 16/03/2018	EUR	1,821,960.00	(80,010.00)
206.00	STOXX 600(SXXP) 16/03/2018	EUR	3,981,980.00	(8,185.00)
			209,198.82	
Total Futures			209,198.82	

Name	Maturity Date	Currency	Notional	Unrealised appreciation / (depreciation) in EUR
Total Return Swaps				
IBOXX EUR CORPORATES SERIES 1 VERSION 1	29/06/18	EUR	800,000.00	17,456.91

Name	Maturity Date	Currency	Notional	Unrealised appreciation / (depreciation) in EUR
IBOXX EUR Corporates Series 1 Version 1	20/03/18	EUR	8,400,000.00	(52,800.61)
IBOXX EUR Liquid High Yield Index Series 1 Version 1	20/03/18	EUR	1,200,000.00	352.91
				(34,990.79)
Total Total Return Swap				(34,990.79)
Total financial derivative instruments				174,208.03

Summary of net assets

		% NAV
Total securities portfolio	51,903,928.86	85.41
Total financial derivative instruments	174,208.03	0.28
Cash at bank and bank overdraft	8,727,506.96	14.36
Other assets and liabilities	(33,894.12)	(0.05)
Total net assets	60,771,749.73	100.00

* This Sub-Fund was launched on February 7, 2017.

** Unaudited information

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

YCAP EUROPEAN TACTICAL INVESTMENT* (in EUR)

Portfolio Breakdowns

Nature allocation	% of portfolio	% of net assets
Money market instruments	98.17	83.85
Undertakings for collective investment	1.83	1.56
	100.00	85.41

Sector allocation	% of portfolio	% of net assets
Government	98.17	83.85
Open-ended Funds	1.83	1.56
	100.00	85.41

Top Ten Holdings

Top Ten Holdings	Sector	Market value EUR	% of net assets
FRENCH BTF 0% 17-15/08/2018	Government	10,039,200.00	16.52
FRENCH BTF 0% 17-28/03/2018	Government	10,018,150.00	16.48
FRENCH BTF 0% 17-25/04/2018	Government	5,814,413.00	9.57
FRENCH BTF 0% 17-07/11/2018	Government	5,026,500.00	8.27
FRENCH BTF 0% 17-10/10/2018	Government	5,025,475.00	8.27
FRENCH BTF 0% 17-12/09/2018	Government	5,022,850.00	8.27
FRENCH BTF 0% 17-28/02/2018	Government	5,004,750.00	8.24
FRENCH BTF 0% 17-31/01/2018	Government	5,002,600.00	8.23
ISHARES HY CORP	Open-ended Funds	949,990.86	1.56

* This Sub-Fund was launched on February 7, 2017.

Notes to the Financial Statements as at December 31, 2017

Note 1. General Information

YCAP FUND (hereinafter also referred to as the "Company" or the "SICAV") was incorporated on October 10, 2012 as an investment company, qualifying as a "société d'investissement à capital variable" with multiple sub-funds under the laws of the Grand Duchy of Luxembourg, which envisages to invest in a diversified range of transferable securities and/or other liquid financial assets permitted by law, conforming to the investment policy of each particular sub-fund. The Articles are currently being published in the *Mémorial C, Recueil Spécial des Sociétés et Associations* of the Grand-Duchy of Luxembourg and the Company is registered with the Luxembourg Trade and Companies' Register under the number B 172172. The provisions of the Articles are binding on all Shareholders.

The Company is an Undertaking for Collective Investment in Transferable Securities (a "UCITS") for the purpose of the Council Directive 2009/65/EC ("UCITS Directive"). The Company is registered in the Grand Duchy of Luxembourg pursuant to Part I of the Luxembourg law of December 17, 2010 on undertakings for collective investment, as may be amended from time to time (the "UCI Law").

Included in this report are the securities portfolio and financial statements for this Sub-Fund. The Company shall be considered as one single legal entity. With regard to third parties, in particular towards the Company's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it.

At the date of the annual report, the SICAV has 2 active Sub-Funds. The active Sub-Funds (hereafter "Sub-Funds") of YCAP FUND are:

- YCAP FUND - YCAP Tactical Investment
- YCAP FUND - YCAP European Tactical Investment (launched on February 7, 2017)

The Board of Directors of the Company has decided to proceed with the merger by absorption in accordance with the article 66 (4) of the law of 17 December 2010 on undertakings for collective investment (the "2010 Law") and with the CSSF Regulation N° 10-05 of **YCAP Equilibrium** (the "Absorbed Fund") will merge into the sub-fund "**YCAP FUND – YCAP Tactical Investment**" (the "Absorbing Sub-Fund"), a sub-fund of **YCAP FUND**, an investment company with variable share capital (société d'investissement à capital variable) subject to Part I of the law dated 17 December 2010 relating to undertakings for collective investment (the "Receiving Company").

As at December 31, 2017, the Company offered the following Shares in the Sub-Funds. Class EUR A and Class USD A Shares are listed on Luxembourg Stock Exchange.

Sub-Fund Share Class	Currency	Launch Date
YCAP Tactical Investment		
Class EUR A Shares	EUR	January 11, 2013
Class USD A Shares	USD	April 2, 2015
Class USD B Shares	USD	March 15, 2013
Class EUR B Shares	EUR	October 14, 2014
Class EUR E Shares	EUR	December 10, 2014
Class EUR F Shares	EUR	March 3, 2017
YCAP European Tactical Investment*		
Class EUR F Shares	EUR	February 7, 2017

* This Sub-Fund was launched on February 7, 2017.

Note 2. Investment Objective

The main objective of the Company is to seek capital appreciation by investing in a range of diversified transferable securities and/or other liquid financial assets permitted by law through the constitution of different professionally managed Sub-Funds.

Each Sub-Fund is managed in accordance with the investment powers and restrictions as specified in the Company's Prospectus.

YCAP Tactical Investment (previously Riskelia Tactical Investment) will build a long only and flexible portfolio, operating a dynamic asset allocation within worldwide stock index futures, i.e. Financial Indices as defined in article 9 of the Grand-Ducal Regulation of February 8, 2008 relating to certain definitions of the amended UCI Law, bond futures, gold certificates considered as Transferred Securities in the meaning of article 2 of the Grand-Ducal Regulation of February 8, 2008 relating to certain definitions of the amended UCI Law without embedded derivatives, future contracts and currencies in order to achieve optimum risk-adjusted return on capital invested.

Notes to the Financial Statements as at December 31, 2017 (continued)

Note 3. Significant Accounting Policies

The financial statements as at December 31, 2017 have been established based upon the last available Net Asset Value ("NAV"), which was December 31, 2017 for the Sub-Funds.

a. Basis of Financial Statements

The financial statements have been prepared in accordance with the Luxembourg law on Undertakings for Collective Investment. The preparation of financial statements requires management to make estimates, and assumptions that may affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

b. Investment Transactions and Related Investment Income

Operating expenses are recognised on an accrual basis.

Transaction costs, when incurred, are recognised in the Statement of Operations and Changes in Net Assets.

c. Financial Investment in Securities and Valuation

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

The value of assets dealt in on any other regulated market is based on the last available price.

In the event that any assets are not listed or dealt in on any stock exchange or on any other regulated market, or if, with respect to assets listed or dealt in on any stock exchange, or other regulated market as aforesaid, the price as determined is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.

The liquidating value of future contracts, forwards or option contracts traded on exchanges or on other regulated markets shall be based upon the last available settlement prices of these contracts on exchanges and regulated markets on which the particular future contract, forward or options contracts are traded by the Company; provided that if a future contract, forward or options contract could not be liquidated on the day with respect to which Net Asset Value are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors of the Company may deem fair and reasonable.

The value of money market instruments not listed or dealt in on any stock exchange or any other regulated market and with remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money market instruments with a remaining maturity of 90 days or less will be valued by the amortised cost method, which approximates market value.

All other securities and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors of the Company or a committee appointed to that effect by the Board of Directors of the Company.

Total return swaps are marked to market at each NAV calculation date. The unrealised appreciation/(depreciation) is disclosed in the Statement of Net Assets under "Net unrealised appreciation/(depreciation) on Total Return Swaps contracts". Realised gains/(losses) and change in unrealised appreciation/depreciation as a result thereof are included in the Statement of Operations and Changes in Net Assets respectively under "Net realised gain/(loss) on Swaps" and "Net change in unrealised appreciation/(depreciation) on Swaps".

The value of all assets and liabilities not expressed in the Reference Currency of a Class or Sub-Fund will be converted into the Reference Currency of such Class or Sub-Fund at the rate of exchange determined at the relevant Valuation Day in good faith by or under procedures established by the Board of Directors of the Company.

d. Cash

The value of any cash on hand or in deposit, bills, demand notes and accounts receivables, prepaid expenses, dividends and interests matured but not yet received shall be valued at the par-value of the assets except however if it appears that such value is unlikely to be received. In such a case, subject to the approval of the Board of Directors of the Company, the value shall be determined by deducting a certain amount to reflect the true value of these assets.

e. Due from/to Brokers

Due from/to brokers consists primarily of cash collateral receivable/payable from the Sub-Fund's clearing brokers and various counterparties. Due from/to brokers are valued at cost.

Notes to the Financial Statements as at December 31, 2017 (continued)

Note 3. Significant Accounting Policies (continued)

f. Foreign Currency Translation

The books and records of the Sub-Fund are maintained in its base currency. Transactions in foreign currencies are translated at the foreign currency exchange rate in effect at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the foreign currency closing exchange rate in effect at the end of the period.

Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of assets and liabilities are recognised in the Statement of Operations and Changes in Net Assets. Foreign currency exchange gains or losses relating to investments, derivative financial instruments, and all other foreign currency exchange gains or losses relating to monetary items, including cash and cash equivalents, are reflected in the net realised gain/(loss) or change in unrealised gain/(loss) on the Statement of Operations and Changes in Net Assets.

As at December 31, 2017 the exchange rates were as follow:

1 EUR	=	1.535250	AUD	1 EUR	=	135.270100	JPY
1 EUR	=	1.504500	CAD	1 EUR	=	9.831500	SEK
1 EUR	=	1.170150	CHF	1 EUR	=	1.604750	SGD
1 EUR	=	0.887650	GBP	1 EUR	=	1.200800	USD
1 EUR	=	9.387050	HKD				

g. Swaps

The financial derivative instruments (swaps) which are not listed on any official stock exchange or traded on any other organized market will be valued in a reliable and verifiable manner on a daily basis verified by a competent professional appointed by the Board of Directors of the Fund.

h. Formation Expenses and Organisation Costs

The Company shall pay formation expenses out of the assets attributable to each Class of Shares of each Sub-Fund, except if otherwise provided for specific Share Classes of specific Sub-Funds.

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

Note 4. Taxation

Taxation of the Company

The Company is not liable for any Luxembourg tax on profits or income. The Company is, however, liable in Luxembourg to a *taxe d'abonnement* of 0.05% per annum of its NAV, such tax being payable quarterly on the basis of the value of the aggregate NAV of the Sub-Funds at the end of the relevant calendar quarter. No such tax is payable on the value of assets which consist of units or shares of other Luxembourg funds that have already been subject to such tax.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares. No Luxembourg tax is payable on the realised capital appreciation of the assets of the Company.

A reduced *taxe d'abonnement* rate of 0.01% per annum or an exemption of the *taxe d'abonnement* will be applicable to certain Classes of Shares reserved to Institutional Investors within the meaning of article 129 (2) c) of the UCITS Law as well as to certain Sub-Funds investing exclusively in money market instruments.

The Company is liable to an initial capital tax of EUR 1,250 that was paid upon incorporation.

Investments income from dividends and interest received by the Company may be subject to withholding taxes at varying rates. Such withholding taxes are not usually recoverable. The Sub-Fund may be subject to certain other foreign taxes.

In addition, the Company will be liable to certain taxes in countries where the Company carries out its investment activities. These taxes are not recoverable by the Company in Luxembourg.

Notes to the Financial Statements as at December 31, 2017 (continued)

Note 4. Taxation (continued)

Taxation of Shareholders

Shareholders are not subject to capital gains, income or withholding tax in Luxembourg, except (i) Shareholders who are domiciled, resident or have a permanent establishment in Luxembourg, (ii) non-residents of Luxembourg who hold more than 10% of the Shares of the Company and who dispose of all or part of their holdings within six (6) months from the date of acquisition or (iii) in some limited cases, some former residents of Luxembourg who hold more than 10% of the Shares of the Company.

It is expected that Shareholders in the Company are resident for tax purposes in many different countries. Consequently, no attempt is made to summarise the taxation consequences for each investor of subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile and/or incorporation and with his personal circumstances. However, Shareholders who are resident in countries where the Company's Shares are publicly offered are informed about these consequences in country-specific supplements.

Taxation – General

Prospective investors should inform themselves of, and whether appropriate take advice on the laws and regulations in particular those relating to taxation (but also those relating to foreign exchange controls and being Prohibited Persons) applicable to the subscription; purchase, holding conversion and redemption of Shares in the country of their citizenship, residence or domicile and their current tax situation (in particular with regard to the EU Savings Directive) and the current tax status of the Company in Luxembourg.

Note 5. Significant Agreement

Management Fees

The Company has appointed YCAP Asset Management to serve as its designated Management Company (the "Management Company"). The Company entered into an Agreement with the Management Company on October 16, 2012.

The Management Company is entitled to a Management Fee ("Management Fee"). From the first business day of the third year the Management fee rate will be 0.90% for Class A shares and 1.80% for Class B shares per annum. There are no Management Fee paid for the Class E and F shares.

The Management Fee will be calculated and accrued on each Valuation Day based on the maximum percentage per year of the average Net Asset Value attributable to the type of shares during the relevant period and is payable quarterly in arrears. Out of the Management Fee, the Management Company will pay the Investment Manager.

Depository Fees

The Company has appointed BNP Paribas Securities Services, Luxembourg Branch to act as the Depository of the Company assets (the "Depository"). Pursuant to a Depository, registrar and transfer agency, domiciliary, administration and listing agency agreement (the "Agreement") the Company assets including its cash and securities, which will be held either directly or through other financial institutions such as correspondent banks, subsidiaries or affiliates of the Depository.

The fees payable to the Depository will not exceed 0.006%, subject to a minimum of EUR 250 per month and per sub-fund. A one off charge of EUR 500 (subject to VAT) per sub-fund is charged upon liquidation or merger (EUR 1,000 for fund of hedge funds or illiquid assets)

Central Administration Fees

The Management Company, with the prior consent of the Board of Directors, has delegated its duties in relation to the central administration and domiciliation of the Company to BNP Paribas Securities Services, Luxembourg Branch (the "Central Administration"). The Central Administration is responsible for all administrative duties related to the administration of the Company, including the calculation of the NAV of the Shares and the provision of accounting services to the Company.

Referring to "BNP Paribas Securities Services Luxembourg Branch", the Central Administration is entitled to remuneration from the Company as a percentage of the NAV of the Company at rates set out in the Agreement, payable monthly in arrears and is also entitled to reimbursement of its out-of-pocket expenses. BNP Paribas Securities Services, Luxembourg Branch is also entitled to receive a minimum fee amounting to EUR 44,000 for the Company's first year of operating, and post the first year a fee amounting to EUR 88,000.

The remuneration is as follows:

Daily Net Asset Value (in EURO)	% per annum
< 75 million	0.05%
75 < 150 million	0.03%
> 150 million	0.01%

Notes to the Financial Statements as at December 31, 2017 (continued)

Note 5. Significant Agreement (continued)

Central Administration Fees (continued)

Other services to be rendered by the Central Administration will be charged, based on the pricing for a structure with one sub-fund as follows:

Events	Price (in EUR)	Frequency
Additional sub-fund from the 3rd one	EUR 1,000	Per sub-fund/per year
Additional Board Meeting	EUR 1,500	Per Board
Holding of an Extraordinary General Meeting of Shareholders	EUR 2,500	Per meeting
Launch of a new sub-fund	EUR 1,000	Per launch
Closing of a sub-fund	EUR 1,500	Per closing
Legalisation of documents	EUR 200	Per request

Performance Fees

In addition to the Management Fee, the Management Company may also be entitled to a Performance Fee with respect to each Performance Period.

The Performance Fee, payable annually at the rate specified in the relevant subfund's particular, is based on the appreciation of the Gross Net Asset Value per share being the Net Asset Value per share before the accrual of Performance Fees of a Sub-Fund or Class in excess of the HWM as defined below.

The Performance Fee in respect of each Sub-Fund or Class shall be calculated and shall accrue (if applicable) at each Valuation Day during each Performance Period, with such accrual being reversed to reflect a reduction in performance in any such period.

The High Watermark (the "HWM") is the highest Net Asset Value (after deduction for the avoidance of doubt of any Performance Fee to be paid) reached by such Share class as at the end of any preceding Performance Periods. If at the end of the Performance Period, no Performance Fee is due, the HWM for the following Performance Period would be unchanged.

If Performance Fee is activated during the existence of the fund, the initial HWM would be equal to the previous NAV.

In case of redemption, the performance fee accrued (if any) attributable to shares redeemed within the financial year, will be crystallized and paid annually to the Management Company.

The Performance Period for a Sub-Fund or Class shall commence on 1st January of each year and end on 31 December of that same year.

The first Performance Fee period shall nevertheless commence from the date of Performance Fee activation and end on December, 31st of that same year.

Following Performance Fee periods shall commence from January, 1st and end on December, 31st of that same year.

During the year ended December 31, 2017, the Sub-Fund YCAP TACTICAL INVESTMENT has paid EUR 627,076.99 of Performance Fees.

Receivable from Management Company

The Management Company engaged itself to cover administrative fees of the sub-fund for a total amount of EUR 68,000 with a monthly reimbursement of EUR 2,833.33 for a period of 24 months (from June 2015 until June 2017).

Note 6. Other expenses

	YCAP TACTICAL INVESTMENT For the year ended December 31, 2017 (in EUR)	YCAP EUROPEAN TACTICAL INVESTMENT* For the year ended December 31, 2017 (in EUR)
CSSF	6,000.55	5,359.39
Insurance Fee	4,000.38	-
Translation Fees	-	4,158.00
Fundsquare Fees	539.27	-
Meeting / Assembly fees	2,500.00	-
Transfer Agent Fees	16,296.94	10,759.59
	<u>29,337.14</u>	<u>20,276.98</u>

* This Sub-Fund was launched on February 7, 2017.

Notes to the Financial Statements as at December 31, 2017 (continued)

Note 7. Share capital

The Company issues different Classes of Shares in each Sub-Fund, which may differ inter alia in their fee structure and distribution policy applying to them. Shares may be issued in one or more Classes in each Sub-Fund; each Class having features or being offered to different types of investors.

The Board of Directors may however decide that no such Classes will be available in any of the Sub-Funds or alternatively that such Class may only be purchased upon prior approval of the Board of Directors. Certain Classes of Shares are available only to the Management. All Shares are issued in uncertificated registered form.

All Shares must be fully paid-up; they are of no par value. They do not carry any preferential or pre-emptive rights and each Share, irrespective of the Class to which it belongs or its NAV, is entitled to one vote at all general meetings of Shareholders. Fractions of Shares are not entitled to a vote, but are entitled to participate in the net profits and in the proceeds of liquidation attributable to the relevant Class in the relevant Sub-Fund on a pro rata basis. The Company is entitled to receive any adjustment made upon the issue of fractional Shares.

The net proceeds from the subscriptions are invested in the specific portfolio of assets constituting the relevant Sub-Fund. The Board of Directors shall maintain for each Sub-Fund a separate portfolio of assets. Each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

Subscription of Shares

Shares of each Class of the Sub-Fund are issued daily, at the relevant NAV per Share (the "Subscription Price") as determined as of each Valuation Day, on the basis of the last available closing prices in Luxembourg. The effective calculation of this daily NAV is effected on each Business Day following the Valuation Day. The initial Subscription Price is EUR 100 or USD 100 depending on the Class of Share.

Applications must be received by the Central Administration at the latest at 9.00 a.m. (Luxembourg time) the day preceding the Valuation Day.

Investment in Shares of the Sub-Fund shall be subject to the following Minimum initial subscription, Minimum additional subscription amount and Minimum holding requirements.

Type of Shares	Minimum initial subscription amount	Minimum additional subscription amount	Minimum holding requirement
Class EUR A Shares	EUR 500,000	EUR 10,000	EUR 500,000
Class USD A Shares	USD 500,000	USD 10,000	USD 500,000
Class EUR B Shares	EUR 10,000	EUR 10,000	EUR 10,000
Class USD B Shares	USD 10,000	USD 10,000	USD 10,000
Class EUR E Shares	none	none	none
Class EUR F Shares	EUR 500,000	EUR 10,000	EUR 500,000

Class EUR E Shares are only available for subscription by (i) the Management Company or any of their directors or employees; (ii) the Board of Directors; (iii) any person connected with any such person, (iv) any company, partnership or other person or entity controlled by or which is the controller of any such persons, (v) any company, partnership or other person or entity for which such a person (or any affiliate of such a person) has been appointed or acts as Investment Manager, or (vi) any nominee of any of the foregoing. The Board of Directors shall determine, in their sole discretion, a person's eligibility to subscribe for Class EUR E Shares.

Class EUR F shares are only available for subscription by the UCIs managed by the Management Company.

A subscription charge up to 0.50% of the relevant Subscription Price may be determined by the Board of Directors as being payable and levied on the Subscription Price.

Redemption of Shares

Shares in each Class of the Sub-Fund are redeemable on a daily basis, based on the NAV, minus a redemption adjustment (the "Redemption Price") calculated as of the daily Valuation (the "Redemption Valuation Day"). A written redemption request must be received by the Central Administration at the latest at 9.00 a.m. (Luxembourg time) the day preceding the Valuation Day.

A redemption charge of up to 0.50% of the relevant Redemption Price may be determined by the Board of Directors as being payable and levied on the Redemption Price.

Conversions are only allowed between any classes denominated in the same currency within the Sub-Fund.

Tables summarizing the activity in the Sub-Fund's shares for the year ended December 31, 2017 are described in the "Statement of Changes in Number of Shares" of the Financial Statements (page 8).

Notes to the Financial Statements as at December 31, 2017 (continued)

Note 8. Distribution

It is not intended that the Company will pay dividends. However, the Company will pay dividends when a distributable surplus exists and if such payment is required for the purpose of obtaining certification as a distributing fund in the United Kingdom.

The Board of Directors may decide that dividends be directly reinvested by the purchase of additional Shares.

Dividends to be reinvested will be paid to the Registrar and Transfer Agent who will reinvest the money on instructions received from the Shareholders in additional Shares of the same class. Such Shares will be issued on the payment date at the NAV per Share of the relevant class.

Note 9. Statement of Changes in Portfolio

A Statement of Changes in Portfolio for the year ended December 31, 2017 is available, free of charge, upon request from the Company's Central Administration.

Note 10. Transaction Costs

Transaction costs have been defined as broker commission fees, market fees and taxes relating to purchase or sale of contracts for difference and future contracts.

Transaction costs for fixed income investments, forward foreign exchange contracts and other derivative contracts are included under the caption "Transaction costs" in the Statement of Operations and Changes in Net Assets.

Note 11. Prospectus

The prospectus for the Company dated July 28, 2017 is available, upon request, from the Company's Central Administration.

Note 12. Cross liabilities

In accordance with Luxembourg law, each Sub-Fund is "ring-fenced" and considered to constitute a single pool of assets and liabilities, so that the rights of Shareholders and creditors in relation to each Sub-Fund should be limited to the assets of that Sub-Fund.

Note 13. Formation expenses

The costs and expenses incurred in connection with the formation of the Company and the initial issue of Shares, including those incurred in the preparation and publication of the Prospectus, all legal and printing costs, certain launch expenses (including advertising costs) and preliminary expenses are estimated not to exceed EUR 100,000. They are being written off over a period not exceeding five (5) years from the formation of the Company and in such amounts in each year and in each Sub-Fund as determined by the Board of Directors on an equitable basis.

Charges relating to the creation of a new Sub-Fund shall be written off over a period not exceeding five (5) years against the assets of that Sub-Fund and in such amounts in each year as determined by the Board of Directors on an equitable basis. The newly created Sub-Fund shall not bear a pro rata Share of the costs and expenses incurred in connection with the formation of the Company and the initial issue of Shares, which have not already been written off at the time of the creation of the new Sub-Fund.

Note 14. Efficient portfolio management

The Company may employ techniques and instruments relating to transferable securities and money market instruments for investment purposes as well as hedging and efficient portfolio management purposes.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in the Prospectus.

To ensure that the portfolio is managed effectively and for hedging purposes, the Company may buy and sell call and put options and future contracts, and conclude exchange contracts, Contracts For Difference ("CFDs") on transferable securities, currencies or any other type of financial instruments, provided that these derivative instruments are traded on a regulated market operating regularly that is recognised and open to the public; however, these derivatives may also be traded over-the-counter ("OTC") provided that they are contracted with leading financial institutions specialising in this type of transaction.

During the year the Sub-Fund entered into forward foreign exchange contracts for the purpose of hedging currency risk on investment and cash holdings. The counterparty in respect of the forward foreign exchange contracts held at year end is BNP Paribas Securities Services-Luxembourg Branch.

The Company may invest in buying and selling derivatives. Credit derivatives products are used to insulate and transfer the credit risk associated with a base asset. They are two categories of credit derivatives: "financed" and "non-financed" depending on whether or not the protection seller has made an initial payment in relation to the base asset.

During the year, the Sub-Fund entered into Total Return Swaps contracts, the use of which help offset the Sub-Fund's exposure. The counterparty in respect of the Total Return Swaps held at year end is JP Morgan London.

Notes to the Financial Statements as at December 31, 2017 (continued)**Note 15. Futures contracts**

As at December 31, 2017, YCAP Tactical Investment sub-fund held futures contracts. The counterparty to these positions is BNP Paribas Securities Services Luxembourg Branch and the sub-fund held total cash collateral of EUR 5,674,735.68 at that date.

As at December 31, 2017, YCAP European Tactical Investment sub-fund held futures contracts. The counterparty to these positions is BNP Paribas Securities Services Luxembourg Branch and the sub-fund held total cash collateral of EUR 3,315,477.58 at that date.

Note 16. Total Return Swaps

As at December 31, 2017, YCAP Tactical Investment sub-fund held Total Return Swaps. The counterparty for these positions is JP Morgan London and there is no collateral for these positions.

As at December 31, 2017, YCAP European Tactical Investment sub-fund held Total Return Swaps. The counterparty for these positions is JP Morgan London and there is no collateral for these positions.

Note 17. Forward foreign exchange contracts

As at December 31, 2017, YCAP Tactical Investment sub-fund have entered into forward foreign exchange contracts and the counterparties to these positions is BNP Paribas Securities Services Luxembourg Branch.

Note 18. Contingent liabilities

There are no contingent liabilities as at December 31, 2017.

Note 19. Subsequent events

The prospectus of the SICAV has been amended dated January 22, 2018.

The sub-fund YCAP Sequoia Fund was launched on March 2, 2018.

Unaudited informations

Global risk exposure Method

(until February 12, 2017)

The Sub-Fund YCAP Tactical Investment (previously RISKELIA TACTICAL INVESTMENT) use the Commitment approach in order to monitor and measure the global exposure.

(since February 12, 2017)

Calculation methodology

The risk calculation method used for YCAP Fund SICAV is the calculation of the 99% VaR over a 20-day time horizon using the historical VaR method. Each day, the Fund's positions are calculated and normalized as percentage of the Fund's Net Assets. Thus, an ex ante VaR is calculated. The positions at each moment are simulated over a rolling history of 250 days using the historical VaR method. The 99% VaR is the 99% loss quantile, the second largest loss on a 250-day history. The VaR is then calculated over a 20-day time horizon by applying a multiplication factor "squared root (20)" to the daily VaR.

Sub-fund name	VaR model	Regulatory limit	Lowest utilization level of VaR	Highest utilization level of VaR	Average level of VaR	Confidence interval	Holding period	Maximum expected level of leverage	Average Leverage during the year*
YCAP Tactical Investment**	Absolute VaR	20%	(4.29%)	(6.87%)	(5.63%)	99%	20 days	200%	178.66%
YCAP European Tactical Investment**	Absolute VaR	20%	(4.06%)	(6.56%)	(5.17%)	99%	20 days	150%	114.16%

* The leverage is expressed as the sum of the absolute value of the notionals of the financial derivative instruments held in portfolio divided by the total net assets.

** The observation period for YCAP Tactical Investment Fund and YCAP European Tactical Investment Fund starts from 17 February 2017 until December 31, 2017.

Remuneration policy

The remuneration policy implemented by YCAP ASSET MANAGEMENT is compliant with the European and national rules on remuneration and governance as defined by (i) the UCITS Directive of the European Parliament of the Council n°2014/91/EC dated 23 July 2014, together with the « Guidelines on sound remuneration policies under the UCITS Directive » dated 14 October 2016, and (ii) the Directive 2011/61/UE of the European Parliament and of the Council of June 8th 2011 on Alternative Investment Fund Managers (the "AIFM Directive") .

The remuneration policy promotes a sound and effective management of risks and does not encourage excessive risk-taking. Fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration.

The remuneration policy is reviewed annually and is implemented by the Board of directors (« Conseil d'administration »).

In accordance with the proportionality principle, based on the size and complexity of our operations together with the maximum amount of variable remuneration that could be paid, YCAP Asset Management does not apply deferral requirements to variable remuneration.

Remuneration disclosure

For the fiscal year ending 31 December 2017, the aggregate total remuneration for paid by YCAP Asset Management S.A. to all its staff amounted to EUR 794,630; of which EUR 39,709 represented the variable remuneration. The Management Company employed an average of 10.5 (full time equivalent) staff during this period.

The aggregate total remuneration paid by the Management Company to its Identified Staff amounted to EUR 92,266.

Please further note that due to the roles of Management Company staff, this remuneration was calculated in proportion of the net assets of the Fund out of the assets of all the funds under the governance of YCAP Asset Management S.A. (including both AIFs and UCITs funds).

Unaudited informations (continued)

Securities Financing Transactions and of reuse Regulation (SFTR)

TOTAL RETURN SWAPS	YCAP Tactical Investment Fund	YCAP European Tactical Investment Fund
Assets used		
Notional exposure	EUR 16,350,000.00	EUR 10,400,000.00
Notional exposure as a % of total net asset value	14,74%	17,11%
Market value	EUR 27,250.55	EUR -34,990.79
Market value as a % of total net asset value	0,02%	-0,06%
Transactions classified by residual maturity		
Less than 1 day	EUR 0.00	EUR 0.00
From 1 day to 1 week	EUR 0.00	EUR 0.00
From 1 week to 1 month	EUR 0.00	EUR 0.00
From 1 month to 3 months	EUR 14,850,000.00	EUR 9,600,000.00
From 3 months to 1 year	EUR 1,500,000.00	EUR 800,000.00
Above 1 year	EUR 0.00	EUR 0.00
Open maturity	EUR 0.00	EUR 0.00
Largest 10 counterparties		
Name	JP Morgan Securities PLC	JP Morgan Securities PLC
Gross volume for open trades	EUR 16,350,000.00	EUR 10,400,000.00
Domicile	United Kingdom	United Kingdom
Collateral paid		
Type	None	None
Quality	Not applicable	Not applicable
Currency	Not applicable	Not applicable
Classification by maturity		
Less than 1 day	EUR 0.00	EUR 0.00
From 1 day to 1 week	EUR 0.00	EUR 0.00
From 1 week to 1 month	EUR 0.00	EUR 0.00
From 1 month to 3 months	EUR 0.00	EUR 0.00
From 3 months to 1 year	EUR 0.00	EUR 0.00
Above 1 year	EUR 0.00	EUR 0.00
Open maturity	EUR 0.00	EUR 0.00
Revenue and expenditure components*		
Revenue component of the fund:	100% of the returns are attributed to the fund	

*TRS transaction costs are not separately identifiable

