

# TreeTop Convertible SICAV

Investment Company with Variable Capital ("SICAV")  
governed by Luxembourg law

Audited Annual Report  
as at 31 December 2018

R.C.S. Luxembourg B 27.709

The subscriptions can only be accepted on the basis of the current prospectus including the identification sheets of each Sub-Fund and on the basis of the key investor information document ("Key Information"). The last annual report as well as any subsequent semi-annual report are available on the registered office of the SICAV and of the Management Company



# TreeTop Convertible SICAV

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# TreeTop Convertible SICAV

## Organisation

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### **Registered office :**

12, rue Eugène Ruppert, L-2453 Luxembourg

### **Date of incorporation :**

31 March 1988

### **Board of Directors of the fund :**

#### **Chairman :**

- Jacques BERGHMANS, Chairman of the Board of Directors and Manager  
TreeTop Asset Management S.A., Luxembourg

#### **Members :**

- François MAISSIN, Head of Risk and Operations  
TreeTop Asset Management S.A. Luxembourg
- Hubert D'ANSEMBOURG, Administrator  
TreeTop Asset Management S.A. Luxembourg
- John PAULY, Director and Member of the Board of Directors  
Degroof Petercam Asset Services S.A.
- André BIRGET, Independent Administrator

### **Management Company :**

TreeTop Asset Management S.A.  
12, rue Eugène Ruppert, L-2453 Luxembourg

### **Depositary :**

Banque Degroof Petercam Luxembourg S.A.  
12, rue Eugène Ruppert, L-2453 Luxembourg

### **Domiciliation, Administrative, Transfer and Register Agent :**

Banque Degroof Petercam Luxembourg S.A. (until 30 September 2018)  
12, rue Eugène Ruppert, L-2453 Luxembourg

Degroof Petercam Asset Services S.A. (since 1 October 2018)  
12, rue Eugène Ruppert, L-2453 Luxembourg

### **Auditor :**

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

### **Agent in charge of Financial Services in Belgium :**

Banque Degroof Petercam S.A.  
44, rue de l'Industrie, B-1040 Brussels

# TreeTop Convertible SICAV

## Organisation

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### **Agent in charge of Financial Services in Spain :**

Bank Degroof Petercam Spain S.A.U.  
Avenida Diagonal, 464, E-08006 Barcelona

### **Agent in charge of Financial Services in France :**

Caceis Bank France  
1-3, place Valhubert, F-75013 Paris

### **Agent in charge of Financial Services in the UK :**

TreeTop Asset Management L.L.P.  
33, Saint Jame's Square, UK-SW1Y 4JS London

Only the French version of the present Annual Report has been reviewed by the auditors. Consequently, the auditor's report only refers to the French version of the Annual Report; other versions result from a conscientious translation made under the responsibility of the Board of Directors. In case of differences between the French version and the translation, the French version should be retained.

# TreeTop Convertible SICAV

## General information of the Fund

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TreeTop Convertible SICAV (the “SICAV”) was registered as an Open Ended Investment Company (“SICAV”) under Luxembourg law on 31 March 1988 for an unlimited period under the name of “Star Convertible Fund”. The name of the SICAV has been changed in “TreeTop Convertible SICAV” after an Extraordinary General Meeting of the shareholders. Today it is regulated by part I of the law dated 17 December 2010, as amended.

TreeTop Convertible SICAV articles of association are kept at the Registered Office of the SICAV and with the registrar of the Tribunal d'Arrondissement in Luxembourg where anyone can consult them or take a copy.

Semi-annual and annual reports can be obtained and from the institutions responsible for financial service, at the Registered Office of the SICAV and Management Company. The net asset value, the issue price and the redemption price, as well as all the instructions intended for the shareholders, are available at the Registered Office of the SICAV and of the Management Company.

TreeTop Convertible SICAV, denominated in EUR, is registered as an umbrella fund SICAV. At the date of this report, the sole Sub-Fund operational is TreeTop Convertible International.

The Sub-Fund comprises the following share categories, which can be distinguished by their hedging exchange risk policies linked to the investments' currency, their distribution policy and/or by their initial minimum investment :

- Class AH : EUR accumulation hedged shares ;
- Class BH : USD accumulation hedged share ;
- Class CH : GBP distribution hedged shares ;
- Class DH : EUR distribution hedged shares ;
- Class IH : EUR accumulation hedged shares reserved to professionals, launched on 3 July 2018.

The net asset value is determined on a daily basis, on each business day in Luxembourg.

The SICAV publishes an audited annual report closed on the last day of the financial year, as well as a non-audited semi-annual report closed on the last day of the sixth month of the financial year.

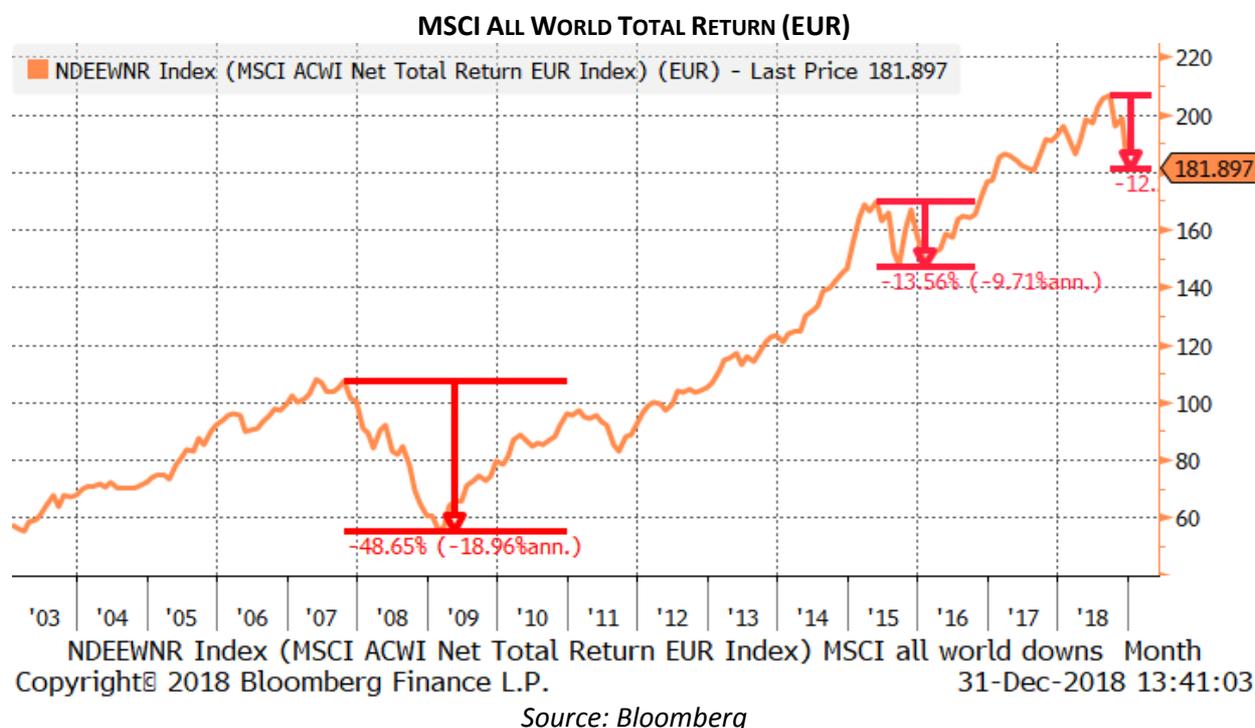
# TreeTop Convertible SICAV

## Manager's Report

### 1. Economic and market environment

2018 ended up being a difficult year for world stock markets with virtually every major markets down double digits this year. The problems started in emerging markets, where the threat of trade wars and a slowdown in the Chinese economy created some negative pressure. Over the last few weeks, cracks also appeared in the US market, due to increasing fears of an economic recession in the United States. A key principle of world equity markets is that stocks are affected by crisis but also simply by fear of the next crisis, as equity investors always try to second-guess the next 24 months of economic performance. There are indeed important imbalances in the world, mainly excessive corporate & government indebtedness in the developed world and excessive reliance in China on infrastructure investment and real estate. These imbalances could evolve in a rapid economic slowdown if not managed properly or could be progressively solved. The most important thing to remember though is that world equity markets have always recovered, quickly if the crisis is avoided or more slowly if economic problems are only addressed once they become unavoidable.

While the world stock market has been and we think will remain one of the best financial assets to own, it tends to be more volatile than other assets. As we can see on the graph below, it is not unusual that the market sees double digit drawdowns during a year. We fully grasp that such drops can be really unsettling even for the experienced investor, but we continue to strongly advise not to react in a hurry. As Warren Buffett likes to say: *'Don't watch the market closely'*<sup>1</sup> and don't try to time the market as *'No one can tell you when major declines will happen. The light can at any time go from green to red without pausing at yellow'*<sup>2</sup>. If there is one thing to remember, it is that liquidating after a significant drawdown can ruin the expected return of your portfolio for the next few years.



<sup>1</sup> <https://www.cnbc.com/2018/02/08/heres-what-warren-buffett-says-to-do-when-the-market-tanks.html>

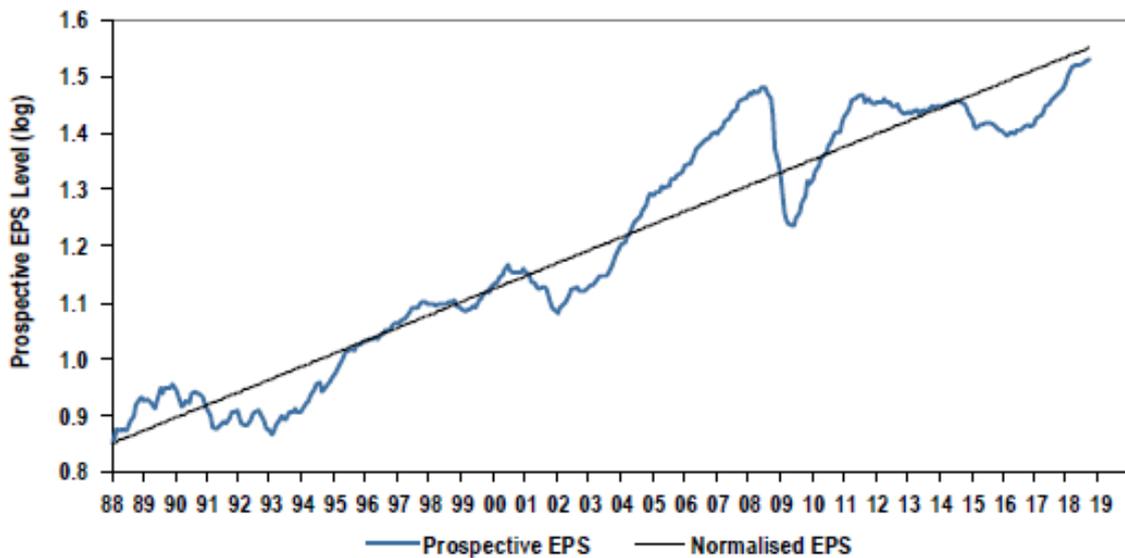
<sup>2</sup> <https://www.cnbc.com/2018/12/17/warren-buffett-says-read-this-poem-when-the-market-is-tanking.html>

# TreeTop Convertible SICAV

## Manager's Report

In these highly volatile times, it always helps to remember our core beliefs in the world stock market and why we are invested in it. We don't buy stocks because they generated good returns in the past; bitcoin generated great returns until 2018 but now a lot of observers think they might be worthless. We buy stocks to **own parts of companies**, which we **expect will generate earnings growth** and we pay a **certain multiple for this stream of earnings**. The first important metric which backs our conviction in the world stock market is the evolution of earnings per share. As we can see on the graph below computed by Merrill Lynch, global earnings per share is volatile but has been steadily growing over the last few decades. The major reason is that the world continues to grow and evolve positively. Some sectors and regions (Asia and technology) grow faster and some slower but the world economy tends to grow between 3% and 4% per year before inflation, which underpins earnings growth, itself growing 5.8% p.a. over very long periods of time.

**Chart 25: Global Prospective EPS and Trend EPS**



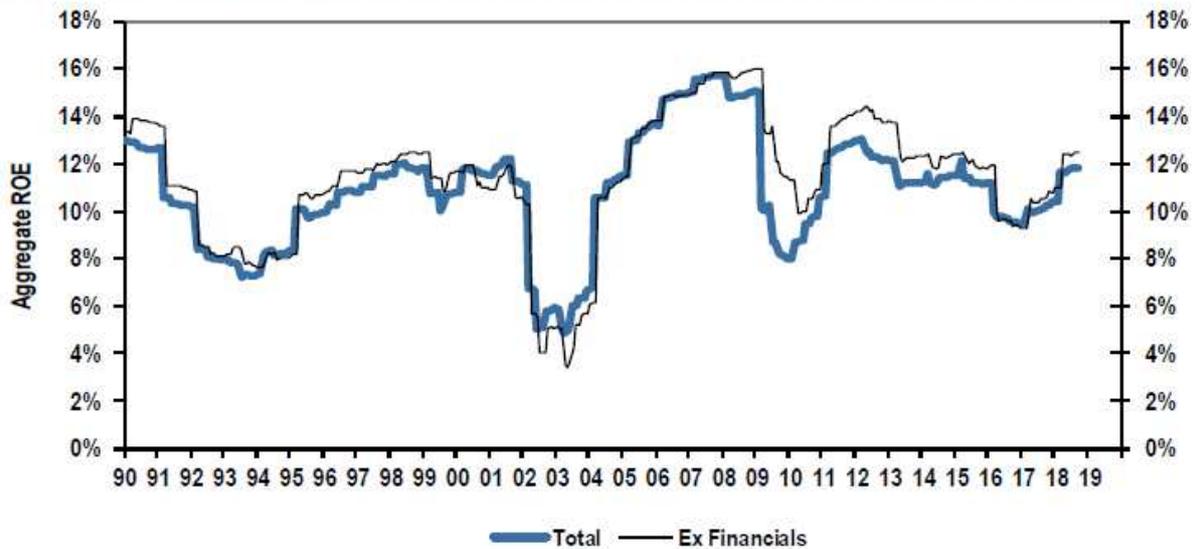
Source: BofA Merrill Lynch Global Quantitative Strategy, MSCI, IBES

The other major driver behind the earnings per share growth is the return generated by companies on the earnings these companies reinvest (**ROE or return on equity**). As we can see on the graph below, the global aggregate ROE has been stable and higher than most other asset classes yield over the last three decades, ranging mostly from 8% to 16% with one drop to 4% after the dotcom bubble. This high return on investment is the core reason why the world stock market has outperformed most other asset classes over time.

# TreeTop Convertible SICAV

## Manager's Report

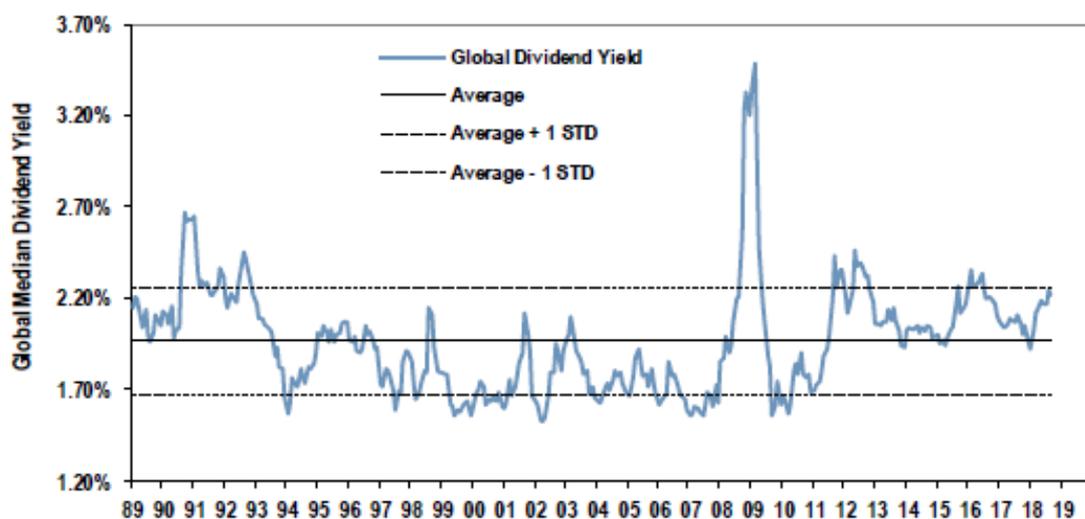
**Chart 57: Global Aggregate ROE**



Source: BofA Merrill Lynch Global Quantitative Strategy, MSCI, World Scope

The final metric underpinning expected returns is the price we pay for an asset. The more people pay for a stock, bond or real estate investment, the lower the expected return will be. This is where the world equity market differs the most from most other asset classes. By most metrics (dividend yield, price earnings), the world stock market trades slightly below its long term average, while other financial assets are expensive or very expensive by historic standards. Back in 1999, an investor could buy European government bonds yielding close to 10% and they paid around 25x PE for the world stock market. Today, European government bonds yield ~1.5% and the world stock market trades on 16x PE with a 2.2% dividend yield.

**Chart 52: Global Median Dividend Yield**



Source: BofA Merrill Lynch Global Quantitative Strategy, MSCI, Worldscope

# TreeTop Convertible SICAV

## Manager's Report

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Finally 2018 was particularly painful for investors in smaller companies and emerging markets, which affected our active investment strategy disproportionately. The Shanghai index is down 25% in 2018, the Hong Kong Index is down 14% in 2018, the Russell 2000 (small caps in the United States) is down 13% and a lot of economically sensitive sectors like automobiles, are down in the mid-twenties. When the level of fear increases, investors tend to look for refuge in more stable sectors and larger stable market capitalization. While, these larger companies and sectors are less volatile, they are rarely the source of positive changes and great returns in the long term.

### 2. Commentary of the SICAV manager

Our strategy in TreeTop Convertible International is to make high conviction investments in a limited number of companies (generally 20 to 30), through convertible bonds, options or stocks. Our approach results in a high portfolio delta (between 75 and 85) which can result in significant positive performance when underlying stocks perform well or negative performance when the underlying stocks go down.

In 2018, a higher number than usual of our investments didn't perform as well as hoped and underperformed the market. Some of this underperformance came from adverse market conditions which affected disproportionately Asian mid-caps (USD1-10bn market capitalization) and some resulted from company specific issues. In 2018, we had over 40% of our investments in Indian and Chinese companies which adversely affected our general performance as these markets under-performed global indexes. Most of our investments in these two countries now trade at a significant discount to the world stock markets despite better growth prospects and we think that a performance reversal is likely in the next few years. Another source of disappointing performance was the lack of attractive convertible bonds available in the market. Over the last few years, a lot of companies benefitted from the lower interest rate environment and issued traditional bonds instead of convertible bonds, which resulted in fewer opportunities for our strategy. A recent increase in credit spreads and recent convertible bond issuances indicate that this evolution could progressively reverse. More specifically, the recent market rout created an opportunity for us to buy two attractive bonds in the pharmaceutical sector and one in the energy sector.

Finally, some of the underperformance came from company & sector specific issues. The Indian finance sector was particularly affected in 2018 by the liquidation of non-banking finance company. **Indiabulls Housing Finance**, one of our largest investment suffered from the fall-down despite posting continuous good results. **VIPShop** suffered from a general sell-down of the Chinese e-commerce sector and a slower than expected take-off of its partnership with Tencent. **Alliance Data Systems** and **Norwegian Finans** have an excellent track-record, financial metrics and trade at historic low valuations, but were affected by the sell-down of most consumer finance businesses.

# TreeTop Convertible SICAV

## Manager's Report

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### 3. 2018 review

Performance summary as of 31/12/2018		
	TreeTop Conv. Intl AH EUR	MSCI AC World*
<b>Cumulative returns</b>		
1 month	-4.0%	-7.4%
3 months	-16.4%	-13.1%
1 year	-25.1%	-8.5%
<b>Annualized returns</b>		
3 years	-7.4%	+6.0%
5 years	-2.5%	+5.9%
10 years	+6.9%	+9.9%
Since inception**	+7.8%	+6.5%

\* The investment policy does not stipulate any correlation between the sub-fund and the index (MSCI All Country World in local currency - Bloomberg code: NDLEACWF). Consequently, the performance of the sub-fund may differ from the performance of the index.

\*\* The AH share class was launched on 30 June 1988.

Note: Past performance is no guarantee of future performance.



## Audit report

To the Shareholders of  
**TreeTop Convertible SICAV**

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### Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of TreeTop Convertible SICAV and of each of its sub-funds (the “Fund”) as at 31 December 2018, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund’s financial statements comprise:

- the combined statement of net assets for the Fund and the statement of net assets for each of the sub-funds as at 31 December 2018;
  - the schedule of investments as at 31 December 2018;
  - the combined statement of operations and changes in net assets for the Fund and the statement of operations and changes in net assets for each of the sub-funds for the year then ended; and
  - the notes to the financial statements, which include a summary of significant accounting policies.
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### 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 the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF 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.



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## **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.

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## **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.

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## **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, 4 April 2019

Antoine Geoffroy

# TreeTop Convertible SICAV

## Statement of net assets as at 31 December 2018

<b>TreeTop Convertible International</b>		
	NOTES	VALUE (IN EUR)
<b>Assets</b>		
Investments in securities	1a	197,666,961.50
Cash at banks		21,839,055.74
Interest receivable on cash account		6,966.46
Interest receivable on deposit		1,166.36
Interest receivable on bonds		370,906.64
Dividends receivable on shares		229,257.78
Amounts receivable on investment sold		1,089,138.17
Guaranty deposit		1,940,000.00
<b>Total Assets</b>		<b>223,143,452.65</b>
<b>Liabilities</b>		
Taxes and Expenses payable	3	975,306.08
Overdraft interest		4,693.75
Amounts payable on redemptions		112,681.97
Unrealised Loss on Forward Exchange Contracts	7	2,007,621.55
<b>Total Liabilities</b>		<b>3,100,303.35</b>
<b>Net assets at the end of the year</b>		<b>220,043,149.30</b>
Number of Shares Outstanding (at the end of the exercise)		
- AH		<b>716,504.416</b>
- BH		<b>82,965.577</b>
- CH		<b>2,957.523</b>
- DH		<b>101,898.712</b>
- IH		<b>5,000.000</b>
Net Asset Value per Share (at the end of the exercise)		
- AH		<b>239.11</b>
- BH		<b>327.24</b>
- CH		<b>98.31</b>
- DH		<b>203.38</b>
- IH		<b>783.91</b>

*The accompanying notes form an integral part of these Financial Statements.*

# TreeTop Convertible SICAV

## Statement of Operations and Changes in Net Assets

### from 1 January 2018 to the 31 December 2018

TreeTop Convertible International		
	NOTES	VALUE (IN EUR)
<b>Income</b>		
Dividends, net of taxes	1h	3,137,203.14
Interest on bonds, net of taxes	1h	1,862,970.22
Interest on cash accounts		727,670.71
Other income		2,923,169.60
<b>Total Income</b>		<b>8,651,013.67</b>
<b>Expenses</b>		
Performance fee	4	3,173,815.45
Management Fee	4	4,116,675.49
Depository fees	9	426,743.75
Subscription tax	5	238,195.35
Administration fees	8	696,575.95
Miscellaneous fees	6	140,239.33
Transaction fees	11	261,530.88
Overdraft interest		42,647.71
<b>Total Expenses</b>		<b>9,096,423.91</b>
<b>Net Profit / (Loss)</b>		<b>-445,410.24</b>
<b>Net Realised Profit / (Loss)</b>		
- on investments	1b	28,553,558.07
- on currencies		2,652,240.23
- on forward exchange contracts		-7,392,176.84
<b>Total Net Realised Profit / (Loss)</b>		<b>23,368,211.22</b>
<b>Change in Net Unrealised Appreciation or Depreciation</b>		
- on investments	1e	-98,925,569.47
- on forward exchange contracts		-4,716,296.36
<b>Result of operations</b>		<b>-80,273,654.61</b>
- Subscriptions		36,780,688.09
- Redemptions		-152,629,408.75
<b>Dividends paid</b>	10	<b>-943,408.74</b>
<b>Net changes in Net Assets</b>		<b>-197,065,784.01</b>
<b>Net assets at the beginning of the year</b>		<b>417,108,933.31</b>
<b>Net assets at the end of the year</b>		<b>220,043,149.30</b>

The accompanying notes form an integral part of these Financial Statements.

# TreeTop Convertible SICAV

## Securities portfolio statement as at 31 December 2018

TreeTop Convertible International					
Investment	Quantity	CCY	Cost (in EUR)	Evaluation value (in EUR)	% Total Net Assets
<b>Transferable securities admitted to an official stock exchange or dealt in on another regulated market</b>					
<b>Shares &amp; Related Securities</b>					
SAFRAN	63,700	EUR	3,185,000.00	6,713,980.00	3.05%
<b>Total EURO</b>			<b>3,185,000.00</b>	<b>6,713,980.00</b>	<b>3.05%</b>
FUFENG GROUP LTD	58,136,853	HKD	27,672,436.70	21,500,531.66	9.77%
MAN WAH HLDG LTD	680,000	HKD	530,117.85	239,325.60	0.11%
<b>Total HONG KONG DOLLAR</b>			<b>28,202,554.55</b>	<b>21,739,857.26</b>	<b>9.88%</b>
ADANI PORTS & SPECIAL ECONOMIC ZONE	1,632,550	INR	7,777,117.34	7,930,674.97	3.60%
INDIABULLS HOUSING FINANCE LTD	1,793,303	INR	25,718,407.71	19,185,941.53	8.72%
UPL LTD	679,035	INR	6,899,908.07	6,451,377.24	2.93%
<b>Total INDIAN RUPEE</b>			<b>40,395,433.12</b>	<b>33,567,993.74</b>	<b>15.26%</b>
NORWEGIAN FINANS HLDG ASA	602,500	NOK	6,770,009.61	4,078,040.16	1.85%
<b>Total NORWEGIAN KRONE</b>			<b>6,770,009.61</b>	<b>4,078,040.16</b>	<b>1.85%</b>
INDIABULLS HOUSING FINANCE - CLSA 15-260520 (WRT)	204,341	USD	2,671,440.57	2,183,659.27	0.99%
SYNEOS HEALTH INC-A	126,775	USD	4,730,841.44	4,363,903.47	1.98%
<b>Total U.S. DOLLAR</b>			<b>7,402,282.01</b>	<b>6,547,562.74</b>	<b>2.98%</b>
<b>Total Shares &amp; Related Securities</b>			<b>85,955,279.29</b>	<b>72,647,433.90</b>	<b>33.02%</b>
<b>Bonds</b>					
3SBIO-STRATEGIC INTERNATIONAL 0,00 17-210722 (CONV.)	9,950,000	EUR	11,596,470.44	10,838,236.50	4.93%
AGEASFINLUX FRN 02-PERPETUAL (CONV.)	41,500,000	EUR	18,087,181.73	21,472,100.00	9.76%
FORTIS BANK FRN 07-PERPETUAL (CONV.)	13,750,000	EUR	6,823,963.57	10,553,125.00	4.80%
<b>Total EURO</b>			<b>36,507,615.74</b>	<b>42,863,461.50</b>	<b>19.48%</b>
CTRIP.COM INTERNATIONAL 1,00 16-010720 (CONV.)	12,040,000	USD	12,494,699.03	9,814,893.41	4.46%
HORIZON PHARMACEUTICAL 2,50 15-150322 (CONV.)	11,550,000	USD	10,235,588.31	10,061,882.30	4.57%
MOMO INC. 1,25 18-010725 (CONV.)	14,555,000	USD	12,238,476.13	9,971,604.20	4.53%
VIPSHOP HLDG CV 1,50 14-150319 (CONV.)	25,030,000	USD	25,874,939.53	21,556,256.83	9.80%
<b>Total U.S. DOLLAR</b>			<b>60,843,703.00</b>	<b>51,404,636.74</b>	<b>23.36%</b>
<b>Total Bonds</b>			<b>97,351,318.74</b>	<b>94,268,098.24</b>	<b>42.84%</b>
<b>Total Transferable securities admitted to an official stock exchange or dealt in on another regulated market</b>			<b>183,306,598.03</b>	<b>166,915,532.14</b>	<b>75.86%</b>

The accompanying notes form an integral part of these Financial Statements.

# TreeTop Convertible SICAV

## Securities portfolio statement as at 31 December 2018

TreeTop Convertible International					
Investment	Quantity	CCY	Cost (in EUR)	Evaluation value (in EUR)	% Total Net Assets
<b>Investment funds</b>					
AMUNDI 12-24 M IC	72	EUR	8,954,097.12	8,812,383.84	4.00%
<b>Total EURO</b>			<b>8,954,097.12</b>	<b>8,812,383.84</b>	<b>4.00%</b>
<b>Total Investment funds</b>			<b>8,954,097.12</b>	<b>8,812,383.84</b>	<b>4.00%</b>
<b>Other Transferable Securities</b>					
ALIMENTATION COUCHE-TARD-RBC 18-110620 (WRT CALL)	65,500	CAD	1,320,396.69	1,215,355.79	0.55%
ALIMENTATION COUCHE-TARD-RBC 18-211220 (WRT CALL)	170,000	CAD	2,464,032.47	2,348,619.74	1.07%
<b>Total CANADIAN DOLLAR</b>			<b>3,784,429.16</b>	<b>3,563,975.53</b>	<b>1.62%</b>
AIRBUS GROUP -BARCLAYS 18-300420 (WRT CALL)	102,500	EUR	2,292,925.00	1,130,575.00	0.51%
<b>Total EURO</b>			<b>2,292,925.00</b>	<b>1,130,575.00</b>	<b>0.51%</b>
ASHTead-GOLDMAN SACHS 18-061219 (WRT CALL)	518,000	GBP	4,588,208.75	3,346,757.28	1.52%
ASHTead- GOLDMAN SACHS 18-121020 (WRT CALL)	350,000	GBP	2,084,260.68	639,518.69	0.29%
ASHTead GROUP - UBS LONDON A.G. 17-070519 (WRT CALL)	260,000	GBP	1,784,189.49	1,840,697.45	0.84%
IWG PLC - CREDIT SUISSE 17-111019 (WRT CALL)	2,500,000	GBP	3,867,741.04	1,041,724.70	0.47%
IWG PLC - CREDIT SUISSE 17-170619 (WRT CALL)	551,040	GBP	816,205.16	52,184.73	0.02%
IWG PLC - UBS LONDON A.G. 17-300919 (WRT CALL)	4,629,648	GBP	5,794,653.27	1,083,199.91	0.49%
<b>Total BRITISH POUND</b>			<b>18,935,258.39</b>	<b>8,004,082.76</b>	<b>3.64%</b>
DALI FOODS GROUP - UBS A.G. LONDON 17-141119 (WRT CALL)	1,582,750	HKD	440,394.40	258,187.29	0.12%
DALI FOODS GROUP - UBS A.G. LONDON 17-181119 (WRT CALL)	4,270,100	HKD	1,235,766.31	701,334.28	0.32%
DALI FOODS GROUP - UBS A.G. LONDON 17-191119 (WRT CALL)	4,111,000	HKD	1,276,995.52	675,203.21	0.31%
DALI FOODS GROUP - UBS A.G. LONDON 17-201119 (WRT CALL)	3,036,150	HKD	967,456.69	498,666.56	0.23%
MAN WAH - DEUTSCHE BANK 17-310519 (WRT CALL)	10,200,000	HKD	4,431,957.11	28,491.14	0.01%
MAN WAH - JP MORGAN STRUCT 17-240419 (WRT CALL)	7,300,000	HKD	1,700,787.85	8,156.29	0.00%
<b>Total HONG KONG DOLLAR</b>			<b>10,053,357.88</b>	<b>2,170,038.77</b>	<b>0.99%</b>
NORWEGIAN FINANS HLD-GSI 18-100120 (WRT CALL)	1,800,000	NOK	8,862,284.13	1,514,554.87	0.69%
<b>Total NORWEGIAN KRONE</b>			<b>8,862,284.13</b>	<b>1,514,554.87</b>	<b>0.69%</b>
CHINA SKY CHEMICAL FIBRE CO LTD	7,115,300	SGD	6,817,967.83	0.00	0.00%
FIBRECHEM TECHNOLOGIES LTD	3,655,000	SGD	846,907.49	0.00	0.00%
<b>Total SINGAPORE DOLLAR</b>			<b>7,664,875.32</b>	<b>0.00</b>	<b>0.00%</b>
ALLIANCE DATA SYSTEMS - DEUTSCHE BANK 17-200319 (WRT CALL)	78,900	USD	5,578,787.88	690.20	0.00%
CRITEO S.A. -ADR-RBC 18-010620 (WRT CALL)	240,000	USD	2,386,263.94	1,780,343.79	0.81%
CRITEO S.A. -ADR- UBS A.G. LONDON 17-250319 (WRT CALL)	210,000	USD	5,122,324.74	3,674.06	0.00%
CRITEO S.A. -ADR- UBS A.G. LONDON 17-300519 (WRT CALL)	100,000	USD	2,284,262.32	874.78	0.00%
CRITEO S.A. - BARCLAYS 17-170719 (WRT CALL)	165,000	USD	3,837,991.83	103,923.37	0.05%

The accompanying notes form an integral part of these Financial Statements.

# TreeTop Convertible SICAV

## Securities portfolio statement as at 31 December 2018

TreeTop Convertible International					
Investment	Quantity	CCY	Cost (in EUR)	Evaluation value (in EUR)	% Total Net Assets
CRITEO S.A. - UBS LONDON A.G. 17-111119 (WRT CALL)	214,000	USD	2,750,105.02	735,703.98	0.33%
UNITED RENTALS-RBC 18-191020 (WRT CALL)	62,500	USD	3,041,000.04	1,015,286.71	0.46%
UNITED RENTALS-BARCLAYS 18-090421 (WRT CALL)	50,000	USD	2,583,617.42	1,096,531.51	0.50%
VIPSHOP HLDG-RBC 17-021019 (WRT CALL)	1,800,000	USD	6,745,576.98	818,790.19	0.37%
<b>Total U.S. DOLLAR</b>			<b>34,329,930.17</b>	<b>5,555,818.59</b>	<b>2.52%</b>
<b>Total Other Transferable Securities</b>			<b>85,923,060.05</b>	<b>21,939,045.52</b>	<b>9.97%</b>
<b>Total Portfolio</b>			<b>278,183,755.20</b>	<b>197,666,961.50</b>	<b>89.83%</b>

# TreeTop Convertible SICAV

## Geographical allocation of the securities portfolio as at 31 December 2018

TreeTop Convertible International	% TOTAL NET ASSETS
CAYMAN ISLANDS	28.56 %
INDIA	15.26 %
LUXEMBURG	9.76 %
UNITED KINGDOM	7.51 %
FRANCE	7.06 %
BERMUDA	5.67 %
BRITISH VIRGIN ISLANDS	4.93 %
BELGIUM	4.80 %
CANADA	2.45 %
UNITED STATES OF AMERICA	1.98 %
NORWAY	1.85 %
<b>Total Portfolio</b>	<b>89.83 %</b>

*These allocations of assets were established on basis of data (gross) used by the Administrative Agent and do not reflect inevitably the geographic analysis which directed the assets selection.*

# TreeTop Convertible SICAV

## Economic Allocation of the securities portfolio as at 31 December 2018

TreeTop Convertible International	% TOTAL NET ASSETS
FINANCIAL SERVICES - HOLDINGS	16.67 %
BANKS	15.63 %
DISTRIBUTION	9.80 %
BIOTECHNOLOGY	9.77 %
ASSET & MORTGAGE BACKED SECURITIES	8.72 %
PHARMACOLOGY & PERSONAL CARE	6.56 %
IT & INTERNET	4.53 %
LEISURES & TOURISM	4.46 %
UNIT TRUSTS, UCITS	4.00 %
BUILDING MATERIALS	3.60 %
TELECOMMUNICATIONS	3.05 %
CHEMICAL PRODUCTS	2.93 %
TEXTILE & GARMENTS	0.11 %
<b>Total Portfolio</b>	<b>89.83 %</b>

*These allocations of assets were established on basis of data (gross) used by the Administrative Agent and do not reflect inevitably the economic analysis which directed the assets selection.*

# TreeTop Convertible SICAV

## Allocation by Currency of the securities portfolio as at 31 December 2018

<b>TreeTop Convertible International</b>	<b>% TOTAL NET ASSETS</b>
U.S. DOLLAR	28.86 %
EURO	27.04 %
INDIAN RUPEE	15.26 %
HONG KONG DOLLAR	10.87 %
BRITISH POUND	3.64 %
NORWEGIAN KRONE	2.54 %
CANADIAN DOLLAR	1.62 %
<b>Total Portfolio</b>	<b>89.83 %</b>

*These allocations of assets were established on basis of data (gross) used by the Administrative Agent and do not reflect inevitably the currency analysis which directed the assets selection.*

# TreeTop Convertible SICAV

## Changes occurring in the number of shares

<b>TreeTop Convertible International</b>
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Shares outstanding at the beginning of the exercise	- AH	1,069,358.595
	- BH	116,104.253
	- CH	19,121.962
	- DH	118,835.736
	- IH	0.000
Shares issued during the exercise	- AH	33,380.152
	- BH	3,096.056
	- CH	30.000
	- DH	4,483.464
	- IH	24,000.000
Shares redeemed during the exercise	- AH	386,234.331
	- BH	36,234.732
	- CH	16,194.439
	- DH	21,420.488
	- IH	19,000.000
Shares outstanding at the end of the exercise	- AH	716,504.416
	- BH	82,965.577
	- CH	2,957.523
	- DH	101,898.712
	- IH	5,000.000

# TreeTop Convertible SICAV

## Changes in capital, total net assets and share value

SUB-FUND	VALUATION DATE	TOTAL NET ASSETS	SHARE CLASS	SHARES OUTSTANDING	SHARE VALUE	CCY
TreeTop Convertible International (EUR)	31.12.2016	465,553,369.18	- AH	1,405,275.822	274.21	EUR
			- BH	115,457.682	356.87	USD
			- CH	10,157.626	117.45	GBP
			- DH	161,229.663	246.57	EUR
	31.12.2017	417,108,933.31	- AH	1,069,358.595	318.03	EUR
			- BH	116,104.253	424.40	USD
			- CH	19,121.962	133.44	GBP
			- DH	118,835.736	278.65	EUR
	31.12.2018	220,043,149.30	- AH	716,504.416	239.11	EUR
			- BH	82,965.577	327.24	USD
			- CH	2,957.523	98.31	GBP
			- DH	101,898.712	203.38	EUR
			- IH	5,000.000	783.91	EUR

# TreeTop Convertible SICAV

## Notes to the financial statements as at 31 December 2018

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### NOTE 1 - ACCOUNTING PRINCIPLES AND METHODS

The financial statements of the SICAV are prepared in accordance with the rules in place for undertakings of transferable securities.

#### a) Securities portfolio valuation

The value of any security traded or admitted to official quotation is based on the last available price as at 31 December 2018 or, if there are several markets, on the last available price of the main relevant market.

The value of any security admitted on another regulated market is based on the last available price, or, if there are several markets, on the last available price on the main relevant market.

The shares / parts of OPC are estimated on base of their last official net asset value available in the day of evaluation (that is the price of quotation if the OPC is quoted or the net asset value communicated by Administrative Agent of the OPC) or unofficial if this one is of more recent date (on base, in this case of net asset value of likely estimated with caution and good faith by the Board of Directors of the SICAV or on base of the other sources such as an information of the Manager of the aforementioned OPC).

The value of securities which are not quoted on an official market and whose price is not representative shall be based on the last available market price or, in the absence of a market value, on the probable realisation value estimated according to valuation criteria as determined in good faith by and under the direction of the Board of Directors of the SICAV.

#### b) Net realised gain or loss on investments

The net realised profit or loss on sale of investments is determined on the basis of the average cost of investments sold.

#### c) Conversion of foreign currencies

All assets expressed in currencies other than the Sub-Fund's functional currency are converted into the Sub-Fund's functional currency at the exchange rate prevailing on the closing date in Luxembourg as at 31 December 2018.

#### d) Acquisition cost of the securities in the portfolio

For the securities investment expressed in currencies other than the currency of the concerned Sub-Fund, the acquisition cost is calculated on base of the current exchange rate in the day of the purchase.

#### e) Change in the unrealised gain and loss

Unrealised appreciation and depreciation at the end of the financial period are accounted for in the financial statements.

#### f) Change in the securities portfolio

The details of purchases and sales of investments may be obtained freely at the registered office of the SICAV.

# TreeTop Convertible SICAV

## Notes to the financial statements as at 31 December 2018

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### g) Structured products

The SICAV may invest in structured products such as, but not exclusively, synthetic convertible bonds and capital guaranteed notes. The term "structured product" refers to transferable securities issued by financial institutions and which are created with the aim of restructuring the investment characteristics of certain other investments (the "underlying assets"). In this framework, institutions issue transferable securities ("structured products") representing interests in the underlying assets. The underlying assets of these structured products must represent eligible financial assets or financial indexes and comply with the investment policy and objectives of the Sub-Fund concerned.

### h) Income, expenditure and related provisions

Bonds and call accounts interest are accounted on a day-to-day basis. Dividends are considered on the date upon which the relevant securities are first listed as «ex-dividend».

### i) Valuation of futures

Evaluation of the contracts of forward foreign exchanges contracts, spot or contracts of options which are not negotiated on stock exchanges or on other regulated markets amounts to their net value of liquidation determined according to the decision of the Board of Directors, on a basis applied in a coherent way to each products. The value of liquidation of the forward contracts, spot or contracts of options negotiated on stock exchanges or other regulated markets is based on the last available price of these contracts on stock exchanges and regulated markets on which these contracts of options are negotiated by the SICAV. As far as if a contract cannot be liquidated the day at which net assets are estimated, the value of liquidation will be determined by the Board of Directors in a just and reasonable way.

The unrealised on contracts is estimated on basis of the "forward rates" available on the date of evaluation.

### NOTE 2 - EXCHANGE RATE

1 EUR =	0.89755 GBP
1 EUR =	1.14315 USD

### NOTE 3 - TAXES AND EXPENSES PAYABLE

Management fee	752,951.33	EUR
Depositary fees	25,408.03	EUR
Subscription tax	27,118.45	EUR
Miscellaneous fees	169,828.27	EUR
Total	975,306.08	EUR

### NOTE 4 - MANAGEMENT FEE AND PERFORMANCE FEE

In consideration of the management services, the Management Company shall receive from the SICAV, at the end of each quarter, a management fee expressed as an annual percentage of the average net assets of each Sub-Fund during the quarter under review, at a rate of 1.20% p.a. for classes AH, BH, CH and DH, and 0.70% p.a. for class IH.

# TreeTop Convertible SICAV

## Notes to the financial statements as at 31 December 2018

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The Management Company shall receive from the SICAV a performance fee commission at the rate of 12% of the increase of the NAV per share before the calculation of the performance commission, in relation to the reference NAV per share. The reference NAV per share is the highest ever previously achieved by the Sub-Fund (in case of dividend payment, it will be added to the NAV to obtain the highest never achieved NAV).

A provision shall be created for the performance commission every time the NAV is calculated on the basis of the number of shares of the Sub-Fund in circulation on the day the NAV is calculated. This provision shall be paid to the Management Company quarterly.

As at 31 December 2018, the performance fees amount to EUR 3,173,815.45.

### **NOTE 5 - SUBSCRIPTION TAX**

The SICAV is subject to Luxembourg tax laws.

Under current laws and regulations, the SICAV is subject in Luxembourg to the subscription tax ("taxe d'abonnement") at an annual rate of 0.05% such tax being payable quarterly and calculated on the basis of the net assets at the end of the relevant quarter.

Moreover, the SICAV being registered in Belgium, it is subject to a tax at an annual rate of 0.0925% calculated for the year 2018 on the basis of shares outstanding in Belgium as at 31 December 2017.

### **NOTE 6 - TRANSACTIONS FEES**

Charges and expenses attributable to the SICAV as an entity are charged and splitted in the different Sub-Funds according to the net assets of each Sub-Fund compared to the total net assets of the SICAV. Charges and expenses attributable to one particular Sub-Fund are charged directly.

TreeTop Convertible International being the sole Sub-Fund of the SICAV as at the date of this report, the Sub-Fund will bear the whole fees.

# TreeTop Convertible SICAV

## Notes to the financial statements as at 31 December 2018

### NOTE 7 - FORWARD FOREIGN EXCHANGE CONTRACTS

All forward exchange contracts mentioned hereafter have been dealt with Banque Degroof Petercam Luxembourg S.A. :

TreeTop Convertible International :

MATURITY	CURRENCY PURCHASE	NOMINAL PURCHASED	CURRENCY SOLD	NOMINAL SOLD	+/- UNREALISED VALUE (IN EUR)	COMMITMENTS (IN EUR)
15/03/2019	HKD	1.100.000,00	EUR	122.845,18	-484,26	122.903,00
15/03/2019	NOK	45.000,00	EUR	4.535,19	-3,57	4.546,03
15/03/2019	NOK	730.000,00	EUR	75.105,51	-1.597,51	73.746,72
15/03/2019	NOK	6.300.000,00	EUR	648.170,82	-13.786,78	636.444,27
15/03/2019	HKD	1.700.000,00	EUR	189.644,31	-540,16	189.941,00
15/03/2019	INR	5.100.000,00	EUR	62.391,43	608,86	63.902,49
15/03/2019	INR	234.000.000,00	EUR	2.862.665,46	27.935,96	2.931.996,60
15/03/2019	USD	3.550.000,00	EUR	3.104.720,92	-18.681,71	3.105.454,09
15/03/2019	GBP	32.000,00	EUR	35.775,38	-206,18	35.652,61
15/03/2019	HKD	12.000.000,00	EUR	1.338.665,68	-3.812,87	1.340.760,00
15/03/2019	NOK	365.000,00	EUR	36.705,77	50,91	36.873,36
15/03/2019	USD	140.000,00	EUR	122.656,39	-954,79	122.468,61
15/03/2019	USD	490.000,00	EUR	426.866,45	-895,65	428.640,14
15/03/2019	USD	750.000,00	EUR	657.087,79	-5.114,94	656.081,85
15/03/2019	GBP	10.000,00	EUR	11.209,51	-94,20	11.141,44
15/03/2019	HKD	200.000,00	EUR	22.453,49	-206,58	22.346,00
15/03/2019	GBP	380.000,00	EUR	418.539,08	3.859,77	423.374,76
15/03/2019	GBP	55.000,00	EUR	60.961,42	174,36	61.277,93
15/03/2019	NOK	68.000,00	EUR	6.838,34	9,48	6.869,56
15/03/2019	GBP	640.000,00	EUR	716.115,97	-4.733,49	713.052,22
15/03/2019	GBP	8.000,00	EUR	8.811,35	81,25	8.913,15
15/03/2019	INR	8.500.000,00	EUR	103.988,26	1.012,18	106.504,15
15/03/2019	USD	7.000.000,00	EUR	6.132.819,34	-47.739,37	6.123.430,60
15/03/2019	USD	90.000,00	EUR	78.465,56	-226,40	78.729,82
15/03/2019	USD	410.000,00	EUR	358.573,40	-2.157,61	358.658,08
15/03/2019	NOK	2.500.000,00	EUR	251.955,17	-198,77	252.557,25
15/03/2019	GBP	75.000,00	EUR	83.919,84	-554,71	83.560,81
15/03/2019	GBP	6.800,00	EUR	7.539,81	18,78	7.576,18

# TreeTop Convertible SICAV

## Notes to the financial statements as at 31 December 2018

MATURITY	CURRENCY PURCHASE	NOMINAL PURCHASED	CURRENCY SOLD	NOMINAL SOLD	+/- UNREALISED VALUE (IN EUR)	COMMITMENTS (IN EUR)
15/03/2019	GBP	34.000,00	EUR	37.542,93	250,43	37.880,90
15/03/2019	GBP	5.346,24	EUR	6.000,00	-57,51	5.956,48
15/03/2019	INR	4.500.000,00	EUR	54.265,90	1.333,94	56.384,55
15/03/2019	USD	8.617.578,75	EUR	7.551.000,00	-59.769,65	7.538.449,35
15/03/2019	HKD	10.000.000,00	EUR	1.116.774,40	-4.402,44	1.117.300,00
15/03/2019	NOK	300.000,00	EUR	30.675,16	-465,79	30.306,87
15/03/2019	GBP	8.000,00	EUR	8.840,27	52,27	8.913,15
15/03/2019	GBP	7.000,00	EUR	7.729,43	51,55	7.799,01
15/03/2019	GBP	10.000,00	EUR	11.083,89	31,71	11.141,44
15/03/2019	INR	400.000.000,00	EUR	4.893.564,96	47.632,33	5.011.960,00
15/03/2019	GBP	56.000,00	EUR	62.773,23	-527,52	62.392,07
15/03/2019	NOK	260.000,00	EUR	26.203,34	-20,68	26.265,95
15/03/2019	NOK	2.600.000,00	EUR	268.276,32	-6.469,50	262.659,54
15/03/2019	USD	4.100.000,00	EUR	3.571.739,70	-7.494,23	3.586.580,78
15/03/2019	GBP	45.000,00	EUR	49.563,84	457,07	50.136,48
15/03/2019	GBP	325.000,00	EUR	360.358,36	898,23	362.096,83
15/03/2019	GBP	15.000,00	EUR	16.783,97	-110,95	16.712,16
15/03/2019	GBP	380.000,00	EUR	419.912,70	2.482,96	423.374,76
15/03/2019	NOK	132.000,00	EUR	13.580,72	-288,86	13.335,02
15/03/2019	NOK	54.000,00	EUR	5.521,53	-83,85	5.455,24
15/03/2019	GBP	38.000,00	EUR	42.134,21	105,01	42.337,48
15/03/2019	GBP	450.000,00	EUR	498.775,23	1.426,63	501.364,85
15/03/2019	GBP	175.000,00	EUR	195.646,58	-1.127,55	194.975,22
15/03/2019	INR	46.000.000,00	EUR	562.759,97	5.477,72	576.375,40
15/03/2019	GBP	45.000,00	EUR	49.726,50	294,03	50.136,48
15/03/2019	INR	17.000.000,00	EUR	205.004,52	5.039,34	213.008,30
15/03/2019	GBP	103.849,21	EUR	114.500,00	936,00	115.702,98
15/03/2019	INR	30.000.000,00	EUR	367.008,39	3.581,54	375.897,00
15/03/2019	GBP	1.460.000,00	EUR	1.632.251,50	-9.407,00	1.626.650,39
15/03/2019	INR	160.000.000,00	EUR	1.929.454,33	47.429,08	2.004.784,00
15/03/2019	GBP	322.000,00	EUR	355.553,59	2.371,77	358.754,40
15/03/2019	GBP	490.000,00	EUR	549.265,78	-4.615,89	545.930,61
15/03/2019	NOK	60.000,00	EUR	6.177,22	-135,48	6.061,37
15/03/2019	NOK	3.300.000,00	EUR	331.860,41	460,33	333.375,57

# TreeTop Convertible SICAV

## Notes to the financial statements as at 31 December 2018

MATURITY	CURRENCY PURCHASE	NOMINAL PURCHASED	CURRENCY SOLD	NOMINAL SOLD	+/- UNREALISED VALUE (IN EUR)	COMMITMENTS (IN EUR)
15/03/2019	INR	405.000,00	GBP	4.398,97	112,71	9.975,70
15/03/2019	INR	451.000,00	GBP	4.996,84	14,71	11.218,18
15/03/2019	NOK	6.200,00	GBP	572,51	-12,25	1.264,20
15/03/2019	EUR	7.000,00	GBP	6.261,29	37,83	6.975,98
15/03/2019	NOK	14.000,00	GBP	1.285,87	-19,97	2.846,97
15/03/2019	USD	119.445,80	GBP	94.000,00	-682,94	209.217,84
15/03/2019	EUR	108.571,56	GBP	97.000,00	713,58	108.071,98
15/03/2019	EUR	12.324,24	GBP	11.000,00	92,92	12.255,59
15/03/2019	HKD	20.000,00	GBP	2.000,92	-0,02	4.463,91
15/03/2019	INR	900.000,00	GBP	9.819,11	201,27	22.216,81
15/03/2019	EUR	72.171,70	GBP	65.000,00	-104,27	72.419,37
15/03/2019	EUR	537.785,00	GBP	480.000,00	4.054,79	534.789,17
15/03/2019	USD	75.621,83	GBP	59.000,00	140,41	131.886,65
15/03/2019	USD	15.000,00	GBP	11.709,78	20,24	26.168,02
15/03/2019	USD	30.000,00	GBP	23.670,51	-240,30	52.615,63
15/03/2019	NOK	2.700,00	GBP	245,42	-0,99	546,20
15/03/2019	EUR	896.381,40	GBP	813.000,00	-7.624,14	905.799,15
15/03/2019	EUR	719.647,48	GBP	650.000,00	-3.112,18	724.193,67
15/03/2019	EUR	5.000,00	GBP	4.513,50	-18,73	5.028,69
15/03/2019	EUR	551.280,07	GBP	500.000,00	-4.688,90	557.072,05
15/03/2019	NOK	6.000,00	GBP	551,95	-9,52	1.221,09
15/03/2019	EUR	559.647,20	GBP	500.000,00	3.678,23	557.072,05
15/03/2019	EUR	12.312,24	GBP	11.000,00	80,92	12.255,59
15/03/2019	USD	91.855,90	GBP	73.000,00	-1.322,22	161.685,84
15/03/2019	HKD	55.000,00	GBP	5.562,75	-67,31	12.342,86
15/03/2019	USD	97.804,40	GBP	76.000,00	524,86	170.231,87
15/03/2019	EUR	19.000,00	GBP	17.141,99	-60,83	19.098,65
15/03/2019	EUR	85.250,55	GBP	77.000,00	-368,67	85.789,10
15/03/2019	USD	64.049,00	GBP	50.000,00	86,37	111.735,72
15/03/2019	EUR	599.580,29	GBP	540.000,00	-866,20	601.637,81
15/03/2019	USD	70.354,35	GBP	55.000,00	7,93	122.822,21
15/03/2019	NOK	6.000,00	GBP	546,46	-3,39	1.214,97
15/03/2019	EUR	15.500,10	GBP	14.000,00	-67,03	15.598,02

# TreeTop Convertible SICAV

## Notes to the financial statements as at 31 December 2018

MATURITY	CURRENCY PURCHASE	NOMINAL PURCHASED	CURRENCY SOLD	NOMINAL SOLD	+/- UNREALISED VALUE (IN EUR)	COMMITMENTS (IN EUR)
15/03/2019	INR	645.000,00	GBP	7.116,69	54,38	16.010,80
15/03/2019	EUR	13.879,17	GBP	12.500,00	-20,05	13.926,80
15/03/2019	EUR	7.464.332,18	GBP	6.770.000,00	-63.487,65	7.542.755,56
15/03/2019	EUR	11.201,09	GBP	10.000,00	81,71	11.141,44
15/03/2019	USD	95.784,00	GBP	75.000,00	-123,69	167.350,33
15/03/2019	NOK	13.000,00	GBP	1.196,55	-21,36	2.646,43
15/03/2019	EUR	453.644,28	GBP	405.000,00	3.309,42	451.228,36
15/03/2019	EUR	70.563,85	GBP	64.000,00	-600,18	71.305,22
15/03/2019	USD	1.193.991,38	GBP	948.900,00	-17.195,29	2.101.686,10
15/03/2019	EUR	164.832,74	GBP	149.500,00	-1.401,98	166.564,54
15/03/2019	EUR	13.230,72	GBP	12.000,00	-112,54	13.369,73
15/03/2019	EUR	67.223,12	GBP	60.000,00	506,84	66.848,65
15/03/2019	USD	8.000,00	GBP	6.233,93	23,42	13.943,70
15/03/2019	EUR	1.074.799,31	HKD	9.600.000,00	6.814,38	1.072.608,00
15/03/2019	USD	3.235.603,17	HKD	25.250.000,00	3.960,81	5.651.609,85
15/03/2019	EUR	22.255,85	HKD	200.000,00	6,16	22.346,00
15/03/2019	EUR	20.772.279,67	HKD	185.000.000,00	191.320,14	20.670.050,00
15/03/2019	EUR	2.486.722,58	HKD	22.147.000,00	22.903,60	2.474.484,31
15/03/2019	GBP	39.564,13	HKD	388.500,00	761,23	87.487,25
15/03/2019	EUR	446.323,31	HKD	3.975.000,00	4.110,80	444.126,75
15/03/2019	EUR	111.585,97	HKD	1.000.000,00	337,54	111.730,00
15/03/2019	EUR	3.943.946,35	INR	328.160.000,00	-110.252,03	4.111.811,98
15/03/2019	EUR	49.035,83	INR	4.000.000,00	-381,51	50.119,60
15/03/2019	EUR	33.156.262,77	INR	2.758.800.000,00	-926.874,97	34.567.488,12
15/03/2019	GBP	3.910,01	INR	357.000,00	-64,28	8.829,49
15/03/2019	USD	5.147.604,44	INR	375.300.000,00	-162.374,52	9.205.471,26
15/03/2019	EUR	2.888.190,91	INR	240.000.000,00	-76.849,35	3.007.176,00
15/03/2019	GBP	4.782,66	INR	440.000,00	-119,77	10.841,73
15/03/2019	USD	511.049,72	INR	37.000.000,00	-12.895,04	910.660,23
15/03/2019	GBP	62.524,80	INR	5.736.000,00	-1.365,00	141.533,14
15/03/2019	EUR	69.797,95	INR	5.800.000,00	-1.857,19	72.673,42
15/03/2019	USD	379.064,41	INR	27.000.000,00	-4.042,07	669.903,67
15/03/2019	EUR	704.877,05	INR	58.650.000,00	-19.704,66	734.878,64

# TreeTop Convertible SICAV

## Notes to the financial statements as at 31 December 2018

MATURITY	CURRENCY PURCHASE	NOMINAL PURCHASED	CURRENCY SOLD	NOMINAL SOLD	+/- UNREALISED VALUE (IN EUR)	COMMITMENTS (IN EUR)
15/03/2019	EUR	361.023,86	INR	30.000.000,00	-9.606,17	375.897,00
15/03/2019	GBP	729,39	NOK	8.000,00	4,82	1.620,83
15/03/2019	EUR	28.302,37	NOK	275.000,00	596,54	27.781,30
15/03/2019	EUR	398.827,45	NOK	4.000.000,00	-4.166,46	404.091,60
15/03/2019	USD	768.439,63	NOK	6.575.000,00	5.677,59	1.336.437,96
15/03/2019	USD	86.979,01	NOK	740.000,00	1.070,29	150.844,08
15/03/2019	EUR	105.684,65	NOK	1.032.000,00	1.712,22	104.255,63
15/03/2019	EUR	51.847,57	NOK	520.000,00	-541,64	52.531,91
15/03/2019	EUR	285.861,59	NOK	2.800.000,00	3.765,85	282.864,12
15/03/2019	GBP	9.316,02	NOK	100.300,00	251,20	20.511,99
15/03/2019	EUR	5.248,80	NOK	51.000,00	110,63	5.152,17
15/03/2019	EUR	576.862,03	NOK	5.633.000,00	9.345,85	569.062,00
15/03/2019	EUR	296.561,42	NOK	2.900.000,00	4.390,83	292.966,41
15/03/2019	GBP	458,47	NOK	5.000,00	5,90	1.015,92
15/03/2019	EUR	5.136,58	NOK	50.000,00	99,16	5.051,15
15/03/2019	EUR	8.692,32	NOK	85.000,00	128,70	8.586,95
15/03/2019	EUR	4.777.314,67	NOK	46.650.000,00	77.398,16	4.712.718,29
15/03/2019	GBP	675,47	NOK	7.500,00	-4,77	1.510,24
15/03/2019	USD	65.237,54	NOK	570.000,00	-715,03	114.651,27
15/03/2019	GBP	463,57	NOK	5.000,00	11,58	1.021,60
15/03/2019	EUR	9.472,15	NOK	95.000,00	-98,96	9.597,18
15/03/2019	EUR	30.628,03	NOK	300.000,00	403,49	30.306,87
15/03/2019	EUR	3.483.713,64	USD	4.000.000,00	6.063,16	3.499.103,20
15/03/2019	NOK	430.000,00	USD	50.817,81	-880,32	87.894,04
15/03/2019	GBP	45.000,00	USD	57.289,50	214,29	100.251,95
15/03/2019	EUR	84.088,98	USD	97.000,00	-244,04	84.853,25
15/03/2019	EUR	389.950,27	USD	447.000,00	1.322,83	391.024,78
15/03/2019	GBP	44.000,00	USD	56.042,80	186,52	98.047,23
15/03/2019	EUR	380.000,00	USD	438.345,20	-1.102,85	383.453,77
15/03/2019	NOK	850.000,00	USD	100.386,19	-1.681,18	173.684,87
15/03/2019	GBP	205.000,00	USD	263.076,50	-845,89	458.532,50
15/03/2019	NOK	350.000,00	USD	40.501,29	35,28	70.787,56
15/03/2019	EUR	510.000,00	USD	583.144,20	3.007,07	510.120,43

# TreeTop Convertible SICAV

## Notes to the financial statements as at 31 December 2018

MATURITY	CURRENCY PURCHASE	NOMINAL PURCHASED	CURRENCY SOLD	NOMINAL SOLD	+/- UNREALISED VALUE (IN EUR)	COMMITMENTS (IN EUR)
15/03/2019	GBP	70.000,00	USD	89.873,00	-325,45	156.608,81
15/03/2019	GBP	72.000,00	USD	91.252,80	700,48	160.044,12
15/03/2019	INR	36.000.000,00	USD	508.029,69	3.021,37	895.488,48
15/03/2019	GBP	7.069,36	USD	9.000,00	33,67	15.749,27
15/03/2019	INR	23.000.000,00	USD	319.311,40	6.572,12	567.513,59
15/03/2019	HKD	1.500.000,00	USD	192.234,74	-266,56	335.757,30
15/03/2019	EUR	50.098.615,98	USD	58.930.000,00	-1.135.869,78	51.550.537,89
15/03/2019	GBP	5.509,95	USD	7.000,00	39,06	12.262,31
15/03/2019	GBP	50.000,00	USD	63.375,00	482,09	111.146,12
15/03/2019	INR	56.000.000,00	USD	786.627,34	7.911,14	1.389.796,96
15/03/2019	GBP	50.000,00	USD	63.483,00	387,98	111.240,60
15/03/2019	GBP	86.000,00	USD	109.890,80	57,31	191.946,21
15/03/2019	EUR	8.336.911,28	USD	9.514.500,00	64.884,90	8.323.054,35
15/03/2019	NOK	470.000,00	USD	54.521,83	-69,82	95.175,14
14/06/2019	EUR	18.602.548,72	USD	21.400.000,00	147.488,60	18.720.202,12
15/03/2019	INR	19.500.000,00	USD	271.777,00	4.640,26	482.076,99
15/03/2019	GBP	60.000,00	USD	77.350,80	-555,01	134.513,25
15/03/2019	EUR	448.528,13	USD	515.000,00	780,63	450.509,54
15/03/2019	GBP	138.044,49	USD	173.700,00	2.438,90	305.750,01
15/03/2019	EUR	1.550.931,00	USD	1.770.000,00	12.070,66	1.548.353,17
				<b>Total</b>	<b>-2.007.621,55</b>	<b>243.448.152,27</b>

### NOTE 8 - ADMINISTRATION, DOMICILIATION AND TRANSFER AGENT FEES

Until 30 June 2018, in consideration of its services as the SICAV's domiciliary agent, Banque Degroof Petercam Luxembourg S.A. received a lump sum domiciliation fee of EUR 2,500 p.a. per Sub-Fund, plus a lump sum of EUR 1,000 p.a. per Sub-Fund per marketing country.

Until 30 June 2018, in consideration of its services as the SICAV's administrative agent, Banque Degroof Petercam Luxembourg S.A. received an annual fee determined as a percentage of the average net asset value of each Sub-Fund as follows:

- 0.080% on the tranche of the average net asset value comprised between 0 and 125 million EUR ;
- 0.065% on the tranche of the average net asset value over 125 million EUR.

As from 1 July 2018, in consideration of its services as the SICAV's domiciliary agent, Banque Degroof Petercam Luxembourg S.A. (Degroof Petercam Asset Services S.A. since 1 October 2018) receives a lump sum domiciliation fee of EUR 7,500 p.a. per Sub-Fund.

# TreeTop Convertible SICAV

## Notes to the financial statements as at 31 December 2018

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Since 1 July 2018, in consideration of its services as the SICAV's administrative and transfer agent, Degroof Petercam Asset Services S.A. (Degroof Petercam Asset Services S.A. since 1 October 2018) receives an annual fee determined as a percentage of the average net asset value of each Sub-Fund as follows:

- 0.07% on the tranche of the average net asset value comprised between 0 and 125 million EUR ;
- 0.06% on the tranche of the average net asset value over 125 million EUR.

And EUR 25 per trade done by the transfer agent and EUR 25 as maintenance fee per year and per Sub-Fund.

### NOTE 9 - DEPOSITARY FEES

In consideration of its services as the SICAV's Depositary, Banque Degroof Petercam Luxembourg S.A. received an annual fee (transaction fees excluded) determined as a percentage of the average net asset value of each Sub-Fund as follows :

Until 30 June 2018 :

- 0.20% on the tranche of the average net asset value comprised between 0 million and 125 million EUR;
- 0.175% on the tranche of the average net asset value over 125 million EUR.

Since 1 July 2018

- 0.04% p.a. on the tranche of the average net asset value and EUR 25 per trade on the investments of each Sub-Fund.

The Depositary's commissions are subject to VAT at the current rate of 14% solely for the portion of these commissions relative to the Custodian Bank's control and supervisory services.

### NOTE 10 - DIVIDENDS

As of 17 April 2018, during the General Meeting of Shareholders of TreeTop Convertible SICAV, the payment of dividend on distribution class was decided as follow:

Sub-Fund	Payment date	Share Classes	Dividend
TreeTop Convertible International	31 May 2018	Class C, Dist. (LU0305892035)	GBP 4,00
TreeTop Convertible International	31 May 2018	Class D, Dist. (LU0332191302)	EUR 8,00

### NOTE 11 - TRANSACTION FEES

The caption «Transaction fees» includes brokerage, banking fees, taxes, depositary and others on purchases and sales of investments during the financial year.

### NOTE 12 - OTHER INCOME

Other income includes an amount of USD 3,318,190.86 collected by SICAV in 2018 in connection with a collective action (i.e. class action) brought in the United States against Salix Pharmaceuticals, Ltd. Salix Pharmaceuticals, Ltd was accused of misleading investors about the deterioration of its net income and earnings per share. Within the framework of this collective action the parties have concluded a settlement agreement whose distribution plan to investors who have held securities issued by Salix Pharmaceuticals, Ltd during the criminalized period, whose SICAV, was approved by the competent court in August 2018.

# TreeTop Convertible SICAV

## Notes to the financial statements as at 31 December 2018

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### **NOTE 13 - EVENTS DURING THE YEAR**

As at 1 July 2018, the prospectus of TreeTop Convertible SICAV has been updated and is available on request at the registered office of the SICAV or at the Management Company.

The class IH has been launched on 3 July 2018.

Since 1 October 2018, the below mentioned functions are carried out by Degroof Petercam Asset Services S.A. in place of Banque Degroof Petercam Luxembourg S.A.:

- Domiciliary Agent;
- Administrative Agent;
- Transfer Agent and Registrar.

# TreeTop Convertible SICAV

Additional information (unaudited) as at 31 December 2018

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## Overall Risk Assessment

Global exposure is a measure designed to limit the leverage generated by each Sub-Fund through the use of financial derivative instruments. In order to calculate global exposure, each Sub-Fund will use the commitment approach. This method consist to convert all derivatives positions to the market value of the equivalent position of underlying asset and to aggregate these.

## Remuneration

The Management Company has put in place a remuneration policy, the purpose of which is to constitute a framework for remuneration practices as regards its personnel so as to ensure that they are compatible with sound and effective risk management. In particular, the remuneration policy aims not to encourage risk taking that is incompatible with the risk profile of the sub-funds of the SICAV, its prospectus and its documents of incorporation. The objective pursued is not to minimise risk in absolute terms, which is an integral component of the SICAV portfolio management. As part of the management of its business, the Management Company's remuneration policy also aims to prevent the taking of risks that would surpass the tolerance thresholds set by its Board of Directors, and to reward employees who take part in and contribute to the attainment of the Management Company's long-term objectives in accordance with its values and complying with applicable laws and regulations.

The Management Company's remuneration policy has been established in accordance with the laws and regulations applicable to Managers of UCI investment funds in Luxembourg and taking account on the one hand of the company's size, the services which it provides and the private nature of its shareholding, and on the other, of market standards.

The Management Company considers that all the persons it employs are in the categories referred to by Article 20 of the Law of 10 May 2016, so that its remuneration policy applies to all its employees.

The Board of Directors of the Management Company, in the exercise of its supervisory role, is ultimately responsible for establishing and implementing the remuneration policy. This remuneration policy is reviewed once a year by the Board of Directors and by the internal audit function, which is performed by an independent company. The implementation of the remuneration policy is subject, at least once a year, to a central and independent internal evaluation with the goal of verifying that it complies with the remuneration policies and procedures adopted.

The general principles of the Management Company's remuneration policy are as follows:

- The level of remuneration of each employee is set taking account of the level of responsibility and experience and market standards in Luxembourg;
- The remuneration of the Management Company's personnel consists of a fixed component and, where applicable, a variable component;
- Where a member of the Management Company's personnel is entitled to variable remuneration, the fixed component will always be sufficient to allow for the possibility of not paying any variable remuneration;
- The variable component, if there is one, is established on the basis of financial and non-financial criteria.
- The relative importance of the criteria used and the variable component depend on the nature of the function performed. For example for personnel employed in the control functions, the level of variable remuneration may not in principle exceed two months' salary, and the evaluation criteria applied are essentially non-financial;
- This variable remuneration is paid during the current year or the following one, and always in cash;

# TreeTop Convertible SICAV

## Additional information (unaudited) as at 31 December 2018

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- The remuneration of members of general management currently consists only of fixed remuneration; members of general management have a stake in the long-term development of the company in their capacity as shareholders of the Management Company;
- The Management Company does not offer guaranteed bonuses;
- The employment contracts does not contains any indemnity for early termination other than those established in the Luxembourg social law and warranted by the experience and years of service of the personnel and market standards in Luxembourg.

During 2018, the Management Company did not make significant changes to its remuneration policy.

As at 31 December 2018, the Management Company employed twelve persons. Three of these twelve persons are part of the general management and /or may be considered as risk takers in the meaning of Article 20 of the Law of 10 May 2016.

With the exception of the fund Managers, none of the persons employed by the Management Company is any longer specifically assigned - whether full-time or part-time - to a particular UCI.

The activity of members of general management, the control functions and the other functions managed by the Management Company relates to all its funds. The remuneration offered by the Management Company to these employees is thus not directly related to the SICAV.

The investment strategies established by the fund Managers are generally implemented across several funds. In order to identify the portion of the remuneration received by the Management Company's personnel in relation to the SICAV, the following method is applied:

- For fund Managers the remuneration is allocated to the SICAV in proportion to the assets managed in accordance with the investment strategy or strategies defined by these persons;
- For persons employed in general management, control or other functions, remuneration is allocated to the SICAV in proportion to the assets under management of all the UCIs managed by the Management Company;
- When a fund Manager is also a member of the general management of the Management Company, his remuneration is allocated to the SICAV in proportion to the assets under management of all the UCIs managed by the Management Company.

For the year ended 31 December 2018, total remuneration paid by the Management Company to its personnel in connection with the SICAV amounted to EUR 291,053. The fixed component of this remuneration amounted to EUR 279,708 and the variable component to EUR 11,345. The portion of total remuneration paid to members of general management and a risk taker amounted to EUR 130,535 and was composed exclusively of fixed remuneration.

# TreeTop Convertible SICAV

Additional information (unaudited) as at 31 December 2018

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## Information on transparency of securities financing and reuse

As at 31 December 2018 the SICAV does not resort in any securities financing transactions and total return swaps such as these terms are defined by the Regulation (EU) 2015/2365 of the European Parliament and the Council of 25 November 2015 concerning the transparency of the securities financing transactions and of reuse.

## Notes regarding investment research fees:

In accordance with the prospectus of the SICAV, within the limit of an annual budget, the SICAV may also participate in the financing of the investment research supplied to the Management Company by third-party research companies.

The budget provisioned for research fees for the SICAV during the financial year 2018 was EUR 317,000.