

Red Arc Global Investments (Luxembourg) SICAV

Unaudited Semi-Annual Report

For the period from
1 January 2016 to 30 June 2016

R.C.S. LUXEMBOURG B 181.888

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Company Information

Red Arc Global Investments (Luxembourg) SICAV

Registered Office

31, Z.A. Bourmicht
L-8070 Bertrange
Grand Duchy of Luxembourg

Board of Directors

Chairman of the Board of Directors

Véronique Gillet
Independent Director
58, rue Glesener
L-1630 Luxembourg
Grand Duchy of Luxembourg

Other members of the Board of Directors

Alain Guérard
Independent Director
53, am Steffesgaart
L-5222 Sandweiler
Grand Duchy of Luxembourg

Vassilios Pappas
Managing Director
Assenagon Asset Management S.A.
Munich Branch
Prannerstraße 8
D-80339 Munich
Germany

Dr. Robert Wendt
Managing Director
Assenagon Asset Management S.A.
Munich Branch
Prannerstraße 8
D-80339 Munich
Germany

Management Company

Assenagon Asset Management S.A.
Aerogolf Center
1B, Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg

Board of Directors of the Management Company

Chairman

Hans Günther Bonk

Company Information (continued)**Management Company (continued)***Other members*

Vassilios Pappas
Dr. Dr. Heimo Plössnig

Day-to-day Managers of the Management Company

Hans Günther Bonk
Michael Hünseler
Anders Malcolm
Vassilios Pappas
Dr. Dr. Heimo Plössnig
Thomas Romig
Dr. Robert Wendt

Investment Manager: BOCHK RMB High Yield Bond Fund

BOCHK Asset Management Limited
32/F, Bank of China Tower
1 Garden Road
Hong Kong

Investment Advisor: Absolute Return Opportunities Fund

BlackRock Financial Management Inc.
55 E 52nd Street
New York 10055
United States of America

Global Distributor

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Custodian and Paying Agent

Citibank Europe plc, Luxembourg Branch
31, Z.A. Bourmicht
L-8070 Bertrange
Grand Duchy of Luxembourg

Central Administration, Registrar and Transfer Agent and Domiciliary Agent

Citibank Europe plc, Luxembourg Branch
31, Z.A. Bourmicht
L-8070 Bertrange
Grand Duchy of Luxembourg

Auditor

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

Legal Advisor

Clifford Chance
10, Boulevard Grande-Duchesse Charlotte
L-1330 Luxembourg
Grand Duchy of Luxembourg

Company Information (continued)**Centralising agent, paying and information agent in France**

Société Générale
29, Boulevard Haussmann
F-75009 Paris
France

Centralising agent, paying and information agent in Germany

Baader Bank AG
Weihenstephaner Straße 4
D-85716 Unterschleißheim
Germany

Paying and information agent in Austria

Erste Bank der oesterreichischen Sparkassen AG
Am Belvedere 1
A-1100 Vienna
Austria

Paying agent in Spain

AllFunds Bank S.A
Legal Department
c/ Estafeta No6 (La Moraleja)
Complejo Plaza de la Fuente – Edificio 3
28019 Alcobendas Madrid
Spain

Paying agent in Sweden

Skandinaviska Enskilda Banken AB
Kungsträdgårdsgatan
SE-106 40 Stockholm
Sweden

Paying agent in Switzerland

Banque Cantonale de Genève
17, Quai de l'Ile
CH-1204 Geneva
Switzerland

Paying agent in United Kingdom

KB Associates Consulting (UK) LLP
42 Brook Street
W1K 5DB London
United Kingdom

Representative in Switzerland

Carnegie Fund Services S.A.
11, Rue du Général-Dufour
CH-1204 Geneva
Switzerland

Information for Investors in Germany

For the following sub-funds of Red Arc Global Investments (Luxembourg) SICAV no notification for distribution in the Federal Republic of Germany was submitted and shares in these sub-funds may NOT be offered to investors within the scope of the German investment law. As a consequence, the following sub-funds are NOT available to investors in Germany:

- Absolute Return Dynamic Protection Fund

Paying and Information Agent for the shares of the SICAV authorized for public distribution in Germany:

Baader Bank AG
Weihenstephaner Straße 4
D-85716 Unterschleißheim
Germany

Applications for the redemption and conversion of shares may be filed with the Paying and Information Agent in Germany. At the request of Shareholders, the proceeds of redemptions, any dividends as well as other payments may be paid to them via the Paying and Information Agent in Germany (by credit transfer, cheque or cash deposit).

The current prospectus, the Key Investor Information Documents, the articles of incorporation of the SICAV, the annual and semi-annual reports, the issue, redemption and conversion prices of shares as well as any other information intended for Shareholders are available free of charge from the Paying and Information Agent in Germany.

In addition, the issue and redemption prices are published on www.funds.citi.com, and any other information to Shareholders are published in the "Börsen-Zeitung".

Information for Investors in Switzerland (unaudited)

The Company is established as a SICAV under Luxembourg law and the sub-funds are compliant with Swiss law for distribution to qualified investors in or from Switzerland.

The Swiss representative is Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva. The Swiss paying agent is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva. Investors in Switzerland can obtain the documents of the Company, such as the Prospectus (Edition for Switzerland), the KIIDs, the Articles of Incorporation and the semi-annual and annual reports, and further information free of charge from the Swiss representative.

This document may only be issued, circulated or distributed so as not to constitute an offering to non-qualified investors in Switzerland. Recipients of the document in Switzerland should not pass it on to anyone without first consulting their legal or other appropriate professional adviser, or the Swiss representative.

Statement of Net Assets
As at 30 June 2016

	Notes	Volatility Arbitrage Fund	European Equity Absolute Return Fund ¹	BOCHK RMB High Yield Bond Fund	Absolute Return Dynamic Protection Fund	Absolute Return Opportunities Fund	Combined Net Assets ²
		USD	EUR	CNH	USD	USD	EUR
Assets							
Acquisition cost of securities	2a	10,820,173	–	558,593,158	32,858,257	53,875,609	163,240,928
Unrealised appreciation/(depreciation) on the value of securities		2,160	–	62,406,472	(454,662)	12,125	8,030,654
Investments in securities at market value	2a	10,822,333	–	620,999,630	32,403,595	53,887,734	171,271,582
Cash at bank		1,551,474	2,180	37,861,752	491,708	5,173,122	11,608,273
Upfront payment paid on swap transactions		–	–	–	–	56,838	51,162
Amounts receivable on sale of investments		–	–	5,451,972	–	–	736,206
Interest receivable, net		–	–	13,774,471	–	–	1,860,034
Formation expenses	2f	–	–	282,349	–	–	38,127
Unrealised appreciation on forward foreign exchange contracts	11	29,186	–	628,916	–	2,304	113,271
Unrealised appreciation on swaps	10	49,777	–	–	15,562,348	826,429	14,796,844
Other receivable		289,555	–	–	–	–	260,637
Total assets		12,742,325	2,180	678,999,090	48,457,651	59,946,427	200,736,136
Liabilities							
Amounts payable on purchase of investments		–	–	5,111,004	–	–	690,164
Amounts payable on redemptions		–	–	2,636,563	–	1,192,725	1,429,636
Amounts payable on dividend distribution		–	–	13,211,286	–	–	1,783,984
Unrealised depreciation on forward foreign exchange contracts	11	1,940	–	16,281	–	117	4,050
Unrealised depreciation on swaps	10	194,227	–	–	1,188,870	1,637,494	2,718,926
Accounts payable and accrued expenses		275,163	2,180	630,014	70,677	151,325	532,587
Upfront payment received on swaps transactions		–	–	–	–	71,470	64,333
Total liabilities		471,330	2,180	21,605,148	1,259,547	3,053,131	7,223,680
Net Assets		12,270,995	–	657,393,942	47,198,104	56,893,296	193,512,456

¹ The Sub-Fund closed operations on 18/04/2016.

² See note 2(i) for a definition of 'Combined Net Assets'.

Statement of Operations and Changes in Net assets
For the period from 1 January 2016 to 30 June 2016

	Notes	Volatility Arbitrage Fund	European Equity Absolute Return Fund ¹	BOCHK RMB High Yield Bond Fund	Absolute Return Dynamic Protection Fund	Absolute Return Opportunities Fund	Combined Net Assets ²
		USD	EUR	CNH	USD	USD	EUR
Net assets at the beginning of the period		47,442,490	3,932,632	774,062,421	48,601,006	43,128,659	240,523,306
Income							
Interest income, net	2e	26,566	255	27,936,414	–	54,090	3,845,246
Other income		3,438	–	–	–	–	3,095
Total income		30,004	255	27,936,414	–	54,090	3,848,341
Expenses							
Management fees	6	130,742	3,640	3,747,771	216,817	334,351	1,123,528
Depositary fees		11,354	819	181,207	1,629	12,075	47,844
Administration fees		17,452	1,217	278,876	2,042	35,158	88,069
Subscription tax	9	1,169	2	163,124	115	10,994	33,081
Other expenses	7	–	–	197,523	–	–	26,672
Total expenses before reimbursement		160,717	5,678	4,568,501	220,603	392,578	1,319,194
Expense reimbursement	6,7	–	–	–	–	–	–
Total expenses after reimbursement		160,717	5,678	4,568,501	220,603	392,578	1,319,194
Net income/ (loss) from investments		(130,713)	(5,423)	23,367,913	(220,603)	(338,488)	2,529,147
Net realised gain/ (loss) from:							
Sales of investments	2b	(142)	–	19,160,797	–	–	2,587,248
Forward foreign exchange contracts	2g	319,445	–	(20,226,409)	–	(57,977)	(2,495,915)
Foreign currency transactions		(14,861)	–	(3,787,969)	4	(1,205)	(525,966)
Swaps	2h	771,313	(2,932)	–	218,678	(1,279,217)	(263,273)
Net change in unrealised appreciation/(depreciation) from:							
Investments		(811)	–	7,892,661	(145,784)	4,651	938,016
Forward foreign exchange contracts		149,665	–	23,373,364	–	2,187	3,292,906
Swaps		(552,789)	(114,910)	–	(1,255,197)	(575,499)	(2,260,358)
Net increase/ (decrease) in net assets as a result of operations		541,107	(123,265)	49,780,357	(1,402,902)	(2,245,548)	3,801,805
Movements in capital							
Subscriptions of shares		20,074	–	58,803,257	–	22,866,530	28,541,422
Redemptions of shares		(35,732,676)	(3,809,367)	(198,805,333)	–	(6,856,345)	(68,990,699)
Dividend distribution		–	–	(26,446,760)	–	–	(3,571,235)
Currency translation		–	–	–	–	–	(6,792,143)
Net assets at the end of the period		12,270,995	–	657,393,942	47,198,104	56,893,296	193,512,456

¹ The Sub-Fund closed operations on 18/04/2016.

² See note 2(i) for a definition of 'Combined Net Assets'.

Statistics

As at 30 June 2016

	Volatility Arbitrage Fund	BOCHK RMB High Yield Bond Fund	Absolute Return Dynamic Protection Fund	Absolute Return Opportunities Fund
	USD	CNH	USD	USD
Number of shares outstanding				
30 June 2016				
Share Class A USD	57,007	—	—	—
Share Class AD RMB	—	106	—	—
Share Class AD USD	—	—	500,000	—
Share Class C EUR	—	19,616	—	—
Share Class C USD	—	—	—	559,022
Share Class C hedged GBP	—	—	—	5,000 ²
Share Class CD HKD	—	2,004,757	—	—
Share Class CD RMB	—	1,780,443	—	—
Share Class CD USD	—	258,466	—	24,491
Share Class CD hedged USD	—	10,124 ¹	—	—
Share Class I USD	14,365	—	—	4,496 ³
Share Class I hedged CHF	2,200	—	—	—
Share Class I hedged EUR	47,210	—	—	—
Share Class ID EUR	—	10,000	—	—
Net asset value per share class				
30 June 2016				
Share Class A USD	5,368,186	—	—	—
Share Class AD RMB	—	63,323	—	—
Share Class AD USD	—	—	47,198,104	—
Share Class C EUR	—	17,555,142	—	—
Share Class C USD	—	—	—	53,450,756
Share Class C hedged GBP	—	—	—	653,890 ²
Share Class CD HKD	—	202,945,564	—	—
Share Class CD RMB	—	218,818,541	—	—
Share Class CD USD	—	203,860,911	—	2,341,712
Share Class CD hedged USD	—	7,019,242 ¹	—	—
Share Class I USD	1,431,557	—	—	446,939 ³
Share Class I hedged CHF	211,407	—	—	—
Share Class I hedged EUR	5,259,844	—	—	—
Share Class ID EUR	—	7,131,219	—	—
Net asset value per share is denominated in share class currency				
30 June 2016				
Share Class A USD	94.17	—	—	—
Share Class AD RMB	—	598.33	—	—
Share Class AD USD	—	—	94.40	—
Share Class C EUR	—	120.85	—	—
Share Class C USD	—	—	—	95.61
Share Class C hedged GBP	—	—	—	97.83 ²
Share Class CD HKD	—	117.82	—	—
Share Class CD RMB	—	122.90	—	—
Share Class CD USD	—	118.32	—	95.62
Share Class CD hedged USD	—	104.01 ¹	—	—
Share Class I USD	99.66	—	—	99.41 ³
Share Class I hedged CHF	93.61	—	—	—
Share Class I hedged EUR	100.29	—	—	—
Share Class ID EUR	—	96.30	—	—

¹ The class was launched on 01/02/2016.² The class was launched on 05/02/2016.³ The class was launched on 22/04/2016.

Statistics (continued)
As at 31 December 2015

	Volatility Arbitrage Fund	European Equity Absolute Return Fund ¹	BOCHK RMB High Yield Bond Fund	Absolute Return Dynamic Protection Fund	Absolute Return Opportunities Fund
	USD	EUR	CNH	USD	USD
Number of shares outstanding					
31 December 2015					
Share Class A USD	58,539	—	—	—	—
Share Class AD RMB	—	—	106	—	—
Share Class AD USD	—	—	—	500,000	—
Share Class C EUR	—	38,200	21,439	—	—
Share Class C USD	—	—	—	—	412,137
Share Class CD HKD	—	—	2,728,562	—	—
Share Class CD RMB	—	—	1,793,413	—	—
Share Class CD USD	—	—	352,488	—	22,148
Share Class I USD	190,458	—	—	—	—
Share Class I hedged CHF	2,200	—	—	—	—
Share Class I hedged EUR	112,730	—	—	—	—
Share Class ID EUR	100,000	—	10,000	—	—
Net asset value per share class					
31 December 2015					
Share Class A USD	5,533,540	—	—	—	—
Share Class AD RMB	—	—	61,333	—	—
Share Class AD USD	—	—	—	48,601,006	—
Share Class C EUR	—	3,932,632	17,800,992	—	—
Share Class C USD	—	—	—	—	40,929,158
Share Class CD HKD	—	—	267,189,367	—	—
Share Class CD RMB	—	—	213,195,553	—	—
Share Class CD USD	—	—	268,924,101	—	2,199,501
Share Class I USD	18,985,253	—	—	—	—
Share Class I hedged CHF	207,483	—	—	—	—
Share Class I hedged EUR	12,342,297	—	—	—	—
Share Class ID EUR	10,373,917	—	6,891,076	—	—
Net asset value per share is denominated in share class currency					
31 December 2015					
Share Class A USD	94.53	—	—	—	—
Share Class AD RMB	—	—	579.52	—	—
Share Class AD USD	—	—	—	97.20	—
Share Class C EUR	—	102.95	116.36	—	—
Share Class C USD	—	—	—	—	99.31
Share Class CD HKD	—	—	115.53	—	—
Share Class CD RMB	—	—	118.88	—	—
Share Class CD USD	—	—	116.14	—	99.31
Share Class I USD	99.68	—	—	—	—
Share Class I hedged CHF	94.40	—	—	—	—
Share Class I hedged EUR	100.79	—	—	—	—
Share Class ID EUR	95.50	—	96.57	—	—

¹ The Sub-Fund closed operations on 18/04/2016.

Statistics (continued)
As at 31 December 2014

	Volatility Arbitrage Fund	European Equity Absolute Return Fund ¹	BOCHK RMB High Yield Bond Fund
	USD	EUR	CNH
Number of shares outstanding			
31 December 2014			
Share Class A EUR	—	500	—
Share Class AD RMB	—	—	106
Share Class C EUR	—	354,400	14,735
Share Class CD HKD	—	—	3,286,779
Share Class CD RMB	—	—	3,729,795
Share Class CD USD	—	—	305,297
Share Class C hedged EUR	9,833	—	—
Share Class I USD	633,094	—	—
Share Class I hedged CHF	80,085	—	—
Share Class I hedged EUR	197,298	—	—
Share Class ID USD	100,206	—	—
Net asset value per share class			
31 December 2014			
Share Class A EUR	—	52,310	—
Share Class AD RMB	—	—	61,871
Share Class C EUR	—	35,687,212	11,048,655
Share Class CD HKD	—	—	323,775,127
Share Class CD RMB	—	—	446,108,410
Share Class CD USD	—	—	234,307,624
Share Class C hedged EUR	1,186,531	—	—
Share Class I USD	65,929,551	—	—
Share Class I hedged CHF	8,040,061	—	—
Share Class I hedged EUR	25,205,287	—	—
Share Class ID USD	9,975,340	—	—
Net asset value per share is denominated in share class currency			
31 December 2014			
Share Class A EUR	—	104.62	—
Share Class AD RMB	—	—	584.61
Share Class C EUR	—	100.70	99.66
Share Class CD HKD	—	—	122.86
Share Class CD RMB	—	—	119.61
Share Class CD USD	—	—	123.43
Share Class C hedged EUR	99.72	—	—
Share Class I USD	104.14	—	—
Share Class I hedged CHF	99.76	—	—
Share Class I hedged EUR	105.58	—	—
Share Class ID USD	99.55	—	—

¹ The Sub-Fund closed operations on 18/04/2016.

Schedule of Investments

As at 30 June 2016

Volatility Arbitrage Fund

Description	Cost	Currency	Market Value in Sub-Fund Currency	% of Net Assets
Transferable securities and money market instruments dealt in on another regulated market and recently issued transferable securities				
Supranationals, Governments and Local Public Authorities, Debt Instruments				
United States Treasury Bill 0.00% 04/Aug/16	1,709,456	USD	1,709,666	13.93
United States Treasury Bill 0.00% 11/Aug/16	1,549,467	USD	1,549,660	12.63
United States Treasury Bill 0.00% 25/Aug/16	579,764	USD	579,816	4.73
United States Treasury Bill 0.00% 07/Jul/16	1,619,503	USD	1,619,987	13.20
United States Treasury Bill 0.00% 14/Jul/16	959,669	USD	959,960	7.82
United States Treasury Bill 0.00% 21/Jul/16	1,519,363	USD	1,519,854	12.39
United States Treasury Bill 0.00% 28/Jul/16	1,423,449	USD	1,423,813	11.60
United States Treasury Bill 0.00% 18/Aug/16	1,459,501	USD	1,459,577	11.89
Total Supranationals, Governments and Local Public Authorities, Debt Instruments			10,822,333	88.19
Total Transferable securities and money market instruments dealt in on another regulated market and recently issued transferable securities			10,822,333	88.19
Total Investments at market value			10,822,333	88.19

Schedule of Investments (continued)

As at 30 June 2016

BOCHK RMB High Yield Bond Fund

Description	Cost	Currency	Market Value in Sub-Fund Currency	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing				
Bonds				
21vianet Group Inc. 6.88% 26/Jun/17	2,487,365	CNY	3,026,835	0.46
361 Degrees International Limited 7.25% 03/Jun/21	3,305,467	USD	3,467,607	0.53
361 Degrees International Limited 7.50% 12/Sep/17	6,938,659	CNY	7,203,874	1.10
Agile Property Holdings Limited 8.38% 18/Feb/19	7,676,729	USD	8,914,490	1.36
Agile Property Holdings Limited 9.00% 21/May/20	1,730,076	USD	1,852,740	0.28
Agile Property Holdings Limited 9.88% 20/Mar/17	5,578,333	USD	6,283,508	0.96
Ahli United Bank Bsc FRN 29/Dec/49	1,857,976	USD	2,012,152	0.31
Alam Synergy Pte Limited 9.00% 29/Jan/19	1,648,093	USD	1,739,561	0.26
Australia & New Zealand Banking Group Limited FRN 29/Dec/49	5,102,987	USD	5,164,489	0.79
Banglalink Digital Companycommunications Limited 8.63% 06/May/19	1,587,684	USD	1,774,566	0.27
Bank Dhofar SAOG FRN 29/Dec/49	1,553,155	USD	1,653,771	0.25
Biostime International Holdings Limited 7.25% 21/Jun/21	7,254,453	USD	7,603,915	1.16
Blue Sky Fliers Company Limited 6.90% 20/Jan/19	1,624,682	USD	1,725,713	0.26
Car Inc. 6.00% 11/Feb/21	3,381,014	USD	3,862,945	0.59
Central China Real Estate 6.50% 04/Jun/18	1,630,584	USD	1,692,592	0.26
Central China Real Estate Limited 8.75% 23/Jan/21	3,329,626	USD	3,522,701	0.54
Central Plaza Development Limited FRN 02/Dec/49	6,351,330	USD	7,123,559	1.08
China Aoyuan Property Group Limited 10.88% 26/May/18	12,911,758	USD	15,255,471	2.32
China Aoyuan Property Group Limited 11.25% 17/Jan/19	15,569,090	USD	18,241,183	2.77
China Hongqiao Group Limited 7.63% 26/Jun/17	1,586,548	USD	1,720,522	0.26
China Oil & Gas Group Limited 5.00% 07/May/20	3,095,658	USD	3,321,390	0.51
China SCE Property Holdings Limited 10.00% 02/Jul/20	21,859,951	USD	24,120,392	3.68
China South City Holdings Limited 8.25% 29/Jan/19	1,234,515	USD	1,338,602	0.20
Cifi Holdings Group Company Limited 7.75% 05/Jun/20	21,080,777	USD	23,238,253	3.54
Country Garden Holdings Company Limited 7.25% 04/Apr/21	4,942,825	USD	5,335,595	0.81
Country Garden Holdings Company Limited 7.50% 10/Jan/23	1,661,285	USD	1,801,546	0.27
Ehi Car Services Limited 7.50% 08/Dec/18	3,201,214	USD	3,494,304	0.53
Fantasia Holdings Group Company Limited 9.50% 04/May/19	3,003,750	CNY	3,054,060	0.46
Fantasia Holdings Group Company Limited 10.63% 23/Jan/19	4,965,096	USD	5,314,498	0.81
Fantasia Holdings Group Company Limited 13.75% 27/Sep/17	10,456,549	USD	11,228,219	1.71
Future Land Develo 6.25% 12/Nov/17	3,202,066	USD	3,409,447	0.52
Future Land Development Holdings Limited 10.25% 21/Jul/19	19,108,985	USD	22,492,319	3.42
Garuda Indonesia Global Sukuk Limited 5.95% 03/Jun/20	3,326,048	USD	3,401,981	0.52
GCX Limited 7.00% 01/Aug/19	4,660,932	USD	4,890,196	0.74
Global Prime Capital Pte Limited 6.75% 27/Apr/20	1,669,995	USD	1,733,920	0.26
Golden Eagle Retail Group Limited 4.63% 21/May/23	1,215,139	USD	1,398,991	0.21
Golden Legacy Pte Limited 8.25% 07/Jun/21	4,941,070	USD	5,105,621	0.77
Golden Legacy Pte Limited 9.00% 24/Apr/19	3,150,592	USD	3,520,968	0.54
Golden Wheel Tiandi 9.50% 08/Dec/17	6,462,505	USD	6,816,561	1.04
Greenko Dutch BV 8.00% 01/Aug/19	4,383,682	USD	5,394,289	0.82
Greenland Global Investment Limited 5.88% 03/Jul/24	3,243,260	USD	3,370,451	0.51
Greenland Hong Kong Holdings Limited 5.50% 23/Jan/18	2,934,000	CNY	2,969,115	0.45
Haikou Meilan International Airport Investment Limited 7.25% 18/Jun/18	1,977,000	CNY	2,003,310	0.30
HNA Group International Company Limited 8.13% 03/Dec/18	1,659,068	USD	1,717,580	0.26
ING Groep NV FRN 31/Dec/49	1,530,643	USD	1,527,669	0.23
Jababeka International 7.50% 24/Sep/19	3,117,230	USD	3,513,169	0.53
KWG Property Holding Limited 8.25% 05/Aug/19	2,063,049	USD	2,528,918	0.38
KWG Property Holding Limited 8.63% 05/Feb/20	4,148,982	USD	4,355,272	0.66
KWG Property Holding Limited 8.98% 14/Jan/19	3,135,665	USD	3,566,862	0.54
Lai Fung Holdings Limited 6.88% 25/Apr/18	4,843,750	CNY	4,934,750	0.75
Lodha Developers International Limited 12.00% 13/Mar/20	1,543,997	USD	1,565,198	0.24
Logan Property Holdings Company Limited 9.75% 08/Dec/17	6,938,659	USD	7,487,436	1.14
Logan Property Holdings Company Limited 11.25% 04/Jun/19	19,249,494	USD	22,653,138	3.45
Longfor Properties Company Limited 6.75% 29/Jan/23	3,276,675	USD	3,597,609	0.55
Marquee Land Pte Limited 9.75% 05/Aug/19	8,478,808	USD	8,975,483	1.37

Schedule of Investments (continued)

As at 30 June 2016

BOCHK RMB High Yield Bond Fund

Description	Cost	Currency	Market Value in Sub-Fund Currency	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing (continued)				
Bonds (continued)				
MCE Finance Limited 5.00% 15/Feb/21	3,180,465	USD	3,320,957	0.50
Mitra Pinasthika Mustika Tbk PT 6.75% 19/Sep/19	3,182,887	USD	3,449,076	0.52
Modern Land China Company Limited 11.00% 22/Jan/17	4,837,500	CNY	5,102,700	0.78
Modern Land China Company Limited 12.75% 31/Jul/19	3,425,536	USD	4,054,764	0.62
Modern Land China Company Limited 13.88% 04/Nov/18	7,816,002	USD	9,080,554	1.37
Moon Wise Global Limited FRN 29/Jan/49	9,651,113	USD	11,303,437	1.72
Oceanwide Real Estate International Holdings Company Limited 11.75% 08/Sep/19	12,313,623	USD	14,443,638	2.20
Pacific Emerald PTE 9.75% 25/Jul/18	6,581,559	USD	7,045,002	1.07
Pakuwon Prima Pte Limited 7.13% 02/Jul/19	3,216,361	USD	3,540,815	0.54
Parkson Retail Group 4.50% 03/May/18	2,989,734	USD	3,098,299	0.47
Powerlong Real Estate 7.63% 26/Nov/18	12,871,450	USD	13,886,626	2.11
Powerlong Real Estate 10.75% 18/Sep/17	6,909,274	CNY	7,218,645	1.10
Pratama Agung Pte Limited 6.25% 24/Feb/20	3,222,210	USD	3,412,230	0.52
PTT Exploration & Production plc FRN 29/Dec/49	1,527,222	USD	1,674,527	0.25
QBE Insurance Group Limited 5.88% 17/Jun/46	1,648,739	USD	1,697,858	0.26
Redco Properties Group Limited 13.75% 01/Aug/19	2,992,916	USD	3,567,379	0.54
Reliance Company Communication 6.50% 06/Nov/20	1,577,480	USD	1,691,433	0.26
Road King Infrastructure Finance 9.88% 18/Sep/17	6,535,321	USD	6,974,276	1.06
Shimao Property Holdings Limited 8.13% 22/Jan/21	14,807,016	USD	17,035,013	2.59
Shimao Property Holdings Limited 8.38% 10/Feb/22	3,256,302	USD	3,774,272	0.57
Shui on Development Holding Limited 9.63% 10/Jun/19	15,475,920	USD	18,247,932	2.78
Shui on Development Holding Limited FRN 10/Dec/49	4,792,708	USD	5,333,571	0.81
SMC Global Power 6.75% 29/Dec/49	1,563,854	USD	1,700,699	0.26
Star Energy Geothermal 6.13% 27/Mar/20	1,484,405	USD	1,698,999	0.26
Stats ChipPAC Limited 8.50% 24/Nov/20	6,460,944	USD	6,930,415	1.05
Studio City Finance Limited 8.50% 01/Dec/20	1,590,860	USD	1,702,607	0.26
Sunac China Holdings Limited 8.75% 05/Dec/19	19,769,161	USD	21,923,215	3.33
Tbg Global Pte Limited 5.25% 10/Feb/22	3,236,889	USD	3,389,666	0.52
Theta Capital Pte Limited 7.00% 11/Apr/22	3,201,948	USD	3,454,958	0.53
Times Property Holdings Limited 11.45% 05/Mar/20	9,841,384	USD	11,287,121	1.72
Times Property Holdings Limited 12.63% 21/Mar/19	19,788,610	USD	22,314,171	3.39
Trade & Development Bank of Mongolia LLC 9.38% 19/May/20	3,014,691	USD	3,302,159	0.50
Trillion Chance Limited 8.50% 10/Jan/19	16,722,509	USD	19,531,403	2.97
Vingroup JSC 11.63% 07/May/18	1,665,077	USD	1,796,713	0.27
VII International Inc. 7.38% 18/Jun/22	8,141,022	USD	8,605,066	1.31
Wanda Properties International Company Limited 7.25% 29/Jan/24	1,990,286	USD	2,184,822	0.33
West China Cement Limited 6.50% 11/Sep/19	1,875,585	USD	2,006,396	0.31
Yuzhou Properties Company Limited 8.63% 24/Jan/19	9,158,965	USD	10,660,342	1.62
Yuzhou Properties Company Limited 8.75% 04/Oct/18	20,484,135	USD	23,250,705	3.55
Total Bonds			613,711,767	93.35
Supranationals, Governments and Local Public Authorities, Debt Instruments				
Hungary (Govt of) 6.25% 25/Apr/19	2,000,000	CNY	2,060,780	0.31
Total Supranationals, Governments and Local Public Authorities, Debt Instruments			2,060,780	0.31
Total Transferable securities and money market instruments admitted to an official exchange listing			615,772,547	93.66

Schedule of Investments (continued)

As at 30 June 2016

BOCHK RMB High Yield Bond Fund

Description	Cost	Currency	Market Value in Sub-Fund Currency	% of Net Assets
Transferable securities and money market instruments dealt in on another regulated market and recently issued transferable securities				
Bonds				
Virgin Australia Holdings Limited 8.50% 15/Nov/19	4,922,972	USD	5,227,083	0.80
Total Bonds			5,227,083	0.80
Total Transferable securities and money market instruments dealt in on another regulated market and recently issued transferable securities			5,227,083	0.80
Total Investments at market value			620,999,630	94.46

Schedule of Investments (continued)

As at 30 June 2016

Absolute Return Dynamic Protection Fund

Description	Cost	Currency	Market Value in Sub-Fund Currency	% of Net Assets
Undertakings for collective investments in transferable securities				
Funds				
Alken Fund Absolute Return Europe	1,668,540	USD	1,372,039	2.91
BlackRock Global Funds - Fixed Income Global Opportunities Fund I2 USD	2,456,319	USD	2,448,220	5.19
BlackRock Strategic Funds - European Diversified Equity Absolute Return Fund D2 USD Hedged	1,670,927	USD	1,569,736	3.33
DNCA Invest - Eurose - I EUR	1,636,630	EUR	1,568,676	3.32
DNCA Invest Miuri	1,622,465	EUR	1,611,931	3.42
Ethna	1,662,969	USD	1,577,892	3.34
Henderson Horizon Fund - Pan European Alpha Fund	2,494,059	USD	2,398,133	5.08
JPMorgan Investment Funds - Global Income Fund	1,652,646	USD	1,648,966	3.49
Jupiter Global Fund - Jupiter Dynamic Bond	2,449,009	USD	2,515,429	5.33
M&G Dynamic Allocation	3,305,590	EUR	3,168,556	6.71
Nordea 1 Stable Return Fund HBI	3,251,432	USD	3,490,824	7.41
Old Mutual Global Equity Absolute Return Fund	2,417,193	USD	2,475,053	5.23
PIMCO GIS Global Bond Fund	3,257,833	USD	3,428,695	7.26
Standard Life Investments Global SICAV Global Absolute Return Strategies	3,312,645	USD	3,129,445	6.63
Total Funds			32,403,595	68.65
Total Undertakings for collective investments in transferable securities			32,403,595	68.65
Total Investments at market value			32,403,595	68.65

Schedule of Investments (continued)

As at 30 June 2016

Absolute Return Opportunities Fund

Description	Cost	Currency	Market Value in Sub-Fund Currency	% of Net Assets
Transferable securities and money market instruments dealt in on another regulated market and recently issued transferable securities				
Supranationals, Governments and Local Public Authorities, Debt Instruments				
United States Treasury Bill 0.00% 04/Aug/16	5,964,078	USD	5,965,831	10.49
United States Treasury Bill 0.00% 11/Aug/16	7,401,382	USD	7,402,377	13.02
United States Treasury Bill 0.00% 25/Aug/16	6,026,453	USD	6,027,089	10.59
United States Treasury Bill 0.00% 01/Sep/16	5,593,324	USD	5,593,856	9.83
United States Treasury Bill 0.00% 07/Jul/16	4,119,491	USD	4,120,967	7.24
United States Treasury Bill 0.00% 14/Jul/16	5,598,503	USD	5,599,767	9.84
United States Treasury Bill 0.00% 21/Jul/16	6,657,007	USD	6,659,362	11.71
United States Treasury Bill 0.00% 28/Jul/16	7,029,522	USD	7,032,077	12.36
United States Treasury Bill 0.00% 18/Aug/16	5,485,849	USD	5,486,408	9.64
Total Supranationals, Governments and Local Public Authorities, Debt Instruments			53,887,734	94.72
Total Transferable securities and money market instruments dealt in on another regulated market and recently issued transferable securities			53,887,734	94.72
Total Investments at market value			53,887,734	94.72

Notes to the financial statements

As at 30 June 2016

1. General Information

Red Arc Global Investments (Luxembourg) SICAV, formerly Copia Investments SICAV, has been incorporated for an unlimited period of time on 5 November 2013 under Luxembourg law as a "société d'investissement à capital variable" (SICAV), in the form of an Umbrella-fund. The Company is set up in accordance with Part I of the Luxembourg Law of 17 December 2010, as amended, relating to undertakings for collective investment (the "2010 Law").

The Company's Articles of Incorporation have been deposited with the Luxembourg Register for Trade and Companies and have been published in the Mémorial on 3 December 2013. The Company is registered with the Luxembourg Register for Trade and Companies under number B 181.888.

Following an Extraordinary General Meeting on 5 June 2015, the name of the Company was changed from Copia Investments SICAV to Red Arc Global Investments (Luxembourg) SICAV.

The Company offers shareholders the opportunity to invest in separate sub-funds. Each sub-fund has a different investment objective and is a separate portfolio of assets represented by separate securities. Each sub-fund may have one or more classes of shares related to it. The Company is a single legal entity. However, if more than one sub-fund is offered, the rights of shareholders and of creditors concerning a sub-fund or which have arisen in connection with the creation, operation or liquidation of a sub-fund are limited to the assets of that sub-fund. For the purpose of the relations between shareholders, each sub-fund is deemed a separate entity.

As at 30 June 2016, the Company is comprised of the following active sub-funds and classes:

Sub-fund	Classes	Base currency
Volatility Arbitrage Fund	Share Class A USD	USD
	Share Class I USD	USD
	Share Class I hedged EUR	USD
	Share Class I hedged CHF	USD
BOCHK RMB High Yield Bond Fund	Share Class AD RMB	CNH
	Share Class C EUR	CNH
	Share Class CD HKD	CNH
	Share Class CD RMB	CNH
	Share Class CD USD	CNH
	Share Class CD hedge USD ¹	CNH
	Share Class ID EUR	CNH
Absolute Return Dynamic Protection Fund	Share Class AD USD	USD
Absolute Return Opportunities Fund	Share Classes C USD	USD
	Share Classes CD USD	USD
	Share Class C GBP ²	USD
	Share Class I USD ³	USD

The Board of Directors may in the future create new sub-funds and new share classes.

Volatility Arbitrage Fund

The principal investment objective of the sub-fund is to achieve capital growth by pursuing investment opportunities that arise from differences between the implied and realised volatility of the US equity market as represented by the Standard & Poor's 500® Index (the "S&P 500"). 'Volatility' is a measurement of the daily fluctuations in value of an asset. Implied volatility refers to the expected future fluctuations in value of an asset, whereas realised volatility refers to the actual historic value fluctuations. The sub-fund is not tied to a benchmark.

BOCHK RMB High Yield Bond Fund

The principal investment objective of the sub-fund is to generate long-term capital growth and income in Renminbi terms by investing mainly in debt securities issued by companies and special purpose vehicles ("SPVs"). Investments can be denominated in Renminbi, hedged to this currency or have other exposure to this currency. Renminbi is the official currency of the People's Republic of China ("PRC"). The currency is traded both onshore in the PRC and offshore (outside the PRC). The sub-fund is not tied to a benchmark.

Absolute Return Dynamic Protection Fund

The principal investment objective of the sub-fund is to achieve capital growth and absolute returns, regardless of market conditions. The sub-fund aims to provide (1) partial capital protection equal to 85% of the highest price achieved by this share class over the most recent four quarter-year ends (the "Protected Amount"); and (2) volatility control. Volatility is a measure of the daily fluctuations in the value of an asset. The sub-fund obtains exposure to (1) an active portfolio and (2) a reserve portfolio.

¹ The class was launched on 01/02/2016.

² The class was launched on 05/02/2016.

³ The class was launched on 22/04/2016

Notes to the financial statements (continued)

As at 30 June 2016

The active portfolio consists mainly of shares in UCITS funds, giving a broadly balanced exposure to a variety of asset classes, including bonds, commodities, equities and real estate. The reserve portfolio generates a cash-like interest rate return. The sub-fund will use derivatives and efficient portfolio management transactions to achieve an exposure to the active portfolio and the reserve portfolio. The sub-fund is not tied to a benchmark.

Absolute Return Opportunities Fund

The principal investment objective of the sub-fund is to achieve a positive return and capital growth through taking exposure to a diversified selection of market-neutral strategies and indices. These strategies and indices adopt different investment styles in order to capture positive premiums linked to the persistence of structural or behavioural anomalies from across multiple asset classes. The strategies and indices use non-discretionary and algorithmic approaches which have been developed and provided by only Citigroup Global Markets Limited and Citibank, N.A (together, "Citi"). In addition, the sub-fund aims to provide volatility control. Volatility is a measure of the daily fluctuations in the value of an asset. The sub-fund is not tied to a benchmark.

The accounting year of the Company ends on 31 December of each year.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles for Investment Funds in the Grand Duchy of Luxembourg.

a) Security valuation

Securities listed on a recognised stock exchange or dealt on any other regulated market are valued at their latest available prices, or, in the event that there should be several such markets, on the basis of their latest available prices on the main market for the relevant security.

Securities not listed or traded on a stock exchange or not dealt on another regulated market are valued on the basis of the probable sales proceeds determined prudently and in good faith by the Directors.

Securities with a short term maturity date (i.e. maturity of less than three months) may be valued by using an amortised cost method. This involves valuing an investment at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investments. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortisation cost, is higher or lower than the price the relevant sub-fund would receive if it sold the investment.

The Directors continually assess this method of valuation and recommend changes, where necessary, to ensure that each sub-fund's investments are valued at their fair value as determined in good faith by the Directors.

If the Directors believe that a deviation from the amortised cost per share may result in material dilution or other unfair results to shareholders, the Directors shall take such corrective action, if any, as it deems appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results.

Each sub-fund shall, in principle, keep in their portfolio the investments determined by the amortisation cost method until their respective maturity date.

In the event that the latest available price does not, in the opinion of the Directors, truly reflect the fair market value of the relevant securities or exchange traded Financial Derivative Instruments, the value of such securities or exchange traded Financial Derivative Instruments will be defined by the Directors based on the reasonably foreseeable sales proceeds determined prudently and in good faith.

b) Investment transactions

Securities transactions are accounted for on a trade date basis.

Realised gains or losses on sales of investments have been determined on the basis of the average cost method.

c) Cash and cash equivalent

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

d) Foreign currency translation

The financial statements and accounting records of each sub-fund are expressed in the reference currency of the relevant sub-fund.

Transactions in currencies other than each sub-fund's reference currency are translated into each sub-fund's reference currency at the exchange rate ruling at the date of the transactions.

Assets and liabilities denominated in currencies other than each sub-fund's reference currency are translated into the sub-fund's reference currency at the exchange rate on the Statement of Net Assets date.

Notes to the financial statements (continued)

As at 30 June 2016

Main exchange rates used as of 30 June 2016:

1 EUR = 1.110950 USD

1 EUR = 1.082288 CHF

1 EUR = 7.405494 CNY

1 EUR = 0.831052 GBP

1 EUR = 8.618697 HKD

e) Interest income

Interest income includes interest accrued on bonds and interest related to bank accounts. It is accrued on a daily basis.

f) Formation expenses

The costs of establishing the Company, obtaining authorisation from any authority, filing fees, the preparation and printing of this Prospectus, the fees and costs of all professionals relating to it, are borne by Citigroup Global Markets Limited.

The costs of establishing further sub-funds may be charged to the relevant sub-fund. Such costs may be amortised in accordance with the applicable accounting rules as indicated in the prospectus.

g) Forward foreign exchange contracts

Unrealised gains and losses on outstanding forward foreign exchange contracts are valued by reference to the forward rate of exchange applicable to the outstanding life of the contract and are included in the Statement of Net Assets.

The realised and unrealised gain/(loss) on forward foreign exchange contracts are disclosed separately in the Statement of Operations and Changes in Net Assets.

As of 30 June 2016, the Company had open forward foreign exchange contracts as detailed in note 11.

h) Swap Agreements

Swap agreements are priced based on the close of business or last available settlement price.

The unrealised appreciation or depreciation on swap agreements is included in the statement of net assets under the heading "Unrealised appreciation on swaps" and/or "Unrealised depreciation on swaps".

The realised gain or loss on swap agreements is disclosed in the statement of operations and changes in net assets under the heading "Net gain/(loss) realised on swaps".

As of 30 June 2016, the Company had open swap contracts as detailed in note 10.

i) Combined Net Assets

The combined statement of net assets and combined statement of operations and changes in net assets are the sum of the statement of net assets and statement of operations and changes in net assets of each sub-fund and are presented in Euro based on the exchange rates ruling at the date of the statement of net assets.

Please refer to note 2 d) for foreign exchange rates used as of 30 June 2016 for Combined Net Assets.

3. Management Company

Pursuant to a management company agreement, the Company has appointed Assenagon Asset Management S.A. as its management company (the "Management Company") in accordance with the provisions of the UCI Law.

Under this agreement, the Management Company, subject to the overall supervision and control of the Board of Directors of the SICAV, is responsible for investment management services for the sub-funds, including risk management; administrative agency, corporate and domiciliary agency, registrar and transfer agency services; and marketing, distribution and sales and private placement services where applicable.

Assenagon Asset Management S.A. outsourced the Investment Management for the BOCHK RMB High Yield Bond Fund to BOCHK Asset Management Limited.

4. Portfolio Advisor and Investment Manager, Signal Provider, Methodology Licensor

In some cases the Management Company works with third parties whereby these third parties provide investment advice and recommendations in respect of the investment portfolio of the relevant sub-fund.

For Volatility Arbitrage Fund, the Management Company has appointed Citigroup Global Markets Limited under a Signal Provision Agreement to assist in determining the timing of purchases and sales of variance swaps, and the terms on which it should seek to enter into variance swaps. Citigroup Global Markets Limited provides technical trading signals to the Management Company which are designed with the aim of identifying potential arbitrage opportunities

Notes to the financial statements (continued)

As at 30 June 2016

arising from differences between the one-month implied volatility of the SPX Index and the one-month realized volatility of the SPX Index over time.

For European Equity Absolute Return Fund, the Management Company has acquired a license from Citigroup Global Markets Limited in order to make use of a proprietary methodology (the "Mean Reversion Methodology") developed by Citigroup Global Markets Limited. Under the Methodology License Agreement, Citigroup Global Markets Limited assists in determining the timing of changes in the direction and extent of the exposure of the sub-fund to the Reference Index.

For Absolute Return Opportunities Fund, the Management Company has appointed BlackRock Financial Management, Inc. (the "Portfolio Advisor") under an Investment Advisory Agreement to advise on the allocation of the sub-fund's assets across selected strategies and indices. The Portfolio Advisor provides non-binding recommendations based on economic theory, empirical data and its own experience managing systematic trading strategies.

5. Global Distributor

Pursuant to the global distribution agreement, the Management Company has expressly delegated to Citigroup Global Markets Limited as global distributor (the "Global Distributor") the marketing, distribution and promotion of the shares of each sub-fund.

The Global Distributor may decide to appoint distributors for the purpose of assisting in the distribution of the shares of sub-funds in certain countries.

6. Management Fee

The Company on behalf of a specific sub-fund pays in respect of each class a management fee (the "Management Fee") out of the assets of such sub-fund attributable to such class.

The Management Fee covers the Management Company's own fees and expenses, as well as those of the Investment Advisor, the Signal Provider, the Methodology Licensor, the Global Distributor and/or any other Distributors and any other delegates and service providers appointed by the Management Company.

The Management Fee is deducted from the prevailing Net Asset Value of each share of each class, and is paid monthly in arrears.

	Volatility Arbitrage Fund	European Equity Absolute Return Fund	BOCHK RMB High Yield Bond Fund*	Absolute Return Dynamic Protection Fund	Absolute Return Opportunities Fund
Class A	1.50%	0.75%	1.40%	0.90%	-
Class AD	-	0.75%	1.40%	-	-
Class C	1.25%	0.50%	1.15%	-	1.15%
Class CD	1.25%	0.50%	1.15%	-	1.15%
Class D	1.00%	-	0.95%	-	-
Class DD	1.00%	-	0.95%	-	-
Class I	0.75%	0.25%	0.85%	-	0.75%
Class ID	0.75%	0.25%	0.85%	-	0.75%
Class X	-	-	0.55%	-	-
Class XD	-	-	0.55%	-	-
Class Z	0.00%	-	0.15%	-	-
Class ZD	0.00%	-	0.15%	-	-

*The Management Fee described for the BOCHK RMB High Yield Bond Fund is the sum of the Investment Management and the General Management Fee. Please refer to the Company Prospectus for further details of how the amount is calculated.

Any shortfall between the Management Fee and the actual fees and expenses to be covered will be paid by the Global Distributor (as agreed upon between the Global Distributor, the Company and the Management Company). Such reimbursement is disclosed in the Statement of Operations and Changes in Net Assets under the item "Expense reimbursement".

Notes to the financial statements (continued)

As at 30 June 2016

7. Other Expenses

The Company on behalf of a specific sub-fund also pays, in respect of each class, other expenses (the "Other Expenses") out of the assets of such sub-fund attributable to such class. The Other Expenses cover the expenses incurred by the Company in setting up and maintaining such sub-fund, the fees and expenses of the Domiciliary Agent and any of its delegates, the listing agent (if any), the Directors, the Global Distributor (if applicable), the auditors, tax and legal advisers, attorneys and/or any permanent representatives in the places of registration of the Company or the sub-fund.

The Company on behalf of the sub-funds pays in respect of each Class up to 0.25% p.a. of the Net Asset Value of such class in Other Costs and Expenses.

Any shortfall between the "Other Cost and Expenses" (which includes inter alia the "Other Expenses" as defined above as well as the Depositary Fee, the Administration Fee, Subscription Tax and the actual costs and expenses to be covered will be reimbursed by the Global Distributor to the Company (as agreed upon between the Global Distributor, the Company and the Management Company). Such reimbursement is disclosed in the Statement of Operations and Changes in Net Assets under the item "Expense reimbursement".

8. Swaps Costs

Swap costs vary from 0% to 0.95% per annum of the notional size of each swap and depending on the underlying asset that is exchanged under the swap. In addition, some swaps incur entry/exit costs of up to 0.05%.

9. Taxation

Under present Luxembourg law and administrative practice, neither a Luxembourg SICAV nor any of its sub-funds is liable for any Luxembourg corporate income tax, municipal business tax, and net worth tax.

A Luxembourg SICAV (or each sub-fund in case of SICAV with multiple sub-funds) is however liable in Luxembourg to a subscription tax of in principle 0.05% per annum computed on its net assets, such tax being payable quarterly on the basis of the value of the aggregate assets of such SICAV (or sub-fund) at the end of the relevant calendar quarter. The rate of the subscription tax can be reduced to 0.01 % for sub-funds of a Luxembourg SICAV as well as for individual classes of shares issued within such SICAV or within a sub-fund of the latter provided that the shares of such sub-funds or classes of shares are reserved to Institutional Investors.

10. Swaps

A variance swap is an agreement between two parties to exchange cash flows based on the measured variance of a reference entity. Each variance swap consists of two legs, one of which is based on the realised volatility of the underlying, and a second which is a fixed amount (known as the "variance strike price"). At the time the trade is originated, the agreed upon variance strike price is generally set so that the market value of the swap is near zero. At maturity, a net cash flow is exchanged between the parties based on the difference between the final realised variance price of the swap and the variance strike price multiplied by the notional, or vega amount.

As of 30 June 2016, the Volatility Arbitrage Fund had the following variance swaps:

Description	Notional/ Commitment	Currency	Maturity	Counterparty	Unrealised appreciation in USD
S&P 500 Index	11,400	USD	18/Jul/2016	Citigroup Global Markets Limited	124
S&P 500 Index	60,400	USD	11/Jul/2016	Citigroup Global Markets Limited	870
S&P 500 Index	70,400	USD	04/Jul/2016	Citigroup Global Markets Limited	1,478
S&P 500 Index	1,673,800	USD	25/Jul/2016	Citigroup Global Markets Limited	47,305
Unrealised appreciation on swaps					49,777

Description	Notional/ Commitment	Currency	Maturity	Counterparty	Unrealised (depreciation) in USD
S&P 500 Index	1,137,200	USD	18/Jul/2016	Citigroup Global Markets Limited	(12,293)
S&P 500 Index	4,989,100	USD	11/Jul/2016	Citigroup Global Markets Limited	(71,824)
S&P 500 Index	5,244,100	USD	04/Jul/2016	Citigroup Global Markets Limited	(110,110)
Unrealised depreciation on swaps					(194,227)

A fully funded swap was entered into by the Company and Citigroup Global Markets Limited (the "Counterparty"). Where the swap is entered on a funded basis, the notional amount is paid to the counterparty on inception of the swap and to the Company upon the termination.

Notes to the financial statements (continued)
As at 30 June 2016

As of 30 June 2016, the Absolute Return Dynamic Protection Fund had the following fully funded swaps:

Description	Notional/ Commitment	Currency	Maturity	Counterparty	Unrealised appreciation in USD
Tipp Strategy	33,151,285	USD	28/Jul/2020	Citigroup Global Markets Limited	297,325
Tipp Strategy	15,742,779	USD	28/Jul/2020	Citigroup Global Markets Limited	15,229,221
Tipp Strategy	48,894,065	USD	28/Jul/2020	Citigroup Global Markets Limited	35,802
Unrealised appreciation on swaps					15,562,348

Description	Notional/ Commitment	Currency	Maturity	Counterparty	Unrealised appreciation in USD
Tipp Strategy unfunded swap	33,151,285	USD	28/Jul/2020	Citigroup Global Markets Limited	(1,888,870)
Unrealised depreciation on swaps					(1,888,870)

As of 30 June 2016, the Absolute Return Opportunities Fund had the following total return swaps:

Description	Asset Class	Notional/ Commitment	Currency	Maturity	Counterparty	Unrealised appreciation in USD
CitiFX G10 Carry	ForeignExchange	6,290,000	USD	29/Jun/2017	Citigroup Global Markets Limited	6,817
CitiFX EM Trend	ForeignExchange	4,325,000	USD	29/Jun/2017	Citigroup Global Markets Limited	346
CitiFX G10 Trend	ForeignExchange	4,880,000	USD	29/Jun/2017	Citigroup Global Markets Limited	1,385
Citi Pure Price Momentum US Long Short Net TR	Equities	5,801,693	USD	31/May/2017	Citigroup Global Markets Limited	168,984
Citi Multi VIBE Long Short Spread USD	Equities	10,174,368	USD	31/May/2017	Citigroup Global Markets Limited	76,478
Citi Pure Quality Europe Long-Short Net TR Series II	Equities	16,809,745	EUR	31/May/2017	Citigroup Global Markets Limited	11,570
Citi Pure Price Momentum Europe Long-Short Net TR Series II	Equities	4,938,558	EUR	31/May/2017	Citigroup Global Markets Limited	220,927
Citi Pure Price Momentum Europe Long-Short Net TR Series II	Equities	8,785,735	EUR	31/May/2017	Citigroup Global Markets Limited	17,939
Unrealised appreciation on swaps						504,446

Description	Asset Class	Notional/ Commitment	Currency	Maturity	Counterparty	Unrealised
CitiFX Alpha - Enhanced G10 Value - Economic Factor Model	ForeignExchange	3,090,000	USD	29/Jun/2017	Citigroup Global Markets Limited	(1,904)
Citi Pure Value US Long-Short Net TR	Equities	8,190,987	USD	31/May/2017	Citigroup Global Markets Limited	(44,271)
Citi Pure Inverse Size US Long-Short Net TR	Equities	6,786,380	USD	31/May/2017	Citigroup Global Markets Limited	(54,394)
Citi Pure Quality US Long-Short Net TR	Equities	16,473,625	USD	31/May/2017	Citigroup Global Markets Limited	(555,336)
Citi Pure Earnings Momentum US Long-Short Net TR	Equities	15,079,555	USD	31/May/2017	Citigroup Global Markets Limited	(198,081)
Citi Pure Value Europe Long-Short Net TR Series II	Equities	7,823,551	EUR	31/May/2017	Citigroup Global Markets Limited	(648,509)
Citi Pure Inverse Size Europe Long Short (Series 2)	Equities	7,882,895	EUR	31/May/2017	Citigroup Global Markets Limited	(134,999)
Unrealised depreciation on swaps						(1,637,494)

As of 30 June 2016, the Absolute Return Opportunities Fund had the following equity return swaps:

Description	Asset Class	Notional/ Commitment	Currency	Maturity	Counterparty	Unrealised appreciation in USD
Citi Commodities Congestion/Liquidity Navigator	Commodities	26,019,365	USD	31/May/2017	Citigroup Global Markets Limited	85,788
Citi Commodities Curve Composite (BCOM Weighted) Balanced Alpha	Commodities	25,787,410	USD	31/May/2017	Citigroup Global Markets Limited	236,195
Unrealised appreciation on swaps						321,983

Notes to the financial statements (continued)

As at 30 June 2016

11. Forward Foreign Exchange Contracts

As of 30 June 2016, the Volatility Arbitrage Fund had the following outstanding forward foreign exchange contracts:

Currency purchased	Amount bought	Currency Sold	Amount sold	Maturity date	Counterparty	Unrealised appreciation in USD
CHF	208,218	USD	212,790	29-Jul-16	Citibank N.A.	1,361
CHF	2,975	USD	3,041	29-Jul-16	Citibank N.A.	19
EUR	4,808,221	USD	5,319,681	29-Jul-16	Citibank N.A.	27,767
EUR	69,699	USD	77,476	29-Jul-16	Citibank N.A.	39
Unrealised appreciation on forward foreign exchange contracts						29,186

Currency purchased	Amount bought	Currency Sold	Amount sold	Maturity date	Counterparty	Unrealised (depreciation) in USD
USD	5,366	CHF	5,252	29-Jul-16	Citibank N.A.	(35)
USD	157,616	EUR	143,437	29-Jul-16	Citibank N.A.	(1,905)
Unrealised depreciation on forward foreign exchange contracts						(1,940)

As of 30 June 2016, the BOCHK RMB High Yield Bond Fund had the following outstanding forward foreign exchange contracts:

Currency purchased	Amount bought	Currency Sold	Amount sold	Maturity date	Counterparty	Unrealised appreciation in CNH
CNY	479,000,000	USD	71,686,197	29-Jul-16	Citibank N.A.	628,916
Unrealised appreciation on forward foreign exchange contracts						628,916

Currency purchased	Amount bought	Currency Sold	Amount sold	Maturity date	Counterparty	Unrealised (depreciation) in CNH
USD	1,055,428	CNH	7,059,275	29-Jul-16	Citibank N.A.	(16,281)
Unrealised depreciation on forward foreign exchange contracts						(16,281)

As of 30 June 2016, the Absolute Return Opportunities Fund had the following outstanding forward foreign exchange contracts:

Currency purchased	Amount bought	Currency Sold	Amount sold	Maturity date	Counterparty	Unrealised appreciation in USD
GBP	494,713	USD	659,171	29-Jul-16	Citibank N.A.	2,304
Unrealised appreciation on forward foreign exchange contracts						2,304

Currency purchased	Amount bought	Currency Sold	Amount sold	Maturity date	Counterparty	Unrealised (depreciation) in USD
USD	6,898	GBP	5,247	29-Jul-16	Citibank N.A.	(117)
Unrealised depreciation on forward foreign exchange contracts						(117)

Notes to the financial statements (continued)

As at 30 June 2016

12. Collaterals

As part of its investments in derivatives the sub-funds may pledge or receive collateral either in the form of cash and cash equivalents or securities

As at 30 June 2016, the collateral pledged/ received was as follows:

Sub-fund	Collateral received/paid	Type of collateral	Currency	Collateral Name	Collateral amount
Volatility Arbitrage Fund	Paid	Bond	USD	US Treasury Bill 0.00% 18/Aug/16	350,351
Absolute Return Dynamic Protection Fund	Received	Bond	EUR	Belgium (Govt of) 3.00% 22/Jun/34	1,497,965
Absolute Return Dynamic Protection Fund	Received	Bond	EUR	Belgium (Govt of) 4.00% 28/Mar/18	884,157
Absolute Return Dynamic Protection Fund	Received	Bond	EUR	Germany (Govt of) 0.50% 15/Apr/30	2,665,128
Absolute Return Dynamic Protection Fund	Received	Bond	EUR	Finland (Govt of) 3.50% 15/Apr/21	1,646,983
Absolute Return Dynamic Protection Fund	Received	Bond	EUR	France (Govt of) 3.75% 25/Oct/19	1,598,507
Absolute Return Dynamic Protection Fund	Received	Bond	EUR	France (Govt of) 1.85% 25/Jul/27	405,744
Absolute Return Dynamic Protection Fund	Received	Bond	GBP	United Kingdom Gilt 4.25% 7/Dec/40	678,877
Absolute Return Dynamic Protection Fund	Received	Bond	GBP	United Kingdom Gilt 3.75% 22/Jul/52	2,352,886
Absolute Return Opportunities Fund	Paid	Bond	USD	US Treasury Bill 0.00% 04/Aug/16	841,357
Absolute Return Dynamic Protection Fund	Received	Cash	USD	-	2,836,000

13. Changes In the Investment Portfolio

The details of the changes in investment portfolio composition are held at the disposal of the shareholders at the registered office of the Company and are available upon request free of charge.

14. Transaction Costs

Transaction costs include broker commission fees and taxes related to the purchase and sale of securities.

Investments held by Volatility Arbitrage Fund, BOCHK RMB High Yield Bond Fund and Absolute Return Opportunities Fund during the period are principally made on fixed income security markets where brokerage commissions are included in the spread. As a consequence, these brokerage commissions are included in the cost of investments purchased and sold.

15. Dividend Distribution

The Company paid the following dividends during the period ended 30 June 2016:

Sub-fund	Share Class	Ex-date	Currency	Payment date	Amount paid	Amount per share
BOCHK RMB High Yield Bond Fund	Share Class AD RMB	31/Mar/2016	CNY	07/Apr/2016	1,339	12.6500
BOCHK RMB High Yield Bond Fund	Share Class CD HKD	31/Mar/2016	HKD	07/Apr/2016	419,5518	2.1218
BOCHK RMB High Yield Bond Fund	Share Class CDRMB	31/Mar/2016	CNY	07/Apr/2016	4,498,637	2.5900
BOCHK RMB High Yield Bond Fund	Share Class CDUSD	31/Mar/2016	USD	07/Apr/2016	4,304,758	16.5155
BOCHK RMB High Yield Bond Fund	Share Class CD hedged USD	31/Mar/2016	USD	07/Apr/2016	82,254	8.2254
BOCHK RMB High Yield Bond Fund	Share Class ID EUR	31/Mar/2016	EUR	07/Apr/2016	152,969	15.2969
BOCHK RMB High Yield Bond Fund	Share Class AD RMB	30/Jun/2016	CNY	07/Jul/2016	1,308	12.3600
BOCHK RMB High Yield Bond Fund	Share Class CD HKD	30/Jun/2016	HKD	07/Jul/2016	4,213,441	2.1017
BOCHK RMB High Yield Bond Fund	Share Class CD RMB	30/Jun/2016	CNY	07/Jul/2016	4,504,521	2.5300
BOCHK RMB High Yield Bond Fund	Share Class CD USD	30/Jun/2016	USD	07/Jul/2016	4,232,332	16.3748
BOCHK RMB High Yield Bond Fund	Share Class CD hedged USD	30/Jun/2016	USD	07/Jul/2016	111,871	11.0496
BOCHK RMB High Yield Bond Fund	Share Class ID EUR	30/Jun/2016	EUR	07/Jul/2016	147,812	14.7812

Notes to the financial statements (continued)

As at 30 June 2016

16. Soft Commission Arrangements

There were no soft commission arrangements affecting the Company during the period ended 30 June 2016.

17. Important Event

On 7 April 2016, the Board of Directors resolved to approve the closure of the European Equity Absolute Return Fund. The European Equity Absolute Return Fund closed operations on 18 April 2016.

18. Subsequent Event

On 8 July 2016, the Board of Directors resolved to approve the closure of the Absolute Return Dynamic Protection Fund.

Risk Exposure (unaudited)
As at 30 June 2016

The Company employs a Risk Management Policy, established in accordance with article 42 of the UCI Law and compliant with CSSF Circular Letter 11/512 and ESMA Guidelines 2012/832, produced by the Management Company, which enables it to assess the exposure of the Company to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Company.

1. Volatility Arbitrage Fund

The Management Company determines and monitors the global exposure of the sub-fund in accordance with the absolute Value at Risk approach. The absolute VaR of the sub-fund so determined shall not exceed 17.5% of its Net Asset Value, where such absolute VaR is determined daily on the basis of a 99% confidence interval and a holding period of one month.

The sub-fund may incur additional leverage through the use of Financial Derivative Instruments. Leverage is calculated by reference to the sum of the notional amounts of the Financial Derivative Instruments entered into by the Company on behalf of the sub-fund. The amount of leverage used by the sub-fund will vary from time to time, according to the economic terms of the Variance Swaps and other derivatives, is expected to be no greater than 400% of the Net Asset Value of the sub-fund. Under certain circumstances the leverage can be higher.

2. European Equity Absolute Return Fund

The Management Company determines and monitors the global exposure of the sub-fund in accordance with the relative VaR ("value at risk") approach. The derivative-free benchmark for this purpose is the Eurostoxx 50 Index (BBG Ticker SX5E Index).

The sub-fund may incur additional leverage through the use of Financial Derivative Instruments. Leverage is calculated by reference to the sum of the notional amounts of the Financial Derivative Instruments entered into by the Company on behalf of the sub-fund. The amount of leverage incurred by the sub-fund through the Swap or Swaps (as relevant) will vary from time to time, according to the economic terms of the Swaps and is expected to be no greater than 100% of the Net Asset Value of the sub-fund.

The use of FX Contracts in respect of Hedged Classes of Shares may result in the leverage incurred in respect the Hedged Classes of Shares exceeding 100% of the Net Asset Value of the Hedged Classes of Shares.

3. BOCHK RMB High Yield Bond Fund

The Management Company determines and monitors the global exposure of the sub-fund in accordance with the absolute Value at Risk approach. The absolute VaR of the sub-fund so determined shall not exceed 20% of its Net Asset Value and is not expected to exceed 17.5% of its Net Asset Value, where such absolute VaR is determined daily on the basis of a 99% confidence interval and a holding period of one month.

Leverage is calculated by reference to the sum of the notional amounts of the Financial Derivative Instruments entered into by the Company on behalf of the sub-fund. The amount of leverage used by the sub-fund will vary from time to time, according to the economic terms of the derivatives used and is expected to be no greater than 300% of the Net Asset Value of the sub-fund. Under certain circumstances this economic leverage can be higher.

The use of FX Contracts in respect of Hedged Classes of Shares may result in the leverage incurred in respect the Hedged Classes of Shares exceeding 100% of the Net Asset Value of the Hedged Classes of Shares.

4. Absolute Return Dynamic Protection Fund

The Management Company determines and monitors the global exposure of the sub-fund in accordance with the absolute Value at Risk approach. The absolute VaR of the sub-fund so determined shall not exceed 20% of its Net Asset Value, where such absolute VaR is determined on the basis of a 99% confidence interval and a holding period of one month.

The sub-fund may incur additional leverage through the use of Financial Derivative Instruments. The amount of leverage will vary from time to time, according to the economic terms of the Swaps. Leverage is calculated by reference to the sum of the notional amounts of the Financial Derivative Instruments entered into by the sub-fund, and is expected to be no greater than 250% of the Net Asset Value of the sub-fund, although the leverage incurred by the sub-fund could exceed this percentage under special circumstances.

Risk Exposure (unaudited)

As at 30 June 2016

5. Absolute Return Opportunities Fund

The Management Company determines and monitors the global exposure of the sub-fund in accordance with the absolute Value at Risk approach. The absolute VaR of the sub-fund so determined shall not exceed 12.5% of its Net Asset Value, where such absolute VaR is determined on the basis of a 99% confidence interval and a holding period of one month.

The sub-fund may incur additional leverage through the use of Financial Derivative Instruments and/or through the short exposures and implicit leverage assumed by the Strategies and Indices, as described under the headings "Investment Policy" within the Prospectus. Leverage is calculated by reference to the sum of the notional amounts of the Financial Derivative Instruments entered into by the Company on behalf of the sub-fund. The amount of leverage will vary from time to time, according to the economic terms of the Swaps and the leverage employed by the underlying Indices and Strategies, and is expected to be no greater than 800% of the Net Asset Value of the sub-fund. Under certain circumstances the leverage of the sub-fund can be higher.

The use of FX Contracts in respect of Hedged Classes of Shares may result in the leverage incurred in respect the Hedged Classes of Shares exceeding 100% of the Net Asset Value of the Hedged Classes of Shares.

	Volatility Arbitrage Fund	European Equity Absolute Return Fund	BOCHK RMB High Yield Bond Fund	Absolute Return Opportunities Fund	Absolute Return Dynamic Protection
Usage of the VaR Limit ¹					
Minimum ²	1.00%	0.29%	10.55%	10.92%	15.90%
Maximum ²	167.41%	98.72%	34.85%	76.16%	18.47%
Average ²	36.56%	45.60%	21.71%	33.29%	17.08%
Level of Leverage (Sum of Notionals Approach)					
Average ²	91.45%	43.51%	75.27%	616.63%	172.17%

¹ Value at Risk is determined daily using historical simulation on the basis of a 99% confidence interval and a holding period of 1 month as determined in the prospectus and the Management Company's Risk Management Policy.

The VaR Limit for funds using the relative VaR approach is two times the VaR of the derivative-free benchmark.

² Minimum, Maximum and Average during the relevant reporting period.

Average Net Assets Information (unaudited)
As at 30 June 2016

Average Net Assets (unaudited)

Sub-Fund	Sub-Fund Currency	NAV Average
Volatility Arbitrage Fund	USD	29,639,533
BOCHK RMB High Yield Bond Fund	CNH	657,280,036
Absolute Return Dynamic Protection Fund	USD	47,627,066
Absolute Return Opportunities Fund	USD	58,539,189

Total Expense Ratio (TER) (unaudited)

As at 30 June 2016

Total Expense Ratio (TER)

This index expresses all fees and expenses charged on an ongoing basis against the sub-fund's assets (operating expenses) retrospectively as a percentage of the sub-fund's assets. The calculation method is based on Swiss regulations.

Calculation of the Total Expense Ratio (TER)

$$\text{TER \%} = \frac{\text{TOTAL OPERATING EXPENSES}}{\text{AVERAGE NET ASSETS}}$$

TER for the period ending 30 June 2016:

Sub-fund	Classes	Base currency	Total TER
Volatility Arbitrage Fund	Share Class A USD	USD	1.70%
	Share Class I USD	USD	0.95%
	Share Class I hedged CHF	USD	0.95%
	Share Class I hedged EUR	USD	0.95%
BOCHK RMB High Yield Bond Fund	Share Class AD RMB	CNH	1.64%
	Share Class C EUR	CNH	1.39%
	Share Class CD HKD	CNH	1.40%
	Share Class CD RMB	CNH	1.39%
	Share Class CD USD	CNH	1.40%
	Share Class CD hedged USD	CNH	1.39%
	Share Class ID EUR	CNH	1.10%
Absolute Return Dynamic Protection Fund	Share class AD USD	USD	0.91%
Absolute Return Opportunities Fund	Share classes C USD	USD	1.35%
	Share Class C hedged GBP	USD	1.35%
	Share classes CD USD	USD	1.35%
	Share Class I USD	USD	0.90%