

# LONG TERM INVESTMENT FUND (SIA)

Société d'investissement à capital variable  
(a Luxembourg domiciled open-ended investment company)

Annual report, including audited financial statements,  
as at December 31, 2017



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## Table of contents

Organisation of the SICAV	4
General information	6
Distribution abroad	7
Management report	9
Report of the Réviseur d'Entreprises Agréé / Auditor's report	12
Financial statements	
Statement of net assets	15
Statement of operations and changes in net assets	16
Number of shares outstanding and net asset value per share	17
Sub-fund : LONG TERM INVESTMENT FUND (SIA) - CLASSIC	
- Statement of investments and other net assets	18
- Geographical and industrial classification of investments	20
Sub-fund : LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES	
- Statement of investments and other net assets	21
- Geographical and industrial classification of investments	23
Sub-fund : LONG TERM INVESTMENT FUND (SIA) - STABILITY	
- Statement of investments and other net assets	24
- Geographical and industrial classification of investments	26
Notes to the financial statements	27
Total Expense Ratio ("TER")	34
Performance	35
Other information to Shareholders (unaudited)	36

# LONG TERM INVESTMENT FUND (SIA)

## Organisation of the SICAV

Registered Office	15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
Board of Directors of the SICAV	
Chairman	Prof. J. Carlos JARILLO, Partner, SIA Funds AG, 2, Paseo del Club Deportivo, ES-28223 Pozuelo de Alarlon/Madrid, Spain
Directors	Mr Frédéric FASEL, Senior Vice President, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg  Mr Alex RAUCHENSTEIN, Managing Partner, SIA Funds AG, Alpenblickstrasse 25, CH-8853 Lachen, Switzerland
Management Company	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
Board of Directors of the Management Company	
Chairman	Mr Christian SCHRÖDER, Group Corporate Secretary and Head of Organisation, Banque Pictet & Cie SA, 60, route des Acacias, CH-1211 Geneva 73, Switzerland
Members	Mrs Michèle BERGER, CEO and Managing Director, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg  Me Claude KREMER, Partner, Arendt & Medernach - Avocats, 41A, avenue J.F. Kennedy, L-2082 Luxembourg, Grand Duchy of Luxembourg  Mr Geoffroy LINARD DE GUERTECHIN, Independant Director, 2, rue Jean-Pierre Beicht, L-1226 Luxembourg, Grand Duchy of Luxembourg
Members of the Management Committee	Mrs Michèle BERGER, CEO and Managing Director, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg  Mr Pascal CHAUVAUX, Head of Central Administration, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg  Mr Cédric HAENNI, Head of Pictet Asset Services Support Front & Organisation, FundPartner Solutions (Suisse) SA, 60, route des Acacias, CH-1211 Geneva 73, Switzerland (until August 31, 2017)  Mrs Céline COTTET, Head of Risk & Compliance, FundPartner Solutions (Suisse) SA, 60, route des Acacias, CH-1211 Geneva 73, Switzerland (since September 1, 2017)  Mr Dorian JACOB, Head of Investment Management Oversight, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

# LONG TERM INVESTMENT FUND (SIA)

## Organisation of the SICAV (continued)

Depository Bank	Pictet & Cie (Europe) S.A., 15A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
Central Administration Agent	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
Investment Manager and Global Distributor	SIA Funds AG, Alpenblickstrasse 25, CH-8853 Lachen, Switzerland
Cabinet de révision agréé / Auditor	Deloitte Audit, <i>Société à responsabilité limitée</i> , 560, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg
Legal Adviser	Allen & Overy, <i>Société en commandite simple</i> , 33, avenue J.F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg
Counterparty on Contracts For Difference ("CFD") (note 9)	Goldman Sachs International London

# LONG TERM INVESTMENT FUND (SIA)

## General information

LONG TERM INVESTMENT FUND (SIA) (the "SICAV") publishes an annual report, including audited financial statements, within four months of the year-end and an unaudited semi-annual report within two months of the period-end. The annual and semi-annual reports include the financial statements of the SICAV and of each of its sub-funds.

The annual reports, including audited financial statements, and unaudited semi-annual reports are available free of charge to shareholders at the registered office of the SICAV, from the Depositary Bank or other companies appointed by the Depositary Bank and from any Paying Agent or Representative in the countries in which the SICAV is marketed.

The net asset value ("NAV") per share of each sub-fund as well as the issue and redemption prices are available from the Central Administration.

Any amendments to the Articles of Association are published in the *Recueil électronique des sociétés et associations*.

A detailed schedule of changes in the investments of the different sub-funds for the year is available free of charge upon request at the registered office of the SICAV or at the paying and information agents in Germany, in Austria and the Swiss representative.

The figures as at December 31, 2017 presented in this report are related to the NAV of each of the SICAV's sub-funds, which is calculated using the closing prices and exchange rates as at December 31, 2017.

# LONG TERM INVESTMENT FUND (SIA)

Distribution abroad

[Distribution in Switzerland](#)

## **Representative**

The Representative in Switzerland is FundPartner Solutions (Suisse) SA, 60, route des Acacias, CH-1211 Geneva 73.

## **Paying Agent**

The Paying Agent in Switzerland is Banque Pictet & Cie, 60, route des Acacias, CH-1211 Geneva 73.

## **Where to obtain important documents**

The prospectus, the Key Investor Information Document (KIID), the articles of incorporation, the annual report, including audited financial statements, and semi-annual reports of the SICAV, and a breakdown of the purchases and sales of the SICAV can be obtained free of charge from the registered office of the Representative in Switzerland.

# LONG TERM INVESTMENT FUND (SIA)

## Distribution abroad (continued)

### Distribution in Germany

Bank B. Metzler seel. Sohn & Co., KGaA, Grosse Gallusstrasse 18, D-60311 Frankfurt am Main acts as Paying and Information Agent in Germany. Redemption and conversion requests may be submitted to the German Paying and Information Agent.

At the request of shareholders, redemption proceeds, any dividend distributions and other payments may be paid to them via the German Paying and Information Agent. The latest Prospectus, Key Investor Information Document and Articles of Incorporation of the SICAV, as well as the annual report, including audited financial statements, and semi-annual reports, are available free of charge from the Paying and Information Agent in Germany.

The issue, redemption and conversion prices for shares and all other notices to shareholders are also available free of charge from the Paying and Information Agent in Germany.

In addition, the following documents may be viewed at the German Paying and Information Agent:

- the Custodian Bank Agreement concluded on July 15, 2016 between the Company and Pictet & Cie (Europe) S.A.;
- the Management Company Services Agreement signed by the Company and FundPartner Solutions (Europe) S.A., which came into effect on January 1, 2013;
- the Asset Management Agreement signed by the Management Company and SIA Funds AG, which came into effect on January 1, 2013;
- the Global Distribution Agreement concluded with SIA Funds AG.

The issue and redemption prices can also be viewed at <http://www.fondsweb.de> and all notices to investors are published in the Federal Gazette.

# LONG TERM INVESTMENT FUND (SIA)

## Management report

### Performance of each sub-fund by quarter

Period	LONG TERM INVESTMENT FUND (SIA) - CLASSIC EUR	LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES EUR	LONG TERM INVESTMENT FUND (SIA) - STABILITY EUR
1 <sup>st</sup> quarter 2017	-0.35%	-9.41%	-1.46%
2 <sup>nd</sup> quarter 2017	-2.97%	-12.65%	-3.88%
3 <sup>rd</sup> quarter 2017	3.47%	14.55%	1.20%
4 <sup>th</sup> quarter 2017	2.81%	3.23%	2.23%
	2.86%	-6.43%	-2.01%

### Management report

As indicated in our previous year's management report and mentioned in almost every Newsletter, the evolution of the sub-funds' net asset value ("NAV") per share is not the best gauge to measure their performance, or the returns attained by our investors. That would be the case for an investor buying at the beginning of the year and selling at the end. But, for someone invested for the long-term, "deeper" measures have to be considered. A year ago we were very satisfied with the developments of the NAV per share of our sub-funds, due to our positions in energy and metals-related stocks, now this year this very positive trend reversed and therefore our performances have been relatively poor as can be seen in the table above.

#### First quarter 2017

The year 2017 started index wise with a positive trend, particularly in February, with the exception of the Natural Resources companies. Therefore the LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES sub-fund ended the quarter quite negative and the other two sub-funds were also slightly down, to some extent compensating the very strong fourth quarter 2016.

#### Second quarter 2017

High volatility was then dominant in the second quarter of 2017. The reason was, among others, the substantial correction of the oil price which led to a strong negative price performance of the LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES sub-fund. With that our two other sub-funds were also negative, but to a lesser extent.

#### Third quarter 2017

Finally in the third quarter this development reversed and our LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES sub-fund performed again very positive and investors started to focus more on fundamentals. This had also a positive impact on our LONG TERM INVESTMENT FUND (SIA) - CLASSIC and our LONG TERM INVESTMENT FUND (SIA) - STABILITY sub-funds.

*Past performance is not an indicator of current or future returns.*

# LONG TERM INVESTMENT FUND (SIA)

## Management report (continued)

### Fourth quarter 2017

Finally this positive trend continued in the fourth quarter and we were able to close the year slightly positive for the LONG TERM INVESTMENT FUND (SIA) - CLASSIC sub-fund, slightly negative for the LONG TERM INVESTMENT FUND (SIA) - STABILITY sub-fund and not too negative for the LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES sub-fund (which had been up 72.6% in 2016).

### Outlook

As indicated at the beginning of this report, for us the development of the NAV per share within a year does not tell too much about the fundamental value of a portfolio. Therefore we would argue that our portfolios are attractively valued and well positioned for the next phase. Last but not least we still see, even now after several positive equity returns, no alternative to equities, especially if you look at the equity risk premium relative to other financial investments.

January 2018

Established by the Investment Manager

Approved by the Board of Directors of the SICAV

LONG TERM INVESTMENT FUND (SIA)

## Report of the Réviseur d'Entreprises Agréé / Auditor's report

To the Shareholders of

LONG TERM INVESTMENT FUND (SIA)  
Société d'investissement à capital variable  
(a Luxembourg domiciled open-ended investment company)  
15, avenue J.F. Kennedy, L-1855 Luxembourg

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of LONG TERM INVESTMENT FUND (SIA) (the "SICAV") and of each of its sub-funds, which comprise the statement of net assets and the statement of investments and other net assets as at December 31, 2017 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the SICAV as at December 31, 2017, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Law and standards are further described in the "Responsibilities of the Réviseur d'Entreprises Agréé for the Audit of the Financial Statements" section of our report. We are also independent of the SICAV in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

The Board of Directors of the SICAV is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of Réviseur d'Entreprises Agréé thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regards.

## Report of the Réviseur d'Entreprises Agréé / Auditor's report (continued)

### **Responsibilities of the Board of Directors of the SICAV**

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Responsibilities of the Réviseur d'Entreprises Agréé for the Audit of the Financial Statements**

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

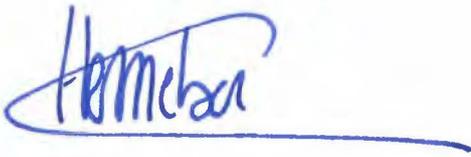
As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

## Report of the Réviseur d'Entreprises Agréé / Auditor's report (continued)

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

For Deloitte Audit, *Cabinet de révision agréé*



Nicolas Hennebert, *Réviseur d'entreprises agréé*  
Partner

March 21, 2018  
560, rue de Neudorf  
L-2220 Luxembourg

# LONG TERM INVESTMENT FUND (SIA)

## Statement of net assets as at December 31, 2017

	COMBINED	LONG TERM INVESTMENT FUND (SIA) - CLASSIC	LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES	LONG TERM INVESTMENT FUND (SIA) - STABILITY
	EUR	EUR	EUR	EUR
<b>ASSETS</b>				
Investments in securities at acquisition cost	145,944,450.13	120,429,714.38	15,583,465.38	9,931,270.37
Net unrealised gain/loss on investments	16,980,586.12	15,758,499.83	-77,442.84	1,299,529.13
Investments in securities at market value (note 2.e)	162,925,036.25	136,188,214.21	15,506,022.54	11,230,799.50
Cash at banks (notes 2.e, 2.k)	10,184,666.51	7,482,365.73	2,341,080.64	361,220.14
Bank deposits	19,918,418.94	18,400,977.16	0.00	1,517,441.78
Interest receivable, net	565.36	522.29	0.00	43.07
	193,028,687.06	162,072,079.39	17,847,103.18	13,109,504.49
<b>LIABILITIES</b>				
Management and distribution fees payable (note 4)	721,068.11	639,232.47	60,637.14	21,198.50
"Taxe d'abonnement" payable (note 3)	24,318.64	20,417.73	2,248.31	1,652.60
Other fees payable (note 6)	194,842.61	168,058.73	15,309.73	11,474.15
	940,229.36	827,708.93	78,195.18	34,325.25
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2017</b>	<b>192,088,457.70</b>	<b>161,244,370.46</b>	<b>17,768,908.00</b>	<b>13,075,179.24</b>
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2016</b>	<b>182,125,523.16</b>	<b>161,547,818.69</b>	<b>13,538,317.87</b>	<b>7,039,386.60</b>
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2015</b>	<b>162,499,629.54</b>	<b>149,431,249.67</b>	<b>6,408,304.52</b>	<b>6,660,075.35</b>

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

# LONG TERM INVESTMENT FUND (SIA)

## Statement of operations and changes in net assets for the year ended December 31, 2017

	COMBINED	LONG TERM INVESTMENT FUND (SIA) - CLASSIC	LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES	LONG TERM INVESTMENT FUND (SIA) - STABILITY
	EUR	EUR	EUR	EUR
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	<b>182,125,523.16</b>	<b>161,547,818.69</b>	<b>13,538,317.87</b>	<b>7,039,386.60</b>
<b>INCOME</b>				
Dividends, net (note 2.l)	3,524,913.28	3,083,665.01	303,511.03	137,737.24
Interest on bonds, net (note 2.l)	9,469.61	9,082.94	0.00	386.67
Bank interest	108,967.69	103,858.61	-20.44	5,129.52
	<b>3,643,350.58</b>	<b>3,196,606.56</b>	<b>303,490.59</b>	<b>143,253.43</b>
<b>EXPENSES</b>				
Management and distribution fees (note 4)	2,837,567.26	2,529,070.44	238,659.90	69,836.92
Performance fee (note 5)	459.49	0.00	0.00	459.49
Depository fee, bank charges and interest	182,143.07	155,312.80	13,469.70	13,360.57
Professional fees, audit fees and other expenses	521,920.19	442,884.28	43,145.04	35,890.87
Administration fees	379,498.92	337,598.34	25,123.65	16,776.93
"Taxe d'abonnement" (note 3)	95,619.03	83,073.55	8,267.54	4,277.94
Transaction fees (note 2.n)	395,104.49	330,157.17	44,141.90	20,805.42
	<b>4,412,312.45</b>	<b>3,878,096.58</b>	<b>372,807.73</b>	<b>161,408.14</b>
<b>NET INVESTMENT LOSS</b>	<b>-768,961.87</b>	<b>-681,490.02</b>	<b>-69,317.14</b>	<b>-18,154.71</b>
Net realised gain/loss on sales of investments	9,012,077.70	8,781,425.45	-80,215.11	310,867.36
Net realised gain/loss on pool - pooling effect	1,537,048.11	1,837,081.43	0.00	-300,033.32
Net realised loss on foreign exchange	-1,396,969.91	-1,271,348.43	-57,778.59	-67,842.89
Net realised gain/loss on options	82,904.43	69,839.74	14,155.64	-1,090.95
Net realised loss on CFD	-1,103,130.75	-503,372.18	-221,962.22	-377,796.35
<b>NET REALISED GAIN/LOSS</b>	<b>7,362,967.71</b>	<b>8,232,135.99</b>	<b>-415,117.42</b>	<b>-454,050.86</b>
<b>Change in net unrealised appreciation/depreciation:</b>				
- on investments	-3,975,123.09	-3,819,803.40	-602,284.99	446,965.30
- on options	1,170.72	0.00	0.00	1,170.72
<b>INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<b>3,389,015.34</b>	<b>4,412,332.59</b>	<b>-1,017,402.41</b>	<b>-5,914.84</b>
Proceeds from subscriptions of shares	59,086,453.51	41,157,534.29	10,798,818.64	7,130,100.58
Cost of shares redeemed	-52,512,534.31	-45,873,315.11	-5,550,826.10	-1,088,393.10
<b>NET ASSETS AT THE END OF THE YEAR</b>	<b>192,088,457.70</b>	<b>161,244,370.46</b>	<b>17,768,908.00</b>	<b>13,075,179.24</b>

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

# LONG TERM INVESTMENT FUND (SIA)

## Number of shares outstanding and net asset value per share

Sub-fund	Share Class	Currency	Number of shares	Net asset value	Net asset value	Net asset value
			outstanding	per share	per share	per share
			31.12.2017	31.12.2017	31.12.2016	31.12.2015
LONG TERM INVESTMENT FUND (SIA) - CLASSIC	Classic EUR	EUR	310,630.38	408.84	397.47	331.39
	Classic CHF	CHF	47,560.15	478.42	426.09	360.35
	Classic GBP	GBP	976.38	362.92	339.28	244.24
	Classic USD	USD	31,643.14	490.94	419.23	359.99
	Classic EUR-D	EUR	3,581.12	408.85	397.47	-
LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES	Natural Resources - EUR Class	EUR	65,539.05	110.66	118.26	68.52
	Natural Resources - CHF Class	CHF	79,633.44	129.49	126.77	74.51
	Natural Resources - GBP Class	GBP	134.00	98.23	100.95	50.50
	Natural Resources - USD Class	USD	15,270.05	132.88	124.73	74.43
LONG TERM INVESTMENT FUND (SIA) - STABILITY	A CAP EUR	EUR	70,826.59	184.10	187.88	162.35
	A CAP USD	USD	208.00	204.95	183.72	163.54
	A CAP CHF	CHF	1.00	215.34	-	-

Sub-fund and Share Class	Shares outstanding - beginning of year/period	Shares issued	Shares redeemed	Shares outstanding - end of year/period
LONG TERM INVESTMENT FUND (SIA) - CLASSIC				
Classic EUR	313,817.46	83,544.92	-86,732.00	310,630.38
Classic CHF	52,977.06	5,149.06	-10,565.97	47,560.15
Classic GBP	939.38	60.00	-23.00	976.38
Classic USD	38,677.14	9,277.79	-16,311.79	31,643.14
Classic EUR-D	27.19	5,078.93	-1,525.00	3,581.12
LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES				
Natural Resources - EUR Class	63,051.77	37,983.00	-35,495.72	65,539.05
Natural Resources - CHF Class	35,965.38	48,795.00	-5,126.94	79,633.44
Natural Resources - GBP Class	76.00	173.00	-115.00	134.00
Natural Resources - USD Class	15,386.33	9,427.72	-9,544.00	15,270.05
LONG TERM INVESTMENT FUND (SIA) - STABILITY				
A CAP EUR	37,274.30	39,412.42	-5,860.13	70,826.59
A CAP USD	208.00	-	-	208.00
A CAP CHF	-	1.00	-	1.00

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

# LONG TERM INVESTMENT FUND (SIA) - CLASSIC

## Statement of investments and other net assets as at December 31, 2017 (in EUR)

Description	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>			
<b>SHARES</b>			
<i>AUSTRIA</i>			
WIENERBERGER BAUSTOFFINDUSTRIE	239,461.72	4,829,942.92	3.00
		4,829,942.92	3.00
<i>CANADA</i>			
CENOVUS ENERGY	65,184.54	497,372.37	0.31
FIRST QUANTUM MINERALS	471,592.03	5,519,769.96	3.42
NORTHERN DYNASTY MINERALS	2,499,473.23	3,721,274.22	2.31
		9,738,416.55	6.04
<i>DENMARK</i>			
ISS	191,979.37	6,196,091.08	3.84
PANDORA	87,297.03	7,920,165.72	4.91
		14,116,256.80	8.75
<i>FRANCE</i>			
AIR LIQUIDE	70,806.89	7,438,263.78	4.61
		7,438,263.78	4.61
<i>GERMANY</i>			
DEUTSCHE POST	84,527.42	3,359,965.04	2.08
DRAEGERWERK PFD -OSR-	35,772.97	2,586,385.86	1.60
HEIDELBERGCEMENT	60,485.08	5,458,778.54	3.39
		11,405,129.44	7.07
<i>IRELAND</i>			
MEDTRONIC	95,653.88	6,432,418.27	3.99
		6,432,418.27	3.99
<i>NETHERLANDS</i>			
ING GROUP	473,724.20	7,259,823.37	4.50
UNILEVER SHS CERT.	85,699.75	4,024,031.59	2.50
		11,283,854.96	7.00
<i>NORWAY</i>			
BAKKAFROST	75,587.64	2,675,875.42	1.66
LEROY SEAFOOD GROUP	1,095,426.36	4,905,110.59	3.04
MARINE HARVEST	275,528.47	3,899,345.07	2.42
		11,480,331.08	7.12
<i>SPAIN</i>			
VISCOFAN	63,676.87	3,502,864.57	2.17
		3,502,864.57	2.17

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

# LONG TERM INVESTMENT FUND (SIA) - CLASSIC

## Statement of investments and other net assets as at December 31, 2017 (in EUR)

Description	Quantity	Market value (note 2)	% of net assets
<i>SWITZERLAND</i>			
NESTLE	72,069.75	5,161,124.68	3.20
		5,161,124.68	3.20
<i>UNITED KINGDOM</i>			
DEVRO	701,261.29	1,809,097.47	1.12
EASYJET	495,210.34	8,167,279.10	5.07
PREMIER FOODS	6,066,719.28	2,921,706.83	1.81
PREMIER OIL	5,972,784.63	5,130,542.86	3.18
		18,028,626.26	11.18
<i>UNITED STATES</i>			
APPLE	43,630.96	6,148,954.80	3.81
CALIFORNIA RESOURCES	329,721.43	5,337,926.71	3.31
COCA-COLA	64,947.12	2,481,489.62	1.54
HALLIBURTON	76,232.47	3,102,497.87	1.92
SCHLUMBERGER LTD	41,609.65	2,335,170.94	1.45
UNITED TECHNOLOGIES	44,589.88	4,737,116.42	2.94
VISA 'A'	90,863.88	8,627,828.54	5.36
		32,770,984.90	20.33
<b>TOTAL INVESTMENTS</b>		<b>136,188,214.21</b>	<b>84.46</b>
CASH AT BANKS		7,482,365.73	4.64
BANK DEPOSITS		18,400,977.16	11.41
OTHER NET LIABILITIES		-827,186.64	-0.51
<b>TOTAL NET ASSETS</b>		<b>161,244,370.46</b>	<b>100.00</b>

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

# LONG TERM INVESTMENT FUND (SIA) - CLASSIC

## Geographical and industrial classification of investments as at December 31, 2017

### Geographical classification

(in % of net assets)

United States	20.33
United Kingdom	11.18
Denmark	8.75
Norway	7.12
Germany	7.07
Netherlands	7.00
Canada	6.04
France	4.61
Ireland	3.99
Switzerland	3.20
Austria	3.00
Spain	2.17
	<b>84.46</b>

### Industrial classification

(in % of net assets)

Food and soft drinks	15.38
Oil	10.17
Banks and credit institutions	9.86
Transport and freight	7.15
Construction and building materials	6.39
Mining and steelworks	5.73
Pharmaceuticals and cosmetics	5.59
Miscellaneous consumer goods	4.91
Chemicals	4.61
Agriculture and fisheries	4.08
Utilities	3.84
Computer and office equipment	3.81
Aeronautics and astronautics	2.94
	<b>84.46</b>

# LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES

## Statement of investments and other net assets as at December 31, 2017 (in EUR)

Description	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>			
<b>SHARES</b>			
<i>AUSTRALIA</i>			
INDEPENDENCE GROUP	125,580.00	389,355.72	2.19
WESTERN AREAS	184,630.00	389,642.57	2.19
		778,998.29	4.38
<i>BRAZIL</i>			
PETROBRAS PETROLEO ADR -SPONS.-	56,643.00	485,389.97	2.73
		485,389.97	2.73
<i>CANADA</i>			
CAMECO	35,914.00	277,134.86	1.56
CANADIAN NATURAL RESOURCES	9,536.00	284,708.97	1.60
CENOVUS ENERGY	49,207.00	375,460.23	2.11
FIRST QUANTUM MINERALS	82,327.00	963,600.05	5.41
HUBBAY MINERALS	69,596.00	514,842.76	2.90
IVANHOE MINES 'A'	131,491.00	370,558.73	2.09
LEADFX	73,380.00	31,214.25	0.18
SUNCOR ENERGY	10,767.00	330,264.26	1.86
TREVALI MINING	525,720.00	531,120.73	2.99
		3,678,904.84	20.70
<i>FRANCE</i>			
AIR LIQUIDE	4,644.00	487,852.20	2.75
		487,852.20	2.75
<i>INDONESIA</i>			
PP LONDON SUMATRA INDONESIA	3,970,530.00	346,090.77	1.95
PT SAMPOERNA AGRO	2,390,400.00	377,100.32	2.12
		723,191.09	4.07
<i>JERSEY</i>			
GLENCORE	133,195.00	585,193.03	3.29
		585,193.03	3.29
<i>LUXEMBOURG</i>			
NEXA RESOURCES	18,222.00	297,579.36	1.67
		297,579.36	1.67
<i>NORWAY</i>			
BAKKAFROST	20,272.00	717,648.33	4.04
GRIEG SEAFOOD	92,506.00	680,484.36	3.83
LEROY SEAFOOD GROUP	173,430.00	776,586.51	4.37

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

# LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES

## Statement of investments and other net assets as at December 31, 2017 (in EUR)

Description	Quantity	Market value (note 2)	% of net assets
MARINE HARVEST	38,615.00	546,488.76	3.08
NORSK HYDRO	99,726.00	633,075.13	3.56
NORWAY ROYAL SALMON	32,313.00	442,496.62	2.49
		3,796,779.71	21.37
<i>RUSSIA</i>			
MMC NORILSK NICKEL ADR -SPONS.-	22,312.00	348,206.81	1.96
		348,206.81	1.96
<i>SPAIN</i>			
VISCOFAN	8,759.00	481,832.59	2.71
		481,832.59	2.71
<i>UNITED KINGDOM</i>			
DEVRO	131,260.00	338,621.48	1.91
PREMIER OIL	913,207.00	784,432.72	4.41
TULLOW OIL	261,787.00	609,291.34	3.43
		1,732,345.54	9.75
<i>UNITED STATES</i>			
CALIFORNIA RESOURCES	37,154.00	601,493.60	3.39
FLUOR	11,647.00	500,972.14	2.82
HALLIBURTON	6,718.00	273,408.18	1.54
HESS	9,620.00	380,297.50	2.14
OCCIDENTAL PETROLEUM	5,764.00	353,577.69	1.99
		2,109,749.11	11.88
<b>TOTAL INVESTMENTS</b>		<b>15,506,022.54</b>	<b>87.26</b>
CASH AT BANKS		2,341,080.64	13.18
OTHER NET LIABILITIES		-78,195.18	-0.44
<b>TOTAL NET ASSETS</b>		<b>17,768,908.00</b>	<b>100.00</b>

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

# LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES

## Geographical and industrial classification of investments as at December 31, 2017

### Geographical classification

(in % of net assets)	
Norway	21.37
Canada	20.70
United States	11.88
United Kingdom	9.75
Australia	4.38
Indonesia	4.07
Jersey	3.29
France	2.75
Brazil	2.73
Spain	2.71
Russia	1.96
Luxembourg	1.67
	<b>87.26</b>

### Industrial classification

(in % of net assets)	
Oil	25.20
Mining and steelworks	15.23
Agriculture and fisheries	15.02
Food and soft drinks	11.48
Chemicals	6.31
Precious metals and stones	4.28
Miscellaneous	3.29
Construction of machines and appliances	2.82
Stainless steel	1.96
Holding and finance companies	1.67
	<b>87.26</b>

# LONG TERM INVESTMENT FUND (SIA) - STABILITY

## Statement of investments and other net assets as at December 31, 2017 (in EUR)

Description	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>			
<b>SHARES</b>			
<i>AUSTRIA</i>			
WIENERBERGER BAUSTOFFINDUSTRIE	19,747.28	398,302.61	3.05
		398,302.61	3.05
<i>CANADA</i>			
CENOVUS ENERGY	5,375.46	41,015.95	0.31
FIRST QUANTUM MINERALS	38,889.97	455,189.39	3.48
NORTHERN DYNASTY MINERALS	206,119.77	306,875.93	2.35
		803,081.27	6.14
<i>DENMARK</i>			
ISS	15,831.63	510,962.40	3.91
PANDORA	7,198.97	653,138.70	4.99
		1,164,101.10	8.90
<i>FRANCE</i>			
AIR LIQUIDE	5,839.11	613,398.52	4.69
		613,398.52	4.69
<i>GERMANY</i>			
DEUTSCHE POST	6,970.58	277,080.46	2.12
DRAEGERWERK PFD -OSR-	2,950.03	213,287.04	1.63
HEIDELBERGCEMENT	4,987.92	450,159.71	3.44
		940,527.21	7.19
<i>IRELAND</i>			
MEDTRONIC	7,888.12	530,451.19	4.06
		530,451.19	4.06
<i>NETHERLANDS</i>			
ING GROUP	39,065.80	598,683.38	4.58
UNILEVER SHS CERT.	7,067.25	331,842.90	2.54
		930,526.28	7.12
<i>NORWAY</i>			
BAKKAFROST	6,233.36	220,666.82	1.69
LEROY SEAFOOD GROUP	90,334.64	404,501.33	3.09
MARINE HARVEST	22,721.53	321,560.59	2.46
		946,728.74	7.24
<i>SPAIN</i>			
VISCOFAN	5,251.13	288,864.71	2.21
		288,864.71	2.21

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

# LONG TERM INVESTMENT FUND (SIA) - STABILITY

## Statement of investments and other net assets as at December 31, 2017 (in EUR)

Description	Quantity	Market value (note 2)	% of net assets
<i>SWITZERLAND</i>			
NESTLE	5,943.25	425,613.60	3.26
		425,613.60	3.26
<i>UNITED KINGDOM</i>			
DEVRO	57,829.71	149,187.73	1.14
EASYJET	40,837.66	673,516.98	5.14
PREMIER FOODS	500,293.72	240,939.38	1.84
PREMIER OIL	492,547.37	423,091.66	3.24
		1,486,735.75	11.36
<i>UNITED STATES</i>			
APPLE	3,598.04	507,075.29	3.88
CALIFORNIA RESOURCES	27,190.57	440,193.63	3.37
COCA-COLA	5,355.88	204,636.74	1.57
HALLIBURTON	6,286.53	255,848.36	1.96
SCHLUMBERGER LTD	3,431.35	192,570.53	1.47
UNITED TECHNOLOGIES	3,677.12	390,647.64	2.99
VISA 'A'	7,493.12	711,496.33	5.43
		2,702,468.52	20.67
<b>TOTAL INVESTMENTS</b>		<b>11,230,799.50</b>	<b>85.89</b>
CASH AT BANKS		361,220.14	2.76
BANK DEPOSITS		1,517,441.78	11.61
OTHER NET LIABILITIES		-34,282.18	-0.26
<b>TOTAL NET ASSETS</b>		<b>13,075,179.24</b>	<b>100.00</b>

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

# LONG TERM INVESTMENT FUND (SIA) - STABILITY

## Geographical and industrial classification of investments as at December 31, 2017

### Geographical classification

(in % of net assets)	
United States	20.67
United Kingdom	11.36
Denmark	8.90
Norway	7.24
Germany	7.19
Netherlands	7.12
Canada	6.14
France	4.69
Ireland	4.06
Switzerland	3.26
Austria	3.05
Spain	2.21
	<b>85.89</b>

### Industrial classification

(in % of net assets)	
Food and soft drinks	15.65
Oil	10.35
Banks and credit institutions	10.01
Transport and freight	7.26
Construction and building materials	6.49
Mining and steelworks	5.83
Pharmaceuticals and cosmetics	5.69
Miscellaneous consumer goods	4.99
Chemicals	4.69
Agriculture and fisheries	4.15
Utilities	3.91
Computer and office equipment	3.88
Aeronautics and astronautics	2.99
	<b>85.89</b>

# LONG TERM INVESTMENT FUND (SIA)

Notes to the financial statements as at December 31, 2017

## NOTE 1

### GENERAL

LONG TERM INVESTMENT FUND (SIA) (the "SICAV") is an open-ended investment company of the umbrella type organised as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a *Société d'Investissement à Capital Variable* ("SICAV") under Part I of the Luxembourg amended law of December 17, 2010 (the "Law") regarding collective investment undertakings, whose object is to invest in transferable securities under the principle of risk spreading in accordance with, and as more fully described in, its Articles and the current Prospectus.

The SICAV was incorporated for an indefinite period on February 2, 2006, with an initial capital of Euro 31,000. Its articles of incorporation were last amended on July 26, 2006 and published in the "*Mémorial C, Recueil Spécial des Sociétés et Associations du Grand-Duché de Luxembourg*" on August 30, 2006.

A legal statement giving notice of the issue and sale of shares by the SICAV has been filed with the Trade and Companies Register of Luxembourg.

The SICAV is registered at the Trade and Companies Register of Luxembourg under the number B 113 981.

The SICAV is divided into several sub-funds. Each sub-fund is governed by a specific investment policy and is denominated in a specific currency.

FundPartner Solutions (Europe) S.A., a public limited company (société anonyme) with registered office at 15, avenue J.F. Kennedy, L-1855 Luxembourg, was appointed management company of the SICAV as of January 1, 2013. It is a management company within the meaning of Chapter 15 of the Law.

As at December 31, 2017, LONG TERM INVESTMENT FUND (SIA) includes three sub-funds in activity:

- LONG TERM INVESTMENT FUND (SIA) - CLASSIC, denominated in Euro (EUR),
- LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES, denominated in Euro (EUR),
- LONG TERM INVESTMENT FUND (SIA) - STABILITY, denominated in Euro (EUR).

As at December 31, 2017, the following share classes are issued:

<b>Sub-fund</b>	<b>Class</b>	<b>Currency</b>
LONG TERM INVESTMENT FUND (SIA) - CLASSIC	Classic EUR	EUR
	Classic CHF	CHF
	Classic GBP	GBP
	Classic USD	USD
	Classic EUR-D	EUR
LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES	Natural Resources - EUR Class	EUR
	Natural Resources - CHF Class	CHF
	Natural Resources - GBP Class	GBP
	Natural Resources - USD Class	USD

# LONG TERM INVESTMENT FUND (SIA)

Notes to the financial statements as at December 31, 2017 (continued)

<b>Sub-fund</b>	<b>Class</b>	<b>Currency</b>
LONG TERM INVESTMENT FUND (SIA) -	A CAP EUR	EUR
STABILITY	A CAP USD	USD
	A CAP CHF	CHF

Pooling:

The SICAV makes use of pooling for the purpose of efficient management of assets.

The investment portfolio of the LONG TERM INVESTMENT FUND (SIA) - CLASSIC and LONG TERM INVESTMENT FUND (SIA) - STABILITY sub-funds are managed jointly in a single pool of investments.

However this pool is used exclusively for the purpose of internal management. It is not an individual legal entity and is not directly accessible to investors. Each co-managed sub-fund is allocated its own assets.

When the assets of a sub-fund are managed according to this technique, the assets initially attributable to each co-managed sub-fund are determined according to its initial contribution to the pool. Subsequently, the composition of these assets shall vary according to the contributions or withdrawals made by these sub-funds.

The allocation system described above applies to each holding in the pool. Henceforth, any additional investments made on behalf of the co-managed sub-funds are attributed to these sub-funds according to their respective rights, while any assets sold shall be deducted in the same way from the assets attributable to each of the co-managed sub-funds.

Dividends, interest and non-contractual fees are accounted for in the pool and prorated to each sub-fund on the date these operations are recorded (expense provisions, recording of expenses and/or income on bank accounts). Conversely, contractual fees (custody, administration, management fees, etc.) are recorded directly in the respective sub-funds.

The assets and liabilities attributable to each sub-fund are identifiable at any given moment.

The realised gain/loss and/or unrealised appreciation/depreciation on investments are recorded in the pool in the reference currency of the said pool. They are then recorded in each sub-fund on the basis of its participation in the pool.

The statement of net assets and the statement of investments and other net assets show the situation of the portfolio on the closing date of the year based on the sub-fund's participation in the pool as at closing date.

The data recorded in the statement of operations and changes in net assets under "Net realised gain/loss on pool - pooling effect" represent:

- the currency effect due to differences between the exchange rates used as at the closing date and those used at each NAV calculation;
- the effect of the difference between the percentage participation in the pool(s) as at the closing date and the percentage participation applicable as at each NAV calculation.

# LONG TERM INVESTMENT FUND (SIA)

## Notes to the financial statements as at December 31, 2017 (continued)

The current versions of the prospectus, the Key Investor Information Document (KIID), the Articles of Association and the annual report, including audited financial statements, and semi-annual reports can be obtained free of charge from the representative, the paying agent and at the registered office of the SICAV.

### NOTE 2

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a) Presentation of financial statements

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

##### b) Formation expenses

Formation expenses have been fully amortised.

##### c) Conversion of foreign currencies for each sub-fund

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

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

Resulting foreign exchange gains and losses are included in the statement of operations and changes in net assets.

##### d) Combined financial statements

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

##### e) Valuation of assets

1) Securities and other assets listed or dealt in on a stock exchange or another regulated market are valued at the last available price; where such securities or other assets are listed or dealt in one or by more than one stock exchange or any other regulated market, the Board of Directors of the SICAV shall make regulations for the order of priority in which stock exchanges or other regulated markets are used for the provisions of prices of securities or assets.

2) Securities not listed or dealt in on a stock exchange or another organised market and securities so listed or dealt in for which the last available price is not representative of a fair market value, are valued prudently and in good faith by the Board of Directors of the SICAV on the basis of their estimated sale prices.

3) Cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received are valued at their face value with interest accrued.

# LONG TERM INVESTMENT FUND (SIA)

## Notes to the financial statements as at December 31, 2017 (continued)

4) The units/shares of open-ended undertakings for collective investment are valued on the basis of the last known net asset value ("NAV") or, if the price so determined is not representative of their fair market value, are valued as the Board of Directors of the SICAV may deem fair and reasonable. Units/shares of closed-ended undertakings for collective investment are valued on the basis of their last available market value.

5) Liquid assets and money market instruments which are not listed or dealt in on a stock exchange or another regulated market with remaining maturity of less than twelve months are valued at their nominal value increased by any interest accrued thereon, if any, such global value being amortised pursuant to the amortised costs method.

6) Futures, forward and options contracts not dealt in on a stock exchange or another regulated market are valued at their liquidating value determined pursuant to the policies established in good faith by the Board of Directors of the SICAV, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts dealt in on a stock exchange or another organised market is based on the last available settlement prices published by such stock exchange or other regulated market where these particular futures, forward or options contracts are traded. If a futures, forward or options contract could not be liquidated on the Valuation Day of the relevant assets, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors of the SICAV may deem fair and reasonable.

### f) Valuation of forward exchange contracts

The net unrealised gains or losses resulting from outstanding forward exchange contracts, if any, are determined on the valuation day on the basis of the forward exchange rates applicable on this date and are included in the statement of net assets.

### g) Valuation of Contracts For Difference ("CFD")

CFD are valued on the basis of the difference between the price of their underlying on the valuation date and on the acquisition date.

### h) Net realised gains or losses on sales of investments

The net realised gains or losses on sales of investments are calculated on the basis of weighted average cost of the investment sold.

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

The cost of securities denominated in currencies other than the base currency of the different sub-funds is calculated at the exchange rate prevailing on the acquisition date.

### j) Recognition of CFD

At the time of each NAV calculation, the margin call on CFD is recorded directly in the realised capital gains and losses accounts relating to forward contracts by the bank account counterparty.

# LONG TERM INVESTMENT FUND (SIA)

Notes to the financial statements as at December 31, 2017 (continued)

## k) Accounting of CFD

Unrealised appreciations and depreciations on CFD are settled daily through the reception/payment of a cash amount corresponding to the daily increase/decrease of the market value of each opened CFD. Such cash amount is recorded under the caption "Cash at banks" in the statement of net assets and the corresponding amount is recorded under the caption "net realised gain and loss on CFD" in the statement of operations and changes in net assets.

## l) Income

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

## m) Dividend distribution

The Board of Directors of the SICAV reserves the right to introduce a distribution policy. No dividend distribution which may result in the SICAV's net assets being below EUR 1,250,000 can be made.

## n) Transaction fees

The transaction fees represent the costs incurred by each sub-fund in connection with purchases and sales of investments. Transaction fees include brokerage fees, bank commissions, foreign tax, depositary fees and other fees. They are included in the statement of operations and changes in net assets.

## NOTE 3

### "TAXE D'ABONNEMENT"

The SICAV's net assets are subject to a subscription tax of 0.05% per annum payable at the end of each calendar quarter and calculated on the basis of the SICAV's total net assets at the end of the relevant quarter; such tax is reduced to 0.01% per annum in respect of Classes comprising institutional investors only (as per article 174 of the Law). This tax is not applicable for the portion of the assets of a sub-fund invested in other Luxembourg undertakings for collective investment already subject to "*taxe d'abonnement*".

## NOTE 4

### MANAGEMENT AND DISTRIBUTION FEES

The Investment Manager and the Global Distributor are entitled to receive from the SICAV a management fee and a distribution fee, respectively, payable out of the assets of the relevant sub-fund on a quarterly basis at a total annual rate which could vary per sub-fund; both such fees do not exceed 1.50% in total of the average NAV of the relevant sub-fund as determined during the relevant quarter.

For the year under review, the following annual rates have been applied:

Management and distribution fees:

LONG TERM INVESTMENT FUND (SIA) - CLASSIC : 1.50%  
LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES : 1.50%  
LONG TERM INVESTMENT FUND (SIA) - STABILITY : 0.90%

# LONG TERM INVESTMENT FUND (SIA)

Notes to the financial statements as at December 31, 2017 (continued)

## NOTE 5 PERFORMANCE FEE

The Investment Manager/the Global Distributor may receive a performance fee, paid quarterly, based on the NAV.

More details on the calculation method are available in the latest prospectus of the SICAV.

For the year ended December 31, 2017, the performance fee amounted to EUR 459.49 for the LONG TERM INVESTMENT FUND (SIA) - STABILITY sub-fund. No performance fee was charged for the other sub-funds.

## NOTE 6 OTHER FEES PAYABLE

As at December 31, 2017, other fees payable include mainly administration, audit, management company and depositary fees.

## NOTE 7 SUBSCRIPTION, REDEMPTION AND CONVERSION FEES

The subscription and redemption price for shares of each sub-fund is equal to the NAV per share of the relevant sub-fund, calculated on the first valuation day following receipt of the subscription/redemption request.

Intermediaries involved in the distribution of shares may charge additional fees to their clients subscribing/redeeming in the SICAV via them.

A conversion commission of up to 1.00% of the NAV of the Shares of the Class into which conversion is requested may be charged by the SICAV (and disclosed under an "Other income" caption) at the discretion of the Board of Directors of the SICAV, to protect investors against excessive trading due to conversion between the sub-funds.

Further details are provided in the latest prospectus of the SICAV.

## NOTE 8 EXCHANGE RATES

The following exchange rates were used as at December 31, 2017:

1 EUR =	1.535256	AUD	1 EUR =	0.887673	GBP
1 EUR =	1.504544	CAD	1 EUR =	16,290.964780	IDR
1 EUR =	1.170180	CHF	1 EUR =	9.821767	NOK
1 EUR =	7.445443	DKK	1 EUR =	1.200800	USD

# LONG TERM INVESTMENT FUND (SIA)

Notes to the financial statements as at December 31, 2017 (continued)

## NOTE 9

### CFD CONTRACTS

The SICAV had the following CFD outstanding as at December 31, 2017:

#### LONG TERM INVESTMENT FUND (SIA) - CLASSIC

Description	Quantity	Currency	Commitment in EUR
Cenovus Energy	464,332	CAD	3,542,956.86
Grifols 'B'	396,538	EUR	7,540,177.03
Henkel	67,631	EUR	6,763,080.87
MTU Aero Engines Holdings	40,371	EUR	6,031,399.18
Reckitt Benckiser Group	44,765	GBP	3,489,255.37
Sodexo	43,591	EUR	4,884,398.20

#### LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES

Description	Quantity	Currency	Commitment in EUR
Baker Hughes Inc	6,151	USD	162,073.32
Northern Dynasty Minerals	422,176	CAD	628,546.10
Schlumberger	8,068	USD	452,783.58

#### LONG TERM INVESTMENT FUND (SIA) - STABILITY

Description	Quantity	Currency	Commitment in EUR
Aena	-1,204	EUR	-203,476.00
Cenovus Energy	38,291	CAD	292,170.81
Deutsche Lufthansa	-6,477	EUR	-198,973.44
Grifols 'B'	32,701	EUR	621,802.56
Henkel	5,577	EUR	557,719.13
Kone Oyj 'B'	-3,745	EUR	-167,701.10
MTU Aero Engines Holdings	3,329	EUR	497,380.82
Psp Swiss Property Reg.	-1,957	CHF	-154,445.48
Reckitt Benckiser Group	3,692	GBP	287,742.30
Repsol	-11,382	EUR	-167,827.59
Repsol Iss.17	-11,382	EUR	-4,313.78
Sodexo	3,595	EUR	402,793.10

## NOTE 10

### COLLATERAL ON OTC DERIVATIVES PRODUCTS

In the framework of their transactions on OTC derivatives products (CFD), the sub-funds of the SICAV have not received any collateral from the various counterparties with which they deal.

# LONG TERM INVESTMENT FUND (SIA)

## Total Expense Ratio ("TER")

Pursuant to the "Guidelines on the calculation and disclosure of the total expense ratio (TER) of collective investment schemes" of May 16, 2008 (version of April 20, 2015) of the Swiss Funds & Asset Management Association ("SFAMA"), the SICAV is obliged to publish a TER for the latest 12-month financial period.

The TER is defined as the ratio between the total operating expenses (operating charges primarily consist of management and investment advisory fees, custodian fees, bank charges and interest, service fees, performance fees, taxes and duties) and the relevant sub-fund's / share class' average NAV (calculated on the basis of the daily average of the total net assets for the relevant year) expressed in its reference currency.

For the period from January 1, 2017 to December 31, 2017, the TER were the following:

<b>Share Class</b>	<b>Annualised TER including performance fees</b>	<b>Annualised TER excluding performance fees</b>
<b>LONG TERM INVESTMENT FUND (SIA) - CLASSIC</b>		
Classic EUR	2.07%	2.07%
Classic CHF	2.07%	2.07%
Classic GBP	2.07%	2.07%
Classic USD	2.07%	2.07%
Classic EUR-D	2.05%	2.05%
<b>LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES</b>		
Natural Resources - EUR Class	2.03%	2.03%
Natural Resources - CHF Class	2.03%	2.03%
Natural Resources - GBP Class	2.02%	2.02%
Natural Resources - USD Class	2.04%	2.04%
<b>LONG TERM INVESTMENT FUND (SIA) - STABILITY</b>		
A CAP EUR	1.69%	1.68%
A CAP USD	1.69%	1.69%
A CAP CHF	0.60%	0.52%

# LONG TERM INVESTMENT FUND (SIA)

## Performance

The performance per share class was calculated by comparing the net assets per share as at December 31, 2016 with the net assets per share as at December 31, 2017.

The performance was calculated by us at the end of each financial year according to the "Guidelines on the calculation and publication of the performance data of collective investment schemes" of May 16, 2008 (version of July 1, 2013) of the Swiss Funds & Asset Management Association ("SFAMA").

The performance given is based on historical data, which is no guide to current or future performance. Commissions and fees levied for the issue or redemption of shares, as applicable, have not been taken into account in this performance calculation.

As at December 31, 2017, performances were the following:

Share Class	Performance for the financial year ending December 31, 2017	Performance for the financial year ending December 31, 2016	Performance for the financial year ending December 31, 2015
LONG TERM INVESTMENT FUND (SIA) - CLASSIC			
Classic EUR	2.86%	19.94%	3.18%
Classic CHF	12.28%	18.24%	-6.69%
Classic GBP	6.97%	38.91%	-2.01%
Classic USD	17.11%	16.46%	-7.38%
Classic EUR-D	2.86%	4.17%*	-
LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES			
Natural Resources - EUR Class	-6.43%	72.59%	-17.36%
Natural Resources - CHF Class	2.15%	70.14%	-25.26%
Natural Resources - GBP Class	-2.69%	99.90%	-21.51%
Natural Resources - USD Class	6.53%	67.58%	-25.81%
LONG TERM INVESTMENT FUND (SIA) - STABILITY			
A CAP EUR	-2.01%	15.73%	-7.58%
A CAP USD	11.56%	12.34%	-14.54%*
A CAP CHF	1.04%*	-	-

\* The performance of share classes launched during the year was calculated by comparing the net assets per share as at the launch date of the share class with the net assets per share as at the end of the year.

# LONG TERM INVESTMENT FUND (SIA)

## Other information to Shareholders (unaudited)

### 1. Remuneration of the members of the Management Company

The Management Company has adopted a Remuneration Policy which is in accordance with the principles established by the law of May 10, 2016, amending the law of December 17, 2010 ("the UCITS Law").

The table below shows the total amount of the remuneration for the financial year, split into fixed and variable remuneration, paid by the Management Company to its staff. The table has been prepared taking into consideration point 162 of section 14.1 of the ESMA remuneration guidelines relating to the confidentiality and data protection in presenting the remuneration information.

	Number of Beneficiaries	Total remuneration (EUR)	Fixed remuneration (EUR)	Variable Remuneration (target or discretionary bonuses, parts remuneration) (EUR)
Total remuneration paid by the Management Company during the financial year	15	14,055	9,876	4,179

#### *Additional explanation*

- The beneficiaries reported is composed of the risk takers (including the 3 Conducting Officers exercising their activity in Luxembourg) and the staff of the Management Company dedicated to Management Company activities for all the Funds under management, remunerated by the Management Company.
- The benefits have been attributed according to criteria such as level of seniority, hierarchic level, or other eligibility criteria, not taking into account performance criteria, and are thus excluded from the Fixed or Variable remuneration figures provided above.
- Total fixed and variable remuneration disclosed is based on apportionment of AUM represented by the SICAV.
- The annual review for the year ended December 31, 2017 has not been finalised as at the date of this report. The 2016 annual review outcome showed no exception.
- There have been no changes to the adopted remuneration policy since its implementation.

### 2. Securities Financing Transactions Regulation ("SFTR")

As at December 31, 2017, the SICAV is in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse. Nevertheless, no corresponding transactions were carried out during the year referring to the financial statements.

# LONG TERM INVESTMENT FUND (SIA)

Other information to Shareholders (unaudited) (continued)

### **3. Information on risk measurement**

The 3 sub-funds of the SICAV use the VaR approach to monitor the Global Risk Exposure.

More specifically, the LONG TERM INVESTMENT FUND (SIA) - STABILITY sub-fund use the Absolute VaR option while the 2 other sub-funds use the Relative VaR option.

The following table provides the information required as per CSSF circular 11/512.

## LONG TERM INVESTMENT FUND (SIA)

### Other information to Shareholders (unaudited) (continued)

Sub-funds	Average leverage*	Leverage Computation approach	GRE monitoring approach	VaR optional Regime	VaR Limit ratio			Sub-fund Average VaR	Benchmark Average VaR	Benchmark	Legal limit	VaR Models and Inputs
					Average	Minimum	Maximum					
LONG TERM INVESTMENT FUND (SIA) - CLASSIC	15.35%	$\Sigma$ notionals of the derivatives	VaR	Relative	103.32%	86.85%	115.83%	13.81%	13.37%	2/3 MSCI WORLD Index and 1/3 MSCI Emerging Markets	200%	1 month holding period, 99% CI, Monte Carlo, observation period 3.5 years
LONG TERM INVESTMENT FUND (SIA) - NATURAL RESOURCES	8.78%	$\Sigma$ notionals of the derivatives	VaR	Relative	113.13%	93.47%	127.16%	22.95%	20.30%	60% MSCI WORLD Metals & Mining, 20% Amex Oil Serv. and 20% MSCI Emerging Markets	200%	1 month holding period, 99% CI, Monte Carlo, observation period 3.5 years
LONG TERM INVESTMENT FUND (SIA) - STABILITY	34.45%	$\Sigma$ notionals of the derivatives	VaR	Absolute	11.73%	6.91%	14.95%	11.73%	N/A	N/A	20%	1 month holding period, 99% CI, Monte Carlo, observation period 3.5 years

\* This figure is computed as the sum of the absolute notionals of the financial derivative instruments ("FDI") used, whereby a large part of these FDI are used for hedging purposes.

# LONG TERM INVESTMENT FUND (SIA)

## Other information to Shareholders (unaudited) (continued)

### General comments

All VaR figures are calculated by taking into consideration the following parameters

- 1 month holding horizon
- 99% confidence interval (this means that there is a 1% probability that the value of the portfolio could have a monthly decline larger than the percentage displayed)
- Monte Carlo simulations
- 3.5 years of data history to determine the risk factors

The treatment and presentation of VaR figures is slightly different depending on the VaR option used (relative or absolute).

#### 1 Relative VaR option

The daily VaR observations (from January 2, 2017 to December 29, 2017 for the sub-fund have been systematically measured against the VaR observations for the benchmark. The ratio obtained is called the *VaR limit utilization ratio*.

E.g. December 28, 2017, LONG TERM INVESTMENT FUND (SIA) - CLASSIC

Sub-fund VaR	13.95%
Benchmark VaR	13.12%
<i>VaR limit utilization</i>	106.33%

This ratio has to be put into perspective with the maximum limit allowed by the Law, which is 200%.

We present in the table the average, minimum and maximum levels of that *VaR limit utilization ratio*.

The next two columns present the average VaR levels measured in absolute terms for the sub-fund and the benchmark during the same period.

#### 2 Absolute VaR option

For sub-funds using the Absolute VaR option, we present the figures (avg, min and max) in absolute terms. In other words they are not measured against any benchmark nor limit. We consider that way of presenting the figures as more relevant and easier to understand.

The leverage level is included as well. It has been calculated as the sum of the notionals of the derivatives used (CESR/10-788 box25). The presented figure is based on daily observations covering the year under review.

