

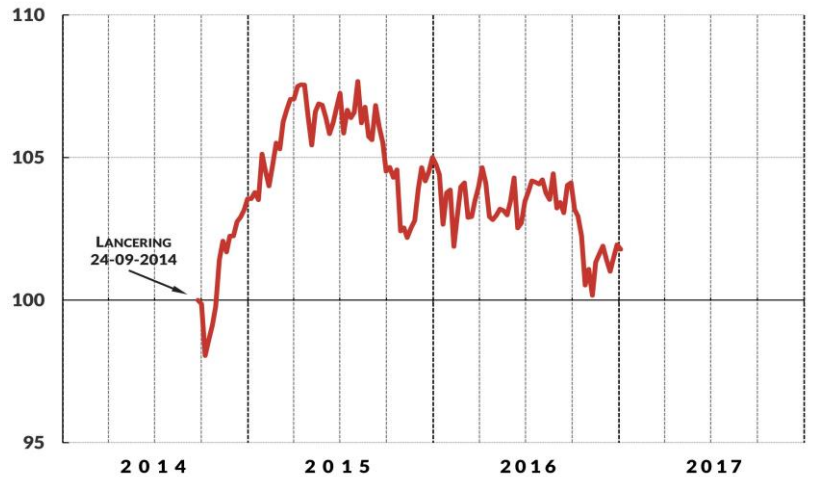
December 31, 2016

**101.71**  
EUR

Return in EURO:	Since 1st Jan 2016	Since 24th Sep. 2014
<b>APHILION Q<sup>2</sup> - BALANCE</b>	<b>-3.12%</b>	<b>+1.71%</b>
Stoxx Europe 600	-1.20%	+4.96%
MSCI World	+8.77%	+23.46%

## WHAT IS APHILION Q<sup>2</sup> - BALANCE ?

- A sub-fund of the SICAV Aphilion Q<sup>2</sup> (UCITS IV, registered in Belgium).
- A 'balanced' fund that invests in the same basket of equities as Aphilion Q<sup>2</sup> - Equities, but hedges a significant part of the equity market risk by using derivatives on equity market indices.
- The degree of hedging will vary in a range of 65% to 85%, depending on the market expectations of the fund managers. On average, 75% of the equity market risk will be hedged.
- The investment universe of Aphilion Q<sup>2</sup> - Equities consists of more than 4000 stocks worldwide; these more or less constitute the largest stocks in each market.
- The actual portfolio is very focused, and consists of ± 80 stocks, a geographically and sectorally well diversified selection from the investment universe. This ensures a more than adequate risk control, yet still allows the fund managers to monitor each position closely (news flow, trading opportunities, ...)
- The stock selection process is based on a set of in-house financial-econometric models and tools which use fundamental data (earnings, interest rates, etc.) to evaluate the return potential of our investment universe on a daily, real-time basis.
- The base model has a (partially in-sample) track record going back to 1990, with an average annual outperformance of +9,8%; Aphilion Q<sup>2</sup> - Equities' impressive performance since its launch on December 5th, 2001 is a logical extension of this.



*Balance was only launched recently and so there is not a lot of price history to show. This graph nevertheless nicely illustrates what Balance is all about: a lower risk way of achieving a positive absolute return thanks to the outperformance of the underlying equity-portfolio.*

## SUMMARY OF TERMS

### Subscriptions

Weekly at the prevailing NAV per share; NAV is calculated on a weekly basis, each Thursday; cut-off is Wednesday 16h; nominal shares or dematerialized shares in account; ISIN BE6270159799

### Distributions

All dividends and other investment income are reinvested in the fund

### Management fee

1,5% annually, calculated on the average NAV

### Performance fee

20% of the return in excess of the hurdle rate of 4%. "High watermark" principle applied; payable annually

### Front load

None ; distributors may charge up to 2.5% above the NAV

## MANAGEMENT & ADMINISTRATION

### Investment Advisor

Aphilion sprl, Brussels, Belgium

### Custodian Bank

BNP Paribas Fortis - Fortis Banque SA, Brussels, Belgium

### Fund Administrator

Caceis Belgium, Brussels, Belgium

### Financial Agent / Transfer Agent

Caceis Belgium, Brussels, Belgium

### External Auditor

André Clybouw & Co., Wilrijk, Belgium

### Reporting

Bloomberg Balance BB, [www.aphilion.com](http://www.aphilion.com)