HiQ Invest B.V.

Annual Report for the year ended 31 December 2015

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Profile and key figures

Profile

HiQ Invest B.V. (the Company) is authorised by the financial supervisory authorities in The Netherlands to act as an investment fund manager (beheerder) and accordingly received a license under the Dutch act on financial supervision (Wft). The financial supervisory authorities issued the licence on 3 November 2006 on the basis of article 2:67 Wft, and from 17 June 2014 also based on article 2:69c.

The Company manages the following alternative investment funds (AIF) and undertakings for the collective investment in transferable securities (UCITS):

- HiQ Invest Fundamental Value Fund (AIF);
- HIQ Invest Market Neutral Fund (AIF);
- FundShare Umbrella Fund (AIF); and
- FundShare UCITS Umbrella Fund (UCITS).

Together hereafter: the “Funds”.

The Company has been founded on August 9, 2006, has its statutory seat in Amsterdam, and is registered at the Chamber of Commerce and Industry in Amsterdam under number 34252934.

Overview of Key figures

Key figures	2015	2014	2013	2012	2011
Net revenue	**985,442**	**2,335,102**	**3,718,301**	**1,489,698**	**1,812,396**
Cost of sales	19,482	26,291	119,655	45,942	55,440
Gross margin	**965,960**	**2,308,811**	**3,598,646**	**1,443,756**	**1,756,956**
Operating expenses	**2,025,360**	**2,373,717**	**2,140,147**	**1,235,638**	**1,436,804**
Operating result	**-1,059,400**	**-64,906**	**1,458,499**	**208,118**	**375,592**
Net result	**-800,858**	**-17,979**	**1,261,948**	**189,109**	**279,708**
Average number employees during the financial year (FTE)	12.87	10.26	8.13	6	6.05
End of the financial year (head count)	15	13	8	6	6

Directors' report

The directors of the Company hereby present the financial statements for the financial year ended on 31 December 2015.

Financial and Operating Review

Revenues, expenses and results after tax

Net revenues

The Company's most important source of income consist of management of the Funds.

The decrease in net revenues from EUR 2,335,102 to EUR 985,442 is due to:

- Lower management and operating fees: this year the management fees amount to a total of EUR 685,154 (2014: EUR 1,434,120). The decrease is mainly due to the decrease in average assets under management due to poor performance of HiQ Invest Market Neutral Fund.
- Lower performance fees: In 2015 were no performance fees charged by HiQ Invest Market Neutral Fund (2014: EUR 538,575).

Operating expenses

The total operating expenses decreased with EUR 341,583 compared to 2014, caused mainly by lower consultancy costs and marketing expenses.

Net result

The net result amounted to EUR 800,858 negative (2014: EUR 17,979 negative).

Results of the managed Funds

HiQ Invest Market Neutral Fund

HiQ Invest Market Neutral Fund ended the year 2015 with a Net Asset Value ("NAV") of EUR 14.48 (2014: EUR 19.04) for the A-Class participations, EUR 13.89 (2014: EUR 18.44) for the C-Class participations and EUR 13.65 (2014: EUR 18.12) for the D-Class participations, which resulted in a negative return in each asset class. The total return in 2015 is -24.67% (D-Class). The assets under management in 2015 have decreased from around EUR 66 million to EUR 17 million. This is mainly due to the negative performance in 2015 and the net outflow of around EUR 37.7 million.

HiQ Invest Fundamental Value Fund

During the reporting period from 1 January 2015 until 31 December 2015, the Net Asset Value has increased from EUR 12.26 to EUR 14.71. This has resulted in a positive annual return of 20.02%. The cumulative return of the Fundamental Value Fund is 47.09%. The aggregated net annual return, since inception on the 1st of January 2007, is 4.38% (net of expenses).

FundShare Umbrella Fund (AIF)

FundShare Umbrella Fund has been launched in 2012. The total assets under management, in this umbrella fund consisting of 19 active sub funds, per 31 December 2015 are EUR 225 million (2014: EUR 126 million).

FundShare UCITS Umbrella Fund (UCITS)

FundShare UCITS Umbrella Fund has been launched in 2014. The total assets under management, in this umbrella fund consisting of 5 active sub funds, per 31 December 2015 are EUR 80 million (2014: EUR 13 million).

Investments in IT Infrastructure

In order to manage the investments of the Funds the Company uses the latest technical resources and financial knowledge. Currently, it is possible to trade on 65 different exchanges. This is possible due to a well-developed IT infrastructure. The IT infrastructure is attained from HiQ Trading Software B.V., which is a subsidiary. During the past year again a lot of effort has been put to improve and expand this infrastructure. The main focus of further development of the infrastructure is on adding market making capabilities on top of the existing infrastructure. This is in line with the main focus of the investment policy of the HiQ Market Neutral Fund.

Personnel and organization

The staff has been expanded in 2015. Two new traders have been hired.

Financial and Operational Riskmanagement

Price risk

As a result of investments in equity-instruments in non-listed units in AIFs, the Company is exposed to price risk. This risk is not actively managed.

No other significant market or credit risks are applicable.

Legal structure

The Company is a 100% subsidiary of LPE Capital B.V. LPE Capital B.V. is a holding company and as such forms a group with its direct and indirect wholly owned operating companies (the “Group”). The following companies are part of the Group:

- LPE Capital B.V. (parent company and head of the Group);
- HiQ Trading Software B.V. (software- and ICT infrastructure development)
- DeGiro B.V. (investment company)
- ML Concepts B.V. (concept- developer internet pages):
    - Codern Venture SRL (Software development) (60%);
- FundShare Administrator B.V. (fund administrator);
- Stichting DeGiro (a securities giro/ custodian founded by DeGiro B.V.);
- Stichting DeGiro II (a securities giro/ custodian founded by DeGiro B.V.); and
- DAF Depositary B.V. (depositary of investment funds founded by FundShare Administrator B.V.)

Regulatory environment

AIFMD

The Alternative Investment Fund Managers Directive (AIFMD) took effect in 2013. The AIFMD imposes more detailed requirements on the management of investment funds. The Dutch legislature has translated these European rules into legislation in the Netherlands. These management requirements pertain to such matters as risk management, outsourcing and remuneration policy. In addition, investment funds must have a depositary that extensively monitors fund management execution. The new rules took effect on 21 July 2013. The Company has used the transitional year and has been in compliance with the new rules on 22 July 2014. The Company's licence has been automatically converted into the AIFM licence on 22 July 2014.

UCITS license

The Company obtained a license in 2014 from the AFM to manage undertakings for the collective investment in transferable securities (UCITS).

Remuneration
For the performance period 2015 the Company has awarded performance related cash bonuses. The total fixed variable remuneration for the directors and other employees (*identified staff*) is shown in the table below:

Details remuneration	2015	2014
Directors and identified staff (headcount)	*15*	*13*
Fixed remuneration	673,463	527,229
Variable remuneration	56,135	92,863
Which is paid in cash for an amount of	*56,135*	*92,863*
Which is defferred for an amount of	*0*	*0*
Total	**729,598**	**620,092**

Allocation remuneration	2015	2014
Directors	66,953	81,593
Identified staff	662,645	538,499
Total	**729,598**	**620,092**

For further information on the remuneration policy please refer to reference 19 of the notes to the financial statements.

Management and Fund Governance

In-control statement

Our description of operations satisfies the requirements of the Dutch Financial Supervision Act (Wet op het financieel toezicht) and the Financial Enterprise (Regulation of Conduct) Decree (Besluit gedragstoezicht financiële ondernemingen Wft – Bgfo).

During the period under review, we assessed various aspects of the business operations. In the course of our work we did not find any indications that should lead us to conclude that the description of the structure of our operations as referred to in article 121 of the Bgfo does not satisfy the requirements set out in the Financial Supervision Act and related regulations. Based on this we confirm, in our capacity as manager of HiQ Invest Market Neutral Fund, HiQ Invest Fundamental Value Fund, FundShare Umbrella Fund and FundShare UCITS Umbrella Fund, to have a description of the operations as referred to in article 121 of the Bgfo which satisfies the requirements laid down in that Decree.

We have not become aware of any fact or other element that would make us believe that the operational structure was not carried out in an efficient way and in accordance with the description. We therefore state with a reasonable level of certainty that, that during the period under review, our operations have been carried out effectively and in accordance with the description.

Fund Governance

In 2010 the Company, as investment fund manager, implemented the Fund Governance Principles (“Code of Conduct”). This Code of Conduct is based on the formulated ‘Principles of Fund Governance’ by the Dutch Fund and Asset Management Association (DUFAS). The purpose of the Code of Conduct for fund managers is to guarantee control and integrity in their business operations and proper service as meant in the Wft. Through this means adding substance to the legal provisions of control and integrity in business operations as stated in the Wft, of which article 17, paragraph 5 of the Bgfo is a further elaboration.

In the Code of Conduct a distinction is made between 1) guidelines for the daily management tasks that give a further elaboration to the principle of preventing conflict of interest and acting in the interest of investors and 2) guidelines to guarantee compliance to the Code of Conduct within the organization of the fund manager. The Code of Conduct of DUFAS is designed in cooperation with the Ministry of Finance and the AFM. Through this Code of Conduct the Company provides interpretation to its governance policy. The full text of the Code of Conduct of the Company is published on the website: www.hiqinvest.nl

Outlook

Personnel

The team of traders and fund managers has expanded again during the reporting period. We are currently working with a team of 15 people on the performance of the investment funds that are managed by the Company. This number is expected to increase in the years to come, at a rate of growth equal to the assets under management.

UCITS V implementation

UCITS V (2014/91/EU) is the fifth directive relating to undertakings for collective investment in transferable securities (UCITS). This directive has been implemented in the laws and regulation in the Netherlands on 18 March 2016. The Manager with respect to FundShare UCITS Umbrella Fund, has together with the depositary entered into a so-called depositary agreement.

Investments and Financing

Next to investments in human capital, the Company will invest further in the servers and computers which have to improve the automatic execution and processing of investment transactions further. The Company is completely financed with equity and it is expected to remain that way for the next couple of years. Aforementioned investments will be financed out of retained earnings.

Inflow of investment funds

The forecasts of the Company are closely related to the development of the assets under management in the four managed investment funds:

- ***HiQ Invest Market Neutral Fund***

  We expect outflow for 2016, which will result in AuM to stabilize around EUR 10 million.

- ***HiQ Invest Fundamental Value Fund***

  The strategy of the last couple of years will remain unchanged for 2016. The expected new inflow is EUR 0,5 million.

- ***FundShare Umbrella Fund***

  The expected new inflow in the sub funds of FundShare Umbrella Fund for 2016 is EUR 50-100 million.

- ***FundShare UCITS Umbrella Fund***

  The expected new inflow in the sub funds of FundShare UCITS Umbrella Fund for 2015 is EUR 50-100 million.

Based on the above, the management is confident about the near future. Finally, we express our appreciation for the efforts made by all the people who are involved in our activities.

Amsterdam, 4 May 2016

dr. Ir. J.H.M. Anderluh Director	drs. N.J. Klok CFA Director

Financial statements 2015

Balance sheet as of 31 December 2015

(Amounts in EUR, before appropriation of result)

Assets	Notes	31/12/2015		31/12/2014	
Fixed assets					
Tangible fixed assets	**5**				
Other tangible fixed assets	5.1	229,143		195,591	
			229,143		**195,591**
Financial fixed assets	**6**				
Participations in other subsidiaries	6.1	1		1	
Deferred tax assets	6.2	267,129		0	
			267,130		**1**
Current assets					
Receivables	**7**				
Receivables from group companies	7.1	1,009,540		3,350,494	
Trade and other receivables	7.2	177,223		150,994	
			1,186,763		**3,501,488**
Investments in unlisted equity securities	**8**		**224,434**		**276,790**
Cash and cash equivalents	**9**		**9,377**		**173,174**
Total Assets			**1,916,847**		**4,147,044**

Equity & Liabilities	Notes	31/12/2015		31/12/2014	
Shareholder's equity	**10**				
Issued and paid up capital	10.1	18,000		18,000	
Share premium reserve	10.2	1,302,983		302,983	
Other reserves	10.3	695,354		713,333	
Unappropriated result	10.4	-800,858		-17,979	
			1,215,479		**1,016,337**
Provisions	**11**				
Deferred tax liability		0		2,655	
Provision for deferred remuneration	11.1	69,776		78,711	
			69,776		**81,366**
Current liabilities	**12**				
Payables to group companies	12.1	225,828		2,644,053	
Accruals and other liabilities	12.2	405,764		405,288	
			631,592		**3,049,341**
Total Equity & Liabilities			**1,916,847**		**4,147,044**

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

Profit and loss account for the year ended 31 December 2015

Over the period 1 January - 31 December (Amount in EUR).

Profit and loss account	Notes	2015	2014
Net Revenues	**14**	**985,442**	**2,335,102**
Cost of sales	15	19,482	26,291
Gross margin		**965,960**	**2,308,811**
	16		
Employee expenses	16.1	991,614	953,426
Depreciation tangible fixed assets	16.2	20,161	65,123
General and administrative expenses	16.3	1,013,585	1,355,168
Operating expenses		**2,025,360**	**2,373,717**
Operating result		**-1,059,400**	**-64,906**
Changes in value of investments		-9,485	31,175
Financial income and expenses		**-9,485**	**31,175**
Result from ordinary activities before tax		**-1,068,885**	**-33,731**
Corporate Income Tax gain (expense)	**17**	268,027	15,752
Net result		**-800,858**	**-17,979**

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

Notes to the 2015 financial statements

1 General

1.1 Activities

The Company, with its registered office in Amsterdam, is a 100%-owned subsidiary of LPE Capital B.V. in Amsterdam. The Company is registered at the Chamber of Commerce and Industry in Amsterdam under number 34252934.The activities of the company consist of the management of four investment funds (hereinafter: the "Funds"), namely:

* HiQ Invest Fundamental Value Fund;
* HiQ Invest Market Neutral Fund;
* FundShare Umbrella Fund; and
* FundShare UCITS Umbrella Fund.

1.2 Financial supervision

The Company is regulated by The Netherlands Authority of the Financial Markets ("AFM") and the Dutch Central Bank ("DNB"). The Company is a fund manager with a license to manage both UCITS and AIF.

1.3 Related parties

The Company's management and the parties identified below are classed as related parties as meant to in the Guidelines for Annual Reporting (RJ 330) and as related parties as set out in Section 1 of Bgfo.

1.3.1 Group companies

The following related parties are part of a group (hereinafter the Group):

- LPE Capital B.V. (parent company and head of the Group);
- DeGiro B.V. (investment firm);
- HiQ Trading Software B.V. (software- and ICT infrastructure development)
- HiQ Invest B.V. (fund manager)
- ML Concepts B.V. (concept developer of internet pages):
    - Codern Venture SRL (Software development) (60%);
- FundShare Administrator B.V. (fund administrator);
- Fundshare Asset Management B.V. (no activities to date)
- Stichting DeGiro (investment securities giro/ custodian founded by DeGiro B.V.);
- Stichting DeGiro II (investment securities giro/ custodian founded by DeGiro B.V.) and
- DAF Depositary B.V. (depositary of investment funds founded by FundShare Administrator B.V.)

1.3.2 Affiliated parties (Non Group Companies)

The following affiliated parties are not part of the Group:

- HiQ Trading and Liquidity Providing N.V. (an investment company whose shares are kept by the legal owner of HiQ Invest Market Neutral Fund); and
- HiQ TLP Hong Kong Limited (a Hong Kong based company founded by HiQ Trading and Liquidity Providing N.V.).

1.3.3 Branches

The Company has opened branches in Sofia, Bulgaria and in Hong Kong.

1.3.4 Transactions with related parties

The transactions with the related parties concern the intra group financing of working capital (in the balance sheet described as a receivable from or payable to group companies). Intra-group recharges have been accounted for regarding the intra-group use of employees, information technology, housing and other overhead costs.

1.4 Continuity

During the year ended on December 31, 2015 the Company had a net loss of € 800,858, a negative cash flow from operations of € 1,054,619 and a positive shareholder's equity of € 1,215,479. This net loss was mainly caused by the negative performance and outflow of assets under management of the investment fund HiQ Market Neutral Fund. These factors, raise doubt that the Company will be able to continue as a going concern.

However based on management's expectations of positive future results and other matters which are set out below, the financial statements are prepared on the basis that the Company will continue as a going concern.

The minimal regulatory capital requirement for the Company in 2015 amounts to € 460,000. This means that unless the net loss of € 800,858, the Company has a shareholder's capital surplus of € 488,350. The management expect that the Company will meet the capital requirements for the next twelve months. If additional capital is required, LPE Capital B.V. as the parent company will provide additional capital contributions.

1.5 Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements and accompanying notes. Estimates, by their nature, are based on judgment and available information. Therefore, actual results may differ materially from those estimates. If and insofar as is necessary for the insight required according to article 2:362, paragraph 1 of the Netherlands Civil Code ("BW"), the nature of these judgements and estimates including the related assumptions are included in the notes to the relevant account balances.

2 General principles regarding the valuation of assets and liabilities

2.1 General

2.1.1 Preparation of financial statements

The financial statements have been prepared in accordance with the legal provisions of Title 9, Book 2 of the Netherlands Civil Code, the Act on Financial Supervision ("Wft"), and in particular the Decree on Conduct of Business Supervision of Financial Undertakings under the Wft ("BGfo") and the provisions of the Guidelines for Annual Reporting ("RJ"), issued by the Council for Annual Reporting.
The financial statements have been prepared on the basis of the historical cost convention, unless otherwise stated. The financial statements are stated in Euro. Reference notes to the balance sheet and the profit and loss account are included. These references refer to the notes. The financial year of the Company coincides with the calendar year.

2.2 Foreign currencies

2.2.1 Functional currency

The amounts in the financial statements are stated in consideration of the currency in the economic environment in which the Company performs its business activities (the functional currency). The annual financial statements are presented in euros (EUR); this is both the Company's functional and presentation currency.

2.2.2 Transactions, receivables and payables

Transactions denominated in foreign currencies, executed during the reporting period are reported in the annual financial statements at the exchange rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at balance sheet date. Any exchange rate differences resulting from settlement and conversion are added or charged to the profit and loss account. Non-monetary assets that are stated at cost in a foreign currency are converted at the exchange rate prevailing at the transaction date (or an approximation of the rate). Non-monetary assets that are stated at the current value in a foreign currency are converted at the exchange rate prevailing at the date of determining the current value.

2.3 Recognition and derecognising of assets and liabilities

An asset is included in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

2.4 Tangible fixed assets

Tangible fixed assets are valued at the purchase price less straight-line depreciation based on the expected economic (useful) life or at the lower realisable value.

The expected useful life is:

Tangible asset category	Depreciation term
Computers and software	5 years
Furniture	5 years

A tangible fixed asset is derecognised in the event of disposal or if no future economic benefits are expected from its disposal or use. Any gains or losses arising from its balance sheet derecognition (calculated as the difference between the net proceeds on disposal and the book value of the asset) are taken through profit or loss for the year in which the asset is derecognised. The residual value of the asset, its economic life and valuation principles are reviewed and, if necessary adapted at the end of the financial year.

2.5 Financial fixed assets

2.5.1 Participating interests

Participating interests (subsidiaries) where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of net asset value. Investments in subsidiaries with negative equity are valued at EUR 1. If the company fully or partly guarantees the liabilities of these subsidiaries a provision is set up, primarily relating to the receivables from this investment. A provision is created for the remainder, either being the share in the losses incurred by the investment, or the amount of payments the company is obliged to make with respect of these investments. For financial fixed assets, an assessment is made as of each balance sheet date as to whether there are indications that these assets are subject to impairment. If there are such indications, then the recoverable value of the asset is estimated. The recoverable value is the higher of the value in use and the net realisable value. If the carrying value of an asset is higher than the recoverable value, an impairment loss is recorded for the difference between the carrying value and the recoverable value.

2.5.2 Deferred tax assets

Deferred tax assets are stated at nominal value. Deferred income tax assets (in case of loss carry-forward) are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to enable all or part of the asset to be recovered.

2.6 Current assets

2.6.1 Trade and other receivables

At initial recognition trade and other receivables are stated at fair value. After initial recognition receivables are valued at amortised cost less impairment losses (provision for bad debts). The amortised cost value equals the nominal value if there are no directly attributable transaction costs or premium/discounts applicable.

2.6.2 Receivables from (payables to) group companies

The intra group balances outstanding are recorded at their nominal value less a provision for doubtful items at year end.

2.6.3 Investments in unlisted equity securities

Investments in unlisted equity instruments (units in investment funds) are stated after their initial recognition at fair value. The fair value of unlisted units in investment funds is determined by reference to the underlying net asset value (NAV) of each of the individual funds.

Positive changes in fair value are recognized directly in equity (revaluation reserve) until the time of realisation, to the extent that the result of the individual investment is cumulatively positive, under deduction of any provision for deferred taxes. Upon derecognition of the investment, the accumulated result recognised in equity is transferred to the profit and loss account. Any accumulated decrease in fair value to below purchase price is recognised in the profit and loss account under financial income and expenses.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances and call deposits with a maturity of less than twelve months. Debts in current account at banks are included in debts to credit facilities under current liabilities. Cash and cash equivalents are stated at nominal value.

2.8 Provisions

2.8.1 General

Provisions are made for legal or constructive obligations that exist at the balance sheet date, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be estimated reliably. Provisions are measured at the best estimate of the amounts necessary to settle. The provisions are stated at the nominal value of the expenditures that are required to settle the liabilities and losses. When an affiliated company reimburses the obligations, then this amount is settled in the current account between both group companies.

2.8.2 Provision for deferred remuneration

The provision for deferred remuneration refers to conditional performance based remuneration awards where the actual payment is deferred for a period of in principle three years and depends on the performance (net asset value) of the investment funds managed by the Company (the Funds). The change in value of the long-term employee awards directly related to the performance of the Funds is expressed in the calculation of the provision.

2.8.3 Provision for deferred tax liabilities

A provision is formed for deferred tax liabilities based on the temporary differences on the balance sheet date between the tax book value of assets and liabilities and the book value included in these financial statements. Deferred tax liabilities are entered for all taxable temporary differences. The deferred tax liabilities are valued at nominal value.

2.9 Current liabilities

At initial recognition liabilities are stated at fair value. After initial recognition liabilities are valued at the amortized cost. The amortised cost value equals the nominal value if no directly attributable transaction costs or premium/discounts are applicable.

3 General principle for recognition and measurement of income and expenses

Income and expense items are recognised in the period to which they relate, having due regard to the above accounting principles. Revenues are recognised if it is probable that their economic benefits will flow to the Company and the revenues can be reliably measured.

3.1 Net revenue

3.1.1 Management and other fees

Management and other fees represent management fees, operating fees, performance fees and entry and exit fees.

3.2 Cost of sales

This relates to depositary and administration fees charged by suppliers in connection to the funds managed by the Company.

3.3 Operating expenses

Operating expenses represent employee expenses, depreciation expenses and general and administrative expenses.

3.4 Financial income and expenses

Financial income and expenses comprise interest income and expenses on cash and changes in the value of investment in unlisted equity securities.

3.5 Taxes

3.5.1 Corporate income tax (CIT)

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

If the carrying values of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences. A provision for deferred tax liabilities is recognised for taxable temporary differences.

3.5.2 Value added tax (VAT)

The Company is exempted from VAT with respect to revenues generated from the management of investment fund. Due to this exemption a significant portion of invoiced VAT is irrecoverable. Expenses therefore include irrecoverable VAT.

3.5.3 Fiscal unity

The Company is part of a fiscal unity for corporate income tax and value added tax (VAT) purposes together with its parent company, LPE Capital B.V. and other group companies. Each of the companies recognises the pro rata portion of corporate income tax that the relevant company would incur as an independent taxpayer, taking into account the applicable tax facilities (such as the innovation box).

4 Cash flow statement

Based on the fact that capital, directly or indirectly, is fully provided by a legal entity that prepares a comparable cash flow statement (RJ 360 104), the Company itself prepares no cash flow statement. These figures are included in the consolidated cash flow statements of LPE Capital B.V. The consolidated financial statements of LPE Capital B.V. are filed with the Trade Register of The Netherlands.

Notes to the balance sheet

Fixed assets

5 Tangible fixed assets

5.1 Other tangible fixed assets

Movement schedule other tangible fixed assets	2015	2014
Balance at 1 January	**195,591**	**155,064**
Investments	116,396	105,650
Disposals	-7,218	0
Depreciation	-75,626	-65,123
Balance at 31 December	**229,143**	**195,591**

5.1.1 Breakdown per category

Category	Purchase value	Depreciation until 2014	Depreciation value disposals	Depreciation 2015	Book value
Furniture	93,943	-88,628	39,730	-17,675	27,370
Computers & software	406,427	-146,703	0	-57,951	201,773
Totaal	**500,370**	**-235,331**	**39,730**	**-75,626**	**229,143**

6 Financial fixed assets

6.1 Participation in other subsidiaries

The Company holds one priority share with a nominal value of EUR 1 in HiQ Trading and Liquidity Providing N.V., a investment firm dealing for own account, registered in Amsterdam. The total interest held in this company is below 0.01%

6.2 Deferred tax assets

Movement schedule deferred tax assets	2015	2014
Balance at 1 January	**0**	**0**
Recognised unused tax loss carry-forwards	267,129	0
Balance at 31 December	**267,129**	**0**

A deferred tax asset is recognised for, unused loss carry forwards and unused tax credits, in so far as it is probable that taxable profits will be available in the future for offset or compensation. The forward compensating tax losses amount to EUR 1,056,917, being current year’s result before tax.

7 Current assets

7.1 Receivables from group companies

Receivables from group companies	2015	2014
Receivables from group companies	1,009,540	3,350,494
Total	**1,009,540**	**3,350,494**

The loan receivables in current account from group companies are non-interest bearing. There are no arrangements in place regarding timing and magnitude of repayments or with respect to the security of these payments.

7.2 Trade and other receivables

The trade and other receivables can be specified as follows:

Trade and other receivables	2015	2014
Trade receivables	105,951	109,173
Prepayments	71,272	41,821
Total	**177,223**	**150,994**

8 Investments in unlisted equity securities

Investments in unlisted equity instruments	2015	2014
Investments in unlisted equity instruments	224,434	276,790
Total	**224,434**	**276,790**

The investments in unlisted equity instruments concerns investments in units of investments funds (AIF) managed by the Company. The units are priced at the validated net asset values at the balance sheet date.

8.1.1 Breakdown per category

Category breakdown	2015	2014
At free disposal	59,427	68,911
Linked to provision for deferred remuneration	165,007	207,879
Total	**224,434**	**276,790**

A large portion of the units held by the Company are used as a hedge against the provision for deferred remuneration. These units are therefore not at the free disposal of the Company.

9 Cash and cash equivalents

The cash and cash equivalents can be specified as follows:

Cash and cash equivalents	2015	2014
Cash at banks	9,372	173,169
Cash in hand	5	5
Total	**9,377**	**173,174**

Cash at banks concern on demand bank balances held with ABN AMRO Bank N.V., which are not restricted and are at the Company's free disposal.

10 Shareholder's equity

The shareholder's equity can be specified as follows:

Equity	2015	2014
Share capital	18,000	18,000
Share premium reserve	1,302,983	302,983
Other reserves	695,354	713,333
Unappropriated result	-800,858	-17,979
Totaal	**1,215,479**	**1,016,337**

10.1 Initial capital requirement and fixed overhead requirement

The Company as both a UCITS and AIF manager has to comply with an initial capital requirement of EUR 125,000 and a fixed overhead requirement. The minimum required regulatory capital is equal to the higher of the initial capital of EUR 125,000 and the fixed overhead requirement (FOR).

10.1.1 Fixed overhead requirement (FOR)

The minimum amount of capital of a regulated investment manager, in any case, amounts to 25% of the eligible fixed costs accounted for in the previous financial year. The FOR amounts to EUR 460,000 in 2015.

10.2 Share capital

The authorised share capital amounts to EUR 18,000, divided in 900 ordinary shares, with a nominal value of EUR 100 each. 180 shares are issued and paid-up. The shares are wholly owned (100%) by the parent company LPE Capital B.V.

10.3 Share premium

The movement in the share premium can be specified as follows:

Share premium	2015	2014
Balance at 1 January	**302,983**	**302,983**
Mutation	1,000,000	0
Balance at 31 December	**1,302,983**	**302,983**

10.4 Other reserves

The movement in the other reserves can be specified as follows:

Movement schedule other reserves	2015	2014
Balance at 1 January	**713,333**	**0**
Appropriation of result of prior year	-17,979	1,261,948
Dividend paid	0	-548,615
Balance at 31 December	**695,354**	**713,333**

10.5 Unappropriated result

The movement in the unappropriated result can be specified as follows:

Movement schedule unappropriated result	2015	2014
Balance at 1 January	**-17,979**	**1,261,948**
Subtraction appropriated result	17,979	-1,261,948
Unapropriated result	-800,858	-17,979
Balance at 31 December	**-800,858**	**-17,979**

11 Provisions

11.1 Provision for deferred remuneration

Provision for deferred remuneration	2015	2014
Balance at 1 January	**78,711**	**158,631**
Release/payment	0	-66,422
Changes in value	-8,935	-13,498
Balance at 31 December	**69,776**	**78,711**

This entails conditional bonus awards which are subsequently linked to the changes in value of units in two investment funds managed by the Company. A deferral period of three years minimum is applicable. After this period the conditional bonus is paid out if the conditions are fulfilled.

The deferred bonus awards are fully funded through earmarked investments in units of two managed funds at the granting date. Income tax payments on the deferred bonus amounts are due when the net deferred bonus amounts are actually paid to employees.

12 Current liabilities

12.1 Liabilities to group companies

Payables to group companies	2015	2014
Payables to group companies	225,828	2,644,053
Total	**225,828**	**2,644,053**

The loan amounts payables in current account to group companies are non interest bearing. There are no arrangements in place regarding timing and magnitude of repayments or with respect to the security of these payments.

12.2 Accruals and other liabilities

Other accounts payable can be specified as follows:

Accruals and other liabilities	2015	2014
Trade creditors	209,848	152,624
Wage taxes, other taxes and social security contributions due	39,419	91,436
Accruals and other payables	156,497	161,228
Total	**405,764**	**405,288**

12.2.1 Wage taxes, other taxes and social security contributions due

Wage taxes, other taxes and social security contributions due	2015	2014
Wage taxes and social security contributions	37,389	59,190
Corporate income tax	1,757	0
Value added tax	273	32,246
Total	**39,419**	**91,436**

13 Off balance sheet assets and liabilities

The off balance sheet items assets and liabilities are, if applicable, and unless otherwise stated valued at nominal value.

13.1 Contingent liability in a fiscal unity

The Company is part of a fiscal unity for corporate income tax and value added tax purposes with her parent company LPE Capital B.V. All group companies within this fiscal unity are jointly and severally liable for the tax obligations of the fiscal unity as a whole.

14 Net revenues

The revenue composition can be specified as follows:

Net revenues	2015	2014
Management fees	685,154	1,434,120
Performance fees	0	538,575
Entry and exit fees	241,417	216,787
Operating fees	58,871	145,620
Total	**985,442**	**2,335,102**

14.1 Management fees

The Company has entered into separate agreements per Fund together with the depositary. The Funds offer investors the opportunity to participate. Under these agreements, the Company for portfolio and risk management services, is entitled to receive management fees on an annual basis calculated on a monthly basis over the net asset value of these Funds.

14.2 Performance fees

The Company can be entitled to receive a performance fee in case of outperformance. The performance fee is 25%[1] of the part above the highest historical net assets value ever reached (in case of the Market Neutral Fund) and 25% of each percentage point of outperformance relative to the specified benchmark (in case of the Fundamental Value Fund). Both these performance fees are calculated on the basis of a “high water mark” principle.

14.3 Entry and exit fees

The Company as manager of AIF and UCITS for some funds charges entry and exit fees as a percentage of the subscription and/or redemption amount.

14.4 Operating fees

Operating costs (e.g. Bloomberg terminals, trading systems) arising directly from the operation of the HiQ Invest Market Neutral Fund are separately charged to this fund.

15 Cost of sales

The cost of sales concerning outsourcing and other external costs with respect to the funds managed by the Company can be specified as follows:

Cost of sales	2015	2014
Service fee administrator	6,938	19,827
Service fee depositary	10,544	5,178
Other expenses	2,000	1,286
Total	**19,482**	**26,291**

[1] This performance fee is dependent on the type of investment class invested in and may therefore vary.

16 Operating expenses

16.1 Employee expenses

Employee expenses	2015	2014
Salaries	729,598	620,092
Social security contributions	83,223	83,822
Other employee expenses	195,449	240,587
Wage tax reduction*	-62,854	-42,336
(Re)charged employee expenses	46,198	51,261
Total	**991,614**	**953,426**

*This reduction in the wage tax paid refers to a facility provided by the Research and Development Promotion Act (WBSO).

16.2 Depreciation tangible fixed assets

Depreciation tangible fixed assets	2015	2014
Depreciation furniture	17,675	22,700
Depreciation computer & software	57,951	42,423
Profit on sold fixed assets	-539	0
(Re)charged depreciation expenses	-54,926	0
Total	**20,161**	**65,123**

The Company has decided to recharge to other group companies a significant part of the deprecation charge with respect to office furniture and computers & software based on effective use.

16.3 General and administrative expenses

General and administrtative expenses	2015	2014
Rent and service fees	71,367	89,880
Information and tradingsystems	437,847	463,680
Financial supervision	59,132	36,383
Audit and consultancy fees*	160,164	211,574
Marketing expenses	1,274	32,068
Other expenses	283,801	521,583
Total	**1,013,585**	**1,355,168**

In the general and administrative expenses, an amount of EUR 30.024 has been recognised in 2015 which actually relates to the financial year 2014. This misstated amount has no material impact on the net result over the financial year 2015 and equity as per 31 of December 2015

** The Company has appointed Ernst & Young Accountants LLP as its Independent Auditor. The Independent Auditor's remuneration in 2015 amounted to EUR 27,225 (including VAT) with respect to audit fees (2014: EUR 30,855). The Independent Auditor is engaged to perform the audit of the financial statements of the Company and the investment funds (AIF and UCITS) under its management. The Independent Auditor did not provide any non-audit services to the Company.*

17 Corporate Income Tax

The components of the Corporate Income Tax gains (expenses) are as follows:

Income tax expense	2015	2014
Result before taxes	**-1,068,885**	**-33,731**
Permanent differences	-14,613	-15,218
Temporary differences	26,581	16,584
Taxable income (loss)	**-1,056,917**	**-32,364**
Current income tax charge Bulgarian branch	-576	0
Current income tax charge Hong Kong	-1,181	0
Current income tax charge (gain)	0	8,091
Fiscal result (loss)	**-1,058,674**	**-24,273**
Deferred tax gain (compensable loss)	267,129	7,661
Deferred tax gain (other temporary differences)	2,655	0
The components of income tax expense are as follows:		
Current tax charge (gain)	-1,757	8,091
Deferred tax gain	269,784	7,661
Total	**268,027**	**15,752**

The statutory nominal corporate income tax rate is determined at the end of 2015 on 25% (2014: 25%) for profits above the amount of EUR 200,000 and 20% for profits below the amount of EUR 200,000 (2014: 20%).

18 Related parties

The related parties of the Companies have been listed in paragraph 1.3. The transactions with the related parties identified concern the intra group financing of working capital (in the balance sheet described as a receivable from or payables to group companies). Intra group recharges have been accounted for regarding the intra group use of employees, office furniture, computers and software, information technology, housing and other overhead costs. The tables below give an overview of outstanding balances with the Company's related parties at the balance sheet date.

Receivables from group companies	2015	2014
LPE Capital B.V.	746,590	3,350,492
DeGiro B.V.	218,865	0
FundShare Administrator B.V.	44,085	0
Total	**1,009,540**	**3,350,492**

Payables to group companies	2015	2014
FundShare Administrator B.V.	0	362,761
DeGiro B.V.	0	288,619
HiQ Trading Software B.V.	217,908	1,992,674
DAF Depositary B.V.	7,920	0
Total	**225,828**	**2,644,053**

19 Remuneration policies and practices

19.1 Main principles

The remuneration policy is based on the following main principles:

- ✓ it aims at promoting a sound and effective risk management;
- ✓ it does not encourage the taking of more risks than it is acceptable considered the risk profiles, rules or instruments of incorporation of the UCITS and AIFMD funds it manages;
- ✓ it aims to achieve and maintain a sound capital base.
- ✓ it is in line with the business strategy, objectives, values and long-term interests of the company;
- ✓ it is designed to avoid conflict of interests.

The remuneration policy is intended to be flexible and it is designed to safeguard a sound capital base, while providing sufficient reward to key personnel. The remuneration comprises a fixed component, a variable component and discretionary pension benefits, where the fixed and variable components of the remuneration are distributed in a balanced way.

The criteria used for calculating the remuneration are aimed at reflecting the link between payment and performance. The employees' performance is yearly evaluated based on their skill, expertise and quality of work, on the results reached and of degree the pre-fixed objectives have been partially or fully reached. The input for the assessment is provided by the senior management and top management, while the ultimate responsibility for awarding remuneration and benefit lays on the management board in its supervisory function.

The fixed component of the remuneration reflects the relevant work experience and organizational responsibility of the relevant employee.

The variable component is designed as to reflect both financial and non-financial criteria. The variable component of the remuneration for employees is calculated based on a combination of the assessment of:

- ✓ the performance of the individual;
- ✓ the performance of the relevant business unit and/or UCITS/AIF concerned
- ✓ the overall results of the company; and
- ✓ the performance of the group.

Employees engaged in control functions are compensated in accordance with the achievements of the objectives linked to their function and in such a way that their objectivity and independence is not compromised.

The variable remuneration of all the employees is calculated keeping into account the financial achievements of the company in the previous year, projected on the regulatory capital requirement for the next year. The variable remuneration may be paid partially in financial instruments and may be subject to retention and/or deferral over a period which deemed appropriate in light of the risks of the managed funds.

19.2 Annual Review

The management board in its supervisory function has adopted the remuneration policy. The remuneration policy is reviewed on an annual basis, in order to ensure compliance with national laws and regulations and in order to monitor that it operates as intended. The implementation of the remuneration policy is subject to central and independent review performed annually by the compliance department, in order to assess its compliance with policies and procedures laid down by the management board in its supervisory function. As a result of the annual reviews performed, the remuneration policy is assessed to be in line with current applicable laws and regulations and its implementation is deemed to be in compliance with the policy itself.

19.3 Average number of employees

During 2015 an average number of 12.87 employees (including directors) were employed based on a full time employment (2014: 10.26).

19.4 Remuneration of directors

The remuneration of the directors of the Company (fixed and variable) amounted to EUR 66,953 in 2015 (2014: EUR 81,593).

Amsterdam, 4 May 2016

Dr. Ir. J.H.M. Anderluh
Director

Drs. N.J. Klok CFA
Director

Other information

Statutory arrangement regarding the allocation of the result

In Article 14 of the Articles of Association, the following is included regarding the appropriation of the result: The corporate profit shown in the financial statements approved by the General Meeting of Shareholders – to the extent that the profit are not to be used for the creation or maintenance of reserves prescribed by law – is at the disposal of the General Meeting of Shareholders, that decides regarding reservation or distribution of profits. The distribution of profits may only be made to a maximum amount, which exceeds the portion of equity that is issued and called part of the capital plus the legally held reserves.

Proposal for result appropriation 2015

The General Meeting of Shareholders will be asked to approve the following appropriation of the 2015 result after taxation (net result): a negative amount of EUR 800,858 to be subtracted from the other reserves. The result after tax for 2015 is included under unappropriated result in shareholder's equity.

Branch offices

The Company has branch offices in Bulgaria (Sofia) and Hong Kong.

Auditor's report of the independent accountant

The auditor's report is included on the next page of this annual report.

Subsequent events

There have been no events after the end of the financial year that give further information about the actual situation at balance sheet date or raise doubt regarding the assumption of continuity of the Company.

Independent auditor's report

To: the board of directors of HiQ Invest B.V.

Report on the financial statements

We have audited the financial statements 2015 of HiQ Invest B.V., Amsterdam, which comprise the balance sheet as at 31 December 2015, the profit and loss account for the year then ended and the notes, compromising a summary of the significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code and with the Dutch Act on Financial Supervision, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of HiQ Invest B.V. as at 31 December 2015 and its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code and with the Dutch Act on Financial Supervision.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, have been prepared in accordance with Part 9 of Book 2 of this code, and whether the information as required under section 2:392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, are consistent with the financial statements as required by section 2:391 sub 4 of the Dutch Civil Code.

The Hague, 4 May 2016

Ernst & Young Accountants LLP

signed by R. Bleijs