

**Annual report including audited financial statements
as at 31st December 2015**

KATLA MANAGER SELECTION

SICAV with multiple sub-funds incorporated under Luxembourg law

R.C.S. Luxembourg B 72 942

CONVENTUM
ASSET MANAGEMENT

Subscriptions may be made only on the basis of the prospectus including the articles of incorporation and the fact sheets of each of the sub-funds and the key investor information document (KIID). The prospectus may only be distributed if accompanied by the most recent annual report and the most recent half-year report, if the half-year report is more recent than the annual report.

KATLA MANAGER SELECTION

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KATLA MANAGER SELECTION

Organisation

Registered office	14, Boulevard Royal L-2449 LUXEMBOURG
Board of Directors	
Chairman	Margrét SVEINSDOTTIR Managing Director Asset Management & Private Banking ARION BANK HF Borgartún 19 IS-108 REYKJAVIK
Directors	Eric CHINCHON ME BUSINESS SOLUTIONS S.à r.l. 16, Rue Jean-Pierre Brasseur L-1258 LUXEMBOURG Andri V. SIGURDSSON ME BUSINESS SOLUTIONS S.à r.l. 16, Rue Jean-Pierre Brasseur L-1258 LUXEMBOURG
Management Company	CONVENTUM ASSET MANAGEMENT Société Anonyme 9, Boulevard Prince Henri L-1724 LUXEMBOURG
Board of Directors of the Management Company	
Chairman	Antoine CALVISI Conseiller du Comité de Direction BANQUE DE LUXEMBOURG Société Anonyme 14, Boulevard Royal L-2449 LUXEMBOURG
Directors	Pierre AHLBORN Administrateur-Délégué BANQUE DE LUXEMBOURG Société Anonyme 14, Boulevard Royal L-2449 LUXEMBOURG Mario KELLER Administrateur de Sociétés 14, Boulevard Royal L-2449 LUXEMBOURG Pit RECKINGER Avocat ELVINGER, HOSS & PRUSSEN 2, Place Winston Churchill L-1340 LUXEMBOURG

KATLA MANAGER SELECTION

Organisation (continued)

	<p>Fernand REINERS Membre du Comité de Direction BANQUE DE LUXEMBOURG Société Anonyme 14, Boulevard Royal L-2449 LUXEMBOURG</p>
	<p>Nico THILL Directeur BANQUE DE LUXEMBOURG Société Anonyme 14, Boulevard Royal L-2449 LUXEMBOURG</p>
Managers of the Management Company	<p>Michèle BIEL General Manager CONVENTUM ASSET MANAGEMENT Société Anonyme 9, Boulevard Prince Henri L-1724 LUXEMBOURG</p> <p>Georges ENGEL General Manager CONVENTUM ASSET MANAGEMENT Société Anonyme 9, Boulevard Prince Henri L-1724 LUXEMBOURG</p> <p>Rita HERRMANN General Manager CONVENTUM ASSET MANAGEMENT Société Anonyme 9, Boulevard Prince Henri L-1724 LUXEMBOURG</p>
Investment Manager	<p>STEFNIR ASSET MANAGEMENT COMPANY HF Borgartún 19 IS-108 REYKJAVIK</p>
Domiciliary Agent, Depositary and Primary Paying Agent and Central Administration	<p>BANQUE DE LUXEMBOURG Société Anonyme 14, Boulevard Royal L-2449 LUXEMBOURG</p>
Central Administration's Subcontractor	<p>EUROPEAN FUND ADMINISTRATION Société Anonyme 2, Rue d'Alsace L-1122 LUXEMBOURG</p>

KATLA MANAGER SELECTION

Organisation (continued)

Independent auditor

ERNST & YOUNG
Société Anonyme
35E, avenue John F Kennedy
L-1855 LUXEMBOURG

KATLA MANAGER SELECTION

General information

KATLA MANAGER SELECTION (the "SICAV") is an investment company with variable capital ("SICAV") with multiple sub-funds incorporated under Luxembourg law, subject to Part I of the amended Law of 2010.

The SICAV has been incorporated for an unlimited duration as of 17th December 1999. The articles of incorporation were last amended by the extraordinary general meeting of 11th June 2012. The latest version of the coordinated articles of incorporation was published on 20th June 2012.

CONVENTUM ASSET MANAGEMENT has been appointed as Management Company by the Board of Directors of the SICAV. The Management Company is authorised to act as a Management Company in accordance with the provisions of chapter 15 of the amended 2010 Law.

At the date of the report, the following Sub-Funds are opened to investors:

- | | |
|---|--------|
| - KATLA MANAGER SELECTION - GLOBAL EQUITY | in EUR |
| - KATLA MANAGER SELECTION - EMERGING MARKETS
(formerly KATLA MANAGER SELECTION - BRIC) | in EUR |

The Board of Directors of the SICAV decided with effect on 21st August 2015 to change the name of the Sub-Fund "KATLA MANAGER SELECTION - BRIC" into "KATLA MANAGER SELECTION - EMERGING MARKETS".

The Board of Directors of the SICAV may launch further Sub-Funds at any time by issuing the supplements referring to these Sub-Funds.

The Net Asset Value per share of each class within each Sub-Fund is determined on each business day in Luxembourg (the "Valuation Date").

Each Sub-Fund has specific assets and liabilities and is governed by a separate investment policy. The investors may choose between various Sub-Funds and to switch from one Sub-Fund to another within the same eligible share class.

The Sub-Funds currently offer for subscription issue the following class of shares:

- Class C1 shares: accumulation shares expressed in the reference currency of the Sub-Fund, which in theory do not grant their holder the right to receive a dividend, but for which the holder's entitlement on the amount to be distributed is reinvested in the sub-fund in which the accumulation shares are held.

The financial year starts on 1st January and ends on 31st December of the same calendar year.

For each financial year, the SICAV publishes an audited financial report by no later than four months after the end of the financial year. At the end of each six-month period ending 30th June, the SICAV publishes a semi-annual financial report by no later than two months after this date. These reports may be obtained free of charge from the SICAV upon request.

The Prospectus including the Articles of incorporation and the fact sheets, the KIID, the annual and semi-annual reports of the SICAV are available free of charge at the registered office of the SICAV and at the registered office of the Management Company.

The complaint settlement procedure foreseen by the CSSF Regulation N° 13-02 relating to the out-of-court resolution of complaints is available at the registered office of the SICAV.

KATLA MANAGER SELECTION

Report on activities of the Board of Directors

Market Development

In the first four months of 2015 equity markets rose sharply and by mid-April the MSCI World Index was up by almost 20% (all returns in EUR) and the MSCI Emerging Markets Index was up by almost 25%. Amongst the developed markets, Japanese and European markets outperformed the US. Amongst Emerging Markets, China was the best performing region in the beginning of 2015 and was up by almost 50% in mid-April. In the first quarter of 2015, the US Dollar strengthened quite as markets were expecting the first Federal Reserve ("FED") rate hike while Bank of Japan ("BoJ") and European Central Bank ("ECB") implemented further loose monetary policy. However, as summer came, mixed economic indicators came out of China; imports and exports were slowing down as well as car sales and the housing market was soft. These economic numbers and the Chinese equity selloff seem to have triggered a global selloff and in August markets were mostly flat for the year and volatility had increased significantly. Weak demand from China pushed global commodities lower throughout the year and increased oil supply from US shale producers and Organisation of the Petroleum Exporting Countries ("OPEC") failing to cut production resulted in lower oil prices. Despite extreme volatility in the latter half of 2015, equity markets managed to finish the year on a positive note. The MSCI World Index ended the year up by little more than 8% and the MSCI US ended the year up by 10.5%, outperforming other Developed Markets. The MSCI Emerging Market Index however ended the year down by almost 8%, led by big losses in Brazil. Surprisingly though, Russia was the best performing Emerging Market regions despite low oil prices and an economy in recession.

In 2015 the global economy kept improving, global unemployment fell and labor markets strengthened although deflation persisted to be a problem, largely because of lower commodity prices. Global GDP growth was decent in 2015, in Europe the economy grew at a pace of 1.5%, quite higher than in recent years. The US economy grew at 1.8%, quite below initial expectations, mainly due to a weak manufacturing sector and a strong US Dollar. Japan grew only at a modest pace of 0.5%, but still considerably higher than a subtraction of -1% in 2014. The Chinese economy grew at a reported "mare" pace of 6.8%, much lower than the 10% average since 2000. China is attempting to transition its economy from an investment driven one, to a consumption driven one with lower exports and more domestic spending. This process will have its problems and there will be obstacles on the way. The Chinese government will no longer be able to stimulate growth by large infrastructure investments and demand for commodities will be lower. As the Chinese economy matures, lower growth rate going forward is inevitable and markets will have to adjust.

Although markets have seen extreme volatility in the beginning of 2016 (and probably more to come), we continue to believe that conditions for equities are still favorable for the remains of the year. Global monetary stimulus continues, low inflation remains and there are low or negative interest rates in most regions. Equity valuations are attractive, especially relative to other asset classes. The US economy should continue to recover in 2016, driven by a strengthening consumer and rising house prices although the manufacturing sector continues to suffer due to a strong US Dollar. The US market experienced a slight negative earnings growth in 2015, mostly due to weak earnings from the materials and energy sectors. As commodity prices stabilize and the effects of a stronger consumer will feed through, earnings should rise again. The European economy should continue to recover as monetary stimulus remains on schedule and we are already seeing signs of rapidly falling unemployment in South Europe and higher lending growth rate. Although weaker demand from China is taking its toll on German exports domestic demand remains robust. The Japanese economy should continue to recover due to monetary stimulus and better corporate governance, weaker demand from China and persistent deflation will probably still remain a problem. With negative interest rates in Japan, and historically very cheap equities, Japanese equities should be in favor in 2016. The Chinese economy will continue to remain in the focus in 2016, GDP growth should be lower than in 2015 but we expect no "hard landing" (GDP growth below 5%). There are some supportive numbers coming out of China as freight data seems to have bottomed out and urban housing prices are recovering. The Chinese government is determined to whatever it takes and seem to have sufficient tools as they can still lower interest rates and reserve ratios with inflation in an all-time low and large currency reserves.

KATLA MANAGER SELECTION

Report on activities of the Board of Directors (continued)

KATLA MANAGER SELECTION - GLOBAL EQUITY

The Sub-Fund Global Equity returned 11.88% (EUR) in 2015, compared with 6.62% (EUR) return of the benchmark, the MSCI All Country Index. The Sub-Fund outperformed by 5.26%. The largest contribution to the funds outperformance was European and Japanese overweight in the first half of the year as well as fund selection was a positive contributor.

KATLA MANAGER SELECTION - EMERGING MARKETS

The Sub-Fund Emerging Markets returned -3.39% (EUR) in 2015, compared with -7.50% (EUR) return of the benchmark, the MSCI Emerging Markets Index. The Sub-Fund outperformed by 4.11%. The largest contribution to the funds outperformance was Chinese overweight in the first half of the year as well as fund selection was a positive contributor.

Board Activity

A great portion of activities of the Board is dedicated to compliance with ever changing regulations. To this end, the Board would like to inform that it has taken all necessary steps and is prepared for UCITS V transposition into national law, has completed the necessary steps to meet all reporting deadlines imposed by local regulators and is prepared for "CRS" (known as Common Reporting Standard). The Board strives to ensure that the SICAV is at all time in line with best market practice, having at least quarterly board meetings, checking that any conflict of interest, overseeing the service providers of the SICAV and particularly the management company with whom the Board has an ongoing dialogue.

The Board also seeks ways to promote the SICAV and attract new investors while providing the current ones the insurance that they invested in a SICAV that does respect at all-time local laws, circulars and best market practice.

The Board would like to thank you for investing in our SICAV. The Board is grateful for your continued confidence in the SICAV.

Luxembourg, 18th February 2016

The Board of Directors

Note: The information in this report represents historical data and is not an indication of future results.

Independent auditor's report

To the Shareholders of
KATLA MANAGER SELECTION
Luxembourg

We have audited the accompanying financial statements of KATLA MANAGER SELECTION (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 31st December 2015 and the statement of operations and other changes in net assets for the year then ended, and a summary of significant accounting policies and other notes to the financial statements.

Responsibility of the Board of Directors of the SICAV for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these 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 and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require 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 judgement of the "réviseur d'entreprises agréé", 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 "réviseur d'entreprises agréé" 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 the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.



Independent auditor's report (continued)

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of KATLA MANAGER SELECTION and of each of its sub-funds as of 31st December 2015, 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.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Nadia FABER

Luxembourg, 13th April 2016

KATLA MANAGER SELECTION

Combined statement of net assets (in EUR) as at 31st December 2015

Assets

Securities portfolio at market value	106,921,814.94
Cash at banks	<u>525,650.40</u>
Total assets	<u>107,447,465.34</u>

Liabilities

Bank overdrafts	10,806.60
Expenses payable	<u>522,683.24</u>
Total liabilities	<u>533,489.84</u>
Net assets at the end of the year	<u>106,913,975.50</u>

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

KATLA MANAGER SELECTION

Combined statement of operations and other changes in net assets (in EUR)

from 1st January 2015 to 31st December 2015

<u>Income</u>	
Dividends, net	188,805.31
Interest on bank accounts	137.69
Commissions received	198,608.07
Other income	2,354.88
Total income	<u>389,905.95</u>
<u>Expenses</u>	
Management fees	2,136,365.33
Custodian fees	118,250.18
Banking charges and other fees	24,312.62
Transaction fees	81,315.38
Central administration costs	137,179.40
Professional fees	24,193.99
Other administration costs	15,144.54
Subscription duty ("taxe d'abonnement")	36,523.44
Interest paid on bank overdrafts	3,095.62
Other expenses	3,927.67
Total expenses	<u>2,580,308.17</u>
Net investment loss	-2,190,402.22
<u>Net realised gain/(loss)</u>	
- on securities portfolio	31,879,154.81
- on forward foreign exchange contracts	-26.59
- on foreign exchange	355,380.31
Realised result	<u>30,044,106.31</u>
<u>Net variation of the unrealised gain/(loss)</u>	
- on securities portfolio	<u>-14,499,660.11</u>
Result of operations	<u>15,544,446.20</u>
Subscriptions	5,787,629.29
Redemptions	-69,178,611.43
Total changes in net assets	<u>-47,846,535.94</u>
Total net assets at the beginning of the year	<u>154,760,511.44</u>
Total net assets at the end of the year	<u>106,913,975.50</u>

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

KATLA MANAGER SELECTION - GLOBAL EQUITY

Statement of net assets (in EUR)

as at 31st December 2015

Assets

Securities portfolio at market value	89,218,757.65
Cash at banks	422,784.75
Total assets	89,641,542.40

Liabilities

Bank overdrafts	5,557.58
Expenses payable	437,529.94
Total liabilities	443,087.52

Net assets at the end of the year	89,198,454.88
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Number of Class C1 shares outstanding	456,232.460
Net asset value per Class C1 share	195.511

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

KATLA MANAGER SELECTION - GLOBAL EQUITY

Statement of operations and other changes in net assets (in EUR)

from 1st January 2015 to 31st December 2015

<u>Income</u>	
Dividends, net	154,710.83
Interest on bank accounts	132.50
Commissions received	150,125.90
Other income	2,354.88
Total income	<u>307,324.11</u>
<u>Expenses</u>	
Management fees	1,813,748.13
Custodian fees	98,320.77
Banking charges and other fees	20,879.06
Transaction fees	60,664.12
Central administration costs	94,546.83
Professional fees	20,622.35
Other administration costs	11,810.71
Subscription duty ("taxe d'abonnement")	32,517.03
Interest paid on bank overdrafts	2,583.71
Other expenses	2,320.64
Total expenses	<u>2,158,013.35</u>
Net investment loss	-1,850,689.24
<u>Net realised gain/(loss)</u>	
- on securities portfolio	29,921,343.47
- on foreign exchange	293,504.23
Realised result	<u>28,364,158.46</u>
<u>Net variation of the unrealised gain/(loss)</u>	
- on securities portfolio	<u>-12,488,760.05</u>
Result of operations	<u>15,875,398.41</u>
Subscriptions	399,124.70
Redemptions	-62,590,828.60
Total changes in net assets	<u>-46,316,305.49</u>
Total net assets at the beginning of the year	<u>135,514,760.37</u>
Total net assets at the end of the year	<u><u>89,198,454.88</u></u>

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

KATLA MANAGER SELECTION - GLOBAL EQUITY

Statistical information (in EUR)

as at 31st December 2015

Total net assets

- as at 31.12.2015	89,198,454.88
- as at 31.12.2014	135,514,760.37
- as at 31.12.2013	102,238,451.55

Number of Class C1 shares

- outstanding at the beginning of the year	775,484.899
- issued	2,065.565
- redeemed	-321,318.004
- outstanding at the end of the year	456,232.460

Net asset value per Class C1 share

- as at 31.12.2015	195.511
- as at 31.12.2014	174.748
- as at 31.12.2013	151.458

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

KATLA MANAGER SELECTION - GLOBAL EQUITY

Statement of investments and other net assets (in EUR)

as at 31st December 2015

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
EUR	87,293	Katla Fd Global Value A Cap EUR	8,968,260.13	11,634,411.04	13.04
EUR	17,739.5925	Katla Fd Scandinavian Equities A EUR Cap	1,900,150.00	2,332,224.23	2.61
EUR	1,474.02	Stefnir Scandinavian Fund	119,716.83	177,748.09	0.20
EUR	817,235	Montanaro European Smaller Co Plc Fd Istl EUR Dist	3,484,050.45	4,436,768.82	4.97
EUR	3,154,274	Montanaro European Smaller Co Plc MidCap Istl Cap	4,643,444.38	5,813,326.98	6.52
			19,115,621.79	24,394,479.16	27.34
JPY	140,026	AXA Rosenberg Eq Alpha Trust Japan Equity Alpha Fd A	973,279.97	1,140,194.64	1.28
JPY	69,509	Invesco Fds SICAV Japanese Equity Advantage C Cap	1,189,258.51	2,203,275.70	2.47
JPY	59,313,088	State Street GI Adviso Lux Scv Asia Pacific En Eq P Cap	2,713,166.67	4,193,174.41	4.70
			4,875,705.15	7,536,644.75	8.45
USD	351,019	AXA Rosenberg Eq Alpha Trust US Enh Idx USD A Cap	5,653,609.59	8,116,102.29	9.10
USD	166,374	Fidelity Fds SICAV Emerging Markets Y ACC Cap	1,758,177.11	1,620,844.31	1.82
USD	1,582,424	State Street GI Adviso Lux Scv No America En Equity Fd P Cap	8,275,982.29	14,569,229.14	16.33
			15,687,768.99	24,306,175.74	27.25
		Total investment funds (UCITS)	39,679,095.93	56,237,299.65	63.04
Tracker funds (UCITS)					
EUR	38,000	Amundi ETF FTSE Mib UCITS	1,500,620.00	1,412,460.00	1.58
EUR	7,000	Amundi ETF MSCI Spain Ucits Dist	1,353,450.00	1,246,630.00	1.40
EUR	32,000	db x-trackers DAX UCITS ETF (DR)1C Cap	3,355,060.00	3,377,920.00	3.79
EUR	93,000	db x-trackers MSCI Em Mks TRN Idx UCITS ETF 1C Cap	2,928,307.76	2,718,390.00	3.05
EUR	24,500	db x-trackers MSCI Europe Idx UCITS ETF (DR) 1C Cap	1,236,185.25	1,239,210.00	1.39
EUR	280,400	db x-trackers MSCI USA TRN Idx UCITS ETF 1C Cap	11,682,374.62	13,638,656.00	15.29
EUR	288,000	db x-trackers S&P500 UCITS ETF 1C Cap	9,352,606.00	9,348,192.00	10.48
		Total tracker funds (UCITS)	31,408,603.63	32,981,458.00	36.98
		Total investments in securities	71,087,699.56	89,218,757.65	100.02
		Cash at banks		422,784.75	0.47
		Bank overdrafts		-5,557.58	-0.01
		Other net assets/(liabilities)		-437,529.94	-0.48
		Total		89,198,454.88	100.00

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

KATLA MANAGER SELECTION - GLOBAL EQUITY

Industrial and geographical classification of investments

as at 31st December 2015

Industrial classification

(in percentage of net assets)

Investment funds	100.02 %
Total	<u>100.02 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Luxembourg	74.97 %
Ireland	21.87 %
France	2.98 %
Iceland	0.20 %
Total	<u>100.02 %</u>

KATLA MANAGER SELECTION - EMERGING MARKETS

Statement of net assets (in EUR)

as at 31st December 2015

Assets

Securities portfolio at market value	17,703,057.29
Cash at banks	102,865.65
Total assets	17,805,922.94

Liabilities

Bank overdrafts	5,249.02
Expenses payable	85,153.30
Total liabilities	90,402.32

Net assets at the end of the year	17,715,520.62
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Number of Class C1 shares outstanding	167,313.987
Net asset value per Class C1 share	105.882

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

KATLA MANAGER SELECTION - EMERGING MARKETS

Statement of operations and other changes in net assets (in EUR)

from 1st January 2015 to 31st December 2015

<u>Income</u>	
Dividends, net	34,094.48
Interest on bank accounts	5.19
Commissions received	48,482.17
Total income	82,581.84
<u>Expenses</u>	
Management fees	322,617.20
Custodian fees	19,929.41
Banking charges and other fees	3,433.56
Transaction fees	20,651.26
Central administration costs	42,632.57
Professional fees	3,571.64
Other administration costs	3,333.83
Subscription duty ("taxe d'abonnement")	4,006.41
Interest paid on bank overdrafts	511.91
Other expenses	1,607.03
Total expenses	422,294.82
Net investment loss	-339,712.98
<u>Net realised gain/(loss)</u>	
- on securities portfolio	1,957,811.34
- on forward foreign exchange contracts	-26.59
- on foreign exchange	61,876.08
Realised result	1,679,947.85
<u>Net variation of the unrealised gain/(loss)</u>	
- on securities portfolio	-2,010,900.06
Result of operations	-330,952.21
Subscriptions	5,388,504.59
Redemptions	-6,587,782.83
Total changes in net assets	-1,530,230.45
Total net assets at the beginning of the year	19,245,751.07
Total net assets at the end of the year	17,715,520.62

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

KATLA MANAGER SELECTION - EMERGING MARKETS

Statistical information (in EUR)

as at 31st December 2015

Total net assets

- as at 31.12.2015	17,715,520.62
- as at 31.12.2014	19,245,751.07
- as at 31.12.2013	24,730,690.58

Number of Class C1 shares

- outstanding at the beginning of the year	175,597.656
- issued	45,455.122
- redeemed	-53,738.791
- outstanding at the end of the year	167,313.987

Net asset value per Class C1 share

- as at 31.12.2015	105.882
- as at 31.12.2014	109.601
- as at 31.12.2013	103.893

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

KATLA MANAGER SELECTION - EMERGING MARKETS

Statement of investments and other net assets (in EUR)

as at 31st December 2015

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
HKD	350,000	China Construction Bank Corp H	232,772.17	220,810.55	1.25
HKD	22,000	China Mobile Ltd	242,327.61	228,711.50	1.29
HKD	13,000	Tencent Holdings Ltd	238,841.39	235,543.14	1.33
			713,941.17	685,065.19	3.87
USD	17,000	Infosys Ltd spons ADR repr 1 Share	265,502.27	262,200.74	1.48
USD	9,400	Reliance Industries Ltd GDR repr 2 Shares 144A	260,717.65	264,861.88	1.50
USD	700	Samsung Electronics Co Ltd spons GDR repr 0.5 Share	362,844.63	342,587.48	1.93
USD	13,300	Taiwan Semiconduct Mfg Co Ltd ADR repr 5 Shares	281,564.36	278,614.18	1.57
			1,170,628.91	1,148,264.28	6.48
Total shares			1,884,570.08	1,833,329.47	10.35
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
EUR	178,787	BNY Mellon Global Fds Plc Brazil Eq Fd C Dist	242,252.40	131,193.90	0.74
USD	31,229	Franklin Templeton Inv Fds China I Cap	695,638.76	707,684.80	3.99
USD	17,686	Franklin Templeton Inv Fds SICAV India Fd I USD Cap	381,677.25	533,185.67	3.01
USD	16,609	Fidelity Fds China Focus A USD Dist	545,360.74	783,039.41	4.42
USD	192,186	Fidelity Fds SICAV Emerging Markets Y ACC Cap	2,023,353.59	1,872,309.28	10.57
USD	39,212	Fidelity Fds Taiwan A USD Dist	398,541.57	340,920.53	1.92
USD	4,194	JPMorgan Fds India A USD Dist	237,435.71	323,239.23	1.82
			4,282,007.62	4,560,378.92	25.73
Total investment funds (UCITS)			4,524,260.02	4,691,572.82	26.47
Tracker funds (UCITS)					
EUR	644,000	Amundi ETF MSCI Em Mks UCITS EUR Dist	2,100,624.00	1,941,660.00	10.96
EUR	25,000	db x-trackers MSCI Brazil Idx UCITS ETF DR 1C Cap	610,250.00	527,000.00	2.98
EUR	162,000	db x-trackers MSCI China Index UCITS ETF (DR) 1C Cap	1,987,740.00	1,846,800.00	10.43
EUR	104,500	db x-trackers MSCI Em Mks TRN Idx UCITS ETF 1C Cap	3,539,012.20	3,054,535.00	17.24
EUR	91,000	db x-trackers MSCI India Index UCITS ETF 1C Cap	803,530.00	786,240.00	4.44
EUR	37,000	db x-trackers MSCI Korea Idx UCITS ETF (DR) 1C Cap	1,956,750.00	1,734,190.00	9.79
EUR	33,000	db x-trackers MSCI Russia Capped Idx UCITS ETF 1C Cap	556,394.47	499,290.00	2.82
EUR	46,000	db x-trackers MSCI Taiwan TRN Idx UCITS ETF 1C Cap	853,760.00	788,440.00	4.45
Total tracker funds (UCITS)			12,408,060.67	11,178,155.00	63.11
Total investments in securities			18,816,890.77	17,703,057.29	99.93
Cash at banks				102,865.65	0.58
Bank overdrafts				-5,249.02	-0.03
Other net assets/(liabilities)				-85,153.30	-0.48
Total				17,715,520.62	100.00

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

KATLA MANAGER SELECTION - EMERGING MARKETS

Industrial and geographical classification of investments

as at 31st December 2015

Industrial classification

(in percentage of net assets)

Investment funds	89.58 %
Semiconductors and semiconductor equipment	3.50 %
Software and services	2.81 %
Materials	1.50 %
Telecommunication services	1.29 %
Banks	1.25 %
Total	<u>99.93 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Luxembourg	77.88 %
France	10.96 %
India	2.98 %
South Korea	1.93 %
Taiwan	1.57 %
Cayman Islands	1.33 %
Hong Kong	1.29 %
China	1.25 %
Ireland	0.74 %
Total	<u>99.93 %</u>

KATLA MANAGER SELECTION

Notes to the financial statements

as at 31st December 2015

Note 1 - Significant accounting policies

a) Presentation of the accounts

The financial statements of the SICAV are established in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment.

b) Valuation of assets

The assets values are determined as follows:

1. The value of cash on hand or on deposit, bills and notes due on demand, accounts receivable, prepaid expenses, dividends, and interest declared or due but not yet received consists of the nominal value of these assets, unless it is unlikely that this value will be received, in which event, the value shall be determined by deducting an amount which the SICAV deems adequate to reflect the real value of these assets.
2. The value of all transferable securities, money-market instruments and financial derivative instruments that are listed on a stock exchange or traded on another regulated market that operates regularly, and is recognised and open to the public, is determined based on the most recent available price.
3. In the case of SICAV investments that are listed on a stock exchange or traded on another regulated market that operates regularly, is recognised and open to the public and traded by market makers outside the stock exchange on which the investments are listed or of the market on which they are traded, the Board of Directors may determine the main market for the investments in question that will be then evaluated at the last available price on that market.
4. The value of securities representative of an open-ended undertaking for collective investment shall be determined according to the last official net asset value per unit or according to the last estimated net asset value if it is more recent than the official net asset value, and provided that the SICAV is assured that the valuation method used for this estimate is consistent with that used for the calculation of the official net asset value.

c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by each Sub-Fund that are denominated in currencies other than the reference currency of the Sub-Fund is converted into this currency at the exchange rate prevailing on the date of purchase.

d) Net realised gain (loss) on sales of securities

The realised gains and losses on sales of securities are calculated on the basis of the average acquisition cost.

e) Investment income

Dividend income is recorded at the ex-date, net of any withholding tax.

f) Valuation of forward foreign exchange contracts

Forward foreign exchange contracts are valued at forward rates for the remaining period from valuation date to the maturity of the contracts. Net unrealised gains or losses are recorded in the statement of net assets. Net variation of unrealised gains or losses and net realised gains or losses are recorded in the statement of operations and other changes in net assets.

KATLA MANAGER SELECTION

Notes to the financial statements (continued)

as at 31st December 2015

g) Formation expenses

Formation expenses were amortised on a straight line basis over a period of 5 years.

h) Conversion of foreign currencies

Cash at banks, other net assets and liabilities and the market value of the securities in portfolio expressed in currencies other than the currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the report. Income and expenses expressed in currencies other than the currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the transaction. Exchange gains or losses are recorded in the statement of operations and other changes in net assets.

i) Combined financial statements

The combined financial statements of the SICAV are expressed in EUR and are equal to the sum of the corresponding items in the financial statements of each Sub-Fund.

j) Transaction fees

Transaction costs disclosed under the item "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the SICAV and of fees relating to liquidation of transactions paid to the custodian bank.

Note 2 - Management fees

The Management Company may delegate, under its responsibility and its control, the management of the assets of one or several Sub-Funds of the SICAV to one or several Investment Managers.

The Management Company has appointed STEFNIR ASSET MANAGEMENT COMPANY HF. as Investment Manager of the Sub-Funds.

The Investment Manager STEFNIR ASSET MANAGEMENT COMPANY hf. is entitled to receive from the relevant Sub-Funds an annual management fee calculated daily on the average net assets of the Sub-Funds and which are paid on a quarterly basis. The rates are:

- KATLA MANAGER SELECTION - GLOBAL EQUITY up to 2.5% for Class C1 share
- KATLA MANAGER SELECTION - EMERGING MARKETS up to 1.5% for Class C1 share

Note 3 - Management Company fees

The SICAV pays fees to the Management Company in accordance with normal practice in Luxembourg.

This fee is recorded under the item "Management fees", together with the Management fees, in the statement of operations and other changes in net assets.

Note 4 - Management fees of the target funds

The management fee of the target funds in which the Sub-Funds invest rises to maximum 2.50% p.a., calculated on the net assets invested in the target fund.

KATLA MANAGER SELECTION

Notes to the financial statements (continued)

as at 31st December 2015

Note 5 - Trailers fees / rebates on investment management fees

The SICAV is entitled to receive rebates (namely "trailers fees") from the underlying funds.

Rebates of management fees that have incurred by investments made by the SICAV during the accounting year ending on 31st December 2015 have been allocated back into the respective Sub-Funds and are recorded under the item "Commissions received" in the statement of operations and other changes in net assets.

Note 6 - Central administration costs

The item "Central administration costs" disclosed in the statement of operations and other changes in net assets is mainly composed of administrative agent commissions and director fees.

At the date of the report, the director fees have been recorded under the item "Central administration costs" for the following Sub-Funds and amounted to :

- KATLA MANAGER SELECTION - GLOBAL EQUITY	EUR 34,915.54
- KATLA MANAGER SELECTION - EMERGING MARKETS	EUR 6,034.46

Note 7 - Subscriptions, redemptions and conversion

Shares are issued at a price based on the Net Asset Value per share on the Valuation Date. For Class C1 share, the subscription price may be increased by an entrance fee of a maximum of 2% of the Net Asset Value payable to agents authorised to receive subscription applications.

Shares are redeemed at a price based on the Net Asset Value per share on the Valuation Date. No redemption fee is charged.

Each shareholder has the right to switch from one Sub-Fund to another and may be subject to a conversion fee of a maximum 1% of the converted amount in favour of the disinvested Sub-Fund.

Note 8 - Subscription duty ("Taxe d'abonnement")

The SICAV is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the SICAV is subject to an annual subscription duty ("taxe d'abonnement") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter.

Pursuant to Article 175 (a) of the amended law of 17th December 2010, the net assets invested in undertakings for collective investment already subject to the "taxe d'abonnement" are exempt from this tax.

Note 9 - Risk management

As required by Circular CSSF 11/512, the Board of Directors needs to determine the global risk exposure of the SICAV either by applying the commitment approach or the VaR approach. In terms of risk management, the Board of Directors of the SICAV decided to adopt the commitment approach as a method of determining the global risk exposure.

KATLA MANAGER SELECTION

Notes to the financial statements (continued)
as at 31st December 2015

Note 10 - Changes in investments

The statement of changes in investments for the period covered by the report is available free of charge at the registered office of the SICAV as well as at the Paying Agents in the different countries of distribution of the SICAV.