

# LA FINANCIÈRE CONSTANCE SICAV

Société d'Investissement à Capital Variable (SICAV)

Annual Report, including Audited Financial Statements  
as at June 30, 2018

R.C.S. Luxembourg B205470

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Subscriptions shall only be valid if made on the basis of the KIID ("Key Investor Information Document") or the current prospectus accompanied by the most recent annual report as well as by the most recent semi-annual report if published more recently than the most recent annual report. No one is authorised to state other information than the one contained in the prospectus as well as in the documents herein mentioned, which are available to the public.

Copies of the complete prospectus and the latest financial reports of LA FINANCIÈRE CONSTANCE SICAV ("the Company") may be obtained, free of charge, upon request at the Company's registered office, 2, rue d'Arlon, L-8399 Windhof, Grand Duchy of Luxembourg.

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Annual Report, including Audited Financial Statements  
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# LA FINANCIÈRE CONSTANCE SICAV

## Organisation of the Company

<b>REGISTERED OFFICE</b>	2, rue d'Arlon, L-8399 Windhof, Grand Duchy of Luxembourg
<b>BOARD OF DIRECTORS</b>	<p>Olivier ARMANGAU, Chairman, La Financière Constance Inc, 1010 Sherbrooke Ouest, Suite 1800, Montréal (QC) H3A 2R7, Canada</p> <p>Raoul CHEVIGNARD, Independent Director, Cicerone Luxembourg S.à r.l., 3, rue Dicks, L-4081 Esch-sur-Alzette, Grand Duchy of Luxembourg</p> <p>Gilles LABRY, Director, MAG ASSET MANAGEMENT SA, 18, boulevard Helvétique, CH-1207 Genève, Switzerland</p>
<b>MANAGEMENT COMPANY AND DOMICILIARY AGENT</b>	Pure Capital S.A., 2, rue d'Arlon, L-8399 Windhof, Grand Duchy of Luxembourg
<b>BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY</b>	
<b>CHAIRMAN</b>	Thierry LEONARD, Managing Director, Pure Capital S.A.
<b>DIRECTORS</b>	<p>Guy POURVEUR, Managing Director, Pure Capital S.A.</p> <p>Patrick VANDER EECKEN, Managing Director, Pure Capital S.A.</p> <p>Bernard PONS, Managing Director, Pure Capital S.A.</p> <p>Frédéric VENDITTI, Managing Director, Pure Capital S.A.</p>
<b>CONDUCTING PERSONS OF THE MANAGEMENT COMPANY</b>	<p>Thierry LEONARD, Managing Director, Pure Capital S.A.</p> <p>Guy POURVEUR, Managing Director, Pure Capital S.A.</p> <p>Patrick VANDER EECKEN, Managing Director, Pure Capital S.A.</p> <p>Bernard PONS, Managing Director, Pure Capital S.A.</p> <p>Frédéric VENDITTI, Managing Director, Pure Capital S.A.</p>
<b>DEPOSITARY BANK AND PAYING AGENT</b>	Société Générale Bank & Trust S.A., 11, avenue Emile Reuter, L-2420 Luxembourg, Grand Duchy of Luxembourg
<b>ADMINISTRATIVE, TRANSFER AND REGISTRAR AGENT</b>	Société Générale Bank & Trust S.A., 11, avenue Emile Reuter, L-2420 Luxembourg, Grand Duchy of Luxembourg
<b>INVESTMENT MANAGER</b>	La Financière Constance, Inc, 1010 Sherbrooke Ouest, Suite 1800, Montréal (QC), H3A 2R7, Canada

# LA FINANCIÈRE CONSTANCE SICAV

## Organisation of the Company (continued)

PRINCIPAL  
DISTRIBUTOR

Pure Capital S.A., 2, rue d'Arlon, L-8399 Windhof, Grand Duchy of Luxembourg

CABINET DE  
REVISION AGREE

KPMG Luxembourg, Société Coopérative, 39, avenue John F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg

# LA FINANCIÈRE CONSTANCE SICAV

## General information

Before continuance in Luxembourg under the current undertaking for collective investment in transferable securities ("UCITS") format, **LA FINANCIÈRE CONSTANCE SICAV** (the "**Company**") was incorporated in Jersey, Channel Islands on July 2, 2008 as an open-ended investment company and commenced business on July 4, 2008. Its investment objective is to achieve a long term capital appreciation by investing in listed derivatives, mutual funds, hedge funds and currencies.

On July 8, 2015, a decision has been reached to migrate the Company to Luxembourg where it continues as société anonyme incorporated under the laws of Luxembourg in order that the Company can take the form as an UCITS which is an investment fund structure that is not available to Jersey incorporated companies.

As from March 18, 2016, the Company is listed on the official list of undertakings for collective investment pursuant to the law of December 17, 2010 concerning undertakings for collective investment, as amended (hereafter referred to as the "**2010 Law** ") and subject to the 2010 Law and to the law of August 10, 1915 on commercial companies, as amended (the "**1915 Law**"). It is subject in particular to the provisions of Part I of the 2010 Law, which relates specifically to UCITS, as defined by the Directive 2009/65/EC. However, such listing does not require any Luxembourg authority to approve or disapprove either the adequacy or the accuracy of this prospectus (the "**Prospectus**") or the portfolio of securities held by the Company.

The Company is an investment company with variable share capital consisting of various sub-funds, each relating to a portfolio of specific assets made up of transferable securities and money market instruments within the meaning of the 2010 Law and the Grand-Ducal regulation of February 8, 2008 ("Transferable Securities" and "Money Market Instruments" respectively) as well as other eligible assets in compliance with article 41 of the 2010 Law denominated in various currencies. The characteristics and investment policies of each sub-fund are defined in Appendix III in the prospectus dated February 2018.

At the date of the present report, the following sub-funds are open:

- LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE STRATÉGIE
- LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS

The financial year of the Company starts each year on 1 July and ends on the last day of June of each year.

The annual general meeting of shareholders will be held in Luxembourg, at the registered office of the Company or at any other place in the municipality of the registered office of the Company which will be specified in the convening notice to the meeting, on the second Thursday in the month of October at 4:00 p.m. (CET). If this day is not a Bank Business Day, the annual general meeting will be held on the next following Bank Business Day. Shareholders will meet upon the call of the Board of Directors of the SICAV in accordance with the provisions of Luxembourg law.

The financial statements of each sub-fund are expressed in its respective reference currency, whereas the consolidated accounts will be expressed in Euro.

The annual reports, which are made available within 4 (four) months after the end of the financial year, as well as the semi-annual reports, which are made public within 2 (two) months after the end of the half-year, are held at the shareholders' disposal at the registered office of the Company and of the Management Company.

The changes in portfolios may be obtained on simple request and free of charge at the company's registered office.

# LA FINANCIÈRE CONSTANCE SICAV

## Management report

### Market Comments

The highlight of the period under review was February 5, 2018.

While the market continued to be lulled by the melodious chants of the US tax reforms, the lack of inflation and favorable corporate earnings reports, the release of a stronger than expected the average hourly wage index in the US up stronger, suddenly raised fears of a potential for significant inflation ahead of us and made the market anxious about the monetary policy of the FED.

As a result, the market dropped moderately on February 2 (-2.12% for the S&P500 and -1.51% for the Eurostoxx50) but it had severe effects on the VIX and the VStoxx, respectively up 28.50% and - more modestly - 7.40%.

As a reminder, in recent years and at the beginning of the year 2018, a very popular transaction with US managers was the sale of volatility, either through the sale of options and/or future, or through the purchase of reverse volatility ETFs or ETNs. Additionally, many investors saw these products as a simple and effective way to capture "yield" in a low-rate environment. Yet, they did not necessarily understand the mechanism of these products.

At the end of January, the two main "short volatility" ETPs' AUM totaled approximately USD 3.2 billion.

The size of over-the-counter positions or other variant of this trade were probably also large yet more difficult to quantify.

When, on February 5, 2018 the market sell-off accentuated (on a Friday), many began buying back their short positions. Additionally, in anticipation of the leveraged ETNs' rebalancing (which adjust their position at market close), many also bought volatility, which contributed to fueling its rise. ETP providers, which already had to buy back very large amounts of VIX future contracts, were then forced to buy even more, causing an unprecedented and historic one-day rally in the VIX, and a sharp fall of the equity market.

In fact, that in this instance it is the rise of VIX that drove the equity markets down, and not the other way as it is customary. A new development in these inter-related markets.

On February 5, 2018 the VIX recorded its strongest historical one-day rally rising 115%, going from 17.31 to 37.32. The most dramatic consequence was the disappearance of some volatility funds (with short exposure to volatility) and more symbolically the disappearance of the famous ETN XIV.

Starting in the second quarter of 2018, the theme of the trade war between the United States, China and Europe, and to a lesser extent the political crises in Italy and Germany, has also weighed on investor sentiment. However, this did not weigh on the performance of the markets, particularly the US.

From June 30, 2017 to June 30, 2018, the S&P 500 was up 12.17% while the EuroStoxx50 recorded a slight decrease of 1.34%. The VIX meanwhile was up 43.99% and the VStoxx decreased 3.59%. Interestingly, this rise in the price of risk had absolutely no impact on the price of US assets.

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

# LA FINANCIÈRE CONSTANCE SICAV

## Management report (continued)

These volatility data indicate some normalization of the price of risk, but this does not mean that market sentiment has become risk averse.

Central banks have continued (and M. Powell taking office as the new Chairman of the Fed on February 5th did not change the trend) to hold a very accommodating speech, despite the rate increases by the Fed and the planned reduction of bond purchases by the ECB. As for the Bank of Japan, it continued to be the major player in the Japanese equity and bond market, in its visibly delicate struggle against anemic inflation.

### Investment Management Commentary

#### CONSTANCE STRATÉGIE

The "America First" policy continued to be very supportive for the US equity markets while weighing on emerging markets and, to a lesser extent, on the European markets.

The strength of the US dollar (driven by the normalization of US monetary policy but also by significant growth, supported by tax reform reform) has stressed the emerging markets, especially those with a large external debt in USD, low foreign exchange reserves and a large current account deficit. Similarly, the topic of tariffs has also weighed on emerging markets and European markets. At the same time, European macroeconomic data have seriously deteriorated in Europe, and the political situation (Germany, Italy and Spain) has not helped market sentiment.

In the end over the period, the S&P500 is up 12.17%, the Russell 2000 of 16.08% (which includes US small and mid-caps, deemed the least impacted by the customs barriers and the biggest beneficiaries of the tax reform) while the Eurostoxx50 is down 1.34%. Although the MSCI Emerging Market is up 5.80% over the period, it is down almost 16% since the January highs, with US markets handily outperforming them.

This decoupling of performance, rather unprecedented (in its magnitude) is reflected in the performance of funds present in the Constance Strategy.

The other highlight is the underperformance of alternative management over the period. Whether it be, Long/Short, CTA, Global Macro, or Options Funds, they all experienced an adverse environment over the first 8 months of the period under review (the market was not favoring diversification and the volatility was low).

On the other hand, from the end of February, the conditions were again met to deliver positive performances.

For hedging reasons, (mainly until March) and then to generate returns during certain peaks of volatility, the Constance Strategy sub-fund used listed index options (Eurostoxx50). The net cost is 0.69% for the sub-fund. These hedges helped reduce the sub-fund's volatility.

#### Performances from June 30, 2017 to June 29, 2018:

The sub-fund is down 1.34%. As for the volatility of the sub-fund, the annualized daily volatility stood at 4.29%, the annualized weekly volatility at 5.43% and finally, the annualized monthly basis volatility was 4.34%, confirming the defensive positioning of the sub-fund.

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

# LA FINANCIÈRE CONSTANCE SICAV

## Management report (continued)

### CONSTANCE ALTERNATIVE OPTIONS

During this period, the volatility regime changed. From June 2017 to February 2018, volatility remained low in absolute terms while itself saw little change in its level. This set-up is particulate adverse for the sub-fund. In such a context the asymmetric risk is very high (volatility can easily jump but barely go down), and as a result, the cost of carrying is high (because there is no sale of volatility to finance the cover). The sub-fund therefore maintains a minimal hedging position, which exposes it in the event of a violent reversal (as was the case in February 2018). In order to reduce the negative impact of such an environment, convex strategies in the North American market have been put in place. As these are relative value positions, the absolute level of volatility matters less than in the case of positions on the European portfolio. Since March 2018, the volatility regime has evolved. It is now characterized by a higher level of volatility and a greater volatility of volatility as well. These two factors were favorable for the sub-fund, which recorded a performance of 0.83% over the second half. Such a regime not only provides opportunities to monetize the hedging positions, but also allows to "hold" these positions for longer. Similarly, with higher levels of volatility, opportunistic volatility sales become relevant and possible once again, with an attractive risk-return being.

#### Performance from June 30, 2017 to June 29, 2018:

The share A in EUR is down 2.76% and the share in CHF is down 3.40%.

The B share in EUR is down 3.06%. As for units I in EUR and USD, they were down respectively by 2.75% and 0.46%.

The volatility of the sub-fund remained low. On an annualized basis the daily volatility on a daily was 2.29%, the annualized weekly volatility was 2.16%, and finally, on a monthly basis it was 2.09%.

Class B USD has been closed. It was created to meet the need of a single customer, outstanding amounts were not sufficient to ensure economic sustainability, following the increase in the pricing of certain partners and additional costs to meet the evolution of the regulation.

October 25, 2018

Established by the Investment Manager

Approved by the Board of Directors



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To the Shareholders of  
LA FINANCIÈRE CONSTANCE SICAV  
2, Rue d'Arlon,  
L-8399 Windhof  
Grand Duchy of Luxembourg

## **REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

### ***Opinion***

We have audited the accompanying financial statements of LA FINANCIÈRE CONSTANCE SICAV and each of its sub-funds ("the Fund"), which comprise the statement of net assets and the statement of investments and other net assets as at June 30, 2018 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of LA FINANCIÈRE CONSTANCE SICAV and each of its sub-funds as at June 30, 2018, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### ***Basis for opinion***

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

### ***Other information***

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

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



## **REPORT OF THE REVISEUR D'ENTREPRISES AGREE (continued)**

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

### ***Responsibilities of Board of Directors of the Fund for the financial statements***

The Board of Directors of the Fund 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 Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Responsibilities of the "Réviseur d'Entreprises agréé" for the audit of the financial statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



## REPORT OF THE REVISEUR D'ENTREPRISES AGREE (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Réviseur d'Entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Luxembourg, October 26, 2018

KPMG Luxembourg  
Société coopérative  
Cabinet de révision agréé

V. Ehx

# LA FINANCIÈRE CONSTANCE SICAV

## Statement of net assets as at June 30, 2018

	COMBINED	CONSTANCE STRATÉGIE	CONSTANCE ALTERNATIVE OPTIONS
	EUR	EUR	EUR
<b>ASSETS</b>			
Investments in securities at market value (note 2)	25,082,181.57	8,279,416.58	16,802,764.99
Interest receivable on investments	13,027.71	-	13,027.71
Cash at banks	2,747,644.11	495,215.28	2,252,428.83
Formation expenses (note 2)	43,461.40	20,609.77	22,851.63
Other assets	78.96	-	78.96
Total assets	27,886,393.75	8,795,241.63	19,091,152.12
<b>LIABILITIES</b>			
Bank overdraft	154,974.38	-	154,974.38
Net unrealised loss on forward exchange contracts (note 9)	14,600.46	-	14,600.46
Net unrealised loss on futures (note 10)	25,062.30	-	25,062.30
Management company fees payable (note 3)	4,739.59	1,245.38	3,494.21
Investment management fees payable (note 4)	60,333.48	24,659.75	35,673.73
Taxes and expenses payable	84,889.64	37,841.67	47,047.97
Total liabilities	344,599.85	63,746.80	280,853.05
<b>TOTAL NET ASSETS</b>	<b>27,541,793.90</b>	<b>8,731,494.83</b>	<b>18,810,299.07</b>

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

# LA FINANCIÈRE CONSTANCE SICAV

## Statement of operations and changes in net assets for the year from July 1, 2017 to June 30, 2018

	COMBINED	CONSTANCE STRATÉGIE	CONSTANCE ALTERNATIVE OPTIONS
	EUR	EUR	EUR
<b>INCOME</b>			
Dividends, net (note 2)	8,149.61	6,738.63	1,410.98
Interest on bonds (note 2)	102,300.00	-	102,300.00
Bank interest	319.87	164.87	155.00
Other income (note 12)	122,558.87	72,060.65	50,498.22
Total income	233,328.35	78,964.15	154,364.20
<b>EXPENSES</b>			
Management company fees (note 3)	45,401.21	14,227.53	31,173.68
Investment management fees (note 4)	413,293.47	175,649.42	237,644.05
Administration, accounting and domiciliation fees (note 5)	80,086.14	31,048.42	49,037.72
Interest and bank fees	7,954.05	2,190.19	5,763.86
"Taxe d'abonnement" (note 6)	12,073.58	2,092.68	9,980.90
Depository fees (note 5)	54,478.52	27,141.39	27,337.13
Transfer agent fees	17,181.59	8,305.95	8,875.64
Professional fees	53,423.76	17,214.86	36,208.90
Transaction fees (note 11)	251,052.44	22,336.65	228,715.79
Performance fees (note 7)	454.16	-	454.16
Amortization of formation expenses (note 2)	15,324.06	7,249.95	8,074.11
Other fees	31,389.06	4,306.26	27,082.80
Total expenses	982,112.04	311,763.30	670,348.74
<b>NET INVESTMENT LOSS</b>	<b>-748,783.69</b>	<b>-232,799.15</b>	<b>-515,984.54</b>
<b>NET REALISED GAIN/LOSS</b>			
- on investments	363,999.33	607,329.97	-243,330.64
- on forward exchange contracts	-179,461.98	-	-179,461.98
- on options	198,118.97	-32,319.00	230,437.97
- on futures	-251,777.95	-110,563.65	-141,214.30
<b>Net realised gain/loss</b>	<b>-617,905.32</b>	<b>231,648.17</b>	<b>-849,553.49</b>
<b>CHANGE IN NET UNREALISED RESULT</b>			
- on investments	-260,765.32	-397,841.24	137,075.92
- on forward exchange contracts	41,952.38	-	41,952.38
- on options	-97,396.62	10,210.00	-107,606.62
- on futures	20,487.70	6,000.00	14,487.70
- on currencies	11,788.28	8,409.02	3,379.26
<b>Change in net unrealised appreciation/depreciation</b>	<b>-283,933.58</b>	<b>-373,222.22</b>	<b>89,288.64</b>
<b>RESULT OF OPERATIONS</b>	<b>-901,838.90</b>	<b>-141,574.05</b>	<b>-760,264.85</b>
Subscriptions	2,316,604.79	96,226.07	2,220,378.72
Redemptions	-13,257,734.42	-4,531,767.91	-8,725,966.51
<b>DECREASE OF NET ASSETS DURING THE YEAR</b>	<b>-11,842,968.53</b>	<b>-4,577,115.89</b>	<b>-7,265,852.64</b>
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	<b>39,384,762.43</b>	<b>13,308,610.72</b>	<b>26,076,151.71</b>
<b>NET ASSETS AT THE END OF THE YEAR</b>	<b>27,541,793.90</b>	<b>8,731,494.83</b>	<b>18,810,299.07</b>

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

# LA FINANCIÈRE CONSTANCE SICAV

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

Sub-funds	Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
			30.06.2018	30.06.2018	30.06.2017	30.06.2016
CONSTANCE STRATÉGIE	A	EUR	98,234.2389	88.88	90.09	85.84
CONSTANCE ALTERNATIVE OPTIONS	A	EUR	102,536.5496	125.00	128.56	129.84
CONSTANCE ALTERNATIVE OPTIONS	A	CHF	14,434.6793	96.12	99.51	101.23
CONSTANCE ALTERNATIVE OPTIONS*	B	EUR	24,823.1379	95.84	98.87	-
CONSTANCE ALTERNATIVE OPTIONS**	B	USD	-	-	100.29	-
CONSTANCE ALTERNATIVE OPTIONS*	I	EUR	7,026.4654	96.43	99.16	-
CONSTANCE ALTERNATIVE OPTIONS***	I	USD	20,295.0389	100.12	100.59	-

(\*) This share class was launched on November 4, 2016.

(\*\*) This share class was launched on May 19, 2017 and closed on May 4, 2018.

(\*\*\*) This share class was launched on March 2, 2017.

			30.06.2018	30.06.2017	30.06.2016
Net asset value					
CONSTANCE STRATÉGIE		EUR	8,731,494.83	13,308,610.72	16,956,976.34
CONSTANCE ALTERNATIVE OPTIONS		EUR	18,810,299.07	26,076,151.71	24,396,473.35

# LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE STRATÉGIE

## Statement of investments and other net assets as at June 30, 2018 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>I. TRANSFERABLE SECURITIES AND DERIVATIVES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>OPTIONS</b>				
<i>INTERNATIONAL</i>				
CALL SX5E/201808/3775	EUR	-20.00	-80.00	0.00
CALL SX5E/201809/3875	EUR	40.00	200.00	0.00
PUT SX5E/201808/2875	EUR	-90.00	-4,320.00	-0.05
PUT SX5E/201808/3000	EUR	-70.00	-6,370.00	-0.07
PUT SX5E/201809/2800	EUR	-70.00	-6,020.00	-0.07
PUT SX5E/201809/2850	EUR	-70.00	-7,280.00	-0.08
PUT SX5E/201810/2650	EUR	-70.00	-5,880.00	-0.07
			-29,750.00	-0.34
<b>TOTAL I.</b>			<b>-29,750.00</b>	<b>-0.34</b>
<b>II. INVESTMENT FUNDS</b>				
<i>FRANCE</i>				
ECHIQUIER QME G	EUR	5,900.00	556,960.00	6.38
MONETA MULTI CAPS C	EUR	1,100.00	299,244.00	3.43
			856,204.00	9.81
<i>IRELAND</i>				
INRIS R PARUS EUR I HDG CAP	EUR	4,000.01	445,680.56	5.10
MONTLAKE BUTLER CREDIT OPP UCITS FD EUR SICAV	EUR	4,500.00	462,420.45	5.30
OAKS EMERGING UMBRELLA FUND PLC OAKS FUND SICAV	EUR	41,000.00	621,109.00	7.11
OLD MUTUAL GLOBAL INVESTMENT SIES	EUR	340,000.00	566,746.00	6.49
			2,095,956.01	24.00
<i>LUXEMBOURG</i>				
ELEVA UCITS FUND SICAV ELEVA EUROPEAN SELECTION	EUR	1,857.00	239,237.31	2.74
EXANE 1 OVERDRIVE FD AC	EUR	50.00	697,122.61	7.99
EXANE 2 ZEPHYR - SHS -A- CAPITALISATION EUR SICAV	EUR	39.41	403,424.39	4.62
EXANE FUNDS 2 EQUITY SELECT EUROPE A	EUR	25.00	500,178.50	5.73
LA FINANCIERE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS CLASS A CAP EUR (NOTE 2.9)	EUR	4,351.11	543,845.39	6.23
LA FINANCIERE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS CLASS B DIST RETAIL SICAV (NOTE 2.9)	EUR	10.00	958.40	0.01
LA FINANCIERE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS CLASS I INSTITUTION SICAV (NOTE 2.9)	EUR	1,009.99	97,403.72	1.12
MFS MERIDIAN FD EURP VALUE A1	EUR	12,200.00	518,866.00	5.94
ORBIS SICAV GLOBAL EQUITY FUND INVESTOR DIS	EUR	2,500.00	504,200.00	5.77
PROSPER FUNDS - GLOBAL MACRO I EUR	EUR	2,000.81	252,722.18	2.89
PROSPER STARS & STRIPES FUND SICAV EUR	EUR	2,503.70	256,128.20	2.93
PROTEA FUND SICAV CRAWFORD LAKE US EQ FUND	USD	5,888.87	542,710.84	6.22
SCHRODER INTL SELECTION FUND ASIAN TOT RET C EUR HEDG	EUR	600.00	153,469.92	1.76
SCHRODER INTL SELECTION FUND EUROP SPECIAL SIT A CAP	EUR	1,800.00	346,179.06	3.96
UNI-GLOBAL 100% MV EUROPE	EUR	95.00	300,560.05	3.44
			5,357,006.57	61.35
<b>TOTAL II.</b>			<b>8,309,166.58</b>	<b>95.16</b>

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

# LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE STRATÉGIE

## Statement of investments and other net assets as at June 30, 2018 (expressed in EUR)

Description	Market value (note 2)	% of net assets
<b>TOTAL INVESTMENTS</b>	<b>8,279,416.58</b>	<b>94.82</b>
CASH AT BANKS	495,215.28	5.67
OTHER NET LIABILITIES	-43,137.03	-0.49
<b>TOTAL NET ASSETS</b>	<b>8,731,494.83</b>	<b>100.00</b>

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

# LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE STRATÉGIE

Industrial classification of investments as at June 30, 2018

## Industrial classification

(in % of net assets)

Investment funds	95.16
Options	-0.34
	<b>94.82</b>

# LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS

## Statement of investments and other net assets as at June 30, 2018 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES AND DERIVATIVES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>OPTIONS</b>				
<i>INTERNATIONAL</i>				
CALL FXE/201901/120	USD	220.00	10,862.92	0.06
CALL SX5E/201807/3675	EUR	-20.00	-40.00	0.00
CALL SX5E/201807/3700	EUR	-10.00	-20.00	0.00
CALL SX5E/201807/3725	EUR	-20.00	-20.00	0.00
CALL SX5E/201808/3700	EUR	40.00	400.00	0.00
CALL SX5E/201809/3850	EUR	20.00	120.00	0.00
CALL SX5E/201811/3750	EUR	-80.00	-6,320.00	-0.03
CALL SX5E/201812/3900	EUR	-20.00	-660.00	0.00
PUT FXE/201901/120	USD	220.00	149,627.51	0.79
PUT R2/201807/3250	EUR	-20.00	-1,540.00	-0.01
PUT R2/201807/3275	EUR	-20.00	-2,040.00	-0.01
PUT R2/201807/3300	EUR	-80.00	-10,720.00	-0.06
PUT R2/201807/3325	EUR	-80.00	-14,160.00	-0.08
PUT SX5E/201807/3150	EUR	-100.00	-5,800.00	-0.03
PUT SX5E/201807/3175	EUR	100.00	7,100.00	0.04
PUT SX5E/201807/3200	EUR	100.00	8,800.00	0.05
PUT SX5E/201807/3225	EUR	-80.00	-8,640.00	-0.05
PUT SX5E/201807/3250	EUR	80.00	10,720.00	0.06
PUT SX5E/201807/3275	EUR	-60.00	-9,960.00	-0.05
PUT SX5E/201807/3300	EUR	-80.00	-16,400.00	-0.09
PUT SX5E/201807/3325	EUR	-120.00	-30,600.00	-0.16
PUT SX5E/201808/3075	EUR	-120.00	-15,960.00	-0.08
PUT SX5E/201808/3100	EUR	-40.00	-6,040.00	-0.03
PUT SX5E/201808/3150	EUR	-80.00	-15,680.00	-0.08
PUT SX5E/201808/3175	EUR	50.00	11,150.00	0.06
PUT SX5E/201808/3200	EUR	120.00	30,600.00	0.16
PUT SX5E/201808/3225	EUR	-100.00	-29,100.00	-0.15
PUT SX5E/201808/3250	EUR	70.00	23,310.00	0.12
PUT SX5E/201808/3300	EUR	80.00	34,960.00	0.19
PUT SX5E/201809/2850	EUR	-10.00	-1,040.00	-0.01
PUT SX5E/201809/2900	EUR	-210.00	-26,670.00	-0.14
PUT SX5E/201809/2950	EUR	-200.00	-31,000.00	-0.16
PUT SX5E/201809/3000	EUR	-85.00	-16,150.00	-0.09
PUT SX5E/201809/3025	EUR	-40.00	-8,400.00	-0.04
PUT SX5E/201809/3075	EUR	-70.00	-18,060.00	-0.10
PUT SX5E/201809/3100	EUR	-40.00	-11,400.00	-0.06
PUT SX5E/201809/3200	EUR	40.00	17,320.00	0.09
PUT SX5E/201809/3225	EUR	35.00	16,835.00	0.09
PUT SX5E/201809/3250	EUR	60.00	32,040.00	0.17
PUT SX5E/201809/3275	EUR	40.00	23,720.00	0.13
PUT SX5E/201809/3300	EUR	60.00	39,540.00	0.21
PUT SX5E/201809/3350	EUR	15.00	12,210.00	0.06
PUT SX5E/201809/3400	EUR	25.00	25,150.00	0.13
PUT SX5E/201810/2600	EUR	-80.00	-5,680.00	-0.03
PUT SX5E/201810/2700	EUR	-80.00	-7,920.00	-0.04

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

# LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS

## Statement of investments and other net assets as at June 30, 2018 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
PUT SX5E/201810/2750	EUR	-80.00	-9,360.00	-0.05
PUT SX5E/201810/2800	EUR	-60.00	-8,340.00	-0.04
PUT SX5E/201810/2850	EUR	-160.00	-26,400.00	-0.14
PUT SX5E/201810/2900	EUR	-135.00	-26,460.00	-0.14
PUT SX5E/201810/2950	EUR	-110.00	-25,740.00	-0.14
PUT SX5E/201810/3200	EUR	40.00	22,880.00	0.12
PUT SX5E/201810/3250	EUR	85.00	58,310.00	0.31
PUT SX5E/201810/3300	EUR	40.00	32,960.00	0.18
PUT SX5E/201810/3350	EUR	55.00	54,505.00	0.29
PUT SX5E/201810/3400	EUR	25.00	29,725.00	0.16
PUT SX5E/201811/2650	EUR	-80.00	-9,680.00	-0.05
PUT SX5E/201811/2750	EUR	-40.00	-6,640.00	-0.04
PUT SX5E/201811/2800	EUR	-40.00	-7,760.00	-0.04
PUT SX5E/201811/2850	EUR	-35.00	-7,945.00	-0.04
PUT SX5E/201811/2900	EUR	-30.00	-7,980.00	-0.04
PUT SX5E/201811/2925	EUR	-30.00	-8,640.00	-0.05
PUT SX5E/201811/2950	EUR	-30.00	-9,360.00	-0.05
PUT SX5E/201811/2975	EUR	-30.00	-10,140.00	-0.05
PUT SX5E/201811/3150	EUR	35.00	20,720.00	0.11
PUT SX5E/201811/3200	EUR	60.00	41,820.00	0.22
PUT SX5E/201811/3250	EUR	60.00	49,200.00	0.26
PUT SX5E/201811/3300	EUR	30.00	28,980.00	0.15
PUT SX5E/201812/2600	EUR	-120.00	-17,640.00	-0.09
PUT SX5E/201812/2650	EUR	-110.00	-18,700.00	-0.10
PUT SX5E/201812/2700	EUR	-140.00	-27,580.00	-0.15
PUT SX5E/201812/2750	EUR	-125.00	-28,500.00	-0.15
PUT SX5E/201812/2800	EUR	-145.00	-38,280.00	-0.20
PUT SX5E/201812/2850	EUR	-100.00	-30,500.00	-0.16
PUT SX5E/201812/2900	EUR	-107.00	-37,771.00	-0.20
PUT SX5E/201812/2950	EUR	-20.00	-8,160.00	-0.04
PUT SX5E/201812/3000	EUR	80.00	37,760.00	0.20
PUT SX5E/201812/3100	EUR	50.00	31,550.00	0.17
PUT SX5E/201812/3125	EUR	50.00	33,900.00	0.18
PUT SX5E/201812/3150	EUR	80.00	58,400.00	0.31
PUT SX5E/201812/3200	EUR	70.00	59,080.00	0.31
PUT SX5E/201812/3250	EUR	40.00	39,080.00	0.21
PUT SX5E/201812/3300	EUR	65.00	73,710.00	0.38
PUT VIX/201807/17	USD	806.00	161,344.97	0.85
PUT VIX/201808/17	USD	-806.00	-186,203.91	-0.99
			<b>430,590.49</b>	<b>2.29</b>
<b>TOTAL OPTIONS</b>			<b>430,590.49</b>	<b>2.29</b>
<b>BONDS</b>				
<i>AUSTRALIA</i>				
FRN AUST & NZ BANKING GROUP 28/10/2019	EUR	450,000.00	451,858.50	2.40
FRN NATIONAL AUSTRALIA BANK 19/04/2021	EUR	450,000.00	454,630.50	2.42
			<b>906,489.00</b>	<b>4.82</b>

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

# LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS

## Statement of investments and other net assets as at June 30, 2018 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>BELGIUM</i>				
FRN ANHEUSER-BUSCH INBEV NV 17/03/2020	EUR	500,000.00	505,200.00	2.69
			505,200.00	2.69
<i>CANADA</i>				
FRN ROYAL BANK OF CANADA 06/08/2020	EUR	350,000.00	351,974.00	1.87
			351,974.00	1.87
<i>DENMARK</i>				
FRN DANSKE BANK AS 03/03/2020	EUR	500,000.00	501,935.00	2.67
			501,935.00	2.67
<i>FRANCE</i>				
FRN BNP PARIBAS 22/09/2022	EUR	600,000.00	603,306.00	3.20
FRN CARREFOUR BANQUE 21/10/2019	EUR	500,000.00	504,510.00	2.68
FRN GECINA 30/06/2022	EUR	400,000.00	398,904.00	2.12
FRN RCI BANQUE SA 18/03/2019	EUR	250,000.00	251,382.50	1.34
FRN SOCIETE GENERALE 01/04/2022	EUR	500,000.00	502,060.00	2.67
0.04% DEXIA CREDIT LOCAL 11/12/2019	EUR	200,000.00	200,940.00	1.07
			2,461,102.50	13.08
<i>GERMANY</i>				
FRN DEUTSCHE BANK AG 15/04/2019	EUR	400,000.00	398,692.00	2.12
FRN NORDDEUTSCHE LANDESBANK 08/07/2019	EUR	200,000.00	201,730.00	1.07
FRN WL BANK 14/04/2020	EUR	600,000.00	599,376.00	3.19
0.00% HENKEL AG AND CO KGAA 13/09/2018	EUR	350,000.00	350,007.00	1.86
			1,549,805.00	8.24
<i>IRELAND</i>				
FRN GE CAP EURIB3 17/05/2021	EUR	400,000.00	399,068.00	2.12
			399,068.00	2.12
<i>LUXEMBOURG</i>				
FRN MORGAN STANLEY 08/11/2022	EUR	450,000.00	450,585.00	2.40
0.125% NORDLB LX COV BOND BK 06/11/2018	EUR	400,000.00	400,508.00	2.13
0.48% JOHN DEERE EURIBOR 3 MOIS+ 19/03/2019	EUR	600,000.00	601,554.00	3.19
			1,452,647.00	7.72
<i>NETHERLANDS</i>				
FRN BMW FINANCE VAR 17/07/2019	EUR	300,000.00	300,618.00	1.60
FRN DEUTSCHE TELEKOM INT FIN 03/04/2020	EUR	450,000.00	451,188.00	2.40
FRN NEDERLANDSE GASUNIE NV 16/10/2018	EUR	950,000.00	950,722.00	5.05
FRN VOLKSWAGEN INT FINANCIAL NV 16/07/2018	EUR	450,000.00	450,009.00	2.39
FRN VOLKSWAGEN INTL FIN NV 30/03/2019	EUR	500,000.00	500,360.00	2.66
			2,652,897.00	14.10

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

# LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS

## Statement of investments and other net assets as at June 30, 2018 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets	
<i>SWEDEN</i>					
FRN	LANSFORSKRINGAR BANK 02/08/2019	EUR	500,000.00	501,850.00	2.67
FRN	SCANIA CV AB 20/04/2020	EUR	400,000.00	400,784.00	2.13
			902,634.00	4.80	
<i>UNITED KINGDOM</i>					
FRN	ABBAY NATL TREASURY SERV 13/08/2019	EUR	300,000.00	301,854.00	1.61
0.875%	VODAFONE GROUP PLC 17/11/2020	EUR	250,000.00	254,802.50	1.35
			556,656.50	2.96	
<i>UNITED STATES</i>					
FRN	BANK OF AMERICA 21/09/2021	EUR	400,000.00	398,976.00	2.12
FRN	COCA COLA COMPANY 09/09/2019	EUR	450,000.00	451,372.50	2.40
FRN	GENERAL MILLS INC 15/01/2020	EUR	450,000.00	453,978.00	2.41
FRN	GOLDMAN SACHS 11/09/2018	EUR	500,000.00	500,515.00	2.66
FRN	MCDONALD'S CORP 26/08/2019	EUR	300,000.00	300,780.00	1.60
FRN	UNITED PARCEL SERVICE 15/07/2020	EUR	400,000.00	402,388.00	2.14
FRN	WELLS FARGO & COMPANY 26/04/2021	EUR	650,000.00	653,822.00	3.48
0.50%	FEDEX CORP 09/04/2020	EUR	250,000.00	251,947.50	1.34
1.125%	CARNIVAL CORP 06/11/2019	EUR	450,000.00	456,907.50	2.43
1.875%	IBM CORP 06/11/2020	EUR	250,000.00	261,080.00	1.39
			4,131,766.50	21.97	
<b>TOTAL BONDS</b>			<b>16,372,174.50</b>	<b>87.04</b>	
<b>TOTAL INVESTMENTS</b>			<b>16,802,764.99</b>	<b>89.33</b>	
CASH AT BANKS			2,097,454.45	11.15	
OTHER NET LIABILITIES			-89,920.37	-0.48	
<b>TOTAL NET ASSETS</b>			<b>18,810,299.07</b>	<b>100.00</b>	

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

# LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS

Industrial classification of investments as at June 30, 2018

## Industrial classification

(in % of net assets)

Bonds	87.04
Options	2.29
	<b>89.33</b>

# LA FINANCIÈRE CONSTANCE SICAV

## Notes to the financial statements as at June 30, 2018

### NOTE 1 - PRESENTATION OF THE FINANCIAL STATEMENTS

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

The combined figures in the financial statements are expressed in Euro.

### NOTE 2 - PRINCIPAL ACCOUNTING METHODS

The assets of each sub-fund of the Company are valued in accordance with the following principles:

1. The value of any cash at hand or on deposit, bills, demand notes and accounts receivable, prepaid expenses, dividends and interests matured but not yet received is valued at the par-value of the assets, except if it appears that such value is unlikely to be received. In such a case, subject to the approval of the Board of Directors, the value is determined by deducting a certain amount to reflect the true value of the assets.
2. The value of Transferable Securities, Money Market Instruments and/or financial derivative instruments listed on an official Stock Exchange or dealt in on a regulated market which operates regularly and is recognised and open to the public (a "Regulated Market(s)"), as defined by laws and regulations in force, is based on the latest available price and if such Transferable Securities are dealt in on several markets, on the basis of the latest known price on the stock exchange which is normally the principal market for such securities. If the latest known price is not representative, the value is determined based on a reasonably foreseeable sales price to be determined prudently and in good faith.
3. In the event that any Transferable Securities or/and Money Market Instruments are not listed or dealt in on any stock exchange or any other Regulated Market operating regularly, recognised and open to the public, as defined by the laws and regulations in force, the value of such assets is assessed on the basis of their foreseeable sales price estimated prudently and in good faith.
4. The liquidating value of derivative contracts not traded on exchanges or on other Regulated Markets shall mean their net liquidating value determined by the Board of Directors in a fair and reasonable manner, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts traded on exchanges or on other Regulated Markets is based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Company; provided that if a futures, forward and options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract is such value as the Board of Directors may deem fair and reasonable.
5. The value of Money Market Instruments not listed or dealt in on any stock exchange or any other Regulated Market and with remaining maturity of less than 12 (twelve) months and of more than 90 (ninety) days are deemed to be the nominal value thereof, increased by any interest accrued thereon. Money market instruments with a remaining maturity of 90 (ninety) days or less are valued by the amortised cost method, which approximates market value.
6. Units of UCITS and/or other UCI are valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price is determined by the Board of Directors of the Management Company on a fair and equitable basis. Units or shares of a closed-ended UCI are valued at their last available stock market value.
7. All other securities and other assets are valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors of the Management Company.

The Board of Directors, at its sole discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Company.

# LA FINANCIÈRE CONSTANCE SICAV

## Notes to the financial statements as at June 30, 2018 (continued)

Every other asset is assessed on the basis of the foreseeable realisation value which is estimated prudently and in good faith.

In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the Company is authorised, prudently and in good faith, to follow other rules in order to achieve a fair valuation of its assets.

The value of the net assets per share of each class, as well as their issue, redemption and conversion prices are made available at the registered office of the Company every Bank Business Day.

Costs related to the establishment of any new sub-fund are borne by such new sub-fund and amortised over a period of one year from the date of the establishment of such sub-fund or over any other period as the Board of Directors of the Company determine, with a maximum of five years starting on the date of the sub-fund's establishment.

When a sub-fund is liquidated, any setting-up costs that have not yet been amortised are charged to the sub-fund being liquidated. All these expenses are accrued in each sub-fund at each net asset value calculation.

### 8. Translation of foreign currencies

Securities denominated in currencies other than the currency of the sub-fund are valued in such currency at the last known buy exchange rate.

The following exchange rates are used as at June 30, 2018:

1 EUR = 1.167550 USD

1 EUR = 1.159350 CHF

The acquisition cost of investments denominated in a currency other than that of the sub-funds in question are translated into the currency of the sub-fund at the exchange rate applicable on the acquisition date.

### 9. Net realised gain/loss on investments

The net realised gain or loss on investments is determined on the basis of the average cost of investments sold.

### 10. Change in net unrealised appreciation/depreciation

Unrealised appreciation or depreciation on all components of the statement of net assets at the end of the financial year are accounted for in the statement of operations and changes in net assets.

### 11. Income, expenses and accruals

Interest income is accounted on a day-to-day basis and dividends are booked on an ex-dividend basis. Interest and dividend are stated net of irrecoverable withholding taxes, if any.

# LA FINANCIÈRE CONSTANCE SICAV

## Notes to the financial statements as at June 30, 2018 (continued)

### 12. Cross-investments

The value of cross-investments within the Company has not been deducted for the calculation of the combined total net assets of the Company.

The value of those cross-investments as at June 30, 2018 amounted to:

Investing sub-fund	Invested sub-fund	Currency	Market Value (in EUR)	% of net assets
CONSTANCE STRATÉGIE	CONSTANCE ALTERNATIVE OPTIONS CLASS B DIST RETAIL SICAV	EUR	958.40	0.01%
CONSTANCE STRATÉGIE	CONSTANCE ALTERNATIVE OPTIONS CLASS I INSTITUTION SICAV	EUR	97,403.72	1.12%
CONSTANCE STRATÉGIE	CONSTANCE ALTERNATIVE OPTIONS CLASS A CAP EUR	EUR	543,845.39	6.23%

The net assets at the end of the financial year of combined figures are EUR 26,899,586.39 without taking into account the cross-investments values.

### NOTE 3 - MANAGEMENT COMPANY FEES

#### LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE STRATÉGIE

The Management Company is entitled to receive out of the net assets of the sub-fund a management company fee which is calculated as follows, and for any share class: max 0.12% of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

#### LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS

The Management Company is entitled to receive out of the net assets of the sub-fund a management company fee which is calculated as follows, and for any share class up to 0.12% of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

The Management Company is entitled to an additional fee of up to 0.10% of the total net assets per annum of the A CHF Hedged, B USD Hedged and I USD Hedged share classes in relation to the Hedging process, payable monthly and calculated on the average total net assets for the relevant month.

All these expenses are accrued in each sub-fund at each net asset value calculation.

### NOTE 4 - INVESTMENT MANAGEMENT FEES

The Investment Manager is entitled to receive out of the net assets of each sub-fund an investment management fee which is calculated as follows:

#### LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE STRATÉGIE

Class A: 1.50% of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

#### LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS

Class A: 1.00% of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

# LA FINANCIÈRE CONSTANCE SICAV

## Notes to the financial statements as at June 30, 2018 (continued)

Class B: 1.25% of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

Class I: 0.85% of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

As any sub-fund may invest its assets in other UCITS and/or other UCIs, there is a risk for the investor to bear the cost of a double fee structure.

Any sub-fund, that invests a substantial proportion of its assets in other UCITS and/or other UCIs, shall disclose the maximum level of the management fees that may be charged both to the sub-fund itself and to the UCITS, and/or other UCIs in which it intends to invest. The maximum management fees shall be 3.50%.

When the Company invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company, with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Company's investment in the units of such other UCITS and/or UCIs.

### NOTE 5 - DEPOSITARY BANK, CENTRAL ADMINISTRATION AGENT AND REGISTRAR AGENT FEES

The Company pays to the Depositary Bank, the Administrative Agent and the Registrar Agent a maximum annual fee of 0.30% based on the total net assets of the sub-fund, which is payable on a monthly basis and which does not include any transaction related fees and costs of sub-custodians or similar agents. The Depositary Bank, the Administrative Agent as well as the Registrar Agent are also entitled to be reimbursed of reasonable out of pocket expenses which are not included in the above mentioned rate. The amount paid by the Company to the Depositary Bank, the Administrative Agent and the Registrar Agent is mentioned in the annual report of the Company. Investors may consult the relevant agreements during usual business hours at the registered office of the Company.

### NOTE 6 - SUBSCRIPTION TAX ("TAXE D'ABONNEMENT")

Under current law and practice, the Company is liable, to an annual subscription tax of 0.05% (except those sub-funds or share classes, which may benefit from the lower rate of 0.01% as more fully described in article 174 of the 2010 Law). No such tax is due on the portion of the assets of the Company invested in other Luxembourg UCITS or UCIs (if any) provided that such assets subject to the subscription tax. This tax is payable quarterly and calculated on the basis of the Company's net assets at the end of the relevant quarter.

### NOTE 7 - PERFORMANCE FEES

#### LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE STRATÉGIE

No performance fees.

#### LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS

The Investment Manager is entitled to a performance fee when the sub-fund exhibits a positive absolute performance during the calendar year, subject to an Absolute High Water Mark.

The performance fee amounts to 10.00% of the sub-fund's performance.

The Absolute High Water Mark is the greater of (i) the net asset value per share at the end of any calendar year where a performance fee has been paid or (ii) the initial offer price per share.

The performance fees are payable in arrears at the end of the calendar year. It is calculated and accrued in the net asset value on a daily basis.

# LA FINANCIÈRE CONSTANCE SICAV

## Notes to the financial statements as at June 30, 2018 (continued)

The performance fees for the year ended June 30, 2018 amount to EUR 454.16 for the sub-fund LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS.

### NOTE 8 - OPTIONS CONTRACTS

As at June 30, 2018, the sub-fund LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE STRATÉGIE has the following options contracts outstanding:

Currency	Quantity	Description	Commitment value (in EUR)	Market value (in EUR)
EUR	-20	CALL SX5E/201808/3775	4,753.84	-80.00
EUR	-70	PUT SX5E/201808/3000	154,499.80	-6,370.00
EUR	-90	PUT SX5E/201808/2875	106,961.40	-4,320.00
EUR	40	CALL SX5E/201809/3875	-	200.00
EUR	-70	PUT SX5E/201809/2800	111,715.24	-6,020.00
EUR	-70	PUT SX5E/201809/2850	137,861.36	-7,280.00
EUR	-70	PUT SX5E/201810/2650	92,699.88	-5,880.00
		<b>Total</b>	<b>608,491.52</b>	<b>-29,750.00</b>

As at June 30, 2018, the sub-fund LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS has the following option contracts outstanding:

Currency	Quantity	Description	Commitment value (in EUR)	Market value (in EUR)
EUR	220	CALL FXE/201901/120	-	10,862.92
EUR	220	PUT FXE/201901/120	-	149,627.51
EUR	-20	PUT R2/201807/3250	76,740.56	-1,540.00
EUR	-20	PUT R2/201807/3275	99,151.52	-2,040.00
EUR	-80	PUT R2/201807/3300	513,414.72	-10,720.00
EUR	-80	PUT R2/201807/3325	657,388.16	-14,160.00
EUR	-20	CALL SX5E/201807/3725	3,395.60	-20.00
EUR	-10	CALL SX5E/201807/3700	2,037.36	-20.00
EUR	-20	CALL SX5E/201807/3675	4,753.84	-40.00
EUR	-120	PUT SX5E/201807/3325	986,082.24	-30,600.00
EUR	100	PUT SX5E/201807/3200	-	8,800.00
EUR	-80	PUT SX5E/201807/3300	619,357.44	-16,400.00
EUR	80	PUT SX5E/201807/3250	-	10,720.00
EUR	-80	PUT SX5E/201807/3225	336,843.52	-8,640.00
USD	-60	PUT SX5E/201807/3275	380,986.32	-9,960.00
USD	-100	PUT SX5E/201807/3150	227,505.20	-5,800.00
EUR	100	PUT SX5E/201807/3175	-	7,100.00
EUR	40	CALL SX5E/201808/3700	-	400.00
EUR	80	PUT SX5E/201808/3300	-	34,960.00
EUR	70	PUT SX5E/201808/3250	-	23,310.00
EUR	120	PUT SX5E/201808/3200	-	30,600.00
EUR	-80	PUT SX5E/201808/3150	385,740.16	-15,680.00
EUR	-120	PUT SX5E/201808/3075	395,247.84	-15,960.00
EUR	-40	PUT SX5E/201808/3100	149,406.40	-6,040.00
EUR	-100	PUT SX5E/201808/3225	713,076.00	-29,100.00
EUR	50	PUT SX5E/201808/3175	-	11,150.00
EUR	20	CALL SX5E/201809/3850	-	120.00
EUR	-210	PUT SX5E/201809/2900	499,153.20	-26,670.00
EUR	-10	PUT SX5E/201809/2850	19,694.48	-1,040.00
EUR	60	PUT SX5E/201809/3250	-	32,040.00

# LA FINANCIÈRE CONSTANCE SICAV

## Notes to the financial statements as at June 30, 2018 (continued)

Currency	Quantity	Description	Commitment value (in EUR)	Market value (in EUR)
EUR	25	PUT SX5E/201809/3400	-	25,150.00
EUR	40	PUT SX5E/201809/3200	-	17,320.00
EUR	-40	PUT SX5E/201809/3100	213,243.68	-11,400.00
EUR	60	PUT SX5E/201809/3300	-	39,540.00
EUR	-85	PUT SX5E/201809/3000	303,057.30	-16,150.00
EUR	15	PUT SX5E/201809/3350	-	12,210.00
EUR	35	PUT SX5E/201809/3225	-	16,835.00
EUR	-200	PUT SX5E/201809/2950	584,043.20	-31,000.00
EUR	-70	PUT SX5E/201809/3075	337,522.64	-18,060.00
EUR	-40	PUT SX5E/201809/3025	157,555.84	-8,400.00
EUR	40	PUT SX5E/201809/3275	-	23,720.00
EUR	40	PUT SX5E/201810/3200	-	22,880.00
EUR	-80	PUT SX5E/201810/2750	149,406.40	-9,360.00
EUR	-60	PUT SX5E/201810/2800	132,428.40	-8,340.00
EUR	-80	PUT SX5E/201810/2600	89,643.84	-5,680.00
EUR	-160	PUT SX5E/201810/2850	423,770.88	-26,400.00
EUR	-135	PUT SX5E/201810/2900	426,317.58	-26,460.00
EUR	-110	PUT SX5E/201810/2950	410,867.60	-25,740.00
EUR	40	PUT SX5E/201810/3300	-	32,960.00
EUR	85	PUT SX5E/201810/3250	-	58,310.00
EUR	25	PUT SX5E/201810/3400	-	29,725.00
EUR	55	PUT SX5E/201810/3350	-	54,505.00
EUR	-80	PUT SX5E/201810/2700	124,958.08	-7,920.00
EUR	-80	CALL SX5E/201811/3750	214,601.92	-6,320.00
EUR	-30	PUT SX5E/201811/2900	113,073.48	-7,980.00
EUR	-30	PUT SX5E/201811/2950	132,428.40	-9,360.00
EUR	35	PUT SX5E/201811/3150	-	20,720.00
EUR	-30	PUT SX5E/201811/2975	143,633.88	-10,140.00
EUR	60	PUT SX5E/201811/3200	-	41,820.00
EUR	60	PUT SX5E/201811/3250	-	49,200.00
EUR	30	PUT SX5E/201811/3300	-	28,980.00
EUR	-30	PUT SX5E/201811/2925	122,241.60	-8,640.00
EUR	-80	PUT SX5E/201811/2650	135,824.00	-9,680.00
EUR	-40	PUT SX5E/201811/2800	110,017.44	-7,760.00
EUR	-35	PUT SX5E/201811/2850	112,903.70	-7,945.00
EUR	-40	PUT SX5E/201811/2750	93,718.56	-6,640.00
EUR	-20	CALL SX5E/201812/3900	22,410.96	-660.00
EUR	-120	PUT SX5E/201812/2600	220,034.88	-17,640.00
EUR	-20	PUT SX5E/201812/2950	102,547.12	-8,160.00
EUR	80	PUT SX5E/201812/3000	-	37,760.00
EUR	-145	PUT SX5E/201812/2800	482,514.76	-38,280.00
EUR	-107	PUT SX5E/201812/2900	475,961.25	-37,771.00
EUR	70	PUT SX5E/201812/3200	-	59,080.00
EUR	65	PUT SX5E/201812/3300	-	73,710.00
EUR	40	PUT SX5E/201812/3250	-	39,080.00
EUR	-100	PUT SX5E/201812/2850	383,702.80	-30,500.00
EUR	-125	PUT SX5E/201812/2750	360,782.50	-28,500.00
EUR	50	PUT SX5E/201812/3100	-	31,550.00
EUR	80	PUT SX5E/201812/3150	-	58,400.00
EUR	-140	PUT SX5E/201812/2700	347,030.32	-27,580.00
EUR	-110	PUT SX5E/201812/2650	235,315.08	-18,700.00
EUR	50	PUT SX5E/201812/3125	-	33,900.00

# LA FINANCIÈRE CONSTANCE SICAV

## Notes to the financial statements as at June 30, 2018 (continued)

Currency	Quantity	Description	Commitment value (in EUR)	Market value (in EUR)
EUR	806	PUT VIX/201807/17	-	161,344.97
EUR	-806	PUT VIX/201808/17	518,342.02	-186,203.91
		<b>Total</b>	<b>13,749,874.67</b>	<b>430,590.49</b>

### NOTE 9 - FORWARD EXCHANGE CONTRACTS

As at June 30, 2018, the sub-fund LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS has the following forward exchange contracts outstanding:

Currency	Purchase	Currency	Sale	Counterparty	Maturity	Unrealised profit or loss (in EUR)
CHF	1,600,000.00	EUR	-1,386,601.96	Société Générale Paris	August 31, 2018	-5,738.42
USD	2,030,000.00	EUR	-1,741,024.72	Société Générale Paris	August 31, 2018	-10,244.49
EUR	174,006.86	CHF	-200,000.00	Société Générale Paris	August 31, 2018	1,398.92
EUR	8,622.25	CHF	-10,000.00	Société Générale Paris	August 31, 2018	-8.15
EUR	3,702.75	CHF	-4,300.00	Société Générale Paris	August 31, 2018	-8.32
					<b>Total</b>	<b>-14,600.46</b>

### NOTE 10 - FUTURES CONTRACTS

As at June 30, 2018, the sub-fund LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS has the following futures contracts outstanding:

Description	Currency	Maturity	Commitment (in EUR)	Unrealised loss (in EUR)
Purchase of 45 VSTOXX MINI 0318	EUR	August 22, 2018	72,900.00	-5,925.00
Purchase of 13 EURO STOXX 0918	USD	September 19, 2018	1,633,490.34	-19,137.30
		<b>Total</b>	<b>1,706,390.34</b>	<b>-25,062.30</b>

### NOTE 11 - TRANSACTION FEES

The depositary transaction fees for the year ended June 30, 2018 amount to EUR 22,336.65 for the sub-fund LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE STRATÉGIE and amount to EUR 228,715.79 for the sub-fund LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS. They are booked in the statement of operations and changes in net assets.

### NOTE 12 - OTHER INCOME

Other Income includes mainly the income equalisation results. Income equalisation is a method used by funds to ensure incoming and outgoing investors do not affect the value of shares for the remaining investors. At issue and redemption of shares, an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalisation account. The amount transferred to/from income equalisation account is determined according to the pro-rata share of the different realised income and expenditure. Capital sums paid for income equalisation are returned to investors as an average amount per share and similarly income equalisation on redemptions is averaged leaving no scope for an investor to create an artificial return due to income equalisation.

# LA FINANCIÈRE CONSTANCE SICAV

## Unaudited Appendix

### GLOBAL EXPOSURE

#### LA FINANCIÈRE CONSTANCE SICAV – CONSTANCE STRATÉGIE

The methodology used for the calculation of the global risk of the UCITS is the commitment approach as dictated by the guidelines of ESMA 10-788. As the Investment Manager is using for a limited part derivatives instruments for the management of the UCITS, the global risk related to the positions on the financial derivatives instruments (included those embedded within transferable securities and/or money market instruments) is determined by commitment approach.

The Management Company of the Company, after a risk profile assessment, decided to adopt the commitment approach to determine the global market risk exposure for the sub-fund LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE STRATÉGIE.

#### LA FINANCIÈRE CONSTANCE SICAV – CONSTANCE ALTERNATIVE OPTIONS

The methodology used for the calculation of the global risk of the UCITS is an absolute VaR approach as dictated by the guidelines of ESMA 10-788. As the Investment Manager invests in derivatives instruments as a main part of the management of the UCITS, the global risk related to the positions on the financial derivatives instruments (included those embedded within transferable securities and/or money market instruments) is determined by VaR. Looking at the nature of instruments (principally options), a Monte-Carlo model is used for calculating this Absolute VaR (99%, 20 days).

The global market risk exposure information for the sub-fund LA FINANCIÈRE CONSTANCE SICAV - CONSTANCE ALTERNATIVE OPTIONS using VaR for the the year from 30 June 2017 until 30 June, 2018, is as follows:

Sub-fund	Global Risk calculation Method	VaR model	Reference Portfolio	VaR limit	Lowest utilisation of VaR limit	Highest utilisation of VaR limit	Average utilisation of VaR limit	Average level of leverage reached during the year
Constance Alternative Options	Absolute VaR	Monte-Carlo (99%, 20 Days)	(absolute)	20%	-0,28%	-14,96%	-2,32%	717,40%

### REMUNERATION POLICY

European Directive 2014/91/EU amending Directive 2009/65/EC on undertakings for collective investment in transferable securities, which is applicable to the SICAV, came into force on 18 March 2016. It is implemented in national law under the Luxembourg Act of 10 May 2016 implementing Directive 2014/91/EU. Due to these new regulations, the SICAV is required to publish information relating to the remuneration of identified employees within the meaning of the Act in the annual report.

# LA FINANCIÈRE CONSTANCE SICAV

## Unaudited Appendix (continued)

The total remuneration paid by the Management Company and by the Investment Manager during the financial year is as follows:

	Number of Beneficiaries	Total remuneration paid (EUR)	Fixed remuneration paid (EUR)	Variable remuneration paid (EUR)	Amount paid directly by the UCITS itself to the Management Company (including management company fees, performance fees, domiciliation fees and hedging fees) (EUR)
Total remuneration paid by the Management Company during the financial year to executives and senior management	10	2,076,945.85	1,441,244.27	635,701.58	51,285.98
Total remuneration paid by the Management Company during the financial year to other staff	5	227,639.15	213,106.32	14,532.83	
Total remuneration paid by the Investment Manager during the financial year to executives and senior management	1	93,331.40	93,331.40	-	-
Total remuneration paid by the Investment Manager during the financial year to other staff	2	83,281.10	83,281.10	-	

The Management Company has implemented a remuneration policy that is designed as not to encourage excessive risk taking. In that context, it integrates in its performance management system risk criteria specific to the activities of the business units concerned. The Management Company has implemented a series of safeguards that refrain to staff taking undue risk compared to the activity profile. The Remuneration Policy supports the business strategy, company values and a long-term interest of the Management Company, of the managed UCITS and/or UCI's and of the underlying investors of any managed UCITS and/or UCI's. The governance structure of the Remuneration Policy aims at preventing internal conflicts of interest.

More specifically the Management Company has determined and applies remuneration policies and practices that comply with the legal requirements, in particular the principles listed in Article 111ter of the 2010 Law. These practices and policies are compatible and consistent with the risk-management process defined by the Management Company and neither encourage the acceptance of risks that are incompatible with the risk profiles and the constitutional documents of the funds under its management nor prevent the Management Company from acting at its own discretion in the best interests of the Company.

The remuneration policies and practices include fixed and variable portions of salaries and potentially, voluntary pension benefits. The remuneration policies and practices apply to categories of employees, including senior management, risk bearers, employees with oversight functions and employees whose overall remuneration places them in the same income bracket as senior management and risk bearers, whose activities have a material influence on the risk profiles of the Management Company or the funds under its management.

# LA FINANCIÈRE CONSTANCE SICAV

## Unaudited Appendix (continued)

The remuneration policies and practices are compatible with sound and effective risk management and are consistent with the business strategy, the objectives, values and interests of the Management Company and of the UCITS under its management and investors in such UCITS as well as with EU Level 2 Regulation. Compliance with the remuneration principles, including the implementation thereof, shall be verified once a year. The ratio between the fixed and variable portions of overall remuneration is appropriate. Performance fees are based on employees' qualifications and skills as well as their level of responsibility and contribution towards the Management Company's added value. The pension scheme is consistent with the business strategy, the objectives, values and long-term interests of both the Management Company and the UCITS under its management. Details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identities of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, may be available free of charge at the registered office of the Fund.

A hard copy will be made available free of charge to investors on request.

### SECURITIES FINANCING TRANSACTIONS REGULATION ("SFTR")

Concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR") and at the date of the financial statements, the Company is not in the scope of the publication requirements of SFTR. No transactions were carried out during the reporting year.