

**Annual report including audited financial statements
as at 31st December 2017**

OAS ZONTIK SICAV

Société d'investissement à capital variable
Luxembourg

R.C.S. Luxembourg B 189 139

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OAS ZONTIK SICAV

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OAS ZONTIK SICAV

Organisation

Registered office

30, Boulevard Royal
L-2449 LUXEMBOURG

Board of Directors

Chairman

Sergey PRUDNIK
Investment Consultant
OASIS VECTOR LLC
N.Kovshovoi str. 8/1
119361 MOSCOW

Directors

Ivan MAZALOV
Director
Prosperity Capital Management (UK)
6 Cavendish sq. W1G0PD London UK
(since 1st January 2017)

Yves SPEECKAERT
Independent Director
Rue Nouvelle, N44
B-6700 ARLON

Management Company

CRÉDIT ANDORRÀ ASSET MANAGEMENT
LUXEMBOURG S.A.
30, Boulevard Royal
L-2449 LUXEMBOURG

Board of Directors of the Management Company

Chairman

José Luis DORADO OCAÑA
Chief of the investment activities
CRÉDIT ANDORRÀ S.A.
80, Av. Meritxell
AD-500 ANDORRA LA VELLA

Directors

Carlo Alberto MONTAGNA
Partner at the Directors' Office
c/o The Directors' Office
21st Century Building
19, Rue de Bitbourg
L-1273 LUXEMBOURG

Christophe CANLER
Director of Compliance
CRÉDIT ANDORRÀ S.A.
80, Av. Meritxell
AD-500 ANDORRA LA VELLA
(since 24th March 2017)

OAS ZONTIK SICAV

Organisation (continued)

| | |
|---|---|
| | <p>Andrés ROLDAN CUBAS Compliance Manager CRÉDIT ANDORRÀ S.A. 80, Av. Meritxell AD-500 ANDORRA LA VELLA (until 24th March 2017)</p> |
| | <p>Javier VALLS MARTINEZ Partner at the Directors' Office c/o The Directors' Office 21st Century Building 19, Rue de Bitbourg L-1273 LUXEMBOURG</p> |
| | <p>Ventura VIDAL FLINCH Head of Back Office CRÉDIT ANDORRÀ S.A. 80, Av. Meritxell AD-500 ANDORRA LA VELLA</p> |
| Conducting officers of the Management Company | <p>Fernando GIRALDA ALONSO Jaime GOMEZ-FERRER RINCON Sergi MARTÍ PRATS Jorge Miguel MONTEIRO PEREIRA</p> |
| Central administration, registrar and transfer agent | <p>EUROPEAN FUND ADMINISTRATION S.A. 2, Rue d'Alsace L-1122 LUXEMBOURG</p> |
| Domiciliary, depository and paying agent | <p>BANQUE DE PATRIMOINES PRIVÉS 30, Boulevard Royal L-2449 LUXEMBOURG</p> |
| Auditor | <p>PRICEWATERHOUSECOOPERS, Société coopérative 2, Rue Gerhard Mercator L-2182 LUXEMBOURG</p> |
| Investment Advisor | <p>CREDI-INVEST S.A. 6-8, Bonaventura Armengol AD-500 ANDORRA LA VELLA</p> |
| Sub-Investment Advisor | <p>OAS ENTERPRISES LTD Trident Trust Company (Cayman) Ltd, One Capital Place P.O. Box 847 KY1-1103, GRAND CAYMAN (until 30th November 2017)</p> |

OAS ZONTIK SICAV

General information

OAS ZONTIK SICAV (the "Company"), being an investment company with variable capital (*société d'investissement à capital variable*), is registered in Luxembourg as an Undertaking for Collective Investment in Transferable Securities (a "UCITS") pursuant to Part I of the amended law of 17th December 2010 (the "2010 Law") on Undertakings for Collective Investment (a "UCI") and the Council Directive 2009/65/EC (the "UCITS Directive") as amended. The Directive 2014/91/EU of the European Parliament and of the Council of 23rd July 2014 amending the Directive 2009/65/EC had been transposed by the law of 10th May 2016 coming into force on 1st June 2016 and amending the amended law of 17th December 2010.

The Company has been incorporated on 14th July 2014 for an unlimited period.

At the date of the financial statements, the Company offers the following Sub-Fund:

- OAS ZONTIK SICAV - OAS Fixed Income in USD
(hereafter "OAS Fixed Income" or the "Sub-Fund")

This Sub-Fund may offer two classes of shares:

Class A shares
Class B shares.

The financial year of the Company is the calendar year starting on 1st January and ending on 31st December.

Copies of the Articles of Incorporation, the prospectus, the KIID, the most recent semi-annual and audited annual report, the statement of changes in investments are available free of charge at the registered office of the Company.

OAS ZONTIK SICAV

Report on activities of the Board of Directors

Context

There was a lot of global political activity in 2017. The US have embarked on a foreign policy aimed at protecting its local producers from the rest of the world. The rest of the world promised to reply back and political tensions peaked, with trade wars emerging on the horizon. Nevertheless, global economy had enough positive inertia to perform with the US, the EU, Asia and emerging markets all posting decent economic growth during 2017.

The Federal Reserve continued its rate hiking policy. By the end of 2017, 10 year treasuries yielded close to 3% - levels not seen since 2013. But the longer end of the US curve observed far less momentum, pointing to subdued expectation of long-term inflation. On the other hand, the EU saw little reason to hike rates, with the ECB even evaluating the potential to continue their quantitative easing policy into 2018.

Performance

On such backdrop, the Fund has posted a double digit total return in 2017 (class B shares, which represent over 96% of the assets, grew around 8.29% and have additionally paid roughly 6.87% in dividends on top of that growth). Such growth, together with new subscriptions into the Fund, led to an increase of its AUM of roughly 32% during 2017. The Fund performance has again benefitted from tightening in emerging markets spreads and from being overweight in long duration.

Outlook

Although in 2017 the risks derived from the Fund's positioning have grown, the high current yields of the Fund's investments have provided a comfortable cushion for its holdings. Nevertheless, going forward into 2018, the Fund will pay more attention to its duration positioning. Also, since "mid-range" USD bonds started to offer better yields on the back of the Federal Reserve hikes, there is a natural trend to seek more ideas in the middle of the yield curve.

As yields are expected to notch up, the Fund is expected to pay more attention to individual issuers, moving away from its global macro focus during 2016 and 2017. Nevertheless, the searching for a high portfolio diversification and for adequate credit quality positions will certainly remain a crucial part of the investment policy of the Fund under any market conditions.

Luxembourg, 4th April 2018

The Board of Directors

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



Audit report

To the Shareholders of
OAS ZONTIK SICAV

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of OAS ZONTIK SICAV (the "Fund") as at 31st December 2017, and of the results of its operations and changes in its 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.

What we have audited

The Fund's financial statements comprise:

- the statement of net assets as at 31st December 2017;
- the statement of investments and other net assets as at 31st December 2017;
- the statement of operations and other changes in net assets for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23rd July 2016 on the audit profession (Law of 23rd 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 those Law and standards are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

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

We are 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. We have fulfilled our other ethical responsibilities under those ethical requirements.

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 audit report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



Audit report (continued)

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 that fact. We have nothing to report in this regard.

Responsibilities of the 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 the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the 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 an audit report 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 23rd 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 23rd July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 audit report 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 audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;



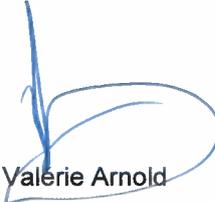
Audit report (continued)

- 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.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 26th April 2018



Valérie Arnold

OAS ZONTIK SICAV

Combined statement of net assets (in USD) as at 31st December 2017

Assets

| | |
|--------------------------------------|---------------|
| Securities portfolio at market value | 15,177,357.96 |
| Cash at banks | 439,166.76 |
| Formation expenses, net | 21,991.08 |
| Income receivable on portfolio | 211,316.75 |
| | <hr/> |
| Total assets | 15,849,832.55 |
| | <hr/> |

Liabilities

| | |
|-------------------------------------|---------------|
| Interest payable on bank overdrafts | 6.72 |
| Expenses payable | 48,120.63 |
| | <hr/> |
| Total liabilities | 48,127.35 |
| | <hr/> |
| Net assets at the end of the year | 15,801,705.20 |
| | <hr/> <hr/> |

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

OAS ZONTIK SICAV

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

from 1st January 2017 to 31st December 2017

Income

Interest on bonds and other debt securities, net 896,791.35

Total income 896,791.35

Expenses

Management fees 125,384.63

Performance fees 8,318.38

Depository fees 13,029.30

Banking charges and other fees 2,740.83

Transaction fees 5,317.47

Central administration costs 53,581.27

Professional fees 17,027.67

Other administration costs 11,445.03

Subscription duty ("taxe d'abonnement") 7,081.37

Bank interest paid 16.97

Directors' fee 24,570.40

Other expenses 14,019.58

Total expenses 282,532.90

Net investment income 614,258.45

Net realised gain/(loss)

- on securities portfolio 134,308.02

- on foreign exchange 3,211.22

Realised result 751,777.69

Net variation of the unrealised gain/(loss)

- on securities portfolio 1,188,411.66

Result of operations 1,940,189.35

Dividends paid -915,110.76

Subscriptions 2,825,490.27

Redemptions -

Total changes in net assets 3,850,568.86

Total net assets at the beginning of the year 11,951,136.34

Total net assets at the end of the year 15,801,705.20

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

OAS ZONTIK SICAV - OAS Fixed Income

Statement of net assets (in USD)

as at 31st December 2017

Assets

| | |
|--------------------------------------|---------------|
| Securities portfolio at market value | 15,177,357.96 |
| Cash at banks | 439,166.76 |
| Formation expenses, net | 21,991.08 |
| Income receivable on portfolio | 211,316.75 |
| Total assets | 15,849,832.55 |

Liabilities

| | |
|-------------------------------------|---------------|
| Interest payable on bank overdrafts | 6.72 |
| Expenses payable | 48,120.63 |
| Total liabilities | 48,127.35 |
| Net assets at the end of the year | 15,801,705.20 |

Breakdown of net assets per share class

| Share class | Number of shares | Currency of share class | NAV per share in currency of share class | Net assets per share class (in USD) |
|-------------|------------------|-------------------------|--|-------------------------------------|
| A | 508.3043 | USD | 1,153.96 | 586,562.01 |
| B | 12,818.9250 | USD | 1,186.93 | 15,215,143.19 |
| | | | | 15,801,705.20 |

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

OAS ZONTIK SICAV - OAS Fixed Income

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

from 1st January 2017 to 31st December 2017

Income

| | |
|--|------------|
| Interest on bonds and other debt securities, net | 896,791.35 |
| Total income | 896,791.35 |

Expenses

| | |
|---|------------|
| Management fees | 125,384.63 |
| Performance fees | 8,318.38 |
| Depositary fees | 13,029.30 |
| Banking charges and other fees | 2,740.83 |
| Transaction fees | 5,317.47 |
| Central administration costs | 53,581.27 |
| Professional fees | 17,027.67 |
| Other administration costs | 11,445.03 |
| Subscription duty ("taxe d'abonnement") | 7,081.37 |
| Bank interest paid | 16.97 |
| Directors' fee | 24,570.40 |
| Other expenses | 14,019.58 |
| Total expenses | 282,532.90 |

| | |
|-----------------------|------------|
| Net investment income | 614,258.45 |
|-----------------------|------------|

Net realised gain/(loss)

| | |
|---------------------------|------------|
| - on securities portfolio | 134,308.02 |
| - on foreign exchange | 3,211.22 |

| | |
|-----------------|------------|
| Realised result | 751,777.69 |
|-----------------|------------|

Net variation of the unrealised gain/(loss)

| | |
|---------------------------|--------------|
| - on securities portfolio | 1,188,411.66 |
|---------------------------|--------------|

| | |
|----------------------|--------------|
| Result of operations | 1,940,189.35 |
|----------------------|--------------|

| | |
|----------------|-------------|
| Dividends paid | -915,110.76 |
|----------------|-------------|

| | |
|---------------|--------------|
| Subscriptions | 2,825,490.27 |
|---------------|--------------|

| | |
|-------------|---|
| Redemptions | - |
|-------------|---|

| | |
|-----------------------------|--------------|
| Total changes in net assets | 3,850,568.86 |
|-----------------------------|--------------|

| | |
|---|---------------|
| Total net assets at the beginning of the year | 11,951,136.34 |
|---|---------------|

| | |
|---|---------------|
| Total net assets at the end of the year | 15,801,705.20 |
|---|---------------|

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

OAS ZONTIK SICAV - OAS Fixed Income

Statistical information (in USD)

as at 31st December 2017

| Total net assets | Currency | 31.12.2015 | 31.12.2016 | 31.12.2017 |
|-------------------------|-----------------|-------------------|-------------------|-------------------|
| | USD | 9,587,518.43 | 11,951,136.34 | 15,801,705.20 |

| Net asset value per share | Currency | 31.12.2015 | 31.12.2016 | 31.12.2017 |
|----------------------------------|-----------------|-------------------|-------------------|-------------------|
| A | USD | 958.23 | 1,082.94 | 1,153.96 |
| B | USD | 958.78 | 1,096.07 | 1,186.93 |

| Number of shares | outstanding at the beginning of the year | issued | redeemed | outstanding at the end of the year |
|-------------------------|---|---------------|-----------------|---|
| A | 500.0000 | 8.3043 | - | 508.3043 |
| B | 10,409.6532 | 2,409.2718 | - | 12,818.9250 |

| Dividends paid | Currency | Dividend per share | Ex-dividend date |
|-----------------------|-----------------|---------------------------|-------------------------|
| A | USD | 59.55 | 03.05.2017 |
| A | USD | 18.91 | 15.11.2017 |
| B | USD | 59.55 | 03.05.2017 |
| B | USD | 18.91 | 15.11.2017 |

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

OAS ZONTIK SICAV - OAS Fixed Income

Statement of investments and other net assets (in USD)

as at 31st December 2017

| 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> | | | | | |
| Bonds | | | | | |
| GBP | 300,000 | RZD Capital Plc 7.487% LPN Rus Railways Reg S 11/25.03.31 | 474,327.19 | 518,363.67 | 3.28 |
| RUB | 10,000,000 | Russia 8.15% Ser 26207 12/03.02.27 | 174,591.19 | 182,856.77 | 1.16 |
| USD | 400,000 | Alfa SAB de CV 6.875% Reg S Sen 14/25.03.44 | 432,750.51 | 433,300.00 | 2.74 |
| USD | 200,000 | Andino Inv Hg SA 11% Reg S Sen 13/13.11.20 | 218,152.05 | 180,593.00 | 1.14 |
| USD | 400,000 | AngloGold Ashanti Hgs Plc 6.5% Sen 10/15.04.40 | 394,500.00 | 423,300.00 | 2.68 |
| USD | 200,000 | ArcelorMittal SA VAR Lk Ratings Changes Sen 09/15.10.39 | 184,950.00 | 256,485.00 | 1.62 |
| USD | 200,000 | Banco do Brasil SA Gr Caym Br VAR Reg S 14/18.12.Perpetual | 187,950.00 | 215,418.00 | 1.36 |
| USD | 200,000 | Braskem Finance Ltd 7.375% Reg S Sen 10/04.01.Perpetual | 200,500.00 | 202,298.00 | 1.28 |
| USD | 200,000 | Brazil 5% 14/27.01.45 | 160,480.00 | 187,005.00 | 1.18 |
| USD | 100,000 | Brazil 8.25% 04/20.01.34 | 117,450.00 | 131,945.00 | 0.83 |
| USD | 400,000 | Cencosud SA 6.625% Reg S Sen 15/12.02.45 | 408,576.00 | 438,280.00 | 2.77 |
| USD | 200,000 | Cia Sanea Bas Est de Sao Paulo 6.25% Reg S Sen 10/16.12.20 | 198,239.10 | 205,241.00 | 1.30 |
| USD | 200,000 | Corp Azucarera del Peru SA 6.375% Reg S Sen 12/02.08.22 | 186,132.65 | 203,916.00 | 1.29 |
| USD | 400,000 | Cosan Overseas Limited 8.25% 05.02.Perpet | 406,400.00 | 411,324.00 | 2.60 |
| USD | 200,000 | Development Bk of Mongolia LLC 9.375% Reg S Tr 1 15/19.05.20 | 200,780.00 | 219,637.00 | 1.39 |
| USD | 200,000 | DP World Ltd 6.85% EMTN Reg S Ser 1 07/02.07.37 | 210,000.00 | 247,156.00 | 1.56 |
| USD | 200,000 | Ecopetrol SA 5.875% Sen 14/28.05.45 | 198,500.00 | 205,450.00 | 1.30 |
| USD | 200,000 | Ecopetrol SA 7.375% Sen 13/18.09.43 | 185,000.00 | 241,191.00 | 1.53 |
| USD | 200,000 | Esal GmbH 6.25% Reg S Sen 13/05.02.23 | 196,337.40 | 190,580.00 | 1.21 |
| USD | 250,000 | Fermaca Ent S de RL de CV 6.375% Reg S Sen Sk 14/30.03.38 | 245,034.33 | 251,454.30 | 1.59 |
| USD | 400,000 | Fideicomiso F/1401 6.95% Sen Reg S 14/30.01.44 | 421,980.00 | 437,184.00 | 2.77 |
| USD | 400,000 | Gaz Capital SA 7.288% LPN Gazprom OAO Ser 12 07/16.08.37 | 426,252.81 | 494,834.00 | 3.13 |
| USD | 200,000 | Gazprombk OJSC via GBP Fin Plc 7.496% Reg S Sub 13/28.12.23 | 188,700.00 | 205,682.00 | 1.30 |
| USD | 400,000 | GTL Trade Finance Inc 7.25% Reg S 14/16.04.44 | 379,000.00 | 435,862.00 | 2.76 |
| USD | 200,000 | JBS Investments GmbH 7.25% Reg S Sen 14/03.04.24 | 184,300.00 | 196,882.00 | 1.24 |
| USD | 400,000 | JSC NC KazMunayGas 5.75% EMTN Reg S Sen 13/30.04.43 | 374,337.63 | 429,518.00 | 2.72 |
| USD | 400,000 | Kinross Gold Corp 6.875% Ser B 12/01.09.41 | 371,280.00 | 456,530.00 | 2.89 |
| USD | 200,000 | KOKS Finance Ltd 7.5% 17/04.05.22 | 216,000.00 | 213,066.00 | 1.35 |
| USD | 200,000 | Magnesita Finance Ltd 8.625% Reg S Sen 12/05.07.Perpetual | 193,980.00 | 201,950.00 | 1.28 |
| USD | 150,000 | Metalsa SA de CV 4.9% 13/24.04.23 | 145,500.00 | 151,155.00 | 0.96 |
| USD | 400,000 | Mexichem SAB de CV 5.875% Reg S Sen 14/17.09.44 | 374,516.90 | 414,758.00 | 2.62 |
| USD | 400,000 | Mexico City's Airport Trust 5.5% Sen Reg S 17/31.07.47 | 401,996.00 | 396,014.00 | 2.51 |
| USD | 200,000 | MHP SE 7.75% Sen Reg S 17/10.05.24 | 203,700.00 | 217,462.00 | 1.38 |
| USD | 200,000 | Minerva Luxembourg SA VAR Reg S 14/03.07.Perpetual | 210,500.00 | 210,156.00 | 1.33 |
| USD | 200,000 | Natl Co Kazakh Temir Zholy JSC 6.95% Reg S Sen 12/10.07.42 | 187,400.00 | 234,937.00 | 1.49 |
| USD | 200,000 | Office Cherifien Phosphates SA 6.875% Sen 14/25.04.44 | 203,200.00 | 229,512.00 | 1.45 |
| USD | 800,000 | Petrobras Global Finance BV 6.85% Sen 15/05.06.15 | 627,400.00 | 772,708.00 | 4.89 |
| USD | 300,000 | Petroleos Mexicanos 6.625% Reg S SerC Tr6 10/28.12.Perpetual | 273,750.00 | 304,626.00 | 1.93 |
| USD | 200,000 | Petroleos Peru-Petroperu SA 5.625% Sen Reg S 17/19.06.47 | 204,000.00 | 210,276.00 | 1.33 |
| USD | 200,000 | Petropavlovsk 2016 Ltd 8.125% Sen Reg S 17/14.11.22 | 199,460.00 | 197,340.00 | 1.25 |
| USD | 200,000 | SB Capital SA VAR LPN Sberbk Russia 14/26.02.24 | 184,011.75 | 203,617.00 | 1.29 |
| USD | 200,000 | Southern Copper Corp 5.875% Sen 15/23.04.45 | 201,000.00 | 242,477.00 | 1.53 |
| USD | 700,000 | TCS Finance Design Act Co VAR Jun Sub 17/15.09.Perpetual | 728,320.00 | 742,220.50 | 4.70 |
| USD | 300,000 | Vale Overseas Ltd 6.875% Sen 06/21.11.36 | 241,576.00 | 369,259.50 | 2.34 |
| USD | 300,000 | Vale Overseas Ltd 6.875% Sen 09/10.11.39 | 220,700.00 | 369,247.50 | 2.34 |
| USD | 200,000 | Votorantim Cimentos SA 7.25% Reg S Sen 11/05.04.41 | 196,500.00 | 217,284.00 | 1.37 |
| USD | 600,000 | VTB Eurasia DAC VAR LPN VTB Bk Sub 12/06.02.Perpetual | 605,934.23 | 666,516.00 | 4.22 |
| USD | 200,000 | Yapi Ve Kredi Bankasi AS 5.85% Sen Reg S 17/21.06.24 | 199,480.00 | 200,419.00 | 1.27 |
| | | | 12,696,507.36 | 14,066,065.80 | 89.01 |
| Total bonds | | | 13,345,425.74 | 14,767,286.24 | 93.45 |

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

OAS ZONTIK SICAV - OAS Fixed Income

Statement of investments and other net assets (in USD) (continued)

as at 31st December 2017

| Currency | Number / nominal value | Description | Cost | Market value | % of total net assets |
|--|---------------------------|--|----------------------|-----------------------------|-----------------------------|
| <u>Transferable securities dealt in on another regulated market</u> | | | | | |
| Bonds | | | | | |
| RUB | 10,000,000 | Evraz Holding Finance LLC 12.6% Ser 1P1R 16/23.03.21 | 169,767.45 | 194,178.72 | 1.23 |
| USD | 200,000 | Camposol SA 10.5% Reg S Sen 16/15.07.21 | 201,480.00 | 215,893.00 | 1.37 |
| Total bonds | | | <u>371,247.45</u> | <u>410,071.72</u> | <u>2.60</u> |
| Total investments in securities | | | <u>13,716,673.19</u> | <u>15,177,357.96</u> | <u>96.05</u> |
| Cash at banks | | | | 439,166.76 | 2.78 |
| Other net assets/(liabilities) | | | | 185,180.48 | 1.17 |
| Total | | | | <u><u>15,801,705.20</u></u> | <u><u>100.00</u></u> |

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

OAS ZONTIK SICAV - OAS Fixed Income

Industrial and geographical classification of investments

as at 31st December 2017

Industrial classification

(in percentage of net assets)

| | |
|-------------------------------|----------------|
| Financials | 31.73 % |
| Raw materials | 18.84 % |
| Energy | 15.29 % |
| Non-cyclical consumer goods | 11.95 % |
| Special Purpose Vehicle (SPV) | 7.02 % |
| Industrials | 5.79 % |
| Countries and governments | 3.17 % |
| Utilities | 1.30 % |
| Cyclical consumer goods | 0.96 % |
| Total | <u>96.05 %</u> |

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

| | |
|--------------------------|----------------|
| Mexico | 15.12 % |
| Ireland | 14.85 % |
| Luxembourg | 8.75 % |
| Cayman Islands | 7.32 % |
| Brazil | 7.28 % |
| Peru | 5.13 % |
| The Netherlands | 4.89 % |
| Kazakhstan | 4.21 % |
| British Virgin Islands | 4.04 % |
| Canada | 2.89 % |
| Colombia | 2.83 % |
| Chile | 2.77 % |
| Isle of Man | 2.68 % |
| Austria | 2.45 % |
| Russia | 2.39 % |
| United Arab Emirates | 1.56 % |
| United States of America | 1.53 % |
| Morocco | 1.45 % |
| Mongolia | 1.39 % |
| Turkey | 1.27 % |
| Jersey | 1.25 % |
| Total | <u>96.05 %</u> |

Note 1 - Significant accounting policies

a) Presentation of the financial statements

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

The financial statements are presented on the basis of the Net Asset Value of the Sub-Funds calculated on 31st December 2017. In accordance with the prospectus, the last official trading Net Asset Values of the corresponding Sub-Funds have been calculated on 29th December 2017 as the Net Asset Values are not calculated on 31st December 2017. Nevertheless an additional Net Asset Value has been calculated for the 31st December 2017 for reporting purposes which is disclosed in these financial statements.

b) Valuation of assets

The value of the assets is determined as follows:

- 1) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends, interest declared or accrued and not yet received, all of which are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- 2) securities listed on a recognised stock exchange or dealt on any other regulated market are valued at their latest available prices, or, in the event that there should be several such markets, on the basis of their latest available prices on the main market for the relevant security;
- 3) in the event that the latest available price does not, in the opinion of the Management Company, truly reflect the fair market value of the relevant securities, the value of such securities will be determined by the Directors based on the reasonably foreseeable sales proceeds determined prudently and in good faith;
- 4) securities not listed or traded on a stock exchange or not dealt on another Regulated Market are valued on the basis of the probable sales proceeds determined prudently and in good faith by the Management Company.

c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by the 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 securities portfolio

The realised gains and losses on securities portfolio are calculated on the basis of the average acquisition cost and are disclosed net in the statement of operations and other changes in net assets.

e) Investment portfolio income

Interest income accrued is recorded, net of any withholding tax.

Notes to the financial statements (continued)

as at 31st December 2017

f) Valuation of forward foreign exchange contracts

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

g) Formation expenses

Formation expenses are amortised on a straight line basis over a period of five years.

If the launch of a Sub-Fund occurs after the launch date of the Company, the formation expenses related to the launch of the new Sub-Fund is charged to such Sub-Fund alone and may be amortised over a maximum of five years with effect as from the Sub-Fund's launch date.

h) Conversion of foreign currencies

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

i) Combined financial statements

The combined financial statements of the Company are expressed in USD and are equal to the corresponding items in the financial statements of the 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 Company.

Note 2 - Management fee

The Management Company is entitled, in accordance with the management company agreement, to a management fee out of the net assets of the Company for its services rendered to the Company.

Such management fee is payable monthly in arrears and calculated on the average net assets of the respective period of the Sub-Fund (before deduction of the management fee) at the annual rate of 1%.

The management fees have been decreased from 1% to 0.8% for both share classes, applicable as of 1st December 2017.

The Management Company has appointed CREDI-INVEST S.A. as investment advisor (Investment Advisor). The Investment Advisor is entitled, in accordance with the investment advisory agreement, to an advisory fee paid by the Management Company for its services rendered to the Management Company. Such advisory fee is payable monthly in arrears and calculated on the average net assets of the respective period of the Sub-Fund (before deduction of the advisory fee) at the annual rate of 0.025% (with a maximum of EUR 3,000.00 per year). As of 1st December 2017, the investment advisory fee paid by the Management Company to the Investment Advisor is of 0.7%.

Notes to the financial statements (continued)

as at 31st December 2017

The Investment Advisor has appointed OAS ENTERPRISES LTD as sub-investment advisor (Sub-Investment Advisor). The Sub-Investment Advisor is entitled, in accordance with the sub-investment advisory agreement, to receive a remuneration for its services of 0.875% of the net assets of the Sub-Fund per annum, payable by the Management Company.

As of 30th November 2017, OAS ENTERPRISES LTD is no longer appointed as sub-investment advisor of the Company.

Note 3 - Performance fee

In order to provide an incentive to the Management Company, the Company may in addition pay a performance fee. The performance fee is calculated in respect of each performance period. A performance period is the period from 1st January to 31st December of each year. The performance fee is calculated separately per class of Shares within a Sub-Fund.

The performance fee is calculated and accrued on each valuation day and payable, if any, as of the last Luxembourg Business Day of each calendar year.

The performance fee is equal to 10% of the out-performance attributable to Class A shares. The out-performance attributable to each class of Shares during a year is the appreciation (or depreciation) including realised and unrealised gains and losses, in the Net Asset Value of each class of Shares in excess of the High Water Mark (HWM).

The High Water Mark (HWM) is the initial Net Asset Value or after the first year adjusted for historical dividends, the highest Net Asset Value at any previous year end of the last Performance Period adjusted for historical dividends.

No performance fee is charged for Class B shares.

At the date of the financial statements, the performance fee, amounting to USD 8,318.38, was recorded for the Sub-Fund.

Note 4- Central administration costs and other administration costs

The item "Central administration costs" disclosed in the statement of operations and other changes in net assets is composed of the domiciliation fees and the fees concerning the administrative function of EFA.

The item "Other administration costs" disclosed in the statement of operations and other changes in net assets is mainly composed of the Risk management expenses.

Note 5 - Subscription, redemption and conversion fees

The subscription price of each Share of the Sub-Fund during the initial subscription period was equal to the initial price plus an issuing commission in favour of any distributor.

Thereafter, the subscription price of each Share of the Sub-Fund is equal to the Net Asset Value per Share, plus an issuing commission of up to 3%, in favour of any distributor.

Notes to the financial statements (continued)

as at 31st December 2017

The level of the applicable redemption fee (if any) with regard to requests for redemption of Shares is described as following for the Sub-Fund:

- up to 2% if redeemed within one month after purchase;
- up to 1% if redeemed within 1-3 months after purchase.

Thereafter, no redemption charges are applied. Such redemption commission is for the benefit of the relevant Sub-Fund or Class of Shares.

No conversion fee is applied.

Note 6 - Swing pricing

The Sub-Fund may suffer dilution of the Net Asset Value per Share due to Investors and Shareholders subscribing or redeeming Shares in the Sub-Fund at a price that does not reflect the dealing and other costs that arise from the assets' transactions undertaken by the Company to accommodate cash inflows or outflows.

In order to take into account the impact of the costs of these assets' transactions, a swing pricing mechanism may be adopted to protect the interests of Shareholders in respect of the Sub-Fund. If on any Valuation Day, the aggregate net transactions in Shares of the Sub-Fund exceed a threshold which is pre-determined and periodically reviewed by the Management Company for the Sub-Fund, the Net Asset Value per Share may be adjusted upwards or downwards to reflect respectively net inflows or net outflows. The extent of the price adjustment is set by the Management Company to reflect dealing and other costs.

The swing pricing will not exceed 2% of the original Net Asset Value per Share. The price adjustment, if any, is available upon request from the Management Company.

The Management Company may, at its sole discretion, decide not to apply the swing pricing adjustment or to incur instead of the relevant Investors or Shareholders the dealing and other costs resulting from assets transactions to avoid the Sub-Fund suffering from dilution of its Net Asset Value.

There was no "Swing Pricing" applied for the Net Asset Value as at 31st December 2017 for the Sub-Fund.

Note 7 - Subscription duty ("*taxe d'abonnement*")

The Company is governed by Luxembourg law.

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

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

Note 8 - Other expenses

The item "Other expenses" disclosed in the statement of operations and other changes in net assets is mainly composed of the amortisation of formation expenses.

Note 9 - Statement of changes in investments

The statement of changes in investments for the period referring to the report is available free of charge at the registered office of the Company.

Note 10 - Events

By a Circular Resolution on 19th January 2017, the Board of Directors resolved the nomination of Mr. Ivan MAZALOV as director, subsequently to the resignation of Mr Kaha KIKNAVELIDZE with effective date on 1st January 2017, subject to the approval of the CSSF.

1 - Risk management

As required by Circular CSSF 11/512, the Board of Directors of the Company needs to determine the global risk exposure of the Company by applying either the commitment approach or the VaR ("Value at Risk") approach.

In terms of risk management, the Board of Directors of the Company decided to adopt the commitment approach as a method of determining the global exposure.

2 - Remuneration

The Management Company has established and applies a remuneration policy updated the 21st July 2016 which is consistent with, and promotes, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, the management regulations or the constitutive documents of the undertaking for collective investments in transferable securities under management (the UCITS), nor impede the Management Company to act in the best interest of the UCITS.

The Board, in its supervisory function, is required to approve the remuneration policy and to oversee its implementation. The Board has the primary responsibility for ensuring that the ultimate goal of having sound and prudent remuneration policy and structures is not improperly circumvented. The Conducting Officers are in charge of making sure that the remuneration policy is implemented. They elaborate procedures to this effect and submit them to the Board. By virtue of the principle of proportionality, the Management Company has not yet a remuneration committee.

The Management Company offers to its employees a remuneration package that includes:

- (i) a fixed salary,
- (ii) a variable pay and
- (iii) benefits.

The fixed salary represents the main component of the total remuneration and the payment of a variable pay is not mandatory. All employees are eligible to receive a variable pay. The Management Company only pays variable remuneration in the form of bonuses payable up-front directly in full after their allocation. By virtue of the principle of proportionality the Management Company does not pay variable remuneration in shares or in other type of financial instruments issued by the UCITS.

The Management Company offers fixed salaries whose amount is based on criteria such as the level of education, the degree of seniority, the level of expertise and skills required the constraints and job experience, the relevant business sector and region.

In the calculation of the variable pay, the Management Company uses an award process taking into account risk measurement while assessing performance. Prior to allocating variable pay to employees the Management Company determines a pool of variable remuneration per business unit. These pools of variable remuneration are adjusted each year to reward the overall annual achievement of the Management Company's financial and strategic objectives. An annual appraisal process is used to evaluate and measure each employee's performance against defined objectives.

The performance of an employee is measured through qualitative and quantitative criteria based on various factors (i.e. business and financial results, client service, technical skills, etc.).

OAS ZONTIK SICAV

Additional information (unaudited) (continued)

as at 31st December 2017

When assessing performance of an employee, the Management Company takes into account the individual performance of the employee and of his/her business unit, as well as of the UCITS managed and of the overall of the result of the Company and of the Cr dit Andorr  Financial Group.

The benefits that employees of the Management Company may receive are excluded from the remuneration policy and thus not subject to binding calculation process. To that extent, benefits are given to employees on a non-discretionary basis and are identical for all employees.

Total number of employees as of 31st December 2017 was nine employees (9), two of them non full time employees.

Identified Staff in terms of category of staff to whom the remuneration policy applies:

| Category of staff | Number of employees |
|--|---------------------|
| Executive members of the management body of the management company | 0 |
| Non-executive members of the management body of the management company | 5 |
| Senior management | 3 |
| Control functions | 0 |
| Staff responsible for heading the investment management, administration, marketing, human resources | 0 |
| Other risk takers | 1 |
| Other employees/persons, whose total remuneration falls into the remuneration bracket of senior managers and risk takers | 0 |

During 2017 the total amount of remuneration including performance fees was the following:

- Total fixed remuneration add up to 514.420,63 EUR
- Total variable remuneration add up to 38.400 EUR

The disclosure of the fixed and variable remuneration of senior management is:

| | |
|-------------------------|----------------|
| Fixed Remuneration | 279.420,42 EUR |
| Variable remuneration | 21.769,23 EUR |
| Number of beneficiaries | 3 |

The Management Company contemplates to appoint independent director(s) in accordance with the UCITS Directive, who will only receive a fixed remuneration.

The risk management function has assessed how the variable remuneration structure affects the risk profile of the Management Company.

The compliance function analyzed how the remuneration structure affects the Management Company's compliance with legislation, regulations and internal policies.

The internal audit function will periodically carry out an independent audit of the design, implementation

and effects of the Management Company's remuneration policies.

Considering its size, internal organization and the nature, scope and complexity of its activities, the Management Company has applied the principle of proportionality to disregard the application of certain legal requirements, in particular regarding the pay-out processes for identified staff (such as payment of variable remuneration in shares in the UCITS, deferral requirements, retention periods and ex-post incorporation of risk (malus or clawback arrangements)).

3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")

At the date of the financial statements, the Company is not in the scope of the publication requirements of SFTR. No corresponding transactions were carried out during the reporting period.