# 平成29年12月期　決算短信（平成29年1月1日～平成29年12月31日）

平成30年6月26日
上場取引所: 東証

| | |
|---|---|
| ファンド名 | Ｓ＆Ｐ ＧＳＣＩ商品指数®エネルギー＆メタル・キャップド・コンポーネント35/20・ＴＨＥＡＭ・イージーＵＣＩＴＳ・ＥＴＦクラスA米ドル建受益証券 |
| コード番号 | 1327（東証外国ＥＴＦ） |
| 連動対象指標 | Ｓ＆Ｐ ＧＳＣＩ商品指数®エネルギー＆メタル・キャップド・コンポーネント35/20 トータル・リターン指数 |
| 主要投資資産 | 債券、短期金融商品（スワップ契約有り） |
| 売買単位 | 1口 |
| 管理会社 | ＢＮＰパリバ・アセットマネジメント・ルクセンブルク<br>URL http://www.bnpparibas-am.lu/ |
| 代表者名 | チーフ・エグゼクティブ・オフィサー　ステファン・ブルネ |
| 上場代理人 | ＢＮＰパリバ・アセットマネジメント株式会社 |
| 問合せ先責任者 | マーケティング本部　斎藤　正彦　（TEL 0120-996-222） |

有価証券報告書提出予定日　平成30年6月28日
分配金支払開始予定日　該当なし

## Ⅰ ファンドの運用状況

### １．平成29年12月期の運用状況（平成29年1月1日～平成29年12月31日）

(1) 資産内訳　（百万円未満切捨て）

| | 主要投資資産 | | 現金・預金・その他の資産（負債控除後） | | 合計（純資産） | |
|---|---|---|---|---|---|---|
| | 金額 | 構成比 | 金額 | 構成比 | 金額 | 構成比 |
| | 百万円 | % | 百万円 | % | 百万円 | % |
| 29年12月期 | 10,638 | ( 91.4) | 999 | ( 8.6) | 11,638 | ( 100.0) |
| 28年12月期 | 10,586 | ( 101.1) | -121 | ( -1.1) | 10,464 | ( 100.0) |

(2) 設定・解約実績

| | 前計算期間末発行済口数(①) | 設定口数(②) | 解約口数(③) | 当計算期間末発行済口数(①+②-③) |
|---|---|---|---|---|
| | 口 | 口 | 口 | 口 |
| 29年12月期 | 3,180,976 | 846,938 | 767,000 | 3,260,914 |
| 28年12月期 | 3,144,973 | 1,537,000 | 1,500,997 | 3,180,976 |

(3) 基準価額

| | 総資産(①) | 負債(②) | 純資産(③（①−②）) | １口当たり基準価額 |
|---|---|---|---|---|
| | 百万円 | 百万円 | 百万円 | 円 |
| 29年12月期 | 11,785 | 146 | 11,638 | 3,568.621 |
| 28年12月期 | 10,589 | 125 | 10,464 | 3,289.262 |

（注）日本円への換算は、株式会社三菱ＵＦＪ銀行が公表した2018年5月31日現在における対顧客電信直物売買相場の仲値である１米ドル＝108.7円の換算率で行われています。

### ２．会計方針の変更

① 会計基準等の改正に伴う変更　該当事項無し
② ①以外の変更　該当事項無し

# S&P GSCI® ENERGY & METALS CAPPED COMPONENT 35/20 THEAM Easy UCITS ETF

ANNUAL Report at 31/12/2017
R.C.S. Luxembourg K643

BNP PARIBAS
ASSET MANAGEMENT

The asset manager
for a changing
world

# Table of contents

# Organisation

### Registered office

10 Rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg

### Board of Directors of the Management Company

***Chairman***

Mr. Anthony FINAN, Chief Marketing Officer & CSR Delegate, BNP PARIBAS ASSET MANAGEMENT France, Paris (until 29 November 2017)

***Members***

Mrs. Sylvie BAIJOT, Deputy Chief Executive Officer, BNP PARIBAS ASSET MANAGEMENT Luxembourg, Luxembourg

Mr. Stéphane BRUNET, Chief Executive Officer, BNP PARIBAS ASSET MANAGEMENT Luxembourg, Luxembourg

Mr. Georges ENGEL, Independent Director, Vincennes, France

### Management Company

BNP PARIBAS ASSET MANAGEMENT Luxembourg, 10 Rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg

BNP PARIBAS ASSET MANAGEMENT Luxembourg is a Management Company in the meaning of Section 15 of the Luxembourg Law of 17 December 2010 concerning undertakings for collective investment, as amended.

The management company performs the functions of **administration, portfolio management** and **marketing duties.**

### Effective Investment Manager

BNP PARIBAS ASSET MANAGEMENT France*, 1 Boulevard Haussmann, F-75009 Paris, France

### Custodian, Registrar, Transfer Agent and NAV calculation

BNP Paribas Securities Services, Luxembourg Branch, 60 Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### Auditor

PricewaterhouseCoopers, Société coopérative, 2 Rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg, Grand Duchy of Luxembourg

*As of 1 November 2017, THEAM S.A.S. has been merged within BNP PARIBAS ASSET MANAGEMENT France

# Information

S&P GSCI® ENERGY & METALS CAPPED COMPONENT 35/20 THEAM Easy UCITS ETF (the "Fund") is organized in and under the laws of the Grand Duchy of Luxembourg as a Mutual Investment Fund ("Fonds Commun de Placement").

The Fund is governed by the provisions of Part I of the Law of 17 December 2010, as amended, governing Undertakings for Collective Investment. The Fund was incorporated for an indefinite term in Luxembourg on 30 December 2004 under the denomination "EasyETF - GSCI®".

The name has been changed to "EasyETF S&P GSCI™ Capped Commodity 35/20" on 18 January 2010, to "S&P GSCI® Capped Component 35/20 THEAM Easy UCITS ETF" on 30 May 2014 and to S&P GSCI® Energy & Metals Capped Component 35/20 THEAM Easy UCITS ETF" on 14 December 2015.

The Fund is managed by BNP PARIBAS ASSET MANAGEMENT Luxembourg (the "Management Company"). The Management Company was incorporated on 19 February 1988 in the form of a limited company ("société anonyme") under the laws of the Grand Duchy of Luxembourg for an unlimited period. The articles of incorporation were published in the Mémorial C, Recueil des Sociétés et Associations (the "Mémorial"), on 25 May 1988 after having been filed with the Registrar of the District Court of and in Luxembourg where they may be consulted. The last modification of the articles of incorporation is dated 17 May 2017 with effect on 1 June 2017, and has been published with the RESA on 2 June 2017. Its majority unitholder is BNP PARIBAS ASSET MANAGEMENT, Paris.

The Management Company is governed by chapter 15 of the Law of 2010, as amended and in that capacity, is in charge of the Fund's collective management of portfolio.

The Fund's objective is to achieve a return comparable to the S&P GSCI® Energy & Metals Capped Component 35/20 Total Return Index (Bloomberg: SPGCNCT). As the Fund is index-based, its objective is to maintain a tracking deviation in absolute terms between its Net Asset Value and the value of the relevant Benchmark Index. The anticipated level of tracking error between the Fund and the level of the Benchmark Index, in normal market conditions, is 1% at the maximum.

# Manager's report

**Market Trends in 2017**

**Equity Markets**

The year got off to a flying start, continuing the rally that began immediately after Donald Trump's election, which investors felt would quickly lead to a more expansionary fiscal policy. In two months, global equities gained 5.4% (as measured by the MSCI AC World index in US dollar terms) and emerging equities, 8.6% (MSCI Emerging Market index in USD terms). The markets then became a little more tentative, raising questions about the validity of the reflation theme in light of Congressional Republicans' inability to reform healthcare and unexpected developments within the Trump administration. Having paused for breath, financial markets resumed and strengthened their rally on the day after the first round of the French presidential election, cheering the victory of Emmanuel Macron, a candidate deemed pro-European. During the summer, the only real alert in equities came from the geopolitical front, when investors were spooked by the verbal escalation between Pyongyang and Washington after North Korea's latest nuclear and missile tests. The markets soon recovered their bearings, however, and volatility rose only slightly before the rally resumed, gathering strength at year-end when it became clear that the Trump administration's promised tax cuts would at last be passed. In September, the VIX index, which measures implied volatility on S&P 500 options, fell to a low. Over the 12 months of 2017, international equities gained 21.6% (their best showing since 2009). Emerging markets rose by 34.4% after underperforming for several years and only slightly outperforming developed market equities in 2016. Emerging Asia outperformed by far. Major developed markets turned in the following performances: +19.4% by the S&P 500, which set one all-time record after another; +19.1% by the Nikkei 225, which on 25 December hit a high since early 1992; and just +6.5% by the EuroStoxx 50, which took a hit from the stronger euro (+13.7% vs. the dollar) and was unable to fully price in economic indicators that routinely outstripped expectations (index price changes are given in local currencies, without reinvested dividends). On the global level, tech stocks were particularly sought out by investors while defensive sectors generally underperformed.
These solid performances reflect an environment that is favourable in many ways. First of all, global growth has accelerated and synchronised. This growth has come with an upturn in global trade, which is good news for emerging economies and began driving oil stocks up in June. This trend was underpinned by producing countries' determination to limit supply. In late 2017, with OPEC having just rolled over its output cut agreement (which took effect on 1 January 2017), West Texas Intermediate (WTI) hit a high since mid-2015, at USD 60/bbl vs. about USD 42/bbl in June. Microeconomic aspects were a crucial source of support in 2017 with the release of very solid corporate results on both top and bottom lines. Inflation did not accelerate, and that is more good news, as it allows major central banks to stick to accommodative monetary policies while beginning to move them cautiously back to normal. Lastly, after keeping a nervous eye on geopolitical events last summer, investors chose to focus on the good political news, such as Shinzo Abe's victory in Japan, the Republican Party's initial successes in the US Congress, and headway on Brexit, while mostly averting their gaze from issues that at other times would have been greater causes for concern, such as the investigation into Russian interference in the US elections, Angela Merkel's difficulties in forming a coalition government in Germany, the situation in Catalonia, and repeated terrorist attacks.

**Monetary Policy**

After raising key rates in December 2015 and then in December 2016, the US Federal Reserve (Fed) undertook three 25bp hikes in 2017, in March, June and December. Since 13 December, the fed funds target rate has ranged between 1.25% and 1.50%. This faster pace compared to the two previous years reflects the Fed's conviction that the economy is in the process of meeting its dual objectives of full employment and price stability. The steady decline in the unemployment rate (from 4.8% in January to 4.1% in November, a low since end-2000) and GDP growth, which came in at 3% on an annualised pace after a disappointing first quarter, fully endorse an optimistic scenario on economic activity. Things are less clear on inflation, given modest wage growth and fluctuating consumer prices. In December, Fed chair Janet Yellen acknowledged that "inflation has run lower than we expected" and that a longer period of job market solidity may be required until the inflation target is met. However, the Fed reiterated its intention to stick with its key rate hikes, including three in 2018, even though inflation (1.5% in November for the PCE deflator, ex-food and ex-energy) remains moderate and is not expected to meet the 2% target until 2020. The Fed announced in September that in October it would begin shrinking its balance sheet. The Fed had begun to flag this new phase of normalisation in monetary policy during the spring, and operations consisting of no longer reinvesting all proceeds from maturing securities (T-notes and MBS) are proceeding normally. When her term expires in February, Janet Yellen will be replaced as Fed chairman by Jay Powell, who appears to be the choice of continuity. During the vetting process, Donald Trump sent out mixed signals, even hinting that he could reappoint Yellen while mentioning candidates more likely to worry observers.

## Manager's report

Since March 2016, the European Central Bank (ECB) has kept its key rates on hold (0% for the main refinancing rate, 0.25% for the marginal lending facility, and -0.40% for the deposit facility). The ECB intends to keep rates very low for an extended period of time and well beyond the deadline for ending quantitative easing (QE). From April 2016 to March 2017, QE amounted to EUR 80 billion per month. It was lowered to EUR 60 billion in April and, in October 2017, the ECB announced a new reduction to EUR 30 billion a month beginning in January 2018. QE, which has been in place since March 2015, will continue until at least September 2018 and will not stop suddenly. The ECB's 26 October monetary policy meeting was highly awaited by investors who feared a more hawkish tone, similar to the late June speech in Sintra, Portugal, given that the eurozone economy, which was already doing well in June, had improved considerably since then. The 'recalibration' (the expression used during the press conference) was quite modest and came with highly accommodative language. For example, the ECB reserved the option of "increasing the size of the programme in terms of size and/or duration". In the following weeks, several governors more or less explicitly expressed their disagreement, with some even calling for a clear end date for QE. The debate within the ECB is between those who believe that growth is very solid and reasonably shock-resistant and those who argue that inflation is still modest (0.9% for core inflation in October and November). Despite 0.6% GDP expansion in the third quarter, surveys pointing to growth at least as strong in the fourth quarter, and with upgraded forecasts for 2018 and 2019, Mario Draghi is clearly in the latter camp. He acknowledges that the risks of deflation have vanished and that there is less probability of inflation returning to 0.5% to 0.6% but concluded that it is difficult "to go much beyond that".

**Bond Markets**

The 10-year T-note yield, which came to 2.44% at the end of 2016, ended 2017 at 2.41%. This slight difference in 12 months, after a steep rise in yields in late 2016, reflects the lack of strong convictions or a wilful ignorance of certain signals. The 10-year yield ranged between 2.30% and 2.65% until the end of March and then moved a little lower but still directionless, until September, and once again around 2.40% until year-end. The yield peaked on the day before the 14-15 FOMC meeting. The key rate hike had already been priced in, but observers feared a hawkish tone from the Fed, which ultimately did not happen. Until the summer, dips (to about 2.10%) came mainly in response to political concerns in the broadest sense (US airstrikes in Syria, tensions with North Korea, a presidential election in France, and talk of impeaching the US president). A low for the year was hit in September, at less than 2.05% in the midst of a flight to safety after North Korea's announcement of a new nuclear test. Some reassurance was provided by the prompt international reaction, with the UN Security Council voting unanimously in favour of sanctions. The 10-year T-note yield then turned up, a trend amplified by hopes that the Trump administration's tax reform would be passed. It moved above 2.45% in October when it seemed that Congress could approve tax cuts by year-end. It then traded directionless as trading thinned in the run-up to year-end, returning to 2.50% in December before pulling back before Christmas. The 2-year T-note yield reacted to the key rate hike, causing a significant flattening in the curve, with a 52bp spread vs. the 10-year yield, a low since October 2007.

After a rough ride, tracking economic news, shifts in US long bond yields, questions on the ECB's intentions, and political considerations, the 10-year Bund ended the year at 0.43%, 22bp higher than at the end of 2016. Political considerations played a major role until the first round of the French presidential elections, based on polls that had non-resident investors worried. The 10-year Bund yield hit a low on the year, at 0.16% on 18 April in a flight to safety as pre-election polls suggested that Eurosceptic parties were picking up votes, while French yields exceeded 1.10%. Investors cheered the outcome of the first round and Emmanuel Macron's 7 May victory. The most decisive moment came at the very end of the first half, with a shift in the ECB's tone. On 27 June, Mario Draghi reiterated his confidence in the European economy and said that the return of inflation to the target was more likely than a few years previously. His words triggered steep declines on the German market from clearly overvalued levels, given that the 10-year Bund had fallen below 0.25% in mid-June. It hit 0.60% on 13 July, a high on the year. Mario Draghi then managed to provide reassurance. In October, the recalibration of quantitative easing left the ECB's monetary policy highly accommodative, which pushed long bond yields down further. Until year-end, yields were erratic, tracking long US yields. Note, however, that the pre-Christmas US pullback did not spill over into the eurozone, which may be the sign that investors believe the ECB has spent its last QE ammunition.

**Forex Markets**

In early January, following the spike in the US dollar after the surprise election of Donald Trump in November, the EUR/USD fell below 1.04, a level not seen since early 2003. It then consolidated, ranging between 1.05 and 1.09 until April, as it tracked expectations of Fed and ECB monetary policy, before beginning an upward phase that continued until September. After stalling at about 1.18, it crossed the 1.20 threshold against a backdrop of geopolitical risks. At first, the dollar had been weakened by the vicissitudes within the Trump administration and its difficult relations with Congress during the first months of the new president's term. The euro began to strengthen in late June, tracking a change in the ECB's tone. During a colloquium in Sintra, Portugal, Mario Draghi said that deflationary pressures had vanished, which was interpreted as flagging an imminent shift in monetary policy. During the rest of the year, the ECB chairman returned to a more accommodative tone but other Governing Council members sounded more hawkish. Against this backdrop, the EUR/USD was rather erratic in the fourth quarter, as fickle market participants put a different spin on events from week to week. For example, there were divergent reactions to Fed and ECB monetary policy decisions. In late October, Draghi's accommodative tone triggered a drop in the euro to USD 1.16, while the dollar did not derive much support from greater expectations of Fed key rate hikes and the actual announcement on 13 December. The EUR/USD returned to above USD 1.20 at the very end of the year. In 12 months the euro gained 13.7% vs. the dollar, the biggest gain among G10 currencies.

As was the case for the EUR/USD, the USD/JPY in early 2017 reflected a pause for breath after the wide swings following Donald Trump's election in November 2016. From 117 at the start of the year, the USD/JPY turned back down, while managing to hold at thresholds that are less unfavourable for Japanese exporters at between 108 and 115 beginning in March and for almost the rest of the year. In September, the yen temporarily recovered its normal role as a safe haven, as geopolitical tensions ramped-up with North Korean nuclear tests, sending the exchange rate briefly below 108, a low on the year. In late October and early November, Shinzo Abe's victory in 22 October legislative elections weakened the yen, with the prime minister still in favour of the Bank of Japan's highly accommodative monetary policy, which Governor Kuroda intends to stick to. The USD/JPY ended the year at 112.65, meaning the yen rose by 3.6%, with the reference point being a low in the Japanese currency.

**Outlook**

As 2018 begins, the environment still looks promising for equities. In reaction to the solid prospects for the global economy and proactive economic policies, analysts have revised their earnings forecasts upwards, while government bond yields are likely to remain low. This combination should push equities up further despite valuations that are stretched in absolute terms, particularly in the US. Even so, investors may be troubled by doubts on both the economic scenario and monetary policies. Any sudden pick-up in inflation would likely make them wonder why central banks are being so cautious about phasing out non-conventional policies. This, in turn, would hit both the bond and equity markets, which have been driven in recent years by inflows of liquidity. While everything suggests that the new Fed chairman should stick to the current line, he could emerge as a source of uncertainty, at least in the initial months of his term. And while everything looks quiet for the moment on the political front, nervousness could re-emerge in reaction to geopolitical events (e.g. the US's attitude vis-à-vis North Korea and the Middle East) or if issues currently hanging in the balance in Europe (Brexit negotiations, the formation of a governing coalition in Germany, developments in Catalonia, and legislative elections in Italy) appear to be dragging on for too long. This could re-stoke volatility, but, even so, the outlook is bright, given solid macroeconomic fundamentals and a pro-business environment in the US in the wake of the corporate tax cut.

## Manager's report

**BONDS**

| 10-year yields | 29 December 2017 | 30 December 2016 | Change Dec/Dec |
|---|---|---|---|
| US T-note | 2.41% | 2.44% | -3 bps |
| JGB | 0.05% | 0.05% | 0 bps |
| OAT | 0.79% | 0.69% | 10 bps |
| Bund | 0.43% | 0.21% | 22 bps |

**CURRENCIES**

| | 29 December 2017 | 30 December 2016 | Change Dec/Dec |
|---|---|---|---|
| EUR/USD | 1.2006 | 1.0557 | 13.73% |
| USD/JPY | 112.65 | 116.72 | -3.49% |
| EUR/JPY | 135.26 | 123.23 | 9.76% |
| EUR/GBP | 0.8883 | 0.8551 | 3.88% |
| GBP/USD | 1.3516 | 1.2345 | 9.49% |
| EUR/CHF | 1.1703 | 1.0723 | 9.14% |
| USD/CHF | 0.9747 | 1.0157 | -4.04% |

| | 29 December 2017 | 30 December 2016 | Change Dec/Dec |
|---|---|---|---|
| Euro Stoxx 50 | 3503.96 | 3290.52 | 6.49% |
| Stoxx 50 | 3177.84 | 3010.55 | 5.56% |
| CAC 40 | 5312.56 | 4862.31 | 9.26% |
| Xetra-DAX | 12917.64 | 11481.06 | 12.51% |
| Footsie 100 | 7687.77 | 7142.83 | 7.63% |
| SMI | 9381.87 | 8219.87 | 14.14% |
| | | | |
| Dow Jones 30 | 19762.6 | 17425.03 | 13.42% |
| Nasdaq | 5383.12 | 5007.41 | 7.50% |
| S&P 500 | 2238.83 | 2043.94 | 9.54% |
| | | | |
| Nikkei 225 | 19114.37 | 19033.71 | 0.42% |
| Topix | 1518.61 | 1547.3 | -1.85% |
| | | | |
| MSCI all countries (*) | 421.84 | 399.36 | 5.63% |
| MSCI Emergents (*) | 862.27 | 794.14 | 8.58% |

*(*) in USD*

*1 Note: This original document is destined for internal use although its contents can be used in external documents.*

*2 Warning: This presentation was prepared solely for the intention and internal purposes of its recipients. As such, it provides no right to publication or communication, in full or part, to any third party whatsoever who is not the direct recipient.*

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# Manager's report

**Funds activity in 2017**

**S&P GSCI Energy & Metals Capped Component 35/20 THEAM Easy UCITS ETF**

The aim of the Fund is to replicate the performance of the S&P GSCI Energy & Metals Capped Component 35/ 20 Index Total Return (SPGCNCT).
It has 1 share classe: Class A - USD (active).

Between 30 December 2016 and 28 December 2017, the Fund's USD share performance has been 7.97 %.

Meanwhile, the performance of the Benchmark Index calculated in USD has been 8.69%

The calculated ex-post tracking error between the fund and its benchmark is 0.04% for Class A - USD (weekly annualised data). This realised ex-post TE over the period is in line with the anticipated TE level.
The replication management cost is the main source of performance difference between the fund and its benchmark.

The Board of Directors

Luxembourg, 25 January 2018

*The information stated in this report is historical and not necessarily indicative of future performance.*

# Audit report

To the Unitholders of
**S&P GSCI® ENERGY & METALS CAPPED COMPONENT 35/20 THEAM Easy UCTIS ETF**

## *Our opinion*

In our opinion, the accompanying financial statements give a true and fair view of the financial position of S&P GSCI® ENERGY & METALS CAPPED COMPONENT 35/20 THEAM Easy UCTIS ETF (the "Fund") as at 31 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 at 31 December 2017;
- the securities portfolio at 31 December 2017 ;
- the statement of operations and 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 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 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.

*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg*
*T : +352 494848 1, F : +352 494848 2900, www.pwc.lu*

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

## *Other information*

The Board of Directors of the Management Company 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. 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 Management Company for the financial statements*

The Board of Directors of the Management Company 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 Management Company 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 Management Company 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 Management Company 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 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 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 Management Company;

- conclude on the appropriateness of the Board of Directors of the Management Company'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 thatmay 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 conditionsmay 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.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 12 April 2018

Frédéric Botteman

# Financial statements at 31/12/2017

| | Notes | S&P GSCI® ENERGY & METALS CAPPED COMPONENT 35/20 THEAM Easy UCITS ETF |
|---|---|---|
| | *Expressed in* | **USD** |
| **Statement of net assets** | | |
| Assets | | **108 418 128** |
| *Securities portfolio at cost price* | | 97 713 613 |
| *Unrealised gain/(loss) on securities portfolio* | | 156 801 |
| Securities portfolio at market value | 2 | 97 870 414 |
| Net Unrealised gain on financial instruments | 2,9,10 | 7 568 448 |
| Cash at banks and time deposits | | 2 970 962 |
| Other assets | | 8 304 |
| Liabilities | | **1 348 991** |
| Other liabilities | | 1 348 991 |
| Net asset value | | **107 069 137** |
| **Statement of operations and changes in net assets** | | |
| Income on investments and assets | 2,3,7 | **26 184** |
| Management fees | 4 | 300 679 |
| Bank interest | | 8 584 |
| Other fees | 5 | 180 406 |
| Total expenses | | **489 669** |
| Net result from investments | | **(463 485)** |
| Net realised result on: | | |
| Investments securities | | 656 676 |
| Financial instruments | | 956 937 |
| Net realised result | | **1 150 128** |
| Movement on net unrealised gain/(loss) on: | | |
| Investments securities | | 156 801 |
| Financial instruments | | 8 324 054 |
| Change in net assets due to operations | | **9 630 983** |
| Net subscriptions/(redemptions) | 3 | **1 169 028** |
| Increase/(Decrease) in net assets during the year/period | | **10 800 011** |
| Net assets at the beginning of the financial year/period | | **96 269 126** |
| Net assets at the end of the financial year/period | | **107 069 137** |

The accompanying notes form an integral part of these financial statements

# Key figures relating to the last 3 years

**S&P GSCI® ENERGY & METALS CAPPED COMPONENT 35/20 THEAM Easy UCITS ETF**

| | USD<br>31/12/2015 | USD<br>31/12/2016 | USD<br>31/12/2017 | Number of units<br>31/12/2017 |
|---|---|---|---|---|
| Net assets | 215 066 544 | 96 269 126 | 107 069 137 | |
| Net asset value per unit | | | | |
| Class A USD | 25.8787 | 30.2640 | 32.8341 | 3 260 914 |
| Class A Euro Unhedged | 23.8359 EUR | 0 | 0 | 0 |
| Class B Euro Hedged | 18.3897 EUR | 0 | 0 | 0 |
| Class E USD | 54.2800 | 0 | 0 | 0 |
| Class E Euro Unhedged | 67.8976 EUR | 0 | 0 | 0 |

# Securities portfolio at 31/12/2017

*Expressed in USD*

| Quantity | Denomination | Quotation currency | Market value | % of net assets |
|---|---|---|---|---|
| | Money Market Instruments | | 97 870 414 | 91.41 |
| | *United States of America* | | *97 870 414* | *91.41* |
| 12 000 000 | US TREASURY BILL 0.000% 17-01/02/2018 | USD | 11 987 197 | 11.20 |
| 12 000 000 | US TREASURY BILL 0.000% 17-04/01/2018 | USD | 11 998 895 | 11.21 |
| 13 000 000 | US TREASURY BILL 0.000% 17-11/01/2018 | USD | 12 995 982 | 12.13 |
| 4 000 000 | US TREASURY BILL 0.000% 17-15/02/2018 | USD | 3 993 845 | 3.73 |
| 10 000 000 | US TREASURY BILL 0.000% 17-15/03/2018 | USD | 9 973 862 | 9.32 |
| 10 000 000 | US TREASURY BILL 0.000% 17-18/01/2018 | USD | 9 994 263 | 9.33 |
| 13 000 000 | US TREASURY BILL 0.000% 17-22/03/2018 | USD | 12 963 050 | 12.11 |
| 13 000 000 | US TREASURY BILL 0.000% 17-25/01/2018 | USD | 12 989 314 | 12.13 |
| 11 000 000 | WI TREASURY SEC. 0.000% 17-08/03/2018 | USD | 10 974 006 | 10.25 |
| **Total securities portfolio** | | | **97 870 414** | **91.41** |

# Notes to the financial statements

## Note 1 - General Information

***Events that occurred during the financial year from 1 January 2017 to 31 December 2017***

No special event occurred during this financial year.

## Note 2 - Principal accounting methods

***a) Presentation of the financial statements***

The financial statements of the Fund are presented in accordance with the legislation in force in Luxembourg on Undertakings for Collective Investment. The consolidation currency of the Fund is the US dollar (USD).

The statement of operations and changes in net assets covers the financial year from 1 January 2017 to 31 December 2017.

***b) Net asset value***

This annual report is prepared on the basis of the last unofficial technical net asset value calculated for financial statements purpose as at 31 December 2017.

***c) Valuation of the securities portfolio***

Investments listed on an official stock exchange or dealt in on another Regulated Market which operates regularly and is recognized and open to the public, are valued at the last available price, and, in the event that there are several such markets, on the basis of the last available price on the principal market for that investment. If such a price does not reflect the investment's fair value, it is valued at its probable sales value, which shall be estimated with prudence and in good faith by the Board of Directors of the Management Company.

Investments not dealt in or listed on a stock exchange or on a Regulated Market operating regularly, recognized and open to the public, are valued at their probable sales value, which shall be estimated with prudence and in good faith by the Board of Directors of the Management Company.

Liquid assets, money market instruments and all other instruments may be valued at the last known closing price on the valuation day or according to the straight-line depreciation method. In the case of straight-line depreciation, money market instruments are disclosed in portfolio at cost and their value is increased in the Statement of Operations and Changes in Net Assets by the accrued interest under the caption "Bank Interest". Portfolio positions will be regularly reviewed under the supervision of the Management Company in order to determine whether there is a difference between the valuation found according to the closing price method and straight-line depreciation method. If there is a difference that is likely to result in significant dilution or to be detrimental to the Unitholders, appropriate corrective action may be taken, including, if necessary, calculation of the net asset value using the last known closing prices.

The list of changes in the portfolio during the financial year from 1 January 2017 to 31 December 2017, is available free of charge at the Registered Office of the Management Company of the Fund and from local agents.

***d) Conversion of foreign currencies***

The cost of investments denominated in currencies other than the Fund accounting currency is converted into that currency at the exchange rate prevailing at the purchase date.

Income and expenses in currencies other than the Fund accounting currency are converted into that currency at the exchange rate at the transaction date.

At the end of the financial year, the assets and liabilities denominated in currencies other than the Fund accounting currency are converted into that currency at the exchange rates prevailing at that date. The resulting realized and unrealized foreign exchange profits or losses are included in the Statement of Operations and Changes in Net Assets.

As at 31 December 2017, the sole sub-fund and unit class was denominated in USD.

***e) Forward Foreign Exchange Contracts***

Open Forward Foreign Exchange Contracts are valued at the exchange rate prevailing at the valuation date on the remaining life of the contracts. Resulting changes in unrealized profits or losses and the realized profits and losses are included in the Statement of Operations and Changes in Net Assets.

***f) Swap Contracts***

Open swaps are valued at their expected realization value. The resulting changes in unrealized profits or losses and the realized profits or losses are included in the Statement of Operations and Changes in Net Assets. Realized profits or losses are presented net of interest expenses paid by the Fund to the swap counterparty.

***g) Income***

Dividends are recorded at the ex-dividend date. Interest is recorded on an accrual basis.

***h) Tracking error***

The Fund's objective is to achieve a return comparable to that of the S&P GSCI® Energy & Metals Capped Component 35/20 Total Return Index (Bloomberg: SPGCNCT) (this Fund's "Benchmark Index"). As the Fund is index-based, its objective is to maintain a tracking deviation in absolute terms between its Net Asset Value and the value of the relevant Benchmark Index. The anticipated level of tracking error between the Fund and the level of the Benchmark index, in normal market conditions, is 1 % at the maximum.

The sub-fund aims at replicating as closely as possible the performance of its reference index. However, it may experience some degree of tracking error due to the replication costs.

## Note 3 - Subscription and redemptions

The units issued by the Fund are in registered form. The Fund does not issue fractions of units. There are for the time being one class of units, with the following characteristics:

Class A USD (active)

Units are bought and sold on a primary market and/or on a secondary market as the case may be.

Subscriptions can be paid for in cash, or by the contribution of instruments and securities representative of the Benchmark Index.

All subscriptions of the year have been paid for in cash.

The subscription and redemption charges, if any, are recorded in the Statement of Operations and Changes in Net Assets under the caption "Income on investments and assets".

## Note 4 - Management fees (maximum per annum)

In consideration of its services, the Management Company receives a management fee calculated on the net asset of the unit class, at the following annual rate:

Class A USD: up to 0.30%

The management fees are calculated on each Trading Day and provisioned during the month in question whenever the Net Asset Value is calculated. They shall be paid monthly, in arrears.

## Note 5 - Other fees

Other fees are calculated each Trading Day, provisioned during the month in question whenever the Net Asset value is calculated and paid monthly in arrears from the average net assets of a sub-fund, unit category, or unit class and serve to cover general custody assets expenses (remuneration of the Custodian) and daily administration expenses (NAV calculation, record and book keeping, notices to the unitholders, providing and printing the documents legally required for the unitholders, domiciliation, auditors cost and fees…), except for brokerage fees, commissions for transactions not related to the deposit, director fees, interest and bank fees, extraordinary expenses, reporting cost in relation with regulation requirements including the European Market Infrastructure Regulation (EMIR), and the "*taxe d'abonnement*" in force in Luxembourg, as well as any other specific foreign tax and other regulators levy.

## Note 6 - Taxes

In accordance with applicable Luxembourg law and accepted practice, the Fund is not liable for Luxembourg corporation tax. Similarly, no withholding tax is levied on any sums distributed by the Fund, without prejudice of the potential application of the law dated 21 June 2005 implementing the EU Savings Directive.

In Luxembourg the Fund is exempted from the obligation to pay the subscription tax ("*taxe d'abonnement*") in accordance with article 175(e) of the Law of 2010, as amended.

Some income generated by the Fund's portfolio (such as dividends or interest) may be liable for withholding tax in the countries of origin.

Investors may be personally liable for further taxes on income or gains received. Investors who are unsure of their tax position are advised to contact a professional tax consultant or their local tax authorities.

## Note 7 - Securities lending

As at 31 December 2017, the Fund has not concluded securities lending agreement.

## Note 8 - Transaction fees

Transaction fees incurred by the Fund relating to purchase or sale of transferable securities, money market instruments, derivatives or other eligible assets are mainly composed of standard fees, sundry fees on transaction, stamp fees, brokerage fees, custody fees, VAT fees, stock exchange fees and RTO fees (Reception and Transmission of Orders). Transaction fees are included in the cost of securities purchased and sold.

For the financial year from 1 January 2017 to 31 December 2017, no transaction fees were incurred by the Fund.

## Note 9 - Forward foreign exchange contracts

As at 31 December 2017, the Fund has no opened positions.

## Note 10 - Total Return Swaps

As at 31 December 2017, the Total Return Swap contracts remaining open were as follows:

| Nominal | % Of assets engaged | Counterparty | Currency | Maturity | Sub-fund paid | Sub-fund received | Unrealised gain/(loss) (in USD) |
|---|---|---|---|---|---|---|---|
| 65 997 219 | 61.64% | SOCIETE GENERALE, FRANCE | USD | 12/01/2018 | 0.07% + USD-TBILL AUCTION HIGH RATE 3M | S&P GSCI ENERGY & METALS CAPPED COMPONENT 35/20 TOTAL RETURN INDEX | 4 955 539 |
| 34 799 464 | 32.5% | BNP PARIBAS PARIS, FRANCE | USD | 12/01/2018 | 0.075% + USD-TBILL AUCTION HIGH RATE 3M | S&P GSCI ENERGY & METALS CAPPED COMPONENT 35/20 TOTAL RETURN INDEX | 2 612 909 |
| | | | | | **Net unrealised gain (in USD)** | | **7 568 448** |

**Counterparties to Swaps contracts:**

BNP Paribas Paris, France
Société Générale, France

## Note 11 - Global overview of collateral

As at 31 December 2017, the counterparty to financial instruments pledged the following collateral in favour of the Fund:

| Sub-fund | Currency | OTC Collateral | Type of collateral |
|---|---|---|---|
| S&P GSCI® ENERGY & METALS CAPPED COMPONENT 35/20 THEAM Easy UCITS ETF | USD | 3 779 000 | Cash |

## Note 12 - Changes in the composition of the securities portfolio

The list of changes in the composition of the securities portfolio during the year is available free of charge at the Management Company's registered office and from local agents.

# Unaudited appendix

## Global market risk exposure

The Management Company of the Fund, after a risk profile assessment, decided to adopt the commitment approach to determine the global market risk exposure.

## Information on the remuneration policy in effect within the Management Company

Below are the quantitative information on remuneration, as required by Article 22 of the AIFM directive (Directive 2011/ 61 / EC of 8 June 2011) and by Article 69 (3) of the UCITS V directive (Directive 2014/91/EU of 23 July 2014), in a format compliant with the recommendations of the AFG (French Asset Management Association)[1].

**Aggregate quantitative information for members of staff of BNPP AM Luxembourg (art 22-2 (e) of AIFM directive and art 69-3 (a) of the UCITS V directive):**

| Business Area | Number of staff | Total Remuneration (k EUR) (fixed + variable) | Of which total variable remuneration (k EUR) |
|---|---|---|---|
| BNPP AM Luxembourg | 83 | 7 872 | 994 |

**Aggregate quantitative information for members of staff whose actions have a material impact on the risk profile of the firm and who are indeed "Identified Staff"[2] (art 22-2 (f) of AIFM directive and art 69-3 (b) of the UCITS V directive):**

| Business Area | Number of Staff | Total Remuneration (k EUR) |
|---|---|---|
| **Identified Staff of BNPP AM Luxembourg** | 7 | 1 373 |
| **Of which AIF/ UCITS and European mandates Portfolio managers** | 0 | 0 |

<u>**Other information about BNPP AM Luxembourg**</u>**:**

- **Number of AIF and UCITS Funds under management:**

| | Number of sub-funds 31/12/2017 | AuM (billion EUR) at 31/12/2017[3] |
|---|---|---|
| **UCITS sub-funds** | 217 | 82.8 |
| **AIFs sub-funds** | 24 | 2.2 |

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[1] <u>NB 1</u> : The remuneration amounts above are not directly reconcilable with the accounting data of the year, as they reflect the amounts allocated, based on the scope of employees at the closing of the annual compensation review process (CRP), in March 2017. Thus, for example, these amounts include all variable remuneration awarded during this CRP, whether this variable remuneration is deferred or not, and whether the employees ultimately remained in the company or not.

<u>NB 2</u> : As a reminder, level 3 of UCITS V regulation (eg minimum deferred etc…) was published in March 2016 and applies for the first time in performance year 2017, ie to variable remuneration awarded in March 2018.

[2] The identified staff is determined based on end of year review.

[3] The amounts indicated take into account the master-feeder funds.

- More information on the determination of the variable remuneration is set out in the qualitative disclosure on the remuneration policy, which is available on the website of the company.
- Under the supervision of the BNPP AM remuneration committee, an independent and central audit of the Global BNPP AM remuneration policy and its implementation over the 2016/2017 financial year was conducted between May and July 2017. The results of this audit, which covered the BNPP AM entities[4] with an AIFM license, (most of which have an UCITS license), was rated "globally satisfactory" (i.e. the second best rating out of four).
- Indeed, no significant issues were found. However, in line with BNPP AM Business line's continuous improvement approach, some recommendations were issued, which relate to further strengthening of controls, processes and documentation.
- There were no significant changes in the remuneration policy in 2017, save adaptations required by the regulations to better reflect alignment of interest in deferred instruments. Notably, the performance of flagship funds of the BNPP AM Business line will have a greater influence on such instruments as from 2018.

## Regulation on transparency of Securities Financing Transactions and Reuse of collateral (SFTR)

This collateral applies to all OTC activity of this fund. There is no way to distinguish it upon type of instrument it is related to.

**S&P GSCI® ENERGY & METALS CAPPED COMPONENT 35/20 THEAM Easy UCITS ETF**

| Counterparty name | Type | Sub-fund Currency | Market Value (absolute value) | Maturity | Issuers | Safekeeping of collateral received | Safekeeping of collateral granted | Reinvestment |
|---|---|---|---|---|---|---|---|---|
| SOCIETE GENERALE | Cash | USD | 3 779 000 | Less than one day | None | BNP PARIBAS SECURITIES SERVICES | N/A | No |
| **Total (absolute value)** | | **USD** | **3 779 000** | | | | | |

**Data on cost and return**

There are no fee sharing arrangements on Total Return Swaps and 100% of the costs/returns generated are recognised in Fund's primary statements.

**Note**

All TRS are settled on a bilateral mode.

[4] BNPP AM France, BNPP Capital Partners, FundQuest Advisor, BNPP AM Belgium, BNPP AM Luxembourg, BNPP AM Nederland and formerly CamGestion and Theam, both of them having been absorbed by BNPP AM France in Q4 2017.

BNP PARIBAS
ASSET MANAGEMENT

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