

Annual Report 2016

Investment company with variable capital (SICAV)

R.C.S. Luxembourg N° B 188 656

Audited annual report as of 31 December 2016

DYNASTY SICAV S.A.

DYNASTY SICAV S.A. – Dynasty Corporate Bond 1 - 3

DYNASTY SICAV S.A. – Dynasty Global Convertibles

DYNASTY SICAV S.A. – Dynasty High Yield 2021

No subscription can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current prospectus/KIID which will be accompanied by a copy of the latest available annual report and a copy of the latest available semi-annual report, if published after such annual report.

Audited annual report as of 31 December 2016

Table of contents	Page	ISIN
Management and Administration	2	
General Information	3	
Portfolio Manager Report	4	
Independent Auditor's Report	6	
DYNASTY SICAV S.A.	7	
DYNASTY SICAV S.A. – Dynasty Corporate Bond 1 - 3	8	A LU1495505189 B LU1495506823
DYNASTY SICAV S.A. – Dynasty Global Convertibles	12	A CHF LU1280365476 A EUR LU1280365393 A USD LU1280365559 B CHF LU1483663818 B EUR LU1280365633 D EUR LU1508332993
DYNASTY SICAV S.A. – Dynasty High Yield 2021	18	A LU1073011352 B LU1073013564
Notes to the Financial Statements	23	
Unaudited Information	29	

The Shares have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"); they may therefore not be publicly offered or sold in the USA, or in any of its territories subject to its jurisdiction or to or for the benefit of a U.S. Person.

Management and Administration

Annual Report as of 31 December 2016
DYNASTY SICAV S.A.

Registered Office

DYNASTY SICAV S.A.
33A, avenue J.F. Kennedy
L-1855 Luxembourg

Board of Directors

Chairman

Philippe HALB
Chairman
Dynasty AM S.A.
16, avenue Marie-Thérèse
L-2132 Luxembourg

Members

Dimitri BOISMARE
Director of PREVAL
11 Boulevard Royal
L-2449 Luxembourg

Lorenzo RAFFAGHELLO
Director of AULIEN PARTNERS S.à r.l.
28 rue Edward Steichen
L-2540 Luxembourg

Management Company and Investment Manager

Dynasty AM S.A.
16, avenue Marie-Thérèse
L-2132 Luxembourg

Depositary and Paying Agent

UBS Europe SE, Luxembourg Branch
33A, avenue J.F. Kennedy
L-1855 Luxembourg

Registrar and Transfer Agent, Domiciliary and Administrative Agent

UBS Fund Services (Luxembourg) S.A.
33A, avenue J.F. Kennedy
L-1855 Luxembourg

Auditor

Ernst & Young S.A.
35E, avenue J.F. Kennedy
L-1855 Luxembourg

Legal Advisor

Elvinger Hoss Prussen
2 Place Winston Churchill
L-1340 Luxembourg

The sales prospectus, the KIID, the articles of association of the Company, the annual and semi-annual reports as well as the portfolio movements of the Company mentioned in this publication are available free of charge at the registered office of the Company.

General Information

Annual Report as of 31 December 2016
DYNASTY SICAV S.A.

DYNASTY SICAV S.A. (the "Company") was incorporated on June 24, 2014 in the form of a public limited company ("société anonyme") qualifying as a "Société d'Investissement à Capital Variable", pursuant to part I of the Luxembourg law of 17 December 2010 on Undertakings for Collective Investment (the "Law"), as amended.

The Company's articles of incorporation have been deposited with the registrar and have been mentioned in the *Mémorial C, Recueil des Sociétés et Associations* (the "Mémorial"). The Company has been registered with the Luxembourg commercial register under number B 188 656.

The Company's articles of incorporation were amended for the last time on 31 August 2015 and may be amended from time to time by a meeting of shareholders, subject to the quorum and majority requirements provided for by Luxembourg law. Any amendment thereto shall be published in the *Mémorial* and, if necessary, in a Luxembourg daily newspaper and in the official publication media as specified for the respective countries in which the Shares of the Company are sold. Such amendments become legally binding on all shareholders, following their approval by the general meeting of shareholders.

The Company is a single legal entity. However, each subfund is regarded as being separate from the others and is liable for all of its own obligations, unless other terms have been specifically agreed with its creditors.

As at 31 December 2016, the following subfunds are active:

- DYNASTY SICAV S.A. – Dynasty Corporate Bond 1 - 3
- DYNASTY SICAV S.A. – Dynasty Global Convertibles
- DYNASTY SICAV S.A. – Dynasty High Yield 2021

The subfund DYNASTY SICAV S.A. – Dynasty Corporate Bonds 1 - 3 offers the following classes of shares differentiated by the following eligibility requirement as at 31 December 2016:

- Class A (offered to retail investors) – denominated in EUR;
- Class B (offered to institutional investors) – denominated in EUR;
- Class D (offered to all investors) – denominated in EUR.

The subfund DYNASTY SICAV S.A. – Dynasty Global Convertibles offers the following classes of shares differentiated by the following eligibility requirement as at 31 December 2016:

- Class A EUR (offered to all investors including retail investors) – denominated in EUR;

- Class A CHF (offered to all investors including retail investors) – denominated in CHF and hedged against foreign exchange risk of the CHF versus the EUR;
- Class A USD (offered to all investors including retail investors) – denominated in USD and hedged against foreign exchange risk of the USD versus the EUR;
- Class B CHF (offered to institutional investors) – denominated in CHF and hedged against foreign exchange risk of the CHF versus the EUR;
- Class B EUR (offered to institutional investors) – denominated in EUR;
- Class D EUR (offered to all investors including retail investors) – denominated in EUR.

The subfund DYNASTY SICAV S.A. – Dynasty High Yield 2021 offers the following classes of shares differentiated by the following eligibility requirement as at 31 December 2016:

- Class A (offered to retail investors) – denominated in EUR;
- Class B (offered to institutional investors) – denominated in EUR;
- Class D (offered to all investors) – denominated in EUR.

Shares of Class A and B capitalize their income and shares of Class D entitle the Shareholders to the regular payment of dividends.

The annual general meeting of shareholders will be held at the registered office of the Company the last Wednesday of the month of March each year (unless such date falls on a legal bank holiday, in which case on the next Luxembourg Business Day) at 15:00 (Luxembourg time).

Shareholders of any subfund may hold, at any time, general meetings to decide on any matters that relate exclusively to such subfund.

The Company's financial year ends on 31st December of each year.

The annual and semi-annual reports are available free of charge to shareholders at the registered office of the Company and the depositary.

No subscription may be accepted on the basis of the financial reports. Subscriptions are accepted only on the basis of the current prospectus and KIID accompanied by the latest annual report and the latest semi-annual report if available.

The figures stated in this report are historical and not necessarily indicative of future performance.

Portfolio Manager Report

Annual Report as of 31 December 2016
DYNASTY SICAV S.A.

DYNASTY SICAV S.A.

The year 2016 was marked by some macroeconomic troubles but also and especially by a heavy and hectic political agenda.

At the beginning of the year, both the equity and high yield and non-rated bond markets were sharply downward.

The apprehension over the Chinese growth have pushed the barrel to unsuspected levels of 28 USD leading in its wake the financial markets (-15% to 12th February).

In the middle of February, under the aggressive policy of the ECB purchase of assets and opportunity buying, the market began to rise.

The rest of the year depended on the political deadlines.

Thus, the markets were surprised by the Brexit on 23rd June provoking an earthquake on both the London and the mainland stock exchanges and also on the British Pound.

Rapidly the bond and equity markets ignored this vote, focusing on the good health of companies.

On 8th November, it did not take a day for the equity and credit markets to return in positive territory after the surprising Donald Trump's election.

Even the prospect of rising Fed's rates and the failure of the referendum and the concomitant resignation of Renzi did not compromise the market optimism.

DYNASTY SICAV S.A.

– Dynasty Corporate Bond 1 – 3

The corporate bond universe has benefited from the positive Donald Trump's post-election environment. Thus, the performances of the class B share of "Dynasty Corporate Bonds 1-3" increase by +0.4% in December.

Since its first published NAV on 20 October 2016, the class B share (EUR) show a performance of -0.5% in 2016 whereas the class A share increased by +0.43% since its creation on 18 November 2016.

In this context, we continued to build actively the portfolio.

We strengthened our exposure in the non-rated and "Non-Investment Grade" category. For example, we purchased in France, CMA CGM 8.75% 2018 bonds in maritime transport, Direct Energie 4.4% 2020 and Soitec 6.75% 2018 in the energy sector, in Spain Sacyr 4% 2019 and OHL 4% 2018 bonds in the infrastructure sector as well as in Italy through Safilo 1.25% 2019 the manufacturer of eyeglasses.

We also participated in the new issue Fieldlink 3.75% 2021 the Belgian company of fresh vegetables and flowers.

The subfund is invested at 59% through 18 securities for an average YTM of the investments at 2.8% and an average credit rating at BB+ and an average credit sensitivity at 1.52.

DYNASTY SICAV S.A.

– Dynasty Global Convertibles

"Dynasty Global Convertibles" gained +8.3% (Class A USD, net of performance fee) in 2016, exceeding the Global Thomson Reuters Convertibles index \$ (+4.6%) and MSCI World Index \$ equity (+5.3%), with a lower annual volatility (4.3%), three times lower than equities. Thus, the fund finished the year among the best performer of the Global Convertibles Morningstar (1st decile) category. AuM are now approaching €180 million.

The fund maintains its defensive profile with an average delta of 33% and a significant liquidity and quasi-liquidity bucket (around 32%) and a diversification through 75 lines. The average credit sensitivity of the portfolio is at 2.2 years with a bonds average rating of BB.

The good performance of the fund in 2016 is mainly due to our high reactivity with our active liquidity and delta management to adapt to market conditions (for example 40% liquidity and quasi-liquidity and an average delta of 27% on 12nd February 2016, 36% of liquidity and quasi-liquidity and an average delta of 25% as of June 24, 2016).

We also avoided the “krack” on the Investment Grade this summer and benefited of the election of Trump not only for our exposure in the United States but also in Europe. Thanks to our “bond picking”, we benefited of some opportunities on some takeover-bids, such as Maurel & Prom (takeover bid this summer by Pertamina) and of the selection of convertibles of all types and with no rating constraints. Our strong convictions in the Real Estate sector (especially Deutsche Wohnen in Germany) favorable in a low interest rate environment and in the technology sector (mainly in the United States with Nvidia) had also a positive impact. Our selectivity on the primary market, with new issues mainly not in favor of investors (for example Airbus, Vodafone, Total ...) with low coupons and high premiums, also benefited to the fund.

DYNASTY SICAV S.A. – Dynasty High Yield 2021

In 2016 the performances of the class A and B shares of “Dynasty High Yield 2021” compartment increased by +9.1% and +9.4% respectively.

As of 31 December 2016, the fund is invested at 92% through 47 lines with an average YTM of the investments at 4.86%, an average credit rating of B+ and an average credit sensibility at 2.1 years.

81% of bonds held in portfolio have a maturity or a put date ranging from 1 January 2020 and 31 December 2022 and only 19% prior to December 2019.

The good performance of the fund in 2016 is mainly due to our high reactivity with an active liquidity management during uncertain periods (liquidity and quasi liquidity pocket of 12.5% as at 31 December 2016), and thanks to our “bond-picking”.

At the end of the year, following the takeover bid of the Indonesian company Pertamina, we sold our entire position in “Maurel & Prom”.

In 2016, we note that the biggest contributors are Rallye 4% 2021 in France in the retail sector, Constellium 4.625% 2021 specializing in the manufacture of aluminum products in the Netherlands, Soitec 6.75% 2018 in the energetic sector in France and finally Altice 7.25% 2022 in Luxembourg in the communication sector.

Independent Auditor's report

Annual Report as of 31 December 2016
DYNASTY SICAV S.A.

To the Shareholders of

DYNASTY SICAV S.A.
33A, avenue J.F. Kennedy
L-1855 Luxembourg

We have audited the accompanying financial statements of DYNASTY SICAV S.A. and of each of its subfunds, which comprise the statement of net assets and the statement of investments in securities and other net assets as at 31 December 2016 and the statement of operations and the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

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

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises

agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of DYNASTY SICAV S.A. and of each of its subfunds as of 31 December 2016, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other matter

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

Luxembourg, 27 March 2017

Ernst & Young
Société Anonyme
Cabinet de révision agréé



Nicolas Banner

Combined Statement of Net Assets

	EUR
Assets	31.12.2016
Investments in securities, cost	170 243 425.40
Investments in securities, unrealized appreciation (depreciation)	6 879 100.14
Total investments in securities (Note 1)	177 122 525.54
Cash at banks, deposits on demand and deposit accounts	27 121 427.51
Receivable on subscriptions	1 673 909.26
Interest receivable on securities	1 074 910.01
Other receivables	17 346.74
Formation expenses, net (Note 2)	19 983.04
Unrealized gain (loss) on forward foreign exchange contracts (Note 1)	-202 549.51
Total Assets	206 827 552.59
Liabilities	
Bank overdraft	-55 068.22
Payable on redemptions	-32 349.00
Provisions for administration fees (Note 2)	-10 680.50
Provisions for investment management fees (Note 2)	-341 858.61
Provisions for performance fees (Note 2)	-593 232.52
Provisions for depositary fees (Note 2)	-7 213.12
Provisions for distribution fees (Note 2)	-1 620.73
Provisions for tax d'abonnement (Note 3)	-15 097.06
Provisions for government fees (Note 2)	-8 984.88
Provisions for domiciliation fees (Note 2)	-4 986.26
Provisions for audit fees, legal and economic advice (Note 2)	-19 767.41
Provisions for other commissions and fees (Note 2)	-63 066.48
Total provisions	-1 066 507.57
Total Liabilities	-1 153 924.79
Net assets at the end of the financial year	205 673 627.80*

Combined Statement of Operations

	EUR
Income	1.1.2016-31.12.2016
Interest on liquid assets	172.71
Interest on securities	2 008 393.37
Dividends	40.08
Other income	1 805.56
Total income	2 010 411.72
Expenses	
Administration fees (Note 2)	-76 305.61
Investment management fees (Note 2)	-640 835.91
Performance fees (Note 2)	-586 438.31
Depositary fees (Note 2)	-52 326.45
Distribution fees (Note 2)	-10 473.59
Taxe d'abonnement (Note 3)	-28 659.45
Government fees (Note 2)	-8 984.88
Domiciliation fees (Note 2)	-4 986.26
Audit fees, legal and economic advice (Note 2)	-33 493.94
Other commissions and fees (Note 2)	-98 487.19
Interest on cash and bank overdraft	-15 635.60
Total expenses	-1 556 627.19
Net income (loss) on investments	453 784.53
Realized gain (loss) (Note 1)	
Realized gain (loss) on market-priced securities without options	-101 708.08
Realized gain (loss) on forward foreign exchange contracts	-1 534 288.02
Realized gain (loss) on foreign exchange	-21 803.43
Total realized gain (loss)	-1 657 799.53
Net realized gain (loss) of the financial year	-1 204 015.00
Changes in unrealized appreciation (depreciation) (Note 1)	
Unrealized appreciation (depreciation) on market-priced securities without options	9 490 675.84
Unrealized appreciation (depreciation) on yield-evaluated securities and money market instruments	-2 807.83
Unrealized appreciation (depreciation) on forward foreign exchange contracts	-225 478.84
Total changes in unrealized appreciation (depreciation)	9 262 389.17
Net increase (decrease) in net assets as a result of operations	8 058 374.17

* see Note 1 h) Cross subfunds investments

The notes are an integral part of the financial statements.

DYNASTY SICAV S.A. – Dynasty Corporate Bond 1 - 3

Annual Report as of 31 December 2016

Key figures

	ISIN	31.12.2016
Net assets in EUR		5 776 946.94
Class A¹	LU1495505189	
Shares outstanding		17 715.2680
Net asset value per share in EUR		100.43
Class B²	LU1495506823	
Shares outstanding		40 000.0000
Net asset value per share in EUR		99.95

¹ First NAV: 18.11.2016

² First NAV: 20.10.2016

Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
Germany	21.28
France	18.34
Spain	6.52
Belgium	5.36
Luxembourg	3.60
Italy	3.24
Total	58.34

Economic Breakdown as a % of net assets	
Traffic & transportation	7.09
Banks & credit institutions	6.99
Rubber & tyres	5.43
Electronics & semiconductors	4.72
Insurance	4.66
Energy & water supply	3.64
Finance & holding companies	3.60
Graphic design, publishing & media	3.57
Chemicals	3.54
Mining, coal & steel	3.45
Photographic & optics	3.25
Agriculture & fishery	1.81
Real Estate	1.81
Internet, software & IT services	1.71
Miscellaneous unclassified companies	1.58
Building industry & materials	1.49
Total	58.34

Statement of Net Assets

	EUR
	31.12.2016
Assets	
Investments in securities, cost	3 353 358.18
Investments in securities, unrealized appreciation (depreciation)	17 160.77
Total investments in securities (Note 1)	3 370 518.95
Cash at banks, deposits on demand and deposit accounts	2 031 609.41
Receivable on subscriptions	354 016.75
Interest receivable on securities	32 528.23
Total Assets	5 788 673.34
Liabilities	
Provisions for administration fees (Note 2)	-2 852.30
Provisions for Investment management fees (Note 2)	-3 157.12
Provisions for depositary fees (Note 2)	-1 229.44
Provisions for distribution fees (Note 2)	-1 620.73
Provisions for taxe d'abonnement (Note 3)	-318.83
Provisions for domiciliation fees (Note 2)	-19.75
Provisions for audit fees, legal and economic advice (Note 2)	-52.64
Provisions for other commissions and fees (Note 2)	-2 475.59
Total provisions	-11 726.40
Total Liabilities	-11 726.40
Net assets at the end of the period	5 776 946.94

Statement of Operations

	EUR
	20.10.2016-31.12.2016
Income	
Interest on securities	10 243.52
Total income	10 243.52
Expenses	
Administration fees (Note 2)	-6 319.97
Investment management fees (Note 2)	-3 157.12
Depositary fees (Note 2)	-2 950.67
Distribution fees (Note 2)	-3 489.13
Taxe d'abonnement (Note 3)	-318.83
Domiciliation fees (Note 2)	-19.75
Audit fees, legal and economic advice (Note 2)	-363.45
Other commissions and fees (Note 2)	-6 058.91
Total expenses	-22 677.83
Net income (loss) on investments	-12 434.31
Realized gain (loss) (Note 1)	
Realized gain (loss) on market-priced securities without options	-74.50
Realized gain (loss) on foreign exchange	-35.19
Total realized gain (loss)	-109.69
Net realized gain (loss) of the period	-12 544.00
Changes in unrealized appreciation (depreciation) (Note 1)	
Unrealized appreciation (depreciation) on market-priced securities without options	17 160.77
Total changes in unrealized appreciation (depreciation)	17 160.77
Net increase (decrease) in net assets as a result of operations	4 616.77

Statement of Changes in Net Assets

	20.10.2016-31.12.2016	EUR
Net assets at the beginning of the period		0.00
Subscriptions	5 772 330.17	
Total subscriptions	<u>5 772 330.17</u>	
Net income (loss) on investments	-12 434.31	
Total realized gain (loss)	-109.69	
Total changes in unrealized appreciation (depreciation)	<u>17 160.77</u>	
Net increase (decrease) in net assets as a result of operations		4 616.77
Net assets at the end of the period		5 776 946.94

Changes in the Number of Shares outstanding

	20.10.2016-31.12.2016	
Class		A
Number of shares outstanding at the beginning of the period		0.0000
Number of shares issued		17 715.2680
Number of shares redeemed		0.0000
Number of shares outstanding at the end of the period		17 715.2680
Class		B
Number of shares outstanding at the beginning of the period		0.0000
Number of shares issued		40 000.0000
Number of shares redeemed		0.0000
Number of shares outstanding at the end of the period		40 000.0000

Statement of Investments in Securities and other Net Assets as of 31 December 2016

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
Transferable securities and money market instruments listed on an official stock exchange			
Notes, fixed rate			
EUR			
EUR CMA CGM SA-REG-S 8.87500% 13-15.12.18	100 000.00	101 418.00	1.76
EUR LAGARDERE SCA-REG-S 4.12500% 12-31.10.17	200 000.00	206 300.00	3.57
Total EUR		307 718.00	5.33
Total Notes, fixed rate		307 718.00	5.33
Medium term notes, fixed rate			
EUR			
EUR ADLER REAL ESTATE AG 4.75000% 15-08.04.20	100 000.00	104 662.00	1.81
EUR CONTINENTAL AG-REG-S 3.00000% 13-16.07.18	300 000.00	313 746.00	5.43
EUR DEUTSCHE POST AG-REG-S 1.50000% 13-09.10.18	300 000.00	308 241.00	5.34
EUR TRAFIGURA FUNDING SA-REG-S 5.25000% 13-29.11.18	200 000.00	208 180.00	3.60
EUR VOLKSWAGEN BANK GMBH-REG-S 1.12500% 13-08.02.18	300 000.00	303 252.00	5.25
Total EUR		1 238 081.00	21.43
Total Medium term notes, fixed rate		1 238 081.00	21.43
Bonds, fixed rate			
EUR			
EUR DIRECT ENERGIE-REG-S 4.40000% 15-24.11.20	200 000.00	210 346.00	3.64
Total EUR		210 346.00	3.64
Total Bonds, fixed rate		210 346.00	3.64
Convertible bonds, fixed rate			
EUR			
EUR AXA SA-SUB 3.75000% 00-01.01.17	165 500.00	268 998.85	4.66
EUR CRITERIA CAIXAHOLDING SA-REG-S 1.00000% 13-25.11.17	100 000.00	100 677.00	1.74
EUR FIELDLINK NV-REG-S 3.75000% 16-22.12.21	100 000.00	104 803.00	1.81
EUR INDRA SISTEMAS SA-REG-S 1.75000% 13-17.10.18	100 000.00	99 029.00	1.71
EUR OHL INVESTMENTS SA-REG-S 4.00000% 13-25.04.18	100 000.00	91 143.00	1.58
EUR RECTICEL SA-SUB 5.00000% 07-23.07.17	200 000.00	204 620.00	3.54
EUR SACYR VALLEHERMOSO SA-REG-S 4.00000% 14-08.05.19	100 000.00	86 032.00	1.49
EUR SGL CARBON SE-REG-S 2.75000% 12-25.01.18	200 000.00	199 200.00	3.45
EUR SOITEC SA 6.75000% 13-18.09.18	100 000.00	272 385.10	4.72
Total EUR		1 426 887.95	24.70
Total Convertible bonds, fixed rate		1 426 887.95	24.70
Total Transferable securities and money market instruments listed on an official stock exchange		3 183 032.95	55.10
Transferable securities and money market instruments traded on another regulated market			
Convertible bonds, fixed rate			
EUR			
EUR SAFILO GROUP SPA-REG-S 1.25000% 14-22.05.19	200 000.00	187 486.00	3.24
Total EUR		187 486.00	3.24
Total Convertible bonds, fixed rate		187 486.00	3.24
Total Transferable securities and money market instruments traded on another regulated market		187 486.00	3.24
Total investments in securities		3 370 518.95	58.34
Cash at banks, deposits on demand and deposit accounts and other liquid assets		2 031 609.41	35.17
Other assets and liabilities		374 818.58	6.49
Total net assets		5 776 946.94	100.00

DYNASTY SICAV S.A. – Dynasty Global Convertibles

Annual Report as of 31 December 2016

Key figures

	ISIN	31.12.2016	31.12.2015
Net assets in EUR		175 957 144.58	13 989 345.82
Class A CHF¹	LU1280365476		
Shares outstanding		128 853.4010	2 950.0000
Net asset value per share in CHF		105.37	98.79
Class A EUR²	LU1280365393		
Shares outstanding		583 213.7930	18 781.2470
Net asset value per share in EUR		107.28	99.72
Class A USD³	LU1280365559		
Shares outstanding		142 957.1900	73 571.5950
Net asset value per share in USD		107.80	99.50
Class B CHF⁴	LU1483663818		
Shares outstanding		71 030.9540	-
Net asset value per share in CHF		102.27	-
Class B EUR³	LU1280365633		
Shares outstanding		701 855.0470	51 228.0000
Net asset value per share in EUR		107.83	99.75
Class D EUR⁵	LU1508332993		
Shares outstanding		36 045.9910	-
Net asset value per share in EUR		101.33	-

¹ First NAV: 1.10.2015

² First NAV: 25.9.2015

³ First NAV: 22.9.2015

⁴ First NAV: 1.9.2016

⁵ First NAV: 25.10.2016

Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets		Economic Breakdown as a % of net assets	
United States	22.16	Electronics & semiconductors	12.60
France	12.64	Real Estate	9.38
Germany	8.11	Finance & holding companies	8.15
Luxembourg	7.27	Insurance	5.27
Netherlands	6.91	Internet, software & IT services	4.62
Spain	5.64	Petroleum	4.47
Jersey	4.91	Banks & credit institutions	4.40
Belgium	3.12	Investment funds	4.22
Italy	2.34	Building industry & materials	3.96
United Kingdom	2.32	Miscellaneous unclassified companies	3.92
Taiwan	2.01	Tobacco & alcohol	3.16
Cayman Islands	1.82	Traffic & transportation	3.16
Japan	1.49	Retail trade, department stores	2.37
Bermuda	1.34	Biotechnology	2.17
India	0.89	Chemicals	1.96
Malaysia	0.87	Agriculture & fishery	1.85
Singapore	0.80	Telecommunications	1.78
British Virgin Islands	0.56	Computer hardware & network equipment providers	1.35
Guernsey	0.54	Mechanical engineering & industrial equipment	1.28
Denmark	0.47	Healthcare & social services	1.24
South Korea	0.21	Graphic design, publishing & media	0.92
Total	86.42	Mining, coal & steel	0.77
		Food & soft drinks	0.70
		Non-ferrous metals	0.58
		Electrical devices & components	0.58
		Aerospace industry	0.52
		Precious metals & stones	0.50
		Textiles, garments & leather goods	0.41
		Miscellaneous consumer goods	0.13
		Total	86.42

Statement of Net Assets

	EUR
Assets	31.12.2016
Investments in securities, cost	144 268 727.20
Investments in securities, unrealized appreciation (depreciation)	7 793 049.87
Total investments in securities (Note 1)	152 061 777.07
Cash at banks, deposits on demand and deposit accounts	23 590 584.46
Receivable on subscriptions	642 396.14
Interest receivable on securities	670 166.05
Other receivables	4 360.95
Unrealized gain (loss) on forward foreign exchange contracts (Note 1)	-195 195.25
Total Assets	176 774 089.42
Liabilities	
Bank overdraft	-55 068.22
Payable on redemptions	-32 349.00
Provisions for administration fees (Note 2)	-5 369.14
Provisions for Investment management fees (Note 2)	-300 708.69
Provisions for performance fees (Note 2)	-346 321.92
Provisions for depositary fees (Note 2)	-4 754.24
Provisions for taxe d'abonnement (Note 3)	-13 367.62
Provisions for government fees (Note 2)	-2 992.44
Provisions for domiciliation fees (Note 2)	-2 975.44
Provisions for audit fees, legal and economic advice (Note 2)	-10 975.33
Provisions for other commissions and fees (Note 2)	-42 062.80
Total provisions	-729 527.62
Total Liabilities	-816 944.84
Net assets at the end of the financial year	175 957 144.58

Statement of Operations

	EUR
Income	1.1.2016-31.12.2016
Interest on liquid assets	172.71
Interest on securities	834 784.46
Dividends	40.08
Other income	888.36
Total income	835 885.61
Expenses	
Administration fees (Note 2)	-39 340.35
Investment management fees (Note 2)	-497 180.89
Performance fees (Note 2)	-346 198.35
Depositary fees (Note 2)	-28 772.85
Distribution fees (Note 2)	-4 910.25
Taxe d'abonnement (Note 3)	-24 154.10
Government fees (Note 2)	-2 992.44
Domiciliation fees (Note 2)	-2 975.44
Audit fees, legal and economic advice (Note 2)	-27 971.40
Other commissions and fees (Note 2)	-62 568.59
Interest on cash and bank overdraft	-15 635.60
Total expenses	-1 052 700.26
Net income (loss) on investments	-216 814.65
Realized gain (loss) (Note 1)	
Realized gain (loss) on market-priced securities without options	316 547.09
Realized gain (loss) on forward foreign exchange contracts	-1 500 296.94
Realized gain (loss) on foreign exchange	-20 570.29
Total realized gain (loss)	-1 204 320.14
Net realized gain (loss) of the financial year	-1 421 134.79
Changes in unrealized appreciation (depreciation) (Note 1)	
Unrealized appreciation (depreciation) on market-priced securities without options	7 756 527.96
Unrealized appreciation (depreciation) on yield-evaluated securities and money market instruments	-2 807.83
Unrealized appreciation (depreciation) on forward foreign exchange contracts	-218 124.58
Total changes in unrealized appreciation (depreciation)	7 535 595.55
Net increase (decrease) in net assets as a result of operations	6 114 460.76

Statement of Changes in Net Assets

	EUR
	1.1.2016-31.12.2016
Net assets at the beginning of the financial year	13 989 345.82
Subscriptions	162 977 538.02
Redemptions	-7 124 200.02
Total net subscriptions (redemptions)	155 853 338.00
Net income (loss) on investments	-216 814.65
Total realized gain (loss)	-1 204 320.14
Total changes in unrealized appreciation (depreciation)	7 535 595.55
Net increase (decrease) in net assets as a result of operations	6 114 460.76
Net assets at the end of the financial year	175 957 144.58

Changes in the Number of Shares outstanding

	1.1.2016-31.12.2016
Class	A CHF
Number of shares outstanding at the beginning of the financial year	2 950.0000
Number of shares issued	127 223.7730
Number of shares redeemed	-1 320.3720
Number of shares outstanding at the end of the financial year	128 853.4010
Class	A EUR
Number of shares outstanding at the beginning of the financial year	18 781.2470
Number of shares issued	590 187.0320
Number of shares redeemed	-25 754.4860
Number of shares outstanding at the end of the financial year	583 213.7930
Class	A USD
Number of shares outstanding at the beginning of the financial year	73 571.5950
Number of shares issued	76 559.3370
Number of shares redeemed	-7 173.7420
Number of shares outstanding at the end of the financial year	142 957.1900
Class	B CHF
Number of shares outstanding at the beginning of the financial year	0.0000
Number of shares issued	71 040.9540
Number of shares redeemed	-10.0000
Number of shares outstanding at the end of the financial year	71 030.9540
Class	B EUR
Number of shares outstanding at the beginning of the financial year	51 228.0000
Number of shares issued	685 766.0470
Number of shares redeemed	-35 139.0000
Number of shares outstanding at the end of the financial year	701 855.0470
Class	D EUR
Number of shares outstanding at the beginning of the financial year	0.0000
Number of shares issued	36 275.9910
Number of shares redeemed	-230.0000
Number of shares outstanding at the end of the financial year	36 045.9910

Statement of Investments in Securities and other Net Assets as of 31 December 2016

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
Transferable securities and money market instruments listed on an official stock exchange			
Bearer shares			
Germany			
EUR TAG IMMOBILIEN AG NPV	66 908.00	840 364.48	0.48
Total Germany		840 364.48	0.48
United Kingdom			
GBP GULF KEYSTONE PETR COM SHS USD1.00 (DI)	2 267 406.00	3 426 612.08	1.95
Total United Kingdom		3 426 612.08	1.95
Total Bearer shares		4 266 976.56	2.43
Notes, fixed rate			
USD			
USD CATERPILLAR INC 1.50000% 12-26.06.17	1 000 000.00	949 318.79	0.54
USD COCA-COLA CO/THE 0.87500% 15-27.10.17	1 000 000.00	946 299.12	0.54
USD EXPRESS SCRIPTS HOLDING CO 1.25000% 14-02.06.17	1 000 000.00	944 566.01	0.53
USD HUTCHINSON WHAMPOA INTL 11 LTSD-REG-S 3.50000% 12-13.01.17	500 000.00	474 277.79	0.27
USD INTERNATIONAL BUSINESS MACHINES CORP 1.25000% 12-06.02.17	2 500 000.00	2 370 763.21	1.35
USD KELLOGG CO 1.75000% 12-17.05.17	300 000.00	285 095.42	0.16
USD ROHM & HAAS CO 6.00000% 07-15.09.17	2 000 000.00	1 955 344.87	1.11
Total USD		7 925 665.21	4.50
Total Notes, fixed rate		7 925 665.21	4.50
Medium term notes, fixed rate			
EUR			
EUR CARLSBERG BREWERIES AS-REG-S 3.37500% 10-13.10.17	800 000.00	821 664.00	0.47
EUR ORCO PROPERTY GROUP 7.00000% 12-07.11.19	1 566 940.00	1 186 277.18	0.67
Total EUR		2 007 941.18	1.14
Total Medium term notes, fixed rate		2 007 941.18	1.14
Convertible bonds, fixed rate			
CNY			
CNY FUFENG GROUP LTD 3.00000% 13-27.11.18	9 000 000.00	1 412 008.32	0.80
Total CNY		1 412 008.32	0.80
EUR			
EUR AURELIUS AG-REG-S 1.00000% 15-01.12.20	5 000 000.00	5 938 750.00	3.37
EUR AXA SA-SUB 3.75000% 00-01.01.17	5 709 750.00	9 280 460.32	5.27
EUR BE SEMICONDUCTOR INDUSTRIES NV-REG-S 2.50000% 16-02.12.23	2 700 000.00	2 656 260.00	1.51
EUR BIM SAS-REG-S 2.50000% 15-13.11.20	165 000.00	4 430 000.12	2.52
EUR CRITERIA CAIXAHOLDING SA-REG-S 1.00000% 13-25.11.17	5 700 000.00	5 738 589.00	3.26
EUR DEUTSCHE WOHNEN AG-REG-S 0.87500% 14-08.09.21	2 100 000.00	3 195 675.00	1.82
EUR DRILLISCH AG-REG-S 0.75000% 13-12.12.18	1 500 000.00	2 935 425.00	1.67
EUR FIELDLINK NV-REG-S 3.75000% 16-22.12.21	3 100 000.00	3 248 893.00	1.85
EUR FUGRO NV-REG-S-SUB 4.00000% 16-26.10.21	2 800 000.00	2 842 364.00	1.61
EUR INDRA SISTEMAS SA-REG-S 1.75000% 13-17.10.18	3 300 000.00	3 267 957.00	1.86
EUR INTL CONSOLIDATED AIRLINES GROUP-REG-S 0.25000% 15-17.11.20	1 000 000.00	918 800.00	0.52
EUR KONINKLIJKE BAM GROEP NV-REG-S SUB 3.50000% 16-13.06.21	2 000 000.00	2 205 000.00	1.25
EUR NEXITY SA-REG-S 0.12500% 16-01.01.23	60 299.00	3 869 218.17	2.20
EUR PT JERSEY LTD-REG-S 0.50000% 14-19.11.19	4 500 000.00	5 246 325.00	2.98
EUR RECTICEL SA-SUB 5.00000% 07-23.07.17	1 200 000.00	1 227 720.00	0.70
EUR SAF-HOLLAND SA-REG-S 1.00000% 14-12.09.20	4 500 000.00	5 532 750.00	3.15
EUR SGL CARBON SE-REG-S 3.50000% 15-30.09.20	1 500 000.00	1 357 965.00	0.77
EUR SOITEC SA 6.75000% 13-18.09.18	534 035.00	1 454 631.77	0.83
EUR TOUJAX SA-REG-S 6.00000% 15-10.07.20	1 768.00	31 364.32	0.02
Total EUR		65 378 147.70	37.16
GBP			
GBP MARKET TECH HOLDINGS LTD-REG-S 2.00000% 15-31.03.20	800 000.00	953 609.01	0.54
GBP PHP FINANCE JERSEY LTD-REG-S 4.25000% 14-20.05.19	500 000.00	665 423.45	0.38
GBP REMGRO JERSEY GBP LTD-REG-S 2.62500% 16-22.03.21	1 000 000.00	1 170 888.93	0.66
Total GBP		2 789 921.39	1.58
USD			
USD BRENNTAG FINANCE BV-REG-S 1.87500% 15-02.12.22	500 000.00	489 096.94	0.28
USD HAITIAN INTERNATIONAL HOLDINGS-REG-S 2.00000% 14-13.02.19	1 000 000.00	943 351.51	0.54
USD JOHNSON ELECTRIC HOLDINGS LTD-REG-S 1.00000% 14-02.04.21	1 000 000.00	994 188.20	0.56
USD LARSEN & TOUBRO LTD-REG-S 0.67500% 14-22.10.19	1 700 000.00	1 563 403.65	0.89
USD NEWMONT MINING CORP 1.62500% 07-15.07.17	900 000.00	874 077.27	0.50
USD SUBSEA 7 SA-REG-S 1.00000% 12-05.10.17	1 000 000.00	935 008.29	0.53
Total USD		5 799 125.86	3.30
Total Convertible bonds, fixed rate		75 379 203.27	42.84

The notes are an integral part of the financial statements.

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
Convertible bonds, zero coupon			
EUR			
EUR BEKAERT SA-REG-S 0.00000% 16-09.06.21	1 000 000.00	1 016 120.00	0.58
EUR CREDIT AGRICOLE SA-REG-S 0.00000% 16-03.10.19	960 427.08	1 007 214.16	0.57
EUR WENDEL SA-REG-S 0.00000% 16-31.07.19	9 619.00	540 385.80	0.31
Total EUR		2 563 719.96	1.46
HKD			
HKD SHINE POWER INTERNATIONAL LTD-REG-S 0.00000% 14-28.07.19	8 000 000.00	979 745.37	0.56
Total HKD		979 745.37	0.56
JPY			
JPY ASICS CORP-REG-S 0.00000% 14-01.03.19	80 000 000.00	719 793.92	0.41
JPY SONY CORP-REG-S 0.00000% 15-30.09.22	220 000 000.00	1 894 184.26	1.07
Total JPY		2 613 978.18	1.48
USD			
USD ADVANCED SEMICONDUCTOR ENGIN-REG-S 0.00000%15-27.03.18	4 000 000.00	3 536 383.03	2.01
USD CAHAYA CAPITAL LTD-REG-S 0.00000% 14-18.09.21	1 700 000.00	1 740 436.12	0.87
USD HYUNDAI HEAVY INDUSTRIES-REG-S 0.00000% 15-29.06.20	400 000.00	362 880.30	0.21
Total USD		5 439 699.45	3.09
Total Convertible bonds, zero coupon		11 597 142.96	6.59
Total Transferable securities and money market instruments listed on an official stock exchange		101 176 929.18	57.50
Transferable securities and money market instruments traded on another regulated market			
Notes, fixed rate			
USD			
USD AMGEN INC 5.85000% 08-01.06.17	2 500 000.00	2 413 690.45	1.37
USD ANHEUSER-BUSCH INBEV WORLDWIDE INC 1.37500% 12-15.07.17	5 000 000.00	4 744 598.24	2.70
USD EBAY INC 1.35000% 12-15.07.17	4 000 000.00	3 793 945.48	2.15
Total USD		10 952 234.17	6.22
Total Notes, fixed rate		10 952 234.17	6.22
Bonds, fixed rate			
USD			
USD GULF KEYSTONE PETROLEUM-REG-S (PIK) 10.00000% 16-18.10.21	739 252.00	658 826.15	0.37
Total USD		658 826.15	0.37
Total Bonds, fixed rate		658 826.15	0.37
Bonds, floating rate			
USD			
USD WELLS FARGO & CO-SUB 7.980%/3M LIBOR+377BP 08-PRP	1 000 000.00	990 756.10	0.56
Total USD		990 756.10	0.56
Total Bonds, floating rate		990 756.10	0.56
Convertible bonds, fixed rate			
EUR			
EUR AZIMUT HOLDING SPA-REG-S-SUB 2.12500% 13-25.11.20	4 000 000.00	4 115 480.00	2.34
EUR FF GROUP FINANCE LUXEMBOURG-REG-S 1.75000% 14-03.07.19	2 400 000.00	2 136 048.00	1.21
Total EUR		6 251 528.00	3.55
GBP			
GBP CARILLION FINANCE JERSEY LTD-REG-S 2.50000% 14-19.12.19	1 400 000.00	1 560 240.23	0.89
Total GBP		1 560 240.23	0.89
SGD			
SGD CAPITALAND LTD-REG-S 2.80000% 15-08.06.25	2 250 000.00	1 415 665.63	0.81
Total SGD		1 415 665.63	0.81
USD			
USD CARRIAGE SERVICES INC-SUB 2.75000% 14-15.03.21	1 000 000.00	1 284 854.24	0.73
USD EMPIRE STATE REALTY OP LP-144A 2.62500% 14-15.08.19	300 000.00	321 329.22	0.18
USD JAKKS PACIFIC INC-144A 4.87500% 14-01.06.20	300 000.00	236 074.89	0.13
USD JAZZ INVESTMENTS I LTD-144A 1.87500% 14-15.08.21	1 500 000.00	1 370 507.23	0.78
USD LIBERTY MEDIA CORP 1.37500% 13-15.10.23	200 000.00	203 157.15	0.12
USD MICRON TECHNOLOGY INC 2.12500% 13-15.02.33	2 000 000.00	3 986 916.33	2.27
USD NOVELLUS SYSTEMS INC 2.62500% 11-15.05.41	200 000.00	591 668.16	0.34
USD NVIDIA CORP 1.00000% 13-01.12.18	1 450 000.00	7 596 886.46	4.32
USD SPIRIT REALTY CAPITAL INC 2.87500% 14-15.05.19	2 000 000.00	1 978 743.78	1.12
USD VERINT SYSTEMS INC 1.50000% 14-01.06.21	1 000 000.00	888 077.74	0.51

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
USD VIPSHOP HOLDINGS LTD 1.50000% 14-15.03.19	400 000.00	377 048.97	0.21
USD WBMD HEALTH CORP-144A 2.62500% 16-15.06.23	1 000 000.00	896 307.18	0.51
USD YANDEX NV 1.12500% 15-15.12.18	4 400 000.00	3 970 700.17	2.26
Total USD		23 702 271.52	13.48

Total Convertible bonds, fixed rate **32 929 705.38** **18.73**

Total Transferable securities and money market instruments traded on another regulated market **45 531 521.80** **25.88**

Transferable securities and money market instruments not listed on an official stock exchange and not traded on another regulated market

Convertible bonds, fixed rate

USD			
USD ACETO CORP 2.00000% 15-01.11.20	300 000.00	273 676.22	0.16
USD CALAMP CORP 1.62500% 15-15.05.20	500 000.00	458 449.87	0.26
Total USD		732 126.09	0.42

Total Convertible bonds, fixed rate **732 126.09** **0.42**

Total Transferable securities and money market instruments not listed on an official stock exchange and not traded on another regulated market **732 126.09** **0.42**

UCITS/Other UCIs in accordance with Article 41 (1) e) of the amended Luxembourg law of 17 December 2010

Investment funds, open end

Luxembourg			
EUR DYNASTY SICAV S.A. - DYNASTY CORPORATE BOND 1-3 CLASS B	30 000.00	2 998 500.00	1.70
Total Luxembourg		2 998 500.00	1.70

Total Investment funds, open end **2 998 500.00** **1.70**

Total UCITS/Other UCIs in accordance with Article 41 (1) e) of the amended Luxembourg law of 17 December 2010 **2 998 500.00** **1.70**

Derivative instruments listed on an official stock exchange

Warrants on shares

France			
EUR PUBLICIS GROUPE SA CALL WARRANT 30.50000 02-24.09.22	45 000.00	1 622 700.00	0.92
Total France		1 622 700.00	0.92

Total Warrants on shares **1 622 700.00** **0.92**

Total Derivative instruments listed on an official stock exchange **1 622 700.00** **0.92**

Total investments in securities **152 061 777.07** **86.42**

Forward Foreign Exchange contracts

Forward Foreign Exchange contracts (Purchase/Sale)

EUR 4 695 264.73	USD 5 035 000.00	15.6.2017	-38 026.08	-0.02
EUR 701 979.02	USD 750 000.00	15.6.2017	-3 079.19	0.00
USD 330 000.00	EUR 309 256.61	15.6.2017	969.00	0.00
CHF 280 000.00	EUR 259 079.34	15.6.2017	2 659.27	0.00
EUR 554 975.71	USD 595 000.00	15.6.2017	-4 370.47	0.00
EUR 45 574 883.72	USD 48 993 000.00	15.6.2017	-482 339.10	-0.27
EUR 8 210 453.77	GBP 6 910 000.00	15.6.2017	150 431.57	0.09
EUR 2 615 603.99	JPY 321 000 000.00	15.6.2017	6 541.27	0.00
EUR 898 232.32	HKD 7 490 000.00	15.6.2017	-9 987.68	-0.01
EUR 1 457 552.28	SGD 2 231 600.00	15.6.2017	6 251.29	0.00
EUR 1 298 010.64	CNY 9 885 000.00	15.6.2017	3 884.61	0.00
USD 14 378 300.00	EUR 13 396 597.35	15.6.2017	120 120.69	0.07
CHF 18 142 600.00	EUR 16 918 858.93	15.6.2017	40 494.58	0.02
CHF 490 000.00	EUR 460 329.90	15.6.2017	-2 287.33	0.00
USD 440 000.00	EUR 420 592.19	15.6.2017	-6 958.04	0.00
CHF 368 000.00	EUR 345 219.97	15.6.2017	-1 220.65	0.00
EUR 3 314 230.74	USD 3 500 000.00	15.6.2017	23 959.07	0.01
CHF 830 000.00	EUR 776 988.41	15.6.2017	-1 120.38	0.00
CHF 550 000.00	EUR 515 247.10	15.6.2017	-1 117.68	0.00
Total Forward Foreign Exchange contracts (Purchase/Sale)			-195 195.25	-0.11

Cash at banks, deposits on demand and deposit accounts and other liquid assets **23 590 584.46** **13.41**

Bank overdraft and other short-term liabilities **-55 068.22** **-0.03**

Other assets and liabilities **555 046.52** **0.31**

Total net assets **175 957 144.58** **100.00**

DYNASTY SICAV S.A. – Dynasty High Yield 2021

Annual Report as of 31 December 2016

Key figures

	ISIN	31.12.2016	31.12.2015	31.12.2014
Net assets in EUR		23 939 536.28	24 285 779.81	19 121 495.36
Class A	LU1073011352			
Shares outstanding		82 536.5230	64 145.1440	70 658.8400
Net asset value per share in EUR		100.27	91.94	95.41
Class B	LU1073013564			
Shares outstanding		154 760.3380	198 785.6710	129 466.4300
Net asset value per share in EUR		101.21	92.50	95.62

Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
France	26.61
Luxembourg	22.93
Netherlands	7.78
Germany	6.88
Ireland	3.97
United Kingdom	3.82
Spain	3.60
Jersey	3.13
Belgium	3.10
Sweden	2.82
Cayman Islands	2.66
Italy	1.97
Norway	1.33
Total	90.60

Economic Breakdown as a % of net assets	
Finance & holding companies	32.05
Miscellaneous services	7.55
Traffic & transportation	6.50
Building industry & materials	5.41
Real Estate	5.18
Retail trade, department stores	4.63
Insurance	4.49
Telecommunications	4.45
Mining, coal & steel	4.29
Electrical devices & components	2.66
Packaging industry	2.30
Healthcare & social services	2.20
Electronics & semiconductors	1.82
Agriculture & fishery	1.75
Vehicles	1.72
Biotechnology	1.35
Miscellaneous unclassified companies	1.27
Energy & water supply	0.88
Environmental services & recycling	0.10
Total	90.60

Statement of Net Assets

	EUR
Assets	31.12.2016
Investments in securities, cost	22 621 340.02
Investments in securities, unrealized appreciation (depreciation)	-931 110.50
Total investments in securities (Note 1)	21 690 229.52
Cash at banks, deposits on demand and deposit accounts	1 499 233.64
Receivable on subscriptions	677 496.37
Interest receivable on securities	372 215.73
Other receivables	12 985.79
Formation expenses, net (Note 2)	19 983.04
Unrealized gain (loss) on forward foreign exchange contracts (Note 1)	-7 354.26
Total Assets	24 264 789.83
Liabilities	
Provisions for administration fees (Note 2)	-2 459.06
Provisions for Investment management fees (Note 2)	-37 992.80
Provisions for performance fees (Note 2)	-246 910.60
Provisions for depositary fees (Note 2)	-1 229.44
Provisions for taxe d'abonnement (Note 3)	-1 410.61
Provisions for government fees (Note 2)	-5 992.44
Provisions for domiciliation fees (Note 2)	-1 991.07
Provisions for audit fees, legal and economic advice (Note 2)	-8 739.44
Provisions for other commissions and fees (Note 2)	-18 528.09
Total provisions	-325 253.55
Total Liabilities	-325 253.55
Net assets at the end of the financial year	23 939 536.28

Statement of Operations

	EUR
Income	1.1.2016-31.12.2016
Interest on securities	1 163 365.39
Other income	917.20
Total income	1 164 282.59
Expenses	
Administration fees (Note 2)	-30 645.29
Investment management fees (Note 2)	-140 497.90
Performance fees (Note 2)	-240 239.96
Depositary fees (Note 2)	-20 602.93
Distribution fees (Note 2)	-2 074.21
Taxe d'abonnement (Note 3)	-4 186.52
Government fees (Note 2)	-5 992.44
Domiciliation fees (Note 2)	-1 991.07
Audit fees, legal and economic advice (Note 2)	-5 159.09
Other commissions and fees (Note 2)	-29 859.69
Total expenses	-481 249.10
Net income (loss) on investments	683 033.49
Realized gain (loss) (Note 1)	
Realized gain (loss) on market-priced securities without options	-418 180.67
Realized gain (loss) on forward foreign exchange contracts	-33 991.08
Realized gain (loss) on foreign exchange	-1 197.95
Total realized gain (loss)	-453 369.70
Net realized gain (loss) of the financial year	229 663.79
Changes in unrealized appreciation (depreciation) (Note 1)	
Unrealized appreciation (depreciation) on market-priced securities without options	1 716 987.11
Unrealized appreciation (depreciation) on forward foreign exchange contracts	-7 354.26
Total changes in unrealized appreciation (depreciation)	1 709 632.85
Net increase (decrease) in net assets as a result of operations	1 939 296.64

Statement of Changes in Net Assets

	EUR
	1.1.2016-31.12.2016
Net assets at the beginning of the financial year	24 285 779.81
Subscriptions	8 797 530.30
Redemptions	-11 083 070.47
Total net subscriptions (redemptions)	-2 285 540.17
Net income (loss) on investments	683 033.49
Total realized gain (loss)	-453 369.70
Total changes in unrealized appreciation (depreciation)	1 709 632.85
Net increase (decrease) in net assets as a result of operations	1 939 296.64
Net assets at the end of the financial year	23 939 536.28

Changes in the Number of Shares outstanding

	1.1.2016-31.12.2016
Class	A
Number of shares outstanding at the beginning of the financial year	64 145.1440
Number of shares issued	38 320.8130
Number of shares redeemed	-19 929.4340
Number of shares outstanding at the end of the financial year	82 536.5230
Class	B
Number of shares outstanding at the beginning of the financial year	198 785.6710
Number of shares issued	53 256.0000
Number of shares redeemed	-97 281.3330
Number of shares outstanding at the end of the financial year	154 760.3380

Statement of Investments in Securities and other Net Assets as of 31 December 2016

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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Transferable securities and money market instruments listed on an official stock exchange

Notes, fixed rate

EUR			
EUR	3AB OPTIQUE DEVELOPPEMENT SAS-REG-S 5.62500% 14-15.04.19	300 000.00	1.27
EUR	ARDAGH PACKAGING FINANCE/MP-REG-S 4.25000% 14-15.01.22	400 000.00	1.73
EUR	EUROPCAR GROUPE SA-REG-S 5.75000% 15-15.06.22	300 000.00	1.32
EUR	LION/SENECA FRANCE 2-REG-S 7.87500% 14-15.04.19	150 000.00	0.62
EUR	LOCK AS-REG-S 7.00000% 14-15.08.21	300 000.00	1.33
EUR	LOXAM SAS-REG-S-SUB 7.00000% 14-23.07.22	500 000.00	2.23
EUR	MEDI PARTENAIRES SAS-REG-S 7.00000% 13-15.05.20	500 000.00	2.19
EUR	STENA AB-REG-S 7.87500% 10-15.03.20	610 000.00	2.82
EUR	UPC HOLDING BV-REG-S 6.37500% 12-15.09.22	400 000.00	1.77
EUR	VIRIDIAN GROUP FUNDCO II-REG-S 7.50000% 15-01.03.20	600 000.00	2.66
EUR	WASTE ITALIA SPA-REG-S 10.50000% 14-15.11.19	100 000.00	0.10
Total EUR		4 318 682.40	18.04

Total Notes, fixed rate

4 318 682.40 18.04

Medium term notes, fixed rate

EUR			
EUR	ADLER REAL ESTATE AG 4.75000% 15-08.04.20	600 000.00	2.62
EUR	ALDESA FINANCIAL SERVICES SA REG-S 7.25000% 14-01.04.21	500 000.00	1.41
EUR	BOPARAN FINANCE PLC-REG-S 4.37500% 14-15.07.21	400 000.00	1.65
EUR	CONSTELLUM NV-REG-S 4.62500% 14-15.05.21	600 000.00	2.40
EUR	EC FINANCE PLC-144A-REG-S 5.12500% 14-15.07.21	500 000.00	2.18
EUR	FIAT CHRYSLER FINANCE EUROPE-REG-S 4.75000% 14-22.03.21	200 000.00	0.92
EUR	FIAT CHRYSLER FINANCE EUROPE-REG-S 4.75000% 14-15.07.22	400 000.00	1.84
EUR	GAZ CAPITAL SA/GAZPROM-REG-S LPN 3.38900% 13-20.03.20	500 000.00	2.17
EUR	HEIDELBERGCEMENT FIN LUX SA-REG-S 3.25000% 13-21.10.21	500 000.00	2.34
EUR	ORCO PROPERTY GROUP 7.00000% 12-07.11.19	808 350.00	2.56
EUR	RALLYE SA-REG-S 4.00000% 14-02.04.21	600 000.00	2.45
EUR	SCHAEFFLER FINANCE BV-REG-S 3.50000% 14-15.05.22	700 000.00	3.00
Total EUR		6 113 956.40	25.54

Total Medium term notes, fixed rate

6 113 956.40 25.54

Bonds, fixed rate

EUR			
EUR	ABENGOA FINANCE SAU-REG-S *DEFAULT* 6.00000% 14-31.03.21	500 000.00	0.06
EUR	ALTICE LUXEMBOURG SA-REG-S 7.25000% 14-15.05.22	600 000.00	2.67
EUR	CMC RAVENNA-REG-S 7.50000% 14-01.08.21	500 000.00	1.87
EUR	CROWN EUROPEAN HOLDINGS SA-REG-S 4.00000% 14-15.07.22	500 000.00	2.30
EUR	DIRECT ENERGIE-REG-S 4.40000% 15-24.11.20	200 000.00	0.88
EUR	FAURECIA-REG-S 3.12500% 15-15.06.22	400 000.00	1.72
EUR	GRUPO ISOLUX CORSAN FINANCE BV-REG-S 6.62500% 14-15.04.21	700 000.00	0.60
EUR	HAPAG-LLOYD AG-REG-S 7.50000% 14-15.10.19	550 000.00	2.37
EUR	MONITCHEM HOLDCO 2 SA-REG-S 6.87500% 14-15.06.22	450 000.00	1.73
EUR	OBERTHUR TECHNOLOGIES-REG-S 9.25000% 13-30.04.20	500 000.00	2.19
EUR	OBRASCON HUARTE LAIN SA-REG-S 4.75000% 14-15.03.22	700 000.00	2.10
EUR	PICARD BONDCO SA-REG-S 7.75000% 15-01.02.20	500 000.00	2.18
EUR	SFR GROUP SA-REG-S 5.37500% 14-15.05.22	500 000.00	2.18
EUR	SMURFIT KAPPA ACQUISITION-REG-S 3.25000% 14-01.06.21	500 000.00	2.25
EUR	WIND ACQUISITION FINANCE SA-REG-S 7.00000% 14-23.04.21	750 000.00	3.25
Total EUR		6 786 377.54	28.35

Total Bonds, fixed rate

6 786 377.54 28.35

Bonds, floating rate

EUR			
EUR	FINANCIERE QUICK SAS-REG-S 3M EURIBOR+750BP 14-15.10.19	300 000.00	0.94
Total EUR		225 706.07	0.94

Total Bonds, floating rate

225 706.07 0.94

Convertible bonds, fixed rate

EUR			
EUR	ABLYNX NV-REG-S 3.25000% 15-27.05.20	300 000.00	1.35
EUR	AXA SA-SUB 3.75000% 00-01.01.17	662 000.00	4.49
EUR	FIELDLINK NV-REG-S 3.75000% 16-22.12.21	400 000.00	1.75
EUR	SACYR VALLEHERMOSO SA-REG-S 4.00000% 14-08.05.19	400 000.00	1.44

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
EUR SGL CARBON SE-REG-S 3.50000% 15-30.09.20	500 000.00	452 655.00	1.89
EUR SOITEC SA 6.75000% 13-18.09.18	160 000.00	435 816.16	1.82
Total EUR		3 050 114.56	12.74
Total Convertible bonds, fixed rate		3 050 114.56	12.74
Total Transferable securities and money market instruments listed on an official stock exchange		20 494 836.97	85.61
Transferable securities and money market instruments traded on another regulated market			
Convertible bonds, fixed rate			
EUR			
EUR FF GROUP FINANCE LUXEMBOURG-REG-S 1.75000% 14-03.07.19	500 000.00	445 010.00	1.86
Total EUR		445 010.00	1.86
USD			
USD TULLOW OIL JERSEY-REG-S 6.62500% 16-12.07.21	600 000.00	750 382.55	3.13
Total USD		750 382.55	3.13
Total Convertible bonds, fixed rate		1 195 392.55	4.99
Total Transferable securities and money market instruments traded on another regulated market		1 195 392.55	4.99
Total investments in securities		21 690 229.52	90.60
Forward Foreign Exchange contracts			
Forward Foreign Exchange contracts (Purchase/Sale)			
EUR 694 883.72 USD 747 000.00 15.6.2017		-7 354.26	-0.03
Total Forward Foreign Exchange contracts (Purchase/Sale)		-7 354.26	-0.03
Cash at banks, deposits on demand and deposit accounts and other liquid assets		1 499 233.64	6.26
Other assets and liabilities		757 427.38	3.17
Total net assets		23 939 536.28	100.00

Notes to the Financial Statements

Annual Report as of 31 December 2016
DYNASTY SICAV S.A.

Note 1 – Significant accounting policies

The Financial Statements of the SICAV have been prepared and presented in accordance with Luxembourg regulations relating to undertakings for collective investment, including the following significant policies:

a) Valuation principles

The Administrative Agent shall assist the Company and the Management Company to determine the Net Asset Value and the Net Asset Value per Share.

The Net Asset Value per Share of each Class of Shares in each subfund is expressed in the Reference Currency of the Class of Shares.

The Net Asset Value per Share of each Class in each subfund is calculated on every Business Day. Furthermore, the Net Asset Value per Share of each Class in each subfund as per the year-end is calculated on the last Luxembourg Business Day of the year. Consequently, the last Luxembourg Business Day of the year has the same Valuation Day for the year-end and the month-end for the month of December.

The value of the assets is determined as follows:

- 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;
- Securities and money market instruments listed on a recognized stock exchange or dealt in on any other regulated market that operates regularly, is recognised and is open to the public, are valued at their last available closing price on the principal market on which such securities are traded. The last available closing price used for the bonds is the bid price;
- In the event that the last available closing price does not, in the opinion of the Board of Directors, truly reflect the fair market value of the relevant securities and money market instruments, the value of such securities will be defined by the Board of Directors of the Company based on the reasonably foreseeable sales proceeds determined prudently and in good faith;

- Securities and money market instruments not listed or traded on a stock exchange or not dealt in on another regulated market are valued on the basis of the probable sales proceeds determined prudently and in good faith by the Board of Directors of the Company;
- The liquidating value of futures, forward or options contracts not traded on exchanges or on other regulated markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors of the Company, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other regulated markets shall be based upon the last available settlement prices of these contracts on exchanges and regulated markets on which the particular futures, forward or options contracts are traded by the Company; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors of the Company may deem fair and reasonable;
- Investments in open-ended investment funds, either listed or not, are valued on the basis of their last available net asset value per share/unit.
- All other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors of the Company.

b) Valuation of forward foreign exchange contracts

The unrealized gain (loss) of outstanding forward foreign exchange contracts is valued on the basis of the forward exchange rates prevailing at valuation date. Realized or unrealized gains or losses are recorded in the statement of operations.

c) Net realized gain (loss) on sales of securities

The realized gains or losses on the sales of securities are calculated on the basis of the average cost of the securities sold.

d) Conversion of foreign currencies

Bank accounts, other net assets and the valuation of the investments in securities held denominated in currencies other than the reference currency of the different subfunds are converted at the mid closing spot rates on the valuation date. Income and expenses denominated in currencies other than the currency of the different subfunds are converted at the mid closing

spot rates at payment date. Gain or loss on foreign exchange is included in the statement of operations.

The cost of securities denominated in currencies other than the reference currency of the different subfunds is converted at the mid closing spot rate prevailing on the day of acquisition.

e) Accounting of securities' portfolio transactions

The securities' portfolio transactions are accounted for the bank business day following the transaction dates.

f) Income recognition

Dividends, net of withholding taxes, are recognized as income on the date upon which the relevant securities are first listed as "ex-dividend". Interest income is accrued on a daily basis.

g) Combined financial statements

The Combined financial statements of the Company are expressed in EUR. The various items of the Combined statement of net assets and the Combined statement of operations as of 31 December 2016 of the Company are equal to the sum of the corresponding items in the financial statements of each subfund.

h) Cross subfunds investments

As per 31 December 2016 the subfund DYNASTY SICAV S.A. - Dynasty Global Convertibles has the following investment in an other subfund of DYNASTY SICAV S.A.:

DYNASTY SICAV S.A. – Dynasty Corporate Bond 1-3 Class B EUR 2 998 500.00

As at 31 December 2016, the total of cross subfunds investments amounts to EUR 2 998 500.00 and therefore total combined NAV at period-end without cross subfunds investments would amount to EUR 202 675 127.80.

Note 2 – Charges and Expenses

Domiciliation Fees

As remuneration for its services of domiciliation, the Administration Agent acting in its capacity of domiciliary of the Company receives from the Company an annual fee of five thousand Euros (EUR 5'000), excluding any applicable VAT.

Investment Management Fees

The Investment Management Fees are payable to the Management Company, quarterly for each subfund and are calculated on the basis of the average net asset value of each class of shares.

When a subfund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same investment manager or by any management or control, or by a substantial direct or indirect holding regarded as more than 10% of the voting rights or share capital, no subscription or redemption or management fees may be charged to the Company on the account of its investment in the units of such other UCITS and/or UCIs.

If any subfund's investments in UCITS and other UCIs constitute a substantial proportion of that subfund's assets, the total management fees (excluding any performance fees, if any) charged both to such subfund itself and the UCITS and/or other UCIs concerned shall not exceed 5% of the relevant assets.

As at 31 December 2016, the annual management fees rates per share class are as follows:

DYNASTY SICAV S.A.	Management fees
Dynasty Corporate Bonds 1 - 3 – A	0.65% p.a.
Dynasty Corporate Bonds 1 - 3 – B	0.40% p.a.
Dynasty Corporate Bonds 1 - 3 – D	0.65% p.a.
Dynasty Global Convertibles – A CHF	1.10% p.a.
Dynasty Global Convertibles – A EUR	1.10% p.a.
Dynasty Global Convertibles – A USD	1.10% p.a.
Dynasty Global Convertibles – B CHF	0.55% p.a.
Dynasty Global Convertibles – B EUR	0.55% p.a.
Dynasty Global Convertibles – D EUR	1.10% p.a.
Dynasty High Yield 2021 – A	0.90% p.a.
Dynasty High Yield 2021 – B	0.50% p.a.

Performance Fees

DYNASTY SICAV S.A. – Dynasty Corporate Bond 1 - 3

The performance fees payable to the Management Company are calculated and crystallised daily based on the net asset value of the subfund.

The performance fees are payable only if the following conditions are met cumulatively:

- The performance of the net asset value of the subfund must, calculated on a daily basis, exceed the performance of the Reference index value, as defined below, calculated on a daily basis.

– If the net asset value of the subfund on the valuation date before deduction of the performance fees is above the Reference index value, a performance fees will be payable as a percentage of the absolute performance of the subfund. The performance fees is calculated on the basis of the number of shares of the subfund in circulation on the valuation date.

The comparison between the performance of the net asset value and the performance of the Reference index is re-calculated for each financial year. If there is a fall in the net asset value at the end of a particular fee period, this fall will not be carried forward to subsequent fee periods for the purposes of calculating the performance fees.

The performance fee cannot be reimbursed if the net asset value falls after payment of the performance fees.

Performance Fee in percentage (%)
- fifteen percent (15)%

Reference index: 3% per annum

The 3% threshold corresponds to yield the iBoxx EUR High Yield core cum crossover 1-3 LC at the subfund's inception

The performance fees are paid annually.

DYNASTY SICAV S.A. – Dynasty Global Convertibles

The performance fees payable to the Management Company are calculated and crystallised daily based on the net asset value of the subfund.

The performance fees are payable only if the following conditions are met cumulatively:

- The performance of the net asset value of the subfund must, calculated on a daily basis, exceed the performance of the Reference index value, as defined below, calculated on a daily basis.
- If the net asset value of the subfund on the valuation date before deduction of the performance fees are above the Reference index value, a performance fees will be payable as a percentage of the absolute performance of the subfund. The performance fees are calculated on the basis of the number of shares of the subfund in circulation on the valuation date.

The comparison between the performance of the net asset value and the performance of the Reference index is re-calculated for each financial year. If there is a fall in the net asset value at the end of a particular fee period, this fall will not be carried forward to subsequent fee periods for the purposes of calculating the performance fees.

The performance fees cannot be reimbursed if the net asset value falls after payment of the performance fees.

Performance Fee in percentage (%)
– twenty percent (20)%

Reference index: 6% per annum

The 6% threshold corresponds to the 5-year annualized return of Thomson Reuters Global Focus Convertible Bond Index at the subfund's inception.

The performance fees are paid annually.

DYNASTY SICAV S.A. – Dynasty High Yield 2021

The performance fees payable to the Management Company are calculated and crystallised daily based on the net asset value of the subfund.

The performance fees are payable only if the following conditions are met cumulatively:

- The performance of the net asset value of the subfund must, calculated on a daily basis, exceed the performance of the Reference index value, as defined below, calculated on a daily basis.
- If the net asset value of the subfund on the valuation date before deduction of the performance fees are above the Reference index value, a performance fees will be payable as a percentage of the absolute performance of the subfund. The performance fees are calculated on the basis of the number of shares of the subfund in circulation on the valuation date.

The comparison between the performance of the net asset value and the performance of the Reference index is re-calculated for each financial year. If there is a fall in the net asset value at the end of a particular fee period, this fall will not be carried forward to subsequent fee periods for the purposes of calculating the performance fees.

The performance fees cannot be reimbursed if the net asset value falls after payment of the performance fees.

Performance Fee in percentage (%)

- fifteen percent (15)%

Reference index: 3% per annum

The 3% threshold corresponds to the average YTM of the iBoxx € High Yield main cum crossover LC BB index (at 3.34% on 12 May 2014) and to the Markit Itraxx Europe Crossover index which comprises 60 equally weighted credit default swaps on the most liquid sub-investment grade European corporate entities (258bp on 13 May 2014).

The performance fees are paid annually.

Company Charges

The subfunds bear all expenses incurred in the operation of the Company which include, without limitation, all expenses for service providers such as but not limited to the Depositary, Administrative Agent (including domiciliary, corporate and paying agent functions) and in its capacity as registrar and transfer agent of the Company, taxes, expenses for legal and auditing services, cost of any proposed listings, maintaining such listings, shareholders' reports, Prospectus, KIID(s) reasonable marketing and advertising expenses, costs of preparing, translating and printing in different languages, all reasonable out-of-pocket expenses of the Directors, registration fees and other expenses payable to supervisory authorities in any relevant jurisdictions, insurance costs, interest, brokerage costs and the costs of publication of the Net Asset Value per Share for each subfund, if applicable.

Depositary fees

In payment for its services, the Depositary charged a fee for the deposit of assets and the safekeeping of securities on a decreasing scale which vary depending on the total net asset value of each subfund as follows:

- 4 basis points per annum of the total net assets of each subfund if these total net assets amount to up to EUR 50,000,000.00;
- 3.5 basis points per annum of the total net assets of each subfund if these total net assets range between EUR 50,000,001.00 and EUR 100,000,000;

- 3 basis points per annum of the total net assets of each subfund if these total net assets range between EUR 100,000,001.00 and EUR 200,000,000.00;
- 2.5 basis points per annum of the total net assets of each subfund if these total net assets range between EUR 200,000,001.00 and EUR 500,000,000.00; and
- 2 basis points per annum of the total net assets of each subfund if these total net assets exceed EUR 500,000,001.00.

This fee is subject to a minimum annual fee of EUR 15,000.00 per subfund. This fee was charged monthly based on the average net assets of the Company. Transaction fees were also charged at rates fixed by common agreement.

Administrative Agent Fees

The Administrative Agent fees was calculated on the basis of the net asset value during the month and was paid in arrears to the Administrative Agent by the Company. This fee was charged on a decreasing scale which vary depending on the total net asset value of each subfund as follows:

- 5 basis points per annum of the total net assets of each subfund if these total net assets amount to up to EUR 50,000,000.00;
- 4 basis points per annum of the total net assets of each subfund if these total net assets range between EUR 50,000,001.00 and EUR 100,000,000;
- 3 basis points per annum of the total net assets of each subfund if these total net assets range between EUR 100,000,001.00 and EUR 200,000,000.00;
- 2.5 basis points per annum of the total net assets of each subfund if these total net assets range between EUR 200,000,001.00 and EUR 500,000,000.00; and
- 2 basis points per annum of the total net assets of each subfund if these total net assets exceed EUR 500,000,001.00;

This fee is subject to a minimum annual fee of EUR 30,000.00 per subfund.

Formation Costs

The formation expenses was paid by the Company and was amortised over a five-year period in equal instalments. The formation expenses incurred by the Company are estimated at a maximum of 45,000.00.

The Administrative Agent, the Management Company and the Depositary are also entitled to receive reimbursement for any reasonable out-of-pocket expenses incurred in connection with the Company, and chargeable to the Company, as well as fees for other services as agreed from time to time.

The allocation of costs and expenses to be borne by the Company between the various subfunds was made in accordance with the articles of incorporation of the Company.

Note 3 – Taxe d’abonnement

In accordance with the law in force and current practice, the Company is not subject to any Luxembourg tax on income and capital gains. Likewise, dividends paid by the Company are not subject to any Luxembourg withholding tax.

However, the Company is subject to an annual tax in Luxembourg corresponding to 0.05% of the value of the net assets (except for the Shares offered for institutional investors who may benefit from the reduced rate of 0.01%). This tax is payable quarterly on the basis of the Company’s net assets calculated at the end of the relevant quarter.

Note 4 – Dividend policy

The Board of Directors of the Company may propose to the Shareholders that the net income of the Company (if any) be accumulated and reinvested and that no distribution be paid to Shareholders, but they may propose, from time to time, at their discretion that the Company pays a dividend.

The Board of Directors may decide, for the subfunds concerned, payment of interim dividends for the past or current year in compliance with legal requirements.

When the Board of Directors decides to propose payment of a dividend, it will be calculated according to the limits provided for this purpose by the Law of 1915 and the Articles of Incorporation. Notice of dividend payment will be published if the Board of Directors considers suitable. The collection charges shall be paid by the shareholders.

Dividends and interim dividends not claimed within five years of the date of payment will lapse and will return to the subfund concerned.

Note 5 – Transaction costs

Transaction costs include brokerage fees, stamp duty, local taxes and other foreign charges if incurred during the fiscal year. Transaction fees are included in the cost of securities purchased and sold.

For the financial year ended on 31 December 2016, the fund incurred transaction costs relating to purchase or sale of investments in securities and similar transactions as follows:

DYNASTY SICAV S.A.	Transaction costs
– Dynasty Corporate Bond 1 - 3	1 101.50 EUR
– Dynasty Global Convertibles	25 811.92 EUR
– Dynasty High Yield 2021	1 014.34 EUR

Not all transaction costs are separately identifiable. For fixed income investments, forward currency contracts and other derivative contracts, transaction costs were included in the purchase and sale price of the investment. Whilst not separately identifiable these transaction costs will be captured within the performance of each subfund.

Note 6 – OTC Derivatives

If the Company enters into OTC transactions, it may be exposed to risks related to the creditworthiness of the OTC counterparties: when the Company enters into futures contracts, options and swap transactions or uses other derivative techniques it is subject to the risk that an OTC counterparty may not meet (or cannot meet) its obligations under a specific or multiple contracts. Counterparty risk can be reduced by depositing a security. If the Company is owed a security pursuant to an applicable agreement, such security shall be held in custody by the Depositary in favour of the Company. Bankruptcy and insolvency events or other credit events with the OTC counterparty, the Depositary or within their subdepository/correspondent bank network may result in the rights or recognition of the Company in connection with the security to be delayed, restricted or even eliminated, which would force the Company to fulfil its obligations in the framework of the OTC transaction, in spite of any security that had previously been made available to cover any such obligation.

OTC-Derivatives*

Subfund Counterparty	Unrealized gain (loss)	Collateral received
DYNASTY SICAV S.A. – Dynasty Global Convertibles		
UBS AG	-195 195.25 EUR	0.00 EUR
Dynasty SICAV S.A. – Dynasty High Yield 2021		
UBS AG	-7 354.26 EUR	0.00 EUR

* Derivatives traded on an official exchange are not included in this table as they are guaranteed by a clearing house. In the event of a counterparty default the clearing house assumes the risk of loss.

Unaudited Information

Annual Report as of 31 December 2016
DYNASTY SICAV S.A.

1) Global Exposure

Risk management

Risk management in accordance with the value-at-risk is applied pursuant to the applicable laws and regulatory provisions.

Leverage

Leverage is defined pursuant to the applicable ESMA directives as the total of the notional values of the derivatives used by the respective subfund. According to this definition, leverage may result in artificially increased leverage amounts, as some derivatives that can be used for hedging purposes may be included in the calculation. Consequently, this information does not necessarily reflect the precise actual leverage risk that the investor is exposed to.

DYNASTY SICAV S.A.	Global risk calculation method	Model used	Min VaR (%) consumption	Avg VaR (%) consumption	Max VaR (%) consumption	Leverage as at 31.12.2016 (%)	Reference portfolio (benchmark)
- Dynasty Corporate Bond 1 - 3	Historical 1 Y, 1D	VaR (hist, 99%, 1D)	0.00%	0.10%	0.20%	0.00%	
- Dynasty Global Convertibles	Historical 1 Y, 1D	VaR (hist, 99%, 1D)	0.33%	0.70%	1.23%	0.00%	
- Dynasty High Yield 2021	Historical 1 Y, 1D	VaR (hist, 99%, 1D)	0.36%	0.53%	0.77%	0.00%	

2) Remuneration Policy and quantitative disclosure

The Management Company has established a remuneration policy for those categories of staff, including senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the Company, that:

- is consistent with and promote a sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Company or with its Articles of Incorporation;
- is in line with the business strategy, objective values and interests of the Management Company and which do not interfere with the obligation of the Management Company to act in the best interests of the Company;
- includes an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks; and - appropriately balances fixed and variable components of total remuneration.

"Remuneration" consists of all forms of payments or benefits made directly by, or indirectly but on behalf of, the Company in exchange for professional services rendered by the Company staff. Remuneration can be divided into:

- fixed remuneration (payments or benefits without consideration of any performance criteria); and
- variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria).

Both components of remuneration (fixed and variable) may include monetary payments or benefits (such as cash, equity, or equity-linked instruments).

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, is available at <http://www.dynasty-am.lu/uploads/medias/documents/documents/dynasty-am-remuneration-policy.pdf>. A paper copy is available free of charge upon request at the Management Company's registered office.

Due to the size, the complexity and the scope of the Management Company's activities, it has been decided to entrust the board of directors, the senior management, compliance officer, and, to a certain extent, internal auditor and risk manager with the responsibility to implement and supervise this remuneration policy without creating any remuneration committee.

Unaudited Information

Annual Report as of 31 December 2016
DYNASTY SICAV S.A.

As regards the Management Company, the salaries and remuneration to employees, Senior Managers and members of the Board of Directors in 2016 is as follows:

	EUR (000's)	Number of employees defined as risk takers
Board of Directors – fixed	40	4
Senior Management – fixed	120	3
Employees – fixed	756	12
Employees – variable	99	12

Remuneration paid to the Board of Directors of the SICAV amounts to 10,000 euros in 2016.

3) Transparency of securities financing transactions and their reuse

No securities financing transactions or total return swaps within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (“SFTR”) were used in the investment fund’s financial year. As a result, no disclosures within the meaning of Article 13 of said Regulation need to be made to investors in the annual report.