

**Unaudited semi-annual report
as at 30th September 2017**

DMC FUND

A mutual investment Fund organised under the laws of the Grand-Duchy of Luxembourg with an umbrella structure

R.C.S. Luxembourg K621

Subscriptions can only be received on the basis of the current prospectus accompanied by the key information document ("KIID"), the latest annual report, as well as by the latest semi-annual report, if published after the latest annual report.

DMC FUND

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DMC FUND

Organisation

Registered office 15, Rue du Fort Bourbon
L-1249 LUXEMBOURG

Management Company DYNAMIC ASSET MANAGEMENT COMPANY
(LUXEMBOURG) S.A.
15, Rue du Fort Bourbon
L-1249 LUXEMBOURG

Board of Directors of the Management Company

Chairman Dr. René SIEBER
Directeur
DYNAGEST S.A.
Quai de la Poste 12
CH-1204 GENEVA

Directors Arlind ISUFI
Directeur
HERENS QUALITY ASSET MANAGEMENT AG
(formerly HERENS PARTNERS AG)
Bahnhofstrasse 3
CH-8808 PFÄFFIKON SZ

Franck JANURA
Directeur-Adjoint
DYNAGEST S.A.
Quai de la Poste 12
CH-1204 GENEVA

Alexandre KUHN
Directeur
DYNAGEST S.A.
Quai de la Poste 12
CH-1204 GENEVA

Andreas MATTIG
Directeur
HERENS QUALITY ASSET MANAGEMENT AG
(formerly HERENS PARTNERS AG)
Bahnhofstrasse 3
CH-8808 PFÄFFIKON SZ

Christian WOLF
Sous-Directeur
DYNAGEST S.A.
Quai de la Poste 12
CH-1204 GENEVA

Conducting Officers Gianni DE BORTOLI
Paul HEISER
Christian WOLF

DMC FUND

Organisation (continued)

**Depositary,
Central Administration and
Paying Agent**

BANQUE ET CAISSE D'EPARGNE DE L'ETAT,
LUXEMBOURG
1, Place de Metz
L-2954 LUXEMBOURG

Investment Manager

- for the DYNAMIC FLOORING family

DYNAGEST S.A.
Quai de la Poste 12
CH-1204 GENEVA

- for the HERENS QUALITY family

HERENS QUALITY ASSET MANAGEMENT AG
Bahnhofstrasse 3
CH-8808 PFÄFFIKON

**Delegated Transfer
Agent and Registrar**

EUROPEAN FUND ADMINISTRATION S.A.
2, Rue d'Alsace
L-1122 LUXEMBOURG

Réviseur d'Entreprises agréé

BDO Audit S.A.
1, Rue Jean Piret
L-2350 LUXEMBOURG

**Representative and
Distributor in Switzerland**

DYNAGEST S.A.
Quai de la Poste 12
CH-1204 GENEVA

Paying Agent in Switzerland

BANQUE CANTONALE VAUDOISE
Place Saint François 14
CH-1003 LAUSANNE

DMC FUND

General information

DMC FUND (the "Fund") was initially set up on 3rd April 1998 (under the name DYNAMIC FLOORING FUND) as an open-ended mutual fund governed by Luxembourg Law and investing in marketable transferable securities. The Fund is set up in accordance with the Management Regulations signed initially in Luxembourg on 3rd April 1998. These Management Regulations were deposited with the Chief Registrar of the District Court of and in Luxembourg on 28th April 1998 and published in the "*Mémorial, Recueil des Sociétés et Associations*" nr - 375, as of 23rd May 1998. The Management Regulations were updated on 14th April 2014 and published in the "*Mémorial, Recueil des Sociétés et Associations*".

The Fund is registered with the Luxembourg Register of Commerce ("RCS") under the number K621.

DMC FUND qualifies as a Luxembourg mutual fund and is governed by Part I of the amended Luxembourg Law on Undertakings for Collective Investment of 17th December 2010 and does not have a legal personality. It has been established as an umbrella fund and set up for an unlimited time.

The Management Company may on behalf of the Fund issue units (the "units") related to specific pools of assets (each a "Sub-Fund"). In respect of each Sub-Fund the Management Company pursues a specific investment policy.

DMC FUND is managed on behalf of the unitholders by DYNAMIC ASSET MANAGEMENT COMPANY (LUXEMBOURG) S.A. which was incorporated on 3rd April 1998 in the form of a "*Société Anonyme*" under Luxembourg Law. It has its registered office in Luxembourg at 15, Rue du Fort Bourbon.

The Board of Directors decided to amend the Prospectus. The new version of the prospectus has been approved by CSSF on 9th August 2017. The DMC FUND - WORLD IG CORPORATE BONDS has been removed from the Prospectus.

At the date of the financial statements, the Management Company has set up the following Sub-Funds split up in the following families for which several classes of units may be issued and for each Sub-Fund, the Management Company issued only capitalisation units:

| Sub-Fund | Currency of Sub-Fund | Class of unit | |
|--|----------------------|---------------|--|
| DMC FUND - DYNAGEST EXPO BONDS EUROPE "DF" | EUR | R | open to all investors with a minimum investment amount of EUR 1,000 |
| | | R (CHF) | open to all investors with a minimum investment amount corresponding to the counterpart of EUR 1,000 |
| | | I | reserved to institutional investors, with a minimum investment amount of EUR 500,000 |
| DMC FUND - DYNAGEST EXPO BONDS EURO "MAS" | EUR | R | open to all investors with a minimum investment amount of EUR 1,000 |
| | | I | reserved to institutional investors with a minimum investment amount of EUR 500,000 |
| DMC-FUND - DYNAGEST EXPO BONDS USD "MAS" | USD | R | open to all investors with a minimum investment amount corresponding to the counterpart of EUR 1,000 |
| | | I | reserved to institutional investors with a minimum investment amount corresponding to the counterpart of EUR 500,000 |

DMC FUND

General information (continued)

HERENS QUALITY family consists of the following Sub-Fund :

| | | | |
|--|-----|---------|---|
| DMC FUND - HERENS QUALITY LUXURY BRANDS | EUR | R | open to all investors with a minimum investment amount of EUR 1,000 |
| | | I | reserved to institutional investors with a minimum investment amount of EUR 25,000 (currently inactive) |
| | | R (CHF) | open to all investors with a minimum investment amount corresponding to the counterpart of EUR 1,000 |
| | | I (CHF) | reserved to institutional investors with a minimum investment amount corresponding to the counterpart of EUR 25,000 |
| | | R (USD) | open to all investors with a minimum investment amount corresponding to the counterpart of EUR 1,000 |
| | | I (USD) | reserved to institutional investors with a minimum investment amount corresponding to the counterpart of EUR 25,000 |
| | | R (GBP) | open to all investors with a minimum investment amount corresponding to the counterpart of EUR 1,000 (to be launched upon decision of the Board of Directors), |
| | | I (GBP) | reserved to institutional investors, with a minimum investment amount corresponding to the counterpart of EUR 25,000 (to be launched upon decision of the Board of Directors) |
| | | R (JPY) | open to all investors with a minimum investment amount corresponding to the counterpart of EUR 1,000 (to be launched upon decision of the Board of Directors) |
| | | I (JPY) | reserved to institutional investors, with a minimum investment amount corresponding to the counterpart of EUR 25,000 (to be launched upon decision of the Board of Directors) |

The Net Asset Value ("the NAV") per unit is computed each Wednesday which is a Business Day in Luxembourg; this day is called the Valuation Day for the following Sub-Funds:

- DMC FUND - DYNAGEST EXPO BONDS EUROPE "DF",
- DMC FUND - DYNAGEST EXPO BONDS EURO "MAS",
- DMC FUND - DYNAGEST EXPO BONDS USD "MAS",

If such Wednesday is not a Business Day in Luxembourg, the NAV calculation will take place on the next following Business Day.

The Net Asset Value per unit is computed each Business Day in Luxembourg; this day is called the Valuation Day for DMC FUND - HERENS QUALITY LUXURY BRANDS Sub-Fund.

The NAV, issue and redemption prices of each Sub-Fund and of each class of units are made public in Luxembourg at the offices of the Depositary, the Administration Agent and the Management Company.

DMC FUND

General information (continued)

At the same time, a notice to unitholders may be published in a Luxembourg newspaper and in newspapers in countries where the Fund's units are publicly sold and the text of the amendments are available for inspection by the unitholders at the offices of the Depositary and the Management Company. Registered unitholders are informed in writing.

Financial reports of the Fund are published annually and semi-annually. Both reports will be sent free of charge to unitholders making a request in writing and are available to unitholders at the offices of the Management Company, the Administration Agent and at the Representative and Paying Agent in Switzerland.

The KIID (Key Investor Information Document) is available free of charge at the registered offices of the Depositary and of the Management Company.

DMC FUND

Combined statement of net assets (in EUR)

as at 30th September 2017

Assets

| | |
|---|---------------|
| Securities portfolio at market value | 21,586,162.47 |
| Option contracts at market value | 41,445.70 |
| Cash at banks | 251,690.22 |
| Other liquid assets | 905,456.10 |
| Receivable on sales of securities | 253,764.17 |
| Premium receivable for short option contracts | 5,600.00 |
| Income receivable on portfolio | 176,609.44 |
| Interest receivable on bank accounts | 307.17 |
| | <hr/> |
| Total assets | 23,221,035.27 |

Liabilities

| | |
|---|---------------|
| Bank overdrafts | 197,103.10 |
| Short option contracts at market value | 2,982.57 |
| Payable on redemptions of units | 126,983.93 |
| Interest payable on bank overdrafts | 5.48 |
| Unrealised loss on futures contracts | 111,438.85 |
| Unrealised loss on forward foreign exchange contracts | 42,701.21 |
| Premium payable for long option contracts | 34,400.00 |
| Expenses payable | 24,949.33 |
| | <hr/> |
| Total liabilities | 540,564.47 |
| | <hr/> |
| Net assets at the end of the period | 22,680,470.80 |

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

DMC FUND

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

from 1st April 2017 to 30th September 2017

Income

| | |
|--|------------|
| Dividends, net | 92,793.70 |
| Interest on bonds and other debt securities, net | 212,193.33 |
| Interest on bank accounts | 1,119.78 |
| Commissions on subscription and on redemption | 27,707.75 |
| Total income | 333,814.56 |

Expenses

| | |
|--------------------------------|------------|
| All-in fees | 200,890.89 |
| Banking charges and other fees | 666.22 |
| Transaction fees | 52,943.69 |
| Other administration costs | 1,257.10 |
| Bank interest paid | 3,117.63 |
| Total expenses | 258,875.53 |

| | |
|-----------------------|-----------|
| Net investment income | 74,939.03 |
|-----------------------|-----------|

Net realised gain/(loss)

| | |
|---|--------------|
| - on securities portfolio | 2,453,316.58 |
| - on option contracts | -162,700.12 |
| - on futures contracts | 295,958.36 |
| - on forward foreign exchange contracts | -858,469.86 |
| - on foreign exchange | 38,817.60 |

| | |
|-----------------|--------------|
| Realised result | 1,841,861.59 |
|-----------------|--------------|

Net variation of the unrealised gain/(loss)

| | |
|---|---------------|
| - on securities portfolio | -2,012,099.76 |
| - on option contracts | 43,513.89 |
| - on futures contracts | -119,594.80 |
| - on forward foreign exchange contracts | 114,414.66 |

| | |
|----------------------|-------------|
| Result of operations | -131,904.42 |
|----------------------|-------------|

| | |
|---------------|-----------|
| Subscriptions | 25,967.50 |
|---------------|-----------|

| | |
|-------------|----------------|
| Redemptions | -27,672,234.50 |
|-------------|----------------|

| | |
|-----------------------------|----------------|
| Total changes in net assets | -27,778,171.42 |
|-----------------------------|----------------|

| | |
|---|---------------|
| Total net assets at the beginning of the period | 51,261,199.94 |
|---|---------------|

| | |
|------------------------|-------------|
| Revaluation difference | -802,557.72 |
|------------------------|-------------|

| | |
|---|---------------|
| Total net assets at the end of the period | 22,680,470.80 |
|---|---------------|

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

DMC FUND - DYNAGEST EXPO BONDS EUROPE "DF"

Statement of net assets (in EUR)

as at 30th September 2017

Assets

| | |
|---|--------------|
| Securities portfolio at market value | 6,609,830.84 |
| Option contracts at market value | 4,400.00 |
| Cash at banks | 73,675.87 |
| Other liquid assets | 173,406.54 |
| Premium receivable for short option contracts | 2,800.00 |
| Income receivable on portfolio | 71,742.83 |
| Total assets | 6,935,856.08 |

Liabilities

| | |
|---|-----------|
| Short option contracts at market value | 500.00 |
| Interest payable on bank overdrafts | 4.41 |
| Unrealised loss on futures contracts | 8,350.00 |
| Unrealised loss on forward foreign exchange contracts | 33,529.11 |
| Premium payable for long option contracts | 17,200.00 |
| Expenses payable | 5,939.04 |
| Total liabilities | 65,522.56 |

| | |
|-------------------------------------|--------------|
| Net assets at the end of the period | 6,870,333.52 |
|-------------------------------------|--------------|

Breakdown of net assets per unit class

| Unit class | Number of units | Currency of unit class | NAV per unit in currency of unit class | Net assets per unit class (in EUR) |
|------------|-----------------|------------------------|--|------------------------------------|
| R | 2,659.0081 | EUR | 1,750.15 | 4,653,681.90 |
| R (CHF) | 2,480.0020 | CHF | 1,022.42 | 2,216,651.62 |
| | | | | 6,870,333.52 |

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

DMC FUND - DYNAGEST EXPO BONDS EUROPE "DF"

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

from 1st April 2017 to 30th September 2017

Income

| | |
|--|-----------|
| Interest on bonds and other debt securities, net | 78,917.48 |
| Commissions on subscription and on redemption | 3,939.60 |
| Total income | 82,857.08 |

Expenses

| | |
|--------------------------------|-----------|
| All-in fees | 48,838.51 |
| Banking charges and other fees | 293.81 |
| Transaction fees | 966.05 |
| Other administration costs | 322.66 |
| Bank interest paid | 865.52 |
| Total expenses | 51,286.55 |

| | |
|-----------------------|-----------|
| Net investment income | 31,570.53 |
|-----------------------|-----------|

Net realised gain/(loss)

| | |
|---|-------------|
| - on securities portfolio | 16,043.50 |
| - on option contracts | -44,550.00 |
| - on futures contracts | 57,380.00 |
| - on forward foreign exchange contracts | -134,489.85 |
| - on foreign exchange | -623.21 |
| Realised result | -74,669.03 |

Net variation of the unrealised gain/(loss)

| | |
|---|------------|
| - on securities portfolio | -94,804.88 |
| - on option contracts | 9,600.00 |
| - on futures contracts | -14,950.00 |
| - on forward foreign exchange contracts | -32,382.14 |

| | |
|----------------------|-------------|
| Result of operations | -207,206.05 |
|----------------------|-------------|

| | |
|---------------|---|
| Subscriptions | - |
|---------------|---|

| | |
|-------------|---------------|
| Redemptions | -3,943,995.59 |
|-------------|---------------|

| | |
|-----------------------------|---------------|
| Total changes in net assets | -4,151,201.64 |
|-----------------------------|---------------|

| | |
|---|---------------|
| Total net assets at the beginning of the period | 11,021,535.16 |
|---|---------------|

| | |
|---|--------------|
| Total net assets at the end of the period | 6,870,333.52 |
|---|--------------|

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

DMC FUND - DYNAGEST EXPO BONDS EUROPE "DF"

Statistical information (in EUR)

as at 30th September 2017

| Total net assets | Currency | 31.03.2016 | 31.03.2017 | 30.09.2017 |
|-------------------------|-----------------|-------------------|-------------------|-------------------|
| | EUR | 20,843,058.91 | 11,021,535.16 | 6,870,333.52 |

| Net asset value per unit | Currency | 31.03.2016 | 31.03.2017 | 30.09.2017 |
|---------------------------------|-----------------|-------------------|-------------------|-------------------|
| R | EUR | 1,803.03 | 1,758.74 | 1,750.15 |
| R (CHF) | CHF | 1,062.10 | 1,030.27 | 1,022.42 |

| Number of units | outstanding at the beginning of the period | issued | redeemed | outstanding at the end of the period |
|------------------------|---|---------------|-----------------|---|
| R | 4,574.0081 | - | -1,915.0000 | 2,659.0081 |
| R (CHF) | 3,093.4421 | - | -613.4401 | 2,480.0020 |

| TER per unit as at 30.09.2017 | (in %) |
|--------------------------------------|---------------|
| R | 1.05 |
| R (CHF) | 1.05 |

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

DMC FUND - DYNAGEST EXPO BONDS EUROPE "DF"

Statement of investments and other net assets (in EUR)

as at 30th September 2017

| Currency | Number / nominal value | Description | Cost | Market value | % of total net assets |
|--|---------------------------|--|--------------|--------------|-----------------------------|
| <u>Investments in securities</u> | | | | | |
| <u>Transferable securities admitted to an official stock exchange listing</u> | | | | | |
| Bonds | | | | | |
| EUR | 500,000 | Barclays Bank Plc 4% EMTN Ser 2009-1 09/07.10.19 | 557,300.00 | 543,325.00 | 7.91 |
| EUR | 500,000 | Caisse d'Amort de la Dette Soc 1% Sen 13/25.05.18 | 514,500.00 | 504,787.50 | 7.35 |
| EUR | 500,000 | Dexia Créd Local de France 1.625% EMTN Sen 13/29.10.18 | 521,950.00 | 510,722.50 | 7.43 |
| EUR | 500,000 | DNB Boligkreditt AS 1% EMTN Ser 90 13/22.01.18 | 511,100.00 | 502,220.00 | 7.31 |
| EUR | 600,000 | Erste Abwicklungsanstalt 1% EMTN Reg S Sen 12/07.11.17 | 612,384.00 | 600,861.00 | 8.75 |
| EUR | 400,000 | GE Capital European Funding Co 5.375% EMTN 08/16.01.18 | 438,400.00 | 406,598.00 | 5.92 |
| EUR | 800,000 | Instituto de Credito Oficial 0.5% EMTN Ser 460 15/15.12.17 | 805,440.00 | 801,404.00 | 11.66 |
| EUR | 800,000 | Italia 0.75% BTP Sen 14/15.01.18 | 810,208.00 | 802,628.00 | 11.68 |
| EUR | 500,000 | Korea Development Bank 1.5% EMTN Sen 13/30.05.18 | 515,680.00 | 505,285.00 | 7.35 |
| EUR | 500,000 | Lloyds Bank Plc 4% EMTN 10/25.06.18 | 563,900.00 | 515,970.00 | 7.51 |
| EUR | 288,000 | OEBB Infrastruktur AG 4.5% Reg S Ser 22 09/02.07.19 | 326,352.96 | 313,143.84 | 4.56 |
| EUR | 600,000 | Sweden 0.875% EMTN Reg S Ser 34 13/31.01.18 | 614,460.00 | 602,886.00 | 8.78 |
| Total investments in securities | | | 6,791,674.96 | 6,609,830.84 | 96.21 |
| <u>Options</u> | | | | | |
| <u>Listed financial instruments</u> | | | | | |
| Options on futures | | | | | |
| EUR | 10 | Bund Govt Bond 10 Years EUR PUT 12/17 EUX 157 | 5,700.00 | 1,600.00 | 0.02 |
| EUR | 10 | Bund Govt Bond 10 Years EUR PUT 12/17 EUX 158 | 11,500.00 | 2,800.00 | 0.04 |
| Total options | | | 17,200.00 | 4,400.00 | 0.06 |
| <u>Short options</u> | | | | | |
| <u>Listed financial instruments</u> | | | | | |
| Options on futures | | | | | |
| EUR | -10 | Bund Govt Bond 10 Years EUR PUT 12/17 EUX 155 | -2,800.00 | -500.00 | -0.01 |
| Total short options | | | -2,800.00 | -500.00 | -0.01 |
| Cash at banks | | | | 73,675.87 | 1.07 |
| Other net assets/(liabilities) | | | | 182,926.81 | 2.67 |
| Total | | | | 6,870,333.52 | 100.00 |

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

DMC FUND - DYNAGEST EXPO BONDS EUROPE "DF"

Industrial and geographical classification of investments

as at 30th September 2017

Industrial classification

(in percentage of net assets)

| | |
|--------------------------------|----------------|
| Banks | 41.86 % |
| Countries and governments | 27.81 % |
| Diversified financial services | 21.98 % |
| Transportation | 4.56 % |
| Total | <u>96.21 %</u> |

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

| | |
|----------------|----------------|
| United Kingdom | 15.42 % |
| France | 14.78 % |
| Italy | 11.68 % |
| Spain | 11.66 % |
| Sweden | 8.78 % |
| Germany | 8.75 % |
| South Korea | 7.35 % |
| Norway | 7.31 % |
| Ireland | 5.92 % |
| Austria | 4.56 % |
| Total | <u>96.21 %</u> |

DMC FUND - DYNAGEST EXPO BONDS EURO "MAS"

Statement of net assets (in EUR)

as at 30th September 2017

Assets

| | |
|---|--------------|
| Securities portfolio at market value | 5,434,399.00 |
| Option contracts at market value | 4,400.00 |
| Cash at banks | 46,195.09 |
| Other liquid assets | 160,440.96 |
| Premium receivable for short option contracts | 2,800.00 |
| Income receivable on portfolio | 57,735.18 |
| Total assets | 5,705,970.23 |

Liabilities

| | |
|---|--------------|
| Short option contracts at market value | 500.00 |
| Unrealised loss on futures contracts | 16,320.00 |
| Premium payable for long option contracts | 17,200.00 |
| Expenses payable | 6,093.04 |
| Total liabilities | 40,113.04 |
| Net assets at the end of the period | 5,665,857.19 |

Breakdown of net assets per unit class

| Unit class | Number of units | Currency of unit class | NAV per unit in currency of unit class | Net assets per unit class (in EUR) |
|------------|-----------------|------------------------|--|------------------------------------|
| I | 645.6622 | EUR | 1,581.32 | 1,021,001.18 |
| R | 3,065.8302 | EUR | 1,515.04 | 4,644,856.01 |
| | | | | 5,665,857.19 |

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

DMC FUND - DYNAGEST EXPO BONDS EURO "MAS"

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

from 1st April 2017 to 30th September 2017

Income

| | |
|--|-----------|
| Interest on bonds and other debt securities, net | 56,575.07 |
| Commissions on subscription and on redemption | 2,146.84 |
| Total income | 58,721.91 |

Expenses

| | |
|----------------------------|-----------|
| All-in fees | 41,009.42 |
| Transaction fees | 1,209.88 |
| Other administration costs | 139.92 |
| Bank interest paid | 645.56 |
| Total expenses | 43,004.78 |

| | |
|-----------------------|-----------|
| Net investment income | 15,717.13 |
|-----------------------|-----------|

Net realised gain/(loss)

| | |
|---------------------------|------------|
| - on securities portfolio | -2,081.00 |
| - on option contracts | -43,456.29 |
| - on futures contracts | 93,490.00 |
| Realised result | 63,669.84 |

Net variation of the unrealised gain/(loss)

| | |
|---------------------------|------------|
| - on securities portfolio | -47,141.00 |
| - on option contracts | 1,316.29 |
| - on futures contracts | -25,740.00 |
| Result of operations | -7,894.87 |

| | |
|---------------|-----------|
| Subscriptions | 25,967.50 |
|---------------|-----------|

| | |
|-------------|---------------|
| Redemptions | -2,122,397.68 |
|-------------|---------------|

| | |
|-----------------------------|---------------|
| Total changes in net assets | -2,104,325.05 |
|-----------------------------|---------------|

| | |
|---|--------------|
| Total net assets at the beginning of the period | 7,770,182.24 |
|---|--------------|

| | |
|---|--------------|
| Total net assets at the end of the period | 5,665,857.19 |
|---|--------------|

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

DMC FUND - DYNAGEST EXPO BONDS EURO "MAS"

Statistical information (in EUR)

as at 30th September 2017

| Total net assets | Currency | 31.03.2016 | 31.03.2017 | 30.09.2017 |
|-------------------------|-----------------|-------------------|-------------------|-------------------|
| | EUR | 9,502,413.04 | 7,770,182.24 | 5,665,857.19 |

| Net asset value per unit | Currency | 31.03.2016 | 31.03.2017 | 30.09.2017 |
|---------------------------------|-----------------|-------------------|-------------------|-------------------|
| I | EUR | 1,608.11 | 1,582.53 | 1,581.32 |
| R | EUR | 1,549.99 | 1,519.25 | 1,515.04 |

| Number of units | outstanding at the beginning of the period | issued | redeemed | outstanding at the end of the period |
|------------------------|---|---------------|-----------------|---|
| I | 797.1104 | - | -151.4482 | 645.6622 |
| R | 4,284.1483 | 17.0000 | -1,235.3181 | 3,065.8302 |

| TER per unit as at 30.09.2017 | (in %) |
|--------------------------------------|---------------|
| I | 0.95 |
| R | 1.35 |

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

DMC FUND - DYNAGEST EXPO BONDS EURO "MAS"

Statement of investments and other net assets (in EUR)
as at 30th September 2017

| Currency | Number / nominal value | Description | Cost | Market value | % of total net assets |
|--|---------------------------|---|--------------|--------------|-----------------------------|
| <u>Investments in securities</u> | | | | | |
| <u>Transferable securities admitted to an official stock exchange listing</u> | | | | | |
| Bonds | | | | | |
| EUR | 300,000 | Bank of Nova Scotia 0.1% Reg S 16/21.01.19 | 301,290.00 | 301,764.00 | 5.33 |
| EUR | 200,000 | Bank of Nova Scotia 0.25% Reg S Ser CBL4 14/02.11.17 | 200,960.00 | 200,109.00 | 3.53 |
| EUR | 300,000 | Caisse d'Amort de la Dette Soc 1% Sen 13/25.05.18 | 308,700.00 | 302,872.50 | 5.35 |
| EUR | 300,000 | Dexia Cr d Local de France 1.625% EMTN Sen 13/29.10.18 | 313,170.00 | 306,433.50 | 5.41 |
| EUR | 200,000 | DNB Boligkreditt AS 1% EMTN Ser 90 13/22.01.18 | 204,300.00 | 200,888.00 | 3.55 |
| EUR | 300,000 | EIB 4.5% EMTN 09/15.10.25 | 337,948.00 | 400,275.00 | 7.06 |
| EUR | 200,000 | Erste Abwicklungsanstalt 1% EMTN Reg S Sen 12/07.11.17 | 204,128.00 | 200,287.00 | 3.53 |
| EUR | 300,000 | European Economic Community 2.375% EMTN Ser 50 11/04.10.18 | 319,638.00 | 308,895.00 | 5.45 |
| EUR | 400,000 | European Economic Community 2.875% EMTN 12/04.04.28 | 505,495.00 | 492,192.00 | 8.69 |
| EUR | 200,000 | FMS Wertmanagement 0.625% EMTN Ser 50090 14/12.03.18 | 202,980.00 | 201,044.00 | 3.55 |
| EUR | 300,000 | France 3.5% T-Bond 10/25.04.26 | 313,845.00 | 375,262.50 | 6.62 |
| EUR | 400,000 | Instituto de Credito Oficial 0.5% EMTN Ser 460 15/15.12.17 | 402,720.00 | 400,702.00 | 7.07 |
| EUR | 400,000 | Italia 0.75% BTP Sen 14/15.01.18 | 405,104.00 | 401,314.00 | 7.08 |
| EUR | 200,000 | Korea Development Bank 1.5% EMTN Sen 13/30.05.18 | 206,540.00 | 202,114.00 | 3.57 |
| EUR | 300,000 | Lloyds Bank Plc 4% EMTN 10/25.06.18 | 338,340.00 | 309,582.00 | 5.46 |
| EUR | 200,000 | Nederlandse Waterschapsbank NV 4.375% EMTN 08/22.01.18 | 225,938.00 | 203,030.00 | 3.58 |
| EUR | 300,000 | OEBB Infrastruktur AG 4.5% Reg S Ser 22 09/02.07.19 | 339,951.00 | 326,191.50 | 5.76 |
| EUR | 300,000 | Sweden 0.875% EMTN Reg S Ser 34 13/31.01.18 | 307,130.00 | 301,443.00 | 5.32 |
| Total investments in securities | | | 5,438,177.00 | 5,434,399.00 | 95.91 |
| <u>Options</u> | | | | | |
| <u>Listed financial instruments</u> | | | | | |
| Options on futures | | | | | |
| EUR | 10 | Bund Govt Bond 10 Years EUR PUT 12/17 EUX 157 | 5,700.00 | 1,600.00 | 0.03 |
| EUR | 10 | Bund Govt Bond 10 Years EUR PUT 12/17 EUX 158 | 11,500.00 | 2,800.00 | 0.05 |
| Total options | | | 17,200.00 | 4,400.00 | 0.08 |
| <u>Short options</u> | | | | | |
| <u>Listed financial instruments</u> | | | | | |
| Options on futures | | | | | |
| EUR | -10 | Bund Govt Bond 10 Years EUR PUT 12/17 EUX 155 | -2,800.00 | -500.00 | -0.01 |
| Total short options | | | -2,800.00 | -500.00 | -0.01 |
| Cash at banks | | | | 46,195.09 | 0.82 |
| Other net assets/(liabilities) | | | | 181,363.10 | 3.20 |
| Total | | | | 5,665,857.19 | 100.00 |

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

DMC FUND - DYNAGEST EXPO BONDS EURO "MAS"

Industrial and geographical classification of investments

as at 30th September 2017

Industrial classification

(in percentage of net assets)

| | |
|--------------------------------|----------------|
| Banks | 33.95 % |
| Countries and governments | 24.37 % |
| International institutions | 21.20 % |
| Diversified financial services | 10.63 % |
| Transportation | 5.76 % |
| Total | <u>95.91 %</u> |

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

| | |
|-----------------|----------------|
| France | 17.38 % |
| Belgium | 14.14 % |
| Canada | 8.86 % |
| Germany | 7.08 % |
| Italy | 7.08 % |
| Spain | 7.07 % |
| Luxembourg | 7.06 % |
| Austria | 5.76 % |
| United Kingdom | 5.46 % |
| Sweden | 5.32 % |
| The Netherlands | 3.58 % |
| South Korea | 3.57 % |
| Norway | 3.55 % |
| Total | <u>95.91 %</u> |

DMC FUND - DYNAGEST EXPO BONDS USD "MAS"

Statement of net assets (in USD)

as at 30th September 2017

Assets

| | |
|--------------------------------------|--------------|
| Securities portfolio at market value | 7,559,722.25 |
| Option contracts at market value | 38,593.75 |
| Other liquid assets | 166,148.94 |
| Receivable on sales of securities | 300,000.00 |
| Income receivable on portfolio | 52,638.50 |
| Interest receivable on bank accounts | 116.43 |
| Total assets | 8,117,219.87 |

Liabilities

| | |
|--|------------|
| Bank overdrafts | 233,015.28 |
| Short option contracts at market value | 2,343.80 |
| Interest payable on bank overdrafts | 1.26 |
| Unrealised loss on futures contracts | 102,578.13 |
| Expenses payable | 8,711.99 |
| Total liabilities | 346,650.46 |

Net assets at the end of the period 7,770,569.41

Breakdown of net assets per unit class

| Unit class | Number of units | Currency of unit class | NAV per unit in currency of unit class | Net assets per unit class (in EUR) |
|------------|-----------------|------------------------|--|------------------------------------|
| I | 836.4475 | USD | 1,582.71 | 1,323,854.58 |
| R | 4,216.3564 | USD | 1,528.97 | 6,446,714.83 |
| | | | | <u><u>7,770,569.41</u></u> |

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

DMC FUND - DYNAGEST EXPO BONDS USD "MAS"

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

from 1st April 2017 to 30th September 2017

Income

| | |
|--|-----------|
| Interest on bonds and other debt securities, net | 90,675.66 |
| Interest on bank accounts | 610.75 |
| Commissions on subscription and on redemption | 1,300.76 |
| Total income | 92,587.17 |

Expenses

| | |
|--------------------------------|-----------|
| All-in fees | 56,013.71 |
| Banking charges and other fees | 185.40 |
| Transaction fees | 4,328.11 |
| Other administration costs | 262.82 |
| Bank interest paid | 7.00 |
| Total expenses | 60,797.04 |

| | |
|-----------------------|-----------|
| Net investment income | 31,790.13 |
|-----------------------|-----------|

Net realised gain/(loss)

| | |
|---------------------------|------------|
| - on securities portfolio | -23,488.40 |
| - on option contracts | -88,303.05 |
| - on futures contracts | 171,523.46 |
| - on foreign exchange | -17.63 |
| Realised result | 91,504.51 |

Net variation of the unrealised gain/(loss)

| | |
|---------------------------|------------|
| - on securities portfolio | 50,283.55 |
| - on option contracts | 38,536.88 |
| - on futures contracts | -93,281.25 |

| | |
|----------------------|-----------|
| Result of operations | 87,043.69 |
|----------------------|-----------|

| | |
|---------------|---|
| Subscriptions | - |
|---------------|---|

| | |
|-------------|---------------|
| Redemptions | -1,324,655.48 |
|-------------|---------------|

| | |
|-----------------------------|---------------|
| Total changes in net assets | -1,237,611.79 |
|-----------------------------|---------------|

| | |
|---|--------------|
| Total net assets at the beginning of the period | 9,008,181.20 |
|---|--------------|

| | |
|---|--------------|
| Total net assets at the end of the period | 7,770,569.41 |
|---|--------------|

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

DMC FUND - DYNAGEST EXPO BONDS USD "MAS"

Statistical information (in USD)

as at 30th September 2017

| Total net assets | Currency | 31.03.2016 | 31.03.2017 | 30.09.2017 |
|-------------------------------|--|---------------|--------------|--------------------------------------|
| | USD | 10,712,910.82 | 9,008,181.20 | 7,770,569.41 |
| Net asset value per unit | Currency | 31.03.2016 | 31.03.2017 | 30.09.2017 |
| I | USD | 1,607.71 | 1,566.49 | 1,582.71 |
| R | USD | 1,562.47 | 1,516.34 | 1,528.97 |
| Number of units | outstanding at the beginning of the period | issued | redeemed | outstanding at the end of the period |
| I | 1,422.9196 | - | -586.4721 | 836.4475 |
| R | 4,470.7284 | - | -254.3720 | 4,216.3564 |
| TER per unit as at 30.09.2017 | | | | (in %) |
| I | | | | 0.90 |
| R | | | | 1.35 |

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

DMC FUND - DYNAGEST EXPO BONDS USD "MAS"

Statement of investments and other net assets (in USD)

as at 30th September 2017

| Currency | Number / nominal value | Description | Cost | Market value | % of total net assets |
|--|---------------------------|---|---------------------|---------------------|-----------------------------|
| <u>Investments in securities</u> | | | | | |
| <u>Transferable securities admitted to an official stock exchange listing</u> | | | | | |
| Bonds | | | | | |
| USD | 350,000 | Agricultural Bk of China (HK) 2.875% EMTN Reg S 13/10.12.18 | 354,480.00 | 352,649.50 | 4.54 |
| USD | 450,000 | Apple Inc 1.55% GI Reg S Sen 17/08.02.19 | 450,458.15 | 449,950.50 | 5.79 |
| USD | 600,000 | Asian Development Bank 1.375% Sen 16/15.01.19 | 598,620.00 | 598,761.00 | 7.70 |
| USD | 700,000 | Belgium 1.125% EMTN Sen 15/05.03.18 | 700,840.00 | 699,083.00 | 9.00 |
| USD | 400,000 | Corp Andina de Fomento 2% Sen 16/10.05.19 | 401,279.60 | 400,316.00 | 5.15 |
| USD | 250,000 | Dexia Credit Local NY Branch 2.25% EMTN Ser 8 14/30.01.19 | 251,325.00 | 251,218.75 | 3.23 |
| USD | 1,000,000 | EIB 1% Sen 13/15.06.18 | 1,000,500.00 | 997,000.00 | 12.83 |
| USD | 300,000 | Finland 1% EMTN Ser 12 Sen Reg S 16/23.04.19 | 297,609.00 | 297,471.00 | 3.83 |
| USD | 500,000 | Instituto de Credito Oficial 1.625% MTN Reg S 16/14.09.18 | 499,900.00 | 498,827.50 | 6.42 |
| USD | 500,000 | Italia 5.375% 03/15.06.33 | 517,070.00 | 580,150.00 | 7.47 |
| USD | 150,000 | JPMorgan Chase & Co 1.625% Sen 13/15.05.18 | 149,880.00 | 149,994.75 | 1.93 |
| USD | 500,000 | Oesterreichische Kontrollbk AG 1.125% Sen 16/26.04.19 | 493,350.00 | 495,922.50 | 6.38 |
| USD | 300,000 | Petroleos Mexicanos 5.5% Ser B Sen 16/04.02.19 | 315,750.00 | 313,020.00 | 4.03 |
| USD | 350,000 | Qatar (State of) 6.55% Ser REGS 09/09.04.19 | 384,195.00 | 373,514.75 | 4.81 |
| USD | 200,000 | Sinopec Gr Over Dev (2015) Ltd 3.25% Reg S Sen 15/28.04.25 | 194,900.00 | 199,998.00 | 2.57 |
| USD | 300,000 | Sinopec Gr Overs Dev 2014 Ltd 2.75% Sen Reg S 14/10.04.19 | 302,430.00 | 302,148.00 | 3.89 |
| USD | 300,000 | Statoil ASA 1.2% Sen 12/17.01.18 | 299,070.00 | 299,748.00 | 3.86 |
| Total bonds | | | 7,211,656.75 | 7,259,773.25 | 93.43 |
| <u>Transferable securities dealt in on another regulated market</u> | | | | | |
| Bonds | | | | | |
| USD | 300,000 | Volkswagen Intl Finance NV 1.6% Reg S B Sen 12/20.11.17 | 300,750.00 | 299,949.00 | 3.86 |
| Total bonds | | | 300,750.00 | 299,949.00 | 3.86 |
| Total investments in securities | | | 7,512,406.75 | 7,559,722.25 | 97.29 |
| <u>Options</u> | | | | | |
| <u>Listed financial instruments</u> | | | | | |
| Options on futures | | | | | |
| USD | 15 | T.BONDS CALL 12/17 CBOT 159 | 14,531.25 | 3,750.00 | 0.05 |
| USD | 15 | T.BONDS PUT 12/17 CBOT 152 | 12,656.25 | 21,093.75 | 0.27 |
| USD | 10 | US T-Notes 10 Years CALL 12/17 CBOT 128 | 5,468.80 | 1,250.00 | 0.02 |
| USD | 20 | US T-Notes 10 Years PUT 12/17 CBOT 125 | 5,937.60 | 12,500.00 | 0.16 |
| Total options | | | 38,593.90 | 38,593.75 | 0.50 |
| <u>Short options</u> | | | | | |
| <u>Listed financial instruments</u> | | | | | |
| Options on futures | | | | | |
| USD | -15 | T.BONDS CALL 12/17 CBOT 162 | -9,140.63 | -1,875.00 | -0.02 |
| USD | -10 | US T-Notes 10 Years CALL 12/17 CBOT 130 | -1,875.00 | -468.80 | -0.01 |
| Total short options | | | -11,015.63 | -2,343.80 | -0.03 |
| Bank overdrafts | | | | -233,015.28 | -3.00 |
| Other net assets/(liabilities) | | | | 407,612.49 | 5.24 |
| Total | | | | 7,770,569.41 | 100.00 |

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

DMC FUND - DYNAGEST EXPO BONDS USD "MAS"

Industrial and geographical classification of investments

as at 30th September 2017

Industrial classification

(in percentage of net assets)

| | |
|-----------------------------------|----------------|
| International institutions | 25.68 % |
| Countries and governments | 25.11 % |
| Banks | 22.50 % |
| Energy | 14.35 % |
| Technology hardware and equipment | 5.79 % |
| Diversified financial services | 3.86 % |
| Total | <u>97.29 %</u> |

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

| | |
|--------------------------|----------------|
| Luxembourg | 12.83 % |
| United States of America | 10.95 % |
| Belgium | 9.00 % |
| Philippines | 7.70 % |
| Italy | 7.47 % |
| British Virgin Islands | 6.46 % |
| Spain | 6.42 % |
| Austria | 6.38 % |
| Venezuela | 5.15 % |
| Qatar | 4.81 % |
| Hong Kong | 4.54 % |
| Mexico | 4.03 % |
| The Netherlands | 3.86 % |
| Norway | 3.86 % |
| Finland | 3.83 % |
| Total | <u>97.29 %</u> |

DMC FUND - HERENS QUALITY LUXURY BRANDS

Statement of net assets (in EUR)

as at 30th September 2017

Assets

| | |
|--------------------------------------|---------------------|
| Securities portfolio at market value | 3,147,310.53 |
| Cash at banks | 131,819.26 |
| Other liquid assets | 431,066.44 |
| Income receivable on portfolio | 2,605.55 |
| Interest receivable on bank accounts | 208.68 |
| Total assets | <u>3,713,010.46</u> |

Liabilities

| | |
|---|----------------------------|
| Payable on redemptions of units | 126,983.93 |
| Unrealised loss on forward foreign exchange contracts | 9,172.10 |
| Expenses payable | 5,547.95 |
| Total liabilities | <u>141,703.98</u> |
| Net assets at the end of the period | <u><u>3,571,306.48</u></u> |

Breakdown of net assets per unit class

| Unit class | Number of units | Currency of unit class | NAV per unit in currency of unit class | Net assets per unit class (in EUR) |
|------------|-----------------|------------------------|--|------------------------------------|
| I (CHF) | 155.4702 | CHF | 1,268.85 | 172,453.24 |
| R | 388.0000 | EUR | 1,391.60 | 539,941.57 |
| R (CHF) | 2,418.0001 | CHF | 1,352.48 | 2,858,911.67 |
| | | | | <u>3,571,306.48</u> |

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

DMC FUND - HERENS QUALITY LUXURY BRANDS

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

from 1st April 2017 to 30th September 2017

Income

| | |
|---|------------|
| Dividends, net | 92,793.70 |
| Interest on bank accounts | 603.16 |
| Commissions on subscription and on redemption | 20,521.02 |
| Total income | 113,917.88 |

Expenses

| | |
|--------------------------------|------------|
| All-in fees | 63,662.05 |
| Banking charges and other fees | 215.58 |
| Transaction fees | 47,106.70 |
| Other administration costs | 572.21 |
| Bank interest paid | 1,600.63 |
| Total expenses | 113,157.17 |

Net investment income 760.71

Net realised gain/(loss)

| | |
|---|--------------|
| - on securities portfolio | 2,459,222.46 |
| - on forward foreign exchange contracts | -723,980.01 |
| - on foreign exchange | 39,455.72 |
| Realised result | 1,775,458.88 |

Net variation of the unrealised gain/(loss)

| | |
|---|---------------|
| - on securities portfolio | -1,912,687.76 |
| - on forward foreign exchange contracts | 146,796.80 |

Result of operations 9,567.92

Subscriptions -

Redemptions -20,485,340.91

Total changes in net assets -20,475,772.99

Total net assets at the beginning of the period 24,047,079.47

Total net assets at the end of the period 3,571,306.48

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

DMC FUND - HERENS QUALITY LUXURY BRANDS

Statistical information (in EUR)

as at 30th September 2017

| Total net assets | Currency | 31.03.2016 | 31.03.2017 | 30.09.2017 |
|-------------------------------|--|---------------|---------------|--------------------------------------|
| | EUR | 21,284,787.62 | 24,047,079.47 | 3,571,306.48 |
| Net asset value per unit | Currency | 31.03.2016 | 31.03.2017 | 30.09.2017 |
| I (CHF) | CHF | 1,116.77 | 1,230.44 | 1,268.85 |
| I (USD) | USD | 1,246.38 | 1,399.53 | - |
| R | EUR | 1,225.26 | 1,348.51 | 1,391.60 |
| R (CHF) | CHF | 1,203.83 | 1,316.46 | 1,352.48 |
| R (USD) | USD | 1,217.49 | - | - |
| Number of units | outstanding at the beginning of the period | issued | redeemed | outstanding at the end of the period |
| I (CHF) | 1,838.4702 | - | -1,683.0000 | 155.4702 |
| I (USD) | 14,043.8573 | - | -14,043.8573 | - |
| R | 413.0000 | - | -25.0000 | 388.0000 |
| R (CHF) | 2,440.0001 | - | -22.0000 | 2,418.0001 |
| TER per unit as at 30.09.2017 | | | | (in %) |
| I (CHF) | | | | 1.15 |
| R | | | | 1.90 |
| R (CHF) | | | | 1.90 |

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

DMC FUND - HERENS QUALITY LUXURY BRANDS

Statement of investments and other net assets (in EUR)

as at 30th September 2017

| Currency | Number / nominal value | Description | Cost | Market value | % of total net assets |
|--|---------------------------|------------------------------------|--------------|--------------|-----------------------------|
| <u>Investments in securities</u> | | | | | |
| <u>Transferable securities admitted to an official stock exchange listing</u> | | | | | |
| Shares | | | | | |
| CHF | 3 | Chocolade Lindt & Spruengli AG Reg | 155,909.30 | 176,108.56 | 4.93 |
| CHF | 2,100 | Co Financière Richemont SA | 133,731.90 | 162,470.96 | 4.55 |
| | | | 289,641.20 | 338,579.52 | 9.48 |
| DKK | 1,800 | Pandora A/S | 166,557.11 | 150,328.30 | 4.21 |
| EUR | 674 | Hermes Intl SA | 218,165.57 | 287,494.70 | 8.05 |
| EUR | 3,417 | InterParfums | 53,084.43 | 115,392.09 | 3.23 |
| EUR | 430 | Kering | 98,686.34 | 144,931.50 | 4.06 |
| EUR | 1,050 | LVMH Moët Hennessy L Vuit SE | 159,977.66 | 245,122.50 | 6.86 |
| EUR | 10,000 | Moncler SpA | 217,174.58 | 244,200.00 | 6.84 |
| EUR | 1,150 | Pernod-Ricard SA | 121,166.37 | 134,607.50 | 3.77 |
| EUR | 2,532 | Rémy Cointreau SA | 202,044.99 | 253,706.40 | 7.10 |
| | | | 1,070,299.94 | 1,425,454.69 | 39.91 |
| GBP | 5,556 | Ted Baker Plc | 138,706.47 | 167,092.28 | 4.68 |
| JPY | 2,700 | Kao Corp | 124,687.65 | 134,315.90 | 3.76 |
| JPY | 9,200 | Resorttrust Inc | 152,557.35 | 139,167.32 | 3.90 |
| | | | 277,245.00 | 273,483.22 | 7.66 |
| NOK | 9,000 | Marine Harvest ASA | 125,023.40 | 150,626.95 | 4.22 |
| USD | 6,300 | Coach Inc | 220,279.75 | 214,654.03 | 6.01 |
| USD | 1,600 | Estée Lauder Companies Inc A | 125,379.39 | 145,951.62 | 4.09 |
| USD | 700 | Ulta Beauty Inc Reg | 168,425.12 | 133,853.83 | 3.75 |
| | | | 514,084.26 | 494,459.48 | 13.85 |
| Total shares | | | 2,581,557.38 | 3,000,024.44 | 84.01 |
| Closed-ended investment funds | | | | | |
| JPY | 35 | Hoshino Resorts REIT Inc | 152,376.73 | 147,286.09 | 4.12 |
| Total closed-ended investment funds | | | 152,376.73 | 147,286.09 | 4.12 |
| Total investments in securities | | | 2,733,934.11 | 3,147,310.53 | 88.13 |
| Cash at banks | | | | 131,819.26 | 3.69 |
| Other net assets/(liabilities) | | | | 292,176.69 | 8.18 |
| Total | | | | 3,571,306.48 | 100.00 |

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

DMC FUND - HERENS QUALITY LUXURY BRANDS

Industrial and geographical classification of investments

as at 30th September 2017

Industrial classification

(in percentage of net assets)

| | |
|---------------------------------|----------------|
| Consumer durables and apparel | 41.20 % |
| Food, beverage and tobacco | 20.02 % |
| Household and personal products | 14.83 % |
| Real estate funds | 4.12 % |
| Retailing | 4.06 % |
| Hotels, restaurants and leisure | 3.90 % |
| Total | <u>88.13 %</u> |

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

| | |
|--------------------------|----------------|
| France | 33.07 % |
| United States of America | 13.85 % |
| Japan | 11.78 % |
| Switzerland | 9.48 % |
| Italy | 6.84 % |
| United Kingdom | 4.68 % |
| Norway | 4.22 % |
| Denmark | 4.21 % |
| Total | <u>88.13 %</u> |

DMC FUND

Notes to the financial statements

as at 30th September 2017

Note 1 - Significant accounting policies

a) Presentation of the financial statements

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

b) Valuation of assets

1. Calculation is done on the basis of the closing stock exchange prices on the business day preceding the Valuation Day i.e securities quoted on an official Stock Exchange or any other market, are valued on the basis of the closing price as of the business day preceding the valuation day, and, if there are several markets, the closing price of the Stock Exchange which is the principal market for the security in question, unless these prices are not representative.
2. For unlisted securities, and for quoted securities for which the closing price on the Business day preceding the Valuation Day is not representative, valuation is based on the reasonable foreseeable sales price estimated prudently and in good faith by the Management Company.
3. Liquid assets are assessed at their nominal value plus accrued interest;
4. Assets denominated in other currencies than the base currency of the Sub-Fund is translated into that base currency at the mid rates of these currencies on the Business day preceding the Valuation Day (snapshot Reuters at 5:00 PM Luxembourg time);
5. The Management Company is authorised to adopt other realistic valuation principles for assets of the Fund where circumstances make the determination of values according to the criteria specified above non realistic, impossible or inadequate. Especially in case of major changes in market conditions, the valuation basis of the different investments may be adjusted to the new market yields.
6. The value of units representing any open-ended undertakings for collective investment is determined using the last official Net Asset Value per unit or the last Net Asset Value estimate if this value is more recent than official Net Asset Value, provided that the Company is guaranteed that the valuation method used for this estimate is consistent with that used for the calculation of the official Net Asset Value.

c) Acquisition cost of securities in the portfolio

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

d) Net realised gain/(loss) on securities portfolio

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

e) Investment portfolio income

Dividend income is recorded at the ex-date, net of any withholding tax. Interest income accrued and payable are recorded, net of any withholding tax.

DMC FUND

Notes to the financial statements (continued)

as at 30th September 2017

f) Valuation of forward foreign exchange contracts

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

g) Valuation of futures contracts

Open futures contracts are valued at the last settlement or close price on the stock exchanges or regulated markets. Unrealised gains or losses of open contracts are recorded in the statement of net assets. Net variation of the unrealised gains or losses and net realised gains or losses are recorded in the statement of operations and other changes in net assets.

h) Valuation of options contracts

Premiums paid on the purchase of options are recorded under the item "Premium payable for long option contracts" in the statement of net assets and are presented as cost in the statement of investments and other net assets. Premiums received on issued options are recorded under the item "Premium receivable for short option contracts" in the statement of net assets and are presented as cost received in the statement of investments and other net assets. Option contracts outstanding at the date of the financial statements are valued at the last settlement or close price on the stock exchanges or regulated markets. Net variation of unrealised gains and losses and net realised gains and losses are recorded in the statement of operations and other changes in net assets.

i) Formation expenses

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

j) Conversion of foreign currencies

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

| | | | | | |
|---|-----|---|-------------|-----|------------------|
| 1 | EUR | = | 1.1438967 | CHF | Swiss Franc |
| | | | 7.4417126 | DKK | Danish Krona |
| | | | 0.8811538 | GBP | Pound Sterling |
| | | | 9.2338095 | HKD | Hong Kong Dollar |
| | | | 133.0743438 | JPY | Japanese Yen |
| | | | 9.4106667 | NOK | Norwegian Krona |
| | | | 1.6053685 | SGD | Singapore Dollar |
| | | | 1.1822000 | USD | US Dollar |
| 1 | USD | = | 0.8458806 | EUR | Euro |

k) Combined financial statements

The combined financial statements of the Fund are expressed in EUR and are equal to the sum of the corresponding items in the financial statements of each Sub-Fund converted into this currency at the exchange rate prevailing at the date of the financial statements.

DMC FUND

Notes to the financial statements (continued)

as at 30th September 2017

At the date of the financial statements, the combination exchange rate is the following:

1 EUR = 1.1822000 USD US Dollar

l) Transaction fees

Transaction costs disclosed under the item "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Fund fees relating to liquidation of transactions paid to the Depository as well as of transaction fees on financial instruments and derivatives.

Note 2 - Management Company

1) All-in fee

The Management Company receives an annual all-in fee, except for brokerage fees and bank charges normally payable on transactions relating to the portfolio of the relevant Sub-Fund, calculated on the average net assets of the relevant month, payable monthly. The current effective fees are:

| Sub-Fund | "R" unit | "I" unit | "R (CHF)" unit | "R (USD)" unit |
|--|----------|----------|----------------|----------------|
| DMC FUND - DYNAGEST EXPO BONDS EUROPE "DF" | 1.05% | - | 1.05% | - |
| DMC FUND - DYNAGEST EXPO BONDS EURO "MAS" | 1.35% | 0.95% | - | - |
| DMC FUND - DYNAGEST EXPO BONDS USD "MAS" | 1.35% | 0.95% | - | - |

| Sub-Fund | " R " unit | "I" unit | "R (CHF)" unit | "I (CHF)" unit | "R (USD)" unit | "I (USD)" unit |
|---|------------|----------|----------------|----------------|----------------|----------------|
| DMC FUND - HERENS QUALITY LUXURY BRANDS | 1.90% | 1.15% | 1.90% | 1.15% | 1.90% | 1.15% |

2) Fees borne by the Management Company

The Management Company bears the following costs for all Sub-Funds:

- all taxes owed on the Fund's asset and income,
- sub-contractor fees,
- Investment Managers' fees,
- operating expenses (fees of the Depository, transfer and registrar agent, administrative agent and listing agent),
- auditors fee,
- printing and distribution of the annual and semi-annual report,
- fees related to indexes or benchmark,
- costs for the preparation, translation, printing for the publication,
- costs for the information of unitholders,
- legal fees and/or other legal expenses related to unitholder protection,
- costs for the official representative in Switzerland,
- the annual "taxe d'abonnement" calculated on the NAV of each Sub-Fund and payable quarterly on each unit class (0.05 % for the unit R and 0.01 % for the unit I),

DMC FUND

Notes to the financial statements (continued)

as at 30th September 2017

- cost relating to subscription taxes, records, deposit and other requirements concerning the Fund by all foreign authorities or stock exchanges,
- advertising costs or other expenses directly connected with the offering of distribution of units, including the costs of printing and copying of the documents mentioned above or reports used by distributors of units in their commercial activity.

Note 3 - Commission on units issued and redeemed

The issue price of units of a Sub-Fund unit class is equal to the NAV of a unit in that Sub-Fund unit class, increased by a front-end sales charge of up to 5.10%, calculated on the NAV, which may be waived in whole or in part, and which, if applicable, has to be paid to the Management Company, except for the portion of 0.10% which is payable to the relevant Sub-Fund to contribute to the transaction costs of investing the net subscription proceeds.

The price to be paid in respect of each unit tendered for redemption (the "Redemption Price") is the NAV per unit, less an exit fee of 0.10% thereof payable to the relevant Sub-Fund to offset estimated realisation costs arising from the redemption.

Note 4 - Total expense ratio ("TER")

The TER disclosed under "Statistical information" of this report is calculated in accordance with the "Guidelines on the calculation and disclosure of the TER of collective investment schemes" issued by the Swiss Funds & Asset Management Association "SFAMA" on 16th May 2008 as modified on 20th April 2015.

The TER is calculated for the last 12 months preceding the date of this report.

Transaction fees are not taken into account in the calculation of the TER.

Note 5 - Changes in the investment portfolio

The statement of changes in investment portfolio for the period referring to the report is available free of charge upon request at the registered office of the Management Company and at the Representative and Paying Agent in Switzerland.

Note 6 - Forward foreign exchange contracts

As at 30th September 2017, the following Sub-Funds were committed in the following forward foreign exchange contracts with the counterparty Banque et Caisse d'Epargne de l'Etat, Luxembourg:

| DMC FUND - DYNAGEST EXPO BONDS EUROPE "DF" | | | | | |
|---|------------|----------|------------|------------|-------------------------------|
| Currency | Purchases | Currency | Sales | Maturity | Unrealised result (in EUR) |
| Forward foreign exchange contracts linked to units "R (CHF)" | | | | | |
| CHF | 958,914.00 | EUR | 870,000.00 | 20.10.2017 | -31,537.60 |
| CHF | 984,227.00 | EUR | 860,000.00 | 10.11.2017 | 801.04 |
| CHF | 682,620.00 | EUR | 600,000.00 | 08.12.2017 | -2,792.55 |
| | | | | | <hr/> |
| | | | | | -33,529.11 |

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Notes to the financial statements (continued)

as at 30th September 2017

DMC FUND - HERENS QUALITY LUXURY BRANDS

| Currency | Purchases | Currency | Sales | Maturity | Unrealised result (in EUR) |
|---|--------------|----------|---------------|------------|-------------------------------|
| Forward foreign exchange contracts | | | | | |
| EUR | 167,018.28 | CHF | 190,000.00 | 22.11.2017 | 823.28 |
| EUR | 119,202.43 | GBP | 110,000.00 | 22.11.2017 | -5,498.23 |
| EUR | 217,340.68 | JPY | 28,000,000.00 | 22.11.2017 | 7,010.88 |
| EUR | 150,042.33 | NOK | 1,400,000.00 | 22.11.2017 | 1,512.82 |
| EUR | 253,100.48 | USD | 300,000.00 | 22.11.2017 | 5.32 |
| | | | | | <u>3,854.07</u> |
| Forward foreign exchange contracts linked to units "R (CHF)" and "I (CHF)" | | | | | |
| CHF | 3,580,000.00 | EUR | 3,144,488.36 | 22.11.2017 | -13,026.17 |
| | | | | | <u>-13,026.17</u> |

Note 7 - Futures contracts

As at 30th September 2017, the following Sub-Funds were committed in the following future contracts:

DMC FUND - DYNAGEST EXPO BONDS EUROPE "DF"

| | Number of contracts | Denomination | Currency | Exposure (in EUR) | Unrealised result (in EUR) |
|----------|------------------------|---|----------|----------------------|----------------------------------|
| Purchase | 5 | Euro BTP 10 Years FUT 12/17 EUX | EUR | 674,800.00 | -2,450.00 |
| Purchase | 6 | Euro Bund 10 Years FUT 12/17 EUX | EUR | 966,060.00 | -6,300.00 |
| Sale | 20 | Euro-Schatz 6% 2 Years FUT 12/17 EUX | EUR | -2,242,600.00 | 400.00 |
| | | | | | <u>-8,350.00</u> |

DMC FUND - DYNAGEST EXPO BONDS EURO "MAS"

| | Number of contracts | Denomination | Currency | Exposure (in EUR) | Unrealised result (in EUR) |
|----------|------------------------|---|----------|----------------------|----------------------------------|
| Purchase | 8 | Euro BTP 10 Years FUT 12/17 EUX | EUR | 1,079,680.00 | -3,920.00 |
| Purchase | 12 | Euro Bund 10 Years FUT 12/17 EUX | EUR | 1,932,120.00 | -12,600.00 |
| Sale | 10 | Euro-Schatz 6% 2 Years FUT 12/17 EUX | EUR | -1,121,300.00 | 200.00 |
| | | | | | <u>-16,320.00</u> |

DMC FUND - DYNAGEST EXPO BONDS USD "MAS"

| | Number of contracts | Denomination | Currency | Exposure (in USD) | Unrealised result (in USD) |
|----------|------------------------|---|----------|----------------------|----------------------------------|
| Purchase | 19 | US Treasury Bond (Long) FUT 12/17 CBOT | USD | 2,903,437.50 | -52,375.00 |
| Purchase | 27 | US Treasury Note 10 Years FUT 12/17 CBOT | USD | 3,383,437.50 | -50,203.13 |
| | | | | | <u>-102,578.13</u> |

DMC FUND

Notes to the financial statements (continued)

as at 30th September 2017

Note 8 - Short option contracts

As at 30th September 2017, the following Sub-Fund were committed in the following short option contract with the counterparty JP Morgan Securities Ltd, London:

DMC FUND - DYNAGEST EXPO BONDS EUROPE "DF"

| Currency | Number | Denomination | Commitment (in EUR) |
|---------------------------|--------|---|--------------------------------------|
| Options on futures EUR | 10 | Bund Govt Bond 10 Years EUR PUT 12/17 EUX 155 | <u>56,353.50</u> <u>56,353.50</u> |

DMC FUND - DYNAGEST EXPO BONDS EURO "MAS"

| Currency | Number | Denomination | Commitment (in EUR) |
|---------------------------|--------|---|--------------------------------------|
| Options on futures EUR | 10 | Bund Govt Bond 10 Years EUR PUT 12/17 EUX 155 | <u>56,353.50</u> <u>56,353.50</u> |

DMC FUND - DYNAGEST EXPO BONDS USD "MAS"

| Currency | Number | Denomination | Commitment (in USD) |
|---------------------------|--------|---|---------------------------------------|
| Options on futures USD | 15 | T.BONDS CALL 12/17 CBOT 162 | 123,778.12 |
| USD | 10 | US T-Notes 10 Years CALL 12/17 CBOT 130 | <u>53,985.15</u> <u>177,763.28</u> |

Note 9 - Event

The Board of Directors decided to amend the Prospectus. The new version of the prospectus has been approved by CSSF on 9th August 2017 and mentions that:

- A new Sub-Fund DMC FUND - WORLD IG CORPORATE BONDS has been removed from the Prospectus.

DMC FUND

Additional information

as at 30th September 2017

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

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