

KAS Trust & Depositary Services

Annual Report 2015

KAS Trust & Depositary Services B.V.

Amsterdam

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This is the 2015 annual report of KAS Trust & Depositary Services B.V. ("KAS Trust"). KAS Trust is a 100% subsidiary of KAS BANK N.V and independently acts as the depositary for investment funds. KAS Trust has over 20 years of experience in acting as a supervisor of investment funds solely providing Depositary services. As part of our ongoing commitment to the Dutch funds industry and due to the introduction of the Alternative Investment Fund Managers Directive (AIFMD), KAS Trust became an authorised investment firm in 2013. In 2015 KAS Trust's Assets under Depositary has grown to in excess of EUR 50 billion, servicing more than 200 investment funds.

General

In 2015 KAS Trust has strengthened its position as depositary for investment funds in The Netherlands and managed to increase the number of clients. As depositary we are responsible for the oversight and supervision duties and custody of the assets of the investment funds. We perform our duties primarily to protect the investors in the funds. Before the introduction of the AIFMD regime the depositary of investment funds also had to act as the legal owner of the assets of investment funds. In order to comply with this requirement KAS Trust established subsidiaries whose only activity is to act as the legal owner of investment funds. Following the introduction of the AIFMD it is no longer required for the depositary to act as the legal owner of the fund assets. Therefore, KAS Trust decided to no longer act as the legal owner, as this could be seen as a conflict with the independent role as depositary. As a result of this the number of subsidiaries in 2015 decreased from 29 to 19. It is expected that the number of subsidiaries will further decrease during 2016. Under note 7 of the financial statements an overview is given of all KAS Trust's subsidiaries in 2015.

Financial developments

The turnover increased from EUR 2,046,774 in 2014 to EUR 3,570,380 in 2015. The net income (after tax) of 2015 amounts to EUR 1,650,130 (2014: EUR 812,697).

The solvability of KAS Trust slightly decreased in 2015 from 91.7% to 86.8%. This is caused by the increase of the liabilities as a result of the amounts payable to KAS BANK.

Due to the decrease of the number of subsidiaries and the fact that all assets are kept in cash, the liquidity of KAS Trust increased from 56.5% in 2014 to 82.0% in 2015.

The net result of 2014 of EUR 812,697 was added to the General Reserves.

Proposal of the Managing Board

The proposal of the Managing Board of KAS Trust is to declare a dividend of EUR 16.954,06 per share for 2015 (2014: zero). The dividend will be paid out in cash.

Risk management

Acting as depositary under the AIFMD there are specific risk and liabilities in the performance of our duties. The liability that KAS Trust can be held liable for the loss of financial instruments of our clients results in one of the main potential risk factors. In order to mitigate this risk and to stay within the desired risk appetite KAS Trust has further strengthened its risk management. KAS Trust carries out Due Diligence on all custodians on an annual basis in relation to the delegation of the safekeeping of financial instruments. Furthermore an approved list of admitted countries is defined in which our clients can hold financial instruments in custody. All type of instruments in which our clients can invest are subject to approval of KAS Trust. Also periodic Due Diligence is performed on the administrators of the funds for which we act as Depositary in order to get assurance that the Net Asset Values are calculated in a structured and consequent method. Following these measures the risk appetite of KAS Trust stays on the preferred levels.

The risk Appetite refers to the amount and type of risk KAS Trust is able and willing to accept in pursuit of its business objectives. KAS Trust's risk appetite is directly linked to KAS Trust's strategy and is defined in the form of a combination of qualitative and quantitative risk tolerances (thresholds). These represent the downward variation in profit or value (per risk type) Given the nature of KAS Trust's services, its stakeholders have the following expectations with regards to its activities and processes:

- Safekeeping of assets / Asset safety;
- Operational excellence;
- Business continuity;
- Insurance to transfer/mitigate risks.

The Company does not make use of financial instruments to manage its market risk.

Risk policies

Risk policies are determined by KAS Trust's Risk Committee. The Risk Committee monitors the Companies risk management policy and procedures. Members are the Board of Directors of KAS Trust.

Non-financial risk

Operational risk

Operational risk is the risk that losses will occur as a result of weaknesses or failures in internal processes and/or systems, human frailties or outside events. Examples of operational risks include IT problems, shortcomings in organisational structure, the absence of (or inadequate) internal control, human error, fraud and external threats.

Management commitment is fundamental to identifying and analysing operational risks and implementing adequate internal control measures. Management is supported by the three teams within KAS Trust, being Account Management, Business Support and Oversight

Internal Audit performs a monitoring role involving operational audits and also audits the tasks of Risk Management. KAS Trust's operational risk function is based on the principles of the operational risk framework.

Operational risk framework

Operational loss data collection

Systematic records are kept of events attributable to operational risks. These recorded events are periodically analysed in the Risk Committee to stay in control. Subsequently these are also used for organisational learning purposes and process improvements.

Risk and control self-assessment

Each process has a control structure in place, which documents the process, inherent risks, control objectives and control measures. These control structures are periodically evaluated via risk self-assessments, performed by the risk manager.

Risk self-assessment is an important instrument for identifying, quantifying and evaluating operational risks in KAS Trust's internal processes. It is also used to manage these risks by implementing adequate internal control measures.

ISAE 3402

KAS Trust has published an ISAE (International Standard on Assurance Engagements) 3402 Type 2 report. This report was compiled to indicate the extent to which internal control measures have been effective in achieving process objectives. The report was audited by an external auditor, PwC Accountants N.V.

Business Continuity Management

Continuity is of great importance in the context of financial services. Continuity is therefore not merely an internal business objective – our clients, regulators and applicable legislative bodies also require clear continuity management. BCM is therefore an integral part of KAS Trust's business model. We follow the best practice guidelines recommended by the Business Continuity Institute when implementing and fulfilling BCM.

We have appointed KAS BANK as Continuity Manager to ensure that up-to-date recovery plans are in place at all times. This manager also monitors and supports the testing and evaluation of these recovery plans. As we do every year, we maintained all necessary aspects of our BCM implementation (e.g. business impact analyses, the availability of these analyses on a system and application level). KAS Trust uses the BCM lifecycle to manage its business continuity.

Staffing

All team members (including the Managing Board) are employees of KAS BANK N.V. and dedicated allocated to KAS Trust. The team of KAS Trust increased in 2015 from 7 to 10 Fte.

The primary objective of the remuneration is to enable KAS Trust to retain and recruit qualified and expert staff and highly qualified employees and is aimed at helping to create good results for the benefit of the company – in line with its objectives in terms of returns and risk, customer satisfaction, Operational Excellence and Innovation, it also helps to develop and maintain the competencies necessary to achieve good results.

All team members of KAS Trust are employees of KAS BANK. KAS BANK's collective labour agreement governs the remuneration packages for all employees whereby the Managing Board can have individual labour agreements.

Forecast

Due to the implementation of UCITS V in March 2016, a further growth of the number of funds and Assets under Depositary is expected for 2016. It has been decided to focus our activities solely on the Dutch Market. As a consequence the launch of the UK Branch is cancelled and subsequently the activities in the UK are terminated. We will continue our process of liquidation of our subsidiaries in 2016 as a result of our policy to no longer act as legal owner of investment funds. Based on the expected growth we assume that the staff of KAS Trust will further increase in 2016. This increase will be based on the expected increase of activities and nett income.

Amsterdam, 22 April 2016

Managing Board

J.N.P. Laan

R.F. Kok

S.F. Plesman

FINANCIAL STATEMENTS 2015



PricewaterhouseCoopers
Accountants N.V.
For identification
purposes only

Statement of comprehensive income KAS Trust & Depositary Services B.V. Financial statements

2015

<i>In euros</i>	Note	2015	2014
OPERATING INCOME			
Commission income	1	3,571,854	2,047,252
Trading	2	-1,474	-479
Other income	3	-	1
Total operating income		3,570,380	2,046,774
OPERATING EXPENSES			
Personnel expenses	4	967,625	626,059
General and administrative expenses	5	402,543	336,758
Total operating expenses		1,370,168	962,817
Operating result before tax		2,200,212	1,083,957
Tax expense	6	550,082	270,989
Net result for the year		1,650,130	812,967
Other comprehensive Income		-	-
Total comprehensive Income		1,650,130	812,967

The total comprehensive income is fully attributable to the owners of KAS Trust.

The notes on pages 11 to 22 are an integral part of these financial statements.

Balance sheet

KAS Trust & Depositary Services B.V. Financial statements 2015

<i>In euros</i>	Note	31 December 2015	31 December 2014
Assets			
Subsidiaries	7	1,345,511	2,470,511
Other assets	8	227,295	340,804
Cash and cash equivalents	9	7,160,475	3,650,738
Total assets		8,733,281	6,462,053
Equity and liabilities			
Issued capital	11	25,000	25,000
Share premium	12	4,925,945	4,925,945
Other reserves (including profit for the year)	13	2,626,758	976,628
Total equity		7,577,703	5,927,573
Other liabilities	10	1,155,578	534,480
Total liabilities		1,155,578	534,480
Total equity and liabilities		8,733,281	6,462,053

The notes on pages 11 to 22 are an integral part of these financial statements

Statement of changes in equity

KAS Trust & Depositary Services B.V. Financial statements 2015

<i>In euros</i>	Issued capital	Share premium	Other reserves (incl. profit for the year)	Total equity
Balance as at 1 January 2014	25,000	4,925,945	163,661	5,114,606
Profit for the period	-	-	812,967	812,967
Other comprehensive income	-	-	-	-
Balance as at 31 December 2014	25,000	4,925,945	976,628	5,927,573
Profit for the period	-	-	1,650,130	1,650,130
Other comprehensive income	-	-	-	-
Balance as at 31 December 2015	25,000	4,925,945	2,626,758	7,577,703

The notes on pages 11 to 22 are an integral part of these financial statements.

Cash flow statement

KAS Trust & Depositary Services B.V. Financial statements 2015

<i>In euros</i>	Note	2015	2014
Net result		1,650,130	812,967
Adjustments for non-cash items included in net result			
Tax expense	6	550,082	270,989
Changes in assets and liabilities			
Receivables	8	113,509	-118,390
Accounts payable	10	71,016	29,778
Other movements		-	-1
Cash flow from operating activities		2,384,737	995,344
Investment activities		-	-
Cash flow from investing activities		-	-
Financing of subsidiaries (inflow)	7	1,125,000	1,016,990
Cash flow from financing activities		1,125,000	1,016,990
Net cash flow		3,509,737	2,012,334
Cash and cash equivalents at 1 January	9	3,650,738	1,638,404
Net cash flow		3,509,737	2,012,334
Cash and cash equivalents at 31 December		7,160,475	3,650,738

The notes on pages 11 to 22 are an integral part of these financial statements.

Company information

The objectives of KAS Trust & Depositary Services B.V. (hereafter: KAS Trust) are:

- To act as depositary for investment institutions as provided by the Financial Supervision Act (*Wet op het financieel toezicht*);
- To provide investment services and related services as provided by the Financial Supervision Act;
- To participate in, to take an interest in any other way in, to conduct the management (including acting as a managing director as provided in the Trust Offices Supervision Act (*Wet toezicht trustkantoren*)) of other business enterprises of whatever nature, furthermore to finance third parties, in any way to provide security or undertake the obligations of third parties; and
- All activities which are incidental to or which may be conducive to any of the foregoing referred.

General information

Registration Chamber of Commerce: 33117326

Corporate seat: Amsterdam

Address of the Company: Nieuwezijds Voorburgwal 225, 1012 RL Amsterdam

Date of Incorporation: 9 June 1966

The annual financial statements were prepared by the Managing Board on 22 April 2016. The annual financial statements will be presented to the Annual General meeting for adoption on 10 May 2016.

Basis of preparation

The financial statements have been prepared on a historical cost basis unless stated otherwise. The financial statements are presented in euros, which is the functional and presentation currency of KAS Trust. The financial statements have been prepared on a going concern basis.

Statement of compliance

The separate financial statements of 2015 of KAS Trust are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and with Part 9 of Book 2 of the Dutch Civil Code.

Consolidation exemption

KAS Trust does not present consolidated financial statements since its debt or equity instruments are not traded in a public market, it is a wholly-owned subsidiary of KAS BANK N.V. (Amsterdam), and KAS BANK N.V. produces consolidated financial statements that are available for public use and comply with IFRS. These consolidated financial statements are available on KAS BANK's website under Investor Relations, Annual reports (www.kasbank.nl/Investorrelations/AnnualReports.aspx).

Critical accounting estimates and judgements

The preparation of the financial statements requires management judgements and estimates which affect the items reported and disclosed. These estimates and judgements are based on past experiences and take into account recent trends, environmental factors and statistics. Actual outcomes may differ from estimates and judgemental decisions. The applied estimates are reviewed every reporting period.

Recognition of income and expenses

Revenues and expenses are recognised to the extent that it is probable that economic benefits will flow to or out of KAS Trust and these revenues or expenses can be reliably measured. Fees earned for the provision of services over a period of time are accrued over that period. This especially relates to services as depositary services.

Changes in accounting policies

The accounting policies applied in preparing these financial statements are consistent with the previous year except for the following non-significant adjustments:

- Annual improvements to IFRSs (2010-2012 cycle);
- Annual improvements to IFRSs (2011-2013 cycle).

These adjustments had no impact on the relevant comparative figures.

New IFRS standards and interpretations not yet adopted

A number of new, amended or revised standards were not applied in preparing these financial statements as these standards were either not effective for the current period or have not been adopted by the EU. We do not expect these standards will have a significant impact on the preparation of the financial statements in the near future. These new, amended or revised standards are listed below:

- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation, effective as of 2016;
- Amendments to IAS 27: Equity Method in Separate Financial Statements, effective as of 2016;
- IFRS 14: Regulatory Deferral Accounts, effective as of 2016;
- Annual Improvements to IFRSs 2012–2014 Cycle, effective as of 2016;
- Amendments to IAS 1: Disclosure Initiative, effective as of 2016;
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception, effective as of 2016;
- IFRS 9 Financial Instruments, effective as of 2018;
- IFRS 15 Revenue from Contracts with Customers, effective as of 2018;
- IFRS 16 Leases, effective as of 2019; Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture; deferred indefinitely.

Foreign currency translation

Transactions in foreign currencies are translated into the functional currency using the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to euro at closing rate. Foreign exchange gains and losses resulting from the translation at closing rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement as 'Other financial income'. KAS Trust has no non-monetary assets and liabilities denominated in foreign currencies.

Financial assets and liabilities*Recognition and derecognition*

All financial assets and liabilities are initially recognised on trade date, i.e. when KAS Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if KAS Trust's contractual rights to the cash flows from these financial assets expire or if KAS Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised when KAS Trust's obligations specified in the contract expire or are discharged or cancelled.

Classification of initial recognition

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. The classification determines the measurement and the recognition of results.

Other assets and other liabilities

Measurement at amortised cost relates to exposures due from other assets and other liabilities. The receivables and payables are initially recognised at fair value and subsequently at amortised costs.

Cash

Cash and cash equivalents are measured at cost.

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are not set off unless related to hedging or to assets and liabilities which are set off in accordance with the foregoing.

Impairment*Financial assets measured at amortised cost*

For financial assets carried at amortised cost, KAS Trust assesses individually whether objective evidence of impairment exists. The impairment loss is the difference between the assets' amortised cost and the value of future cash flows, discounted at the financial asset's original effective interest rate. Impairment losses are recognised in the income statement. In the event that the financial asset is collateralised, account is taken of future cash flows that may result from foreclosure of the collateral.

If, in a subsequent period, the amount of the impairment loss decreases and this objectively relates to an event after the impairment was initially recognised, the recognised impairment loss is reversed and the recovery is recognised in the income statement.

Fiduciary assets

KAS Trust provides trust and fiduciary services that result in the holding or investing of assets on behalf of clients. Assets held in a fiduciary capacity are not recognised in the balance sheet of KAS Trust, as they are not the assets of KAS Trust.

Subsidiaries

The measurement of subsidiaries is based on historical costs.

Shareholders' equity*Issued capital*

KAS Trust's authorised capital comprises ordinary shares.

Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Annual General meeting. Interim dividend is deducted from equity when declared and no longer at the discretion of KAS Trust.

Other reserves

Other reserves include retained earnings and can be freely distributed to the shareholders of KAS Trust.

Retirement benefit plan

Until 31 December 2015, KAS BANK sponsored a defined benefit plan for the Dutch employees. As of 1 January 2016 the Dutch pension plan qualifies as a (collective) defined contribution plan. The plan assets and defined benefit obligations are no longer recognised in the financial position of KAS BANK as of 31 December 2015. There is no stated policy for charging the net defined benefit cost. The pension expenses related to the employees of KAS Trust are charged by KAS BANK to KAS Trust and recognised in the income statement of KAS Trust as 'Personnel expenses' as the employees of KAS Trust are employees from KAS BANK.

Taxes

KAS Trust forms a fiscal unity with KAS BANK and several subsidiaries of KAS BANK for both company tax and VAT. The fiscal unity is jointly and severally liable for taxation payable by the tax group. The company tax expense is settled via the current account. The tax expense for the period comprises current tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operate and generate taxable income.

Statement of cash flows

The separate statement of cash flows is based on the indirect method. Cash flows are classified as cash flows from operating, investing and financing activities. The cash flow from operating activities is based on the result after tax. This result is adjusted for those items in the income statement and changes in the balance sheet which do not result in actual cash flows during the year. Cash and cash equivalents comprise balances which are callable on demand.

Capital management

For the purpose of KAS Trust's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. KAS Trust's policy is aimed at maintaining an adequate capital base in order to meet existing and future capital requirements and to fulfil the capital adequacy standards at all times.

Fair value estimation

KAS Trust has no financial assets and liabilities measured at fair value.

Fair values, including valuation methods and assumptions

At 31 December 2015, the carrying amounts of cash and cash equivalents, other assets and other liabilities, approximated their fair values due to the short-term maturities of these assets and liabilities.

1. Commission income

In euros	2015	2014
Commission	3,571,854	2,047,252
Total	3,571,854	2,047,252

The commission is our fee for acting as depositary for investment funds and are mostly calculated as a basis points fee based on the assets of the investment funds. All revenue is recognised in the Netherlands.

2. Other financial income

In euros	2015	2014
Foreign exchange transaction results	-1,474	-479
Total	-1,474	-479

3. Other income

In euros	2015	2014
Other	-	1
Total	-	1

4. Personnel expenses

In euros	2015	2014
Salaries	662,017	442,559
Social securities costs	84,881	71,746
Temporary staff	60,764	14,287
Pension charges relating to defined benefit plans	95,807	60,000
Other	64,155	37,468
Total	967,625	626,059

During 2015, the average number of employees at fulltime equivalent basis was ten (2014: seven). All personnel are employed at KAS BANK and costs related to KAS Trust personnel are allocated to KAS Trust. None of the employees was working outside the Netherlands in 2015 (2014: none).

5. General and administrative expenses

In euros	2015	2014
Advice	35,839	113,405
Audit fee	17,500	31,202
Information technology	228,081	125,174
Travelling and accommodation expenses	39,434	24,411
Other	81,689	42,566
Total	402,543	336,758

6. Tax expense

Reconciliation with effective tax rate	2015	%	2014	%
Result before tax	2,200,212		1,083,957	
Tax expense at statutory tax rate	550,082	25.0	270,989	25.0
Tax expense at effective tax rate	550,082	25.0	270,989	25.0

7. Subsidiaries

In euros	Balance as at 31 December 2014	Liquidated subsidiaries	Balance as at 31 December 2015
KAS-Trust Blue Sky Eagle Fund Bewaarder B.V.	18,000	-	18,000
KAS-Trust Bewaarder CapitalGuards Portfolios B.V.	112,500	-112,500	-
KAS-Trust Bewaarder Finles Collectief Beheer Fonds B.V.	112,500	-112,500	-
KAS-Trust Bewaarder Finles Diversifier Fund B.V.	112,500	-112,500	-
KAS-Trust Bewaarder Finles EMS Top-Rente Fonds B.V.	112,500	-112,500	-
KAS-Trust Bewaarder Finles Lotus Fonds B.V.	112,500	-112,500	-
KAS-Trust Bewaarder Finles Multi Strategy Hedge Fund B.V.	112,500	-112,500	-
KAS-Trust Bewaarder Gestion Actief Beheer Fonds B.V.	112,500	-	112,500
KAS-Trust Bewaarder IMQubator Multi Manager Fund B.V.	112,500	-	112,500
KAS-Trust Bewaarder IMQubator Participation Fund B.V.	112,500	-	112,500
KAS-Trust Bewaarder Index Umbrella Fund B.V.	18,000	-	18,000
KAS Bewaarder Klantenvermogen BND B.V.	18,000	-	18,000
KAS-Trust Bewaarder Finles Liquid Macro Fund B.V.	112,500	-112,500	-
KAS-Trust Bewaarder Loyalls Sparen & Beleggen B.V.	112,500	-112,500	-
KAS-Trust Bewaarder OVMK Fondsen B.V.	112,500	-	112,500
KAS-Trust Juridisch Eigenaar Beleggingsfondsen B.V.	18,000	-	18,000
KAS-Trust Bewaarder Theta Multistar Fund B.V.	112,500	-	112,500
KAS-Trust Bewaarder Trend Map Total Volendam Fund B.V.	112,500	-	112,500
KAS-Trust Bewaarder IAM Beleggingsfondsen B.V.	112,500	-	112,500
KAS-Trust Bewaarder Fund for Fair Future Fund B.V.	18,000	-	18,000
KAS-Trust Bewaarder Brand New Day Premiepensioeninstelling B.V.	112,500	-	112,500
KAS-Trust Bewaarder Brand New Day Collectief Paraplufonds B.V.	18,000	-	18,000
KAS-Trust Bewaarder Capvest Masters Funds B.V.	112,500	-	112,500
KAS-Trust Bewaarder EV-SCF B.V.	112,500	-112,500	-
KAS-Trust Bewaarder Staalbankiers Multi Asset Fonds B.V.	112,500	-	112,500
KAS-Trust Bewaarder QVI Defensive B.V.	112,500	-112,500	-
KAS-Trust Bewaarder Double Dividend Equity Fund B.V.	10	-	10
KAS-Trust Bewaarder Aster-X Ottoman Fund B.V.	112,500	-	112,500
KAS-Trust Bewaarder Bright LifeCycle Fund B.V.	1	-	1
Balance as at 31 December	2,470,511	-1,125,000	1,345,511

All subsidiaries are fully owned by KAS Trust and located in Amsterdam, The Netherlands. The management of these entities is executed by KAS Trust. The only activity of these subsidiaries is to act as legal owner of investment funds as described in the Financial Supervision Act (*Wet op het financieel toezicht*).

Subsidiaries are entities which are controlled by KAS Trust. Control of an entity exists if KAS Trust is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In general, control is presumed to exist where KAS Trust owns more than 50% of the voting power of an entity. During 2015 ten subsidiaries were wound up. Following the introduction of the AIFMD it is no longer a requirement for the depositary to act as the legal owner. Therefore KAS Trust decided to no longer act as the legal owner, as this could be seen as a conflict with the independent role as depositary. As a result of this, the number of subsidiaries in 2015 decreased from 29 to 19. From these 19 subsidiaries 2 went in the process of liquidation at the start of 2016, and 2 others were sold in January 2016. These processes are finalised in Q1 of 2016 and expected is that the number of subsidiaries will further decrease during 2016. As these subsidiaries were inactive the liquidation process has not created any financial impact.

8. Other assets

In euros	2015	2014
Receivables	114,795	228,304
Other (>1 year)	-	112,500
Other (<1 year)	112,500	-
Balance as at 31 December	227,295	340,804

Account receivables are not expired nor impaired. No provisions have been made for credit risk. The fair value of other assets does not materially deviate from its carrying amount, due to the short-term nature of its related assets. None of the receivables are owed by KAS BANK (2014: EUR 115,796). For the Other Assets (<1 year) no interest payment is agreed. This amount is a loan from KAS Trust to a related party (Stichting Bewaarder Theta Deep Value Fund) of KAS Trust.

9. Cash and cash equivalents

This balance sheet item includes cash on hand and demand deposits. KAS Trust has no restricted cash position.

10. Other liabilities

In euros	2015	2014
Accounts payable (<1 year)	1,155,578	534,480
Balance as at 31 December	1,155,578	534,480

The fair value of liabilities does not materially deviate from its carrying amount, due to the short-term nature.

The accounts payable consist of EUR 1,106,966 owed to KAS BANK (2014: EUR 377,791).

11. Issued capital

The authorised share capital of KAS Trust & Depositary Services B.V. amounts to EUR 25,000, divided into 50 ordinary shares of EUR 500. Issued and fully paid up share capital consists of 50 ordinary shares.

12. Share premium

In euros	2015	2014
Balance as at 1 January	4,925,945	4,925,945
Balance as at 31 December	4,925,945	4,925,945

13. Other reserves (including profit for the year)

In euros	2015	2014
Balance as at 1 January	976,628	163,661
Result for the period	1,650,130	812,967
Balance as at 31 December	2,626,758	976,628

The end balance of EUR 2,626,758 (2014: EUR 976,628) is comprised fully of retained earnings.

14. Related parties

KAS Trust identifies as related parties the members of the Managing Board and the parent KAS BANK. Also subsidiaries and entities managed by KAS Trust are identified as related parties.

The table below presents the remuneration of the Managing Board of KAS Trust.

Remuneration of the Managing Board In euros	Short-term employee benefits	Post-employment benefits	Other long term benefits	Termination benefits	Share-based payments
2015	330,917	37,987	-	-	-
2014	218,205	30,135	-	-	-

The key management consists of the Managing Board of KAS Trust.

The following table presents the transactions with the parent KAS BANK N.V.

Related party transactions In euros	Revenues from related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
2015				
Parent	-	1,027,451	112,500	1,106,966
2014				
Parent	-	651,898	228,296	377,791

The transactions between KAS Trust and KAS BANK relate to expenses paid by KAS BANK which concern KAS Trust. All personnel are employed at KAS BANK and costs related to KAS Trust personnel are allocated to KAS Trust.

15. Contingencies and commitments

Fiscal unity

KAS Trust forms a fiscal unity with KAS BANK and several subsidiaries of KAS BANK for both company tax and VAT. The fiscal unity is jointly and severally liable for taxation payable by the tax group.

Operating lease commitments

The operating lease commitments fall due as follows

In euros	2015	2014
Within one year	26,039	13,883
After one year but within five years	54,137	42,449
After five years	-	-
Balance as at 31 December	80,176	56,331

16. Risk Management

Financial risk management

KAS Trust's activities expose it to a variety of financial risks. Risk management is carried out by management. Management identifies and evaluates the financial risks based on principles for overall risk management. KAS Trust's overall risk management program seeks to minimize potential adverse effects on KAS Trust's financial performance. Management is of the opinion that KAS Trust's exposure to financial risks is limited.

Market risk

Foreign exchange risk

Management does not actively manage the foreign exchange risk because the exposure to foreign exchange risks is limited. Assets and liabilities as well as the transactions are primarily denominated in the same currency significantly reducing to the exposure to foreign currency exchange risk. This situation is evidenced by the absence of any significant results related to foreign exchange risk in the income statement.

Price risk

KAS Trust is not exposed to any significant price risk due to the absence of any investments or liabilities measured at fair value.

Interest rate risk

Because KAS Trust is not financed with external debt, no significant interest rate risk is present. The cash balances of KAS Trust are not significantly exposed to interest rate risk due to the fact that cash is used to settle the current liabilities at short notice and the bank-accounts of KAS Trust are non-interest bearing.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents held at banks and intercompany receivables. We are currently in the process of defining counterparty limits in order to mitigate the credit risks.

<i>In thousands of euros</i>	Subsidiaries	Other assets	Cash and cash equivalents
31 December 2015			
Carrying amount	1,345,511	227,295	7,160,475
Assets not impaired, not past due	1,345,511	227,295	7,160,475
Individually impaired assets (gross carrying amount)	-	-	-
Accumulated impairment	-	-	-
31 December 2014			
Carrying amount	2,470,511	340,804	3,650,738
Assets not impaired, not past due	2,470,511	340,804	3,650,738
Individually impaired assets (gross carrying amount)	-	-	-
Accumulated impairment	-	-	-

Concentration risk

Concentration risk is the risk that KAS Trust will encounter difficulty in its continuity when major clients will cancel the agreement with KAS Trust. In 2015 a limited number of clients were responsible for over 50% of the income. For 2016 it is expected that this percentage will decrease as a result of new clients.

Compliance risk

Compliance risk is the risk that KAS Trust is not compliant to the relevant laws and legislations (e.g. the specific services under the applicable laws) KAS Trust continuously monitors the relevant changes, both by Legal and the Risk committee.

Liquidity risk

Liquidity risk is the risk that KAS Trust will encounter difficulty in meeting the obligations associated with short term liabilities. In order to mitigate this risk, KAS Trust will constantly monitor its liquidity position (cash balances) to meet its short term obligations.

Maturity calendar as at 31 December 2015					
In thousands of euros	Direct	<= 1 year	> 1 year	Non-maturity	Total
Assets					
Subsidiaries	-	-	-	1,345,511	1,345,511
Other assets	-	227,295	-	-	227,295
Cash and cash equivalents	7,160,475	-	-	-	7,160,475
	7,160,475	227,295	-	1,345,511	8,733,281
Liabilities					
Other liabilities	-	1,155,578	-	-	1,155,578
	-	1,155,578	-	-	1,155,578
Liquidity surplus/(deficit)	7,160,475	-928,283	-	1,345,511	7,577,703

Maturity calendar as at 31 December 2014					
In thousands of euros	Direct	<= 1 year	> 1 year	Non-maturity	Total
Assets					
Subsidiaries	-	-	-	2,470,511	2,470,511
Other assets	-	228,304	112,500	-	340,804
Cash and cash equivalents	3,650,738	-	-	-	3,650,738
	3,650,738	228,304	112,500	2,470,511	6,462,053
Liabilities					
Other liabilities	-	534,480	-	-	534,480
	-	534,480	-	-	534,480
Liquidity surplus/(deficit)	3,650,738	-306,176	112,500	2,470,511	5,927,573

Operational risk management

The main risk of KAS Trust is operational risk. Operational risk is the risk that losses will occur as a result of weaknesses or failures in internal processes and/or systems, human frailties or outside events. These include operational risks such as IT problems, shortcomings in the organization structure, absence of or inadequate internal control, human error, fraud, loss of assets with custodians and other external threats.

KAS Trust's operational risk policy is also underpinned in the following ways:

- For each process, there is a control structure in place in which the process, inherent risks, control objectives and control measures are all documented. These control structures are periodically evaluated on the basis of Risk Self Assessments (RSAs), assessments performed by the Risk Management department and operational audits;
- Operational risks are continuously monitored;
- Analysis of events and risks, including proposals for improving processes;
- Ongoing attention to enhancing risk and quality awareness among staff;
- Training and professional development as important elements in staff performance.

Outsourcing risk

KAS Trust has outsourced several IT and other services to KAS BANK. With regards to outsourced components a Service Level Agreement (SLA) is agreed upon by KAS Trust and KAS Bank.

Monitoring of the SLA takes place by management of KAS Trust. Periodic meetings between KAS BANK and KAS Trust take place to discuss actual performance by KAS BANK and possible changes in the services provided for

and to KAS Trust. Furthermore, KAS BANK delivers on a yearly basis, an assurance report to KAS Trust, to provide insight in the effectiveness of its control-framework as agreed upon.

17. Audit fee

The following table presents the external independent auditor's fees recognized in the income statement as 'General and administrative expenses'. These fees only relate to the audit of the annual report.

<i>In euros</i>	PwC accountants	Other PwC network	Total PwC network
2015			
Audit of the financial statements	17,500	-	17,500
Other audit services	-	-	-
Tax services	-	-	-
Other non-audit services	-	-	-
Total	17,500	-	17,500
2014			
Audit of the financial statements	20,000	-	20,000
Other audit services	-	-	-
Tax services	-	-	-
Other non-audit services	-	-	-
Total	20,000	-	20,000

Amsterdam, 22 April 2016

KAS Trust & Depositary Services B.V.

J.N.P. Laan

R.F. Kok

S.F. Plesman

Other Information

Profit appropriation according to the articles of association

The result is appropriated pursuant to Article 4.1 of the Articles of Association of KAS Trust & Depositary Services B.V. This article stipulates that the General meeting decides how to appropriate the result.

Proposed appropriation of result

The Managing Board proposes the following appropriation of the 2015 result:

Appropriation of the result according to the income statement for 2015 <i>In thousands of euros</i>	
Result for the period	1,650,130
Proposed final dividend	-847,874
Proposed addition to other reserves	802,256

Subsequent events

In the first quarter of 2016 two subsidiaries were liquidated. These subsidiaries were liquidated without a loss and the liquidations had no financial impact. Also two subsidiaries were sold.

Independent auditor's report

To: The Managing Board of KAS Trust & Depositary Services B.V.



Independent auditor's report

To: the general meeting of KAS Trust & Depositary Services B.V.

Report on the financial statements 2015

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of KAS Trust & Depositary Services B.V. as at 31 December 2015, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2015 of KAS Trust & Depositary Services B.V., Amsterdam ('the company').

The financial statements comprise:

- the statement of financial position as at 31 December 2015;
- the following statements for 2015: the income statement, the statements of comprehensive income, changes in equity and cash flows;
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

We are independent of KAS Trust & Depositary Services B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

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

Ref.: e0378427

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Responsibilities of management

Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A more detailed description of our responsibilities is set out in the appendix to our report.

Report on other legal and regulatory requirements

Our report on the managing board report and the other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the directors' report and the other information):

- We have no deficiencies to report as a result of our examination whether the managing board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the managing board report, to the extent we can assess, is consistent with the financial statements.

Amsterdam, 22 April 2016
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A. van der Spek RA

Appendix to our auditor's report on the financial statements 2015 of KAS Trust & Depositary Services B.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among others of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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