

# SINGLE SELECT INVESTMENT

Fonds commun de placement-Fonds  
d'investissement spécialisé

Audited annual report

as at 31/12/16

RCS Luxembourg K1390

# SINGLE SELECT INVESTMENT

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Subscriptions are valid only if made on the basis of the current Prospectus, supplemented if necessary by the latest annual report.

# SINGLE SELECT INVESTMENT

## Organisation

<b>MANAGEMENT COMPANY</b>	OFI Lux (a wholly-owned subsidiary of OFI Asset Management) 10/12, boulevard F.D. Roosevelt L-2450 Luxembourg Luxembourg
<b>BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY</b>	Mr. Gérard BOURRET Mr. Olivier ARLES Mr. Nicolas GOMART Mr. Christophe LEPITRE Mr. Jean-Marie MERCADAL Mr. Vincent RIBUOT Mr. Jean-Pierre GRIMAUD Mr. Charles VAQUIER OFIMALLIANCE, represented by Mr. Jean-Luc MALAFOSSE (as from 08/06/2016)
<b>INVESTMENT MANAGER</b>	OFI Asset Management 20-22, rue Vernier F-75017 Paris France
<b>INVESTMENT ADVISER</b>	Great Wall Fund Management Co. Ltd. 41/F New World Commercial Center, Yitian Road Futian District, Shenzhen City, Zip Code: 518026 People's Republic of China
<b>DEPOSITARY</b>	CACEIS Bank Luxembourg (up to 31/12/2016) CACEIS Bank, Luxembourg Branch (as from 01/01/2017) 5, allée Scheffer L-2520 Luxembourg Luxembourg
<b>ADMINISTRATOR AND REGISTRAR AND TRANSFER AGENT</b>	CACEIS Bank Luxembourg (up to 31/12/2016) CACEIS Bank, Luxembourg Branch (as from 01/01/2017) 5, allée Scheffer L-2520 Luxembourg Luxembourg
<b>AUDITOR OF THE FUND AND OF THE MANAGEMENT COMPANY</b>	PricewaterhouseCoopers, Société coopérative 2, rue Gerhard Mercator B.P. 1443, L-1014 Luxembourg Luxembourg
<b>LEGAL ADVISER</b>	Elvinger, Hoss & Prussen 2, Place Winston Churchill L-2014 Luxembourg Luxembourg
<b>REGISTERED OFFICE</b>	10/12, boulevard F.D. Roosevelt L-2450 Luxembourg Luxembourg

## SINGLE SELECT INVESTMENT

### Investment Manager's Report

OFI HAN:

The rebalance of the Chinese economy has continued in 2016. Contrary to the hard-landing scenario, the GDP growth has been stable during the year: +6.7% yoy in the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters and +6.8% at year end. According to NBS (National Bureau of Statistics), at year end 2016, the secondary industry which weighs 41% of GDP had a growth of +6.1%, while the tertiary industry 48% of the economy, had increased 8.3%. The service sectors such as catering and hotel, logistic and transportation, wholesale and retail, all have seen an acceleration of their activities in 2016. Compared with last year, the rebalancing of the Chinese economy takes place slowly in 2016. The official manufacturing PMI index at year-end was 51.4, slightly lower than market estimation of 51.5. While Caixin manufacturing PMI index, more representative for SME companies, has reached its highest level since 2013, 51.9 in December versus 50.9 in November. The export has advanced 0.1% in RMB and the import has increased 10.8% in RMB. But the foreign exchange reserve has continued to decrease to 3011bn US\$, a drop of 320bn US\$ compared to 2015.

The Chinese stock market had an important correction at the beginning of the year as major market concerns on a slowdown of the economy, a depreciation of the local currency CNY, a historically low oil price of \$27 per barrel and a badly communicated market intervention from the government. MSCI China had a decline of more than 19% for the H share market while CSI 300 had a drop of more than 24% for the A share market. The market rebounded starting from March as the investors observed signs of the economy stabilization and a soft-landing scenario orchestrated by the Chinese government. Before summer, the capital flow became favorable for the emerging. With the improvement of the PMI index and the rebound of the activities in the real estate and infrastructure sectors, the investors turned more confident on the growth stabilization: A share market almost recovered from its loss at the beginning of the year. The rapid rise of the property price in the 1<sup>st</sup> and 2<sup>nd</sup> tier cities during the second and the third quarters made the central government to intervene with new restriction measures. In the fourth quarter, the emerging markets have seen an important outflow due to Donald Trump's presidential election victory. The local market had a more than 5% decline in December.

Under the expectation of rates hike from the FED, China has given priority to the stabilization of the local currency rather than the internationalization of the RMB as new capital control measures for individuals have been in place. The inclusion of A share market into the MSCI index has been postponed again due to the important volatility, the intervention from the authorities and its limited access by foreign investors. But the reforms in the financial market have continued in 2016: the launch of the Shenzhen – Hong Kong exchange connect marked an important step in China's integration to the international financial markets. The growth SMEs listed in Hong Kong are now accessible by the local Chinese investors.

For local stock market, the best performing sectors of the year were once again consumption related, such as Beverages, Pharmaceuticals, Home Appliances and Auto Manufacturers. Infrastructure and construction related names also largely outperformed thanks to the PPP projects launched in the 4Q16. Brokers, Environment protection and Technology names underperformed the benchmark. High growth stocks underperformed CSI 300 by more than 16%.

With an average market exposure of 99%, OFI HAN, our local equity fund had retreated -10.40% outperforming its benchmark CSI300 in USD which lost -15.59%. The 6.7% outperformance could be attributed to the relative good performance of blue chip names. Our stock picking in the consumption and pharmaceutical related names also contributed to the fund's performance.

Towards the year-end, we tactically increased our exposure to cyclical names given a reflation outlook for 2017. We have added energy related and non-ferrous metal names as the overcapacity reductions measures have already had positive impacts on the prices in the coal and iron sectors.

## SINGLE SELECT INVESTMENT

### Investment Manager's Report (continued)

#### Perspectives

For 2017, with the rise of the protectionism, the international context has become more complicated. Apparently, China has given priority to the stability of the local currency compared to the RMB internationalization. But as the expectation of multiple rate hikes from FED rises in 2017, the depreciation pressure of the CNY versus USD persists despite the newly released capital control measures for individuals. For the fundamentals of economy growth, improvements are still in place: we have observed the rebound of the sales of construction machineries thanks to the PPP projects (not real estate related). The State-Owned Enterprise ("SOE") reforms has also been pushed forward by the authorities given that multiple pilot programs have been launched in the industrial, telecom and defense sectors, etc. We maintain our positive view toward the Chinese market in the mid and long term. We keep our exposure to the market for the coming month.

## SINGLE SELECT INVESTMENT

### Investment Manager's Report (continued)

#### OFI SONG:

The rebalance of the Chinese economy has continued in 2016. Contrary to the hard-landing scenario, the GDP growth has been stable during the year: +6.7% yoy in the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters and +6.8% at year end. According to NBS (National Bureau of Statistics), at year end 2016, the secondary industry which weighs 41% of GDP had a growth of +6.1%, while the tertiary industry 48% of the economy, had increased 8.3%. The service sectors such as catering and hotel, logistic and transportation, wholesale and retail, all have seen an acceleration of their activities in 2016. Compared with last year, the rebalancing of the Chinese economy takes place slowly in 2016. The official manufacturing PMI index at year-end was 51.4, slightly lower than market estimation of 51.5. While Caixin manufacturing PMI index, more representative for SME companies, has reached its highest level since 2013, 51.9 in December versus 50.9 in November. The export has advanced 0.1% in RMB and the import has increased 10.8% in RMB. But the foreign exchange reserve has continued to decrease to 3011bn US\$, a drop of 320bn US\$ compared to 2015.

The Chinese stock market had an important correction at the beginning of the year as major market concerns on a slowdown of the economy, a depreciation of the local currency CNY, a historically low oil price of \$27 per barrel and a badly communicated market intervention from the government. A share market represented by CSI 300 had a drop of more than 24% while local capital looking for stable returns remains robust: short-term yields for AA rated bonds was down 30bp in average in the first 2 months of the year. The equity market rebounded starting from March as the investors observed signs of the economy stabilization and a soft-landing scenario orchestrated by the Chinese government. Before summer, the capital flow became favorable. With the improvement of the PMI index and the rebound of the activities in the real estate and infrastructure sectors, the investors turned more confident on the growth stabilization: A share market almost recovered from its loss made at the beginning of the year while the local bond market also experienced a rally as yields were dropping rapidly by 84bps for AA rated bonds during the period of June, July and August. The rapid rise of the property price in the 1<sup>st</sup> and 2<sup>nd</sup> tier cities during the second and the third quarter encouraged the central government to intervene with new restriction measures. During the fourth quarter, the emerging markets have seen an important outflow due to Donald Trump's presidential election victory. The local bond market had a correction towards the year-end due to a tightening of liquidity by the PBoC in order to contain the credit risk and to strengthen the regulation on leveraged and fraudulent borrowings.

Under the expectation of rates hike from the FED, China has given priority to the stabilization of the local currency rather than the internationalization of the RMB as new capital control measures for individuals have been in place. The inclusion of A share market into the MSCI index has been postponed again due to the important volatility, the intervention from the authorities and its limited access by foreign investors. But the reforms in the financial market have continued in 2016: the launch of the Shenzhen – Hong Kong exchange connect marked an important step in China's integration to the international financial markets. The growth SMEs listed in Hong Kong are now accessible by the local Chinese investors.

OFI SONG, the Sub-Fund of Single Select Investment, invested in the Chinese local bond market, had an average exposure of 85%. In 2016, due to its net position to CNY and the strong depreciation of the local currency of 7.02% against the US dollar, the OFI SONG Sub-Fund had a decline of 6.22%.

During the year, we kept our cautious stance and there were no negative rating changes for the holdings in OFI SONG. After the bond market correction of the year-end, the portfolio had a yield of 3.5% with an average maturity around 6 months.

## SINGLE SELECT INVESTMENT

### Investment Manager's Report (continued)

#### Perspectives

For 2017, with the rise of the protectionism, the international context has become more complicated. Apparently, China has given priority to the stability of the local currency compared to the RMB internationalization. But as the expectation of multiple rate hikes from FED rises in 2017, the depreciation pressure of the CNY versus USD persists despite the newly released capital control measures for individuals. For the fundamentals of economy growth, improvements are still in place: we have observed the rebound of the sales of construction machineries thanks to the PPP projects (not real estate related). The SOE reforms has also been pushed forward by the authorities given that multiple pilot programs have been launched in the industrial, telecom and defense sectors, etc. We maintain our positive view toward the Chinese market in the mid and long term. We keep our exposure to the market for the coming month.

The AIFM's remuneration policy is available on the website of the AIFM ([www.ofilux.lu](http://www.ofilux.lu)). Should the investors wish to obtain further information on the Management Company's remuneration policy they can either contact the AIFM directly by mail, fax or email at ([info@ofilux.lu](mailto:info@ofilux.lu)).

AIFM's contact details : OFI LUX, 10-12 Boulevard Roosevelt, L-2450, tel: +352 27 20 35 1, fax: +352 27 20 35 99, email : [info@ofilux.lu](mailto:info@ofilux.lu).

March 6, 2017

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



## Audit report

To the Unitholders of  
SINGLE SELECT INVESTMENT

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We have audited the accompanying financial statements of SINGLE SELECT INVESTMENT and of each of its Sub-Funds, which comprise the statement of net assets and the securities portfolio as at 31 December 2016 and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

### *Responsibility of the Board of Directors of the Management Company for the financial statements*

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

### *Responsibility of the "Réviseur d'entreprises agréé"*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Management Company, as well as evaluating the overall presentation of the financial statements.

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





### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of SINGLE SELECT INVESTMENT and of each of its Sub-Funds as of 31 December 2016, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

### *Other information*

The Board of Directors of the Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our audit report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 6 April 2017

A blue ink signature, appearing to be 'Didier Prime', written over a horizontal line that extends across the page.

Didier Prime

# *SINGLE SELECT INVESTMENT*

**Combined**

SINGLE SELECT INVESTMENT  
Combined  
**Financial Statements as at 31/12/16**

Statement of net assets as at 31/12/16

*Expressed in USD*

Assets			<b>61,430,466.09</b>
Securities portfolio at market value	Note 2		46,458,464.15
<i>Cost price</i>			42,247,763.25
<i>Unrealised appreciation on the securities portfolio</i>			4,210,700.90
Cash at banks and liquidities			14,819,910.68
Interest receivable	Note 2		133,758.06
Formation expenses	Note 2		18,333.20
Liabilities			<b>9,716,822.99</b>
Bank overdraft			4,423.98
Payable on redemptions			9,064,837.35
Unrealised net depreciation on forward foreign exchange contracts	Note 2, 6		171,653.85
Unrealised net depreciation on futures contracts	Note 2, 7		147.50
Other liabilities			475,760.31
Net asset value			<b>51,713,643.10</b>

# SINGLE SELECT INVESTMENT Combined

## Statement of Operations and Changes in Net Assets from 01/01/16 to 31/12/16

*Expressed in USD*

Income		<b>2,642,250.80</b>
Net dividends	Note 2	1,101,100.00
Net interest on bonds	Note 2	1,534,470.63
Bank interest on cash account	Note 2	6,680.17
Expenses		<b>2,084,926.59</b>
Amortisation of formation expenses	Note 2	7,529.23
Management fees	Note 3	1,264,396.73
Custodian and sub-custody fees	Note 5	65,857.90
Taxe d'abonnement	Note 4	8,010.86
Administration fees	Note 5	124,320.00
Performance fees	Note 3	365,766.34
Domiciliation fees		7,000.00
Professional fees		50,373.39
Bank interest on overdraft		1,977.63
Legal fees		11,724.27
Transaction fees		121,241.59
Other expenses		56,728.65
Net income from investments		<b>557,324.21</b>
Realised profit / loss:		
- Realised profit on sales of investment securities		6,018,097.44
- Realised loss on sales of investment securities		-1,969,178.61
- Realised profit on forward foreign exchange contracts		2,987,424.28
- Realised loss on forward foreign exchange contracts		-5,795,656.09
- Realised profit on financial futures		154,912.50
- Realised loss on financial futures		-89,300.00
- Realised profit on foreign exchange		8,907,064.77
- Realised loss on foreign exchange		-11,928,780.04
Net realised loss		<b>-1,158,091.54</b>
Movement in unrealised appreciation / depreciation:		
- Movement in unrealised appreciation on investments		-8,338,293.51
- Movement in unrealised depreciation on investments		105,082.88
- Movement in unrealised depreciation on forward foreign exchange contracts		278,329.25
- Movement in unrealised depreciation on financial futures		-147.50
Decrease in net assets as a result of operations		<b>-9,113,120.42</b>
Subscription capitalisation units		774,239.56
Redemption capitalisation units		-58,592,677.27
Decrease in net assets		<b>-66,931,558.13</b>
Net assets at the beginning of the year		<b>118,645,201.23</b>
Net assets at the end of the year		<b>51,713,643.10</b>

# *SINGLE SELECT INVESTMENT*

**- OFI HAN**

# SINGLE SELECT INVESTMENT - OFI HAN

## Financial Statements as at 31/12/16

Statement of net assets as at 31/12/16

Expressed in USD

Assets			<b>49,426,212.28</b>
Securities portfolio at market value	Note 2	42,250,012.22	
Cost price		37,286,569.53	
Unrealised appreciation on the securities portfolio		4,963,442.69	
Cash at banks and liquidities		7,176,200.06	
		<b>2,940,087.74</b>	
Liabilities			
Bank overdraft		4,423.98	
Payable on redemptions		2,399,277.37	
Unrealised net depreciation on forward foreign exchange contracts	Note 2, 6	87,781.20	
Unrealised net depreciation on futures contracts	Note 2, 7	147.50	
Other liabilities		448,457.69	
			<b>46,486,124.54</b>
Net asset value			

### Changes in number of units outstanding from 01/01/16 to 31/12/16

	Units outstanding as at 01/01/16	Units issued	Units redeemed	Units outstanding as at 31/12/16
Class A (EUR) Capitalisation units	178.1991	0.0000	44.3038	133.8953
Class A (USD) Capitalisation units	729.9274	12.8657	75.0024	667.7907

### Key figures

	Year ending as at:	31/12/16	31/12/15	31/12/14
Total Net Assets	USD	46,486,124.54	59,354,669.40	127,435,663.84
<b>Class A (EUR)</b>	EUR	EUR	EUR	EUR
Capitalisation units				
Number of units		133.8953	178.1991	634.6660
Net asset value per unit		56,873.60	64,273.59	54,371.79
<b>Class A (USD)</b>	USD	USD	USD	USD
Capitalisation units				
Number of units		667.7907	729.9274	1,547.3719
Net asset value per unit		57,584.05	64,270.41	55,370.88

# SINGLE SELECT INVESTMENT - OFI HAN

Securities portfolio as at 31/12/16

Expressed in USD

Quantity	Denomination	Quotation currency	Market value	% of net assets
Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market			42,250,012.22	90.89
<b>Shares</b>			<b>42,250,012.22</b>	<b>90.89</b>
<i>China</i>			<i>42,250,012.22</i>	<i>90.89</i>
476,000	ANHUI CONCH CEMENT CO LTD -A-	CNY	1,161,666.12	2.50
467,075	BEIJING DABEINONG -A-	CNY	477,192.37	1.03
256,100	BEIJING DOUBLE CRANE PHARMACEUTICAL CO L -A-	CNY	819,214.37	1.76
274,785	BEIJING ORIGINWATER TECHNOLOGY-A-	CNY	692,748.58	1.49
142,632	CHINA INTL TRAVEL SERVICE -A-	CNY	890,748.75	1.92
294,800	CHINA MERC SHEKOU IND ZONE HLDGS COLTD	CNY	695,272.34	1.50
730,600	CHINA MERCHANTS BANK CO LTD -A-	CNY	1,850,294.50	3.98
1,264,000	CHINA MINSENG BANKING -A-	CNY	1,651,510.90	3.55
223,300	CHINA NATIONAL MEDICINES -A- SHS	CNY	967,172.06	2.08
262,900	CHINA PACIFIC INSURANCE-A-	CNY	1,050,545.79	2.26
260,200	CHINA SHENHUA ENERGY COMPANY LTD -A-	CNY	605,807.06	1.30
523,500	CITIC SECURITIES -A-	CNY	1,209,792.11	2.60
1,433,700	CN STATE CEC -A-	CNY	1,827,849.90	3.93
131,600	DONG-E E JIAO -A-	CNY	1,020,120.29	2.19
536,800	GEMDALE CORP -A-	CNY	1,001,073.65	2.15
176,300	GOERTEK INC. -A-	CNY	672,781.98	1.45
579,300	GUOTAI JUNAN SECURITIES CO LTD	CNY	1,549,642.22	3.33
684,900	HAITONG SEC SHS -A-	CNY	1,552,230.62	3.34
463,800	INDUSTRIAL BANK -A-	CNY	1,077,166.40	2.32
576,800	INNER MONGOLIA YI LI INDUSTRY CO LTD -A-	CNY	1,460,785.47	3.14
232,300	JIANGXI COPPER CO LTD -A-	CNY	559,234.14	1.20
37,760	KWEICHOW MOUTAI CO LTD -A-	CNY	1,815,607.52	3.91
257,500	LANDOCEAN ENERGY-A-	CNY	340,518.94	0.73
283,900	NARI TECHNOLOGY -A- -SUSPENDED-	CNY	679,369.68	1.46
442,982	PING AN INSURANCE GROUP CO -A-	CNY	2,258,425.42	4.87
1,329,050	POLY REAL ESTATE GROUP CO LTD-SHS -A-	CNY	1,746,065.85	3.76
445,800	SAIC MOTOR CO LTD -A-	CNY	1,504,289.53	3.24
1,276,000	SD NANSHAN ALUM -A-	CNY	567,358.64	1.22
178,400	SDIC RESOURCES SHS -A-	CNY	846,630.72	1.82
249,700	SHANGHAI PHARMACEUTICAL LTD -A-	CNY	702,806.73	1.51
334,800	SZ GRANDLAND -A-	CNY	445,631.32	0.96
285,600	TBEA CO LTD-A-	CNY	375,212.68	0.81
237,500	TIANJIN TASLY PHARMACEUTICAL CO LTD-A-	CNY	1,417,932.54	3.05
1,442,200	TONGLING NONFERROUS METALS GROUP -A-	CNY	639,182.28	1.37
324,000	WUHAN HUMANWELL HI-TECH CO LTD	CNY	930,114.54	2.00
645,700	YANJING BREWERY -A-	CNY	645,749.55	1.39
339,700	YANZHOU COAL MINING -A-	CNY	530,852.53	1.14
106,400	YUNNAN BAIYAO GROUP -A-	CNY	1,165,896.66	2.51
227,250	ZHEJIANG DAHUA TEC -A-	CNY	447,340.80	0.96
384,232	ZHENGZHOU YUTONG COACH -A-	CNY	1,083,119.79	2.33
371,200	ZHUHAI GREE ELECTRICAL APPLIANCES INC-A-	CNY	1,315,056.88	2.83
<b>Total securities portfolio</b>			<b>42,250,012.22</b>	<b>90.89</b>

# SINGLE SELECT INVESTMENT - OFI HAN

Statement of operations and changes in net assets from 01/01/16 to 31/12/16

Expressed in USD

Income		<b>1,101,985.03</b>
Net dividends	Note 2	1,101,100.00
Bank interest on cash account	Note 2	885.03
Expenses		<b>1,552,759.55</b>
Management fees	Note 3	898,250.29
Custodian and sub-custody fees	Note 5	48,583.82
Taxe d'abonnement	Note 4	4,870.99
Administration fees	Note 5	62,160.00
Performance fees	Note 3	365,766.34
Domiciliation fees		3,501.89
Professional fees		23,323.17
Bank interest on overdraft		972.21
Legal fees		5,938.93
Transaction fees		95,335.39
Other expenses		44,056.52
Net loss from investments		<b>-450,774.52</b>
Realised profit / loss:		
- Realised profit on sales of investment securities		5,561,338.07
- Realised loss on sales of investment securities		-786,997.83
- Realised profit on forward foreign exchange contracts		561,492.75
- Realised loss on forward foreign exchange contracts		-1,552,259.00
- Realised profit on financial futures		154,912.50
- Realised loss on financial futures		-89,300.00
- Realised profit on foreign exchange		2,308,433.57
- Realised loss on foreign exchange		-2,903,313.86
Net realised profit		<b>2,803,531.68</b>
Movement in unrealised appreciation / depreciation:		
- Movement in unrealised appreciation on investments		-8,338,293.51
- Movement in unrealised depreciation on investments		-1,191,686.59
- Movement in unrealised depreciation on forward foreign exchange contracts		23,577.13
- Movement in unrealised depreciation on financial futures		-147.50
Decrease in net assets as a result of operations		<b>-6,703,018.79</b>
Subscription capitalisation units		774,239.56
Class A (USD)		774,239.56
Redemption capitalisation units		-6,939,765.63
Class A (EUR)		-2,654,042.81
Class A (USD)		-4,285,722.82
Decrease in net assets		<b>-12,868,544.86</b>
Net assets at the beginning of the year		<b>59,354,669.40</b>
Net assets at the end of the year		<b>46,486,124.54</b>



# *SINGLE SELECT INVESTMENT*

**- OFI SONG**

# SINGLE SELECT INVESTMENT - OFI SONG

## Financial Statements as at 31/12/16

### Statement of net assets as at 31/12/16

Expressed in USD

Assets			<b>12,004,253.81</b>
Securities portfolio at market value	Note 2		4,208,451.93
Cost price			4,961,193.72
Unrealised depreciation on the securities portfolio			-752,741.79
Cash at banks and liquidities			7,643,710.62
Interest receivable	Note 2		133,758.06
Formation expenses	Note 2		18,333.20
Liabilities			<b>6,776,735.25</b>
Payable on redemptions			6,665,559.98
Unrealised net depreciation on forward foreign exchange contracts	Note 2, 6		83,872.65
Other liabilities			27,302.62
Net asset value			<b>5,227,518.56</b>

### Changes in number of units outstanding from 01/01/16 to 31/12/16

	Units outstanding as at 01/01/16	Units issued	Units redeemed	Units outstanding as at 31/12/16
Class A (EUR) Capitalisation units	338.5024	0.0000	298.5024	40.0000
Class A (USD) Capitalisation units	235.2471	0.0000	220.2471	15.0000

### Key figures

	Year ending as at:	31/12/16	31/12/15	31/12/14
Total Net Assets	USD	5,227,518.56	59,290,531.83	9,166,282.12
<b>Class A (EUR)</b>	EUR	EUR	EUR	EUR
Capitalisation units				
Number of units		40.0000	338.5024	0.0000
Net asset value per unit		91,207.87	98,511.20	0.00
<b>Class A (USD)</b>	USD	USD	USD	USD
Capitalisation units				
Number of units		15.0000	235.2471	91.7712
Net asset value per unit		91,963.91	98,052.09	99,881.90

# SINGLE SELECT INVESTMENT - OFI SONG

Securities portfolio as at 31/12/16

Expressed in USD

Quantity	Denomination	Quotation currency	Market value	% of net assets
Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market			4,208,451.93	80.51
<b>Bonds</b>			<b>1,760,298.55</b>	<b>33.67</b>
<i>China</i>			<i>1,760,298.55</i>	<i>33.67</i>
2,691,000	BYD CO LTD 5.25 12-17 19/06A	CNY	388,687.66	7.43
1,570,000	CHINA PETR & CHEM 4.26 12-17 01/06A	CNY	226,427.41	4.33
2,658,000	CHINA YANGTZE POWER 5.35 07-17 24/09A	CNY	388,032.00	7.42
1,452,000	JIAMUSI CONSTRUCTION 7.88 10-17 09/03A	CNY	210,000.38	4.02
1,501,000	PANG DA AUTO 8.50 12-17 01/03A	CNY	216,384.57	4.14
1,183,000	SHANGHAI FOSUM PHARMA 5.53 12-17 25/04A	CNY	171,212.13	3.28
2,748,000	YUNNAN INVESTMENT 5.25 10-17 24/08A	CNY	159,554.40	3.05
<b>Floating rate bonds</b>			<b>2,448,153.38</b>	<b>46.84</b>
<i>China</i>			<i>2,448,153.38</i>	<i>46.84</i>
3,240,000	BEIJING WANGFUJING FL.R 12-17 24/10A	CNY	469,020.16	8.98
1,727,000	C&S PAPER CO FL.R 13-18 08/03A	CNY	252,607.42	4.83
2,938,000	CZ CITY CONSTRUCT FL.R 10-17 21/01U	CNY	423,470.79	8.10
1,701,000	GRANDLAND DECORTN FL.R 13-18 25/04A	CNY	246,236.81	4.71
1,674,000	HUAFA INDUSTRIAL FL.R 09-17 16/10A	CNY	246,702.59	4.72
1,619,000	SH FOSUN HI-TECH GR FL.R 10-17 24/12A	CNY	237,862.63	4.55
1,747,000	SHANDONG CHENMING FL.R 12-17 26/12A	CNY	252,768.82	4.84
2,199,000	SHANGHAI ELECT POWER FL.R 13-18 04/03A	CNY	319,484.16	6.11
<b>Total securities portfolio</b>			<b>4,208,451.93</b>	<b>80.51</b>

# SINGLE SELECT INVESTMENT - OFI SONG

## Statement of operations and changes in net assets from 01/01/16 to 31/12/16

*Expressed in USD*

Income		<b>1,540,265.77</b>
Net interest on bonds	Note 2	1,534,470.63
Bank interest on cash account	Note 2	5,795.14
Expenses		<b>532,167.04</b>
Amortisation of formation expenses	Note 2	7,529.23
Management fees	Note 3	366,146.44
Custodian and sub-custody fees	Note 5	17,274.08
Taxe d'abonnement	Note 4	3,139.87
Administration fees	Note 5	62,160.00
Domiciliation fees		3,498.11
Professional fees		27,050.22
Bank interest on overdraft		1,005.42
Legal fees		5,785.34
Transaction fees		25,906.20
Other expenses		12,672.13
Net income from investments		<b>1,008,098.73</b>
Realised profit / loss:		
- Realised profit on sales of investment securities		456,759.37
- Realised loss on sales of investment securities		-1,182,180.78
- Realised profit on forward foreign exchange contracts		2,425,931.53
- Realised loss on forward foreign exchange contracts		-4,243,397.09
- Realised profit on foreign exchange		6,598,631.20
- Realised loss on foreign exchange		-9,025,466.18
Net realised loss		<b>-3,961,623.22</b>
Movement in unrealised appreciation / depreciation:		
- Movement in unrealised depreciation on investments		1,296,769.47
- Movement in unrealised depreciation on forward foreign exchange contracts		254,752.12
Decrease in net assets as a result of operations		<b>-2,410,101.63</b>
Redemption capitalisation units		-51,652,911.64
Class A (EUR)		-29,995,546.12
Class A (USD)		-21,657,365.52
Decrease in net assets		<b>-54,063,013.27</b>
Net assets at the beginning of the year		<b>59,290,531.83</b>
Net assets at the end of the year		<b>5,227,518.56</b>

# *SINGLE SELECT INVESTMENT*

## **Notes to the financial statements**

# SINGLE SELECT INVESTMENT

## Notes to the financial statements

### 1. THE FUND

SINGLE SELECT INVESTMENT ("the Fund") was established as an umbrella FCP-FIS ("Fonds commun de placement - Fonds d'investissement spécialisé à compartiments multiples") under the Luxembourg law of 13 February 2007 as amended ("the Law") relating to specialised investment funds as such law may be amended from time to time (the "SIF Law") and managed in the interest of its co-owners by OFI Lux (the "Management Company"), a company organised under chapter 13 of the law of 20 December 2002 until 30 June 2011 and under chapter 15 of the law of 17 December 2010 since 1 July 2011 relating to undertakings for collective investment, as amended (the "2010 Law") and having its registered office in Luxembourg.

The Fund qualifies as an alternative investment fund ("AIF") under the Luxembourg Law of 12 July 2013 on alternative investment fund managers ("AIFMs"), as amended (the "AIFM Law").

The Management Company was incorporated on 26 April 2006. The share capital amounts to EUR 200,000.

As at 31 December 2016, the following Sub-Funds were active:

- SINGLE SELECT INVESTMENT - OFI HAN.
- SINGLE SELECT INVESTMENT - OFI SONG.

The objective of the Sub-Fund SINGLE SELECT INVESTMENT - OFI HAN is to outperform the Shanghai and Shenzhen 300 Index (CSI 300 Index) expressed in USD over the long term. The CSI 300 is calculated every day without dividends being reinvested.

The objective of the Sub-Fund SINGLE SELECT INVESTMENT - OFI SONG is to achieve a positive return by investing its assets particularly in money market instruments, Chinese central and local governments bonds and corporate bonds and other fixed income instruments, denominated in Chinese Reminbi (CNY), and cash.

Each Sub-Fund issues Class A (EUR) Units, and Class A (USD) Units and in accumulating form.

The reference currency for each class is as indicated in the name of the relevant class. The reference currency for each Sub-Fund is the USD.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Fund:

#### **Presentation of the Financial Statements**

The Fund's financial statements are prepared in accordance with the Luxembourg regulations relating to undertakings for collective investment.

#### **Investments**

- (a) Securities listed on a stock exchange or traded on any other regulated market are valued at the close price on such stock exchange or market. If a security is listed on several stock exchanges or markets, the close price at the stock exchange or market which constitutes the main market for such securities, are determining;
- (b) Securities not listed on any stock exchange nor traded on a regulated market are valued at their last available market price;
- (c) Securities for which the price referred to in (a) and/or (b) is not representative of the fair market value, are valued prudently, and in good faith on the basis of their reasonably foreseeable sale price;

#### **Dividend and Interest Income**

Dividends are shown net of withholding tax deducted at source, and are recognised as income on the "ex-date". Interest income is recorded on an accrual basis.

#### **Net Realised Gain/Loss on Sales of Investments**

The net realised gain/loss on sales of investments is determined on the basis of the average cost of investments sold.

# SINGLE SELECT INVESTMENT

## Notes to the financial statements (cont'd)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **Translation of Foreign Currencies**

The cost price of securities expressed in a currency other than the currency of the Sub-Fund is translated into the base currency of the Sub-Fund at the exchange rates prevailing on the date of purchase.

Income and expenses expressed in other currencies than the currency of the Sub-Fund are converted at exchange rates ruling at the transaction date.

The securities portfolio and the assets and liabilities expressed in other currencies than the currency of the Sub-Fund are converted at exchange rates ruling at year-end date, the realised or unrealised gains and losses on foreign exchange are recognised in the Statement of operations and changes in net assets in determining the increase or decrease in net assets.

The year-end exchange rates used are as follows:

1 EUR =	1.05475	USD
1 CNY =	0.14390	USD
1 HKD =	0.12898	USD

#### **Formation/Reorganization Expenses**

The costs and expenses for the formation of the Fund and the initial issue of its Units will be amortised over a period not exceeding 5 years.

#### **Open Forward Foreign Exchange Contracts**

Outstanding forward foreign exchange contracts are valued at the closing date by reference to the rate of exchange applicable to the outstanding life of the contract. The movement in net unrealised appreciation/depreciation is shown in the Statement of operations and changes in net assets. The net unrealised appreciation/depreciation is included in the Statement of net assets in "movement in unrealised appreciation/depreciation on forward foreign exchange contracts".

#### **Futures Contracts**

Futures contracts are valued at their last known price on the valuation date or on the closing date. The movement in net unrealised appreciation/depreciation is shown in the Statement of operations and changes in net assets. The net unrealised appreciation/depreciation on futures contracts is included in the Statement of net assets in "movement in unrealised appreciation/depreciation on futures contracts".

### 3. MANAGEMENT AND PERFORMANCE FEES

The Sub-Funds pay to the Management Company, on a monthly basis, a management fee per annum based on the average gross assets during the relevant month:

Sub-Fund	Management fee
SINGLE SELECT INVESTMENT - OFI HAN	1.80%
SINGLE SELECT INVESTMENT - OFI SONG	1.00%

#### **SINGLE SELECT INVESTMENT - OFI HAN Sub-Fund:**

A performance fee is payable to the Investment Manager in the event of outperformance, that is, if the performance of the Net Asset Value per unit exceeds the performance of the benchmark (the CSI 300 Index expressed in USD) over the same period (the "Outperformance"), even if the absolute performance of the Sub-Fund is negative over that period. The performance period shall be each financial year. This rate of the performance fee equals to 15%, although in case of Outperformance but if the absolute performance of the Sub-Fund over the relevant period is negative the performance fee shall be limited to a maximum of 1,50% of the net asset value.

#### **SINGLE SELECT INVESTMENT - OFI SONG Sub-Fund:**

A performance fee is payable to the Investment Manager in the event of Outperformance, that is, if the performance, positive, of the Net Asset Value per unit of the Sub-Fund (before provisioning the Accrual, if applicable) exceeds 8% (the "Hurdle Rate") of the Net Asset Value calculated on 31 December, of the preceding performance period (the "Outperformance"). The performance period is each financial year and the Outperformance is calculated on a pro rata basis. This performance fee equals to 15% of the Outperformance as described above.

# SINGLE SELECT INVESTMENT

## Notes to the financial statements (cont'd)

### 3. MANAGEMENT AND PERFORMANCE FEES (CONT'D)

For each Sub-Fund, the performance fee, if applicable, is payable yearly during the month immediately following the end of each financial year. In addition if a Unitholder redeems or switches all or part of its units before the end of a performance period, any accrued performance fee with respect to such units is crystallise on that Dealing Day and then becomes payable to the Investment Manager. It should be noted that as the Net Asset Value per unit may differ between Classes, separate performance fee calculations are carried out for separate Classes within the same Sub-Fund, which therefore may become subject to different amounts of performance fee.

During the year-ended 31 December 2016, Performance Fees of USD 365,766.34 were charged to the Sub-Fund SINGLE SELECT INVESTMENT - OFI HAN.

### 4. TAXES

#### Taxe d'abonnement

The Fund is subject to the tax on Luxembourg UCITS, at a rate of 0.01% per annum on all class of Units.

The "taxe d'abonnement" is waived for that part of the Fund invested in Units of other undertakings for collective investment that have already paid "taxe d'abonnement" in accordance with the statutory provisions of Luxembourg Law.

#### Other Taxes

Under applicable foreign tax laws, withholding taxes may be deducted from interest, dividends and capital gains at various rates.

#### Taxation on realised and unrealised gains

Taking into consideration the possibility that China may enact laws to tax realised gains on domestic shares by "Qualified Foreign Institutional Investors", the Board of Directors of the Management Company has decided to constitute provisions for such potential taxation. This is further justified by the Board's opinion that any such tax law may be passed with retroactive effect.

A provision has been recognised since 1<sup>st</sup> January 2012 for SINGLE SELECT INVESTMENT - OFI HAN, since 25 July 2014 for SINGLE SELECT INVESTMENT - OFI SONG, using the following assumptions to calculate the size of the provisions:

- 10% of realised and unrealised gains on Chinese "A" shares;
- retroactive calculation on sales;
- no deduction for realised losses on sales.

There may be significant variances between the amounts provisioned and the amounts required when the details of any legislation become known or when the taxes are actually assessed by the Chinese tax authorities. The provisions were posted in the Statement of net assets under "Taxes payable on purchased securities" and in the Statement of operations and changes in net assets under "Taxes on investment securities".

These provisions have been recognised until 17 November 2014, when the temporary tax exemption of the realised gains on domestic shares by "Qualified Foreign Institutional Investors" was confirmed.

Since 17 November 2014 the Chinese tax has been suspended and therefore it is no longer applicable for the year 2016.



# SINGLE SELECT INVESTMENT

## Notes to the financial statements (cont'd)

### 5. CUSTODIAN AND ADMINISTRATION FEES

The variable Custodian and Administration fees are applied on Sub-Fund's average net assets, according to the following scale, payable monthly in arrears, applicable per bracket:

	<b>Custodian fee (% per annum)</b>	<b>Administration fee (% per annum)</b>
Up to EUR 140 million	0.03%	0.07%
Between EUR 140 million and EUR 350 million	0.025%	0.05%
Above EUR 350 million	0.02%	0.04%

In addition, the Sub-Funds support Sub-Custody fees calculated on the basis of the transactions or other interventions executed for the account of the Fund which are presented under the caption Custodian and Sub-Custody fees. Furthermore there is a minimum fee of EUR 4,900 payable monthly concerning the Administration fees.

### 6. FORWARD FOREIGN EXCHANGE CONTRACTS

As at 31 December 2016, the Sub-Fund SINGLE SELECT INVESTMENT - OFI HAN has the following open positions on forward foreign exchange contracts for the Class A EUR:

<b>Currency</b>	<b>Amount bought</b>	<b>Maturity</b>	<b>Currency</b>	<b>Amount sold</b>	<b>Unrealised net depreciation (in USD)</b>
EUR	10,500,000.00	17/01/2017	USD	-11,174,331.00	-87,781.20
<b>Total</b>					<b>-87,781.20</b>

The counterparty of the forward foreign exchange contracts is Credit Agricole CIB.

As at 31 December 2016, the Sub-Fund SINGLE SELECT INVESTMENT - OFI SONG has the following open positions on forward foreign exchange contracts for the Class A EUR:

<b>Currency</b>	<b>Amount bought</b>	<b>Maturity</b>	<b>Currency</b>	<b>Amount sold</b>	<b>Unrealised net depreciation (in USD)</b>
EUR	10,105,000.00	17/01/2017	USD	-10,753,357.01	-83,872.65
<b>Total</b>					<b>-83,872.65</b>

The counterparty of the forward foreign exchange contracts is Credit Agricole CIB.

### 7. FUTURES CONTRACTS

As at 31 December 2016, the Sub-Fund SINGLE SELECT INVESTMENT - OFI HAN has the following index futures contracts:

<b>Quantity</b>	<b>Description</b>	<b>Buy/Sell</b>	<b>Currency</b>	<b>Commitment (in USD)</b>	<b>Unrealised net depreciation (in USD)</b>
420	FTSE/XINHUA CHINA 01/17	Buy	USD	4,184,250.00	-147.50
<b>Total</b>					<b>-147.50</b>

This future is traded with the broker Societe Generale Newedge UK Ltd.

As at December 31, 2016, the amount of margin deposits for future contracts is USD 207.000,00.

### 8. CHANGES IN THE SECURITIES PORTFOLIO

The reports on the changes in the securities portfolio are available, free of charge, at the registered office of the Management Company of the Fund.

# SINGLE SELECT INVESTMENT

## Notes to the financial statements (cont'd)

### 9. SUBSEQUENT EVENT

The Board of Directors of the Management Company has decided to launch the new Sub-Fund SINGLE SELECT INVESTMENT - MONCEAU ACTIONS EUROPE as at February 9, 2017.

# SINGLE SELECT INVESTMENT

## Supplementary information (unaudited)

### 1. TOTAL EXPENSE RATIO

The Total Expense Ratio ("TER") expresses, as a percentage of the average net assets, the sum of all operating expenses (excluding brokerage fees, securities transaction charges and bank interest) charged to the Sub-Funds during the respective twelve-month year.

Sub-Fund	Unit Class	TER %
SINGLE SELECT INVESTMENT - OFI HAN (Without performance fee)	A USD	2.18
SINGLE SELECT INVESTMENT - OFI HAN (With performance fee)		2.95
SINGLE SELECT INVESTMENT - OFI HAN (Without performance fee)	A EUR	2.18
SINGLE SELECT INVESTMENT - OFI HAN (With performance fee)		2.76
SINGLE SELECT INVESTMENT - OFI SONG	A USD	1.38
SINGLE SELECT INVESTMENT - OFI SONG	A EUR	1.41

### 2. INFORMATION TO UNITHOLDERS

In order to comply with the Art. 21 paragraph 4 of the 2013 law, OFI LUX wants to inform the unitholders of the 2 Sub-Funds of the following information (unaudited):

#### Liquidity:

OFI LUX informs that no asset is subject to any arrangement of any kind for the OFI HAN and OFI SONG Sub-Funds. Notwithstanding the fact that the assets of the Sub-Funds are liquid, OFI LUX wants to recall the unitholders of the 2 Sub-Funds that redemptions are subject to the "quota" rules described in the prospectus. In particular, if the total amounts of redemption for a particular month is greater than USD 50,000,000.00, the redemption will be limited to 50,000,000.00 and the excess will be cancelled. Please refer to the prospectus in order to have more details (conversions are not subject to this rule).

#### Risk related disclosure:

OFI LUX wants to assess that there were no breach in the risk limits of the 2 Sub-Funds during the year. Furthermore, the risk organization and system (Riskmetrics, Sophis and Bloomberg) of the AIFM was consistent during the year.

#### Leverage:

The level of maximum leverage remained consistent during the year and is calculated using the commitment method. There is no reuse of collateral of any kind (and no guarantee are granted).

The maximum of leverage is 210% for each of the two Sub-Funds.

### 3. SECURITIES FINANCING TRANSACTIONS AND OF REUSE REGULATION (SFTR)

The Fund does not use any instrument falling into the scope of SFTR.