

EXANE FUNDS 2
Société d'Investissement à Capital Variable

R.C.S. Luxembourg n° B 114 732
Audited Annual Report as at December 31, 2016

EXANE FUNDS 2

EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE

EXANE FUNDS 2 - EXANE CRISTAL FUND

EXANE FUNDS 2 - EXANE PRIME TECHNOLOGY FUND*

EXANE FUNDS 2 - EXANE ZEPHYR FUND

* This sub-fund has been liquidated on April 22, 2016.

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

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* This sub-fund has been liquidated on April 22, 2016.

Organisation of the SICAV

Registered office

60, avenue J.F. Kennedy
L-1855 Luxembourg

Board of Directors

Chairman

Mr Jihad TALEB, Chairman of the board of Directors, Almagest Wealth Management S.A.

Directors

Mr Fabrice Bagès, Administrative and Financial Manager, EXANE Asset Management (since April 28, 2016)
Mr Pierre SEQUIER, Chief Executive Officer, Exane Asset Management, Paris
Mr Nicolaus BOCKLANDT, Independent, Certified Director
Mr Lionel ASSOUN, Deputy Managing Director, EXANE S.A. (until February 17, 2016)

Management Company

Exane Asset Management Luxembourg
12-16, avenue Monterey
L-2163 Luxembourg

Board of Directors of the Management Company

Chairman of the Board of Directors

Exane Asset Management
Represented by Mr Pierre Séquier
Chief Executive Officer

Directors

Mr Nicolas Chanut
Chairman of the board of directors
Exane Asset Management

Mr Charles-Henri Nème
Manager
Exane Asset Management

Conducting Persons of the Management Company

Mr Fabrice Bagès
Administrative and financial manager
Exane Asset Management

Mr Eric Chinchon
Independent
ME Business solutions

Custodian Bank, Paying Agent, Domiciliary and Listing Agent, Registrar and Transfer Agent, Administrative Agent

BNP Paribas Securities Services, Succursale de Luxembourg
60, avenue J.F. Kennedy
L-1855 Luxembourg

Investment Manager

EXANE Asset Management («EXANE AM»)
6, rue Ménars
F-75002 Paris

Auditor

PricewaterhouseCoopers, Société coopérative
2 rue Gerhard Mercator, B.P. 1443
L-1014 Luxembourg

Legal Advisor

Arendt & Medernach
41 A, avenue J.F. Kennedy
L-2082 Luxembourg

Directors' Report

I - ECONOMIC ENVIRONMENT AND MARKET CLIMATE

Performances were uneven in 2016 across the world's stock markets, which moved in fits and starts.

In Europe, much of the year was spent clawing back the losses suffered in the first six weeks of 2016. This came after the CAC 40 fell to its lowest level of the year on February 11, amid plummeting oil prices and concern over Italian banks, which were sitting on hundreds of millions of euros in non-performing loans. The European market subsequently picked up as oil and commodity prices rallied. It nonetheless had to wait until the final weeks of the year to deliver a positive performance, under the impetus of the US President Elect's fiscal stimulus promises. The announcement of a policy with such inflation-driving potential led the yield curve to steepen again amid rising long rates.

The Dow Jones ended the year up by close to 14% and the S&P 500 finished off with an increase of roughly 10%. Having already been in positive territory before the presidential election, these indices were given a fresh burst of energy with Donald Trump's victory.

The European markets also have the Republican candidate's victory to thank for them ending 2016 on a positive note, with European equities mirroring the trend across the pond.

In spite of the Brexit, the London Stock Exchange was the top performer (in local currency), rising 14.43%. This was due to the FTSE 100 being heavily-weighted in mining stocks, which were given a new lease of life with the rally in commodity prices and in exporting stocks, boosted themselves by sterling's heavy fall against other currencies.

In Germany, the Dax 30 climbed 6.87% on impressive earnings publications by certain cyclical stocks such as ThyssenKrupp and HeidelbergCement.

Italy was the exception to the rule, as evidenced by the 10% fall in the FTSE MIB, weighed on by the problems in the country's financial sector, notably at the world's oldest bank, Banca di Monte dei Paschi di Siena, which had to be bailed out by the government as 2016 drew to a close.

II - THE SICAV'S MANAGEMENT POLICY

EXANE FUNDS 2 is an open-ended investment company (Société d'Investissement à Capital Variable - SICAV) that has appointed a management company. It was initially formed as a self-managed SICAV in Luxembourg on March 2, 2006 for an unlimited period of time, by virtue of Part II of the Luxembourg Law of 2010. Subsequent to a decision approved at the Extraordinary Shareholders' Meeting of May 27, 2011, it became a self-managed SICAV subject to the provisions of Part I of the Luxembourg Law of 2010 and to the Luxembourg Law of August 10, 1915 on commercial companies, as amended.

The SICAV was comprised of three sub-funds as at December 31, 2016:

- EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE
- EXANE FUNDS 2 - EXANE CRISTAL FUND
- EXANE FUNDS 2 - EXANE ZEPHYR FUND

1. EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE

EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE registered an annual net gain of 6.70% (Class A), outperforming its benchmark index by more than 4% (2.58% gain for the MSCI Europe NR).

By seeking to concentrate asset risk around our expertise, i.e. stock-picking in each sector, we were able to continue to capture alpha, as we have done since the fund's inception five years ago. This meant that we were able to sidestep the problems that arise with sudden sector rotations, not to mention those related to taxing style rotations in 2016.

We captured alpha in 10 of the 13 sectors that we have identified to break down the market, with the financial, consumer and healthcare sectors being the biggest drivers. Our stock picks did not pay off in just three sectors: technology, energy and automotive.

Adidas, Merck, Sodexo, Teleperformance and GlaxoSmithKline were the top contributors in value terms during the year. Technicolor, Dassault Aviation, Heineken, Eni and Airbus brought up the rear.

Directors' Report (continued)**2. EXANE FUNDS 2 - EXANE CRISTAL FUND**

EXANE FUNDS 2 - EXANE CRISTAL FUND delivered an annual net gain of 2.28% (Class A).

The healthcare sector was the main alpha-driver in 2016, thanks to our long positions in the likes of Fresenius SE, Merck and Shire, our hedging positions in Fresenius Medical Care and Regeneron and our long positions in Novo Nordisk and GlaxoSmithKline to start off the year before they were switched to hedging positions.

Our value-based, pro-cyclical positions in banking stocks took a heavy toll early on in the year, at a time when the sector was in sell-off mode. However, we were able to recover alpha after scaling back the financial portfolio and taking up positions in quality stocks up to mid-summer. In the second half of the year, our switch to a more aggressive stance after the election of Donald Trump also paid off. We ended the year with alpha well into positive territory in the financial sector.

Our positions in the telecoms sector proved unrewarding on a number of levels. Our net exposure to this sector was slightly positive throughout the year, but it ultimately underperformed the market by 15%. Added to this, Orange, Kpn and Vodafone, as well as Telecom Italia to a lesser extent - all stocks with very European profiles - made up the bulk of our long positions, whereas our hedging positions were concentrated in Verizon, Deutsche Telekom and Telefonica, which gained a good deal from Donald Trump's election.

The year played out in two acts:

- A very good performance in the first half with little drawdown, much the same as in 2015,
- Political developments in the second half that upset the apple cart in equity markets, with the 'Leave' vote in the Brexit referendum, the election of Donald Trump and the referendum in Italy. This had considerable knock-on effects on interest and currency rates, triggering a sudden change of perception across the different market sectors. This environment did not lend itself well to our management method, which was centred on our capacity to predict the valuation of a given company and how its circumstances might evolve, and less so on our capacity to predict the outcome of binary events such as elections.

3. EXANE FUNDS 2 - EXANE ZEPHYR FUND

EXANE FUNDS 2 - EXANE ZEPHYR FUND registered an annual gain of 1.38% (Class A), compared with a 95bp increase for its benchmark (30% MSCI Europe NR, 70% Eonia).

In 2016, EXANE FUNDS 2 - EXANE ZEPHYR FUND's investment bucket represented 25% in net positive exposure on average. This bucket contributed +113bp to the fund's performance, by comparison with +77bp for the MSCI Europe NR over the period (30% of +2.58%). The most notable outperformances came from Eni, Philips, Johnson Matthey and Linde, whereas Nokia, BBVA and AB Foods stood out in terms of underperformance.

The contribution from the arbitrage bucket was helped by pair trades in the energy, banking and healthcare sectors. However, hedging exposures on US stocks against their European counterparts, notably in telecoms, were damaging to the fund.

As regards our theme-based approaches, we played the reflation strategy until the end of October and this made this largest positive contribution to the fund's performance. The "mergers-acquisitions" and "infrastructure" themes also produced positive net returns. However, we took significant losses on our exposures to consumer sectors in emerging markets.

2016 was punctuated by key political developments that influenced position-taking that was both preventative and reactive. The outcome of the Brexit referendum and the US presidential election caught us off guard and meant that we had to rethink the strategies we had put in place in the run up to these events. Stripping out these developments, our long-term strategies broadly consisted in staying long on reflationary themes up to the end of October and in directing the fund towards less cyclicity from November onwards.

In other themes, the fund remained exposed to the M&A factor throughout the year, with no resounding success stories, barring Actelion, which was approached by US healthcare giant J&J, and Linde, courted by Praxair. Expectations of an upturn in consumption in emerging countries and of greater momentum in the technological development of these economies, with negative repercussions on their counterparts in Europe, were not borne out, mainly because of the dollar's steep climb. We did not make any extensive changes to these strategies, which we continue to apply to the fund.

In terms of arbitrage strategy, most of the changes in the portfolio involved scaling back hedging exposures to US stocks to factor in the new fiscal state-of-play brought about by Donald Trump's election.

Directors' Report (continued)

III - METHOD USED TO CALCULATE THE SUB-FUNDS' GLOBAL RISK EXPOSURE

SUB-FUND	GLOBAL RISK EXPOSURE CALCULATION METHOD
EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE	Commitment approach
EXANE FUNDS 2 - EXANE CRISTAL FUND	Commitment approach
EXANE FUNDS 2 - EXANE ZEPHYR FUND	Commitment approach

IV - MEASURES APPLIED TO REGULATE SUB-FUND CAPACITY

SUB-FUND	CLASS	5% FEE PAYABLE TO THE FINANCIAL MANAGER	DATE OF APPLICATION	TERMS AND CONDITIONS OF APPLICATION
EXANE FUNDS 2 - EXANE CRISTAL FUND	A	applicable	10/05/2016	*
	A-USD	applicable	10/05/2016	*
	B	applicable	10/05/2016	*
*	subscriptions by new shareholders or distributors (contracts with the financial manager / promoter beginning after the date of application) and subscriptions of above EUR 100,000 by existing shareholders and distributors			

V - KEY EVENTS DURING THE SICAV'S FINANCIAL YEAR ENDED DECEMBER 31, 2016

Mr Lionel Assoun stepped down from the Board of Directors on February 17, 2016. Mr Fabrice Bagès was appointed to replace him, as approved at the general shareholders' meeting of April 2016.

On April 18, 2016, the Board of Directors decided to liquidate the EXANE FUNDS 2 - EXANE PRIME TECHNOLOGY FUND as of April 22, 2016.

The address and contact details for the SICAV's head office and those of its investment service providers were updated in the SICAV's prospectus, further to a June 15, 2016 decision by the Board of Directors.

The Board of Directors also decided at its June 15, 2016 meeting to create two new share classes in the EXANE FUNDS 2 - EXANE ZEPHYR FUND.

On July 25, 2016, the Board of Directors decided to update the SICAV's prospectus to take into account the provisions of Directive 2014/91/EU amending Directive 2009/65/EC and the provisions relating to the European Common Reporting Standard.

VI - OUTLOOK

The SICAV will continue to be managed in accordance with its management policy. There are currently no plans to create new sub-funds.

VII - KEY EVENTS ARISING SINCE THE END OF THE FINANCIAL YEAR

The SICAV has not been affected by any significant events since the end of the financial year.

Directors' Report (continued)

VIII - RESEARCH AND DEVELOPMENT

The SICAV has no particular research and development plans.

IX - MATERIAL CHANGES

There were no material changes in financial year 2016.

X - STATUTORY FINANCIAL STATEMENTS

The SICAV's statutory financial statements are enclosed with this report.

The Board of Directors

Luxembourg, March 28, 2017

Note: The figures stated in this report are historical and not necessarily indicative of futures results.



Audit Report

To the Shareholders of
EXANE FUNDS 2

Following our appointment by the General Meeting of the Shareholders dated April 28, 2016, we have audited the accompanying financial statements of EXANE FUNDS 2 and of each of its sub-funds, which comprise the Statement of Net Assets and the Securities Portfolio as at December 31, 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 SICAV for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the SICAV 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 SICAV, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of EXANE FUNDS 2 and of each of its sub-funds as of December 31, 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 SICAV 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, March 28, 2017

A handwritten signature in black ink, appearing to read 'C. Crépin', with a stylized flourish at the end.

Christelle Crépin

EXANE FUNDS 2

Statistics

		December 31, 2016	December 31, 2015	December 31, 2014
EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE				
Net Asset Value	EUR	470,342,101.09	228,180,027.09	261,890,554.47
Net asset value per share				
Class A	EUR	18,460.29	17,301.06	15,775.10
Class B	EUR	156.35	147.32	135.42
Class C	EUR	182.54	169.17	153.18
Class F	EUR	15,934.99	14,953.94	13,599.47
Class S	EUR	10,694.75	-	-
Number of shares				
Class A		11,184.23	7,679.93	10,668.23
Class B		46,951.80	11,851.26	6,416.72
Class C		748.00	685.91	940.00
Class F		6,443.00	6,249.00	6,808.00
Class S		14,374.48	-	-
EXANE FUNDS 2 - EXANE CRISTAL FUND				
Net Asset Value	EUR	300,870,241.87	116,559,465.09	41,500,891.80
Net asset value per share				
Class A	EUR	11,433.49	11,178.91	10,657.23
Class A-USD	USD	10,927.87	10,525.15	-
Class B	EUR	110.45	108.66	104.21
Number of shares				
Class A		9,943.86	1,452.86	2,321.28
Class A-USD		1,703.32	518.97	-
Class B		1,534,892.79	876,986.90	160,845.37
EXANE FUNDS 2 - EXANE PRIME TECHNOLOGY FUND*				
Net Asset Value	EUR	-	26,509,679.14	6,306,888.70
Net asset value per share				
Class A	EUR	-	12,007.40	11,416.15
Class B	EUR	-	118.84	113.59
Class C	EUR	-	115.93	108.96
Number of shares				
Class A		-	2,020.50	521.97
Class B		-	15,908.11	100.00
Class C		-	3,090.00	3,090.00
EXANE FUNDS 2 - EXANE ZEPHYR FUND				
Net Asset Value	EUR	87,921,040.15	51,000.00	-
Net asset value per share				
Class A	EUR	10,138.45	10,000.00	-
Class B	EUR	100.29	100.00	-
Class F	EUR	10,314.73	-	-

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

EXANE FUNDS 2

Statistics

	December 31, 2016	December 31, 2015	December 31, 2014
<i>Number of shares</i>			
Class A	4,250.37	5.00	-
Class B	36,959.25	10.00	-
Class F	3,986.75	-	-

* This sub-fund has been liquidated on April 22, 2016.

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

Combined Statement

Statement of Net Assets as at December 31, 2016

	Notes	EUR
Assets		
Investment in securities at cost		777,155,407.97
Unrealised appreciation / (depreciation) on securities	2.3	39,555,538.86
Investment in securities at market value	2.3	816,710,946.83
Cash at bank		47,362,681.85
Reverse Repurchase Agreements	2.5, 13	1,399,997.07
Receivable for investment sold		804,515.17
Receivable on subscriptions		271,916.26
Receivable on withholding tax reclaim		81,535.47
Receivable on "Contracts for Difference"	2.8, 6	186,443.61
Net unrealised appreciation on forward foreign exchange contracts	2.11, 12	62,821.84
Net unrealised appreciation on swaps	2.12, 11	1,147.16
Net unrealised appreciation on "Contracts for Difference"	2.6, 6	533,997.10
Dividends and interest receivable		173,952.31
Other assets		53,401.82
Total assets		867,643,356.49
Liabilities		
Accrued expenses		3,697,085.23
Payable for investment purchased		1,222,871.90
Payable on redemptions		83,403.77
Payable on "Contracts for Difference"	2.8, 6	1,458,833.25
Net unrealised depreciation on forward foreign exchange contracts	2.11, 12	1,967,314.17
Net unrealised depreciation on "Contracts for Difference"	2.6, 6	31,934.58
Other liabilities		48,530.48
Total liabilities		8,509,973.38
Net assets at the end of the year		859,133,383.11

Statement of Operations and Changes in Net Assets for the year ended December 31, 2016

	Notes	EUR
Income		
Net dividends on securities	2.4	4,845,511.07
Interest on certificate of deposit		33,000.00
Net dividends received on "Contracts for Difference"	2.9	2,731,549.83
Other income	14	47,581.78
Total income		7,657,642.68
Expenses		
Fixed management fees	4	3,450,515.82
Custodian fees	5	126,971.58
Variable management fees	4	2,245,011.99
Administration fees	5	284,055.02
Professional fees		122,556.75
Transaction costs	10	495,239.20
Taxe d'abonnement	3	68,622.89
Bank charges	2.7	105,182.10
Net interests paid on "Contracts for Difference"	2.10	884,607.13
Net interests paid on "Repurchase Agreement"		1,678.93
Net dividends paid on "Contracts for Difference"	2.9	231,050.54
Other expenses		236,549.97
Total expenses		8,252,041.92
Net investment income / (loss)		(594,399.24)
Net realised gain / (loss) on:		
Investments		345,176.17
Foreign currencies transactions	2.2	57,753.32
Futures contracts	2.13	(1,866.08)
Forward foreign exchange contracts	2.11	(5,516,971.84)
Swap contracts	2.12	(292,472.77)
"Contracts for Difference"	2.6	8,833,427.03
Net realised gain / (loss) for the year		2,830,646.59
Net change in unrealised appreciation / (depreciation) on:		
Investments		37,666,667.02
Forward foreign exchange contracts	2.11	(792,715.60)
Swap contracts	2.12	(21,272.89)
"Contracts for Difference"	2.6	(4,941,218.27)
Increase / (Decrease) in net assets as a result of operations		34,742,106.85
Proceeds received on subscription of shares		585,242,555.66
Net amount paid on redemption of shares		(132,151,450.72)
Net assets at the beginning of the year		371,300,171.32
Net assets at the end of the year		859,133,383.11

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

EXANE FUNDS 2

EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE (in EUR)

Statement of Net Assets as at December 31, 2016

	Notes	EUR
Assets		
Investment in securities at cost		410,670,279.85
Unrealised appreciation / (depreciation) on securities	2.3	28,766,670.05
<hr/>		
Investment in securities at market value	2.3	439,436,949.90
Cash at bank		35,349,134.47
Receivable on subscriptions		45,360.87
Receivable on withholding tax reclaim		78,506.50
Receivable on "Contracts for Difference"	2.8, 6	133,628.01
Net unrealised appreciation on "Contracts for Difference"	2.6,6	533,997.10
Dividends and interest receivable		125,429.88
<hr/>		
Total assets		475,703,006.73
Liabilities		
Accrued expenses		3,061,835.07
Payable on redemptions		17,581.99
Payable on "Contracts for Difference"	2.8,6	332,394.79
Net unrealised depreciation on forward foreign exchange contracts	2.11	1,949,093.79
<hr/>		
Total liabilities		5,360,905.64
<hr/>		
Net assets at the end of the year		470,342,101.09

Statement of Operations and Changes in Net Assets for the year ended December 31, 2016

	Notes	EUR
Income		
Net dividends on securities	2.4	4,635,318.10
Net dividends received on "Contracts for Difference"	2.9	2,731,549.83
<hr/>		
Total income		7,366,867.93
Expenses		
Fixed management fees	4	1,928,379.99
Custodian fees	5	49,142.56
Variable management fees	4	2,242,679.30
Administration fees	5	112,165.90
Professional fees		49,905.01
Transaction costs	10	375,472.36
Taxe d'abonnement	3	29,923.04
Bank charges	2.7	62,718.62
Net interests paid on "Contracts for Difference"	2.10	623,169.85
Other expenses		61,894.86
<hr/>		
Total expenses		5,535,451.49
<hr/>		
Net investment income / (loss)		1,831,416.44
Net realised gain / (loss) on:		
Investments		(1,648,477.55)
Foreign currencies transactions	2.2	239,072.89
Forward foreign exchange contracts	2.11	(5,957,506.51)
"Contracts for Difference"	2.6	11,212,380.85
<hr/>		
Net realised gain / (loss) for the year		5,676,886.12
Net change in unrealised appreciation / (depreciation) on:		
Investments		29,238,684.63
Forward foreign exchange contracts	2.11	(848,716.81)
"Contracts for Difference"	2.6	(4,853,313.78)
<hr/>		
Increase / (Decrease) in net assets as a result of operations		29,213,540.16
<hr/>		
Proceeds received on subscription of shares		276,820,364.27
Net amount paid on redemption of shares		(63,871,830.43)
Net assets at the beginning of the year		228,180,027.09
<hr/>		
Net assets at the end of the year		470,342,101.09

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class A	7,679.93	7,054.10	(3,549.80)	11,184.23
Class B	11,851.26	44,321.03	(9,220.49)	46,951.80
Class C	685.91	68.00	(5.91)	748.00
Class F	6,249.00	194.00	-	6,443.00
Class S	-	14,656.28	(281.80)	14,374.48

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

EXANE FUNDS 2

EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE (in EUR)

Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
Transferable securities admitted to an official exchange listing				
Shares				
Auto Parts & Equipment				
1,164,816.00	CNH INDUSTRIAL NV	EUR	9,627,204.24	2.05
41,874.00	CONTINENTAL AG	EUR	7,692,253.80	1.64
448,500.00	DAIMLER CHRYSLER AG	EUR	31,717,920.00	6.73
72,594.00	MICHELIN (CGDE)	EUR	7,673,185.80	1.63
			56,710,563.84	12.05
Energy				
721,638.00	ENGIE	EUR	8,746,252.56	1.86
901,745.00	ENI SPA	EUR	13,949,995.15	2.97
756,179.00	ROYAL DUTCH SHELL PLC-A SHS	EUR	19,649,311.32	4.18
574,646.00	SUEZ	EUR	8,053,663.69	1.71
			50,399,222.72	10.72
Cosmetics				
177,706.00	FRESENIUS SE & CO KGAA	EUR	13,196,447.56	2.81
116,911.00	MERCK KGAA	EUR	11,591,725.65	2.46
93,900.00	ROCHE HOLDING AG-GENUSSCHEIN	CHF	20,374,197.76	4.33
			45,162,370.97	9.60
Food services				
549,639.00	DAVIDE CAMPARI-MILANO SPA	EUR	5,106,146.31	1.09
160,214.00	HEINEKEN NV	EUR	11,416,849.64	2.43
322,960.00	NESTLE SA-REG	CHF	22,007,675.37	4.67
54,171.00	SODEXO SA	EUR	5,915,473.20	1.26
			44,446,144.52	9.45
Banks				
3,197,860.00	BANCO SANTANDER SA	EUR	15,858,187.74	3.37
828,206.00	CREDIT AGRICOLE SA	EUR	9,756,266.68	2.07
882,752.00	ING GROEP NV	EUR	11,802,394.24	2.51
809,831.00	MEDIOBANCA SPA	EUR	6,280,239.41	1.34
			43,697,088.07	9.29
Telecommunication				
1,692,893.00	KONINKLIJKE KPN NV	EUR	4,763,800.90	1.01
2,562,761.00	NOKIA	EUR	11,757,947.47	2.50
423,594.00	ORANGE	EUR	6,114,579.39	1.30
2,646,200.00	VODAFONE GROUP PLC	GBP	6,195,443.65	1.32
			28,831,771.41	6.13
Insurance				
62,075.00	ALLIANZ AG REG	EUR	9,745,775.00	2.07
519,153.00	AXA SA	EUR	12,451,884.71	2.65
			22,197,659.71	4.72
Chemical				
147,986.00	BASF SE	EUR	13,068,643.66	2.78
134,778.00	KONINKLIJKE DSM	EUR	7,676,954.88	1.63
			20,745,598.54	4.41
Electric & Electronic				
340,780.00	PRYSMIAN SPA	EUR	8,315,032.00	1.77
162,300.00	SCHNEIDER ELECTRIC SE	EUR	10,729,653.00	2.28
			19,044,685.00	4.05
Building materials				
284,032.00	ACS ACTIVIDADES CONS Y SERV	EUR	8,526,640.64	1.81
206,223.00	BUZZI UNICEM SPA	EUR	4,642,079.73	0.99
			13,168,720.37	2.80
Office & Business equipment				
105,787.00	TELEPERFORMANCE	EUR	10,081,501.10	2.14
			10,081,501.10	2.14
Diversified services				
622,470.00	RELX NV	EUR	9,953,295.30	2.12
			9,953,295.30	2.12

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

EXANE FUNDS 2

EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE (in EUR)

Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
Media				
266,992.00	PROSIEBENSAT.1 MEDIA SE	EUR	9,774,577.12	2.08
			9,774,577.12	2.08
Financial services				
125,839.00	DEUTSCHE BOERSE AG-TENDER	EUR	9,757,556.06	2.07
			9,757,556.06	2.07
Private Equity				
1,460,465.00	TECHNICOLOR - REGR	EUR	7,506,790.10	1.60
			7,506,790.10	1.60
Textile				
33,485.00	LVMH MOET HENNESSY LOUIS VUI	EUR	6,074,179.00	1.29
			6,074,179.00	1.29
Metal				
63,104.00	RIO TINTO PLC	GBP	2,334,981.07	0.50
			2,334,981.07	0.50
			399,886,704.90	85.02
Funds				
Undertakings for collective investment				
Open-ended Funds				
2,100.00	AMUNDI TRESO COURT TERME C FCP	EUR	39,550,245.00	8.41
			39,550,245.00	8.41
			39,550,245.00	8.41
Total securities portfolio			439,436,949.90	93.43

Financial derivative instruments as at December 31, 2016

Purchase	Sale	Maturity Date	Commitment in EUR	Unrealised appreciation / (depreciation) in EUR
Forward foreign exchange contracts				
1,802,528.21 EUR	1,932,499.29 CHF	20/01/17	1,802,528.21	(628.67)
21,303,000.00 CHF	19,836,340.65 EUR	20/01/17	19,836,340.65	40,848.68
64,132,000.00 DKK	8,624,085.12 EUR	20/01/17	8,624,085.12	469.71
112,029,486.79 GBP	133,580,025.58 EUR	20/01/17	133,580,025.58	(2,388,432.29)
18,521,000.00 NOK	2,048,885.63 EUR	20/01/17	2,048,885.63	(10,619.36)
165,000,000.00 SEK	16,924,550.66 EUR	20/01/17	16,924,550.66	297,639.50
6,683,000.00 EUR	5,611,581.44 GBP	20/01/17	6,683,000.00	111,628.64
				(1,949,093.79)
Total Forward foreign exchange contracts				(1,949,093.79)

Summary of net assets

		% NAV
Total securities portfolio	439,436,949.90	93.43
Total financial derivative instruments	(1,415,096.69)	(0.30)
Cash at bank, time deposits and/or reverse repurchase agreements	35,349,134.47	7.52
Other assets and liabilities	(3,028,886.59)	(0.65)
Total net assets	470,342,101.09	100.00

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

EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE (in EUR)

Portfolio Breakdowns

Nature allocation	% of portfolio	% of net assets
Shares	91.00	85.02
Undertakings for collective investment	9.00	8.41
	100.00	93.43

Country allocation	% of portfolio	% of net assets
France	30.19	28.20
Germany	24.25	22.64
Netherlands	17.04	15.93
Switzerland	9.64	9.00
Italy	8.71	8.16
Spain	5.55	5.18
Finland	2.68	2.50
United Kingdom	1.94	1.82
	100.00	93.43

Top Ten Holdings

Top Ten Holdings	Sector	Market value EUR	% of net assets
AMUNDI TRESO COURT TERME C FCP	Open-ended Funds	39,550,245.00	8.41
DAIMLER CHRYSLER AG	Auto Parts & Equipment	31,717,920.00	6.73
NESTLE SA-REG	Food services	22,007,675.37	4.67
ROCHE HOLDING AG-GENUSSCHEIN	Cosmetics	20,374,197.76	4.33
ROYAL DUTCH SHELL PLC-A SHS	Energy	19,649,311.32	4.18
BANCO SANTANDER SA	Banks	15,858,187.74	3.37
ENI SPA	Energy	13,949,995.15	2.97
FRESENIUS SE & CO KGAA	Cosmetics	13,196,447.56	2.81
BASF SE	Chemical	13,068,643.66	2.78
AXA SA	Insurance	12,451,884.71	2.65

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

EXANE FUNDS 2

EXANE FUNDS 2 - EXANE CRISTAL FUND (in EUR)

Statement of Net Assets as at December 31, 2016

	Notes	EUR
Assets		
Investment in securities at cost		287,353,983.04
Unrealised appreciation / (depreciation) on securities	2.3	9,304,416.56
Investment in securities at market value	2.3	296,658,399.60
Cash at bank		4,360,249.12
Receivable on subscriptions		226,555.39
Net unrealised appreciation on forward foreign exchange contracts	2.11,12	62,821.84
Net unrealised appreciation on swaps	2.12,11	1,147.16
Total assets		301,309,173.11
Liabilities		
Accrued expenses		373,109.46
Payable on redemptions		65,821.78
Total liabilities		438,931.24
Net assets at the end of the year		300,870,241.87

Statement of Operations and Changes in Net Assets for the year ended December 31, 2016

	Notes	EUR
Income		
Other income	14	47,151.00
Total income		47,151.00
Expenses		
Fixed management fees	4	1,085,253.80
Custodian fees	5	17,540.76
Administration fees	5	107,427.34
Professional fees		42,804.04
Transaction costs	10	2,076.60
Taxe d'abonnement	3	32,523.93
Bank charges	2.7	26,409.57
Other expenses		130,497.65
Total expenses		1,444,533.69
Net investment income / (loss)		(1,397,382.69)
Net realised gain / (loss) on:		
Investments		705,686.06
Foreign currencies transactions	2.2	19,715.60
Forward foreign exchange contracts	2.11	(147.24)
Swap contracts	2.12	(292,472.77)
Net realised gain / (loss) for the year		(964,601.04)
Net change in unrealised appreciation / (depreciation) on:		
Investments		6,250,241.04
Forward foreign exchange contracts	2.11	14,727.58
Swap contracts	2.12	(21,272.89)
Increase / (Decrease) in net assets as a result of operations		5,279,094.69
Proceeds received on subscription of shares		217,666,758.60
Net amount paid on redemption of shares		(38,635,076.51)
Net assets at the beginning of the year		116,559,465.09
Net assets at the end of the year		300,870,241.87

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class A	1,452.86	9,727.82	(1,236.82)	9,943.86
Class A-USD	518.97	1,752.07	(567.72)	1,703.32
Class B	876,986.90	833,089.41	(175,183.52)	1,534,892.79

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

EXANE FUNDS 2

EXANE FUNDS 2 - EXANE CRISTAL FUND (in EUR)

Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
Funds				
Undertakings for collective investment				
Open-ended Funds				
1,772.00	EXANE FUNDS 1 ARCHIMEDES FUND A CAP INC	EUR	30,329,392.52	10.08
649.80	EXANE FUNDS 1 ARCHIMEDES FUND Class C	EUR	9,228,786.10	3.07
1,370.75	EXANE FUNDS 1 CERES Class A	EUR	23,048,071.23	7.66
403.38	EXANE FUNDS 1 CERES Class C	EUR	8,596,868.28	2.86
3,530.00	EXANE FUNDS 1 MERCURY Class A	EUR	40,325,661.00	13.40
1,378.00	EXANE FUNDS 1 MERCURY Class C	EUR	16,302,029.38	5.42
1,653.00	EXANE FUNDS 1 MULTI-SECTOR FUND - Class C	EUR	17,810,083.20	5.92
1,616.00	EXANE FUNDS 1 TEMPLIERS Class C	EUR	18,034,867.04	5.99
2,184.00	EXANE FUNDS 1 TEMPLIERS FUND Class A	EUR	38,450,040.72	12.78
686.00	EXANE FUNDS 1-EX PANGAEA-AE	EUR	6,867,607.74	2.28
208.00	EXANE FUNDS 1-EX PANGAEA-CE	EUR	2,092,507.04	0.70
1,668.00	EXANE GULLIVER FUND Part C	EUR	18,140,167.20	6.03
615.00	EXANE GULLIVER FUND Part I	EUR	10,730,077.20	3.57
742.00	EXANE VAUBAN FUND Part C	EUR	9,802,643.62	3.26
2,841.00	EXANE VAUBAN FUND Part I	EUR	46,899,597.33	15.58
			296,658,399.60	98.60
			296,658,399.60	98.60
Total securities portfolio			296,658,399.60	98.60

Financial derivative instruments as at December 31, 2016

Purchase	Sale	Maturity Date	Commitment in EUR	Unrealised appreciation / (depreciation) in EUR
Forward foreign exchange contracts				
18,393,000.00 USD	17,363,571.00 EUR	20/01/17	17,363,571.00	62,821.84
				62,821.84
Total Forward foreign exchange contracts				62,821.84

Summary of net assets

		% NAV
Total securities portfolio	296,658,399.60	98.60
Total financial derivative instruments	63,969.00	0.02
Cash at bank, time deposits and/or reverse repurchase agreements	4,360,249.12	1.45
Other assets and liabilities	(212,375.85)	(0.07)
Total net assets	300,870,241.87	100.00

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

EXANE FUNDS 2 - EXANE CRISTAL FUND (in EUR)

Portfolio Breakdowns

Nature allocation	% of portfolio	% of net assets
Undertakings for collective investment	100.00	98.60
	100.00	98.60

Country allocation	% of portfolio	% of net assets
Luxembourg	71.15	70.16
France	28.85	28.44
	100.00	98.60

Top Ten Holdings

Top Ten Holdings	Sector	Market value EUR	% of net assets
EXANE VAUBAN FUND Part I	Open-ended Funds	46,899,597.33	15.58
EXANE FUNDS 1 MERCURY Class A	Open-ended Funds	40,325,661.00	13.40
EXANE FUNDS 1 TEMPLIERS FUND Class A	Open-ended Funds	38,450,040.72	12.78
EXANE FUNDS 1 ARCHIMEDES FUND A CAP INC	Open-ended Funds	30,329,392.52	10.08
EXANE FUNDS 1 CERES Class A	Open-ended Funds	23,048,071.23	7.66
EXANE GULLIVER FUND Part C	Open-ended Funds	18,140,167.20	6.03
EXANE FUNDS 1 TEMPLIERS Class C	Open-ended Funds	18,034,867.04	5.99
EXANE FUNDS 1 MULTI-SECTOR FUND - Class C	Open-ended Funds	17,810,083.20	5.92
EXANE FUNDS 1 MERCURY Class C	Open-ended Funds	16,302,029.38	5.42
EXANE GULLIVER FUND Part I	Open-ended Funds	10,730,077.20	3.57

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

EXANE FUNDS 2 - EXANE PRIME TECHNOLOGY FUND* (in EUR)

Statement of Operations and Changes in Net Assets for
the period ended April 22, 2016

	Notes	EUR
Income		
Net dividends on securities	2.4	5,128.78
Other income	14	50.78
Total income		5,179.56
Expenses		
Fixed management fees	4	48,742.83
Custodian fees	5	7,781.47
Administration fees	5	27,053.59
Professional fees		2,542.38
Transaction costs	10	27,368.07
Taxe d'abonnement	3	190.25
Bank charges	2.7	2,596.41
Net interests paid on "Contracts for Difference"	2.10	9,657.53
Net dividends paid on "Contracts for Difference"	2.9	25,715.06
Other expenses		28,187.71
Total expenses		179,835.30
Net investment income / (loss)		(174,655.74)
Net realised gain / (loss) on:		
Investments		(1,935,461.53)
Foreign currencies transactions	2.2	(206,414.60)
Futures contracts	2.13	(1,866.08)
Forward foreign exchange contracts	2.11	522,042.41
"Contracts for Difference"	2.6	68,160.66
Net realised gain / (loss) for the period		(1,728,194.88)
Net change in unrealised appreciation / (depreciation) on:		
Investments		693,289.10
Forward foreign exchange contracts	2.11	59,494.01
"Contracts for Difference"	2.6	(55,969.91)
Increase / (Decrease) in net assets as a result of operations		(1,031,381.68)
Proceeds received on subscription of shares		1,469,979.53
Net amount paid on redemption of shares		(26,948,276.99)
Net assets at the beginning of the period		26,509,679.14
Net assets at the end of the period		-

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the period	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the period
Class A	2,020.50	109.49	(2,129.99)	-
Class B	15,908.11	1,840.00	(17,748.11)	-
Class C	3,090.00	-	(3,090.00)	-

* This sub-fund has been liquidated on April 22, 2016.

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

EXANE FUNDS 2

EXANE FUNDS 2 - EXANE ZEPHYR FUND (in EUR)

Statement of Net Assets as at December 31, 2016

	Notes	EUR
Assets		
Investment in securities at cost		79,131,145.08
Unrealised appreciation / (depreciation) on securities	2.3	1,484,452.25
Investment in securities at market value	2.3	80,615,597.33
Cash at bank		7,653,298.26
Reverse Repurchase Agreements	2.5, 13	1,399,997.07
Receivable for investment sold		804,515.17
Receivable on withholding tax reclaim		3,028.97
Receivable on "Contracts for Difference"	2.8, 6	52,815.60
Dividends and interest receivable		48,522.43
Other assets		53,401.82
Total assets		90,631,176.65
Liabilities		
Accrued expenses		262,140.70
Payable for investment purchased		1,222,871.90
Payable on "Contracts for Difference"	2.8, 6	1,126,438.46
Net unrealised depreciation on forward foreign exchange contracts	2.11, 12	18,220.38
Net unrealised depreciation on "Contracts for Difference"	2.6, 6	31,934.58
Other liabilities		48,530.48
Total liabilities		2,710,136.50
Net assets at the end of the year		87,921,040.15

Statement of Operations and Changes in Net Assets for the year ended December 31, 2016

	Notes	EUR
Income		
Net dividends on securities	2.4	205,064.19
Interest on certificate of deposit		33,000.00
Other income	14	380.00
Total income		238,444.19
Expenses		
Fixed management fees	4	388,139.20
Custodian fees	5	52,506.79
Variable management fees	4	2,332.69
Administration fees	5	37,408.19
Professional fees		27,305.32
Transaction costs	10	90,322.17
Taxe d'abonnement	3	5,985.67
Bank charges	2.7	13,457.50
Net interests paid on "Contracts for Difference"	2.10	251,779.75
Net interests paid on "Repurchase Agreement"		1,678.93
Net dividends paid on "Contracts for Difference"	2.9	205,335.48
Other expenses		15,969.75
Total expenses		1,092,221.44
Net investment income / (loss)		(853,777.25)
Net realised gain / (loss) on:		
Investments		3,223,429.19
Foreign currencies transactions	2.2	5,379.43
Forward foreign exchange contracts	2.11	(81,360.50)
"Contracts for Difference"	2.6	(2,447,114.48)
Net realised gain / (loss) for the year		(153,443.61)
Net change in unrealised appreciation / (depreciation) on:		
Investments		1,484,452.25
Forward foreign exchange contracts	2.11	(18,220.38)
"Contracts for Difference"	2.6	(31,934.58)
Increase / (Decrease) in net assets as a result of operations		1,280,853.68
Proceeds received on subscription of shares		89,285,453.26
Net amount paid on redemption of shares		(2,696,266.79)
Net assets at the beginning of the year		51,000.00
Net assets at the end of the year		87,921,040.15

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class A	5.00	4,478.97	(233.60)	4,250.37
Class B	10.00	40,450.87	(3,501.62)	36,959.25
Class F	-	3,986.75	-	3,986.75

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

EXANE FUNDS 2

EXANE FUNDS 2 - EXANE ZEPHYR FUND (in EUR)

Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
Transferable securities admitted to an official exchange listing				
Shares				
Cosmetics				
4,590.00	BAYER AG-REG	EUR	455,006.70	0.52
14,331.00	BEIERSDORF AG	EUR	1,155,078.60	1.31
34,813.00	FRESENIUS SE & CO KGAA	EUR	2,585,213.38	2.95
5,443.00	GILEAD SCIENCES INC	USD	369,540.87	0.42
19,400.00	MERCK KGAA	EUR	1,923,510.00	2.19
1,625.00	ROCHE HOLDING AG-GENUSSCHEIN	CHF	352,588.62	0.40
			6,840,938.17	7.79
Energy				
157,293.00	ENEL SPA	EUR	658,743.08	0.75
90,105.00	ENI SPA	EUR	1,393,924.35	1.59
135,827.00	IBERDROLA SA	EUR	846,745.52	0.96
66,532.00	REPSOL SA	EUR	892,859.44	1.02
34,825.00	RWE	EUR	411,457.38	0.47
14,366.00	VESTAS WIND SYSTEMS A/S	DKK	886,819.94	1.01
			5,090,549.71	5.80
Telecommunication				
101,151.00	ERICSSON LM-B SHS	SEK	564,765.03	0.64
848,149.00	KONINKLIJKE KPN NV	EUR	2,386,691.29	2.71
773,476.00	TELECOM ITALIA SPA	EUR	647,399.41	0.74
93,003.00	TELEFONICA DEUTSCHLAND HOLDI	EUR	378,522.21	0.43
12,485.00	TELEFONICA SA	EUR	110,117.70	0.13
3,140.00	T-MOBILE US INC	USD	171,207.77	0.19
			4,258,703.41	4.84
Food services				
15,402.00	HEINEKEN HOLDING NV	EUR	1,018,688.28	1.16
77,524.00	KONINKLIJKE AHOLD DELHAIZE N	EUR	1,552,805.72	1.76
19,833.00	NESTLE SA-REG	CHF	1,351,493.14	1.54
			3,922,987.14	4.46
Diversified services				
5,101.00	ADECCO GROUP AG-REG	CHF	317,147.06	0.36
75,877.00	APPLUS SERVICES SA	EUR	732,213.05	0.83
47,532.00	RANDSTAD HOLDING NV	EUR	2,449,323.96	2.79
			3,498,684.07	3.98
Chemical				
74,162.00	CLARIANT AG-REG	CHF	1,215,509.65	1.38
14,189.00	LINDE AG	EUR	2,214,902.90	2.52
			3,430,412.55	3.90
Banks				
61,908.00	ING GROEP NV	EUR	827,709.96	0.94
638,327.00	INTESA SANPAOLO-RSP	EUR	1,426,022.52	1.62
			2,253,732.48	2.56
Auto Parts & Equipment				
8,059.00	CONTINENTAL AG	EUR	1,480,438.30	1.68
			1,480,438.30	1.68
Distribution & Wholesale				
6,335.00	CIE FINANCIERE RICHEMONT-REG	CHF	398,596.78	0.45
6,628.00	PANDORA A/S	DKK	823,647.48	0.94
			1,222,244.26	1.39
Electric & Electronic				
5,585.00	KONINKLIJKE PHILIPS ELECTRONICS	EUR	161,965.00	0.18
30,497.00	PRYSMIAN SPA	EUR	744,126.80	0.85
			906,091.80	1.03
Insurance				
21,386.00	AGEAS	EUR	804,327.46	0.91
			804,327.46	0.91
Real estate				
20,204.00	VONOVIA SE	EUR	624,404.62	0.71
			624,404.62	0.71

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

EXANE FUNDS 2

EXANE FUNDS 2 - EXANE ZEPHYR FUND (in EUR)

Securities Portfolio as at December 31, 2016

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
Metal				
73,989.00	ARCELORMITTAL	EUR	519,106.82	0.59
			519,106.82	0.59
Building materials				
83.00	SIKA AG-BR	CHF	378,764.93	0.43
			378,764.93	0.43
Media				
10,050.00	PROSIEBENSAT.1 MEDIA SE	EUR	367,930.50	0.42
			367,930.50	0.42
Financial services				
10,000.00	SCHRODERS PLC	GBP	351,218.37	0.40
			351,218.37	0.40
			35,950,534.59	40.89
Other transferable securities				
Bonds and other debt instruments				
Government				
6,000,000.00	FRENCH BTF 0% 16-08/02/2017	EUR	6,004,200.00	6.83
16,000,000.00	FRENCH BTF 0% 16-08/03/2017	EUR	16,019,360.00	18.22
7,000,000.00	FRENCH BTF 0% 16-15/03/2017	EUR	7,010,080.00	7.97
			29,033,640.00	33.02
			29,033,640.00	33.02
Money market instruments				
Banks				
4,000,000.00	BANQUE FEDERATIVE DU CR 0% 28/02/2017 CD	EUR	4,000,572.77	4.55
4,000,000.00	PALATINE SA 0% 27/03/2017 BT	EUR	4,003,302.72	4.55
			8,003,875.49	9.10
			8,003,875.49	9.10
Funds				
Undertakings for collective investment				
Open-ended Funds				
405.00	AMUNDI TRESO COURT TERME C FCP	EUR	7,627,547.25	8.68
			7,627,547.25	8.68
			7,627,547.25	8.68
Total securities portfolio			80,615,597.33	91.69

Financial derivative instruments as at December 31, 2016

Purchase	Sale	Maturity Date	Commitment in EUR	Unrealised appreciation / (depreciation) in EUR
Forward foreign exchange contracts				
1,470,728.61 EUR	1,576,233.20 CHF	20/01/17	1,470,728.61	(7.23)
594,426.94 EUR	4,419,110.00 DKK	20/01/17	594,426.94	139.29
3,637,188.96 CHF	3,390,944.62 EUR	20/01/17	3,390,944.62	2,807.13
5,570,000.00 DKK	749,103.04 EUR	20/01/17	749,103.04	(42.19)
4,491,000.00 GBP	5,351,193.68 EUR	20/01/17	5,351,193.68	(92,029.67)
2,047,576.32 NOK	226,000.00 EUR	20/01/17	226,000.00	(660.88)
34,814,576.06 SEK	3,583,737.05 EUR	20/01/17	3,583,737.05	50,100.83
529,000.00 USD	508,061.27 EUR	20/01/17	508,061.27	(6,861.80)
1,763,163.82 EUR	1,502,516.90 GBP	20/01/17	1,763,163.82	3,650.05
1,750,000.00 USD	1,374,952.54 GBP	20/01/17	1,659,160.94	47,919.31
2,430.05 EUR	22,000.00 NOK	20/01/17	2,430.05	8.92
1,910,000.00 EUR	18,617,129.84 SEK	20/01/17	1,910,000.00	(33,193.85)
1,103,009.49 EUR	1,163,000.00 USD	20/01/17	1,103,009.49	1,129.39
1,423,383.34 GBP	1,750,000.00 USD	20/01/17	1,667,506.26	8,820.32
				(18,220.38)
Total Forward foreign exchange contracts				(18,220.38)

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

EXANE FUNDS 2 - EXANE ZEPHYR FUND (in EUR)

Summary of net assets

		% NAV
Total securities portfolio	80,615,597.33	91.69
Total financial derivative instruments	(50,154.96)	(0.06)
Cash at bank, time deposits and/or reverse repurchase agreements	9,053,295.33	10.30
Other assets and liabilities	(1,697,697.55)	(1.93)
Total net assets	87,921,040.15	100.00

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

EXANE FUNDS 2 - EXANE ZEPHYR FUND (in EUR)

Portfolio Breakdowns

Nature allocation	% of portfolio	% of net assets
Shares	44.60	40.89
Bonds and other debt instruments	36.01	33.02
Money market instruments	9.93	9.10
Undertakings for collective investment	9.46	8.68
	100.00	91.69

Country allocation	% of portfolio	% of net assets
France	55.41	50.80
Germany	14.38	13.20
Netherlands	10.42	9.54
Italy	6.04	5.55
Switzerland	4.98	4.56
Spain	3.20	2.94
Denmark	2.12	1.95
Other	3.45	3.15
	100.00	91.69

Top Ten Holdings

Top Ten Holdings	Sector	Market value EUR	% of net assets
FRENCH BTF 0% 16-08/03/2017	Government	16,019,360.00	18.22
AMUNDI TRESO COURT TERME C FCP	Open-ended Funds	7,627,547.25	8.68
FRENCH BTF 0% 16-15/03/2017	Government	7,010,080.00	7.97
FRENCH BTF 0% 16-08/02/2017	Government	6,004,200.00	6.83
PALATINE SA 0% 27/03/2017 BT	Banks	4,003,302.72	4.55
BANQUE FEDERATIVE DU CR 0% 28/02/2017 CD	Banks	4,000,572.77	4.55
FRESENIUS SE & CO KGAA	Cosmetics	2,585,213.38	2.95
RANDSTAD HOLDING NV	Diversified services	2,449,323.96	2.79
KONINKLIJKE KPN NV	Telecommunication	2,386,691.29	2.71
LINDE AG	Chemical	2,214,902.90	2.52

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

Notes to the Financial Statements as at December 31, 2016

Note 1. General information

EXANE FUNDS 2 was established in the Grand Duchy of Luxembourg under the aegis of EXANE S.A. (the "Promoter") on March 2, 2006, for an indefinite term, in the form of a Luxembourg Open-Ended Investment Company (Société d'Investissement à Capital Variable - "SICAV"). The SICAV was established in accordance with Part II of the law of December 17, 2010 as amended on Undertakings for Collective Investment. By decision of the Extraordinary General Meeting held on May 27, 2011 and until June 30, 2014, the SICAV was converted into a self-managed SICAV governed by the provisions of Part I of the Law of 2010 as amended and by the Law of 10 August 1915 on commercial companies, as amended. On July 1, 2014, The Company has appointed Exane Asset Management Luxembourg to serve as it designated management company (the "Management Company") in accordance with the Law of 2010.

The minimum capital is EUR 1,250,000.

Its Articles of Association were published in *Le Mémorial, Recueil des Sociétés et Associations* on March 23, 2006, after being filed with the office of the Registrar of the District Court of Luxembourg (*Greffe du Tribunal d'Arrondissement de Luxembourg*), where they may be consulted.

EXANE FUNDS 2 was incorporated in the form of a SICAV with multiple sub-funds. On December 31, 2016, three sub-funds were available for subscription:

- EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE
- EXANE FUNDS 2 - EXANE CRISTAL FUND
- EXANE FUNDS 2 - EXANE ZEPHYR FUND

The sub-fund EXANE FUNDS 2 - EXANE PRIME TECHNOLOGY FUND was liquidated on April 22, 2016.

The SICAV was entered on the Luxembourg Trade and Companies register (*Registre de commerce et des sociétés de Luxembourg*) under number B 114 732.

For the EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE sub-fund, six Classes of Shares are offered in the Sub-Fund, with the following characteristics:

- Class A is intended exclusively for Institutional Investors.

In particular, Institutional Investors include legal entities subscribing on their own account or on behalf of individuals pursuant to a discretionary investment agreement or a unit-linked endowment policy (*contrat d'assurance-vie*), pension funds and UCIs.

- Class B is intended for all investors.

- Class C is reserved for the Investment Manager's employees and its affiliates (managing directors included).

- Class D shall be opened to subscription upon specific resolution of the Board of directors of the Company.

- Class F is intended exclusively for Institutional Investors. Holding of Class F is restricted to investors who subscribed until October 4, 2013 and defined as seeding investors ("Seeding Investors"). Class F is closed to new subscriptions from Seeding Investors unless specific resolution from the Board of Directors.

- Class S is intended for all investors. (opened to the subscriptions since July 18, 2016).

For the EXANE FUNDS 2 - EXANE CRISTAL FUND sub-fund, three share classes are available:

- Class A intended exclusively for Institutional investors.

In particular, Institutional Investors include legal entities subscribing on their own account or on behalf of individuals pursuant to a discretionary investment agreement or a unit-linked endowment policy (*contrat d'assurance-vie*), pension funds and UCIs.

- Class A USD is intended exclusively for Institutional Investors and is hedged against USD-EUR exchange risk.

- Class B is intended for all investors.

Three (3) Classes of B Shares are offered, in currencies other than the Reference Currency of the Sub-Fund: Class B USD, Class B CHF, Class B GBP.

These Classes are intended for all investors and are hedged respectively against USD-EUR, CHF-EUR and GBP-EUR exchange risk.

For the EXANE FUNDS 2 - EXANE PRIME TECHNOLOGY FUND (liquidated on April 22, 2016) sub-fund, three share classes were available:

- Class A was intended exclusively for Institutional Investors.

In particular, Institutional Investors include legal entities subscribing on their own account or on behalf of individuals pursuant to a discretionary investment agreement or a unit-linked endowment policy (*contrat d'assurance-vie*), pension funds and UCIs.

- Class B was intended for all investors.

- Class C was reserved for:

- the Investment Manager's employees (managing directors and members of the board of directors included);
- investments from funds of funds managed by the Investment Manager;
- discretionary management portfolio managed by the Investment Manager.

For the EXANE FUNDS 2 - EXANE ZEPHYR FUND sub-fund, three share classes are available:

- Class A is intended exclusively for Institutional Investors.

In particular, Institutional Investors include legal entities subscribing on their own account or on behalf of individuals pursuant to a discretionary investment agreement or a unit-linked endowment policy (*contrat d'assurance-vie*), pension funds and UCIs.

- Class B is intended for all investors.

- Class F is intended exclusively for Institutional Investors (launched on June 29, 2016). Holding of Class F is restricted to investors who subscribed before 30 September 2016 and defined as seeding investors ("Seeding Investors").

Notes to the Financial Statements as at December 31, 2016 (continued)

Note 2. Significant accounting principles

The SICAV's financial statements are prepared in accordance with the regulations in force in Luxembourg relating to Undertakings for Collective Investment.

2.1 Combined statements of the different sub-funds

The combined financial statements for EXANE FUNDS 2 are expressed in euro (EUR) by converting the financial statements of the sub-funds denominated in currencies other than the euro at the exchange rate prevailing at the end of the financial year.

2.2 Conversion of foreign currencies

The sub-funds' accounts are kept in the currency of their net asset value and the financial statements are expressed in the same currency.

The acquisition cost of securities purchased in a currency other than that of the sub-funds is converted into the currency of the sub-funds on the basis of the exchange rates prevailing on the date on which the securities are acquired.

Income and expenses denominated in a currency other than that of the sub-funds are converted into the currency of the sub-funds on the basis of the exchange rates prevailing on the transaction date.

At the end of the financial year, the securities valuations (determined as described below), receivables, bank deposits and debts denominated in a currency other than that of the sub-funds are converted into the currency of the sub-funds on the basis of the exchange rates prevailing on that date; the foreign exchange differences resulting from the conversion of receivables, bank deposits and debts are included in the net gain/loss on foreign exchange for the financial year.

2.3 Valuation of investments

The value of the assets is determined as follows:

(a) The value of cash in hand or on deposit, sight drafts and bills and receivables, prepaid expenses, and accrued dividends and interest shall consist of the nominal value of these assets, except where it appears unlikely that this value will be paid or received in full. In the latter case, the value shall be calculated by deducting an amount the Company estimates is appropriate to reflect the true value of these assets;

(b) The valuation of Transferable Securities and Money Market Instruments listed or traded on a Regulated Market or traded on Another Regulated Market or listed on a stock exchange of Another State or traded on Another Regulated Market of Another State, is based on the last known closing price on the Valuation Day and if these Transferable Securities are traded on several markets, on the basis of the last known closing price on the main market for these securities on the Valuation Day. If the last known closing price of a given Valuation Day is not representative, the valuation shall be based on the probable market value estimated prudently and in good faith;

(c) Transferable Securities that are not listed or traded on a Regulated Market or on Another Regulated Market shall be valued on the basis of their probable market value, estimated prudently and in good faith;

(d) Liquid assets, Money Market Instruments and all other instruments may be valued at the last known closing prices on the Valuation Day or using the straight-line depreciation method. In the case of straight-line depreciation, the portfolio's positions shall be reviewed regularly by the Board of Directors in order to determine whether there is a discrepancy between valuations using the last known closing prices and valuations using straight line depreciation. If there is a difference likely to result in a dilution or to be detrimental to Shareholders, the appropriate corrective measures may be taken, including, if necessary, the calculation of the Net Asset Value using the last known closing prices;

(e) All other assets are valued on the basis of the probable market value, which must be estimated prudently and in good faith;

(f) Open-ended target UCIs are valued on the basis of their last Net Asset Value available in Luxembourg;

(g) The value of contracts for difference shall be determined by reference to the market value of the underlying asset, taking into account the costs inherent in the transaction (i.e. borrowing costs, interest on collateral or cost of funding for the counterparty, as applicable);

(h) The Board of Directors may, at its discretion, permit the use of another valuation method, if it believes that such a valuation would better reflect the true value of one of the Company's assets.

2.4 Income

Bank interest and interest on bonds are recorded *pro rata temporis*. Dividends are recognised on the date on which the shares go ex-dividend for the first time.

2.5 Reverse Repurchase agreements

Reverse repurchase agreements are classed as lending transactions secured by underlying securities. These are transactions in which the seller transfers ownership of securities to another person (the buyer), and in which the seller and the buyer respectively and irrevocably undertake to repurchase and return the securities at a specified price and date. The SICAV acts as the buyer in these transactions.

Notes to the Financial Statements as at December 31, 2016 (continued)**Note 2. Significant accounting principles (continued)****2.6 Contracts for Difference**

Contracts for Difference (CFDs) are over-the-counter financial contracts used to gain exposure to fluctuations (positive or negative depending on the direction of the transaction) in financial instruments, baskets of financial instruments or indices without having to own or borrow the underlying financial instruments.

CFDs are valued by reference to the market value of the underlying asset, taking into account the costs inherent in the transaction. Realised profits or losses and the change in unrealised profits or losses are included in the Statement of Operations and Changes in Net Assets.

2.7 Bank charges

This item consists of interest paid on bank overdrafts, interest paid on cash at bank, other bank charges and negatives interests on bankoverdraft.

2.8 Receivable/payable on Contracts for Difference

The item "Receivable/payable on Contracts for Difference" consists of the net sum of dividends and interest receivable and payable on CFDs.

2.9 Net dividends received/paid on Contracts for Difference

The item "Net dividends received/paid on Contracts for Difference" consists of the net sum of dividends paid and received on CFDs.

2.10 Net interests received/paid on Contracts for Difference

The item "Net Interests received/paid on Contracts for Difference" consists of the net sum of interest paid and received on CFDs.

2.11 Forward foreign exchange contracts and options contracts

The liquidation value of forward foreign exchange contracts and options contracts that are not traded on Regulated Markets or on Other Regulated Markets shall be equivalent to their net liquidation value determined in accordance with the policies established by the Board of Directors, on a basis applied consistently to each type of contract. The liquidation value of forward foreign exchange contracts or options contracts traded on Regulated Markets or on Other Regulated Markets shall be based on the last available settlement price for these contracts on the Regulated Markets or on Other Regulated Markets on which these forward foreign exchange contracts or options contracts are traded by the Company. However, if a forward contract or options contract cannot be liquidated on the day the net assets are valued, the basis used to determine the liquidation value of this contract shall be determined by the Board of Directors in a fair and reasonable manner;

2.12 Valuation of swap contracts

Interest rate swaps shall be valued at their market value determined by reference to the applicable rate curves. Index swaps or swaps on financial instruments shall be valued at their market value determined by reference to the index or financial instrument in question. The valuation of swap contracts relating to these indices or financial instruments shall be based on the market value of these swap transactions, in accordance with the procedures established by the Board of Directors.

A swap is a contract whereby the Fund and a counterparty enter into an agreement to exchange one stream of income (linked to securities, instruments, an index, or a basket of equities or bonds) for another stream of income (linked to other securities or instruments, a different index or another basket of equities or bonds). Swaps shall only be entered into with first-rate financial institutions specialising in this type of transaction.

Swaps are valued using the discounted future cash flow method.

2.13 Futures contracts

Future contracts are valued at the last known market price. The profits or losses realized and change in unrealized gains or losses are included in the Statement of Operations and changes in Net Assets.

Note 3. Taxation

The SICAV is governed by the tax laws of Luxembourg. Pursuant to the legislation and regulations currently in force, the SICAV is subject to an annual *taxe d'abonnement* (subscription tax) of 0.01% for Classes A, A-USD, F and S and 0.05% for Classes B and C, calculated on the basis of the net assets at the end of the quarter in question and payable quarterly.

Notes to the Financial Statements as at December 31, 2016 (continued)**Note 4. Fixed management fees and variable management fees****EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE**

At the end of each quarter, the Management Company receives a fixed management fee, charged to the assets of the Sub-Fund and calculated as follows:

- Class A: a maximum annual rate and effective rate of 0.90% of the average net assets of the Sub-Fund attributable to Class A.
- Class A-USD: a maximum annual rate and effective rate of 0.90% of the average net assets of the Sub-Fund attributable to Class A-USD.
- Class B: a maximum annual rate and effective rate of 1.80% of the average net assets of the Sub-Fund attributable to Class B.
- Class C: a maximum annual rate and effective rate of 0.30% of the average net assets of the Sub-Fund attributable to Class C.
- Class S: a maximum annual rate and effective rate of 0.85% of the average net assets of the Sub-Fund attributable to Class S.
- Class F: a maximum annual rate and effective rate of 0.50% of the average net assets of the Sub-Fund attributable to Class F.

The remuneration of the Investment Manager was paid directly by the Management Company out of its own remuneration.

The Management Company may also receive a variable management fee of 15% of the positive difference between the performance of the Sub-Fund and "the Performance Margin subject to High Water Mark" on the proportion of the assets attributable to Class A, B, D and F Shares. This fee is calculated for each reference period (a "Reference Period") using the method described below:

Reference Periods are annual and correspond to the Sub-Fund's financial years.

The Net Asset Value applicable to each Reference Period is the latest Net Asset Value for the previous year. Calculations are validated once a year, at the end of the financial year.

The variable management fees is calculated as follows:

The Variable Management Fee may be subject to a High Water Mark Mechanism ("HWM") and/or a positive YTD Performance.

When a HWM and a positive YTD Performance apply, this fee is calculated for each reference period (a "Reference Period").

The variable management fee is only activated and accrued when:

- (1) The YTD Performance is positive,
- (2) The Performance Margin is above the Performance Margin High Water Mark; and when,
- (3) The Performance Margin is positive.

The Performance Margin High Water Mark means the highest one of the Performance Margins noticed at the end of each Reference Period, over the three previous Reference Periods.

The Management Company provides investors, upon request, with the calculation methodology of the foregoing variable management fee.

In the event of a redemption during a Reference Period, the proportion of the Variable Management Fee in respect of the shares concerned is crystallised and therefore remains irrevocably due to the Management Company. This crystallised share of the Variable Management Fee is paid to the Management Company at the end of the relevant quarter.

For the year ended December 31, 2016, the variable management fee amounts to EUR 2,242,679.30 for EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE.

EXANE FUNDS 2 - EXANE CRISTAL FUND

At the end of each quarter, the Management Company receives a fixed management fee, charged to the assets of the Sub-Fund and calculated as follows:

- Class A: a maximum annual rate and effective rate of 0.30% of the average net assets of the Sub-Fund attributable to each Shares Class.
- Class A USD: a maximum annual rate and effective rate of 0.30% of the average net assets of the Sub-Fund attributable to each Shares Class.
- Class B: a maximum annual rate and effective rate of 0.90% of the average net assets of the Sub-Fund attributable to each Shares Class.
- Class B CHF assets: a maximum annual rate and effective rate of 0.90% of the average net assets of the Sub-Fund attributable to each Shares Class.
- Class B GBP assets: a maximum annual rate and effective rate of 0.90% of the average net assets of the Sub-Fund attributable to each Shares Class.

There is no variable management fees calculation for the Sub-Fund EXANE FUNDS 2 - EXANE CRISTAL FUND.

The remuneration of the Investment Manager was paid directly by the Management Company out of its own remuneration.

Notes to the Financial Statements as at December 31, 2016 (continued)**Note 4. Fixed management fees and variable management fees (continued)****EXANE FUNDS 2 - EXANE PRIME TECHNOLOGY FUND (liquidated on April 22, 2016)**

At the end of each quarter, the Management Company received a fixed management fee, charged to the assets of the Sub-Fund and calculated as follows:

- Class A: a maximum annual rate of 1.50% of the average net assets of the Sub-Fund attributable to Class A
- Class B: a maximum annual rate of 2% of the average net assets of the Sub-Fund attributable to Class B.
- Class C: a maximum annual rate of 0.30% of the average net assets of the Sub-Fund attributable to Class C.

The remuneration of the Investment Manager was paid directly by the Management Company out of its own remuneration.

EXANE FUNDS 2 - EXANE ZEPHYR FUND

At the end of each quarter, the Management Company receives a fixed management fee, charged to the assets of the Sub-Fund and calculated as follows:

- Class A: a maximum annual rate of 1.20% of the average net assets of the Sub-Fund attributable to Class A
- Class B: a maximum annual rate of 2% of the average net assets of the Sub-Fund attributable to Class B.
- Class F: a maximum annual rate of 0.80% of the average net assets of the Sub-Fund attributable to Class F.

The remuneration of the Investment Manager was paid directly by the Management Company out of its own remuneration.

The Management Company may also receive a variable management fee of 15% of the positive difference between the performance of the Sub-Fund and "the Performance Margin subject to High Water Mark" on the proportion of the assets attributable to Class A, Class B and F Shares. This fee is calculated for each reference period (a "Reference Period") using the method described below:

Reference Periods are annual and correspond to the Sub-Fund's financial years.

The Net Asset Value applicable to each Reference Period is the latest Net Asset Value for the previous period. Calculations are validated once a year, at the end of the financial year.

The variable management fee is calculated as follows:

The Variable Management Fee may be subject to a High Water Mark Mechanism ("HWM") and/or a positive YTD Performance.

When a HWM and a positive YTD Performance apply, this fee is calculated for each reference period (a "Reference Period").

The variable management fee is only activated and accrued when:

- (1) The YTD Performance is positive,
- (2) The Performance Margin is above the Performance Margin High Water Mark; and when,
- (3) The Performance Margin is positive.

The Performance Margin High Water Mark means the highest one of the Performance Margins noticed at the end of each Reference Period, over the three previous Reference Periods.

The Management Company provides investors, upon request, with the calculation methodology of the foregoing variable management fee.

In the event of a redemption during a Reference Period, the proportion of the Variable Management Fee in respect of the shares concerned is crystallised and therefore remains irrevocably due to the Management Company. This crystallised share of the Variable Management Fee is paid to the Management Company at the end of the relevant quarter.

For the year ended December 31, 2016, the variable management fees amounts to EUR 2,332.69 for EXANE FUNDS 2 - EXANE ZEPHYR FUND.

Notes to the Financial Statements as at December 31, 2016 (continued)

Note 5. Administrative Agent, Custodian Bank, Paying Agent, Domiciliary and Listing Agent, Registrar and Transfer Agent

The costs directly payable by the Sub-Fund and invoiced by all the Sub-Fund's service providers (Depository, Administrative Agent, Domiciliary, Registrar, Paying Agent, Auditor, Legal Advisor) shall be subject to an annual maximum of 0.2% of the Sub-Fund's net assets. Any costs in excess of the aforementioned limit shall be payable by the Management Company by deduction from its fixed management fee.

Brokerage fees and/or securities borrowing fees paid to the Sub-Fund's financial intermediaries and counterparties are not included in this 0.2% limit. The same shall apply to any stock market taxes and stamp duty the Sub-Fund may have to pay on certain financial markets.

For the year ended December 31, 2016, the effective annualised rates were the followings:

EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE	0.11%
EXANE FUNDS 2 - EXANE CRISTAL FUND	0.12%
EXANE FUNDS 2 - EXANE PRIME TECHNOLOGY FUND (liquidated on April 22, 2016)	0.00%
EXANE FUNDS 2 - EXANE ZEPHYR FUND	0.20%

Note 6. Contracts for Difference ("CFDs") and Receivable/payable on "Contracts for Difference"**EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE**

As at December 31, 2016, the following CFDs were entered with JP Morgan as counterparty with a collateral amount received of EUR 144,000.00 in cash:

Name	Quantity Buy/(Sell)	Currency	Commitment EUR	Unrealised Gain/(Loss) (EUR)
ASSOCIATED BRITISH FOODS PLC	219,979.00	GBP	6,038,423.55	483,085.99
AVIVA PLC	2,419,485.00	GBP	11,768,375.03	1,061,967.56
DAIMLER AG-REGISTERED SHARES	(448,500.00)	EUR	(31,717,920.00)	(3,570,060.00)
DASSAULT AVIATION SA	6,394.00	EUR	6,787,870.40	187,880.60
GLENORE PLC	2,283,244.00	GBP	6,332,577.24	(55,478.81)
LLOYDS BANKING GROUP PLC	20,372,254.00	GBP	12,734,695.98	843,734.30
LVMH MOET HENNESSY LOUIS VUI	36,610.00	EUR	6,641,054.00	355,117.00
RECKITT BENCKISER GROUP PLC	194,994.00	GBP	13,427,286.84	309,904.49
RIO TINTO PLC	69,475.00	GBP	2,194,367.92	121,730.06
ROYAL DUTCH SHELL PLC-B SHS	94,913.00	GBP	2,234,252.02	252,642.90
RYANAIR HOLDINGS PLC	579,403.00	EUR	8,424,519.62	408,355.39
SHIRE PLC	255,583.00	GBP	11,971,507.72	108,786.48
SOUTH32 LTD	961,087.00	GBP	1,552,155.55	(15,898.20)
VODAFONE GROUP PLC	755,003.00	GBP	1,508,873.49	42,229.34
Net unrealised gain on "Contracts for Difference"				533,997.10

EXANE FUNDS 2 - EXANE ZEPHYR FUND

As at December 31, 2016, the following CFDs were held with Morgan Stanley as counterparty with a collateral amount given of EUR 1,230,000.00 in cash:

Name	Quantity Buy/(Sell)	Currency	Commitment EUR	Unrealised Gain/(Loss) (EUR)
ABB LTD-REG	(66,223.00)	CHF	(1,422,470.04)	(28,731.48)
ABERTIS INFRAESTRUCTURAS SA	(12,375.00)	EUR	(164,525.65)	(6,675.19)
ACS ACTIVIDADES CONS Y SERV	(2,426.00)	EUR	(72,828.52)	484.47
ACTELION LTD-REG	(285.00)	CHF	(62,842.50)	250.20
ADIDAS AG	(1,868.00)	EUR	(280,480.20)	(20,442.17)
AENA SA	(1,208.00)	EUR	(156,617.20)	(3,995.50)
AIR FRANCE-KLM	71,485.00	EUR	369,863.39	(15,549.89)

Notes to the Financial Statements as at December 31, 2016 (continued)

Note 6. Contracts for Difference (“CFDs”) and Receivable/payable on “Contracts for Difference” (continued)

EXANE FUNDS 2 - EXANE ZEPHYR FUND

As at December 31, 2016, the following CFDs were held with Morgan Stanley as counterparty with a collateral amount given of EUR 1,230,000.00 in cash (continued):

Name	Quantity Buy/(Sell)	Currency	Commitment EUR	Unrealised Gain/(Loss) (EUR)
AIR LIQUIDE SA	16,817.00	EUR	1,776,716.05	119,934.81
AIRBUS SE	(35,018.00)	EUR	(2,200,531.12)	(16,832.93)
ALSTOM	24,042.00	EUR	629,299.41	9,911.11
AMADEUS IT GROUP SA	(6,401.00)	EUR	(276,331.17)	(2,764.25)
ANHEUSER-BUSCH INBEV SA/NV	(2,320.00)	EUR	(233,276.00)	(7,862.11)
AP MOLLER-MAERSK A/S-B	(47.00)	DKK	(529,690.00)	(4,555.75)
ASHTED GROUP PLC	(3,715.00)	GBP	(58,697.00)	(575.56)
ASML HOLDING NV	(1,190.00)	EUR	(126,913.50)	(9,552.76)
ASSICURAZIONI GENERALI	(95,279.00)	EUR	(1,345,339.48)	5,698.55
ASSOCIATED BRITISH FOODS PLC	32,929.00	GBP	903,901.05	13,417.28
ATLANTIA SPA	(7,453.00)	EUR	(165,903.78)	(2,989.97)
ATLAS COPCO AB-A SHS	(4,390.00)	SEK	(1,218,225.00)	939.69
AVIVA PLC	438,146.00	GBP	2,131,142.15	157,851.91
AXA SA	(14,450.00)	EUR	(346,583.25)	723.45
BAE SYSTEMS PLC	(23,711.00)	GBP	(140,250.57)	1,040.61
BANCO BILBAO VIZCAYA ARGENTA	(79,399.00)	EUR	(509,265.19)	4,301.37
BANCO DE SABADELL SA	(49,047.00)	EUR	(64,889.18)	2,555.25
BANCO SANTANDER SA	(40,583.00)	EUR	(201,251.10)	(1,397.68)
BANK OF IRELAND	2,125,107.00	EUR	499,400.16	1,146.36
BASF SE	(9,247.00)	EUR	(816,602.57)	(61,909.80)
BAYERISCHE MOTOREN WERKE AG	(3,233.00)	EUR	(286,928.75)	745.66
BHP BILLITON PLC	36,949.00	GBP	482,738.69	(5,480.32)
BNP PARIBAS	(18,378.00)	EUR	(1,112,787.90)	(10,145.82)
BOUYGUES SA	67,126.00	EUR	2,285,304.72	127,738.83
BP PLC	205,339.00	GBP	1,046,407.55	42,798.12
BRITISH AMERICAN TOBACCO PLC	(13,403.00)	GBP	(619,419.66)	(32,340.13)
BRITISH LAND CO PLC	(120,803.00)	GBP	(760,454.89)	(8,558.89)
BUNZL PLC	(2,438.00)	GBP	(51,417.42)	(1,091.61)
BURBERRY GROUP PLC	22,351.00	GBP	334,594.47	16,899.30
BUREAU VERITAS SA	(36,685.00)	EUR	(675,370.85)	(21,379.72)
CAIXABANK S.A	(49,981.00)	EUR	(156,940.34)	(16,629.54)
CAPGEMINI	16,089.00	EUR	1,289,533.35	73,461.27
CARNIVAL PLC	(9,149.00)	GBP	(377,396.25)	(8,578.42)
CNH INDUSTRIAL NV	(15,672.00)	EUR	(129,529.09)	(2,300.38)
CNP ASSURANCES	(36,674.00)	EUR	(645,462.40)	(24,415.09)
COMMERZBANK AG	(8,453.00)	EUR	(61,250.44)	666.94
COMPAGNIE DE SAINT GOBAIN	(32,383.00)	EUR	(1,433,109.68)	(88,136.17)
CREDIT AGRICOLE SA	367,786.00	EUR	4,332,519.08	116,557.75
CREDIT SUISSE GROUP AG-REG	(6,422.00)	CHF	(93,825.42)	3,044.46

Notes to the Financial Statements as at December 31, 2016 (continued)

Note 6. Contracts for Difference (“CFDs”) and Receivable/payable on “Contracts for Difference” (continued)

EXANE FUNDS 2 - EXANE ZEPHYR FUND (continued)

As at December 31, 2016, the following CFDs were held with Morgan Stanley as counterparty with a collateral amount given of EUR 1,230,000.00 in cash (continued):

Name	Quantity Buy/(Sell)	Currency	Commitment EUR	Unrealised Gain/(Loss) (EUR)
CRH PLC	33,408.00	GBP	945,446.40	47,402.55
DAIMLER AG-REGISTERED SHARES	(10,015.00)	EUR	(708,260.80)	(61,519.86)
DANONE	(13,282.00)	EUR	(799,576.40)	8,551.49
DANSKE BANK A/S	(22,517.00)	DKK	(4,823,141.40)	(13,061.67)
DASSAULT AVIATION SA	939.00	EUR	996,842.40	25,893.07
DEUTSCHE BANK AG-REGISTERED	(15,076.00)	EUR	(260,061.00)	(32,675.51)
DEUTSCHE BOERSE AG	(1,238.00)	EUR	(94,607.96)	(3,808.30)
DEUTSCHE LUFTHANSA-REG	(47,796.00)	EUR	(586,456.92)	12,899.77
DEUTSCHE POST AG-REG	(36,914.00)	EUR	(1,153,008.83)	(50,348.00)
DEUTSCHE TELEKOM AG-REG	(106,526.00)	EUR	(1,742,232.76)	(87,938.29)
DIAGEO PLC	42,025.00	GBP	886,727.50	50,256.88
E.ON SE	(19,717.00)	EUR	(132,103.90)	(9,597.41)
EASYJET PLC	117,492.00	GBP	1,180,794.60	4,828.42
EIFFAGE	7,886.00	EUR	522,447.50	20,926.34
ENDESA SA	(3,275.00)	EUR	(65,909.39)	(1,804.88)
ENGIE	(11,686.00)	EUR	(141,634.32)	1,617.34
ESSILOR INTERNATIONAL	(1,561.00)	EUR	(167,573.35)	(2,826.19)
EULER HERMES GROUP	6,019.00	EUR	502,586.50	23,357.53
EXOR NV	(1,074.00)	EUR	(44,012.52)	156.59
EXPERIAN PLC	(7,064.00)	GBP	(111,187.36)	(4,173.47)
FERRARI NV	(1,240.00)	EUR	(68,572.00)	480.62
FERROVIAL SA	(5,955.00)	EUR	(101,205.23)	(1,484.31)
FIAT CHRYSLER AUTOMOBILES NV	(7,961.00)	EUR	(68,982.07)	402.03
FRESENIUS MEDICAL CARE AG &	(17,271.00)	EUR	(1,389,451.95)	(26,962.46)
GAS NATURAL SDG SA	(40,542.00)	EUR	(726,107.22)	(63,976.40)
GKN PLC	250,252.00	GBP	830,085.90	60,556.21
GLAXOSMITHKLINE PLC	(3,446.00)	GBP	(53,826.52)	(228.90)
GRIFOLS SA	(3,290.00)	EUR	(62,115.20)	(3,735.47)
HAMMERSON PLC	274,975.00	GBP	1,575,606.75	88,898.88
HEIDELBERGCEMENT AG	(16,302.00)	EUR	(1,444,846.26)	(59,989.03)
HEINEKEN NV	(10,805.00)	EUR	(769,964.30)	(398.29)
HENKEL AG & CO KGAA VORZUG	(1,249.00)	EUR	(141,449.25)	(5,238.32)
HENNES & MAURITZ AB-B SHS	(34,974.00)	SEK	(8,862,411.60)	747.35
HSBC HOLDINGS PLC	(226,372.00)	GBP	(1,487,037.67)	(3,174.74)
ILIAD SA	16,988.00	EUR	3,102,858.20	75,695.43
IMPERIAL BRANDS PLC	11,833.00	GBP	419,184.06	14,106.51
INDUSTRIA DE DISEÑO TEXTIL	(17,794.00)	EUR	(577,059.42)	(4,917.21)
INFINEON TECHNOLOGIES AG	(7,762.00)	EUR	(128,150.62)	(6,102.73)
INGENICO GROUP	2,856.00	EUR	216,684.72	(4,221.39)
INTESA SANPAOLO	(449,397.00)	EUR	(1,090,237.13)	(130,488.30)

Notes to the Financial Statements as at December 31, 2016 (continued)

Note 6. Contracts for Difference (“CFDs”) and Receivable/payable on “Contracts for Difference” (continued)

EXANE FUNDS 2 - EXANE ZEPHYR FUND (continued)

As at December 31, 2016, the following CFDs were held with Morgan Stanley as counterparty with a collateral amount given of EUR 1,230,000.00 in cash (continued):

Name	Quantity Buy/(Sell)	Currency	Commitment EUR	Unrealised Gain/(Loss) (EUR)
INTL CONSOLIDATED AIRLINE-DI	71,971.00	GBP	317,320.14	(8,444.07)
INTL CONSOLIDATED AIRLINE-DI	(16,597.00)	EUR	(85,126.01)	155.19
ITV PLC	424,902.00	GBP	876,997.74	76,324.21
JOHNSON MATTHEY PLC	31,652.00	GBP	1,007,166.64	32,904.96
JPMORGAN CHASE & CO	(546.00)	USD	(47,114.34)	(3,168.07)
JYSKE BANK-REG	(11,590.00)	DKK	(3,902,353.00)	(716.91)
KERING	1,632.00	EUR	348,105.60	11,857.74
KLEPIERRE	22,807.00	EUR	851,727.44	47,467.50
KONE OYJ-B	(2,758.00)	EUR	(117,408.06)	(2,075.29)
LAFARGEHOLCIM LTD-REG	(30,323.00)	CHF	(1,626,828.95)	1,021.26
LAND SECURITIES GROUP PLC	30,323.00	GBP	323,243.18	6,859.62
LEGAL & GENERAL GROUP PLC	265,057.00	GBP	656,281.12	14,918.76
LEGRAND SA	11,927.00	EUR	643,461.65	13,512.24
LEONARDO SPA	(6,283.00)	EUR	(83,815.22)	(2,807.37)
LLOYDS BANKING GROUP PLC	1,401,507.00	GBP	876,082.04	22,703.91
LOREAL	6,656.00	EUR	1,154,150.40	74,976.94
LUXOTTICA GROUP SPA	(1,687.00)	EUR	(86,205.70)	354.94
LVMH MOET HENNESSY LOUIS VUI	4,902.00	EUR	889,222.80	23,109.02
MEDIOBANCA SPA	(5,956.00)	EUR	(46,188.78)	409.18
MICHELIN (CGDE)	(748.00)	EUR	(79,063.60)	(3,360.20)
MUENCHENER RUECKVER AG-REG	(8,082.00)	EUR	(1,451,931.30)	(54,992.25)
NESTE OYJ	(12,319.00)	EUR	(449,643.50)	855.55
NOKIA OYJ	(42,735.00)	EUR	(196,068.18)	(22,496.12)
NOVARTIS AG-REG	(7,721.00)	CHF	(572,126.10)	554.84
ORANGE	(14,363.00)	EUR	(207,329.91)	(4,573.30)
ORPEA	(5,418.00)	EUR	(415,885.68)	(18,829.43)
PERNOD RICARD SA	6,447.00	EUR	663,718.65	3,048.01
PRUDENTIAL PLC	(25,747.00)	GBP	(419,032.44)	(10,527.72)
PUBLICIS GROUPE	(837.00)	EUR	(54,865.35)	(805.54)
RECKITT BENCKISER GROUP PLC	(10,506.00)	GBP	(723,443.16)	(15,058.58)
RED ELECTRICA CORPORACION SA	(34,540.00)	EUR	(619,129.60)	(35,293.49)
RENAULT SA	13,710.00	EUR	1,158,632.10	25,453.29
RIO TINTO PLC	(9,945.00)	GBP	(314,112.83)	(13,356.31)
ROLLS-ROYCE HOLDINGS PLC	(13,672.00)	GBP	(91,328.96)	1,173.49
ROYAL BANK OF SCOTLAND GROUP	(226,389.00)	GBP	(508,469.70)	(22,227.18)
ROYAL DUTCH SHELL PLC-A SHS	(3,034.00)	GBP	(68,037.45)	(1,381.22)
ROYAL DUTCH SHELL PLC-A SHS	(60,740.00)	EUR	(1,578,328.93)	(96,158.76)
ROYAL DUTCH SHELL PLC-B SHS	(36,110.00)	GBP	(850,029.40)	(53,081.59)
RSA INSURANCE GROUP PLC	88,853.00	GBP	520,678.58	44,764.61

Notes to the Financial Statements as at December 31, 2016 (continued)

Note 6. Contracts for Difference (“CFDs”) and Receivable/payable on “Contracts for Difference” (continued)

EXANE FUNDS 2 - EXANE ZEPHYR FUND (continued)

As at December 31, 2016, the following CFDs were held with Morgan Stanley as counterparty with a collateral amount given of EUR 1,230,000.00 in cash (continued):

Name	Quantity Buy/(Sell)	Currency	Commitment EUR	Unrealised Gain/(Loss) (EUR)
SAFRAN SA	(32,719.00)	EUR	(2,238,633.98)	(79,487.37)
SANDVIK AB	(7,233.00)	SEK	(815,159.10)	(1,065.75)
SANOFI	(8,450.00)	EUR	(649,805.00)	(10,258.75)
SAP SE	(28,112.00)	EUR	(2,327,954.72)	(49,907.15)
SCHNEIDER ELECTRIC SE	(7,881.00)	EUR	(521,012.91)	(21,322.92)
SCHRODERS PLC	55,660.00	GBP	1,668,686.80	140,256.80
SGS SA-REG	(52.00)	CHF	(107,744.00)	(978.00)
SHIRE PLC	12,139.00	GBP	568,590.76	10,118.27
SIEMENS AG-REG	(13,877.00)	EUR	(1,620,833.60)	(118,865.90)
SNAM SPA	(22,493.00)	EUR	(88,037.60)	(1,014.43)
SOCIETE GENERALE SA	(6,618.00)	EUR	(309,358.43)	(27,342.78)
STMICROELECTRONICS NV	(5,559.00)	EUR	(59,898.23)	5.00
SUEZ	46,770.00	EUR	655,481.57	35,579.75
SVENSKA HANDELSBANKEN-A SHS	(78,190.00)	SEK	(9,898,854.00)	12,049.98
SWEDBANK AB - A SHARES	(21,441.00)	SEK	(4,723,452.30)	(14,351.83)
SWISS RE AG	(936.00)	CHF	(90,324.00)	402.08
SYNGENTA AG-REG	(272.00)	CHF	(109,480.00)	1,543.42
TECHNIP SA	(10,460.00)	EUR	(709,292.60)	(5,861.79)
TELEFONICA SA	(1,230.00)	EUR	(10,848.60)	(10,848.60)
TENARIS SA	(44,619.00)	EUR	(757,184.43)	(26,382.63)
TERNA SPA	(12,980.00)	EUR	(56,488.96)	153.16
THALES SA	(705.00)	EUR	(64,951.65)	(1,253.09)
THYSSENKRUPP AG	(56,426.00)	EUR	(1,277,484.64)	10,459.39
TOTAL SA	31,005.00	EUR	1,510,563.60	101,761.59
UBS GROUP AG-REG	(10,928.00)	CHF	(174,301.60)	2,002.11
UNIBAIL-RODAMCO SE	(726.00)	EUR	(164,620.50)	(13,138.24)
UNICREDIT SPA	(58,391.00)	EUR	(159,640.99)	2,855.32
UNILEVER NV-CVA	(5,097.00)	EUR	(199,369.19)	(5,625.26)
VINCI SA	(20,587.00)	EUR	(1,331,978.90)	(44,499.48)
VIVENDI	(7,372.00)	EUR	(133,101.47)	(421.76)
VOESTALPINE AG	(12,270.00)	EUR	(457,548.30)	(17,597.16)
VOLKSWAGEN AG-PREF	(1,847.00)	EUR	(246,297.45)	(20,118.56)
VOLVO AB-B SHS	(10,475.00)	SEK	(1,114,540.00)	(4,503.36)
WHITBREAD PLC	9,060.00	GBP	342,105.60	31,798.26
WOLSELEY PLC	(1,856.00)	GBP	(92,094.72)	(421.49)
WORLDPAY GROUP PLC	(12,294.00)	GBP	(33,181.51)	(427.76)
ZODIAC AEROSPACE	34,631.00	EUR	755,475.35	26,496.19
ZURICH INSURANCE GROUP AG	(6,364.00)	CHF	(1,784,465.60)	(82,662.19)
				5,579.07

Notes to the Financial Statements as at December 31, 2016 (continued)

Note 6. Contracts for Difference ("CFDs") and Receivable/payable on "Contracts for Difference" (continued)

EXANE FUNDS 2 - EXANE ZEPHYR FUND (continued)

As at December 31, 2016, the following CFDs were entered with JP Morgan as counterparty. There is no collateral for these positions:

Name	Quantity Buy/(Sell)	Currency	Commitment EUR	Unrealised Gain/(Loss) (EUR)
AMAZON.COM INC	(52.00)	USD	(38,993.24)	34.51
APPLE INC	(696.00)	USD	(80,610.72)	(3,497.32)
BERKSHIRE HATHAWAY INC-CL B	(285.00)	USD	(46,449.30)	(1,496.94)
BOEING CO/THE	(5,913.00)	USD	(920,535.84)	(28,703.07)
EXXON MOBIL CORP	(541.00)	USD	(48,830.66)	(1,518.23)
FACEBOOK INC-A	(348.00)	USD	(40,037.40)	1,111.88
GENERAL ELECTRIC CO	(1,344.00)	USD	(42,470.40)	(1,070.36)
JOHNSON & JOHNSON	(409.00)	USD	(47,120.89)	(1,516.18)
MICROSOFT CORP	(1,015.00)	USD	(63,072.10)	(1,809.15)
				(38,464.86)

As at December 31, 2016, the following CFDs were entered with Crédit Suisse as counterparty. There is no collateral for this position:

Name	Quantity Buy/(Sell)	Currency	Commitment EUR	Unrealised Gain/(Loss) (EUR)
BOEING CO/THE	(728.00)	USD	(113,335.04)	951.21
				951.21
Net unrealised depreciation on "Contracts for Difference"				(31,934.58)

The caption 'Receivable/payable on Contracts for Difference' is composed as follows:

EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE

	Receivable	Payable
Interest on CFDs	-	54,914.45
Dividends on CFDs	133,628.01	-
Amounts realised on CFDs	-	277,480.34
Total	133,628.01	332,394.79

EXANE FUNDS 2 - EXANE ZEPHYR FUND

	Receivable	Payable
Interest on CFDs	-	42,537.69
Dividends on CFDs	52,815.60	96,325.70
Amounts realised on CFDs	-	987,575.07
Total	52,815.60	1,126,438.46

Note 7. Changes in the composition of the securities portfolio

A list of the changes made to the composition of the portfolio is made available to Shareholders free of charge at branches of the custodian bank and at the SICAV's registered office.

Notes to the Financial Statements as at December 31, 2016 (continued)

Note 8. Fixed management fees of underlying funds as at December 31, 2016

EXANE FUNDS 2 - EXANE CRISTAL FUND

Investment Funds	% Max p.a.
Exane Funds 1 Archimèdes Fund Class A	1.50%
Exane Funds 1 Archimèdes Fund Class C	0.30%
Exane Funds 1 Ceres Class A	1.50%
Exane Funds 1 Ceres Class C	0.30%
Exane Funds 1 Multi-Sector Fund Class C	0.30%
Exane Funds 1 Mercury Class A	1.50%
Exane Funds 1 Mercury Class B	2.00%
Exane Funds 1 Mercury Class C	0.30%
Exane Funds 1 Templiers Class A	1.50%
Exane Funds 1 Templiers Class C	0.30%
Exane Gulliver Fund Part C	0.30%
Exane Gulliver Fund Part I	1.20%
Exane Vauban Fund Part C	0.30%
Exane Vauban Fund Part I	1.50%

Note 9. Exchange rates as at December 30, 2016

1 EUR =	1.072000 CHF	1 EUR =	9.079000 NOK
1 EUR =	7.435550 DKK	1 EUR =	9.582000 SEK
1 EUR =	0.853600 GBP	1 EUR =	1.054750 USD

Note 10. Transaction costs

The transaction costs which are defined as: stamp duty, brokerage fees, stock exchange fees and VAT, are the costs incurred by the SICAV in connection with purchases or sales of transferable securities, money market instruments, derivatives or other eligible assets.

Transaction costs included in the acquisition cost of the securities or in the gains/losses realised on portfolio are:

	EUR
- EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE	411,606
- EXANE FUNDS 2 - EXANE CRISTAL FUND	-
- EXANE FUNDS 2 - EXANE PRIME TECHNOLOGY FUND	60,043
- EXANE FUNDS 2 - EXANE ZEPHYR FUND	424,842

Note 11. Swaps contracts

As at December 31, 2016, the following total return swaps contracts were entered:

EXANE FUNDS 2 – EXANE CRISTAL FUND

To receive	To pay	Maturity date	Currency	Counterparty	Notional	Unrealised appreciation/ (depreciation) (EUR)
Exane Funds 1 Ceres Class A	Floating	28/03/2017	EUR	Exane Derivatives	27,900,103.53	(3,521.85)
Exane Gulliver Fund Class I	Floating	28/03/2017	EUR	Exane Derivatives	16,627,699.44	42,232.00
Exane Funds 1 Archimedes Fund Class I	Floating	28/03/2017	EUR	Exane Derivatives	23,693,851.86	(37,562.99)
						1,147.16

There is no collateral in place for these contracts.

Notes to the Financial Statements as at December 31, 2016 (continued)**Note 12. Forward foreign exchange contracts**

As at December 31, 2016, the sub-fund EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE held positions in forward foreign exchange contracts. The counterparty for these positions was:

Counterparties	Collateral Received (Given)
Crédit Agricole	(1,428,000.00)

As at December 31, 2016, the sub-fund EXANE FUNDS 2 - EXANE CRISTAL FUND held positions in forward foreign exchange contracts. There is no collateral for these positions.

As at December 31, 2016, the sub-fund EXANE FUNDS 2 - EXANE ZEPHYR FUND held positions in forward foreign exchange contracts. The counterparty for these positions was:

Counterparties	Collateral Received (Given)
Crédit Agricole	(9,000.00)

Note 13. Reverse Repurchase agreements

Reverse repurchase agreements are classed as lending transactions secured by underlying securities. These are transactions in which the seller transfers ownership of securities to another person (the buyer), and in which the seller and the buyer respectively and irrevocably undertake to repurchase and return the securities at a specified price and date.

As at December 31, 2016, reverse repurchase transactions involving transferable securities were concluded for an amount of:

	Amount (EUR)	Counterparty
EXANE FUNDS 2 - EXANE ZEPHYR FUND	1,399,997.07	EXANE DERIVATIVES

Note 14. Reimbursement of withholding taxes on foreign securities Information to holders in the annual account 2016**1/ Repayment amount actually received:**

Following the complaint brought by the management company for the repayment of withholding taxes on dividends received from foreign corporations for funds domiciled in Luxembourg, the following sub-fund were actually reimbursed for the following amounts in euros.

Sub-Fund	Amount received in EUR	Perimeter
EXANE FUNDS 2 - EXANE CRISTAL FUND	46,574.23	France / Years 2009-2013

This amount is included in the statement of operations and changes in net assets in "Other Income".

Unaudited Information

Information of the remuneration policy of the Management Company

Details of the current remuneration policy of the management company are available on the internet site of Exane Asset Management at: www.exane-am.com/sites/default/files/eamdocs/EAM-PR.pdf.
A hard copy can be obtained on request free of charge.

Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse.

1/ General information:

a) Market value amounts and amounts as a % of the sub-funds' NAV by transaction type:

CFD	Unrealized gain/loss	NAV 31/12/2016	Unrealized gain/loss %
EXANE FUNDS 2 - EXANE EQUITY SELECT EUROPE	533,997.10	470,342,101.09	0.11%
EXANE FUNDS 2 - EXANE ZEPHYR FUND	(31,934.58)	87,921,040.15	(0.04%)

Reverse Repurchase Agreement	Unrealized gain/loss	NAV 31/12/2016	Unrealized gain/loss %
EXANE FUNDS 2 - EXANE ZEPHYR FUND	1,399,997.07	87,921,040.15	1.59%

SWAP	Unrealized gain/loss	NAV 31/12/2016	Unrealized gain/loss %
EXANE FUNDS 2 - EXANE CRISTAL FUND	1,147.16	300,870,241.87	0.00%

2/ Concentration data:

a) Top 10 issuers of listed equities used as collateral relating to financial transactions:

There were no equity collateral transactions relating to the Exane Funds 2 SICAV in 2016.

b) Top 10 counterparties in securities lending-borrowing and swap transactions:

- i. Reverse Repurchase Agreement: see Note 13 "Reverse repurchase agreements" of the financial statements
- ii. CFD: see Note 6 "Contracts for Difference ("CFDs") and receivable/payable on 'Contracts for Difference'" of the financial statements

3/ Aggregate transaction data:

	CFD	Reverse Repurchase Agreement	SWAP
Type and quality of collateral			
cash	Yes	N/A	Yes
securities	N/A	N/A	N/A
Currency of the collateral			
cash*	EUR	N/A	EUR
securities	N/A	N/A	N/A
Maturity Tenor			
cash	N/A	N/A	N/A
securities	N/A	N/A	N/A
Country in which the counterparty are established			
cash	France and the UK	N/A	France and the UK
securities	N/A	N/A	N/A
Settlement and clearing			
cash	bilateral settlement	N/A	bilateral settlement
securities	N/A	N/A	N/A

* see Note 6 "Contracts for Difference ("CFDs") and receivable/payable on 'Contracts for Difference'" of the financial statements

Unaudited Information (continued)**4/ Data on reuse of collateral:**

- a) Listed equities: none of the sub-funds reuse listed equities received as collateral in relation to the temporary acquisition of financial instruments.
- b) Cash collateral may be*:
 - i. deposited
 - ii. invested in high-quality government bonds
 - iii. used in reverse repurchase agreements with delivery of securities
 - iv. invested in short-term money market undertakings for collective investment (UCI)

**the threshold of the reuse is not disclosed in the prospectus*

5/ Safekeeping of collateral received:

All the assets received as collateral are deposited with our custodian BNP Securities Services, Luxembourg branch, 60 avenue JF Kennedy L -1855 Luxembourg, Luxembourg.

6/ Safekeeping of collateral provided:

The cash provided as collateral to the counterparties of the sub-funds is held by these entities with no segregation.

7/ Cost and return data:

- a) The costs and returns relating to the temporary acquisition of listed equities, derivative transactions such as contracts for difference (CFD) or swap contracts are fully payable to the sub-fund as disclosed in the financial statement, section "Statement of Operations and Changes in Net Assets" under caption "transaction cost".
- b) Any operating fees related to such transactions come under the fees charged by the sub-funds' investment service providers, as stipulated in section 10 "Fees borne by the sub-fund", sub-section "Investment service providers" in the supplement for each sub-fund of the prospectus

