HiQ Invest B.V.

Annual Report for the year ended 31 December 2014

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Profile and key figures

Profile

HiQ Invest B.V. (the Company) is authorised by the financial supervisory authorities in The Netherlands to act as an investment fund manager (beheerder) and accordingly has been granted a license under the Dutch act on financial supervision (Wft). The financial supervisory authorities have licensed the Manager on 3 November 2006 based on article 2:67 Wft and from 17 June 2014 also based on article 2:69c.

The Company manages the following investment funds:

- HiQ Invest Fundamental Value Fund (AIF);
- HIQ Invest Market Neutral Fund (AIF);
- FundShare Umbrella Fund (AIF); and
- FundShare UCITS Umbrella Fund (UCITS).

Together hereafter: the “Funds”.

The Company has been founded on August 9, 2006, having its statutory seat in Amsterdam, and registered in the Chamber of Commerce and Industry in Amsterdam under number 34252934.

Key figures overview

Key figures	2014	2013	2012	2011	2010
Net turnover	**2,335,102**	**3,718,301**	**1,489,698**	**1,812,396**	**941,816**
Cost of sales	26,291	119,655	45,942	55,440	63,388
Gross margin on turnover	**2,308,811**	**3,598,646**	**1,443,756**	**1,756,956**	**878,428**
Operating expenses	**2,373,717**	**2,140,147**	**1,235,638**	**1,436,804**	**906,590**
Operating result	**-64,906**	**1,458,499**	**208,118**	**375,592**	**-28,162**
Net result	**-17,979**	**1,261,948**	**189,109**	**279,708**	**-4,720**
Average employees during the financial year (FTE)	10.26	8.13	6	6.05	5
End of the financial year (head count)	13	8	6	6	7

Directors' report

The directors of the Company hereby present the financial statements for the financial year ended on 31 December 2014.

Financial and Operating Review

Revenues, expenses and results after tax

Net turnover

The Company's most important source of income is derived from management of the Funds.

The net decrease in net turnover from EUR 3,718,301 to EUR 2,335,102 is due to:

- Higher management fees: this year the management fees amount to a total of EUR 1,434,120 (2013: EUR 1,104,551). The increase is mainly due to the growth in average assets under management during the period under review of 65% in the HiQ Invest Market Neutral Fund, and the growth of 118% in the FundShare Umbrella Fund and the FundShare UCITS Umbrella Fund.
- Lower performance fees: for HiQ Invest Market Neutral Fund performance fees of a total of EUR 538,575 (2013: EUR 2,127,393) were charged.

Expenses

The total operating expenses have increased with EUR 234 thousand compared to 2013, caused mainly by increased staff costs, accountants- and consultancy costs, marketing and IT infrastructure costs.

Result after tax

The result after tax amounted to EUR 17,979 negative (2013: EUR 1,261,948 positive).

Results of the managed Funds

HiQ Invest Market Neutral Fund

HiQ Invest Market Neutral Fund ended the year 2014 with a Net Asset Value ("NAV") of EUR 19.04 (2013: EUR 22.31) for the A-Class participations, EUR 18.99 (2013: EUR 22.42) for the B-Class participations, EUR 18.44 (2013: EUR 21.80) for the C-Class participations and EUR 18.12 (2013: EUR 20.71) for the D-Class participations, which resulted in a negative return in each asset class. The return in 2014 is +3.57% (D-Class). The assets under management in 2014 have decreased from around EUR 80 million to 66 million. This is mainly due to the negative performance in 2014 and the net outflow of around EUR 1.5 million.

HiQ Invest Fundamental Value Fund

During the reporting period from 1 January 2014 until 31 December 2014, the Net Asset Value has decreased from EUR 12.47 to EUR 12.26. This has resulted in a negative annual return of 1.73%. The cumulative return of the Fundamental Value Fund is 22.56%. The aggregated net annual return, since inception on the 1st of January 2007, is 2.57% (net of expenses).

FundShare Umbrella Fund

FundShare Umbrella Fund has been launched in 2012. The total assets under management, in this fund consisting of 19 active sub funds, per 31 December 2014 are EUR 126,352,948 (2013: EUR 37,165,467).

FundShare UCITS Umbrella Fund

FundShare Umbrella Fund has been launched in 2012. The total assets under management, in this fund consisting of 5 active sub funds, per 31 December 2014 are EUR 13,180,781 (2013: EUR nil).

Investments in IT Infrastructure

In order to manage the investments of the Funds the Company uses the latest technical resources and financial knowledge. Currently, it is possible to trade on 65 different exchanges. This is possible due to a well-developed IT infrastructure. The IT infrastructure is attained from HiQ Trading Software B.V., which is a subsidiary. During the past year again a lot of effort has been put to improve and expand this infrastructure. The further development of the infrastructure is an essential condition for the maintenance of the track record of the HiQ Invest Market Neutral Fund.

Personnel and organization

The staff has been expanded in 2014. Six new traders have been hired.

Financial and Operational Riskmanagement

Price risk

As a result of investments in equity-instruments in non-listed units in investment funds the Company is exposed to price risk is incurred. This risk is not actively hedged.

No other market or credit risks are applicable.

Legal structure

The Company is a 100% subsidiary of LPE Capital B.V. LPE Capital B.V. is a holding company and as such forms a group with its direct and indirect wholly owned operating companies (the “Group”). The following companies are part of the Group:

- LPE Capital B.V. (parent company and head of the Group);
- HiQ Trading Software B.V. (software- and ICT infrastructure development)
- DeGiro B.V. (investment company)
- ML Concepts B.V. (concept- developer internet pages):
    - Codern Venture SRL (Software development) (60%);
- FundShare Administrator B.V. (fund administrator);
- Stichting DeGiro (a securities giro/ custodian founded by DeGiro B.V.);
- Stichting DeGiro II (a securities giro/ custodian founded by DeGiro B.V.) and
- DAF Depositary B.V. (depositary of investment funds founded by FundShare Administrator B.V.)

Regulatory environment

Implementation AIFMD

The Alternative Investment Fund Managers Directive (AIFMD) took effect in 2013. The AIFMD imposes more detailed requirements on the management of investment funds. The Dutch legislature has translated these European rules into legislation in the Netherlands. These management requirements pertain to such matters as risk management, outsourcing and remuneration policy. In addition, investment funds must have a depositary that extensively monitors fund management execution. The new rules took effect on 21 July 2013. The Company has used the transitional year and has been in compliance with the new rules on 22 July 2014. The Company’s licence has been automatically converted into the AIFM licence on 22 July 2014.

UCITS license

The Company obtained a license in 2014 from the AFM to manage Undertakings for Collective Investment in Transferable Securities (UCITS).

Management and Fund Governance

In-control statement

Our description of operations satisfies the requirements of the Dutch Financial Supervision Act (Wet op het financieel toezicht) and the Financial Enterprise (Regulation of Conduct) Decree (Besluit gedragstoezicht financiële ondernemingen Wft – Bgfo).

During the period under review, we assessed various aspects of the business operations. In the course of our work we did not find any indications that should lead us to conclude that the description of the structure of our operations as referred to in Section 121 of the Bgfo does not satisfy the requirements set out in the Financial Supervision Act and related regulations. Based on this we confirm, in our capacity as manager of HiQ Invest Market Neutral Fund, HiQ Invest Fundamental Value Fund, FundShare Umbrella Fund and FundShare UCITS Umbrella Fund, to have a description of the operations as referred to in Section 121 of the Bgfo which satisfies the requirements laid down in that Decree.

We have not become aware of any fact or other element that would make us believe that the operational structure was not carried out in an efficient way and in accordance with the description. We therefore state with a reasonable level of certainty that, that during the period under review, our operations have been carried out effectively and in accordance with the description.

Fund Governance

In 2010 the Company, as investment fund manager, implemented the Fund Governance Principles (“Code of Conduct”). This Code of Conduct is based on the formulated ‘Principles of Fund Governance’ by the Dutch Fund and Asset Management Association (DUFAS). The purpose of the Code of Conduct for fund managers is to guarantee control and integrity in their business operations and proper service as meant in the Wft. Through this means adding substance to the legal provisions of control and integrity in business operations as stated in the Wft, of which article 17, paragraph 5 of the BGfo is a further elaboration

In the Code of Conduct a distinction is made between 1) guidelines for the daily management tasks that give a further elaboration to the principle of preventing conflict of interest and acting in the interest of investors and 2) guidelines to guarantee compliance to the Code of Conduct within the organization of the fund manager. The Code of Conduct of DUFAS is designed in cooperation with the Ministry of Finance and the AFM. Through this Code of Conduct the Company provides interpretation to its governance policy. The full text of the Code of Conduct of the Company is published on the website: www.hiqinvest.nl

Outlook

Personnel

The team of traders and fund managers has expanded again during the reporting period. We are currently working with a team of over 15 people (employees of the affiliated group companies) on the performance of the investment funds that are managed by the Company. This number is expected to increase in the years to come, at a rate of growth equal to the equity under management.

Investments and Financing

Next to investments in human capital, the Company will invest further in the servers and computers which have to improve the automatic execution and processing of investment transactions further. The Company is completely financed with equity and it is expected to remain that way for the next couple of years. Aforementioned investments will be financed out of retained earnings.

Inflow of investment funds

The forecasts of the Company are closely related to the development of the assets under management in the four managed investment funds.

- ***HiQ Invest Market Neutral Fund***

  The expected net outflow for 2015 is EUR 30 million.

- ***HiQ Invest Fundamental Value Fund***

  The strategy of the last couple of years will remain unchanged in 2015. The expected new inflow is EUR 0, 5 million.

- ***FundShare Umbrella Fund***

  The expected new inflow in the funds of FundShare Umbrella Fund for 2015 is EUR 50-100 million.

- ***FundShare UCITS Umbrella Fund***

  The expected new inflow in the funds of FundShare UCITS Umbrella Fund for 2015 is EUR 50-100 million.

Based on the above, the management is confident about the near future and assumes that 2014 will show a positive result for the Company. Finally, we express our appreciation for the efforts made by all the people who are involved in our activities.

Amsterdam, 30 April 30 2015

dr. Ir. J.H.M. Anderluh
Director

drs. N.J. Klok CFA
Director

Financial statements 2014

Balance sheet as of 31 December 2014

(Amounts in EUR, before appropriation of result)

Assets	Notes	31/12/2014		31/12/2013	
Fixed assets	**5**				
Tangible fixed assets	5.1	195,591		155,064	
			195,591		**155,064**
Current assets	**6**				
Receivables from group companies	6.1	3,350,494		2,894,473	
Trade and other receivables	6.2	150,994		248,999	
Investments in unlisted equity securities	6.3	276,791		751,351	
Cash and cash equivalents	6.4	173,174		188,716	
			3,951,453		**4,083,539**
Total Assets			**4,147,044**		**4,238,603**

Equity & Liabilities	Notes	31/12/2014		31/12/2013	
Shareholders' equity	**7**				
Issued and paid up capital	7.2	18,000		18,000	
Share premium reserve	7.3	302,983		302,983	
Other reserves	7.4	713,333		0	
Unappropriated result	7.5	-17,979		1,261,948	
			1,016,337		**1,582,931**
Provisions	**8**				
Deferred tax liability		2,655		10,316	
Provision for deferred remuneration	8.1	78,711		158,631	
			81,366		**168,947**
Current liabilities	**9**				
Payables to group companies	9.1	2,644,053		1,979,623	
Accruals and other liabilities	9.2	405,288		507,102	
			3,049,341		**2,486,725**
Total Equity & Liabilities			**4,147,044**		**4,238,603**

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

Profit and loss account for the year ended 31 December 2014

Over the period 1 January - 31 December (Amount in EUR).

Profit and loss account	Notes	2014	2013
Net turnover	**11**	**2,335,102**	**3,718,301**
Cost of sales	12	26,291	119,655
Gross margin on turnover		**2,308,811**	**3,598,646**
	13		
Employee expenses	13.1	953,426	1,143,401
Depreciation tangible fixed assets	5.1	65,123	49,389
General and administrative expenses	13.2	1,355,168	947,357
Operating expenses		**2,373,717**	**2,140,147**
Operating result		**-64,906**	**1,458,499**
Changes in value of investments		31,175	42,183
Financial income and expenses		**31,175**	**42,183**
Result from ordinary activities before tax		**-33,731**	**1,500,682**
Corporate Income Tax	**14**	15,752	-238,734
Net result		**-17,979**	**1,261,948**

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

Notes to the 2014 financial statements

1 General

1.1 Activities

The Company, with its registered office in Amsterdam, is a 100%-owned subsidiary of LPE Capital B.V. in Amsterdam. The Company is registered at the Chamber of Commerce and Industry in Amsterdam known under registration number 34252934.The activities of the company consist of the management of four investment funds (hereinafter: the “Funds”), namely:

- HiQ Invest Fundamental Value Fund;
- HiQ Invest Market Neutral Fund;
- FundShare Umbrella Fund; and
- FundShare UCITS Umbrella Fund.

The Company has entered into separate agreements together with the depositary of these funds, for each Fund. The Funds offer investors the opportunity to participate in their risk capital. Under these agreements, the Company will be entitled to receive a fixed management fee on an annual basis for the Funds that will be calculated on a monthly basis over the net invested capital (net asset value) in these Funds. In addition, the Company could be entitled to receive a performance fee in case of outperformance. The performance fee is 25%[1] of the part above the highest historical net assets value to ever be reached (in case of the Market Neutral Fund) and 25% of each percentage point of outperformance relative to the specified benchmark (in case of the Fundamental Value Fund). Both these performance fees are calculated on the basis of a “high water mark” principle.

1.2 Financial supervision

The Company is regulated by The Netherlands Authority of the Financial Markets (“AFM”) and the Dutch Central Bank (“DNB”). The Company is a fund manager with a license to manage both UCITS and AIFMD investment funds.

1.3 Related parties

The Company’s management and the parties identified below are classed as related parties as referred to in the Guidelines for Annual Reporting (RJ 330) and as related parties as set out in Section 1 of Bgfo.

1.3.1 Group companies

The following related parties are part of a group (hereinafter the Group):

- LPE Capital B.V. (parent company and head of the Group);
- DeGiro B.V. (investment firm);
- HiQ Trading Software B.V. (software- and ICT infrastructure development)
- HiQ Invest B.V. (fund manager)
- ML Concepts B.V. (concept- developer internet pages):
    - Codern Venture SRL (Software development) (60%);
- FundShare Administrator B.V. (fund administrator);
- Fundshare Asset Management B.V. (no activities to date)
- Stichting DeGiro (investment securities giro/ custodian founded by DeGiro B.V.);
- Stichting DeGiro II (investment securities giro/ custodian founded by DeGiro B.V.) and
- DAF Depositary B.V. (depositary of investment funds founded by FundShare Administrator B.V.)

[1] This performance fee is dependent on the type of investment class is invested in and may therefore vary.

1.3.2 Affiliated parties (Non Group Companies)

The following affiliated parties are not part of the Group:

- HiQ Trading and Liquidity Providing N.V. (an investment company founded by the depositary of HiQ Invest Market Neutral Fund); and
- HiQ TLP Hong Kong Limited (a Hong Kong based company founded by HiQ Trading and Liquidity Providing N.V.).

1.3.3 Transactions with related parties

The transactions with the related parties concern the intra group financing of working capital (in the balance sheet described as a receivable from or payables to group companies). Intra-group recharges have been accounted for regarding the intra-group use of employees, information technology, housing and other overhead costs.

1.4 Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements and accompanying notes. Estimates, by their nature, are based on judgment and available information. Therefore, actual results could differ materially from those estimates. If and insofar the in article 2:362 paragraph 1 of the Netherlands Civil Code ("BW") required insight is necessary, the nature of these judgements and estimates including the related assumptions are included in the notes to the relevant account balances.

1.5 Prior period adjustment

The Company has restated the results of the prior period due to a revision in the interpretation of facts and circumstances surrounding intercompany transactions previously accounted for as a gift towards a sister company. The prior period adjustment will better reflect the substance and rationale of the involved transactions. This sister company is part of the same fiscal unity - for corporate income tax and value added tax - as the Company. From this perspective the initial accounting approach did not have any corporate income nor value added tax consequences. The prior period adjustment takes into account, besides a restatement of operating expenses, an interim dividend declaration to the parent company and head of the fiscal unity.

The parent company has carried the operating expenses of the aforementioned sister company as a premium reserve deposit on the outstanding shares of that sister company. The prior period impact for the 2013 net result, due to the restatement of operating expenses, is equal to the interim dividend declared.

The impact of the adjustment to the comparative figures is as follows:

Adjustments comparative figures	
Equity financial statements 2013	**1,582,931**
Correction net result	525,358
Paid dividend	-525,358
Equity restated as of 31 december 2013	**1,582,931**
Net result financial statements 2013	**736,590**
Correction operating expenses	700,477
Impact correction corporate income tax	-175,119
Net result over 2013 restated	**1,261,948**

Overview adjustments	Financial statements 2013	Adjustment	Adjusted comparative figures
Share premium reserve	337,910	-34,927	302,983
Other reserves	490,431	-490,431	-
Unappropriated result	736,590	525,358	1,261,948
Accruals and other liabilities	566,634	-59,532	507,102
Payables to groupcompanies	1,979,623	59,532	2,039,155
General and administrative expenses	1,647,834	700,477	947,357
Incorporate income tax	63,615	-175,119	238,734

2 General principles regarding the valuation of assets and liabilities

2.1 General

2.1.1 Preparation of financial statements

The financial statements have been prepared in accordance with the legal provisions of Title 9, Book 2 of the Netherlands Civil Code, the Act on Financial Supervision ("Wft"), and in particular the Decree on Conduct of Business Supervision of Financial Undertakings under the Wft ("BGfo") and the decisive provisions of the Guidelines for Annual Reporting ("RJ"), issued by the Council for Annual Reporting.
The financial statements have been prepared on the basis of historical cost convention, unless otherwise stated. The financial statements are prepared in euros. To the balance sheet and the profit and loss account reference notes are included. These references refer to the notes. The financial year of the Company coincides with the calendar year.

2.2 Foreign currencies

2.2.1 Functional currency

The items in the financial statements are stated in consideration of the currency in the economic environment in which the Company performs its business activities (the functional currency). The annual financial statements are presented in euros (EUR); this is both the Company's functional and presentation currency.

2.2.2 Transactions, receivables and payables

Transactions denominated in foreign currencies executed during the reporting period are incorporated in the annual financial statements at the exchange rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at balance sheet date. Any exchange rate differences resulting from settlement and conversion are added or charged to the profit and loss account. Non-monetary assets that are stated at cost in a foreign currency are converted at the exchange rate prevailing at the transaction date (or an approximation of the rate). Non-monetary assets that are stated at the current value in a foreign currency are converted at the exchange rate prevailing at the date of determining the current value.

2.3 Recognition and derecognising of assets and liabilities

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

2.4 Fixed assets

2.4.1 Tangible fixed assets

Tangible fixed assets are valued at the purchase price less straight-line depreciation based on the expected economic (useful) life or lower realisable value.

The expected useful life is:

Tangible asset category	Depreciation term
Computers and software	5 years
Furniture	5 years

A tangible fixed asset is derecognised in the event of disposal or if no future economic benefits are expected from its disposal or use. Any gains or losses arising from its balance sheet derecognition (calculated as the difference between the net proceeds on disposal and the book value of the asset) are taken through profit or loss for the year in which the asset is derecognised. The residual value of the asset, its economic life and valuation principles are reviewed and if necessary adapted at the end of the financial year.

2.5 Current assets

2.5.1 Trade and other receivables

At initial recognition trade and other receivables are stated at fair value. After initial recognition receivables are valued at amortised cost less impairment losses (provision for bad debts). The amortised cost value equals the nominal value if there are no directly attributable transaction costs or premium/discounts applicable.

2.5.2 Receivables from (payables to) group companies

The intra group balances outstanding are recorded at their nominal value less a provision for doubtful items at year-end.

2.5.3 Investments in unlisted equity securities

Investments in unlisted equity instruments (units in investment funds) are stated after their initial recognition at fair value. The fair value of unlisted units in investments funds are calculated by reference to the underlying net asset values (NAVs) of each of the individual funds.

Positive changes in fair value are recognized directly in equity (revaluation reserve) until the time of realisation, to the extent that the result of the individual investment is cumulatively positive, less any provision for deferred taxes. Upon derecognition of the investment, the accumulated result recognised in equity is transferred to the profit and loss account. Any accumulated decrease in fair value to below purchase price is recognised in the profit and loss account under financial income and expenses.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances and call deposits with a maturity of less than twelve months. Debts in current accounts at banks are included in debts to credit facilities in current liabilities. Cash and cash equivalents are stated at nominal value.

2.7 Provisions

2.7.1 General

Provisions are made for legal or constructive obligations that exist at the balance sheet date, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be estimated reliably. Provisions are measured at the best estimate of the amounts necessary to settle. The provisions are stated at the nominal value of the expenditures that are to be required to settle the liabilities and losses. When an affiliated company reimburses the obligations, then this amount is settled in the current account between both group companies.

2.7.2 Provision for deferred remuneration

The provision for deferred remuneration refers to conditional performance based remuneration awards where the actual payment is deferred for a period of in principle three years and depends on the performance (net asset value) of the investment funds managed by the Company (the Funds). The change in value of the long-term employee awards directly related to the performance of the Funds is expressed in the calculation of the provision.

2.7.3 Provision for deferred tax liabilities

A provision is formed for deferred tax liabilities based on the temporary differences on the balance sheet date between the tax book value of assets and liabilities and the book value entered in these financial statements. Deferred tax liabilities are entered for all taxable temporary differences. The deferred tax liabilities are valued at nominal value.

2.8 Current liabilities

At initial recognition liabilities are stated at fair value. After initial recognition liabilities are valued at the amortized cost. The amortised cost value equals the nominal value if there are no directly attributable transaction costs or premium/discounts applicable.

3 General principle for recognition and measurement of income and expenses

Income and expense items are recognised in the period to which they relate, having due regard to the above accounting principles. Revenues are recognised if it is probable that their economic benefits will flow to the Company and the revenues can be reliably measured.

3.1 Net turnover

3.1.1 Management and other fees

Management and other fees represent management fees, operating fees performance fees and entry and exit fees.

3.2 Cost of sales

This relates to depositary and administration fees charged third party suppliers in connection to the funds managed by the Company.

3.3 Operating expenses

Under this item all operating expenses are included except form for excluding employee expenses and depreciation expenses of tangible fixed assets.

3.4 Financial income and expenses

Financial income and expenses comprises interest income and expenses on cash and changes in value of investment in unlisted equity securities.

3.5 Taxes

3.5.1 Corporate income tax (CIT)

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

If the carrying values of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences. A provision for deferred tax liabilities is recognised for taxable temporary differences.

3.5.2 Value added tax (VAT)

The Company is exempted from VAT with respect revenues generated from the management of investment fund. Due to this exemption a significant portion of invoiced VAT is irrecoverable. Expenses therefore include irrecoverable VAT.

3.5.3 Fiscal unity

The Company is part of a fiscal unity for corporate income tax and value added tax (VAT) purposes together with its parent company, LPE Capital B.V. and other group companies. Each of the companies recognises the pro rata portion of corporate income tax that the relevant company would owe as an independent taxpayer, taking into account the applicable tax facilities (innovation box).

4 Cash flow statement

Based on the fact that capital, directly or indirectly, is fully provided by a legal entity that prepares a comparable cash flow statement (RJ 360 104), the Company itself prepares no cash flow statement. These figures are included in the consolidated cash flow statements of LPE Capital B.V. The consolidated financial statements of LPE Capital B.V. will be filed with the Trade Register of The Netherlands.

Notes to the balance sheet

5 Fixed assets

5.1 Tangible fixed assets

Movement schedule tangible fixed assets	2014	2013
Opening balance 1 January	**155,064**	**120,727**
Investments	105,650	83,726
Depreciation	-65,123	-49,389
Closing balance 31 December	**195,591**	**155,064**

5.1.1 Breakdown per category

Category	Purchase value	Depreciation until 2013	Depreciation 2014	Book value
Furniture	125,345	-65,928	-22,700	36,717
Computers & software	305,577	-104,281	-42,422	158,874
Totaal	**430,922**	**-170,209**	**-65,122**	**195,591**

6 Current assets

6.1 Receivables from group companies

Receivables from group companies	2014	2013
Receivables from group companies	3,350,494	2,894,473
Total	**3,350,494**	**2,894,473**

The loan receivables in current account from group companies are not interest bearing. There are no arrangements in place regarding timing and magnitude of repayments or with respect to the security of these payments.

6.2 Trade and other receivables

The trade and other receivables can be specified as follows:

Trade and other receivables	2014	2013
Trade receivables	109,173	235,744
Prepayments	35,604	8,255
Other receivables	6,217	5,000
Total	**150,994**	**248,999**

6.3 Investments in unlisted equity securities

Investments in unlisted equity instruments	2014	2013
Investments in unlisted equity instruments	276,791	751,351
Total	**276,791**	**751,351**

The investments in unlisted equity instruments concerns investments in units of investments funds (AIF) managed by the Company itself. The units are priced against the validated net asset values per the balance sheet date.

6.3.1 Breakdown per category

Category breakdown	2014	2013
At free disposal	63,585	591,119
Linked to provision for deferred remuneration	207,879	160,232
Total	**276,791**	**751,351**

A large portion of the units held by the Company are used as a hedge against the provision for deferred remuneration. These units are therefore not at free disposal of the Company.

6.4 Cash and cash equivalents

The cash and cash equivalents can be specified as follows:

Cash and cash equivalents	2014	2013
Cash at banks	173,169	188,711
Cash in hand	5	5
Total	**173,174**	**188,716**

Cash at banks concern on-demand bank balances held with ABN AMRO Bank N.V. which are not restricted and at the Company's free disposal.

7 Shareholders' equity

The shareholders' equity can be specified as follows:

Equity	2014	2013
Share capital	18,000	18,000
Share premium reserve	302,983	302,983
Other reserves	713,333	-
Unappropriated result	-17,979	1,261,948
Totaal	**1,016,337**	**1,582,931**

7.1 Initial capital requirement and fixed overhead requirement

The Company as an UCITS as well as an AIF manager is faced with an initial capital requirement of EUR 125,000 and a fixed overhead requirement. The minimal required regulatory capital is equal to the higher of the initial capital of EUR 125,000 and the fixed overhead requirement (FOR).

7.1.1 Fixed overhead requirement (FOR)

The minimum amount of capital of a regulated investment manager, in any case amounts to 25% of the eligible fixed costs accounted for in the previous financial year. The FOR amounts to EUR 411 thousand in 2014.

7.2 Share capital

The authorised share capital amounts to EUR 18,000, divided in 900 ordinary shares, each with a nominal value of EUR 100. 180 shares are issued and paid-up. The shares are wholly owned (100%) by the parent company LPE Capital B.V.

7.3 Share premium

The movement in the share premium can be specified as follows:

Share premium	2014	2013
Opening balance 1 January	**302,983**	**337,910**
Dividend paid	-	-34,927
Closing balance 31 December	**302,983**	**302,983**

7.4 Other reserves

The movement in the other reserves can be specified as follows:

Movement schedule other reserves	2014	2013
Opening balance 1 January	**0**	**301,322**
Appropriation of result of prior year	1,261,948	189,109
Dividend paid	-548,615	-490,431
Closing balance 31 December	**713,333**	**0**

7.5 Unappropriated result

The movement in the unappropriated result can be specified as follows:

Movement schedule unappropriated result	2014	2013
Opening balance 1 January	**1,261,948**	**189,109**
Subtraction appropriated result	-1,261,948	-189,109
Unapropriated result	-17,979	1,261,948
Closing balance 31 December	**-17,979**	**1,261,948**

8 Provisions

8.1 Provision for deferred remuneration

Provision for deferred remuneration	2014	2013
Opening balance 1 January	**158,631**	**87,637**
Conditional award	-	67,500
Release/payment	-66,422	-2,059
Changes in value	-13,498	5,553
Closing balance 31 December	**78,711**	**158,631**

This entails conditional bonus awards which at subsequently linked to the changes in value of units in two investment funds managed by the Company. A deferral period of three years minimum is applicable. After this period the conditional bonus is paid out if the conditions are fulfilled.

The deferred bonus awards are fully funded through earmarked investments in units of the two funds just after at the granting date. Income tax payments on the deferred bonus amounts are due when the net deferred bonus amounts are actually paid to employees.

9 Current liabilities

9.1 Liabilities to group companies

Payables to group companies	2014	2013
Payables to group companies	2,644,053	1,932,917
Corporate income tax liability	-	106,238
Total	**2,644,053**	**2,039,155**

The loan payables in current account to group companies are not interest bearing. There are no arrangements in place regarding timing and magnitude of repayments or with respect to the security of these payments.

9.2 Accruals and other liabilities

Other accounts payable can be specified as follows:

Accruals and other liabilities	2014	2013
Trade creditors	152,624	282,094
Wage taxes, other taxes and social security contributions due	91,436	98,685
Accruals and other payables	161,228	126,323
Total	**405,288**	**507,102**

9.2.1 Wage taxes, other taxes and social security contributions due

Wage taxes, other taxes and social security contributi	2014	2013
Wage taxes and social security contributions	59,190	74,817
Value added tax	32,246	23,868
Total	**91,436**	**98,685**

10 Off balance sheet assets and liabilities

The off balance sheet items assets and liabilities are, if applicable, and unless otherwise stated valued at nominal value.

10.1 Contingent liability in a fiscal unity

The Company is part of a fiscal unity for corporate income tax and value added tax purposes with her parent company LPE Capital B.V. All group companies within this fiscal unity are jointly and severally liable for the tax obligations of the fiscal unity as a whole.

Notes to the profit and loss account

11 Net turnover

The revenue composition can be specified as follows:

Management and other fees	2014	2013
Management fees	1,434,120	1,104,551
Performance fees	538,575	2,127,393
Entry and exit fees	216,787	322,965
Operating fees	145,620	163,392
Total	**2,335,102**	**3,718,301**

12 Cost of sales

The cost of sales concerning outsourcing and other external costs with respect to the funds managed by the Company can be specified as follows:

Cost of sales	2014	2013
Service fee administrator	19,827	72,171
Service fee depositary	5,178	12,091
Other expenses	1,286	35,393
Total	**26,291**	**119,655**

13 Operating expenses

13.1 Employee expenses

Employee expenses	2014	2013
Salaries	620,092	631,089
Social security contributions	83,822	62,867
Other employee expenses	240,587	32,181
Wage tax reduction*	-42,336	-32,900
(Re)charged employee expenses	51,261	450,164
Total	**953,426**	**1,143,401**

*This reduction in the wage tax paid refers to a facility provided by the Research and Development Promotion Act (WBSO).

13.2 General and administrative expenses

General and administrtative expenses	2014	2013
Rent and service fees	89,880	108,819
Information and tradingsystems	463,680	342,594
Financial supervision	36,383	24,962
Audit and consultancy fees*	211,574	169,108
Marketing expenses	32,068	120,229
Other expenses	521,583	181,645
Total	**1,355,168**	**947,357**

** The Company has appointed Ernst & Young Accountants LLP as its Independent Auditor. The Independent Auditor's remuneration in 2014 consisted EUR 30.855 in audit fees (2013: KPMG - EUR 36,508). The Independent Auditor is engaged to perform the audit of the financial statements of the Company and the investment funds under its management. The Independent Auditor did not provide any non-audit services to the Company.*

14 Income tax expense

The components of taxable income and income tax expense are as follows:

Income tax expense	2014	2013
Result before taxes	**-33,731**	**1,500,682**
Permanent differences	-15,218	-14,020
Permanent differnces (innovation box)	0	-266,515
Temporary differences	16,584	24,978
Taxable income (loss)	**-32,364**	**544,648**
Current income tax expense	8,091	-119,917
Fiscal result (loss)	**-24,273**	**424,731**
The components of income tax expense are as follows:		
Correction previous years	0	13,544
Current tax income (expense)	8,091	-295,036
Deferred tax income	7,661	10,242
Release deferred tax liability revaluation reserve	0	32,516
Total	**15,752**	**-238,734**

The statutory nominal corporate income tax rate is determined at the end of 2014 on 25% (2013: 25%) for profits above the amount of EUR 200,000 and 20% for profits below the amount of EUR 200,000 (2013: 20%).

15 Related parties

The related parties of the Companies have been listed in paragraph 1.3. The transactions with the identified related parties concern the intra group financing of working capital (in the balance sheet described as a receivable from or payables to group companies). Intra group recharges have been accounted for regarding the intra group use of employees, information technology, housing and other overhead costs. With respect to intercompany transactions a prior period adjustment has been made, refer to paragraph 1.5.

The tables below give an overview of outstanding balances with the Company's related parties at the balance sheet date.

Receivables from group companies	2014	2013
LPE Capital B.V.	3,350,494	2,894,473
Total	**3,350,494**	**2,894,473**

Payables to group companies	2014	2013
LPE Capital B.V.(corporate income tax)	-	106,238
FundShare Administrator B.V.	362,761	250,135
DeGiro B.V.	288,619	433,725
HiQ Trading Software B.V.	1,992,674	1,249,057
Total	**2,644,053**	**2,039,155**

16 Remuneration policies and practices

Based on the AIFMD the Company has remuneration policies and practices in place that:

- are consistent with and promote sound and effective risk management;
- do not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the alternative investment funds (AIFs) they manage;
- appropriate to their size, organisation and the nature, scope and complexity of their activities (concept of proportionality); and
- apply to all employees of the Company and affiliated group companies.

The Company has determined its remuneration policies and practices in accordance with the European Securities and Market Authority's (ESMA) "Guidelines on Sound Remuneration Polices under the AIFMD" which sets out guidance explaining how firms may comply with the annex II principles of the AIFMD.

16.1 Disapplication of requirements

Based on proportionality, the following AIFMD requirements have been dis-applied by the Company:

- Variable remuneration in instruments;
- Retention of variable remuneration;
- Deferral of variable remuneration;
- Ex post incorporation of risk with respect to awarded variable remuneration.

16.2 Effective remuneration practices

Even though the Company has dis-applied the above stated requirements based on proportionality, it has awarded in previous years deferred conditional bonuses. Next to that the Company has awarded performance related cash bonuses connected to the period under review.

The total fixed variable remuneration for the directors and other employees is shown in the table below:

Details remuneration 2014	EUR
Fixed remuneration	527,230
Variable remuneration	92,862
Which is paid in cash for an amount of	*92,862*
Which is defferred for an amount of	*0*
Total	**620,092**

16.3 Average number of employees

During 2014 an average number of 10.26 employees (including directors) were employed based on a full time employment (2013: 8.13).

16.4 Remuneration of directors

The directors of the Company were remunerated (fixed and variable) in total EUR 81.593 in 2014 (2013: EUR 117,068).

Amsterdam, 30 April 2015

Dr. Ir. J.H.M. Anderluh Director	Drs. N.J. Klok CFA Director

Other information

Statutory arrangement regarding the allocation of the result

In Article 14 of the Articles of Association, the following is included regarding the appropriation of the result: The corporate profit shown in the financial statements approved by the General Meeting of Shareholders – to the extent that the profit should not be used for the creation or maintenance of reserves prescribed by law – is at the disposal of the General Meeting of Shareholders, that decides regarding reservation or distribution of profits. The distribution of profits may only be made to a maximum amount, which exceeds the portion of equity that is issued and called part of the capital plus the legally held reserves.

Proposal for result appropriation 2014

The General Meeting of Shareholders will be asked to approve the following appropriation of the 2014 result after taxation (net result): a negative amount of EUR 17,979 to be subtracted from the other reserves. The result after tax for 2014 is included under unappropriated result in shareholders´ equity. During the year 2014 an amount of EUR 548.615 is paid as interim dividend.

Auditors´ report of the independent accountant

The auditors´ report is included on the next page of this annual report.

Subsequent events

There have been no events after the end of the financial year that give further information about the actual situation at balance sheet date or raise doubt regarding the assumption of continuity of the Company.

Independent auditor's report

To: the board of directors of HiQ Invest B.V.

Report on the financial statements

We have audited the financial statements 2014 of HiQ Invest B.V., Amsterdam, which comprise the balance sheet as at 31 December 2014, the profit and loss account for the year then ended and the notes, compromising a summary of the significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code and with the Dutch Act on Financial Supervision, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires 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 auditor's judgment, 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 auditor 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 management, 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 with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of HiQ Invest B.V. as at 31 December 2014 and its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code and with the Dutch Act on Financial Supervision.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, have been prepared in accordance with Part 9 of Book 2 of this code, and whether the information as required under section 2:392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, are consistent with the financial statements as required by section 2:391 sub 4 of the Dutch Civil Code.

The Hague, 30 April 2015

Ernst & Young Accountants LLP

signed by R. Bleijs