BNP PARIBAS INVESTMENT PARTNERS NEDERLAND N.V.

Annual Report 2016 – 31 December 2016

BNP PARIBAS INVESTMENT PARTNERS

The asset manager for a changing world

Contents

Report of the Board of Directors

General

BNP Paribas Investment Partners (BNPP IP) is the autonomous global asset management division of the BNP Paribas Group. BNP Paribas Investment Partners Nederland N.V. (the Company), wholly owned by BNP Paribas Investment Partners NL Holding N.V., acts, amongst others, as director and/or management company (*beheerder*) for Dutch Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs) (together: investment funds) and is entrusted with asset management activities for both institutional mandates and investment funds of BNP Paribas Investment Partners.

Year results 2016

With the objective to create a more efficient, transparent structure for BNPP IP in the Netherlands as well as to enhance more alignment with the global structure of BNPP IP, a legal demerger was implemented on 2 November 2015. As a consequence, the related revenues and expenses following this legal demerger are included in the Company's results as from the date of legal demerger. For 2015 the impact on the comprehensive income has been relatively small, because the contribution of the new business activities to the Company's result was only limited to the last 2 months of 2015, versus 12 months in 2016. This means that from a financial perspective reference will (often) be made to the legal demerger when comparing current year versus previous year figures.

Now, the Company's net result increased with EUR 0.8 million resulting in a loss of EUR 5.4 million compared to the same period in 2015.

In contradiction with previous years, the total assets under management (AuM) of the Dutch Fund range remained relatively stable at EUR 2.1 billion, excluding the liquidation of the ABN AMRO Beleggingsmodel Fondsen amounting to EUR 0.1 billion. Also on the Institutional side, the client base and AUM remained stable, but following the legal demerger the Company's net fee margin strongly increased generating both investment management fees and sales fees for the full year 2016.
On the cost side however, the impact of the legal demerger is visible within the administrative expenses which have strongly increased by EUR 33.5 million to EUR 45.8 million. This can be explained by the strong increase of recharges from BNP Paribas Investment Partners Netherlands N.V. (which, following the legal demerger, still acts as employer of Dutch BNP Paribas Investment Partners staff and service provider) in order to match the new fee-flows within the Company obtained by the legal demerger.

Compliance and Fund Governance

The Board of Directors paid significant attention to applicable laws and regulations, including the Act on Financial Supervision (*Wet op het financieel toezicht* or *Wft*). The Board of Directors assured that required amendments, where necessary, were made in a timely manner, in amongst others prospectuses, its Principles of Fund Governance (as available on the Company's website www.bnpparibas-ip.nl) and based on the requirements concerning sound business operations (as set out in the Wft) and other public information, internal procedures, organisation and guidelines.

Notable regulatory changes for the Company over 2016 include UCITS V, which was implemented in Dutch law (the Wft) as per 18 March 2016, Financial Markets Amendment Decree 2016, and the Market Abuse Regulation and the Market Abuse Directive.

DUFAS Asset Manager Code

As stated before, BNP Paribas Investment Partners is the asset management division of BNP Paribas Group. It is active in the Netherlands with the companies BNP Paribas Investment Partners Nederland N.V. and BNP Paribas Investment Partners Netherlands N.V. (jointly referred to as 'BNPP IP NL'), providing services to both private and institutional investors. Activities for private investors take the form of the distribution and management of investment funds, while services to institutional investors comprise management of investment mandates, fiduciary management and management of investment funds.

BNPP IP NL's activities form an integral part of the international asset management activities of BNP Paribas, and many processes therefore have an international dimension. In many countries, adequate knowledge of the client is for example already a condition for good asset management. Naturally, account is also taken of the customs and regulations that apply in the Netherlands.

BNPP IP NL is a member of and is actively participating in DUFAS, the Dutch Fund and Asset Management Association. DUFAS adopted the Asset Manager Code in 2014 *(Code Vermogensbeheerders)*, setting out ten General Principles for asset managers.

The main focus of the General Principles is on putting the interests of asset management clients first, good governance on the part of asset managers and investment funds and a high degree of transparency in respect of returns and costs. BNPP IP NL endorses these principles and renders account annually on how it has applied them. We refer to the website (www.bnpparibas-ip.nl/DUFAS Code Vermogensbeheerders) for the feedback from BNPP IP NL for the year 2016.

Strategy, products and services

As described above, the Company operates as management company for a range of UCITS and AIFs.

With effect from 18 March 2016, the effective date of the UCITS V directive, UCITS that are listed in the Netherlands, such as BNP Paribas Fund III N.V. and BNP Paribas OBAM N.V., had to appoint a depositary. The Company appointed the Amsterdam branch of BNP Paribas Securities Services S.C.A. as the depositary of BNP Paribas Fund III N.V. and BNP Paribas OBAM.N.V. with effect from 18 March 2016.

The depositary performs the main activities assigned to it by law, being: (i) supervising the Company by ensuring that the Company performs its duties in accordance with the prospectus, articles of association and prevailing legislation and regulations; (ii) monitoring and verifying the cash flows of the UCITS; and (iii) holding in custody the assets of the UCITS.

From the perspective of transparency and simplicity, the Company has presented maximum premium and discount percentages in the prospectus of the investment funds rather than fixed percentages. The Company announces the actual percentages on its website. This has been effectuated for BNP Paribas Fund III N.V. and BNP Paribas OBAM N.V. as per 18 March 2016 and for BNP Paribas Fund I N.V. as per 13 June 2016.

A stricter definition of the investment objective and/or investment policy applies from 18 March 2016 for BNP Paribas OBAM N.V. and the sub-funds BNP Paribas Netherlands Fund, BNP Paribas Global Property Securities Fund, BNP Paribas Property Securities Fund Europe and BNP Paribas High Income Equity Fund. Amongst others the goal of achieving a higher return than the reference benchmark over the medium term through active management was added. These changes in formulation did not lead to any changes in the portfolios or in the day-to-day portfolio management.

On 25 November 2016 BNP Paribas Garantie Klik Fonds 80%, the last sub-fund of BNP Paribas Fund IV, and consequently BNP Paribas Fund IV have been liquidated based on a decision of the Company and Stichting Bewaarder BNP Paribas Beleggingsfondsen NL (Stichting Bewaarbedrijf). The reasons for this liquidation were the very limited size of asset under management of BNP Paribas Garantie Klik Fonds 80% and the continuing decrease of outstanding participations.

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For similar reasons the six sub-funds of ABN AMRO Beleggingsmodel Fondsen and consequently ABN AMRO Beleggingsmodel Fondsen itself have been liquidated on 9 December 2016 based on a decision of the Company and Stichting Bewaarbedrijf. Five of the six sub-funds were very limited in size and the number of outstanding participations of all sub-funds continued to decrease.

Internal control framework and risk assessment policies

Although the Company is not significantly exposed to risks from financial instruments, market movements may impact financial results as net income from fees is closely related to the underlying net asset value of the investment funds while administrative expenses are only up to a certain extent related to movements in net asset value. Furthermore, the performance of the Company might be affected by redemptions by investors of our investment funds, changes in strategy by our distribution partners and negative sentiment in the market in general.

The Board of Directors of the Company is responsible for the day-to-day management, but daily operations are outsourced to other BNP Paribas Investment Partners entities and external parties. The Board has designed policies, procedures and structures as well as reporting lines to monitor outsourced activities, to control operational activities and to identify risks. The internal control framework has been designed to achieve the Company's goals by effectively mitigating, evaluating and monitoring risks. Within this framework, the Compliance department ensures overall compliance with applicable laws and regulations. The department of Operational Risk and Control assures the accuracy of the internal control measures and administration descriptions. During this financial year and as far as the Board of Directors is aware, the Company has effectively operated under the system of Internal Control.

Remuneration policy

Information on remuneration policy, applicable during the financial year 2016, is available on request to the Company. In addition, descriptive information on the remuneration policy of the Company can be found on the website (www.bnpparibas-ip.nl/Beloningsbeleid). The quantitative information on remuneration is set out below.

Aggregate quantitative information for members of staff of the Company (*):

Business Area	Number of Staff	Total Remuneration (fixed + variable) x 1,000 EUR	Of which total variable remuneration x 1,000 EUR
Staff of the Management Company	130	14,932	3,578

** This concerns employees of BNP Paribas Investment Partners Netherlands N.V. deployed by the Company on the basis of an Intra-Group Resources agreement including employees managing AIFs of BNPP IP Group.*

Aggregate quantitative information for members of staff whose actions have a material impact on the risk profile of the firm(*) and who are indeed "Identified Staff":

Business Area	Number of Staff	Total Remuneration x 1,000 EUR
Identified Staff of the Company	17	2,971
Of which AIF Portfolio managers	8	1,056

** This concerns employees of BNP Paribas Investment Partners Netherlands N.V. deployed by the Company on the basis of an Intra-Group Resources agreement including employees managing AIFs of BNPP IP Group.*

Other information:

	Number of (sub)funds 31/12/2016	AuM at 31/12/2016 x 1 billion EUR
UCITS (sub)funds	10	1.999
AIFs (sub)funds	1	0.069

In 2016, no employees worked under the responsibility of the Company who received a total annual remuneration of EUR 1 million or more.

There was no carried interest payments to any of the Company's staff.

Outlook 2017

The structural negative margin on service fees minus provider costs for the Dutch funds range, plus the deficit between the fee income minus the recharges/ reinvoicing from other BNP Paribas Investment Partners, mainly BNP Paribas Investment Partners Netherlands N.V., puts the Company in a loss-making situation. To avoid possible issues with regard to the Company's minimum capital requirements, a capital increase of EUR 7.8 million via a contribution in kind was executed in March 2017. Going forward, the Company will closely monitor its shareholders' solvency and it is the intention of BNP Paribas Investment Partners NL Holding N.V. to (continue to) provide (if necessary) sufficient financial support to the Company for the year 2017.

The following changes were effectuated for (sub-funds) of BNP Paribas Fund III N.V.:

- With effect from 1 January 2017 non-euro investments in the investment portfolio of BNP Paribas High Income Property Fund are no longer fully hedged to the euro. The investment policy, the risk profile and the benchmark of the sub-fund have been updated to reflect this.
- On 17 March 2017 BNP Paribas Sustainable Europe Index Fund was merged with BNP Paribas Sustainable World Index Fund. Reason for this merger was the relatively small size of BNP Paribas Sustainable Europe Index Fund.
- With effect from 20 March 2017 the Company has implemented the possibility for BNP Paribas Fund III N.V. to use Stock Connect, a program which aims to achieve mutual stock market access between mainland China and Hong Kong. The intention is use this program for Chinese investments of the sub-funds BNP Paribas Global High Income Equity Fund and BNP Paribas Asia Pacific High Income Equity Fund.

No other changes in the Dutch fund range offered by the Company are currently foreseen for 2017.

With regard to the institutional business of the Company, European yield levels are one of the main topics in the institutional industry. Since expectations are that yield levels will remain low for quite some time, institutions are looking for ways to get a decent yield in their total portfolio. Further, risk management is a central theme due to poor funding ratio's amongst most institutions.
Within the industry we continue to see a shift from DB pension plans to DC schemes. The number of DB plans is still declining.

As per 3 January 2018, the Markets in Financial Instruments Directive (2004/39/EC) (MiFID II) will enter into force. In order for BNP Paribas Group to be compliant with MiFID II, various projects have commenced and will continue to be worked on throughout 2017.

The developments mentioned above are key elements for defining our strategy to focus more on industry wide pension funds, insurers and DC solutions. Finally, alternatives are a focus area for development.

Amsterdam, 26 April 2017

The Board of Directors:

J.L. Roebroek (Chairman)

M.P. Maagdenberg E.C. Stienstra C.J.M. Janssen

Report of the Supervisory Board

General

Pursuant to Article 17 (5) of the Decree on Conduct of Business Supervision of Financial Undertakings (*Besluit Gedragstoezicht financiële ondernemingen* or the Bgfo), the Company, an investment fund or the depositary must provide for independent supervision of the implementation of the policy and measures of the Company's organisation. With the DUFAS Principles of Fund Governance, the Dutch Fund and Asset Management Association (DUFAS) adopted a framework of rules implementing the statutory provisions in relation to sound business operations as referred to in Sections 4:11, 4:14 and 4:25 of the Act on Financial Supervision (*Wet op het financieel toezicht* or *Wft*), of which Article 17 (5) of the Bgfo constitutes a further amplification. The rules have been integrated into the Company's Principles of Fund Governance which have been published on www.bnpparibas-ip.nl.

Supervisory Board

In accordance with the Company's Principles of Fund Governance, a Supervisory Board was appointed in June 2009.

According to the Articles of Association of the Company, the Supervisory Board is responsible for supervising the policy of the Board of Directors and day-to-day affairs of the Company and its business. The Supervisory Board advises the Board of Directors. In the performance of their duties the members of the Supervisory Board shall be guided by the interests of the Company and its business. The main task of the Supervisory Board - pursuant to the Principles of Fund Governance - is to ensure that the Company acts in the interest of the participants which invest in the investment funds it manages (excluding BNP Paribas OBAM N.V., which has its own Supervisory Board), that conflicts of interests are appropriately addressed and that any risks are adequately controlled within the BNP Paribas Investment Partners organisation.

As per the date of signing of this report the Supervisory Board of BNP Paribas Investment Partners Nederland N.V. consists of three members:

- Mr. M. Diulius (appointed on 15 October 2012): Managing Director BNP Paribas Capital Partners;
- Mr. T.A. Rostron (appointed 1 January 2017): Managing Director Kroon Advisors Ltd.;
- Mr. D. Thielemans (appointed 1 April 2017): CEO and Country Head BNP Paribas The Netherlands.

Mrs. A.M.O. Verstraeten (appointed as per 26 August 2016) resigned as per 1 April 2017.

2016

In the year under review, the Supervisory Board held one meeting with the Board of Directors of the Company. Topics discussed during this meeting were, amongst others, the composition of the Supervisory Board, the corporate developments and strategy, the decisions and resolutions taken by the Board of Directors (such as the acceptance of the remuneration policy of the Company, the restructuring of the Dutch fund range (liquidations and mergers of Dutch investment funds)). Further, Finance related items as the results and the budgets for the Company and recurring items with regard to compliance reporting, outsourcing and (investment) risks, were discussed..

Amsterdam, 26 April 2017

The Supervisory Board:

M. Diulius T.A. Rostron D. Thielemans

Financial Statements

Statement of financial position

(after appropriation of result)

(x € 1,000)

	Notes	As at 31 December 2016	2015
ASSETS			
Non current assets			
Deferred tax assets	6	82	-
Current assets			
Trade and other receivables	7	16,108	23,242
Cash and cash equivalents	8	7,165	5,289
Property, Plant & Equipment (Net)	9	228	425
Total assets		**23,583**	**28,956**
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to the owners of the Company			
Share capital	10	225	225
Share premium	10	34,920	32,220
Other reserve		2	2
Retained earnings	11	(25,053)	(19,633)
		10,094	12,814
LIABILITIES			
Current liabilities			
Trade and other payables	12	13,489	16,142
		13,489	16,142
Total equity and liabilities		**23,583**	**28,956**

The notes on pages 14 to 34 are an integral part of these Financial Statements.

Statement of profit or loss and other comprehensive income

(x € 1,000)

	Notes	Year ended 31 December 2016	2015
Continuing operations			
Management and other fees	13	58,519	25,794
Distribution, sales and advisory costs	14	(19,894)	(21,728)
Income from fees - net		38,625	4,066
Administrative expenses	15	(45,841)	(12,306)
Operating result		(7,216)	(8,240)
Finance income and costs	16	(11)	1
Operating profit		**(11)**	**1**
Result before income tax		(7,227)	(8,239)
Current tax income / (expenses)	17	1,807	2,060
RESULT FOR THE YEAR		**(5,420)**	**(6,179)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(5,420)	(6,179)

Earnings per share

		2016	2015
Result attributable to the owners of the Company		(5,420)	(6,179)
Weighted average number of ordinary shares in issue		501	501
Basic earnings per share	18	(10.82)	(12.33)

The notes on pages 14 to 34 are an integral part of these Financial Statements.

Statement of changes in equity

(x € 1,000)

	Notes	Share Capital	Share Premium	Other Reserve	Retained Earnings	Total Equity
		Attributable to owners of the Company				
At 1 January 2015		225	15,402	2	(13,454)	2,175
Capital Contribution	**10**		16,818			16,818
Result distribution					(6,179)	(6,179)
Total comprehensive income		-	-	-	(6,179)	(6,179)
Dividend distribution in 2015	**19**				**-**	**-**
At 31 December 2015		**225**	**32,220**	**2**	**(19,633)**	**12,814**
At 1 January 2016		225	32,220	2	(19,633)	12,814
Capital Contribution	**10**		2,700			2,700
Result distribution					(5,420)	(5,420)
Total comprehensive income		-	-	-	(5,420)	(5,420)
Dividend distribution in 2016	**19**				**-**	**-**
At 31 December 2016		**225**	**34,920**	**2**	**(25,053)**	**10,094**

The notes on pages 14 to 34 are an integral part of these Financial Statements.

Statement of cash flows

(x € 1,000)

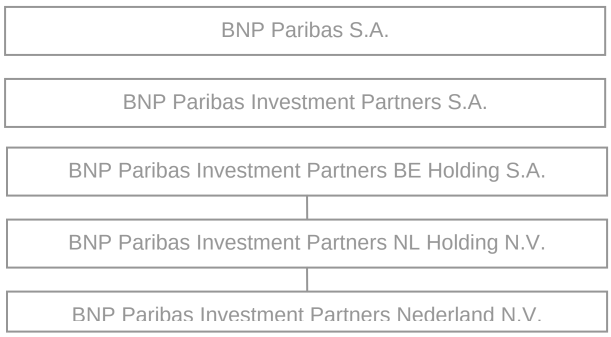
	Notes	Year ended 31 December 2016	2015
Operating activities			
Result before income tax		(7,227)	(8,239)
Adjustments to reconcile profit before income tax to net cash flows			
Cash / Non-cash:			
Finance income		11	(1)
Working capital adjustments:			
Decrease / (Increase) in Trade and other receivables		7,134	(13,002)
Decrease / (Increase) in Property, Plant & Equipment (Net)		197	(425)
(Decrease) / Increase in Trade and other payables		(2,653)	2,646
Income tax payable (within Trade Receivables - Transitory account)		1,725	2,060
Net cash flows from/ (used in) operating activities		(813)	(16,961)
Investing activities			
Interest received		(11)	1
Net cash flows from/ (used in) investing activities		(11)	1
Financing activities			
Capital Contribution (BNPP IP NL Holding NV)	10	2,700	9,600
Legal Demerger: transferred equity	10	-	7,218
Net cash flows from financing activities		2,700	16,818
Net increase/ (decrease) in cash and cash equivalents		1,876	(142)
Cash and cash equivalents at 1 January	8	5,289	5,431
Cash and cash equivalents at 31 December	8	7,165	5,289

The notes on pages 14 to 34 are an integral part of these Financial Statements.

Notes to the Financial Statements

1. Corporate information

BNP Paribas Investment Partners Nederland N.V. (the ‘Company’) is a public limited liability company with its registered office in Amsterdam, The Netherlands, and is a wholly-owned subsidiary of BNP Paribas Investment Partners NL Holding N.V. The Company was incorporated in The Netherlands on 30 December 1966. The organisation chart of the Group to which the Company belongs is as follows:



A more detailed Group structure is included in the registration document (*registratiedocument*) as published by the Company on its website (www.bnpparibas-ip.nl, under “Informatie Wet Financieel Toezicht”, “Beheerder”).

The Company acts, amongst others, as director and management company for Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs). Investment funds are registered with the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten* or *AFM*). The Company is subject to supervision of the Dutch Central Bank (*De Nederlandsche Bank* or *DNB*) and the AFM and holds licenses under the Act on Financial Supervision (*Wet op het financieel toezicht* or *Wft*). The company is registered at the Dutch Chamber of Commerce under Amsterdam Trade Register no. 33.179.578.

These Financial Statements of the Company were authorized for issue by the Board of Directors and Supervisory Board on 28 April 2017.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated. The Financial Statements are presented in Euros, which is also the functional currency of the Group to which the Company belongs, rounded to the nearest thousand, unless otherwise stated.

2.1 Basis of preparation

Statement of compliance

The Financial Statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), with Part 9 of Book 2 of the Dutch Civil Code (*Burgerlijk Wetboek*) and the Act on Financial Supervision (*Wet op het financieel toezicht* or *Wft*).

Basis of measurement

The Financial Statements have been prepared under the historical cost convention. All amounts reported in this annual report are stated in EUR (*1,000).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 4.

Following the current standards and interpretations, IFRS control criteria with regard to consolidation of investment funds are not met. As a result, investment funds are not consolidated. Current IFRS considerations indicate that consolidation of investment funds, which do not meet the IFRS control criteria, does not appear likely. Nevertheless, the Company will closely monitor the IFRS developments on this subject.

Tax status

As of 1 January 2015, the fiscal unity structure for value added tax purposes is no longer the same as the fiscal unity structure for corporate income tax purposes (see chapter 2.11). For value added tax, the Company is part of a fiscal unity together with BNP Paribas Investment Partners NL Holding N.V., BNP Paribas Investment Partners Netherlands N.V. and GroeiVermogen N.V. For corporate income tax, the Company, as well as BNP Paribas Investment Partners NL Holding N.V., BNP Paribas Investment Partners Netherlands N.V. and GroeiVermogen N.V., has become individual member of the new horizontal corporate tax group at the country level of BNP Paribas. Consequently, the BNPP IP NL's fiscal unity for corporate income tax ceased.

The measurement of current tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Corporate income tax is calculated and settled by using a standard rate which was 25% for 2015 and 2016.

Amendments to standards

a) New standards, amendments and interpretations applicable for 2016

Below is a list of new and revised IFRSs and amendments to IFRSs adopted by the EU that are mandatorily effective in EU for the year ending 31 December 2016:

- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception;
- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations;
- Amendments to IAS 1 Disclosure Initiative;
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation;
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants;
- Amendments to IAS 27 Equity Method in Separate Financial Statements; and
- Amendments to IFRSs Annual Improvements to IFRSs 2012-2014 Cycle.

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IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. Consequential amendments have also been made to IAS 28 to clarify that the exemption from applying the equity method is also applicable to an investor in an associate or joint venture if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value.
This standard is not applicable for the company.

IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding recognition of deferred taxes at the time of acquisition and IAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.
This standard is not applicable for the company.

IAS 1 Disclosure Initiative

The amendments were a response to comments that there were difficulties in applying the concept of materiality in practice as the wording of some of the requirements in IAS 1 had in some cases been read to prevent the use of judgement. Certain key highlights in the amendments are as follows:

- An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.
- An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material.
- In the other comprehensive income section of a statement of profit or loss and other comprehensive income, the amendments require separate disclosures for the following items:
  - the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassified subsequently to profit or loss; and
  - the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified subsequently to profit or loss.

The management of the Company has reviewed the effects following the application of these amendments to IAS 1 and do not anticipate that these will have a material impact on the financial statements.

IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit revenue-based depreciation for property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate for the same reasons as set out for the amendments to IAS 16 except in two limited circumstances.

Currently the Company uses the straight-line method for depreciation and amortisation of its property, plant and equipment. The management believes that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets. Accordingly the management of the Company do not anticipate that the application of these amendments to IAS 16 ad IAS 38 will have a material impact on the financial statements.

IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. In terms of the amendments, bearer plants can be measured using either the cost model or the revaluation model set out in IAS 16.

This standard is not applicable for the company.

IAS 27 Equity Method in Separate Financial Statements

The amendments focus on separate financial statements and allow the use of the equity method in such statements. Specifically, the amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- at cost,
- in accordance with IFRS 9 (or IAS 39 for entities that have not yet adopted IFRS 9), or
- using the equity method as described in IAS 28 Investments in Associates and Joint Ventures.

The same accounting must be applied to each category of investments.
The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it should account for the change from the date when the change in status occurs.
This standard is not applicable for the company.

Annual improvements to IFRS 2012-2014 cycle

The annual improvements to IFRS 2012-2014 cycle include a number of amendments to the following standards:

- Amendments to IFRS 5 *Non-current assets held for sale and discontinued operations*: changes in method for disposals;
- Amendments to IFRS 7 *Financial instruments - Disclosures*: “continuing involvement” for servicing contracts and offsetting disclosures in condensed interim financial statements;
- Amendments to IFRS 19 *Employee benefits:* discount rate in a reginal market sharing the same currency – e.g. the Eurozone; and
- Amendments to IAS 34 *Interim financial reporting:* disclosure of information “elsewhere in the interim financial report”.

The management of the Company does not anticipate that the application of these amendments will have a material impact on the financial statements.

b) New standards, amendments and interpretations applicable for the Company

At the date of authorisation of the financial statements there were a number of standards and interpretations which were in issue but not yet effective.

New forthcoming standards and amendments	Anticipated impact	Effective date
Recognition of Deferred Tax Assets for Unrealised Losses. (IAS 12)	Not applicable	January 1st 2017
Disclosure Initiative (IAS 7)	To be assessed	January 1st 2017
Revenue from contracts with customers (IFRS 15)	To be assessed	January 1st 2018
Financial instruments (IFRS 9)	To be assessed	January 1st 2018
Classification and Measurement of Share-based Payment Transactions (IFRS 2)	Not applicable	January 1st 2018
Leases (IFRS 16)	Not applicable	January 1st 2019
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (IFRS 10 and IAS 28)	Not applicable	Effective for annual periods beginning on or after a date to be determined.

Disclosure initiatives (Amendments to IAS 7)

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non￾cash changes. The amendments do not prescribe a specific format to disclose financing activities; however, an entity may fulfil the disclosure objective by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

The management of the Company will review the effects of the application of these new amendments in the financial statements.

Revenue from contracts with customers (IFRS 15)

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction contracts* and the related interpretation when it becomes effective.

The core principal of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The management of the Company will review the effects of the application of this new standard in the financial statements.

Financial instruments (IFRS 9)

In July 2014, the IASB finalised the reform of financial instruments accounting and issued IFRS 9 (as revised in 2014), which contains the requirements for a) the classification and measurement of financial assets and financial liabilities, b) impairment methodology, and c) general hedge accounting. IFRS 9 (as revised in 2014) will supersede *IAS 39 Financial Instruments: Recognition and measurement* upon its effective date.

The management of the Company will review the effects of the application of IFRS 9 in the financial statements.

2.2 Segment reporting

The Company has made use of the exemption under IFRS 8.2 which exempts entities, whose equity or debt are not publicly traded and which are not in the process of issuing equity or debt securities in public security markets, to disclose segment information.

2.3 Cash and cash equivalents

Cash comprises cash at banks, cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.4 Cash flow statement

The cash flow statement, based on the indirect method of calculation, gives details of the source of cash which became available during the year and the application of this cash over the course of the year. Profit before income tax has been adjusted for costs and income that did not result in any expense or revenues during the reporting year.

2.5 Share capital

Ordinary shares are classified as equity.

2.6 Earnings per share

Earnings per share are calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares in issuance during the year.

2.7 Trade receivables, trade payables

Trade receivables and trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. A provision for doubtful debtors is established when there is objective evidence that the Company will not be able to collect all amounts. The provision for doubtful debtors is assessed individually.

The following is the key assumption concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(a) Accrued distribution fees to third parties (trade payables) are at fair value. The bases of the carrying amount are described under 2.9 Revenue recognition.

2.8 Employee benefits

The Company does not employ any staff. The members of the Board of Directors and Supervisory Board of the Company are, except Mr. T.A. Rostron, employed by BNP Paribas Investment Partners Netherlands N.V. or another entity of the BNP Paribas Group.
Therefore, accounting policies for employee benefits are not applicable.

2.9 Revenue recognition

Income from fees - net

Income from fees - net comprises the fair value of the service rendered in the ordinary course of the Company's activities, net of management and other fees minus distribution, sales and advisory costs. The Company recognises income from fees in the accounting period in which the service is provided, the amount can be reliably measured, it is probable that future economic benefits will flow to or out the entity and specific criteria have been met for each of the Company's activities as described below.

Management fees and other fees

Management and other fees include service fees and performance fees, as well as fees earned for the investment management and sales activities performed. Management fees for the Dutch Funds range are calculated on the fund's month-end or monthly average net asset value using predetermined fee percentages, as disclosed in the fund's prospectus. The same principle applies for service fees that are charged to cover administrative, custody and other operational costs that include cost of auditors, registration, supervision and external reporting.
For the institutional client base, the management fees are calculated over the quarterly (average) net asset value. Next to the fees earned from the Company's Funds and clients the Company is also compensated by other BNP Paribas Investment Partners for its role in either managing (investment management fee) or selling (sales fee) foreign products.

Distribution, sales and advisory costs

Distribution cost, sales and advisory cost are costs which are payable to third parties and related parties. These costs are recorded when the services have been provided and can be based on, in agreements, predetermined percentages of the (average) management fee or (one of) the principles as defined in the Company's Transfer Pricing Policy (see note 5).
The actual distribution costs are calculated using the position statements provided by the (third-party) distributors, custodians or internally registered positions.
Finally, the accruals are based on the latest actual costs or on the latest information provided by custodians.

Finance income and costs

Interest income and costs are recognized on an accrual basis and are charged to the statement of profit or loss and other comprehensive income.

2.10 Costs

Costs are recognized on an accrual basis and are charged to the statement of profit or loss and other comprehensive income.

2.11 Income taxes

Income tax, based on the applicable standard rate, is recognized in the period in which the result arises.

Horizontal Tax Group

Effective as of 2015, the Company is part of the new BNP Paribas Netherlands fiscal unity for corporate income tax, headed by BNP Paribas Bank N.V. For that reason, the Company is jointly and severally liable for the tax liabilities of this fiscal unity. The corporate tax position with respect to the financial year will be settled with the head of the fiscal unity, as much as possible on the basis of the individual fiscal result and taking into account the allocation of the benefits of the fiscal unity to the various members of the fiscal unity, except in the case of a (consolidated) annual profit for the Dutch BNP Paribas Investment Partners entities. In this specific case, as the head of the former fiscal unity (BNP Paribas Investment Partners NL Holding N.V.) has a deferred tax asset, the Company's corporate tax receivable for 2016 will be settled with BNP Paribas Investment Partners NL Holding N.V. enabling the utilization the deferred tax asset of the former fiscal unity.

Following a name change in the course of 2016, BNP Paribas Finance B.V. is the new name of the head of the horizontal corporate tax group in 2016. Following a restructuring of BNP Paribas Corporate and Institutional Banking (becoming a branch of BNPP SA), a new consolidated corporate tax group has been put in place as of January 1st, 2017, headed by BNP Paribas SA, Netherlands branch.

2.12 Dividend distribution

Dividend distribution to the Company's shareholder is recognized as a liability in the Company's Financial Statements in the period in which the dividends are approved by the Company's shareholder.

3. Financial risk management objectives and policies

3.1 Financial risk factors

The Company has a limited number of financial instruments. Financial assets relate to trade receivables, other financial assets and cash and cash equivalents. Financial liabilities relate to trade payables. Both arise directly from the Company's operations. The Company does not use derivative financial instruments. The Company has designed policies, procedures and structures as well as reporting lines to monitor outsourced activities to control operational activities and to identify risks. Corporate policies & procedures are disclosed on the BNP Paribas Investment Partners intranet web site accessible for all BNP Paribas Investment Partners employees.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Trade and other receivables are related fees receivable from investment funds and Institutional clients for which the Company is the manager, plus receivables from internal parties in relation to Transfer Pricing (note 5). The Company uses the following risk weights for the most relevant items in the balance sheet:

0%	Taxes/ Seed Capital/ Private Equity Funds, IP S.A. Loan agreement, Balances held within BNP Paribas Group;
20%	Cash Balances (3rd Parties), Debtors in the Asset Management Business;
50%	Loans and Advances – Other Commercial Loans;
100%	Debtors/ Creditors.

Since 2013 the accrued management fees are considered as 0% risk and debtors in the Asset Management business are considered to be 20% risk weight. As the risk is therefore only applicable for Institutional clients, these receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. Furthermore, the Company has no positions which could lead to significant concentrations of credit risk. The maximum exposure is the carrying amount as disclosed in note 7.

With respect to credit risk related to cash and cash equivalents, the Company's exposure arises from default of the counterparty, which is BNP Paribas Fortis S.A/N.V., Netherlands branch, with a maximum exposure equal to the carrying amount disclosed in note 8.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company does not have open market positions and therefore, changes in market prices do not have any impact. However, changes in market prices might impact financial results due to the fact that net income from fees is closely related to the net asset value of the investment funds while administrative expenses are only to a certain extent related to movements in net asset value. The Company is not exposed to any material foreign exchange risks.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company monitors its risk to a shortage of funds on an ongoing basis. Due to the nature of its activities management and other fees are generally received prior to payment of distribution, sales and advisory fees thereby limiting the risk of a shortage of funds.

The interest rate risk is limited to the working capital and due to the fact the Company does not have any long-term loans the risk is considered to be remote.

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and to assure compliance with the capital requirements mentioned in the Wft. Reference is made to note 24 for details about the capital requirements under the Wft. The Company monitors its capital on an ongoing basis. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to its shareholder, return capital to its shareholder, its shareholder could make an informal capital contribution without the issuance of share or issue new shares.

3.3 Fair value estimation

The carrying amounts are assumed to approximate their fair values.

4. Critical accounting estimates and judgements

Estimates and underlying assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognized in the period in which the estimate is revised. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next year are outlined below.

Distribution costs

Distribution costs regarding institutional mandates/ investors are accrued monthly based on the latest actual costs or on the latest information provided by custodians. Normally the number of shares is communicated to/ obtained by the Company quarterly in arrears and might therefore, deviate from the number of shares used to determine the monthly accrual.

The distribution costs for 2016 can be split into EUR 0.7 million paid to third-party distributors that are exempt from the ban on retrocessions, because the third-party distributors are qualified as insurance companies. Following the liquidation of the ABN AMRO Beleggingsmodel Fondsen per 9 December 2016, the distribution fees are not paid anymore to these third-party distributors.

Another EUR 2.7 million has been paid to institutional mandates/ investors following the agreed discount on their investments in (one of) the Company's Investment Funds.

5. Transfer Pricing Policy

Following the integration of Fortis Investments into BNP Paribas Investment Partners in 2010, the implementation of a new consistent and fiscally robust transfer pricing policy - covering both revenues and costs - for the combined asset management activities was needed.

Effective as from 1 January 2011, assisted by KPMG/ Fidal, BNP Paribas Investment Partners defined and validated a new Transfer Pricing (TP) methodology, all documented in adherence with the OECD Guidelines and the new French transfer pricing documentation obligation. With becoming a provisional member of the European Economic Interest Grouping, as from 1 July 2011, the Company aims to further streamline the cross-border cost pooling and invoicing flows.

The revenue fee sharing is divided into two parts. With regard to the sales efforts (distribution), the management company remunerates the entity which sells the product based on a certain proportion of the earned management fees. As from 1 January 2012, this remuneration increased from 65% to 72% of the (average) management fees for investment Funds, except for (Luxemburg) I-shares for which the remuneration is 50%. For institutional clients/ mandates, the sales remuneration amounts to only 30% of the net management fee.

In respect of the asset management efforts, the entity which manages the product (investment centre) is entitled to receive remuneration based on "at arm's length" delegation to an external manager. This remuneration of the investment centre depends on the asset class as well as the assets under management.

In the scope of cost sharing the operational expenses are incurred within the departments Operations, Marketing, IT and Network Change Management & Strategy. Based on validated allocation keys (a.o. assets under distribution, users by IT-applications and number of portfolios) these costs are re-invoiced to the beneficiary entities of the BNPP IP Group.

6. Deferred tax assets

	2016	2015
Deferred tax assets	82	-

The deferred tax asset is related to the first time adaptation entries during 2016 following the differences between fiscal versus economic principles of the depreciation of fixed assets. Commercially, the fixed assets are depreciated over a period of 3 years to the maximum of the rental lease period (investments in building). The fiscal depreciation period is set on 5 years, which means that 20% is depreciated (linear method) taking into account a possible residual value. Only when a fixed asset is disposed earlier, a depreciation of more than 20% is allowed.

7. Trade and other receivables

	2016	2015
Accrued Management and other fees	4,636	5,387
Accrued other income	34	340
Accrued receivables from related parties (Note 22)	9,355	13,680
Other Trade receivables	1,038	2,962
Trade receivables from related parties (Note 22)	136	478
VAT and other tax receivables	909	395
	16,108	23,242

Trade and other receivables are non-interest bearing and relate to invoiced and accrued management and other fees which settle, except fees from the Dutch funds, quarterly.

8. Cash and cash equivalents

	2016	2015
Cash at bank	7,165	5,289

Cash at bank earns interest at floating rates based on one month average EURIBOR.

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	2016	2015
Cash at bank	7,165	5,289
	7,165	5,289

9. Property, Plant & Equipment (Net)

	Hardware	Software	Inventory	Hardware	Software	Inventory
Cost or valuation:	**2016**	**2016**	**2016**	**2015**	**2015**	**2015**
Balance at 1 January	484	34	1,704	476	34	1,703
Additions	12	-	148	8	-	1
Disposals	(9)	(1)	-	-	-	-
Balance at 31 December	487	33	1,852	484	34	1,704
Accumulated depreciation :	**2016**	**2016**	**2016**	**2015**	**2015**	**2015**
Balance at 1 January	(280)	(23)	(1,494)	(253)	(21)	(1,479)
Disposals	9	1		-	-	-
Depreciation & Impairment	(136)	(11)	(210)	(27)	(2)	(15)
Balance at 31 December	(407)	(33)	(1,704)	(280)	(23)	(1,494)
Total	80	-	148	204	11	210

Following the office move some new inventory has been added, whilst the inventory part of the old office was eligible for accelerated depreciation.

10. Share capital and share premium

	Number of shares	**Ordinary shares x € 1,000**	**Share premium x € 1,000**	**Total x € 1,000**
At 1 January 2016	501	225	32,220	32,445
Capital Contribution	-	-	2,700	2,700
At 31 December 2016	501	225	34,920	35,145
At 1 January 2015	500	225	15,402	15,627
Capital Contribution	-	-	9,600	9,600
Equity Transfer	-	-	7,218	7,218
Shares issued	1	-	-	-
At 31 December 2015	501	225	32,220	32,445

Issued and paid-up capital

At 31 December 2016, 501 shares of EUR 450 per share have been issued and fully paid.

Share premium

BNP Paribas Investment Partners NL Holding N.V. has made a capital contribution to the shares in the form of share premium of EUR 2.7 million in December 2016.

Distribution of profit

Dividends are recognised as a liability in the period in which they are declared.

11. Retained earnings

	2016	2015
At 1 January	(19,633)	(13,454)
Net result for the year	(5,420)	(6,179)
At 31 December	(25,053)	(19,633)

12. Trade and other payables

	2016	2015
Accrued payables to related parties (Note 22)	10,054	11,059
Accrued payables to third parties	1,337	2,870
Other trade payables	-	1
Trade payables to related parties (Note 22)	-	680
VAT and other tax payables	2,098	1,532
	13,489	16,142

13. Management and other fees

	2016	2015
Management Fees	32,635	20,147
Investment management fee	10,279	1,755
Sales fee -net	14,064	1,857
Service fee	1,341	2,035
Performance fee	200	-
	58,519	25,794

The management fees, investment management fees and sales fees of 2016 are considerably higher compared to 2015. This can explained by the legal demerger, since the contribution of the new business activities to the Company's result were only limited to the last 2 months of 2015 versus 12 months in 2016.

The decreased AUM of the Dutch Funds between January 2015 and December 2016 amounts to EUR 1.1 billion, including EUR 0.25 billion of Fund rationalizations, which explains the drop of the service fees.

14. Distribution, sales and advisory costs

	2016	2015
Distribution cost	(3,464)	(1,352)
Sales costs - net	(3,109)	(10,552)
Advisory costs - net	(13,321)	(9,824)
	(19,894)	(21,728)

The increase of the distribution and advisory costs can be mainly explained by the legal demerger, despite the fact the advisory costs are no longer paid to BNP Paribas Investment Partners Netherlands N.V. since the 2nd of November 2015. The same applies for the sales costs explaining the decrease, and they now only contain the fees paid to other entities in respect of the Dutch Institutional Mandates.

15. Administrative expenses

	2016	2015
Professional fees	(86)	(45)
Reinvoicing	(41,073)	(8,936)
Other expenses	(4,682)	(3,325)
	(45,841)	(12,306)

Professional fees include legal, fiscal advice and audit costs performed on behalf of the Company.

The Company distinguishes audit costs related to the investment funds which are covered by the Service fees or are part of the total expense ratio and audit costs directly related to the Company itself. The audit costs directly related to the Company amount to EUR 86 thousand (2015: EUR 45 thousand) for the audit services provided by Deloitte Accountants B.V. This increase can be explained by the legal demerger, where the new business activities have enlarged the scope of the audit services provided. No other fees have been paid by the Company to Deloitte Accountants B.V. or Deloitte affiliates.
The audit costs related to the investment funds managed by the Company amount to EUR 198 thousand (2015: EUR 342 thousand).

Activities that are outsourced to BNP Paribas Investment Partners Netherlands N.V. are documented into service level agreements and are presented as re-invoicing. Such cost includes cost for financial, sales, (investment) management services and administration cost, which have significantly increased following the legal demerger.

Other expenses are mainly related to the providers servicing our investment institutions, including costs such as: Dealing Services (EUR 2.0 million), Fund administration (EUR 0.5 million), Custody/ Depositary (EUR 0.6 million) and Trade Support (EUR 0.4 million).

16. Finance income and costs

	2016	2015
Finance income	(11)	1
Finance income net	(11)	1

17. Income tax

	2016	2015
Current tax	1,807	2,060

The tax on the Company's result before tax does not differ from the theoretical amount that arises using the basic tax rate applicable to the profit. The standard and effective tax rate was 25% (2015: 25%).

18. Basic earnings per share

(a) Basic

Basic earnings per share are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2016	2015
Result attributable to the owners of the Company	(5,420)	(6,179)
Weighted average number of ordinary shares in issue	501	501
Basic earnings per share	(10.82)	(12.33)

(b) Diluted

The Company has no categories of dilutive potential ordinary shares. As a result, the diluted earnings per share are identical to the basic earnings per share as per the above summary.

19. Dividends per share

In 2011, the Company paid a dividend of EUR 2.797.425 (EUR 5.595 per share). No dividends were paid in 2015 and 2016.

The objective of the Company's dividend policy is to upstream as much dividend as possible.

20. Contingencies

Upon final settlement with the Tax authorities the Company is liable for all the tax liabilities of the fiscal unity (reference is made to the paragraphs i) Basis of preparation – Tax status and ii) 2.11 Income taxes). The Corporate income tax of 2015 has been settled with BNP Paribas Investment

Partners NL Holding N.V. in February 2017. The filing of the corporate income tax will be done by BNP Paribas Investment Partners NL Holding N.V. acting as head of the fiscal unity.
The Value Added Tax (VAT) is settled quarterly in arrears before the end of the month following that quarter. Hence, the VAT for the 4th quarter 2016 that was outstanding per year-end 2016 has been settled in January 2017.

21. Commitments

Capital commitments

Capital expenditure contracted for at the statement of financial position date, but not yet incurred, does not exist.

Service level agreements

The Company is committed to payments under service level agreement with BNP Paribas Investment Partners Netherlands N.V. This agreement is based on financial services performed by staff employed by BNP Paribas Investment Partners Netherlands N.V. For 2016 these costs amounted to EUR 27.9 million, which is in line with the EUR 4.6 million for only November and December 2015 following the legal demerger.

22. Related-party transactions

The Company has related-party transactions with its BNP Paribas IP entities (including EEIG), BNP Paribas Securities Services (BP2S) and BNP Paribas Dealing Services.

The following transactions were carried out with related parties:

Investment management fees and sales fees

	2016	2015
Other BNP Paribas Investment Partners *	24,240	3,636
* Main counterparty:		
BNP Paribas Investment Partners Luxemburg S.A.	21,770	3,316

As a result of the demerger IP Nederland is now fully compensated for its investment management and sales activities.

Distribution/ sales and advisory costs, custodian/ reporting and dealing costs

	2016	2015
Other BNP Paribas Investment Partners *	14,011	19,448
BNP Paribas Securities Services	1,650	2,215
BNP Paribas Dealing Services	2,069	224
	17,730	21,887
* Main counterparties:		
BNP Paribas Investment Partners Netherlands N.V.	-	15,363
BNP Paribas Investment Partners Asia Ltd	812	1,313
BNP Paribas Asset Management U.K. Limited	5,722	1,077
BNP Paribas Investment Partners Japan	2,758	516

Following the demerger as from the 2nd of November 2015 both the sales and advisory costs are not paid to IP Netherlands anymore.

Re-invoicing revenues and costs

	2016	2015
Re-invoicing revenues other BNP Paribas Investment Partners *	5,130	16,682
Re-invoicing costs other BNP Paribas Investment Partners **	(46,203)	(25,618)
Net Re-invoicing (cost)	(41,073)	(8,936)
* Main counterparties:		
BNP Paribas Investment Partners Netherlands N.V.	-	10,838
EEIG	4,102	4,409
** Main counterparties:		
BNP Paribas Investment Partners Netherlands N.V.	(27,858)	(5,606)
EEIG	(15,600)	(16,742)

As set out in note 5, the TP contains the cost sharing policy where the operational expenses incurred within the departments Operations, Marketing, IT and Network Change Management & Strategy are re-invoiced to the beneficiary entities of the BNPP IP Group. And as per note 15, the activities that are outsourced to BNP Paribas Investment Partners Netherlands N.V. are documented into service level agreements and include costs for financial, sales, (investment) management services and administration cost.

Year-end balances arising from related-parties transactions:

Receivables from related parties:

	2016	2015
Other BNP Paribas Investment Partners *	9,491	14,158
* Main counterparties:		
BNP Paribas Investment Partners Luxemburg S.A.	5,619	9,164
BNP Paribas Investment Partners Netherlands N.V.	77	624
BNP Paribas Investment Partners NL Holding N.V.	1,725	2,060
EEIG	1,014	954

Receivables from related parties relate to distribution, sales and advisory fees and the re-invoicing revenues following the TP. These receivables are not secured, non-interest bearing and settle normally within 30 - 90 days.

Payables to related parties:

	2016	2015
Other BNP Paribas Investment Partners *	8,458	8,687
BNP Paribas Securities Services	1,123	2,584
BNP Paribas Dealing Services	473	468
	10,054	11,739
* Main counterparties:		
EEIG	4,305	3,969
BNP Paribas Investment Partners UK Ltd	1,643	1,938

Payables to related parties include fees such as distribution, sales and advisory fees, internal settlement cost and the re-invoicing costs of the TP. The payables bear no interest. No guarantees are given. Depending on the underlying agreement payables settle normally within 30 - 90 days.

Key management compensation

The Board of Directors has the authority and responsibility for planning, directing and controlling the activities of the Company and is acknowledged as key management personnel as defined in IAS 24.9. Key management personnel can also perform activities on behalf of other companies. The following table includes management compensation only for the period the members were appointed as a member of the Board of Directors and employed by BNP Paribas Investment Partners Netherlands N.V.

The compensation of the Board of Directors, being compliant with the remuneration policy taking into account performance of individuals and market trends, was as follows:

*Key management compensation **

	2016	2015
Salaries and other short-term employee benefits	936	1,076
Termination benefits	-	-
	936	1,076

* The Company does not employ any staff and the compensation is therefore not included in the financial statements.

23. Employees

The Company does not employ any staff. The members of the Board of Directors and Supervisory Board of the Company are, except Mr. T.A. Rostron, employed by BNP Paribas Investment Partners Netherlands N.V. or another entity of the BNP Paribas Group.
Therefore, accounting policies for employee benefits are not applicable.

24. Compliance

Act on Financial Supervision (Wft)

The license under the Act on Financial Supervision requires the Company, amongst other requirements, to:

- Publish its Annual Financial Statements within 4 months after the end of its financial year;
- Comply with a minimum amount of shareholders' equity.

Shareholders' equity

The sufficiency of the Company's shareholders' equity is determined by the Fixed Overheads Requirement (FOR), calculated over the audited costs of prior year multiplied with 25%.

The Company's shareholders' equity at 31 December 2016 (and 2015) is sufficient.

Vaste Kosteneis (or Fixed Overhead)	**2016**	**2015**
Total audited annual costs * 25%	2,945	949
Total required regulatory capital	2,945	949
Regulatory capital	10,094	12,814
Surplus regulatory capital	**7,149**	**11,865**

It is the intention of BNP Paribas Investment Partners NL Holding N.V. to (continue to) provide sufficient financial support to the Company for the year 2017, to enable the Company to meet the capital requirements arising under the Act on Financial Supervision.

25. Proposed result appropriation

It is proposed by the Board of Directors to deduct the loss for the year 2016 amounting to EUR 5.420.741 (EUR 10.819,84 per share) from the reserve of the Company.

26. Subsequent events

The Company's shareholders' equity remains low and will further deteriorate by its expected loss making situation going forward, despite the relatively good market performance at the start of 2017 (more positive than was budgeted) and the acquisition of the core (MiFID-)activities from BNPP IP Netherlands N.V. Thanks to this acquisition, the Company's net banking income was significantly enforced. However, the flipside was an expected increase in the Company's Transfer Pricing costs (as to match the acquired Transfer Pricing revenues) as well as an additional cost load driven by the revised Intra Group Resources Agreement. Consequently the FOR - as leading capital requirement for the Company - increased significantly.

Next to the consideration of a higher FOR, the Company's equity suffers from several recurring factors, such as negative margins on management- and service-fees. The continuous decline in revenues resulting from unfavourable changes in the local asset mix (loss of high margin assets vs. gain of lower margin assets) without adequate cost elasticity will likely not break the trend. Forecasts show that, taking into account the higher FOR 2016, the Company's capital will not be sufficient to cover its minimum capital requirements in 2017 as defined by the local regulator.

Therefore, a capital increase of EUR 7.8 million via a contribution in kind has been executed in March 2017. Resolutions from the Company and its shareholder BNP Paribas Investment Partners NL Holding N.V. as well as a capital contribution agreement, were signed by these two entities.

Other Information

Independent auditor's report

To the shareholders and the supervisory board of BNP Paribas Investment Partners Nederland N.V.

Report on the financial statements 2016 included in the annual REPORT

Our Opinion

We have audited the financial statements 2016 of BNP Paribas Investment Partners Nederland N.V., based in Amsterdam.

In our opinion the financial statements included in this annual report give a true and fair view of the financial position of BNP Paribas Investment Partners Nederland N.V. as at 31 December 2016, and of its result and its cash flows for 2016 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code and with the Act on Financial Supervision.

The financial statements comprise:

1. The statement of financial position as at 31 December 2016.
2. The following statements for 2016: the income statement, the statements of comprehensive income, changes in equity and cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

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

We are independent of BNP Paribas Investment Partners Nederland N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

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

Report on the other information included in the annual REPORT

In addition to the financial statements and our auditor's report, the annual accounts contain other information that consists of:

- Report of the Board of Directors.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.
Management is responsible for the preparation of other information, including the Report of the Board of Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code and with Act on Financial Supervision. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.
The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.
Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.
We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Amsterdam, 26 April 2017
Deloitte Accountants B.V.

Was signed on the original: R.J.M. Maarschalk

Stipulations of the articles of association with respect to result appropriation

Profit is appropriated in accordance with article 25 of the articles of association. The stipulations are as follows:

25.1 The profit is at the disposal of the general meeting.

25.2 Profits will be distributed after adoption of the annual accounts/ financial statements showing that this is justified.

25.3 In accordance with a proposal of the Board of Directors, the Company may distribute an interim dividend, by resolution of the general meeting, from profit of the current financial year, without prejudice to the provisions in article 26.1

The Company may only distribute to shareholders as far as its own assets are larger than the issued capital plus reserves pursuant to the law subject to provisions in Book 2, section 105, paragraph 4 of the Dutch Civil Code.

Loss is appropriated in accordance with the Dutch Civil Code.

Organisation

BNP Paribas Investment Partners Nederland N.V.

Registered office
Herengracht 595
P.O. Box 71770
1008 DG Amsterdam
The Netherlands

Directors
J.L. Roebroek (Chairman)
M.P. Maagdenberg
E.C. Stienstra
C.J.M. Janssen (as of 1 April 2016)

Supervisory Board
M. Diulius
A.M.O. Verstraeten (as of 26 August 2016 until 1 April 2017)
T.A. Rostron (as of 1 January 2017)
D. Thielemans (as of 1 April 2017)

Auditor
DELOITTE Accountants B.V.
P.O. Box 58110
1040 HC Amsterdam
The Netherlands

Banks
BNP Paribas Fortis SA/NV, Netherlands Branch
Amsterdam
The Netherlands

Regulators
The Dutch Authority for the Financial Markets (AFM) (supervision of conduct of business)
The Dutch Central Bank (DNB) (prudential supervision)

List of investment funds managed in 2016

BNP Paribas Fund I N.V.

– BNP Paribas Premium Global Dividend Fund

BNP Paribas Fund III N.V.

– BNP Paribas Netherlands Fund
– BNP Paribas Global Property Securities Fund
– BNP Paribas Property Securities Fund Europe
– BNP Paribas AEX Index Fund
– BNP Paribas High Income Property Fund
– BNP Paribas Global High Income Equity Fund
– BNP Paribas Sustainable World Index Fund
– BNP Paribas Asia Pacific High Income Equity Fund
– BNP Paribas Sustainable Europe Index Fund[a]

BNP Paribas OBAM N.V.

BNP Paribas Fund IV[b]

– BNP Paribas Garantie Klik Fonds 80%[b]

ABN AMRO Beleggingsmodel Fondsen[c]

– ABN AMRO Beleggingsmodel Fonds 1[c]
– ABN AMRO Beleggingsmodel Fonds 2[c]
– ABN AMRO Beleggingsmodel Fonds 3[c]
– ABN AMRO Beleggingsmodel Fonds 4[c]
– ABN AMRO Beleggingsmodel Fonds 5[c]
– ABN AMRO Beleggingsmodel Fonds 6[c]

[a] Merged into BNP Paribas Sustainable World Index Fund on 17 March 2017
[b] Liquidated on 25 November.
[c] Liquidated on 9 December. This umbrella was registered for sale to professional investors

For more information

Investor services

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Amsterdam Trade Register no. 33.179.578

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