



# Semi-Annual Report 2014

Transtrend Fund Alliance

*Incorporated under Luxembourg law*

# Transtrend Fund Alliance

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No subscriptions can be accepted on the basis of financial reports such as this report alone. Subscriptions may only be accepted on the basis of the current prospectus, supplemented by the latest annual report of Transtrend Fund Alliance and on the latest available semi-annual report (if later than such annual report). Financial reports and the prospectus may be obtained at the registered office of Transtrend Fund Alliance.

# Transtrend Fund Alliance

## GENERAL INFORMATION

Transtrend Fund Alliance is a collective investment undertaking incorporated as a "Société d'Investissement à Capital Variable" (Sicav) under Luxembourg law.

### Register of Commerce

RCS Luxembourg B 97101

### Registered Office

5, Allée Scheffer  
L-2520 Luxembourg

### Board of Directors

- Chairman, Norbert Wagemans, Managing Director of Robeco Luxembourg S.A., Luxembourg, Grand Duchy of Luxembourg (until 1 February 2014)
- Chairman, Mikan Van Zanten, Managing Director of Robeco Luxembourg S.A., Luxembourg, Grand Duchy of Luxembourg (since 8 May 2014)
- Joep van den Broek, Managing Director of Transtrend B.V., Rotterdam, the Netherlands (chairman from 1 February 2014 until 8 May 2014)
- Thomas Nummer, Managing Director of Carne Global Financial Services Luxembourg S.à r.l. and independent director of different funds, Luxembourg, Grand Duchy of Luxembourg
- Hans-Willem baron van Tuyll van Serooskerken, independent director of and adviser to various funds and companies, Geneva, Switzerland

### Trading Adviser

Transtrend B.V.  
Weena 723, Unit C5.070  
NL-3013 AM Rotterdam

### Custodian, Central Administration Agent and Listing Agent

CACEIS Bank Luxembourg  
5, Allée Scheffer  
L-2520 Luxembourg

### Independent Auditor

Ernst & Young S.A.(until 26 May 2014)  
7, Rue Gabriel Lippmann  
Parc d'Activité Syrdall 2  
L-5365 Munsbach

### Legal Adviser

*With regard to Luxembourg law*  
DLP Law Firm S.à r.l.  
8-10, Avenue Marie-Thérèse  
L-2132 Luxembourg

KPMG Luxembourg (since 26 May 2014)  
9, Allée Scheffer  
L-2520 Luxembourg

# Transtrend Fund Alliance

## REPORT OF THE BOARD OF DIRECTORS

### Investment policy

The sub-funds of Transtrend Fund Alliance (the "Company") trade pursuant to Transtrend's Diversified Trend Program, at different risk profiles. The size of each sub-fund's participation in the program is defined as the trading level. This trading exposure is adjusted at the beginning of each calendar month to a level of one time the sub-fund's net asset value or to a multiple thereof. In other words, by applying a leverage factor a sub-fund may have a higher exposure to a certain risk profile of Transtrend's Diversified Trend Program than the size of its net assets.

MultiTrend (EUR) trades pursuant to the Diversified Trend Program's Standard Risk profile at two times the net asset value. The OmniTrend funds trade pursuant to the Enhanced Risk profile of the Diversified Trend Program. OmniTrend (EUR) and OmniTrend (USD) participate at one time the net asset value whereas OmniTrend Plus (EUR) and OmniTrend Plus (USD) trade at 1.5 times the net asset value.

### Investment results and cash flow

All sub-funds of the Company started the year with a solid positive performance, as presented in the table below. Transtrend's market report, which is included in this annual report, provides an explanation of the performance of the Diversified Trend Program over this period.

Sub-fund	NAV 30/06/2014	NAV 31/12/2013	Net return (%)
MultiTrend (EUR)	€ 2,352.69	€ 2,126.34	10.64
MultiTrend (USD) *	-	\$ 879.45	-
OmniTrend (EUR)	€ 2,137.71	€1,968.48	8.60
OmniTrend Plus (EUR)	€ 2,651.10	€ 2,387.75	11.03
OmniTrend (USD)	\$ 1,923.56	\$ 1,785.96	7.70
OmniTrend Plus (USD)	\$ 2,874.93	\$ 2,561.19	12.25

\* MultiTrend (USD) was closed as per 31 March 2014

*The value of your investment can fluctuate. Past performance is not necessarily indicative of future results.*

*The total return for an individual investor is a combination of (i) the development of the sub-fund's net asset value per share since his investment and (ii) the development of his individual equalisation adjustment, if any.*

On aggregate, there was a net cash outflow of EUR 55 million for the Company over the reporting period. The cash outflow and the positive performance combined resulted in an increase of the total net asset value of the Company by approximately 1.7% in the first calendar half year of 2014. The total net asset value of the Company amounts to approximately EUR 835 million per the end of the reporting period.

The aggregate trading level of the sub-funds of Transtrend Fund Alliance per the end of June 2014 amounted to EUR 941 million, being approximately 21% of the total assets under management (including notional funds) in Transtrend's Diversified Trend Program.

### Governance

The Board of Directors acts in conformity with the ALFI Code of Conduct dated June 2013.

### Other developments

As per 1 January 2014, the monthly management fee for each of the sub-funds of the Company was decreased from 1/12th of 2.0% of each sub-fund's trading level to 1/12th of 1.5% of each sub-fund's trading level, in general representing for the MultiTrend sub-fund 1/12<sup>th</sup> of 3% and for the OmniTrend Plus sub-funds 2.25% of the corresponding net asset value. The background to this fee decrease lies in the performance of many trend following commodity trading advisors, including Transtrend, over the last five years. This step was meant to emphasize the alignment between the trading adviser and the Company including its Shareholders.

An updated prospectus dated 1 January 2014 became available. Most revisions in this update related to the entering into force of the AIFM directive; some of these already anticipated on the Company acting in compliance with the AIFM directive by 22 July 2014. The management fee reduction was also reflected in this update.

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As per February 1 2014, Mr Norbert Wagemans resigned from his duties as chairman and member of the Board of Directors of the Company due to his resignation as Managing Director of Robeco Luxembourg S.A. His successor in the function of Managing Director of Robeco Luxembourg S.A., Mr Mikan van Zanten, was elected as director by the general meeting of shareholders which was held on May 8 2014 in Luxembourg, at the registered office of the Company. Mr van Zanten was subsequently appointed as chairman of the Board of Directors, replacing Mr Joep van den Broek, who had acted ad interim in this role.

The general meeting of shareholders also approved the 2013 annual accounts of the Company, discharged the directors of the Company for the performance of their duties during the financial year 2013, and re-elected the current directors until the next annual general meeting in 2015.

As required under the European Market Infrastructure Regulation (EMIR), as of 12 February 2014 the sub-funds' positions in over-the-counter (OTC) and exchange-traded derivatives are reported to a registered trade repository which under the supervision of the European Securities and Markets Authority (ESMA) collects reported data on derivatives trades.

MultiTrend (USD) was closed as per 31 March 2014. Though attracting sufficient assets in the first years of its existence since 2008, assets of this sub-fund have decreased significantly in the course of 2013. Because the decrease in assets had increased the sub-fund's expense ratio and reduced diversification possibilities across markets, it was no longer deemed to be in the best interest of the shareholders to continue MultiTrend (USD). Shareholders have been offered the possibility to convert their holding in MultiTrend (USD) into MultiTrend (EUR) with preservation of their individual carry forward loss.

The trading adviser made available Open Protocol risk reporting for each of the OmniTrend sub-funds. This reporting promotes transparency and standardizes risk data and enables better risk aggregation and improved decision-making for investors. Shareholders of the OmniTrend sub-funds have been informed about the possibility to receive such reporting on a monthly basis

As of 31 May 2014, the Board of Directors resolved that each Shareholder's carry forward loss upon conversion of (part of) his shares into shares of any other class of any Sub-Fund will be preserved and that the equalisation amounts to the shares of the class converted into will be applied accordingly.

## **Post balance sheet developments**

At the extraordinary general meeting of 26 May 2014, the shareholders elected KPMG, in replacement of EY, as independent auditor until the next annual general meeting in 2015. As the quorum for the amendment and restatement of the Articles of Incorporation of the Company (Articles), which was also on the agenda of the 26 May 2014 meeting, was not met, the shareholders were reconvened at 3 July 2014 and then approved the amended and restated Articles, which came into effect on 25 July 2014. At this date Transtrend B.V. was authorised as an alternative investment fund manager (AIFM) by the Netherlands Authority for the Financial Markets and was subsequently appointed by the Company as its AIFM. This is also reflected in the updated prospectus dated 25 July 2014 which became available thereupon. Also, the responsibilities of CACEIS Bank Luxembourg in its role as depositary of the Company pursuant to the AIFM Directive and as administrator of the Company are reflected. All shareholders were notified about the most notable changes to the prospectus.

For products cleared at the 12 registered European central counter parties (CCPs) various options for protection of the Company's assets were introduced by each of the clearing brokers, as prescribed under EMIR. The sub-funds of the Company have opted for omnibus segregation for all their trading accounts held with the clearing brokers. With omnibus segregation, all assets of the Company will be held in an account which is segregated from the account the clearing broker itself holds with a CCP, yet pooled with other investors of the clearing broker. Individual segregation is considered, for now, too costly, the level of additional assurance is yet unclear and it has a perceived higher level of operational risk at the first stage of implementation.

The Company acts in conformity with the Foreign Account Tax Compliance Act (FATCA), enacted in 2010 to combat tax evasion by U.S. persons holding investments in offshore accounts, which provisions became effective as of 1 July 2014.

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## **Looking forward**

Under EMIR, in the near future certain types of standardised derivatives, which are currently traded OTC, will have to be mandatory centrally cleared by EU parties. If an OTC product which has been advised for mandatory central clearing by ESMA can be cleared by at least one CCP, it will become subject to mandatory central clearing. No OTC products have been selected for mandatory central clearing yet, but it is expected that interest rate swaps in USD, EUR, and GBP will be the first, probably followed by interest rate swaps in other currencies. Under a central clearing regime, the current prime brokerage structure for OTC derivatives will become redundant, but existing clearing agreements will need to be updated to also allow for clearing of interest rate swaps.

The Board of Directors

Luxembourg, 26 August 2014

# Transtrend Fund Alliance

## MARKET REPORT OF THE TRADING ADVISER

In this market report we will elaborate on recently observed market behavior, as well as on the performance and positioning of the Diversified Trend Program ('DTP') in the first half of the year.

### Recent market behavior (or: local fires & spreading fires)

In our report over 2013 we stated the following: "we signaled some preliminary, yet clear signs of recovery. A wider variety of trends again". This manifestation of more 'local self-heating'<sup>1</sup> continued in 2014 which resulted in some nice, sometimes large, local trends that were not or only to a limited extent disturbed by overly globalized external factors. Some typical examples:

- Although the Turkish prime minister claimed differently, local political unrest in Turkey was at the basis of a severe weakening of the Turkish lira and Turkish equity markets in the last months of 2013. This continued in January. From the second half of March we witnessed a strong recovery. DTP profited well from the decline in January as well as from the recovery in March, April and May.
- During the traditionally long lasting general elections in India, it became clear that the outcome could turn out to be an electoral landslide. The victory of the National Democratic Alliance led by Narendra Modi was received with a lot of enthusiasm, also by the financial markets. The expectation of economic reforms became clear in rising Indian equity markets and a strongly appreciating Indian rupee. DTP profited very well from these uptrends, especially in March and May.
- Brazil experienced its worst drought in decades. From the start of the year it hardly rained in some of the country's top farming regions. Estimates of record harvests in coffee, sugar and soybeans had to be cut by the end of January, triggering an explosion in the futures prices of these commodities including their products such as ethanol and soybean meal. DTP lost on its short positions in coffee and sugar, but these losses were more than compensated for by swiftly built-up, sizeable long positions in the soy markets, resulting in profits in February, March and April.
- The cattle herd in the U.S. – the largest beef producer in the world – had fallen to an estimated 63-year low. A number of years with drought in Texas and cold winters in some other relevant states have led to a cut-down in the herd of cows delivering calves. Since the resulting decline of beef production is not compensated for by higher production elsewhere or a decline in consumer demand, cattle prices in Chicago were in an uptrend for over seven months. DTP has been profiting from this every single month of this year both via outright long positions as well as via positions in combinations of markets.

We label the factors driving the above mentioned trends 'local factors'. To be precise, 'local' here does not relate to a geographic location. Coffee, soybeans and cattle prices were rising worldwide. Also the price of milk is high and rising worldwide. Different factors in other countries are contributing here too. What we mean with local factors is that the price process in for instance the cattle market is dominated by cattle specific factors, wherever they manifest themselves, and is not disturbed too much by overly globalized external factors.

Often fires start locally, but after flaring out, spread to other markets. The economic developments in China are an example of such a 'spreading fire'. In October 2013, DTP's trading systems picked up a combination of trends, essentially signaling that "something was brewing in China". Since then, this brewing continued. The first signs were the weakening of the currencies and in some cases the decline in equity markets of countries that export commodities to China. This spread to weakness of more emerging market and commodity-rich currencies. Other fires close to the source developed later on: weakening of Chinese equity markets and, related to that, a decline of copper prices. In 2014, this fire erupted and spread to global equity markets twice. The first time in January, triggered by a devaluation of the Argentine peso. The second time in March, triggered by the default of a Chinese producer of solar panels.

Both reactions in global equity markets had, as can be expected with reactions in trends, a negative impact on DTP's performance. These losses were partially compensated for by profits on shorts in the declining currencies, Chinese equities and a number of other emerging market equities and, in March, in copper. But ideally DTP would have done better here; the program did not profit as much as we perhaps would have liked from the weakening currencies in January.

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<sup>1</sup> We like to compare trends in markets to burning haystacks and the gradual start of price increases or decreases in markets to the process of self-heating, a fermentation process whereby the temperature gradually rises, starting at the core of the haystack, which may eventually lead to spontaneous combustion. Trend following systems like those in DTP anticipate that self-heating often leads to fire. They continuously measure the temperature in many 'haystacks'. When they detect self-heating, they will position themselves in that haystack. If the self-heating indeed leads to fire, they profit. If the self-heating instead dies out, they leave the haystack and suffer a (usually limited) loss.

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Sometimes fires spread almost immediately, after no or only limited local brewing. The developments in Ukraine (immediately flaring up on the first business day of March) and in Iraq (erupting in only a few days in June) are examples of this. Such abruptly spreading fires typically lead to often fierce reactions in some trends, but at the same time act as 'oil on the fire' for some other trends. And sometimes they trigger new trends. Although regarding Iraq it is too early to conclude the latter, we experienced all these different types of impact in these two somewhat comparable events. Their impact was in line with what one strives for with a well diversified trading program: some big winners here, some big losers there, but on the portfolio level no extreme returns, and ultimately net positive.

## **DTP's positioning and performance per cluster**

### *Interest Rates*

The interest rate markets were the best performing sector for DTP so far this year. The best trends in interest rates were not found in the large mainstream markets. The futures on the U.S. 10-year note, for instance, offered only limited opportunities for a medium to long term trend following strategy. However, much better opportunities were offered by the German bund futures, thereby profiting from the more aggressive QE-policy set by the ECB in Frankfurt. But this same policy offered even better opportunities for trading in the less mainstream bonds of southern European countries like Italy. A straightforward way of playing diverging central bank policies is by trading (in our case: trend following) the spread between the interest rates of two countries with a different regime, for instance between Germany and the U.S.; this provided good opportunities too, especially in the first quarter of 2014.

DTP captured these opportunities well. The program even scored positively in the interest rates cluster every single month of this year so far. And the main source of these returns alternated. In March the best interest rate trends and the best profits were found in combinations of markets, for instance the spread between the German and the U.S. bonds. In April the best profits were found in the (outright) bond markets of the less mainstream countries, for instance those of Italy. May showed rising large mainstream bond markets including those of the U.S. However, in June the best trends were found elsewhere again, typically not in the U.S. but in Europe and South Korea.

### *Currencies*

When different central banks execute different policies this does not only impact interest rate markets. It is typically also a potential driver for trends in currency markets, in which DTP also scored positively. It is not a coincidence that the intensified QE-policy of the ECB went hand in hand with weakness of the euro. Short positions in the euro formed the largest source of profits for DTP in the currency cluster. These profits, however, were not the result of trading the euro short versus the U.S. dollar (=mainstream). Shorts in the euro, versus longs in currencies of countries with yet different monetary policies, for instance England, offered better opportunities. So far this year there have not been good trends in the most popular currency pairs. While DTP did not fully exploit the emerging market currencies downtrends in January, it did do well in the other months, profiting from currency trends close to the heart of the different 'fires', such as the abovementioned trends in the Turkish lira and the Indian rupee.

### *Equity related markets*

The first of two constant large contributors to the risk concentration of DTP and an important positive contributor to the overall result this year was 'long equities'. However, the generally rising equity markets did not result in the easiest-to-capture uptrends. At least not in the (mainstream) broad equity indices in Japan, Europe and the U.S. Remarkably better were the uptrends in stock prices of energy related firms. DTP profited well from these trends by trading these sector indices as well as a number of broader indices with a high percentage of energy firms as well as by trading single stock futures. One could say that these specific stock markets were also closer to certain specific fires.

### *Commodities*

The second large contributor to the risk concentration of DTP this year was 'long energy'. Most of the time 'long energy' effectively meant 'long oil'. Oil prices have definitely been rising, but this was far from a smooth uptrend. Different factors contributed to the strength. Some of these factors were shared by oil markets and equity markets, for instance the strong economic recovery in the U.S. and large parts of Europe. Other factors were more 'local', such as a cold winter in some states in the U.S., and huge write-downs of the estimated U.S. shale oil reserves. And then there were the crises in Ukraine and Iraq that contributed to the strength but even more to the volatility of the oil prices. But there were also some severe reactions in the oil markets' uptrend, making them difficult to trade for a medium to long term trend follower. Despite positive returns in February, May and especially June, trading the oil uptrend directly in the commodity markets did ultimately not result in profits for DTP, but the losses were definitely limited. For a trend follower to perform well in these markets – that is, making profits or at least limiting losses – actually required a decent amount of robustness of its trading systems.

Much nicer were the uptrends in natural gas. Long positions in these markets formed the other part of DTP's 'long energy' position and gains on these long positions further mitigated the losses in the energy cluster. DTP



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scored negatively in the metal cluster, mainly via short positions in silver and gold. And lastly, as mentioned above, DTP profited nicely from various (local) trends in the agricultural cluster.

Summarizing the above: since the second half of 2013 we have witnessed a healthy recovery of market behavior as market movements have tended to be driven more again by the specific factors which are actually relevant to those markets. This recovery is also observable on a more micro level: the publication of numbers like the U.S. Jobless Claims now tends to have a much more contained impact than used to be the case in the overly globalized market environment of the past few years. DTP clearly benefited from the improved market environment and posted a healthy positive result in the first half year of 2014. But even though this recovery came faster and more widespread than we had expected, we wouldn't bet on it that everything is back to normal again and that we should not prepare for temporary setbacks.

Transtrend B.V.  
Rotterdam, July 2014

*N.B. This report is prepared by Transtrend and serves to explain the background of the composite performance of its Diversified Trend Program. However, the portfolio composition of individual accounts generally deviates from the composition of the aggregate portfolio, as certain markets may or may not be included in individual portfolios. The value of your investment can fluctuate. Past performance is not necessarily indicative of future results.*

Transtrend Fund Alliance

**Financial Statements - Consolidated**

Statement of Net Assets

*expressed in EUR and in thousands*

	Note	30/06/14	31/12/13
<b>Assets</b>		<b>937,364</b>	<b>872,507</b>
Investment long portfolio at market value		224,347	210,522
Deposits, other cash and margin trading and related accounts	6	598,855	588,891
Unrealised gains on forward foreign exchange transactions		2,106	4,742
Unrealised gains on futures		55,911	64,535
Unrealised gains on interest rate swaps		56,050	1,102
Other receivables	3.4	96	2,715
<b>Liabilities</b>		<b>102,168</b>	<b>50,955</b>
Trading and related accounts overdrafts		29,819	6,731
Unrealised losses on forward foreign exchange transactions		3,548	2,153
Unrealised losses on futures		28,920	22,753
Unrealised losses on interest rate swaps		36,858	2,575
Other liabilities	3.5	3,023	16,744
<b>Total net assets</b>		<b>835,196</b>	<b>821,552</b>

# Transtrend Fund Alliance

## Financial Statements - Consolidated

### Statement of Operations and Changes in Net Assets

expressed in EUR and in thousands

	Note	30/06/14	31/12/13
<b>Income</b>		<b>198</b>	<b>543</b>
Interest on money market instruments		104	408
Bank interest and other interest		82	135
Other income		12	0
<b>Expenses</b>		<b>10,623</b>	<b>32,860</b>
Management fees	5.1	6,659	23,263
Custodian fees		103	306
Taxes		46	118
Central administration fees		424	1,099
Risk monitoring fees	5.4	185	412
Audit fees		38	69
Interest paid		243	509
Legal fees		0	82
Brokerage fees	5.3	2,820	6,808
Other fees and expenses		103	194
<b>Net gain / (loss) from income and expenses</b>		<b>-10,425</b>	<b>-32,317</b>
Net realised profit / loss on financial instruments:			
- money markets instruments		-4	-8
- forward foreign exchange contracts		20,623	-2,356
- futures contracts		53,383	4,450
- interest rate swaps		1	-7,271
- foreign exchange		524	-1,103
Movement in net unrealised appreciation / depreciation on financial instruments:			
- money market instruments		-11	-40
- forward foreign exchange contracts		-4,039	1,467
- futures contracts		-14,918	21,422
- interest rate swaps		20,669	-2,067
<b>Net increase / (decrease) in net assets from operations</b>		<b>65,803</b>	<b>-17,823</b>
Proceeds from subscriptions		55,354	124,040
Payments for redemptions	5.1	-110,077	-457,005
<b>Increase / (decrease) in net assets</b>		<b>11,081</b>	<b>-350,788</b>
<b>Exchange rate adjustments</b>		<b>2,564</b>	<b>-33,898</b>
<b>Net assets at opening date</b>		<b>821,552</b>	<b>1,206,238</b>
<b>Net assets at closing date</b>		<b>835,196</b>	<b>821,552</b>

# MultiTrend (EUR)

## Financial Statements

### Statement of Net Assets

expressed in EUR and in thousands

	Note	30/06/14	31/12/13
<b>Assets</b>		<b>38,993</b>	<b>38,708</b>
Investment long portfolio at market value		10,001	9,994
Deposits, other cash and margin trading and related accounts	6	22,602	24,462
Unrealised gains on forward foreign exchange transactions		96	243
Unrealised gains on futures		2,671	3,382
Unrealised gains on interest rate swaps		3,616	58
Other receivables	3.4	8	568
<b>Liabilities</b>		<b>6,071</b>	<b>2,735</b>
Trading and related accounts overdrafts		1,866	585
Unrealised losses on forward foreign exchange transactions		166	109
Unrealised losses on futures		1,368	1,156
Unrealised losses on interest rate swaps		2,561	177
Other liabilities	3.5	109	708
<b>Total net assets</b>		<b>32,922</b>	<b>35,972</b>

## Number of shares outstanding

01/01/14 - 30/06/14

<b>Class A</b>		
Shares at opening date		0.000
Shares subscribed		0.000
Shares redeemed		0.000
<b>Shares at closing date</b>		<b>0.000</b>
<b>Class B</b>		
Shares at opening date		16,917.477
Shares subscribed		576.957
Shares redeemed		3,500.965
<b>Shares at closing date</b>		<b>13,993.469</b>

## Historical statistics

expressed in EUR	30/06/14	31/12/13	31/12/12
<b>Class A</b>			
Net assets (in thousands)	0	0	27,049
Number of shares	0.000	0.000	12,905.122
Net asset value per share	0.00	0.00	2,096.01
<b>Class B</b>			
Net assets (in thousands)	32,922	35,972	21,458
Number of shares	13,993.469	16,917.477	9,819.093
Net asset value per share	2,352.69	2,126.34	2,185.36

# MultiTrend (EUR)

## Financial Statements

### Statement of Operations and Changes in Net Assets

*expressed in EUR and in thousands*

	Note	30/06/14	31/12/13
<b>Income</b>		<b>12</b>	<b>12</b>
Interest on money market instruments		4	4
Bank interest and other interest		8	8
<b>Expenses</b>		<b>702</b>	<b>2,378</b>
Management fees	5.1	467	1,777
Custodian fees		3	9
Taxes		8	21
Central administration fees		31	91
Audit fees		6	12
Interest paid		19	47
Legal fees		0	14
Brokerage fees	5.3	153	382
Other fees and expenses		15	25
<b>Net gain / (loss) from income and expenses</b>		<b>-690</b>	<b>-2,366</b>
Net realised profit / loss on financial instruments:			
- money markets instruments		-1	-3
- forward foreign exchange contracts		965	-147
- futures contracts		2,700	400
- interest rate swaps		0	-449
- foreign exchange		2	-55
Movement in net unrealised appreciation / depreciation on financial instruments:			
- money market instruments		1	0
- forward foreign exchange contracts		-205	78
- futures contracts		-922	1,130
- interest rate swaps		1,173	-152
<b>Net increase / (decrease) in net assets from operations</b>		<b>3,024</b>	<b>-1,564</b>
Proceeds from subscriptions		1,211	30,015
Class B		1,211	30,015
Payments for redemptions	5.1	-7,284	-40,986
Class A		0	-27,049
Class B		-7,284	-13,936
<b>Increase / (decrease) in net assets</b>		<b>-3,050</b>	<b>-12,535</b>
<b>Net assets at opening date</b>		<b>35,972</b>	<b>48,508</b>
<b>Net assets at closing date</b>		<b>32,922</b>	<b>35,972</b>

The accompanying notes form an integral part of these financial statements

MultiTrend (EUR)

## Financial Statements

### Investment portfolio

at 30/06/14

	Face value	Market value (in thousands)	% of net assets
Transferable securities admitted to an official stock exchange listing		10,001	30.4
<b>Bonds</b>		<b>10,001</b>	<b>30.4</b>
<b>EUR</b>		10,001	30.4
NETHERLANDS TREASURY BILLS 14-15 30/01	10,000,000.00	10,001	30.4
<b>Total securities portfolio</b>		<b>10,001</b>	<b>30.4</b>

# MultiTrend (USD)

## Number of shares outstanding

01/01/14 - 30/06/14

<b>Class A</b>		
Shares at opening date		0.000
Shares subscribed		0.000
Shares redeemed		0.000
<b>Shares at closing date</b>		<b>0.000</b>
<b>Class B</b>		
Shares at opening date		4,603.354
Shares subscribed		0.000
Shares redeemed		4,603.354
<b>Shares at closing date</b>		<b>0.000</b>

## Historical statistics

expressed in USD	30/06/14	31/12/13	31/12/12
<b>Class A</b>			
Net assets (in thousands)	0	0	5,300
Number of shares	0.000	0.000	5,908.450
Net asset value per share	0.00	0.00	897.09
<b>Class B</b>			
Net assets (in thousands)	0	4,048	7,925
Number of shares	0.000	4,603.354	8,540.102
Net asset value per share	0.00	879.45	927.97

# MultiTrend (USD)

## Financial Statements

### Statement of Operations and Changes in Net Assets

*expressed in USD and in thousands*

	Note	30/06/14	31/12/13
<b>Income</b>		<b>17</b>	<b>7</b>
Interest on money market instruments		0	5
Bank interest and other interest		0	2
Other income		16	0
<b>Expenses</b>		<b>67</b>	<b>621</b>
Management fees	5.1	22	411
Custodian fees		0	3
Taxes		0	5
Central administration fees		6	54
Audit fees		13	15
Interest paid		1	4
Legal fees		0	19
Brokerage fees	5.3	9	83
Other fees and expenses		15	27
<b>Net gain / (loss) from income and expenses</b>		<b>-50</b>	<b>-615</b>
Net realised profit / loss on financial instruments:			
- forward foreign exchange contracts		24	-39
- futures contracts		152	347
- interest rate swaps		2	-109
- foreign exchange		-1	-15
Movement in net unrealised appreciation / depreciation on financial instruments:			
- money market instruments		0	-1
- forward foreign exchange contracts		-14	-8
- futures contracts		-213	-120
- interest rate swaps		10	-20
<b>Net increase / (decrease) in net assets from operations</b>		<b>-91</b>	<b>-579</b>
Proceeds from subscriptions		0	5,998
Class B		0	5,998
Payments for redemptions	5.1	-3,957	-14,596
Class A		0	-5,300
Class B		-3,957	-9,295
<b>Increase / (decrease) in net assets</b>		<b>-4,048</b>	<b>-9,177</b>
<b>Net assets at opening date</b>		<b>4,048</b>	<b>13,225</b>
<b>Net assets at closing date</b>		<b>0</b>	<b>4,048</b>

The accompanying notes form an integral part of these financial statements



# OmniTrend (EUR)

## Financial Statements

### Statement of Net Assets

expressed in EUR and in thousands

	Note	30/06/14	31/12/13
<b>Assets</b>		<b>79,912</b>	<b>74,266</b>
Investment long portfolio at market value		20,897	12,200
Deposits, other cash and margin trading and related accounts	6	47,620	55,088
Unrealised gains on forward foreign exchange transactions		150	421
Unrealised gains on futures		3,946	5,528
Unrealised gains on interest rate swaps		7,284	363
Other receivables	3.4	14	667
<b>Liabilities</b>		<b>10,903</b>	<b>5,442</b>
Trading and related accounts overdrafts		2,868	1,199
Unrealised losses on forward foreign exchange transactions		263	222
Unrealised losses on futures		2,189	2,728
Unrealised losses on interest rate swaps		5,461	483
Other liabilities	3.5	120	810
<b>Total net assets</b>		<b>69,009</b>	<b>68,824</b>

### Number of shares outstanding

01/01/14 - 30/06/14

#### Institutional shares

Shares at opening date	34,962.948
Shares subscribed	0.000
Shares redeemed	2,681.100
<b>Shares at closing date</b>	<b>32,281.848</b>

### Historical statistics

expressed in EUR	30/06/14	31/12/13	31/12/12
<b>Institutional shares</b>			
Net assets (in thousands)	69,009	68,824	201,179
Number of shares	32,281.848	34,962.948	100,623.076
Net asset value per share	2,137.71	1,968.48	1,999.33

# OmniTrend (EUR)

## Financial Statements

### Statement of Operations and Changes in Net Assets

*expressed in EUR and in thousands*

	Note	30/06/14	31/12/13
<b>Income</b>		<b>27</b>	<b>44</b>
Interest on money market instruments		8	16
Bank interest and other interest		19	28
<b>Expenses</b>		<b>842</b>	<b>4,931</b>
Management fees	5.1	498	3,366
Custodian fees		8	47
Taxes		3	15
Central administration fees		44	181
Risk monitoring fees	5.4	16	72
Audit fees		6	12
Interest paid		31	125
Legal fees		0	14
Brokerage fees	5.3	219	1,060
Other fees and expenses		16	40
<b>Net gain / (loss) from income and expenses</b>		<b>-815</b>	<b>-4,887</b>
Net realised profit / loss on financial instruments:			
- money markets instruments		-2	-4
- forward foreign exchange contracts		1,581	-569
- futures contracts		4,164	2,425
- interest rate swaps		0	-1,265
- foreign exchange		0	-227
Movement in net unrealised appreciation / depreciation on financial instruments:			
- money market instruments		10	-3
- forward foreign exchange contracts		-312	27
- futures contracts		-1,043	129
- interest rate swaps		1,943	-246
<b>Net increase / (decrease) in net assets from operations</b>		<b>5,525</b>	<b>-4,619</b>
Proceeds from subscriptions		0	4,650
Institutional shares		0	4,650
Payments for redemptions		-5,339	-132,386
Institutional shares		-5,339	-132,386
<b>Increase / (decrease) in net assets</b>		<b>185</b>	<b>-132,355</b>
<b>Net assets at opening date</b>		<b>68,824</b>	<b>201,179</b>
<b>Net assets at closing date</b>		<b>69,009</b>	<b>68,824</b>

The accompanying notes form an integral part of these financial statements

## Financial Statements

### Investment portfolio

at 30/06/14

	Face value	Market value (in thousands)	% of net assets
Transferable securities admitted to an official stock exchange listing		20,897	30.3
<b>Bonds</b>		<b>20,897</b>	<b>30.3</b>
<b>EUR</b>		20,897	30.3
NETHERLANDS TREASURY BILLS -14 30/09	11,400,000.00	11,396	16.5
NETHERLANDS TREASURY BILLS 14-15 30/01	9,500,000.00	9,501	13.8
<b>Total securities portfolio</b>		<b>20,897</b>	<b>30.3</b>

# OmniTrend Plus (EUR)

## Financial Statements

### Statement of Net Assets

expressed in EUR and in thousands

	Note	30/06/14	31/12/13
<b>Assets</b>		<b>97,078</b>	<b>72,736</b>
Investment long portfolio at market value		24,498	14,291
Deposits, other cash and margin trading and related accounts	6	56,681	49,787
Unrealised gains on forward foreign exchange transactions		282	518
Unrealised gains on futures		7,622	7,051
Unrealised gains on interest rate swaps		7,982	133
Other receivables	3.4	13	956
<b>Liabilities</b>		<b>15,824</b>	<b>6,020</b>
Trading and related accounts overdrafts		5,527	1,774
Unrealised losses on forward foreign exchange transactions		465	234
Unrealised losses on futures		3,818	2,490
Unrealised losses on interest rate swaps		5,321	378
Other liabilities	3.5	693	1,145
<b>Total net assets</b>		<b>81,254</b>	<b>66,715</b>

## Number of shares outstanding

01/01/14 - 30/06/14

### Institutional shares

Shares at opening date	27,940.641
Shares subscribed	2,868.532
Shares redeemed	160.000
<b>Shares at closing date</b>	<b>30,649.173</b>

## Historical statistics

expressed in EUR	30/06/14	31/12/13	31/12/12
<b>Institutional shares</b>			
Net assets (in thousands)	81,254	66,715	108,568
Number of shares	30,649.173	27,940.641	44,823.977
Net asset value per share	2,651.10	2,387.75	2,422.10

# OmniTrend Plus (EUR)

## Financial Statements

### Statement of Operations and Changes in Net Assets

*expressed in EUR and in thousands*

	Note	30/06/14	31/12/13
<b>Income</b>		<b>26</b>	<b>24</b>
Interest on money market instruments		10	7
Bank interest and other interest		17	17
<b>Expenses</b>		<b>1,237</b>	<b>3,707</b>
Management fees	5.1	760	2,563
Custodian fees		9	23
Taxes		4	8
Central administration fees		45	110
Risk monitoring fees	5.4	17	37
Audit fees		6	12
Interest paid		49	102
Legal fees		0	14
Brokerage fees	5.3	335	811
Other fees and expenses		14	28
<b>Net gain / (loss) from income and expenses</b>		<b>-1,211</b>	<b>-3,684</b>
Net realised profit / loss on financial instruments:			
- money markets instruments		-1	-5
- forward foreign exchange contracts		2,367	-166
- futures contracts		4,571	2,394
- interest rate swaps		0	-954
- foreign exchange		45	-131
Movement in net unrealised appreciation / depreciation on financial instruments:			
- money market instruments		6	0
- forward foreign exchange contracts		-467	144
- futures contracts		-757	1,746
- interest rate swaps		2,906	-348
<b>Net increase / (decrease) in net assets from operations</b>		<b>7,458</b>	<b>-1,003</b>
Proceeds from subscriptions		7,463	5,000
Institutional shares		7,463	5,000
Payments for redemptions		-382	-45,850
Institutional shares		-382	-45,850
<b>Increase / (decrease) in net assets</b>		<b>14,539</b>	<b>-41,853</b>
<b>Net assets at opening date</b>		<b>66,715</b>	<b>108,568</b>
<b>Net assets at closing date</b>		<b>81,254</b>	<b>66,715</b>

The accompanying notes form an integral part of these financial statements

# OmniTrend Plus (EUR)

## Financial Statements

### Investment portfolio

at 30/06/14

	Face value	Market value (in thousands)	% of net assets
Transferable securities admitted to an official stock exchange listing		24,498	30.1
<b>Bonds</b>		<b>24,498</b>	<b>30.1</b>
<b>EUR</b>		24,498	30.1
NETHERLANDS TREASURY BILLS -14 30/09	8,700,000.00	8,697	10.7
NETHERLANDS TREASURY BILLS 14-15 30/01	15,800,000.00	15,801	19.4
<b>Total securities portfolio</b>		<b>24,498</b>	<b>30.1</b>

# OmniTrend (USD)

## Financial Statements

### Statement of Net Assets

expressed in USD and in thousands

	Note	30/06/14	31/12/13
<b>Assets</b>		<b>878,915</b>	<b>816,267</b>
Investment long portfolio at market value		206,436	193,679
Deposits, other cash and margin trading and related accounts	6	582,997	563,472
Unrealised gains on forward foreign exchange transactions		1,854	3,968
Unrealised gains on futures		50,303	54,058
Unrealised gains on interest rate swaps		37,259	504
Other receivables	3.4	65	586
<b>Liabilities</b>		<b>75,744</b>	<b>42,468</b>
Trading and related accounts overdrafts		22,088	2,995
Unrealised losses on forward foreign exchange transactions		3,114	1,760
Unrealised losses on futures		25,428	17,927
Unrealised losses on interest rate swaps		22,445	1,386
Other liabilities	3.5	2,668	18,399
<b>Total net assets</b>		<b>803,171</b>	<b>773,799</b>

### Number of shares outstanding

01/01/14 - 30/06/14

#### Institutional shares

Shares at opening date	433,267.235
Shares subscribed	35,233.580
Shares redeemed	50,956.818
<b>Shares at closing date</b>	<b>417,543.997</b>

### Historical statistics

expressed in USD	30/06/14	31/12/13	31/12/12
<b>Institutional shares</b>			
Net assets (in thousands)	803,171	773,799	894,474
Number of shares	417,543.997	433,267.235	496,890.727
Net asset value per share	1,923.56	1,785.96	1,800.14

# OmniTrend (USD)

## Financial Statements

### Statement of Operations and Changes in Net Assets

*expressed in USD and in thousands*

	Note	30/06/14	31/12/13
<b>Income</b>		<b>136</b>	<b>514</b>
Interest on money market instruments		93	428
Bank interest and other interest		42	86
<b>Expenses</b>		<b>8,885</b>	<b>22,552</b>
Management fees	5.1	5,633	16,135
Custodian fees		98	252
Taxes		38	80
Central administration fees		344	735
Risk monitoring fees	5.4	184	347
Audit fees		8	15
Interest paid		163	235
Legal fees		0	18
Brokerage fees	5.3	2,373	4,655
Other fees and expenses		43	78
<b>Net gain / (loss) from income and expenses</b>		<b>-8,749</b>	<b>-22,038</b>
Net realised profit / loss on financial instruments:			
- forward foreign exchange contracts		17,949	-1,413
- futures contracts		47,212	264
- interest rate swaps		0	-4,403
- foreign exchange		520	-773
Movement in net unrealised appreciation / depreciation on financial instruments:			
- money market instruments		-29	-38
- forward foreign exchange contracts		-3,469	1,456
- futures contracts		-11,255	20,413
- interest rate swaps		15,696	-1,023
<b>Net increase / (decrease) in net assets from operations</b>		<b>57,875</b>	<b>-7,555</b>
Proceeds from subscriptions		62,315	76,619
Institutional shares		62,315	76,619
Payments for redemptions		-90,818	-189,739
Institutional shares		-90,818	-189,739
<b>Increase / (decrease) in net assets</b>		<b>29,372</b>	<b>-120,675</b>
<b>Net assets at opening date</b>		<b>773,799</b>	<b>894,474</b>
<b>Net assets at closing date</b>		<b>803,171</b>	<b>773,799</b>

The accompanying notes form an integral part of these financial statements



# OmniTrend (USD)

## Financial Statements

### Investment portfolio

at 30/06/14

		Face value	Market value (in thousands)	% of net assets
<hr/>				
Money market instruments traded on other regulated markets			206,436	25.7
<b>Bonds</b>			<b>206,436</b>	<b>25.7</b>
<b>USD</b>			206,436	25.7
US TREASURY BILLS	13-14 18/09	30,000,000.00	29,992	3.7
US TREASURY BILLS	13-14 21/08	44,500,000.00	44,475	5.5
US TREASURY BILLS	13-14 23/10	49,700,000.00	49,691	6.2
US TREASURY BILLS	13-14 24/07	32,100,000.00	32,084	4.0
US TREASURY BILLS	13-14 25/09	50,200,000.00	50,194	6.3
<b>Total securities portfolio</b>			<b>206,436</b>	<b>25.7</b>

# OmniTrend Plus (USD)

## Financial Statements

### Statement of Net Assets

expressed in USD and in thousands

	Note	30/06/14	31/12/13
<b>Assets</b>		<b>108,799</b>	<b>123,417</b>
Investment long portfolio at market value		24,892	44,654
Deposits, other cash and margin trading and related accounts	6	63,198	65,214
Unrealised gains on forward foreign exchange transactions		307	896
Unrealised gains on futures		6,753	12,302
Unrealised gains on interest rate swaps		13,631	223
Other receivables	3.4	18	129
<b>Liabilities</b>		<b>19,237</b>	<b>7,720</b>
Trading and related accounts overdrafts		4,690	1,317
Unrealised losses on forward foreign exchange transactions		519	408
Unrealised losses on futures		4,071	4,389
Unrealised losses on interest rate swaps		9,750	691
Other liabilities	3.5	208	915
<b>Total net assets</b>		<b>89,562</b>	<b>115,698</b>

## Number of shares outstanding

01/01/14 - 30/06/14

### Institutional shares

Shares at opening date	45,173.374
Shares subscribed	649.928
Shares redeemed	14,670.624
<b>Shares at closing date</b>	<b>31,152.678</b>

## Historical statistics

expressed in USD	30/06/14	31/12/13	31/12/12
<b>Institutional shares</b>			
Net assets (in thousands)	89,562	115,698	211,342
Number of shares	31,152.678	45,173.374	80,714.430
Net asset value per share	2,874.93	2,561.19	2,618.40

# OmniTrend Plus (USD)

## Financial Statements

### Statement of Operations and Changes in Net Assets

*expressed in USD and in thousands*

	Note	30/06/14	31/12/13
<b>Income</b>		<b>30</b>	<b>116</b>
Interest on money market instruments		20	91
Bank interest and other interest		10	25
<b>Expenses</b>		<b>1,785</b>	<b>6,852</b>
Management fees	5.1	1,100	4,840
Custodian fees		15	56
Taxes		5	16
Central administration fees		65	197
Risk monitoring fees	5.4	24	69
Audit fees		8	15
Interest paid		35	85
Legal fees		0	19
Brokerage fees	5.3	513	1,523
Other fees and expenses		20	33
<b>Net gain / (loss) from income and expenses</b>		<b>-1,754</b>	<b>-6,736</b>
Net realised profit / loss on financial instruments:			
- money markets instruments		0	4
- forward foreign exchange contracts		3,539	-575
- futures contracts		10,071	-1,669
- interest rate swaps		0	-1,815
- foreign exchange		133	-159
Movement in net unrealised appreciation / depreciation on financial instruments:			
- money market instruments		-9	-11
- forward foreign exchange contracts		-700	226
- futures contracts		-5,230	5,022
- interest rate swaps		4,349	-774
<b>Net increase / (decrease) in net assets from operations</b>		<b>10,398</b>	<b>-6,487</b>
Proceeds from subscriptions		1,600	33,365
Institutional shares		1,600	33,365
Payments for redemptions		-38,134	-122,523
Institutional shares		-38,134	-122,523
<b>Increase / (decrease) in net assets</b>		<b>-26,136</b>	<b>-95,645</b>
<b>Net assets at opening date</b>		<b>115,698</b>	<b>211,342</b>
<b>Net assets at closing date</b>		<b>89,562</b>	<b>115,698</b>

The accompanying notes form an integral part of these financial statements

# OmniTrend Plus (USD)

## Financial Statements

### Investment portfolio

at 30/06/14

		Face value	Market value (in thousands)	% of net assets
<hr/>				
Money market instruments traded on other regulated markets			24,892	27.8
<b>Bonds</b>			<b>24,892</b>	<b>27.8</b>
<b>USD</b>			24,892	27.8
US TREASURY BILLS	13-14 21/08	4,200,000.00	4,195	4.7
US TREASURY BILLS	13-14 23/10	10,300,000.00	10,298	11.5
US TREASURY BILLS	13-14 25/09	10,400,000.00	10,399	11.6
<b>Total securities portfolio</b>			<b>24,892</b>	<b>27.8</b>

# Transtrend Fund Alliance

## NOTES TO THE FINANCIAL STATEMENTS

### 1 - GENERAL

Transtrend Fund Alliance (the Company) is a multiple sub-fund investment company (Sicav), incorporated on 4 November 2003 under Part II of Luxembourg law of 17 December 2010 on Undertakings for Collective Investment and under the Luxembourg law of 10 August 1915 on Commercial Companies, as amended. The Company is registered in the Luxembourg register of commerce under number B 97101. The Company obtained a visa from the Commission de Surveillance du Secteur Financier (CSSF). The latest prospectus as per the end of the period under review is dated 1 January 2014 and the most recent articles of incorporation are dated 17 September 2012. The articles of incorporation were published in the "Mémorial, Recueil Spécial des Sociétés et Associations" (the Mémorial) of the Grand Duchy of Luxembourg on 18 December 2003 and their amendments on 7 February 2005, 24 October 2008 and 19 October 2012.

The Company has established segregated opposable accounts, each constituting a sub-fund within the meaning of article 181 of the law of 17 December 2010 on Undertakings for Collective Investment, whose assets are invested in accordance with the particular investment features applicable to the sub-fund. Each sub-fund is represented by a specific class or classes of shares. This semi-annual report covers the financial period from 1 January 2014 through 30 June 2014. At balance sheet date the Company comprised five active sub-funds: MultiTrend (EUR), OmniTrend (EUR), OmniTrend Plus (EUR), OmniTrend (USD) and OmniTrend Plus (USD). MultiTrend (USD) was liquidated as per 31 March 2014.

Rabobank Rotterdam, a bank of the sub-funds, is affiliated with Transtrend, as 100% of the voting interest in Transtrend is owned by Robeco Nederland B.V., which is a 100% subsidiary of Robeco Groep N.V., which in its turn is owned approximately 90.01% by ORIX Corporation and the remainder by Rabobank Nederland.

### 2 - INVESTMENT POLICY

The Company is an investment company which allows investors the opportunity to participate efficiently in global futures, forward, swap or other derivative markets through strategies and portfolios structured to suit the investor's investment objectives. The sub-funds' objective is to achieve for their shareholders long-term capital appreciation while attempting to control risks, primarily through trading on the world's organised futures, forward, and swap markets. The sub-funds may also trade other derivative, margined instruments.

For efficient cash and/or risk management purposes, the sub-funds may employ various risk and money management techniques.

Details of the structure, investment policy and management of the sub-funds are provided in the current prospectus.

### 3 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

#### ***3.1 - Presentation of financial statements***

The financial statements are prepared in accordance with Luxembourg legal and regulatory requirements applicable to investment funds.

#### ***3.2 - Valuation of investments***

All contracts traded on any form of organised market are valued at the last available price. Where such prices are not representative of the fair value of the relevant contracts, the value used is their respective reasonably foreseeable sales price as determined prudently and in good faith with valuation principles adopted by the Board of Directors.

#### **Futures contracts**

Futures contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These contracts are transacted in standardised amounts on regulated exchanges, or in particular cases in the OTC market and subsequently brought forward for clearing to the clearinghouses of such exchanges, and are subject to daily cash margin requirements. During the period that the Company has an open position in a futures contract, changes in the value of the contract are recognised as unrealised gains or losses based on the last known market value of the contract at each trading day. Variation margin payments are made or received, depending upon whether unrealised gains or losses are incurred.

The commitments for open futures contracts are valued by multiplying the number of positions with the settlement price and the point value.

The futures contracts are collateralised by cash held with clearing brokers in trading and related accounts.

# Transtrend Fund Alliance

## Forward foreign exchange contracts

Forward foreign exchange transactions are effectuated on a principal-to-principal basis in the OTC market. Such transactions current at balance sheet date are valued at the forward rates applicable to the remaining life of the relevant contracts.

The forward foreign exchange contracts are collateralised by cash held with OTC counterparties in trading and related accounts.

## Money market instruments

Money market instruments with a maturity date of less than twelve months are valued on a mark-to-market basis. Realised gains are recognised as interest.

## Interest rate swaps

An interest rate swap is a derivative transaction in which two parties enter into an agreement whereby one party exchanges fixed revenues into variable revenue and vice-versa. The interest rate swaps are valued at their market value established by reference to the applicable interest rates curve.

### 3.3 - Exchange rates

The following exchange rates prevailing at 30 June 2014 were used:

EUR	1	=	1.3692	USD	EUR	1	=	1.4611	CAD
EUR	1	=	1.4516	AUD	EUR	1	=	27.4500	CZK
EUR	1	=	1.2144	CHF	EUR	1	=	10.6119	HKD
EUR	1	=	0.8005	GBP	EUR	1	=	138.7650	JPY
EUR	1	=	309.7100	HUF	EUR	1	=	8.3999	NOK
EUR	1	=	1,385.6300	KRW	EUR	1	=	9.1508	SEK
EUR	1	=	1.5635	NZD	EUR	1	=	4.1589	PLN
EUR	1	=	14.5597	ZAR	EUR	1	=	756.4150	CLP
EUR	1	=	3.0319	BRL	EUR	1	=	8.4942	CNY
EUR	1	=	82.2372	INR	EUR	1	=	16,230.0000	IDR
EUR	1	=	2.9019	TRY	EUR	1	=	4.3914	MYR
EUR	1	=	1.7070	SGD	EUR	1	=	59.7315	PHP
EUR	1	=	2,573.5000	COP	EUR	1	=	46.5150	RUB
EUR	1	=	4.3843	RON	EUR	1	=	17.7561	MXN
EUR	1	=	7.4553	DKK	EUR	1	=	3.8317	PEN
EUR	1	=	40.9015	TWD	EUR	1	=	44.4005	THB

For the consolidated figures, the exchange rate of 1.3692 (EUR : USD) prevailing at 30 June 2014 is used.

### 3.4 - Other receivables

Other receivables are mainly composed of receivable interest, fees paid in advance which have not yet been included in the net asset value of the applicable sub-fund, and the receivable component of FX hedges, if any.

### 3.5 - Other liabilities

Other liabilities are mainly composed of management fees and central administration fees payable, subscription monies received in advance at period end, and the payable component of FX hedges, if any.

### 3.6 - Income recognition

Realised gains and losses on sales and purchases of futures are determined on the basis of the FiFo method; realised gains and losses on sales and purchases of forward contracts and interest rate swaps are determined at maturity date or upon novation. Realised gains and losses on sales of securities are determined on the basis of average cost and on purchase of securities at purchase price. Interest is accrued on a daily basis.

### 3.7 - Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in Luxembourg requires the Board of Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported accounts of income and expenses during the reporting period. Actual results may differ from those estimates.

### 3.8 - Presentation of financial statements

All figures disclosed in the financial statements are reported without decimals. As a result, small rounding differences may occur.

# Transtrend Fund Alliance

## 4 - TAXES

Under the legislation and regulations currently prevailing in Luxembourg, the Company is not subject to any taxes on profits or income. However, the Company is subject to a *taxe d'abonnement* at the rate of 0.05% per annum, calculated and payable quarterly on the aggregate net assets of the Company as valued on the last day of each quarter. A reduced tax rate of 0.01% per annum is applicable to individual sub-funds as well as to individual classes of shares issued within a sub-fund provided that the shares of such sub-funds or classes are reserved to one or more institutional investors. Dividends and interest received may be subject to non-recoverable withholding or other taxes in the country of origin.

## 5 - FEES PAYABLE BY THE FUND

The fees and charges of the custodian and central administration agent and listing agent, clearing brokers, trading adviser, auditor, legal advisers and other service providers are paid out of the net assets of each sub-fund and conform to common practice.

### 5.1 - Trading adviser fees

The Company in respect of each sub-fund will normally pay the trading adviser management fees and performance fees. The sub-funds pay the trading adviser a monthly management fee of 1/12<sup>th</sup> of 1.5% of the trading level established at the beginning of the month, in general representing for the MultiTrend sub-fund 1/12<sup>th</sup> of 3% and for the OmniTrend Plus sub-funds 1/12<sup>th</sup> of 2.25% of the corresponding net asset value, payable in arrears.

The sub-funds pay the trading adviser a performance fee of 20% of the appreciation of the gross net asset value per share, accruing monthly as at each valuation day and for the MultiTrend sub-fund payable annually at the end of each calendar year and for the OmniTrend sub-funds payable semi-annually at the end of each half calendar year, or upon any redemption of shares. A "high water mark" and equalisation are applied.

The performance fees as reported in the statements of income and expenses do not include equalisation deficits which crystallised during the reporting period. As such crystallisation is effectuated by a redemption of shares, the relevant amounts are accounted for in the payments for redemptions as reported in the statements of operations and changes in net assets. The value of these crystallised equalisation deficits does however represent performance fees paid to the trading adviser. In the period under review the aggregate value of crystallised deficits per sub-fund, if any, amounted to:

- EUR 2,691 for MultiTrend (EUR)
- USD 147,595 for OmniTrend (USD)
- USD 38,269 for OmniTrend Plus (USD)

### 5.2 - Redemption fees

The sub-funds may charge a redemption fee of up to 1% of a sub-fund's net asset value per share upon the redemption of shares by shareholders. No redemption fees have been charged during the reporting period.

### 5.3 - Brokerage fees

The sub-funds pay the clearing brokers transaction charges in the form of futures brokerage commissions. The current and expected average transaction costs represent institutional rates.

### 5.4 - Risk monitoring fees

The OmniTrend sub-funds pay the risk monitoring agent a monthly fee of 1/12<sup>th</sup> of 0.15% of their net asset value as at each valuation day, with a minimum of EUR 2,000 per month. The risk monitoring fee rate is subject to a sliding scale, which is related to the aggregate net asset value of all OmniTrend sub-funds for which RPM Risk & Portfolio Management AB act as independent risk monitoring agent.

### 5.5 - Directors' remuneration

The independent directors of the Company are remunerated for their services at a fixed fee, which in 2014 on aggregate amounts to EUR 55,000. The directors affiliated with the promoter do not receive any remuneration for their services as director.

# Transtrend Fund Alliance

## 6 - MARGIN AT TRADING AND RELATED ACCOUNTS

Initial margin held at trading accounts and related accounts represents cash deposits held with clearing brokers as collateral for open positions in futures and forward foreign exchange contracts and interest rate swaps. As at 30 June 2014 the initial margin held at the sub-funds' trading and related accounts per clearing broker and/or OTC counterparty amounted to:

	Deutsche Bank AG	Newedge UK Ltd	UBS AG	UBS Ltd	UBS Securities LLC
MultiTrend (EUR)	€ 1,003,833	€ 6,257,355	€ 624,476	€ 1,904,549	€ 362,212
OmniTrend (EUR)	€ 1,581,114	€ 9,031,206	€ 994,617	€ 2,723,054	€ 529,641
OmniTrend Plus (EUR)	€ 2,746,707	€ 17,588,268	€ 1,733,469	€ 5,394,795	€ 1,084,705
OmniTrend (USD)	\$ 13,209,553	\$ 121,182,814	\$ 11,730,971	\$ 34,416,515	\$ 4,394,674
OmniTrend Plus (USD)	\$ 2,915,249	\$ 17,172,716	\$ 1,933,542	\$ 4,690,713	\$ 569,056

## 7 - COUNTERPARTY RISK

The Company is subject to the risk that counterparties will not be able to fulfil their obligations with respect to transactions, positions, balances or otherwise, whether due to insolvency, bankruptcy or other causes. In such case, the Company may be able to recover none or only a portion of its assets, including unrealised profits, held with such counterparty. This could subject the Company to substantial losses. In an effort to mitigate such risk, the Company attempts to diversify its exposure across a select number of counterparties, while limiting its transactions to counterparties which have been selected on the basis of, among others, their expertise, reputation and experience. As per the end of the reporting period, the clearing brokers and the banks on aggregate hold, in addition to all futures, forward foreign exchange contract and interest rate swap positions, the below listed cash amounts per sub-fund.

Sub-fund	Cash exposure as at 30/06/14
MultiTrend (EUR)	€ 19,785,765
OmniTrend (EUR)	€ 42,514,130
OmniTrend Plus (EUR)	€ 48,027,124
OmniTrend (USD)	\$ 521,013,019
OmniTrend Plus (USD)	\$ 51,535,584

## 8 - INTEREST RATE SWAPS

The counterparty of the interest rate swaps held by the sub-funds is Deutsche Bank AG.

## 9 - DISTRIBUTION

The board of directors may propose a dividend at any time in the future. However, it is intended that capital appreciation in the net assets at the end of the financial year will remain invested in the sub-funds.

## 10 - STOCK EXCHANGE LISTING

The shares of OmniTrend (EUR), OmniTrend Plus (EUR), OmniTrend (USD) and OmniTrend Plus (USD) are listed on the Luxembourg Stock Exchange. CACEIS Bank Luxembourg acts as listing agent. No application has been made for listing the MultiTrend sub-fund shares on any stock exchange.



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## **11 - CHANGES IN INVESTMENT PORTFOLIO COMPOSITION**

During the period under review the sub-funds established an investment portfolio in the meaning of Schedule B of Annex I to the Luxembourg law of 17 December 2010 on Investment for Collective Undertakings, comprised of money market instruments for efficient cash and/or risk management purposes. The details of the changes in the investment portfolio composition during the period under review may be inspected by shareholders during usual business hours on any business day at the registered office of the Company.

Luxembourg, 26 August 2014

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