

# **LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

Annual Report and Audited Financial Statements  
for the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

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(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Annual Report and Audited Financial Statements**

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**Directors:**

Benjamin Huart (Irish Resident)\*\*  
Feargal Dempsey (Irish Resident)\* \*\*  
Sanjay Sachdev (US Resident)\*\*  
Philip Lovegrove (Irish Resident)\*\*\*  
Joseph Beashel (Irish Resident)\*\*\*

**Administrator & Registrar:**

State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Investment Advisor:**

ZyFin Capital Limited  
190, Elgin Avenue  
George Town  
Grand Cayman, KY1  
9005 Cayman Islands

**Legal Advisors:**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Auditors:**

KPMG  
1 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

**Promoter and Investment Manager:**

Lemanik Asset Management SA  
106, route d'Arlon  
L – 8210 Mamer  
Luxembourg

**Manager:**

Lemanik Asset Management SA, Dublin Branch  
9 Fitzwilliam Street Upper  
Dublin 2  
Ireland

**Depository:**

State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Secretary:**

Matsack Trust Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

\*Independent Director

\*\*Appointed on 23 September 2015

\*\*\*Appointed to facilitate the incorporation of the company and resigned on 23 September 2015 in favour of the current directors before the company's authorisation by the Central Bank of Ireland and before the Company commenced business.

All Directors are non-executive

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(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Annual Report and Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

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The Directors present their report together with the audited financial statements of LAM ZyFin Global Markets UCITS ETF Plc (the "Company") for the financial period ended 31 December 2016.

As at 31 December 2016, the Company comprised of three sub-funds (the "Sub-Funds"):

LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF

LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF

LAM ZyFin MSCI India UCITS ETF

**Review of performance of the business and future developments**

A detailed review of the business and future developments and performance indicators are included in the Investment Manager's Report for each Sub-Fund.

The Company has been established for the purpose of investing in transferable securities in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the "UCITS Regulations"). The specific investment objectives, strategies and policies for each Sub-Fund will be set out in the Prospectus.

**Results for the financial period and state of affairs**

The results for each Sub-Fund are set out in the Statement of Comprehensive Income for the financial period ended 31 December 2016. The state of affairs of each Sub-Fund is set out in the Statement of Financial Position as at 31 December 2016.

**Principal risks and uncertainties**

The principal risks and uncertainties faced by the Company include but are not limited to market risks, credit risk (including sovereign issuers) and liquidity risk. A detailed analysis of the risks faced by each Fund is included in Note 8 to the financial statements. Please also refer to Note 6 which details efficient portfolio management and currency hedging.

**Directors**

The following Directors held office on 31 December 2016 and throughout the financial period then ended:

Benjamin Huart (Irish Resident)\*\*

Feargal Dempsey (Irish Resident)\* \*\*

Sanjay Sachdev (US Resident)\*\*

Philip Lovegrove (Irish Resident)\*\*\*

Joseph Beashel (Irish Resident)\*\*\*

\*Independent Director

\*\*Appointed on 23 September 2015

\*\*\*Appointed to facilitate the incorporation of the company and resigned on 23 September 2015 in favour of the current directors before the company's authorisation by the Central Bank and before the Company commenced business

All Directors are non-executive

**Directors' and Secretary's interests**

None of the Directors, their families or the secretary hold or held any beneficial interest in the shares of the Company during the financial period. No Director had at any time during the financial period or at the financial period end a material interest in any contract of significance in relation to the business of the Company.

**Connected Parties**

The Central Bank of Ireland's UCITS Regulations require that any transaction carried out with the Company by a manager, depositary or an associated company ("connected parties") are carried out as if negotiated at arm's length and are in the best interests of the shareholders.

The Directors of the Company are satisfied that there are arrangements in place to ensure that this requirement is applied to transactions with connected parties, and that transactions with connected parties during the period complied with this requirement.

**Dividends**

A detailed dividend policy note is included in Note 10.

**Significant events during the financial period**

The Company was incorporated on 4 August 2015 and the Prospectus for the Company was issued on 2 October 2015.

The LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF Fund launched on the 13 November 2015, the LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF Fund launched on 1 June 2016 and the LAM ZyFin MSCI India UCITS ETF Fund launched on 16 September 2016. The launch dates mentioned represent the dates that seed capital was first introduced to the funds. Supplements were issued for the LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF Fund and the LAM ZyFin MSCI India UCITS ETF on 30 March 2016 and 20 July 2016 respectively.

The financial performance of the Company is reviewed in the investment manager's report.

There were no other significant events affecting the Company during the financial period.

**Significant events after the financial period end**

State Street Fund Services (Ireland) Limited will be resigning as Administrator in 2017.

An updated prospectus was issued in January 2017.

There are no other significant events to report after the financial period end.

**Independent Auditor**

KPMG, Chartered Accountants were appointed during the period in accordance with Section 382 of the Companies Act, 2014 and have expressed their willingness to continue in office in accordance with Section 383 of the Companies Act, 2014

**Accounting Records**

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets and liabilities of the Company and enable them to ensure that the financial statements are prepared in accordance with IFRS as adopted by the EU and comply with the Irish Companies Act, 2014 (the "Companies Act") and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the "UCITS Regulations"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors believe that they have complied with the requirements of Section 281 of the Companies Act, 2014, with regard to accounting records by employing an experienced Administrator with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained by State Street Fund Services (Ireland) Limited (the "Administrator") at 78 Sir John Rogerson's Quay, Dublin 2, Ireland.

**CORPORATE GOVERNANCE STATEMENT****Corporate Governance Code**

The Company is subject to compliance with the requirements of the Companies Act, 2014 and UCITS Regulations as applicable to investment funds.

Chapter 3, Part 23 of the Companies Act, 2014 requires the inclusion of a corporate governance statement in the Directors' Report. During the financial period under review, the Company was subject to corporate governance practices imposed by:

- (i) The Companies Act, 2014 which is available for inspection at the registered office of the Company; and may also be obtained at <http://www.irishstatutebook.ie>;
- (ii) The Articles of Association of the Company which are available for inspection at the registered office of the Company;
- (iii) The UCITS Regulations which can be obtained from the Central Bank of Ireland ("Central Bank") website at: <http://www.centralbank.ie/regulation/industry-sectors/funds/ucits> and are available for inspection at the registered office of the Company; and

The Company assessed the measures included in the voluntary Corporate Governance Code for Collective Investment Schemes as published by the Irish Funds in December 2011 (the "IF Code"). The Directors adopted the corporate governance practices and procedures in the IF Code with effect from launch date of Fund.

The Board considers that the Company has complied with the provisions of the IF Code throughout this accounting period.

The Company is not subject to the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006.

**Financial Reporting**

The Company is responsible for establishing and maintaining adequate internal control and risk management systems for the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has procedures in place to ensure that all relevant accounting records are properly maintained and are readily available, including production of annual and half yearly financial statements. The Board has appointed the Administrator to maintain adequate accounting records of the Company. The Administrator is authorised and regulated by the Central Bank and must comply with the rules imposed by the Central Bank. From time to time the Board reviews reports with respect to the Administrator's financial accounting and reporting functions. The annual financial statements of the Company are produced by the Administrator and reviewed by the Investment Manager (the "IM"). They are required to be approved by the Board and the annual and half yearly financial statements of the Company are required to be filed with the Central Bank.

The Board is responsible for the review and approval of the annual financial statements as set out in the Statement of Directors' Responsibilities. The statutory financial statements are required to be audited by independent auditors who report annually to the Board on their findings. The Board periodically reviews the independent auditor's performance, qualifications and independence. As part of its review procedures, the Board receives presentations from relevant parties with respect to accounting standards and their impact on the annual financial statements, and presentations and reports on the audit process. The Board evaluates and discusses significant accounting and reporting issues as the need arises.

**Shareholder Meetings**

The convening and conduct of shareholders' meetings are governed by the Articles of Association of the Company and the Companies Act, 2014. Although the Directors may convene an extraordinary general meeting of the Company at any time, the Directors are required to convene the first annual general meeting of the Company within eighteen months of incorporation and fifteen months of the date of the previous annual general meeting thereafter, provided that an annual general meeting is held once in each year within six months of the end of each accounting period of the Company.

At least twenty-one clear days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to shareholders and fourteen days' notice must be given in the case of any other general meeting, unless the auditors of the Company and all the shareholders of the Company entitled to attend and vote agree to shorter notice. Two shareholders present either in person or by proxy constitutes a quorum at a general meeting. The share capital of the Company is divided into different classes of shares and the Companies Act, 2014 and the Articles of Association provide that the quorum for a general meeting convened to consider any alteration to the rights attached to any class of shares, is two or more shareholders present in person or by proxy, holding or representing by proxy at least one third of the issued shares of the relevant class.

Every holder of participating shares or non-participating shares present, in person or by proxy who votes on a show of hands is entitled to one vote. On a poll, every holder of participating shares present, in person or by proxy, is entitled to one vote in respect of each share held by him, and every holder of non-participating shares is entitled to one vote in respect of all non-participating shares held by him. At any general meeting, a resolution put to the vote of the meeting is decided on a show of hands unless, before or upon the declaration of the result of the show of hands, a poll is demanded by the chairman of the general meeting, or by at least two members or shareholders present, in person or by proxy, having the right to vote at such meeting, or any holder or holders of participating shares present, in person or by proxy, representing at least one tenth of the shares in issue having the right to vote at such meeting.

Shareholders may resolve to sanction an ordinary resolution or special resolution at a shareholders' meeting. Alternatively, a resolution in writing signed by all of the shareholders and holders of non-participating shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company, will be valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held. An ordinary resolution of the Company (or of the shareholders of a particular fund or class of shares) requires a simple majority of the votes cast by the shareholders voting, in person or by proxy, at the meeting at which the resolution is proposed. A special resolution of the Company (or of the shareholders of a particular fund or class of shares) requires a majority of not less than 75% of shareholders present, in person or by proxy, and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles of Association.

**Composition and Operation of the Board**

The business of the Company is managed by the Directors who exercise all such powers of the Company as are not by the Companies Act, 2014 or by the Articles of Association of the Company required to be exercised by the Company in general meeting. Unless otherwise determined by the Company in a general meeting, the number of Directors shall not be less than two. Currently the Board is composed of three Directors, being those listed in the directory in these financial statements.

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number will be two.

Questions arising at any meeting of the Directors are determined by a majority of votes and in the case of an equality of votes the chairman of the meeting will have a casting vote. A Director may, and the Company's secretary on the request of a Director will, at any time call a meeting of the Directors.

**Directors' Remuneration**

Note 7 of these financial statements provides details of Directors' fees for the financial period ended 31 December 2016.

**Directors' Compliance Statement**

The Directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with certain obligations specified in that section arising from the Companies Act 2014 and Tax laws ('relevant obligations'). The Directors confirm that:

- a compliance policy statement has been drawn up setting out the Company's policies with regard to such compliance;
- appropriate arrangements and structures that, in their opinion, are designed to secure material compliance with the Company's relevant obligations, have been put in place; and
- a review has been conducted, during the financial period, of the arrangements and structures that have been put in place to secure the Company's compliance with its relevant obligations.

There are no committees of the Board in existence.

**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its changes in net assets attributable to holders of redeemable participating shares for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company. In this regard they have entrusted the assets of the Company to a trustee for safe-keeping. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

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**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.****Directors' Report**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**(continued)****Annual Report and Audited Financial Statements***For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016*

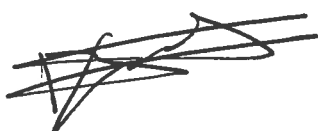
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**Relevant audit information**

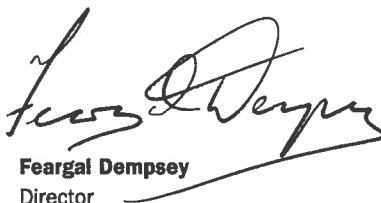
The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

**Audit committee**

The Company has decided that there is no requirement to form an audit committee as there is one Independent Director on the Board. The activities of the Company have been delegated to Lemanik Asset Management SA and there is a due diligence procedure in place for this service provider.

**For and on behalf of the Board**

**Benjamin Huart**  
Director



**Feargal Dempsey**  
Director

28 April 2017



**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.****Investment Manager's Report**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Annual Report and Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF**

The LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF has been listed on the London Stock Exchange and Deutsche Borse since November 2015, marking it the listing of the world's first dedicated Indian fixed income ETF on the exchanges. The fixed income ETF is Europe's first physically replicating Indian ETF backed by underlying securities as opposed to synthetic replications or derivatives. The Fund tracks the performance of the ZyFin India Sovereign Owned Enterprise Bond Index.

Fund Performance: The ETF has delivered 5.25% (in USD) annualized return for the year ended Dec 2016.

<b>Name</b>	<b>30-Dec-16</b>	<b>31-Dec-15</b>	<b>Y-O-Y</b>
<b>INR Currency</b>	67.92	66.15	2.68%
<b>GSEC Bond (YTM %)</b>			<b>Y-O-Y (bps)</b>
<b>3YR</b>	6.38	7.47	108.90
<b>5YR</b>	6.57	7.68	111.50
<b>10YR</b>	6.51	7.76	124.60
<b>15YR</b>	6.88	7.95	107.51
<b>AAA PSU CORPORATE BONDS (YTM%)</b>			
<b>3YR</b>	7.05	8.20	114.45
<b>5YR</b>	7.17	8.30	112.18
<b>10YR</b>	7.39	8.35	96.36
<b>15YR</b>	7.44	8.32	87.81

Source: Bloomberg

During the year 2016 there have been some notable events namely exit of Britain from European Union, US elections, demonetization in India, 50bps of rate cut by RBI and one more rate hike by the US Fed.

Benchmark 10Y GOI yields eased by 124 bps in 2016 though amidst high volatility while corporate bond spreads ended the year at 96bps as against 51bps at the beginning of the year. After a muted start under the cloud of a hawkish Fed, yields remained range bound with an upward bias. RBI's policy decision to bring system liquidity to neutral by series of OMOs and a dovish Fed helped yields come down. An accelerated fall in CPI and a sudden surge in liquidity with banks after demonetization helped yields come down. An accelerated fall in CPI & a sudden surge in liquidity with banks after demonetization helped 10Y yields touch the yearly low of 6.15% in November. However, subsequent RBI decision to mop up this excess liquidity by MSS and sharp spike in global yields resulted in some correction with sentiments turning cautious at year end. FPIs debt flows were negative for most part of the year with then being net sellers of over USD 6bn.

Global Fixed Income markets see sawed through the year as change in central bank policies guided the rates. US 10 Yr Treasuries rallied all the way to 1.30% levels and gave it all up post Trump, US Fed hikes and positive economic data. Negative yielding bonds which was almost USD 13 trn during the year fell to USD 8-9 trn currently after yields rose in the end of the year.

India central bank added the highest FX reserves on an absolute basis where as other EM's have been seeing a fall thus Rupee has been one of the most stable currencies in the recent past. Indian Macros stand out among its peers in the recent past as the Indian Rupee has strengthened 2.68% to the dollar during the year.

The annual rate of retail inflation, CPI remain range bound in 2016 with downward bias since August. The fall was largely on account of food inflation, which decelerated to 2.11% in November. Core inflation has been steadily falling since March 2014 and has been around 4.5-5% over the last one year now.

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**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.****Investment Manager's Report**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Annual Report and Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

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**LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF (continued)**

Contraction in money supply due to demonetization, improved fiscal situation, relatively low commodity prices and strong supply management should push inflation lower next year. GDP growth was already slowing down in last quarters and transient effect of demonetization will call for stimulus in the form of lower rates to incentives a revival. Partial shift of parallel economy to formal one as a result of demonetization initiative will also likely help improve govt revenue. In global arena, Fed hiked rates in December'16 and has guided for 3 more rate hikes in 2017. In expectation of huge fiscal expansion in US by incoming president and the resultant spike in inflation, tighter labor markets and higher fiscal deficit, US 10 year yields have risen sharply to about 2.60% in last couple of months. Even as market seems to have priced in a very aggressive scenario, the scope for disappointment remains. A more detailed assessment of the fiscal plan of the new administration will be available in next few quarters as the new administration takes charge. World economy lacks growth triggers and the fiscal expansion alone may not provide a sustainable growth momentum, possibly warranting a policy review from Fed of an extremely hawkish stand, much as it happened in 2016.

**As on 31 Dec 2016**

LAM Sun Global Zyfin India Sovereign Enterprise Bond UCITS ETF

**Daily Tracking Error**

0.1023

**Expected Daily Tracking Error**

0.05% - 0.50%

Tracking error can arise due to one of the following reasons or combination of same: Total expense ratio (TER) of the fund, rebalancing cost, price evaluator's valuation differences as bonds are traded majorly in OTC markets, Forex volatility, dividends & coupons and their reinvestment rate, liquidity of constituents and taxation.

**LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF**

The objective of the fund is to track the performance of the ZyFin Turkey Sovereign Bond Laddered index, which consists of a basket of sovereign bonds issued by government of Turkey in Turkish Lira (TRY) across various maturities.

The Fund was launched on 03rd June 2016 at an inflection point in turkey bond market when the rates were attractive trading at 9.65% and announcement of new central bank governor sounding more dovish and political stability was taking shape resulting in a low of 9.03% yield for the 10-year benchmark paper. Turkey is the sixth largest local currency bond market among emerging economies, and this is the first such fund to be listed in London and Germany. It is worth noting that around 90% of foreign holdings do have longer than 24-month maturity (mostly around five years) and the current constituents of ETF is having an average maturity of 5.30 years.

During start of the year the global bond rally was in the spring, Turkey was doing very well, but chances of a sustainable performance of Turkish assets were ruined by the political situation. Later in the year, rising US Treasury rates exposed one of the weaknesses of the Turkish economy: a low level of official reserves and politically driven reluctance to hike interest rates. 2016 was a difficult year for Turkey. The country faced multiple political and economic problems, ranging from a failed coup in June to long-standing structural economic problems. In the coming year, Turkey is likely to face problems in the same areas it did in 2016 – volatile growth rates, high-levels of international debt, and political fights over monetary policy. At the close of 2016, Turkey's economy contracted by 1.8% per Q3 GDP figures, while the Turkish lira has lost more than a fifth of its value since September. This devaluation is attributed to mounting political risks following the attempted military coup, as well as increased interest rates and US dollar buoyed by the prospects of an expansionist fiscal policy under Trump.

The after-effects of the failed coup in July are aggravating the already delicate political situation. President Erdogan has responded to the failed coup by intensifying his long-running purges of police, military, education, business as well as political sympathizers, leaving practically no segment of public or private sphere untouched. Turkey's governance performance and institutional framework have clearly been affected by disruptive politics and Erdogan's tightening power grip. Instability and unrest have been exacerbated by a myriad of factors including: an increasingly authoritarian policy course, the massive inflow of Syrian refugees, terrorist attacks, Islamic State threats and the alleged end of the peace process with the Kurdistan Workers' Party (PKK). These developments have also led to a deep divide between the pro- and anti-government groups that is manifest in all spheres of economic, political and social life—a chasm which is on course to widen with time.

The Turkish lira reached record lows of 3.88 against the U.S. dollar. The country's December inflation report showed that consumer prices increased significantly more than expected, further damaging foreign exchange market sentiments. Turkey's short-term external debt amounted to 74% of its total foreign reserves in October. Around half of that debt was denominated in dollars, according to Turkey's central bank.

Turkey underperformed in 2016, not only because of the coup but also because of Erdogan's reaction. The subsequent purge across armed forces, police and the education system has left those in a weakened state. In 2017 there will probably be a referendum to consolidate even more power with the president, moving from a parliamentary system to a presidential one. Also after the downgrade news in September from investment grade to below-investment grade, caused some forced selling, too much bad news had been priced in.

Turkey will seek to implement necessary reform to its finance and banking sectors in 2017 to weather increasingly unfavorable global economic conditions to emerging markets. The country's need to keep interest rates down to attract foreign capital, will come into conflict with the realities of rising domestic inflation and its depreciating currency. Erdogan's populist strategy of using low interest rates to promote growth will only intensify this conflict. Hence we recommend an accumulate strategy for long-term investors seeking high yielding assets and believe bad news are factored in current prices. It will be interesting to see if Turkey could become the next Russia or Brazil in terms of comeback potential. We think Turkey is still oversold, which is why we are still overweight, but we are watching the developments closely. In the end we think it can outperform, but not to such an extent as Russia has done in 2015 or Brazil in 2016.

Fund Performance: The ETF has given (-18.59%) in USD terms for the year ending Dec 2016 since inception date of 08th June 2016.

<b>As on 31 Dec 2016</b>	<b>Daily Tracking Error</b>	<b>Expected Daily Tracking Error</b>
LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF	0.4228	0.05% - 0.50%

Tracking error can arise due to one of the following reasons or combination of same: Total expense ratio (TER) of the fund, rebalancing cost, price evaluator's valuation differences as bonds are traded majorly in OTC markets, Forex volatility, dividends & coupons and their reinvestment rate, liquidity of constituents and taxation.

**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.****Investment Manager's Report**

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**LAM ZyFin MSCI India UCITS ETF**

LAM ZYFIN MSCI INDIA UCITS ETF is an exchange-traded fund incorporated in Ireland. The Fund seeks to provide an exposure to Indian equity market. The Fund will try to track the performance of MSCI India 10/40 Index Net TR (Net dividends reinvested), denominated in USD.

Fund Performance: The ETF has delivered (-10.80%) in USD for the year ending Dec 2016 since inception date of 22 September 2016.

Indian Equity Market – Annual Review of 2016

<b>Local India Indices - INR</b>	<b>30-Dec-16</b>	<b>31-Dec-15</b>	<b>Y-0-Y</b>
<b>NIFTY Index</b>	8185.80	7946.35	3.01%
<b>SENSEX Index</b>	26626.46	26117.54	1.95%
<b>NSEBANK Index</b>	18177.20	16922.20	7.42%
<b>PE_RATIO (Nifty)</b>	20.64	20.73	-
<b>PX_TO_BOOK_RATIO (Nifty)</b>	2.63	2.67	-
<b>MSCI INDIA 10/40 INDEX NET TR (usd)</b>	854.17	863.43	-1.07%
<b>Nifty Midcap 50</b>	3662.300	3415.20	7.24%
<b>CNX 500</b>	6982.800	6724.75	3.84%
<b>NSE Small Cap</b>	5780.850	5653.30	2.26%

Source: Bloomberg

Year 2016 turned out to be an eventful year. GST bill passage in parliament, appointment of new RBI governor, rate cuts, stable inflation and demonetization were key events. Globally, BREXIT, Donald Trump winning US Presidential elections, US rate hike etc made news. Indian equity markets (S&P BSE Sensex) were largely flat if one considers the opening and closing for 2016; however, in between, they were on a roller coaster ride. The S&P BSE Sensex gained 12% during the period January-September 2016 (2/3rd of 2016) before reverting to early January levels over October-December 2016 (1/3rd of 2016). Interestingly, the index was up 26% from its bottom in February 2016 to its peak in September 2016, aided by the Union Budget in March 2016. Key events that caused the short-term volatility in the equity markets include Brexit and US elections on the international front, and the GST amendment bill and monetary policy on the domestic front. Monsoons were normal, a respite for the rural economy. In demonetization, India witnessed a once-in-a-lifetime event playing out in the last two months of 2016. This has created a short-term economic disruption, normalization of which is expected in early 2017.

Mid-cap index outperformed the BSE Sensex for the third consecutive year, through the S&P BSE SENSEX remained largely flat, sector divergence was high with role reversal in performance of many sectors. Domestic MF inflows were higher than FII inflows for the second consecutive year. Insurance outflows continued for the fifth consecutive year. Developed markets indices like Dow Jones, NASDAQ, and FTSE etc. outperformed emerging market indices like SENSEX, Shanghai etc.

Outperforming sectors were Metals (more due to base effect) and Oil & Gas (continued reform focus), while underperformers were IT (growth challenges) and Healthcare (regulatory challenges). FPI's invested \$3.2bn in Indian equities in 2016 despite FII's selling Indian equities worth \$4.5bn in last 3 months. Inflows in domestic Equity mutual funds continue to be healthy.

<b>Global Equity Indices in USD</b>	<b>30-Dec-16</b>	<b>31-Dec-15</b>	<b>Y-0-Y</b>
<b>SHANGHAI SE COMPOSITE</b>	3103.64	3539.18	-12.31%
<b>KOSPI INDEX</b>	2026.46	1961.31	3.32%
<b>NIKKEI 225</b>	19114.37	19033.71	0.42%
<b>FTSE 100 INDEX</b>	7142.83	6242.32	14.43%
<b>DAX INDEX</b>	11481.06	10743.01	6.87%
<b>CAC 40 INDEX</b>	4862.31	4637.06	4.86%
<b>DOW JONES INDUS. AVG</b>	19762.60	17425.03	13.42%
<b>NASDAQ COMPOSITE INDEX</b>	5383.12	5007.41	7.50%

Source: Bloomberg

**LAM ZyFin MSCI India UCITS ETF (continued)**

Global Equity markets despite several negative news-flows and events ended the year on a positive note barring few markets. US Equities hit all time high post with Trump winning US elections and European markets rallied on better than expected economic data. Emerging markets continued their outperformance led by commodity producing countries while Chinese markets ended on a negative note as its GDP growth hit a decade low. Global currency markets saw swings as divergence in central bank policies remained a headwind. Dollar Index strengthened post Trump's win and crossed 100 levels. Among EM currencies, commodity producers gained while Mexican peso was one of the worst hit by Trump's win.

During the year 2016, key commodities bounced back after a weak 2015, with crude up 23% and steel and zinc up 96% and 60% respectively. All other major commodities also ended in green in year 2016. All Energy and Metal commodities ended the year positively. Industrial metals performed better than precious metals as fundamentals improved. Gold crossed USD 1350 levels but later corrected due to strong Dollar, and US Fed rate hikes.

The negative impact of demonetisation on India's economic growth and corporate earnings was not as bad as expected by the markets. The corporate earnings estimates have stabilised and bottomed out after the recent downgrades on the demonetization. FY '16 earnings for Indian companies got impacted due to one-offs such as NPA provisioning and collapse in commodity prices & FY '17 due to demonetization in Q3 & Q4 earnings. Adjusted earnings growth in FY '16 was 12% & is likely to be 10-12% in FY '17. Corporate earnings to recover from the low base, now that most of the negatives may be behind us. We expect earnings growth 17% CAGR for next two years.

India's relative attractiveness as an investment destination, improving macros & corporate earnings, lower currency volatility and strong reforms momentum backed by political stability will keep the foreign flows buoyant. The risk to the flows come in form of global risk aversion especially towards emerging markets. We expect 2017 will bring in the new era for the Indian corporate world, as we expect (a) stabilization after the recent disruption caused by demonetization, and (b) implementation of GST (likely by mid-2017), intended to improve ease of doing business. Nevertheless, any sudden adverse change in oil prices, China growth and US policy direction would be a concern.

**Sectoral changes during the year 2016**

Name	30-Dec-16	31-Dec-15	Y-O-Y
Nifty Energy	10271.55	8584.10	19.66%
Nifty Auto	9141.75	8254.75	10.75%
Nifty Bank	18177.20	16922.20	7.42%
NIFTY Private Bank	10042.80	9357.09	7.33%
Nifty Financial Services	7407.05	7059.15	4.93%
Nifty PSU Bank	2982.00	2864.30	4.11%
Nifty FMCG	20754.10	20192.65	2.78%
Nifty Media	2610.75	2633.00	-0.85%
Nifty Realty	165.35	172.60	-4.20%
Nifty IT	10399.25	11212.55	-7.25%
Nifty Pharma	10267.00	11963.50	-14.18%

Source: Bloomberg

**As on 31 Dec 2016**

LAM ZyFin MSCI India UCITS ETF

**Daily Tracking Error**

0.0971

**Expected Daily Tracking Error**

0.05% - 0.15%

Tracking error can arise due to one of the following reasons or combination of same: Total expense ratio (TER) of the fund, rebalancing cost, price evaluator's valuation differences as bonds are traded majorly in OTC markets, Forex volatility, dividends & coupons and their reinvestment rate, liquidity of constituents and taxation.

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**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Annual Report and Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

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**Report of the Depositary  
to the Shareholders**

We have enquired into the conduct of LAM ZyFin Global Markets UCITS ETF Plc (the "Company") for the financial period ended 31 December 2016, in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with Regulation 34, (1), (3) and (4) in Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, ("the UCITS Regulations"), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

**Responsibilities of the Depositary**

Our duties and responsibilities are outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

**Basis of Depositary Opinion**

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

**Opinion**

In our opinion, the Company has been managed during the financial period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 ("the Central Bank UCITS Regulations"); and
- (ii) otherwise in accordance with the provisions of the Deed of Constitution, the UCITS Regulations and the Central Bank UCITS Regulations.



State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

28 April 2017

**Independent Auditor's Report to the Members LAM ZyFin Global Markets UCITS ETF Plc**

We have audited the financial statements of LAM Zyfin Global Markets UCITS ETF plc ("the Company") from 4 August 2016 (date of incorporation) to 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union. Our audit was conducted in accordance with International Standards on Auditing (UK and Ireland).

**Opinions and conclusions arising from our audit****1 Our opinion on the financial statements is unmodified**

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2016 and of its decrease in net assets attributable to holders of redeemable participating shares for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015.

**2 Our conclusions on other matters on which we are required to report by the Companies Act 2014 are set out below**

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report, in relation to information given in the Corporate Governance Statement on pages 4 to 6, that:

- based on knowledge and understanding of the Company and its environment obtained in the course of our audit, no material misstatements in the information identified above have come to our attention; and
- based on the work undertaken in the course of our audit, in our opinion:
  - the description of the main features of the internal control and risk management systems in relation to the process for preparing the financial statements is consistent with the financial statements and has been prepared in accordance with the Companies Act 2014,
  - the Company is not subject to the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 and therefore not required to include information relating to voting rights and other matters required by those Regulations and specified by the Companies Act 2014 for our consideration in the Corporate Governance Statement,
  - the Corporate Governance Statement contains the information required by the Companies Act 2014.

**3 We have nothing to report in respect of matters on which we are required to report by exception**

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In addition, the Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.

**Basis of our report, responsibilities and restrictions on use**

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

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**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Annual Report and Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

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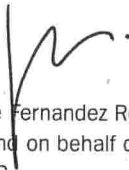
**Independent Auditor's Report****(continued)****Basis of our report, responsibilities and restrictions on use (continued)**

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jorge Fernandez Revilla  
for and on behalf of  
KPMG

Chartered Accountants, Statutory Audit Firm  
1 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

Date 28 April 2017



**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.****Statement of Comprehensive Income**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Audited Financial Statements**

	<b>LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF* US\$</b>	<b>LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF** US\$</b>	<b>LAM ZyFin MSCI India UCITS ETF*** US\$</b>	<b>Total US\$</b>
<b>For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016</b>				
<b>Income</b>				
Net gain/loss on financial assets and liabilities at fair value through profit or loss	469,083	(1,669,531)	(209,400)	(1,409,848)
<b>Total income/(expense)</b>	<b>469,083</b>	<b>(1,669,531)</b>	<b>(209,400)</b>	<b>(1,409,848)</b>
Expenses (see Note 7)	(56,554)	(52,026)	(5,727)	(114,307)
<b>Operating profit/(loss) for the financial period before withholding tax</b>	<b>412,529</b>	<b>(1,721,557)</b>	<b>(215,127)</b>	<b>(1,524,155)</b>
Withholding tax	(33,885)	-	-	(33,885)
<b>Increase/(decrease) in net assets attributable to holders of Redeemable Participating Shares resulting from operations</b>	<b>378,644</b>	<b>(1,721,557)</b>	<b>(215,127)</b>	<b>(1,558,040)</b>

\*This Sub-Fund launched on 13 November 2015

\*\*This Sub-Fund launched on 1 June 2016

\*\*\*This Sub-Fund launched on 16 September 2016

All activities arose from continuing operations. There are no other gains and losses other than those noted above.

*The accompanying notes and schedule of investments form an integral part of these financial statements.*

**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.****Statement of Financial Position**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Audited Financial Statements**

	LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF* US\$	LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF** US\$	LAM ZyFin MSCI India UCITS ETF*** US\$	Total US\$
<b>As at 31 December 2016</b>				
<b>Assets</b>				
Cash and cash equivalents	101,071	168,925	11,328	281,324
Coupon receivable	300,607	262,956	-	563,563
Financial assets at fair value through profit or loss - Transferable Securities	9,874,337	8,215,609	2,102,699	20,192,645
<b>Total assets</b>	<b>10,276,015</b>	<b>8,647,490</b>	<b>2,114,027</b>	<b>21,037,532</b>
<b>Liabilities</b>				
Accrued expenses	(18,668)	(21,114)	(4,880)	(44,662)
<b>Total liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)</b>	<b>(18,668)</b>	<b>(21,114)</b>	<b>(4,880)</b>	<b>(44,662)</b>
<b>Net assets attributable to holders of Redeemable Participating Shares</b>	<b>10,257,347</b>	<b>8,626,376</b>	<b>2,109,147</b>	<b>20,992,870</b>

\*This Sub-Fund launched on 13 November 2015

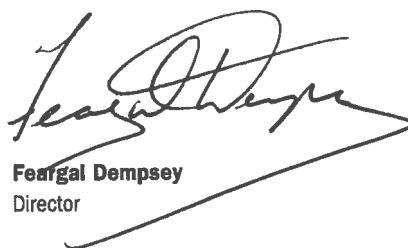
\*\*This Sub-Fund launched on 1 June 2016

\*\*\*This Sub-Fund launched on 16 September 2016

**For and on behalf of the Board**

**Benjamin Huart**  
Director

Date 28 April 2017


**Feargal Dempsey**  
Director

The accompanying notes and schedule of investments form an integral part of these financial statements.

**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Audited Financial Statements****Statement of Changes in  
Net Assets Attributable to Holders of  
Redeemable Participating Shares**

	LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF* US\$	LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF** US\$	LAM ZyFin MSCI India UCITS ETF*** US\$	Total US\$
<b>For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016</b>				
<b>Net assets attributable to holders of Redeemable Participating Shares at beginning of financial period</b>	-	-	-	
Proceeds from issue of Redeemable Participating Shares	9,878,703	10,347,933	2,324,274	22,550,910
Increase in net assets from share transactions	9,878,703	10,347,933	2,324,274	22,550,910
Increase/(decrease) in net assets attributable to holders of Redeemable Participating Shares resulting from operations	378,644	(1,721,557)	(215,127)	(1,558,040)
<b>Net assets attributable to holders of Redeemable Participating Shares at end of financial period</b>	<b>10,257,347</b>	<b>8,626,376</b>	<b>2,109,147</b>	<b>20,992,870</b>

\*This Sub-Fund launched on 13 November 2015

\*\*This Sub-Fund launched on 1 June 2016

\*\*\*This Sub-Fund launched on 16 September 2016

*The accompanying notes and schedule of investments form an integral part of these financial statements.*

**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.****Statement of Cash Flows**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Audited Financial Statements**

	<b>LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF*</b> US\$	<b>LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF**</b> US\$	<b>LAM ZyFin MSCI India UCITS ETF***</b> US\$	<b>Total US\$</b>
<b>For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016</b>				
<b>Cash flows from operating activities</b>				
Increase/(decrease) in net assets attributable to holders of Redeemable Participating Shares resulting from operations	378,644	(1,721,557)	(215,127)	(1,558,040)
<b>Adjustments for:</b>				
Movement in financial assets at fair value through profit or loss	(9,874,337)	(8,215,609)	(2,102,699)	(20,192,645)
<b>Operating cash flows before movements in working capital</b>	<b>(9,495,693)</b>	<b>(9,937,166)</b>	<b>(2,317,826)</b>	<b>(21,750,685)</b>
Movement in receivables	(300,607)	(262,956)	-	(563,563)
Movement in payables	18,668	21,114	4,880	44,662
<b>Net cash used in operating activities</b>	<b>(9,777,632)</b>	<b>(10,179,008)</b>	<b>(2,312,946)</b>	<b>(22,269,586)</b>
<b>Cashflows from financing activities</b>				
Proceeds from subscriptions	9,878,703	10,347,933	2,324,274	22,550,910
<b>Net cash provided by financing activities</b>	<b>9,878,703</b>	<b>10,347,933</b>	<b>2,324,274</b>	<b>22,550,910</b>
<b>Net increase in cash and cash equivalents</b>	<b>101,071</b>	<b>168,925</b>	<b>11,328</b>	<b>281,324</b>
Cash and cash equivalents at the start of the financial period	-	-	-	-
<b>Cash and cash equivalent at the end of the financial period</b>	<b>101,071</b>	<b>168,925</b>	<b>11,328</b>	<b>281,324</b>
<b>Supplementary information</b>				
Coupon received	261,750	247,126	-	513,197
Dividend Received	-	-	4,321	-

\*This Sub-Fund launched on 13 November 2015

\*\*This Sub-Fund launched on 1 June 2016

\*\*\*This Sub-Fund launched on 16 September 2016

The accompanying notes and schedule of investments form an integral part of these financial statements.

**Audited Financial Statements***For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016***1. General Information**

LAM ZyFin Global Markets UCITS ETF Plc (the "Company") is an umbrella investment Company with variable capital and segregated liability between its Funds and is organised under the laws of Ireland as a public limited company pursuant to the Companies Act, 2014, ("Companies Act"). The Company is authorised by the Central Bank of Ireland ("Central Bank") under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and the Central Bank's (Supervision and Enforcement) Act 2013 (Section 48(1)) UCITS Regulations 2015, (collectively the "UCITS Regulations"). The Company was incorporated on 4 August 2015 under registration number 565972. The Company has three sub-funds (the "Sub-Funds" and each a "Fund"), LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF which launched on 13 November 2015, LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF which launched on 1 June 2016 and LAM ZyFin MSCI India UCITS ETF which launched on 16 September 2016. The launch dates mentioned represent the dates that seed capital was first introduced to the funds.

**2. Basis of preparation**

These financial statements are the first set of audited annual financial statements of the Company. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("EU IFRS") as adopted by the European Union ("EU IFRS") and the Central Bank UCITS Regulations.

The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

In preparation of financial statements in conformity with IFRS the Company is required to make certain accounting estimates and assumptions. Actual results may differ from these estimates and assumptions. The Directors believe that any estimates used in preparing the financial statements are reasonable and prudent. Critical accounting estimates are those which involve the most complex or subjective judgements or assessments. The areas of the business that typically require such estimates are the determination of the fair value of financial assets and liabilities. This information is available in the Statement of Financial Position on page 17.

The financial statements have been prepared on a going concern basis.

**New standards not effective and not early adopted as of 31 December 2016**

**IFRS 9 "Financial Instruments"** This standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is assessing the standard's full impact.

**Impairment:** IFRS 9 requires the Company to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12 month-month or lifetime basis. The Company does not expect a significant impact as a result of applying this aspect of IFRS 9.

**Hedge Accounting:** IFRS 9 does not change the principles of how an entity accounts for effective hedges. The Company does not have any existing hedge relationships and does not expect a significant impact as a result of applying this aspect of IFRS 9.

IFRS 9 is effective for all accounting periods beginning on or after 1 January 2018, however, all aspects of the above, except "Hedge Accounting" can be early adopted.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

**Audited Financial Statements***For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016***3. Significant accounting policies**

The principal accounting policies and estimation techniques applied in the preparation of these financial statements are set out below.

**3.1 Financial assets and financial liabilities at fair value through profit or loss****(a) Classification**

The Company classifies its investments as financial assets and financial liabilities at fair value through profit or loss. All financial assets and financial liabilities are held for trading. Financial assets or financial liabilities held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the short-term. Fixed income is designated by the Directors at fair value through profit or loss at inception. Gains and losses from changes in the fair value of the financial assets at fair value through profit or loss category are included in the Statement of Comprehensive Income.

**(b) Recognition, derecognition and measurement**

Regular purchases and sales of investments are recognised on the trade date, the date on which the Company commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the Statement of Comprehensive Income within Net loss on financial assets and liabilities at fair value through profit or loss and are calculated on a First In-First Out ("FIFO") basis.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership and a realised gain or loss is recognised. Realised gains and losses are presented in the Statement of Comprehensive Income as Net loss on financial assets and liabilities at fair value through profit or loss. Realised gains and losses on investment transactions are calculated using the FIFO method. Realised gains and losses on investments transactions in debt instruments are calculated as the difference between sales proceeds and the amortised cost of the instrument. Amortised cost is arrived at using the effective interest method.

**(c) Fair value estimation****(i) Investments**

IFRS 13 provides a precise definition of fair value. The Company's valuation techniques are employed by the Investment Manager. These techniques include financial assets and liabilities listed or normally dealt in more than one Regulated Market shall be valued at the last traded price (or if no last traded price is available the latest bid price) on such Regulated Market. If an asset or a liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-price or other pricing conventions that are used by market participants as a practical expedient for fair value measurement. The value of any investment which is not listed or dealt in a Regulated Market shall be the probable realisable value estimated with care and in good faith by the Directors, or by the Investment Manager.

Debt obligations are valued based on the evaluated prices provided by an independent pricing vendor or from broker-dealers. Independent pricing vendors utilise matrix pricing which takes into account factors such as institutional-size trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data, as well as broker supplied prices.

**3.2 Foreign currency****(a) Functional and presentation currency**

Items included in the financial statements of the Company are measured in the currency of the primary economic environment in which the Sub-Funds operate (the "functional currency"). The financial statements of the Company are presented in U.S. Dollar ("USD"), which is the functional and presentation currency of the Sub-Funds. The liquidity of the Sub-Funds are managed on a day to day basis in USD in order to handle the issue, acquisition and resale of the Sub-Funds' redeemable shares.

**Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**3. Significant accounting policies (continued)****3.2 Foreign currency (continued)****(b) Foreign currency translation**

Transactions in currencies other than USD are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of financial period end exchange rates of monetary items and non-monetary assets and liabilities that are denominated in foreign currencies are recognised through profit or loss in the Statement of Comprehensive Income in the financial period in which they arise. .

**3.3 Revenue recognition**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method. Income is accounted for gross of any non-reclaimable/irrecoverable withholding taxes. The withholding tax is shown separately in the Statement of Comprehensive Income.

**3.4 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and other short-term investments in an active market with original maturities of three months or less and bank overdrafts. All amounts are subject to insignificant changes in fair value. As of 31 December 2016 cash and cash equivalents are held with State Street Bank and Trust Company ("State Street") and are stated at face value. Cash held at 31 December 2016 and denominated in currencies other than USD is converted to USD using the closing spot rates.

**3.5 Expenses**

Expenses are recognised through profit or loss in the Statement of Comprehensive Income on an accruals basis.

**3.6 Redeemable participating shares**

In accordance with the requirements of the Prospectus, each Sub-Fund issues redeemable participating shares, which are redeemable at the holder's option and are classified as financial liabilities in accordance with IAS 32. Redeemable participating shares can be put back into the Fund at any time for cash equal to a proportionate share of the Sub-Funds' Net Asset Value ("NAV"). Redeemable participating shares are carried at the redemption amount that is payable at the financial period end date if the holder exercises the right to put the shares back into the Sub-Fund.

Redeemable participating shares are issued and redeemed at the holder's option based on the relevant Sub-Funds' NAV per share at the time of issue or redemption.

The relevant Sub-Funds' NAV per share is calculated by dividing the net assets attributable to the holders of redeemable participating shares by the total number of outstanding redeemable participating shares. Shares are issued or redeemed at the NAV per Share incorporating an amount in respect of duties and charges, where applicable.

**3.7 Transaction costs**

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial liability is recognised initially, an entity shall disclose these costs in the Statement of Comprehensive Income.

**3.8 Right of Offset**

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit and loss and foreign exchange gains and losses. The Company's financial assets and liabilities are not subject to offsetting, enforceable master netting arrangements and similar agreements.

**4. Share capital****Authorised**

The authorised share capital of the Company is 500,000,000,002 Shares of no par value divided into 2 Subscriber Shares of no par value and 500,000,000,000 shares of no par value. The Directors are empowered to issue some of the Shares of the Company on such terms as they think fit.

**Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**4. Share capital (continued)****Redeemable shares and net assets attributable to holders of redeemable shares**

The Redeemable Shares entitle the holders to attend and vote at general meetings of the Company and (other than the Subscriber Shares) to participate equally in the profits and assets of the Sub-Fund to which the Shares relate, subject to any differences between fees, charges and expenses applicable to different Classes.

The redeemable participating share capital is at all times equal to the NAV of the Sub-Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The following table shows the movement in the number of redeemable participating shares for the financial period ended 31 December 2016:

	<b>LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF Class B1*</b>	<b>LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF Class Accumulative**</b>	<b>LAM ZyFin MSCI India UCITS ETF Class A***</b>
<b>Opening balance</b>	-	-	-
Shares issued	956,883	1,033,383	232,000
Shares redeemed	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Closing balance</b>	<b>956,883</b>	<b>1,033,383</b>	<b>232,000</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Proceeds from shares issued (US\$)	9,878,703	10,347,933	2,324,274
Proceeds from shares redeemed (US\$)	-	-	-

\*This Sub-Fund launched on 13 November 2015

\*\*This Sub-Fund launched on 1 June 2016

\*\*\*This Sub-Fund launched on 16 September 2016

**Subscriber Shares**

The 2 Subscriber Shares in issue are held in trust by Matsack Trust Limited and Matsack Nominees Limited as at the financial period end.

The Subscriber Shares entitle the holders to attend and vote at any general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up.

**5. Taxation**

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended, (the "Taxes Consolidation Act"). On that basis, it is generally not chargeable to Irish tax on its income and gains so long as the Company is resident for tax purposes in Ireland. However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, are held by the Company; and
- certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.



**Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**5. Taxation (continued)**

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investments income/gains are received and such taxes may not be recoverable by the Company and its shareholders. Withholding tax and reclaims incurred on dividends are recorded on ex-date. Dividends receivable are shown net of withholding taxes payable, if any, in the Statement of Financial Position.

The Company may be subject to taxes imposed on realised and unrealised gains on securities of certain foreign countries in which the Company invests. The foreign tax expense, if any, is recorded on an accrual basis and is included in "Capital gains taxes" on the accompanying Statement of Comprehensive Income. The amount of foreign tax owed, if any, is included in "Capital gains tax payable" on the accompanying Statement of Financial Position. No foreign tax owed has been recognised at year end.

**6. Management and currency hedging**

The Company may, on behalf of each Sub-Fund and subject to the conditions and within the limits laid down by the Central Bank, use techniques and instruments for hedging purposes (to protect the Sub-Funds' unrealised gains by hedging against possible adverse fluctuations in the securities markets or changes in interest rates or currency exchange rates that may reduce the market value of the Fund's investment portfolio) or for the purposes of efficient portfolio management (including but not limited to forward currency exchange contracts, futures contracts, options, warrants and swaps).

The Company may also use stock lending agreements for the purposes of efficient portfolio management. References to a Sub-Fund entering into a Financial Derivative Instrument ("FDI") shall be construed as the Company entering into such FDI on behalf of a Sub-Fund, where appropriate.

The use of FDI by any Sub-Fund for investment purposes or for efficient portfolio management will be described in the risk notes where applicable. In this context, efficient portfolio management means the reduction of risks, including the risk of tracking error between the performance of a Sub-Fund and the performance of the Index tracked by the relevant Sub-Fund, the reduction of costs to the Company, the generation of additional capital or income for the Company and hedging against market movements, currency exchange or interest rate risks, subject to the general restrictions outlined in the risk notes section. To the extent that a Sub-Fund uses FDI, there may be a risk that the volatility of the Sub-Fund's NAV may increase. Please refer to the "Risk Information" section for further details about the risks associated with the use of FDI.

At the financial period end the Company did not engage in Efficient Portfolio Management ("EPM").

**7. Fees and expenses**

All of the fees and expenses payable in respect of the Sub-Funds are paid as one single fee. This is referred to as the total expense ratio or "TER". The fees and expenses of the Manager (Lemanik Asset Management SA), the Investment Manager (Lemanik Asset Management SA), Depositary (State Street Custodial Services (Ireland) Limited), Administrator (State Street Custodial Services (Ireland) Limited), the Auditor (KPMG) and Secretary (Matsack Trust Limited) will be paid out of the TER. Subject to applicable law and regulation, the Manager or the Investment Manager may pay part or all of its fees to any person that invests in or provides services to the Company or in respect of any Sub-Fund.

The TER does not include brokerage or other fees, charges, interest, taxes (of any kind or nature including but not limited to, income, excise, transfer, withholding taxes, stamp and government duties), levies incurred in connection with acquiring or disposing of Investments or arising from investment in collective investment schemes (including, without limitation, any fees, charges, taxes, levies or expenses related to the purchase or sale of an amount of any currency, or the patriation or repatriation of any security or other asset, or related to the execution of portfolio transactions or any creation or redemption transactions); the annual funding levy or any taxes or other fees payable to the supervisory authorities and costs relating to the distribution of dividends; extraordinary expenses, including fees in connection with any arbitration, any applicable insurance requirements, if any; litigation or pending or threatened arbitration or litigation, including any settlements in connection therewith; costs and expenses incurred in connection with the exercise of voting rights; fees connected with the winding up of the Company and/or the Fund itself; and expenses of Shareholders meetings. Such fees and expenses shall be paid by the Sub-Fund, out of its assets.

**Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**7. Fees and expenses (continued)****TER**

Fund	% 2016 Expenses Annualised
LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF	0.79%
LAM Alternatif Zyfin Turkey Sovereign Bond UCITS ETF	0.89%
LAM Zyfin MSCI India UCITS ETF	0.89%

The TER is calculated and accrued daily from the NAV of each Sub-Fund and payable monthly in arrears. The TER of each Sub-Fund may not exceed 2.50%.

**Management Fees**

As remuneration for its duties under the Agreement, the Manager shall receive from the Fund a management company fee as follows:

- 0.05% p.a. on the average assets per sub-fund up to EUR 100 million.
- 0.03% p.a. on the average assets per sub-fund above EUR 100 million.

This is subject to a minimum of EUR 20,000 per sub-fund p.a. (commitment approach) and an additional fee of EUR 1,000 per sub-fund per month in case of Value at Risk calculation.

In addition, the Manager is entitled to receive a fee as follows:

- LAM Sun Global Zyfin India Sovereign Enterprise Bond UCITS ETF: 0.59% p.a. of the average assets during the relevant period.
- LAM Alternatif Zyfin Turkey Sovereign Bond UCITS ETF: 0.685% p.a. of the average assets during the relevant period.
- LAM Zyfin MSCI India UCITS ETF: 0.685% p.a. of the average assets during the relevant period.

The above fees are payable monthly.

**Directors' fees**

The Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. However, Directors affiliated with the Investment Manager are not entitled to a fee. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties. Directors' fees charged for the financial period amounted to USD 17,158, of which USD 17,158 was payable at financial period end.

These fees can be met from the TER charge, however the Manager or Investment Manager may pay part or all of certain expenses on behalf of the relevant fund.

**Audit Fees**

	Financial period ended 31 December 2016 USD
Audit	19,555
Other assurance services	-
Tax advisory services	23,415
Other non-audit services	-
<b>Total audit fee</b>	<b>42,970</b>

These fees can be met from the TER charge, however the Manager or Investment Manager may pay part or all of certain expenses on behalf of the relevant fund.

**Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**7. Fees and expenses (continued)****Transaction costs**

Transaction costs which are separately identifiable are disclosed in the following table:

Fund	Transaction Costs 30 December 2016 US\$
LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF	4,361
LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF	725
LAM ZyFin MSCI India UCITS ETF	6,391

Depository transactions costs are included in depository fees. These costs are separately identifiable transaction costs.

**8. Financial instruments and associated risks****Role of the investment manager**

Subject to the overall supervision of the Directors of the Company (the "Directors"), the requirements of the Central Bank and the terms of the Investment Manager agreement, the Investment Manager will at its own expense select and contract with sub-investment managers (the "Sub-Investment Manager") to manage the investments and determine the composition of the assets of the Funds, provided that the Investment Manager remains responsible to the Company for the performance of its obligations under the Investment Manager Agreement. The Investment Manager monitors each Sub-Investment Manager's management of the Company's Investment operations in accordance with the investment objectives and related investment policies, as set forth in the prospectus and any supplement issued by the Company and reviews and reports to the Directors on the performance of such Sub-Investment Manager.

**Risk mitigation & management**

The Investment Manager operates a risk management process on behalf of the Funds in relation to the use of FDIs which allows it to accurately measure, monitor and manage the various risks associated with FDIs and other investments, and which is intended to ensure that the Funds' investments including FDI exposure remains within the limits described below. This risk management process also takes into account any exposure created through FDIs embedded in investments held by the Funds.

**Global Exposure**

The global exposure of the assets held within each Sub-Fund is monitored on a daily basis. In accordance with the regulatory requirements, global exposure can be calculated in 2 ways, either;

- (1) the incremental exposure generated by the instruments held by a Sub-Fund (the "Commitment Approach"); or
- (2) where complex investment strategies are used, an advanced risk management methodology such as VaR will be employed.

Each Sub-Fund's global exposure and leverage will be calculated using the commitment approach and the Sub-Funds' global exposure will not exceed 100% of NAV. The commitment approach converts each Sub-Fund's FDI positions into the equivalent positions in the underlying assets and seeks to ensure that the FDI risk is monitored in terms of any future "commitments" to which it is (or may be) obligated.

The Manager has a risk management process in respect of each Sub-Fund which enables it to accurately measure, monitor and manage the various risks associated with FDI, the use of efficient portfolio management techniques and the management of collateral. The Investment Manager will only employ FDI that are covered by the risk management process, as amended from time to time. A statement of this risk management process has been submitted to and cleared by the Central Bank. In the event of a Sub-Fund proposing to use additional types of FDI, the risk management process and the Relevant Supplement will be amended to reflect this intention. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is divided into three distinct sections; other price risk, interest rate risk and currency risk.

**Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**8. Financial instruments and associated risks (continued)**

**Other price risk**

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Investment Manager considers the asset allocation of the portfolio in order to manage the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-Funds' investment objectives.

The table below summarises the Sub-Funds' exposure to price risk. It includes the Sub-Funds' trading assets at fair values exposed to price risk, indicating the proportion to the respective Sub-Funds' NAV.

	LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF*		LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF**		LAM ZyFin MSCI India UCITS ETF***	
	US\$	% of NAV	US\$	% of NAV	US\$	% of NAV
Equities	-	-	-	-	2,102,699	99.69%
Bonds	9,874,337	96.27%	8,215,609	95.24%	-	-

\*This Sub-Fund launched on 13 November 2015

\*\*This Sub-Fund launched on 1 June 2016

\*\*\*This Sub-Fund launched on 16 September 2016

**Sensitivity analysis**

If the actual market prices at 31 December 2016 had increased or decreased by 5% with all other variables held constant, this would have enhanced or reduced, as the case may be, net assets attributable to holders of Redeemable Participating Shares by the following:

LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF*	LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF Class**	LAM ZyFin MSCI India UCITS ETF***
US\$	US\$	US\$
493,717	410,780	105,135

\*This Sub-Fund launched on 13 November 2015

\*\*This Sub-Fund launched on 1 June 2016

\*\*\*This Sub-Fund launched on 16 September 2016

**Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Changes to prevailing interest rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the value of fixed income securities will decline. A decline in interest rates will in general have the opposite effect. Other assets and liabilities bear no interest rate risk. The Investment Manager monitors positions on a daily basis.

The tables on the next page summarise the Sub-Funds' exposure to interest rate risk. It includes the Sub-Funds' assets at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

The table on the next page also contains interest rate sensitivity analysis. This analysis is a relative estimate of risk and is not intended to be a precise number. The calculations are based on historical data. Future price movements and correlations between securities could vary significantly from those experienced in the past.

**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.****Notes to the financial statements**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**(continued)****Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**8. Financial instruments and associated risks (continued)****Market risk (continued)****Interest rate risk (continued)****LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF\***

	Maturity Date Less than 1 Year USD	Maturity Date 1 - 5 Years USD	Maturity Date More than 5 years USD	Non-interest bearing USD	Total Fair Value USD
<b>Assets</b>					
Investments - transferable securities	-	1,479,231	8,395,106	-	9,874,337
Other assets	-	-	-	300,607	300,607
Cash and bank balances	101,071	-	-	-	101,071
<b>Total Assets</b>	<b>101,071</b>	<b>1,479,231</b>	<b>8,395,106</b>	<b>300,607</b>	<b>10,276,015</b>
<b>Liabilities</b>					
Creditors - amounts falling due within one year	-	-	-	(18,668)	(18,668)
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,668)</b>	<b>(18,668)</b>
					<b>Change +/- 5%</b>
<b>Total interest sensitivity gap</b>	<b>101,071</b>	<b>1,479,231</b>	<b>8,395,106</b>		<b>498,770</b>

\*This Sub-Fund launched on 13 November 2015

**LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF\***

	Maturity Date Less than 1 Year USD	Maturity Date 1 - 5 Years USD	Maturity Date More than 5 years USD	Non-interest bearing USD	Total Fair Value USD
<b>Assets</b>					
Investments - transferable securities	-	4,342,620	3,872,989	-	8,215,609
Other assets	-	-	-	262,956	262,956
Cash and bank balances	168,925	-	-	-	168,925
<b>Total Assets</b>	<b>168,925</b>	<b>4,342,620</b>	<b>3,872,989</b>	<b>262,956</b>	<b>8,647,490</b>
<b>Liabilities</b>					
Creditors - amounts falling due within one year	-	-	-	(21,114)	(21,114)
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,114)</b>	<b>(21,114)</b>
					<b>Change +/- 5%</b>
<b>Total interest sensitivity gap</b>	<b>168,925</b>	<b>4,342,620</b>	<b>3,872,989</b>		<b>419,227</b>

**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.****Notes to the financial statements**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**(continued)****Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**8. Financial instruments and associated risks (continued)****Market risk (continued)****Interest rate risk (continued)****LAM ZyFin MSCI India UCITS ETF\*\***

	<b>Maturity Date Less than 1 Year USD</b>	<b>Maturity Date 1 - 5 Years USD</b>	<b>Maturity Date More than 5 years USD</b>	<b>Non-interest bearing USD</b>	<b>Total Fair Value USD</b>
<b>Assets</b>					
Investments - transferable securities	-	-	-	2,102,699	2,102,699
Cash and bank balances	11,328	-	-	-	11,328
<b>Total Assets</b>	<b>11,328</b>	<b>-</b>	<b>-</b>	<b>2,102,699</b>	<b>2,114,027</b>
<b>Liabilities</b>					
Creditors - amounts falling due within one year	-	-	-	(4,880)	(4,880)
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,880)</b>	<b>(4,880)</b>
				<b>Change +/- 5%</b>	
<b>Total interest sensitivity gap</b>	<b>11,328</b>	<b>-</b>	<b>-</b>		<b>566</b>

\*This Sub-Fund launched on 1 June 2016

\*\*This Sub-Fund launched on 16 September 2016

**Foreign currency risk**

Assets of a Sub-Fund may be denominated in a currency other than the Functional Currency of the Sub-Fund and changes in the exchange rate between the Functional Currency and the currency of the asset may lead to a depreciation of the value of the Sub-Funds' assets as expressed in the Base Currency.

The Investment Manager may (but is not obliged to) seek to mitigate this exchange rate risk by using FDI. No assurance, however, can be given that such mitigation will be successful.

Accordingly, the value of the shares may be affected by any currency movement between the currency of the financial assets and financial liabilities and the Base Currency. The Base Currency of the Company and of the Fund is USD.

**Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**8. Financial instruments and associated risks (continued)**

**Market risk (continued)**

**Foreign currency risk (continued)**

The following tables set out the Sub-Funds' material exposure to monetary and non-monetary foreign currency risk as of 31 December 2016. The sensitivity analysis below illustrates the impact of a 5% exchange rate increase or decrease between the USD and the monetary assets and monetary liabilities denominated in foreign currency relevant to the Sub-Fund. This analysis is based on the assumption that all other variables remain constant. The impact on the Company is the change in the NAV of the Sub-Fund in terms of USD (the functional currency of the Sub-Fund). The sensitivity analysis details the effect of a change in exchange rates on net financial assets.

**LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF\***

	<b>31 December 2016</b>	<b>31 December 2016</b>	<b>31 December 2016</b>
<b>Currency</b>	<b>Monetary USD</b>	<b>Non-Monetary USD</b>	<b>Total USD</b>
INR	10,276,015	-	10,276,015
	<u>10,276,015</u>	<u>-</u>	<u>10,276,015</u>

**LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF\*\***

	<b>31 December 2016</b>	<b>31 December 2016</b>	<b>31 December 2016</b>
<b>Currency</b>	<b>Monetary USD</b>	<b>Non-Monetary USD</b>	<b>Total USD</b>
TRY	8,636,240	-	8,636,240
	<u>8,636,240</u>	<u>-</u>	<u>8,636,240</u>

**LAM ZyFin MSCI India UCITS ETF\*\*\***

	<b>31 December 2016</b>	<b>31 December 2016</b>	<b>31 December 2016</b>
<b>Currency</b>	<b>Monetary USD</b>	<b>Non-Monetary USD</b>	<b>Total USD</b>
INR	11,328	2,102,699	2,114,027
	<u>11,328</u>	<u>2,102,699</u>	<u>2,114,027</u>

\*This Sub-Fund launched on 13 November 2015

\*\*This Sub-Fund launched on 1 June 2016

\*\*\*This Sub-Fund launched on 16 September 2016

Due to the exposure to currency risk, sensitivity analysis is provided on the next page. This has been prepared on the currencies below, based on the Investment Manager's assessment of what constitutes material exposure.

**Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**8. Financial instruments and associated risks (continued)****Market risk (continued)****Foreign currency risk (continued)**

At 31 December 2016, had the exchange rate between US Dollar and Indian Rupee increased or decreased by 5 percent with all other variables held constant, the increase or decrease respectively in net assets of LAM Sun Global Zyfin India Sovereign Enterprise Bond UCITS ETF would amount to approximately USD 489,334.

At 31 December 2016, had the exchange rate between US Dollar and Turkish Lira increased or decreased by 5 percent with all other variables held constant, the increase or decrease respectively in net assets of LAM Alternatif Zyfin Turkey Sovereign Bond UCITS ETF would amount to approximately USD 411,250.

At 31 December 2016, had the exchange rate between US Dollar and Indian Rupee increased or decreased by 5 percent with all other variables held constant, the increase or decrease respectively in net assets of LAM Zyfin MSCI India UCITS ETF would amount to approximately USD 100,668.

**Derivatives risk**

The use of derivatives may result in greater returns but may entail greater risk for an investment. Derivatives may be used as a means of gaining indirect exposure to a specific asset, rate or index and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index.

Investing in a derivative instrument could cause the Sub-Fund to lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Sub-Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial. The prices of derivative instruments are highly volatile. Price movements of derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, national and international political and economic events and changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

The use of derivatives also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates; (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged; (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities; and (4) the possible absence of a liquid market for any particular instrument at any particular time.

There is less government regulation and supervision of transactions in the OTC ("Over The Counter") markets (in which certain currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on recognised exchanges. OTC derivatives lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties. While measures have been introduced under Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories ("EMIR") that aim to mitigate risks involved in investing in OTC derivatives and improve transparency, these types of investments continue to present challenges in clearly understanding the nature and level of risks involved. In addition, many of the protections afforded to participants on some recognised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

The counterparty for an OTC derivative will be the specific firm involved in the transaction rather than a recognised exchange and accordingly the bankruptcy or default of a counterparty with which the Sub-Fund trades OTC derivatives could result in substantial losses to the Sub-Fund. In addition, a counterparty may fail to settle a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Sub-Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Sub-Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses on the transactions as a result. Counterparty exposure will be in accordance with the Sub-Funds' investment restrictions.



**Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**8. Financial instruments and associated risks (continued)**
**Liquidity risk**

Liquidity risk is the risk that the Sub-Fund will encounter difficulty in meeting obligations associated with financial liabilities. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Sub-Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. This scenario is not currently envisaged.

As of 31 December 2016, the Sub-Funds' liabilities, including net assets attributable to redeemable participating shareholders, were payable within three months.

**Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment underlying a security the Sub-Fund holds.

The table below details the maximum exposure to credit risk at 31 December 2016.

	<b>LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF*</b>	<b>LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF**</b>	<b>LAM ZyFin MSCI India UCITS ETF***</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Cash and cash equivalents	101,071	168,925	11,328
Receivables	300,607	262,956	-
Transferable securities	9,874,337	8,215,609	-
<b>Maximum exposure to credit risk</b>	<b>10,276,015</b>	<b>8,647,490</b>	<b>11,328</b>

\*This Sub-Fund launched on 13 November 2015

\*\*This Sub-Fund launched on 1 June 2016

\*\*\*This Sub-Fund launched on 16 September 2016

Sub-Funds' investments in debt securities classified by credit ratings are:

	<b>LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF*</b>	<b>LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF**</b>
AAA (CRIS Rating, sourced from Bloomberg)	100%	-
BBB- (Fitch Rating, sourced from Bloomberg)		100%

\*This Sub-Fund launched on 13 November 2015

\*\*This Sub-Fund launched on 1 June 2016

There can be no assurance that issuers of the securities or other instruments in which a Sub-Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments (as well as any appreciation of sums invested in such securities).

All investments and cash equivalents of the Sub-Funds are held by the Depositary through its affiliate, State Street or through a sub-custodian within the State Street custodial network.

The Sub-Fund has counterparty risk in relation to transactions it enters into with brokers, banks and other third parties if the counterparty was to fail to complete any transaction to which the Company is a party. The Investment Manager conducts periodic reviews of the counterparties with whom it conducts transactions.

**Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**8. Financial instruments and associated risks (continued)**

Bankruptcy or insolvency of the Depository or a State Street affiliate company may cause the Company's rights with respect to cash and securities held by State Street to be delayed or limited and the Company would be treated as a general creditor of that entity in respect of its cash balances. Periodic monitoring and an annual credit review are performed on the Depository by the Investment Manager. This review may include as appropriate an assessment of the Depository's liquidity position, income streams, asset quality and credit ratings. The long term credit rating of State Street Corporation as of 31 December 2016 was A1 as rated by Moody's rating agency.

**Concentration of risk**

Concentration of risk arises from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. All of the bonds held by the LAM Alternatif Zyfin Turkey Fund are Turkish Government Bonds. Turkey's and India's sovereign credit ratings were BB and BBB- at December 2016 respectively with Standard and Poors.

These credit ratings are relevant due to the Sub-funds investments in Bonds issued by these countries.

All of the bonds held in the LAM Sun Global ZyFin India Sovereign Enterprise Fund make up more than 5% of the total net assets each. Please refer to the Schedule of Investments on page 36.

All of the bonds held in the LAM Alternatif Zyfin Turkey Fund make up more than 5% of the total net assets each. Please refer to the Schedule of Investments on page 37.

Holdings in Housing Development Finance Corp Ltd and Infosys Ltd bonds make up more than 5% of the net assets of the LAM ZyFin MSCI India Fund. Please refer to the Schedule of Investments on page 38.

Concentration indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

The Company's risk concentration by geographical and/or sector distribution is shown on the Schedule of Investments.

**Capital management**

The capital of the Company is represented by the net assets attributable to holders of redeemable participating shares. The amount of net assets attributable to holders of redeemable shares can change significantly on a daily basis, as the Company is subject to weekly subscriptions and redemptions at the discretion of the Shareholders.

The Company's aim with respect to management of its capital is to safeguard its ability to continue as a going concern in order that each fund may achieve its overall objective, and to maintain a strong capital base to support the development of each Sub-Funds' investment activities. The minimum capital requirement for the Management Company is the higher of €125,000 plus 2 basis points of the NAV or a quarter of annual expenditure and this requirement has been met by the Fund.

Pursuant to the Articles, the Directors may declare dividends, in respect of Shares in any Distributing Class out of net income (including dividend and interest income) and/or the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the Company (collectively "Net Income"). In the event that Distributing Classes are established in any Sub-Fund, details of the distribution policy will be included in an updated Prospectus and/or the Relevant Supplement at that time. There were no distributions during the financial period.

The Investment Manager monitors capital on the basis of the value of net assets attributable to holders of redeemable participating shares.

**Fair value measurement & hierarchy**

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Certain inputs for the asset or liability are not based on observable market data (that is, unobservable inputs).

**Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**8. Financial instruments and associated risks (continued)****Fair value measurement & hierarchy (continued)**

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgment by the Investment Manager. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables summarise the Sub-Fund’s financial assets by class within the fair value hierarchy at 31 December 2016:

**31 December 2016**

<b>LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF*</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
Financial assets at fair value through profit or loss:				
- Bonds	-	9,874,337	-	9,874,337
	-	9,874,337	-	9,874,337
<b>LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF**</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
Financial assets at fair value through profit or loss:				
- Bonds	-	8,215,609	-	8,215,609
	-	8,215,609	-	8,215,609
<b>LAM ZyFin MSCI India UCITS ETF***</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
Financial assets at fair value through profit or loss:				
- Equities	2,102,699	-	-	2,102,699
	2,102,699	-	-	2,102,699

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the period and are deemed to have occurred when the pricing source or methodology used to price an investment has changed which triggers a change in level as defined under IFRS 13. There were no transfers between level 1 and level 2 during the year.

The Sub-Funds held no Level 3 financial assets as at 31 December 2016.

All other assets and liabilities have been classified as level 2.

\*This Sub-Fund launched on 13 November 2015

\*\*This Sub-Fund launched on 1 June 2016

\*\*\*This Sub-Fund launched on 16 September 2016

**9. Related and connected party transactions****Investment manager and Directors**

The Investment Manager earned fees which are paid from the TER charge to the Fund.

The Directors earned fees of USD 17,158 during the financial period of which USD 17,158 remained payable at the financial period end.

Benjamin Huart (Director) joined Lemanik in 2011 as an internal auditor. Since then he has taken charge of the operations and the supervision of Lemanik’s delegated functions. Since March 2015, he has been the manager of the Irish branch of Lemanik.

**Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**9. Related and connected party transactions (continued)****Significant shareholders**

The following table details the number of shareholders with significant holdings of at least 20 percent of the Sub-Funds' NAV as of 31 December 2016.

	<b>31 December 2016</b>
<b>Fund</b>	<b>Number of Significant Shareholders</b>
LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF	2
LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF	1
LAM ZyFin MSCI India UCITS ETF	1

**10. Dividends**

Investors in a Sub-Fund are entitled to their share of the relevant Sub-Fund's income and net realised gains on its investments. Each Sub-Fund typically earns income in the form of dividends from stocks, interest from debt securities and, if any, securities lending income. Each Sub-Fund realises capital gains or losses whenever it sells securities. Depending on the underlying market, if there are capital gains, the Sub-Fund may be subject to a capital gains tax in that underlying market.

Each Sub-Fund may have either Accumulating Classes or Distributing Classes or both.

With respect to the Accumulating Classes in all Sub-Funds, the Directors have determined to accumulate all net investment income and net realised capital gains attributable to such Accumulating Classes and therefore do not intend to declare dividends in respect of Shares in such classes.

Pursuant to the Articles, the Directors may declare dividends, in respect of Shares in any Distributing Class out of net income (including dividend and interest income) and/or the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the Company (collectively "Net Income"). In the event that Distributing Classes are established in any Sub-Fund, details of the distribution policy will be included in an updated Prospectus and/or the Relevant Supplement at that time.

The distribution policy of any Sub-Fund or of any Class may be changed by the Directors upon reasonable notice to Shareholders of that Sub-Fund or Class as the case may be and, in such circumstances, the distribution policies will be disclosed in an updated Prospectus and/or the Relevant Supplement.

The LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF, LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF and LAM ZyFin MSCI India UCITS ETF have only an Accumulating Share Class in issue.

**11. Commitments and contingencies**

As of 31 December 2016 the Company did not have any significant commitments or contingent liabilities. No securities lending arrangements were entered into during the year.

**12. Significant events after the financial period end**

An updated prospectus was issued in January 2017.

State Street Fund Services (Ireland) Limited and State Street Custodial Services (Ireland) Limited will be resigning as Administrator and Depositary respectively in 2017.

There are no other significant events to report after the financial period end.

**13. Approval of the financial statements**

The financial statements were approved by the Board of Directors on 28 April 2017.

**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.****Schedule of Investments**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Audited Financial Statements**

As at 31 December 2016

**LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF**

Nominal holdings	Investment	Fair value US\$	% of Net assets
<b>Transferable Securities</b>			
<b>Bonds</b>			
<b>India</b>			
100,000,000	Export-Import Bank of India 8.180% due 07/12/2025	1,543,770	15.06
50,000,000	Food Corp of India 9.950% due 07/03/2022	820,853	8.00
40,000,000	Indian Railway Finance Corp Ltd 9.950% due 07/06/2022	662,467	6.46
50,000,000	Mahanagar Telephone Nigam Ltd 8.290% due 28/11/2024	769,778	7.50
50,000,000	NTPC Ltd 8.050% due 05/05/2026	762,955	7.44
50,000,000	Nuclear Power Corp of India Ltd 8.130% due 28/03/2028	783,499	7.64
100,000,000	Power Finance Corp Ltd 7.500% due 16/08/2021	1,479,231	14.42
100,000,000	Power Grid Corp of India Ltd 8.200% due 23/01/2025	1,527,110	14.89
100,000,000	Rural Electrification Corp Ltd 8.110% due 07/10/2025	1,524,674	14.86
<b>Total Bonds</b>		<b>9,874,337</b>	<b>96.27</b>
<b>Total Transferable Securities</b>		<b>9,874,337</b>	<b>96.27</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>9,874,337</b>	<b>96.27</b>
<b>Cash and cash equivalents</b>		<b>101,071</b>	<b>0.99</b>
<b>Other net assets</b>		<b>281,939</b>	<b>2.74</b>
<b>Net assets attributable to holders of Redeemable Participating Shares</b>		<b>10,257,347</b>	<b>100.00</b>
<b>Analysis of Total Assets</b>			
Transferable securities admitted to an official stock exchange listing			96.09
Other assets			3.91
			100.00

**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Audited Financial Statements**

As at 31 December 2016

**Schedule of Investments****(continued)****LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF**

Nominal holdings	Investment	Fair value US\$	% of Net assets
	<b>Transferable Securities</b>		
	<b>Bonds</b>		
	<b>Turkey</b>		
5,900,000	Turkey Government Bond 8.700% due 11/07/2018	1,630,881	18.91
4,900,000	Turkey Government Bond 8.800% due 14/11/2018	1,355,240	15.71
5,100,000	Turkey Government Bond 9.200% due 22/09/2021	1,356,499	15.73
4,900,000	Turkey Government Bond 9.500% due 12/01/2022	1,314,174	15.23
5,400,000	Turkey Government Bond 8.000% due 12/03/2025	1,284,341	14.89
4,600,000	Turkey Government Bond 10.600% due 11/02/2026	1,274,474	14.77
	<b>Total Bonds</b>	<b>8,215,609</b>	<b>95.24</b>
	<b>Total Transferable Securities</b>	<b>8,215,609</b>	<b>95.24</b>
	<b>Total financial assets at fair value through profit or loss</b>	<b>8,215,609</b>	<b>95.24</b>
	<b>Cash and cash equivalents</b>	<b>168,925</b>	<b>1.96</b>
	<b>Other net assets</b>	<b>241,842</b>	<b>2.80</b>
	<b>Net assets attributable to holders of Redeemable Participating Shares</b>	<b>8,626,376</b>	<b>100.00</b>
			<b>% of Total Assets</b>
	<b>Analysis of Total Assets</b>		
	Transferable securities admitted to an official stock exchange listing		95.01
	Other assets		4.99
			<b>100.00</b>

**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.**

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As at 31 December 2016

**Schedule of Investments****(continued)****LAM ZyFin MSCI India UCITS ETF**

Shares	Investment	Fair value US\$	% of Net assets
	<b>Transferable Securities</b>		
	<b>Equities</b>		
	<b>India</b>		
290	ACC Ltd	5,687	0.27
5,369	Adani Ports & Special Economic Zone Ltd	21,236	1.01
3,869	Ambuja Cements Ltd	11,760	0.56
485	Apollo Hospitals Enterprise Ltd	8,432	0.40
7,464	Ashok Leyland Ltd	8,809	0.42
1,902	Asian Paints Ltd	24,971	1.18
1,674	Aurobindo Pharma Ltd	16,508	0.78
10,810	Axis Bank Ltd	71,666	3.40
539	Bajaj Auto Ltd	20,904	0.99
1,039	Bajaj Finance Ltd	12,893	0.61
246	Bajaj Finserv Ltd	10,493	0.50
671	Bharat Forge Ltd	8,963	0.42
3,796	Bharat Heavy Electricals Ltd	6,778	0.32
3,315	Bharat Petroleum Corp Ltd	31,040	1.47
6,553	Bharti Airtel Ltd	29,511	1.40
3,497	Bharti Infratel Ltd	17,696	0.84
49	Bosch Ltd	15,197	0.72
1,306	Cadila Healthcare Ltd	6,863	0.33
2,885	Cairn India Ltd	10,293	0.49
2,207	Cipla Ltd	18,496	0.88
4,483	Coal India Ltd	19,816	0.94
215	Container Corp Of India Ltd	3,516	0.17
3,354	Dabur India Ltd	13,746	0.65
520	Divi's Laboratories Ltd	6,004	0.28
723	Dr Reddy's Laboratories Ltd	32,601	1.55
83	Eicher Motors Ltd	26,664	1.26
1,953	GAIL India Ltd	12,638	0.60
885	Glenmark Pharmaceuticals Ltd	11,585	0.55
742	Godrej Consumer Products Ltd	16,508	0.78
1,630	Havells India Ltd	8,220	0.39
3,623	HCL Technologies Ltd	44,197	2.10
319	Hero MotoCorp Ltd	14,306	0.68
7,309	Hindalco Industries Ltd	16,698	0.79
2,737	Hindustan Petroleum Corp Ltd	17,796	0.84
4,123	Hindustan Unilever Ltd	50,200	2.38
9,563	Housing Development Finance Corp Ltd	177,902	8.42
7,262	ICICI Bank Ltd	27,317	1.30
8,373	Idea Cellular Ltd	9,148	0.43
8,705	IDFC Bank Ltd	7,702	0.37
1,909	Indiabulls Housing Finance Ltd	18,290	0.87
11,709	Infosys Ltd	174,350	8.26
21,659	ITC Ltd	77,117	3.66
555	JSW Steel Ltd	13,309	0.63
2,007	Larsen & Toubro Ltd	39,895	1.89
1,887	LIC Housing Finance Ltd	15,561	0.74
1,408	Lupin Ltd	30,848	1.46
1,815	Mahindra & Mahindra Financial Services Ltd	7,227	0.34
2,424	Mahindra & Mahindra Ltd	42,312	2.01
2,844	Marico Ltd	10,914	0.52

**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

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**Schedule of Investments****(continued)****LAM ZyFin MSCI India UCITS ETF**

Shares	Investment	Fair value US\$	% of Net assets
	<b>Transferable Securities (continued)</b>		
	<b>Equities (continued)</b>		
	<b>India (continued)</b>		
678	Maruti Suzuki India Ltd	53,141	2.52
2,672	Motherson Sumi Systems Ltd	12,852	0.61
149	Nestle India Ltd	13,234	0.63
10,533	NTPC Ltd	25,568	1.21
2,682	Oil & Natural Gas Corp Ltd	7,562	0.36
5,364	Oil & Natural Gas Corp Ltd (Demat)	15,123	0.72
506	Piramal Enterprises Ltd	12,114	0.57
4,065	Power Finance Corp Ltd	7,304	0.35
8,250	Reliance Industries Ltd	131,572	6.23
54	Shree Cement Ltd	11,722	0.56
949	Shriram Transport Finance Co Ltd	11,933	0.57
446	Siemens Ltd	7,311	0.35
10,053	State Bank of India	37,060	1.76
6,103	Sun Pharmaceutical Industries Ltd	56,651	2.69
3,022	Tata Consultancy Services Ltd	105,329	4.99
10,288	Tata Motors Ltd	71,548	3.39
2,485	Tata Motors Ltd (Class A)	10,951	0.52
7,228	Tata Power Co Ltd	8,083	0.38
1,946	Tata Steel Ltd	11,218	0.53
1,525	Tech Mahindra Ltd	10,985	0.52
1,989	Titan Co Ltd	9,577	0.45
566	UltraTech Cement Ltd	27,105	1.29
423	United Spirits Ltd	12,109	0.57
2,214	UPL Ltd	21,106	1.00
6,708	Vedanta Ltd	21,363	1.01
3,868	Wipro Ltd	27,040	1.28
2,005	Yes Bank Ltd	34,164	1.62
3,654	Zee Entertainment Enterprises Ltd	24,391	1.16
	<b>Total Equities</b>	<b>2,102,699</b>	<b>99.69</b>
	<b>Total Transferable Securities</b>	<b>2,102,699</b>	<b>99.69</b>
	<b>Total financial assets at fair value through profit or loss</b>	<b>2,102,699</b>	<b>99.69</b>
	<b>Cash and cash equivalents</b>	<b>11,328</b>	<b>0.54</b>
	<b>Other net liabilities</b>	<b>(4,880)</b>	<b>(0.23)</b>
	<b>Net assets attributable to holders of Redeemable Participating Shares</b>	<b>2,109,147</b>	<b>100.00</b>
			<b>% of Total Assets</b>
	<b>Analysis of Total Assets</b>		
	Transferable securities admitted to an official stock exchange listing		99.46
	Other assets		0.54
			100.00



**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Annual Report and Audited Financial Statements**

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**Supplemental Information****Significant changes in portfolio composition****LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF**

Listed below are the material cumulative investments purchases and sales during the financial period from 13 November 2015, launch date of the Sub-Fund, to 31 December 2016. In accordance with UCITS Regulations a material change is defined as aggregate purchases and sales of a security exceeding 1 per cent of the total value of purchases and sales respectively. If there are fewer than 20 material changes the Fund shall disclose at least 20 purchases/sales.

<b>Securities</b>	<b>Acquisition Cost US\$</b>
Export-Import Bank of India 8.180% due 07/12/2025	2,317,951
Food Corp of India 9.950% due 07/03/2022	1,639,335
Power Grid Corp of India Ltd 8.200% due 23/01/2025	1,562,584
Rural Electrification Corp Ltd 8.110% due 07/10/2025	1,560,303
Power Finance Corp Ltd 8.650% due 28/12/2024	1,522,214
Power Finance Corp Ltd 7.500% due 16/08/2021	1,505,132
Mahanagar Telephone Nigam Ltd 9.390% due 26/03/2024	817,783
Export-Import Bank of India 9.300% due 11/05/2022	794,365
Export-Import Bank of India 9.040% due 21/09/2022	791,868
Rural Electrification Corp Ltd 9.350% due 15/06/2022	791,695
Rural Electrification Corp Ltd 9.020% due 19/11/2022	786,831
Power Grid Corp of India Ltd 8.700% due 15/07/2028	785,114
NTPC Ltd 8.050% due 05/05/2026	783,542
Power Grid Corp of India Ltd 8.400% due 27/05/2022	773,741
Export-Import Bank of India 8.500% due 26/04/2023	773,393
Power Finance Corp Ltd 8.700% due 14/05/2020	768,646
Mahanagar Telephone Nigam Ltd 8.290% due 28/11/2024	768,326
Nuclear Power Corp India 8.130% due 28/03/2028	759,418
Power Finance Corp Ltd 8.200% due 10/03/2025	757,015
National Bank for Agriculture and Rural Development 8.370% due 22/06/2020	756,631
Rural Electrification Corp Ltd 8.370% due 14/08/2020	753,454
NTPC Ltd 8.100% due 27/05/2021	752,686
Punjab National Bank 8.230% due 09/02/2025	751,343
NTPC Ltd 8.190% due 15/12/2025	749,233
Power Grid Corp of India Ltd 8.320% due 23/12/2020	742,217
Indian Railway Finance Corp Ltd 9.950% due 07/06/2022	657,836

<b>Securities*</b>	<b>Disposal Proceeds US\$</b>
Power Finance Corp Ltd 8.650% due 28/12/2024	1,574,832
Food Corp of India 9.950% due 07/03/2022	803,267
Mahanagar Telephone Nigam Ltd 9.390% due 26/03/2024	799,302
Export-Import Bank of India 8.500% due 26/04/2023	790,398
Export-Import Bank of India 9.040% due 21/09/2022	785,679
Rural Electrification Corp Ltd 9.350% due 15/06/2022	784,644
Export-Import Bank of India 9.300% due 11/05/2022	782,809
Power Grid Corp of India Ltd 8.400% due 27/05/2022	781,298
Rural Electrification Corp Ltd 9.020% due 19/11/2022	780,651
Rural Electrification Corp Ltd 8.370% due 14/08/2020	776,294
NTPC Ltd 8.100% due 27/05/2021	772,958
National Bank for Agriculture and Rural Development 8.370% due 22/06/2020	768,106
Power Grid Corp of India Ltd 8.320% due 23/12/2020	767,196
NTPC Ltd 8.190% due 15/12/2025	757,423
Export-Import Bank of India 8.180% due 07/12/2025	756,425
Power Grid Corp of India Ltd 8.700% due 15/07/2028	754,264
Power Finance Corp Ltd 8.700% due 14/05/2020	752,835
Power Finance Corp Ltd 8.200% due 10/03/2025	747,806
Punjab National Bank 8.230% due 09/02/2025	736,813

\*There were no sales in the period other than those listed.

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**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

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As at 31 December 2016

**Supplemental Information****Significant changes in portfolio composition****LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF**

Listed below are the material cumulative investments purchases and sales during the financial period from 1 June 2016, launch date of the Sub-Fund, to 31 December 2016. In accordance with UCITS Regulations a material change is defined as aggregate purchases and sales of a security exceeding 1 per cent of the total value of purchases and sales respectively. If there are fewer than 20 material changes the Fund shall disclose at least 20 purchases/sales.

	<b>Acquisition Cost</b>
	<b>US\$</b>
<b>Securities*</b>	
Turkey Government Bond 8.700% due 11/07/2018	1,986,932
Turkey Government Bond 10.700% due 17/02/2021	1,779,964
Turkey Government Bond 8.300% due 20/06/2018	1,676,276
Turkey Government Bond 9.500% due 12/01/2022	1,663,883
Turkey Government Bond 8.000% due 12/03/2025	1,659,900
Turkey Government Bond 6.300% due 14/02/2018	1,659,354
Turkey Government Bond 10.600% due 11/02/2026	1,657,279
Turkey Government Bond 9.200% due 22/09/2021	1,510,984
Turkey Government Bond 8.800% due 14/11/2018	1,488,992
	<b>Disposal Proceeds</b>
	<b>US\$</b>
<b>Securities**</b>	
Turkey Government Bond 6.300% due 14/02/2018	1,663,849
Turkey Government Bond 10.700% due 17/02/2021	1,566,601
Turkey Government Bond 8.300% due 20/06/2018	1,508,647

\*There were no purchases in the period other than those listed.

\*\*There were no sales in the period other than those listed.

**Significant changes in portfolio composition****LAM ZyFin MSCI India UCITS ETF**

Listed below are the material cumulative investments purchases and sales during the financial period from 16 September 2016, launch date of the Sub-Fund, to 31 December 2016. In accordance with UCITS Regulations a material change is defined as aggregate purchases and sales of a security exceeding 1 per cent of the total value of purchases and sales respectively. If there are fewer than 20 material changes the Fund shall disclose at least 20 purchases/sales.

<b>Securities</b>	<b>Acquisition Cost US\$</b>
Housing Development Finance Corp Ltd	215,369
Infosys Ltd	197,560
Reliance Industries Ltd	140,703
Tata Consultancy Services Ltd	114,543
Axis Bank Ltd	100,649
Tata Motors Ltd	89,755
ITC Ltd	87,911
Sun Pharmaceutical Industries Ltd	76,895
Hindustan Unilever Ltd	60,050
Maruti Suzuki India Ltd	59,361
Mahindra & Mahindra Ltd	53,182
Larsen & Toubro Ltd	47,642
HCL Technologies Ltd	45,640
State Bank of India	40,633
Yes Bank Ltd	38,875
Dr Reddy's Laboratories Ltd	37,600
Lupin Ltd	34,837
Asian Paints Ltd	34,160
Bharti Airtel Ltd	33,109
UltraTech Cement Ltd	32,064
Eicher Motors Ltd	31,060
Zee Entertainment Enterprises Ltd	30,981
Bharat Petroleum Corp Ltd	30,594
ICICI Bank Ltd	30,396
Wipro Ltd	30,235
NTPC Ltd	25,959
Bajaj Auto Ltd	25,230
UPL Ltd	24,872

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**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

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**Supplemental Information****Significant changes in portfolio composition (continued)****LAM ZyFin MSCI India UCITS ETF (continued)**

Listed below are the material cumulative investments purchases and sales during the financial period from 16 September 2016, launch date of the Sub-Fund, to 31 December 2016. In accordance with UCITS Regulations a material change is defined as aggregate purchases and sales of a security exceeding 1 per cent of the total value of purchases and sales respectively. If there are fewer than 20 material changes the Fund shall disclose at least 20 purchases/sales.

<b>Securities</b>	<b>Disposal Proceeds US\$</b>
Housing Development Finance Corp Ltd	14,499
Infosys Ltd	11,122
Reliance Industries Ltd	7,840
Tata Consultancy Services Ltd	7,220
Sun Pharmaceutical Industries Ltd	5,094
GlaxoSmithKline Consumer Healthcare Ltd	4,949
Tata Motors Ltd	4,777
Hindustan Unilever Ltd	3,688
Dr Reddy's Laboratories Ltd	3,610
ITC Ltd	3,589
Yes Bank Ltd	3,565
Larsen & Toubro Ltd	3,191
Axis Bank Ltd	3,018
HCL Technologies Ltd	2,908
Maruti Suzuki India Ltd	2,636
Lupin Ltd	2,454
Wipro Ltd	2,433
Zee Entertainment Enterprises Ltd	2,359
State Bank of India	2,337
Eicher Motors Ltd	2,233
Bharti Infratel Ltd	2,064
Mahindra & Mahindra Ltd	2,053
Vedanta Ltd	1,985
Oil & Natural Gas Corp Ltd	1,961
NTPC Ltd	1,848
UPL Ltd	1,826
Godrej Consumer Products Ltd	1,445

**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC.****Supplemental Information**

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Annual Report and Audited Financial Statements**

For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016

**Exchange rates**

The rates of exchange to USD as of 31 December 2016 were as follows:

	<b>31 December 2016</b>
Indian Rupee ("INR")	67.8700
Turkish Lira ("TRY")	3.5176

**Net Asset Value**

	<b>LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF Class B1*</b>	<b>LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF Class Accumulative**</b>	<b>LAM ZyFin MSCI India UCITS ETF Class A***</b>
Net Asset Value	US\$10,257,347	US\$8,626,376	US\$2,109,147
Number of Shares in Issue	956,883	1,033,383	232,000
Net Asset Value per Share	US\$10.72	US\$8.35	US\$9.09

**Directed brokerage and soft commission services**

There were no direct brokerage and soft commission services utilised for the financial period ended 31 December 2016.

**Total Expense Ratio**

<b>Fund</b>	<b>% 2016 Expenses Annualised</b>
LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF	0.79%
LAM Alternatif ZyFin Turkey Sovereign Bond UCITS ETF	0.89%
LAM ZyFin MSCI India UCITS ETF	0.89%

There was no securities lending arrangements entered into during the period.

(formerly known as LAM Sun Global Zyfin India Sovereign Owned Enterprise Bond UCITS ETF plc.)

**Annual Report and Audited Financial Statements**

*For the financial period from 4 August 2015 (date of incorporation) to 31 December 2016*

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The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Company (the Remuneration Policy).

The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the Company or the Sub-Funds.

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Company and the Shareholders and includes measures to avoid conflicts of interest.

In particular, the Remuneration Policy will ensure that:

- a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- b) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- c) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website [http://www.lemanikgroup.com/management-company-service\\_substance\\_governance.cfm](http://www.lemanikgroup.com/management-company-service_substance_governance.cfm)

A paper copy of the summarised Remuneration Policy is available free of charge to the Shareholders upon request.