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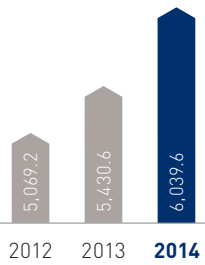


Annual Report 2014

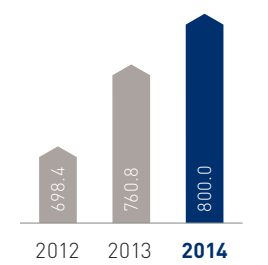
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Key figures
(consolidated) on 31 December 2014

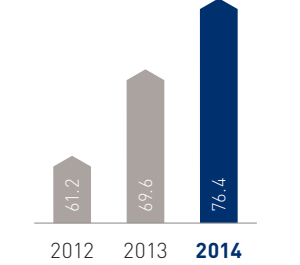
Invested assets



Shareholders' equity
(Group share)



Consolidated net result
(Group share)



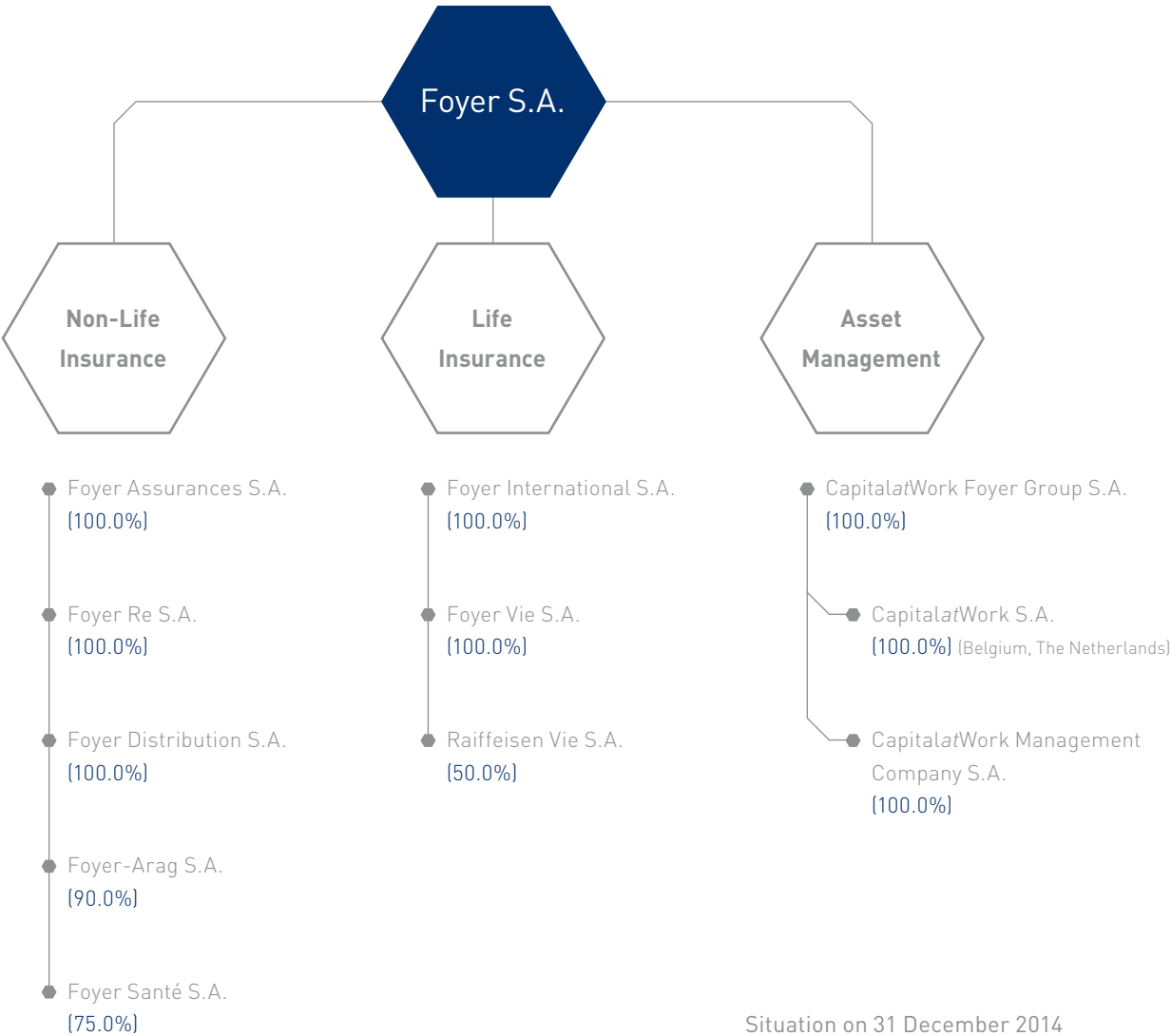
Employees	2012	2013	2014
Headcount at the year-end	578	616	619
Average number of employees in FTEs	535	563	588
Number of agents and agency employees	695	727	707
Including professional agents and employees	323	348	366

Securities portfolio / € millions	2012	2013	2014
Equity securities and fixed income securities	1,712.4	1,913.2	2,162.6
Cash and cash equivalents, net	186.4	209.6	231.6
Financial assets at fair value through income	3,108.3	3,241.5	3,547.2
Total	5,007.1	5,364.3	5,941.4

Consolidated balance sheet / € millions	2012	2013	2014
Total assets	5,325.3	5,773.9	6,336.1
Cash and cash equivalents	1,712.4	1,913.2	2,162.6
Equity securities and fixed income securities	3,108.3	3,241.5	3,547.2
Financial assets at fair value through profit or loss	248.5	275.9	329.7
Total liabilities	5,325.3	5,773.9	6,336.1
Technical provisions	1,751.3	1,960.8	2,073.9
Liabilities in respect of investment contracts	2,568.1	2,717.6	3,043.5
Shareholders' equity - Group share	698.4	760.8	800.0

Consolidated profit and loss account / € millions	2012	2013	2014
Net insurance premium revenue	370.3	419.2	505.5
Other technical products and commissions	48.9	60.8	61.2
Net financial revenue	114.3	122.2	124.2
Net operating income	163.2	183.0	185.4
Net insurance benefits and claims	-326.9	-381.2	-448.6
Expenses	-122.1	-127.3	-139.4
Operating profit	84.5	95.1	103.9
Taxes	-23.0	-25.2	-27.2
Profit for the year	61.5	69.9	76.7
Group share	61.2	69.6	76.4
Earnings per share (in €)	6.91	7.86	9.14

Activities
of Foyer Group



Message from the Chairman

Dear Shareholders,

It is with great pleasure that I address you as Chairman of the Board of Directors of Foyer S.A. for the first time.

Today, I feel a great sense of satisfaction.

Firstly this is because the results for the 2014 financial year are excellent and an improvement on the good results from previous years.

This is all the more gratifying, given the significant events Foyer has experienced during the course of the year.

There was the appointment of Marc Lauer as our new Managing Director. Although the transfer of responsibility is often a difficult time for a company, this went extremely smoothly for the

Foyer Group. Our management teams are well united behind Marc Lauer and we can now say that Foyer S.A has charted a new course and is well on the way to facing new challenges.

Secondly, there was the share buy-back bid ("Offre Publique de Rachat d'Actions") and the withdrawal of our listing on Euronext Brussels and the Luxembourg Stock Exchange.

Having been personally involved in the initial public offering of shares in Foyer S.A. in July 2000, delisting it fifteen years later is obviously a major decision, which may come as a surprise to some.

This withdrawal, which resulted in a cash outflow of €88 million, was made possible by a significant increase in capital over the same period. This now enables the Group to plan its development without resorting to the financial markets.

In this respect, stock market listing was becoming unnecessarily restrictive.

Furthermore, I am pleased to say that the shareholders who subscribed to shares in Foyer S.A. in 2000 made a profitable investment in terms of capital gains and return, and that this should leave those who put their trust in us with a nice keepsake.

The financial year 2014 ends with after-tax profits of €76.71 million, an increase of 9.7% on 2013. This positive result enables your Board of Directors to propose a gross dividend of €2.423529 per share, up 22.6% compared with 2013.

I would particularly like to congratulate the Management and all the staff for their good work and to thank you for your loyalty.



François Tesch
Chairman

Message from the Managing Director

2014 has been a very eventful year for Foyer Group.

First of all, the repurchase of our shares and the withdrawal of our listing from the Brussels and Luxembourg stock exchanges enabled the Group to refocus on its core family shareholding structure.

Then the acquisition of a group life insurance portfolio from International Wealth Management (IWI) enabled the Group to strengthen its position within the supplementary pension plans market in Luxembourg.

Finally, in June Foyer launched **MyFoyer**, the first private and secure client area on the local insurance market, demonstrating our willingness to adapt to our clients' modern communications habits and to offer a practical response to their expectations in an increasingly digital world.

Confirmed results for 2014

Against the backdrop of a slight economic upturn and bullish equity markets in the second half of the year, Foyer S.A. closed the year with excellent results.

Turnover, comprising premiums written and funds collected under investment contracts in life insurance, reached €949.50 million, an increase of 13.0% on 2013. The acquisition of the IWI life insurance portfolio had a positive effect on sales (€58.80 million), although this was partly offset by a €20.57 million decrease in premiums collected from fronting captive reinsurance undertakings.

Turnover on the Luxembourg market rose to €487.40 million (excluding the IWI portfolio transfer), up by 3.3%.

Amongst other things, this growth is the result of an increase of 5.2% in turnover related to our individual customers, both of property and casualty insurance (+5.1%) and life and health insurance (+4.7% and +13.2% respectively). The Group's turnover has also benefitted from growth in premiums collected from our business and professional customers. Here, we see an increase of 34.1% in property and casualty insurance, 55.0% in health insurance and 58.2% in life insurance.

In Belgium, sales of non-life insurance products continue to improve, thanks to an increase in the number of points of sale in the South of the country.

Our life insurance business, marketed in ten European countries under the freedom to provide services regime, generated an increase of 11.5% in sales compared to 2013, demonstrating slightly more positive commercial momentum than the market as a whole.

In terms of asset management, CapitalatWork Foyer Group saw its capital under management increase to €5.78 billion, up by 12.5% on figures for the end of 2013. This positive development can be attributed to new capital contributions, the upsurge in the stock markets and the fact that CapitalatWork Foyer Group retained a large share of the capital repatriated to Belgium from the Grand Duchy.

Consolidated profits after tax were €76.71 million, up by 9.7% compared to 31 December 2013, due to increased financial returns and controlled claims settlement procedures.

Stability of the Group

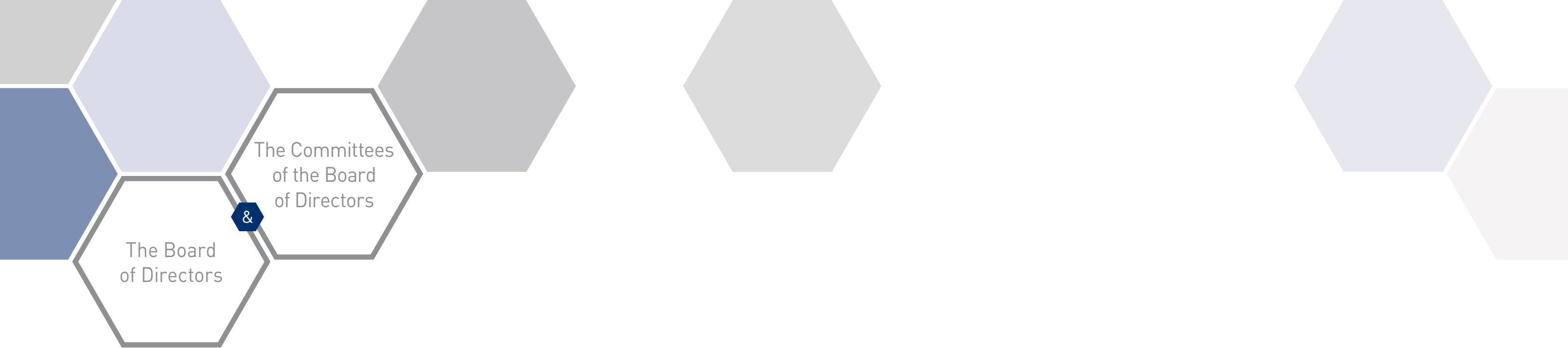
The Group's capital increased by 5.2% in 2014, reaching €800.03 million at year end. An upsurge in the markets together with proactive management of the Group's assets was responsible for this increase, despite an outflow of more than €85.00 million as a result of the share buy-back bid.

This financial stability will enable the Group to comply with the requirements of the Solvency II Directive and to pursue its plans for development using its own resources.

I would like to thank all the shareholders of Foyer S.A. for the trust they have shown in us. My thanks also go to all employees of Foyer Group for their dedication and commitment and to our clients for their loyalty to the Group.



Marc Lauer
Managing Director



On 31 December 2014, the Board of Directors is constituted as follows:

François Tesch
Chairman of the Board of Directors
Non-executive Director

Marc Lauer
Executive Director
Managing Director Insurance

Michel Tilmant
Executive Director
Managing Director Asset Management

Romain Becker
Non-executive
and independent Director

Antonella Calvia-Goetz
Non-executive
and independent Director

Cyrille Foillard
Non-executive
and independent Director

Dominique Laval
Non-executive Director

Paul Mousel
Non-executive
and independent Director

Jacquot Schwertzer
Non-executive
and independent Director

Nathalie Worré
Non-executive Director

Patrick Zurstrassen
Non-executive
and independent Director



Mr Peter Vermeulen, Head of Legal, is the secretary of the Board of Directors.
From left to right, sitting: Cyrille Foillard, Nathalie Worré, François Tesch, Patrick Zurstrassen.
Standing: Marc Lauer, Peter Vermeulen, Romain Becker, Jacquot Schwertzer, Michel Tilmant, Antonella Calvia-Goetz, Paul Mousel, Dominique Laval.

In accordance with article 18 of the articles of association of Foyer S.A., the Board of Directors is assisted by the following committees:

The Audit, Compliance and Risk Management Committee

Jacquot Schwertzer
Chairman of the Committee
Non-executive and independent Director

Antonella Calvia-Goetz
Non-executive and independent Director

Dominique Laval
Non-executive Director

François Tesch
Chairman of the Board
and Non-executive Director

Franck Tousch
Secretary of the Committee
Head of internal Audit

The Nomination and Remuneration Committee

Patrick Zurstrassen
Chairman of the Committee
Non-executive and independent Director

Romain Becker
Non-executive and independent Director

André Elvinger
External member⁽¹⁾

François Tesch
Chairman of the Board
and Non-executive Director

Benoît Dourte
Secretary of the Committee
Human resources and cross-company services Manager

⁽¹⁾ Mr André Elvinger has been requested to join the Nomination and Remuneration Committee, in his capacity as Chairman of the Board of Directors of the parent company Foyer Finance S.A. in order to guarantee a consistent nomination and remuneration policy among the two business sectors grouped under Foyer Finance S.A., i.e. Foyer Group, on the one hand, and Luxempart Group on the other.

The Group Management

Marc Lauer
Managing Director
Insurance



Michel Tilmant
Managing Director
Asset Management



Remy Els
Information systems



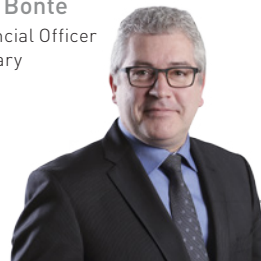
Paul Fohl
Chief Risk Officer



André Birget
Chief Investment
Officer



Philippe Bonte
Chief Financial Officer
Chief Actuary



Franck Marchand
Operations
(local market)



Gilbert Wolter
Sales and Marketing
(local market)



Jean-Louis Courange
International
Life Insurance



Benoît Dourte
Human resources
and cross-company
services



Peter Vermeulen
Legal



Foyer Group at a glance

Strong local roots and a structure of family ownership, which are synonymous with independence and financial stability, have characterised Foyer Group since it was founded in 1922. Over the years, the Group has developed a diverse range of products and extended its business outside the borders of the Grand Duchy to become one of Luxembourg's leading financial players operating across Europe.

In its primary business sector, insurance, Foyer Group's high standards and efficiency have earned it the position of long-term leader in the local insurance market. In fact, since its foundation, Foyer has always served a local client base of families and businesses, offering tailor-made and effective insurance solutions. Nowadays, Foyer's wide range of products meets the everyday needs of its individual and professional customers, helping them to plan with peace of mind for their own future, or that of their loved ones or their business.

In 2014, keen to optimise its quality of service and aware of the ever-increasing customer expectations for interactivity, Foyer developed its "Client Area" for the local market. This private virtual space, which is already being used by more than fifteen thousand Foyer customers, makes it easy to communicate and simple to keep up with policies. In time, it will enable customers to manage their insurance portfolios paperlessly.

For more than ten years, Foyer has also been insuring thousands of individual customers in the South of Belgium, offering a range of car and home insurance products to those in this expanding business area.

Finally, in a world of ever-increasing international mobility, in 2014 Foyer Group decided to launch a new health insurance business for expatriates, marketed under the name "Global Health". This top-of-the-range product, aimed at customers temporarily relocated abroad, offers them the security and peace of mind of full cover for medical treatment in their country of temporary residence.

As an insurance provider, Foyer is able to rely upon its significant expertise in the sound and effective management of financial assets. Consequently, the Group has become the preferred partner for many customers looking for asset management and structuring solutions. Thanks to its reliable, tailor made management solutions, Foyer Group has been able to demonstrate its economic and commercial stability, and seize opportunities for continued development in a particularly complex regulatory and economic environment.

For nearly twenty years, Foyer International has been offering life insurance products under the freedom to provide services regime to an affluent European clientele concerned about transferring its assets under the best possible conditions. Despite a changing regulatory environment, the Luxembourg financial centre still has some undeniable advantages in this area.

Thanks to the skills and experience of its advisers, analysts and managers, the Group's subsidiary, CapitalatWork Foyer Group is able to offer high-performance, long-term wealth management

solutions to customers in three European countries. This young company, which will mark its twenty-fifth anniversary in 2015, is one of the Group's growth drivers and vectors for development.

First and foremost, Foyer Group's stability and longevity lie in the strength of its ownership. But they are also the result of the hard work of its 619 employees in three countries and its 707 agents and agency employees located throughout Luxembourg, who share and live by the five key values of the Group on a daily basis: trust, integrity, innovation, excellence and independence. Each day, they all help to implement the Group's strategy, which focuses on excellence of service and simplicity of products, as demonstrated by its pledge "Einfach fir lech do" (Simply here for you).

"In an uncertain economic context and a rapidly changing world, our Group's stability is a strength upon which we can rely, so that we can continue to innovate and develop. More than ever, our task is to listen to our customers, so as to offer them simple solutions that are tailored to their needs, whether basic or complex, for insurance, protection or asset management."



Marc Lauer
Managing Director

Insurance in Luxembourg



Smart products and service that measure up to the expectations of an exacting client base

The full and flexible range of Foyer products is a reflection of the Group's know-how. From the simple, competitive products in the "Start" range to the most personalised, comprehensive cover for the most demanding ones, our range covers our customers' every need.

We have a specific solution for each of the following requirements:

Keeping mobile

With our product **mobile**, Foyer offers customers optimal protection in the event of accident or damage, for the car and its passengers.

The **mobile** range includes other products and services to meet the customers' every need in terms of staying mobile. With **mobile service**, Foyer promises to keep our customers mobile in all circumstances with immediate help and assistance.

Mobile crédit offers our customers one easy way to both finance and insure their car, through their insurance agent.

Protecting your home and living with peace of mind

With **reebou family**, Foyer provides a full, modular solution to your requirements for home and family protection. **Reebou family** is ideal home and contents insurance, which you can supplement with different cover packages that will, for instance, provide travel protection for the whole family, personal injury cover or protection against disputes.

Protecting your health

With **medicis**, Foyer Group offers a comprehensive product to supplement legal benefits and reimburse all your health-care costs, covering outpatient treatment, hospital expenses or even dental or optical charges. Depending on the package selected, the customer can choose any hospital in Europe, without the need for prior authorisation from the national healthcare fund (CNS), giving them access to the best medical skills and practices.

Saving and protecting loved ones

With the **helios** range, Foyer Group offers its customers solutions that combine savings and protection. These life insurance products provide an attractive return on the amounts invested and pay loved ones a lump sum in the event of death.

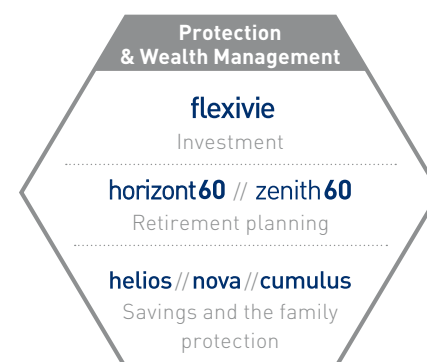
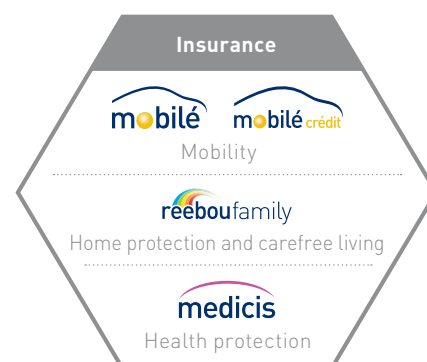
Planning your retirement

Keen to help its customers when the future of the state pension is looking increasingly uncertain, Foyer Group provides advice and personalised solutions to enable you to plan for the future by steadily building extra income for retirement. From the wide range of Foyer products, the customer can therefore select a secure package with guaranteed capital, or opt for a selection of profiled funds managed by CapitalatWork Foyer Group.

Investing

As regard investments, the **flexivie** range provides an ideal response to the different risk profiles of our customers, from guaranteed capital products to more dynamic packages that rely upon the performance of the profiled funds managed by CapitalatWork Foyer Group. All products in the **flexivie** range offer the customer the chance to invest and take advantage of the benefits of life insurance at the same time.

Individuals' areas of need



"Foyer is the ideal partner for families and businesses, providing comprehensive and flexible solutions that meet all their insurance and protection needs."



Philippe Bonte
Chief Actuary

Getting closer to the customer to better meet their expectations

In order to focus on its customers, Foyer decided several years ago to concentrate its strategy on two key areas: an **end-to-end approach to the customer** and their needs, on the one hand, and **operational excellence** on the other hand.

These two fundamental principles enable us to manage multiple interactions and to offer services that match new consumer habits. In fact, the widespread use of smartphones and tablets has resulted in new ways of communicating and interacting with customers, in addition to talking to them face-to-face, by telephone or by email.

This being the case, it was important for Foyer to strengthen customer relations and become more easily accessible, regardless of the channel of communication, situation or location. Such proximity and flexibility of contact to the customer increase their loyalty.

Thus, 2014 has served to enhance Foyer's digital presence, with a new internet site coming online and the launch of the domestic market's first secure client area.

These two communication tools have been a resounding success. The online client area **MyFoyer** has attracted more than fifteen thousand customers who use it to communicate with the company and to refer to their insurance documents, submit claims or pay invoices. Foyer is placing particular emphasis on the functionality of this portal to continue engaging its customers.

Of course, the essence of the relationship is still human contact. In this regard, Foyer's great strength has always been in its network of talented and professional agents, who are there to listen to the customer and recommend the most suitable solutions for their circumstances, backed up by Foyer's support departments, which are available 24/7.

Our motto **"Foyer a seng Agenten, einfach firlech do"** (Foyer and its agents, simply here for you) has never been more true: because everyone involved in the relationship we have with our customers works together to give a personalised, simple and accessible service.

Guaranteeing the highest quality of service

When selecting and paying for insurance, a customer naturally expects to receive products and services of the highest quality. In order to match these expectations perfectly, Foyer Group constantly improves its operational processes thanks to a two-pronged approach.

On the one hand, Foyer focuses on implementing timely projects and initiatives to get the best from a specific approach or targeted process.

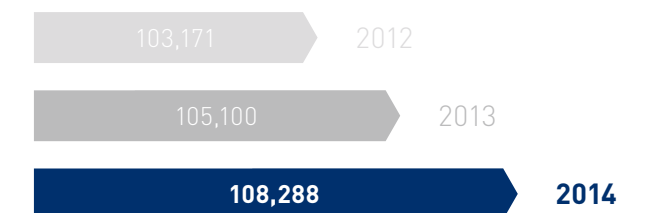
In this regard, several concrete actions were taken in 2014. For example, a process for optical recognition of national healthcare fund (CNS) accounts makes it possible to automate part of the procedure for reimbursing healthcare costs to customers. The management of glass damage claims, a frequent occurrence in car insurance, has also been optimised through a partnership between Foyer and a network of specialists, from whom Foyer customers receive a dedicated, speedy and top-range service.

Improving quality of service also means focusing specific attention on customers' comments and wishes. To ensure it continues actively listening to its customers, Foyer regularly measures satisfaction levels by means of quick text surveys, particularly when the customer has had the misfortune to put in a claim. In this spirit of listening and improving communications, Foyer has also undertaken to review all the emails and contractual documentation it sends to customers.

On the other hand, delivering optimum customer service is not simply a matter of implementing a few isolated initiatives; it is a process of continual improvement.

The Group's strategic thinking aims to develop more efficient procedures and more proactive attitude from its teams. Such an organisation, focused on making the quality of work and services to customers the best they can be, will certainly improve satisfaction levels for everyone involved, both customers and employees of the Group.

Number of households covered in Luxembourg



Gilbert Wolter
Sales and Marketing Director

"Foyer's ambition is to become more efficient and closer to its customers. We will achieve this through our new organisational structure that facilitates interaction across all distribution channels and capitalises on our agent network strengths to offer the customer tailored service."



Franck Marchand
Operations Director

"By committing to a strategy of continual improvement in its operational management, Foyer Group guarantees its customers a high-quality, simple and transparent service."

Putting the Group's know-how and skills to best use for the benefit of professional customers

Firmly rooted in the economic landscape of Luxembourg since it was founded in 1922, throughout its history the Group has both supported and been part of the country's economic growth. Consequently, Foyer has become the insurance partner for a large professional client base, from tradesmen to large national and international groups working in industries as diverse as steel, construction and finance.

Foyer offers its professional customers a particularly comprehensive range of products that responds to their every need, from fleet car insurance to business interruption cover, including coverage for professional liability and risks associated with transport or construction.

Every client benefits from the Group's know-how and expertise through its account manager, its primary contact within the company and first port of call for enquiries, who will recommend tailored insurance solutions and is involved in the evolution of its plans. This long-term relationship of trust enhances the service provided with genuine added value.

Each account manager has specialist expertise in a specific business sector. Indeed, a road haulage company, an architect, a bank or a property developer, for example, are likely to have really different insurance needs, each requiring specific skills. Luxembourg's leader in business insurance, Foyer has put together a team of specialist advisors for each of the country's economic sectors.

Helping businesses generate employee loyalty

Attracting talented individuals, retaining, motivating and protecting them are all key factors of business success. To help its professional customers achieve these goals, Foyer Group has developed group life and health insurance solutions, known as employee benefits. These enable businesses to offer their employees maximum financial security, fostering loyalty and motivating them, whilst at the same time differentiating themselves from the competition. There are many tools that businesses can use to implement attractive and proactive employee and management benefits policies.

With its group life insurance, Foyer is able to meet the needs of the whole company, regardless of its size or business activity. In this area, the Group has developed skills that enable it to put together tailor-made supplementary pension plans, which fit in with the company's benefits policy and are modular so as to suit employees' additional needs for savings and protection. Since 2014, Foyer has also offered a "comfort" package. Simple and comprehensive, this is ideal for employers who wish both to offer their employees an attractive benefits package and control their budget.

Foyer also offers businesses group health insurance solutions, which provide employees with the best of medical care on top of social security benefits. In 2014, we expanded our dedicated sales team to boost this business which is becoming increasingly popular with Luxembourg companies.

All Foyer's group insurance solutions are tailored to the specific needs of each business and offer a number of benefits that enable them to:

- generate loyalty and motivation amongst their employees;
- include it as an additional incentive in their recruitment strategy;
- optimise their tax position;
- supplement their employees' state pensions with deferred occupational income;
- protect their employees' and their families in the event of death or disability;
- provide their employees with access to the best healthcare.

Customer base on the domestic market



"By listening to the needs of our professional customers, Foyer is able to put together tailor-made group insurance solutions to help them make the most of their human capital."



Benoît Dourte
Human Resources Director

Insurance in Belgium



The geographical proximity and historical connections between Luxembourg and Belgium naturally resulted in Foyer Group extending its insurance activities across borders.

With this in mind, a specific strategy was developed for the Belgian market, with the creation of a dedicated business, focusing mainly on marketing non-life insurance products (car and home insurance).

In Belgium, a business-to-business approach was used to distribute Foyer products through a traditional brokerage network, and this remains the main channel of distribution for non-life insurance in this market. Foyer Group is positioning itself as a long-term partner of brokers who have been selected for their expertise and professionalism.

Geographically, Foyer is concentrating mainly on Southern Belgium. Although initially the Group was essentially located in the Belgian province of Luxembourg, commercial development during 2014 saw it expand into the provinces of Liège, Namur, Hainaut and Brabant Wallon.

To achieve its commercial goals in Belgium, Foyer is focusing on selective distribution, an efficient and flexible organisational structure and continued improvement in procedures

and service, in partnership with its brokers. Over time, Foyer will implement a structured communications strategy to enhance its reputation and profile on the Belgian market. This approach will make it possible to foster proximity and dialogue with its partner-brokers for the purposes of designing exclusive products and services that stand out from the competition.

In 2014, managers with experience in the Belgian market were recruited into the operational team, so as to provide the brokers and their customers with the best possible service. In addition, numerous projects were initiated to give structure to operational activities and to better reflect the expectations of the distribution network, both in terms of available tools and responsiveness of the teams.

Finally, with the development of its own product management, the Belgian business now rests on three fundamental pillars: product development, distribution and operational management.



Gilbert Wolter
Sales and Marketing
Director

“Based on a relationship of trust and proximity to our intermediaries, our strategy in Belgium makes it possible for us to stand out from our competitors and become the preferred partner of professional brokers for our target clientele.”

Health insurance for expatriates



A new opportunity in a rapidly growing market

As the leader in the local insurance market, Foyer stays true to its principle of innovation and is always looking for new development opportunities in attractive niche markets, both in Luxembourg and abroad.

In line with its business strategy, Foyer has identified an issue that needs addressing in the expatriate market. Economic globalisation and corporate concentration have resulted in a sharp increase in the number of workers temporarily relocated abroad.

By definition, an expatriate is an individual living temporarily in a country other than their country of origin. This customer base is looking for healthcare and medical assistance insurance with a level of cover that is at least equivalent to that available in their country of origin.

So in June 2014, Foyer launched **Global Health**, a comprehensive range of healthcare cover for expatriates. This gives them access to the best care, regardless of where in the world they are. Local support as regard medical advice and access to a high-quality network of medical assistance worldwide enables Foyer to offer a service with true added value.

The commercial development of this new business activity is primarily focused on our traditional markets in Luxembourg and Belgium, but we are also aiming at the German-speaking growing markets, including Germany and Austria.

A promising start

Since this new business activity was launched, a number of Luxembourg agents have been trained with a view to approaching companies in the Grand Duchy market. We are also setting up an international network of specialist brokers. Numerous policies underwritten and initial results are in line with our expectations.

A new business activity that is fully in line with the Group strategy

The success of this business is intrinsically linked to Foyer's positioning; it is considered a people-oriented and flexible insurance company operating in a multi-lingual environment and which enjoys a reputation for innovation and efficiency. Indeed, its Luxembourg base offers many cultural and regulatory benefits.

Intermediaries and expatriate customers can manage their relationship with Foyer through the online portal. The whole relationship is therefore digital, enabling everyone to access and monitor their insurance policies and compensation claims with ease.

“By offering a specific, modular range of products, worldwide medical assistance and a service package that is 100% digital, Foyer meets the need for protection and top-of-the-range services that expatriates are looking for.”

Life insurance under the freedom to provide services regime



2013 was a year of major regulatory and legislative upheaval on the Luxembourg financial market, and this trend continued in 2014 with the FATCA intergovernmental agreements and the new provisions relating to the exchange of information between European Union Member States, which will come into force from 2016. These fundamental changes led the whole of the financial sector into a period of transition and adjustment, in terms of both supply and demand. Building on its wealth management solutions, life insurance reaffirmed its position in this new regime of full transparency.

With its expertise in providing tailor-made wealth management solutions to its high-end clientele, Foyer International offers a full range of products suitable for all the issues faced by High Net Worth Individuals (HNWI). These solutions combine sophisticated asset management services with the tax benefits of life insurance and the financial security required by prudent investors. In each country, the solutions offered meet customers' needs for long-term tax optimisation, estate planning and financial stability.

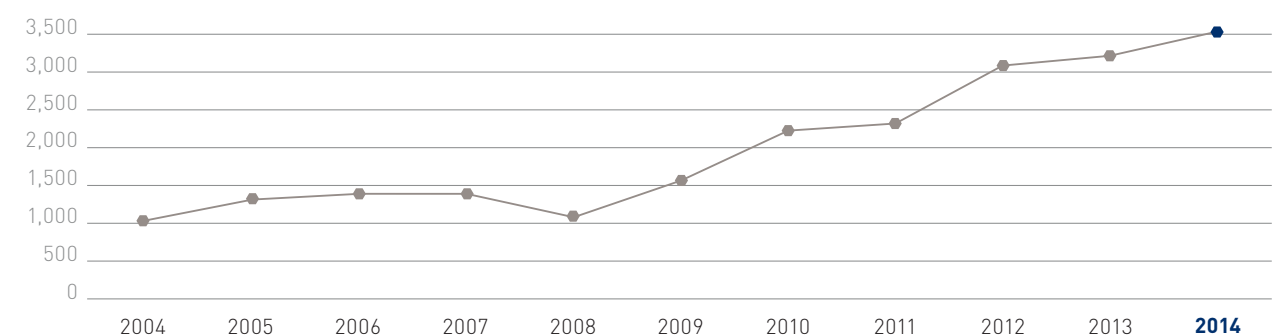
Operating almost exclusively with wealth management professionals, over the years Foyer International has become a benchmark in expert advice and operational excellence. In addition to the solutions it offers for UK non-domiciled

residents, Foyer International currently operates in close co-operation with internal and external experts in ten European countries (Belgium, Finland, France, Germany, Italy, Luxembourg, Norway, Portugal, Spain and Sweden), who offer appropriate, high-end life insurance solutions that are flexible, transferable, portable and which comply with applicable regulations.

Foyer International offers tailored solutions based on an open architecture to guarantee long-term, effective and secure wealth management. Specific products have been devised to meet the demands of customers, while enabling them to benefit from tax and inheritance allowances in compliance with the legal and fiscal provisions of their country of residence, key to their long-term peace of mind.

Operating in an environment of ever changing regulations, Foyer International is prone to adapt to these new challenges that create new opportunities. Foyer International's specialists are thus in constant contact with tax and legal experts in all the countries in which it operates. In terms of risk management, Foyer International takes particular care to ensure that all the solutions it offers comply with the regulations in force both in Luxembourg and abroad.

Foyer International
Commitments towards clients / € millions



The increasing mobility of European citizens demands customised cross-border solutions. The experience of the teams at Foyer International allows meeting this need with the support of local specialists in each of the countries concerned and in synergy with all the other professionals who help satisfy the needs of demanding customers.

Foyer International benefits from its affiliation to an independent Group; it retains its character and firmly rooted family values and pays particular attention to governance. The Group's adherence to its principles of operational excellence and its financial stability are what make the difference for the clients that place their trust in it.

"To our niche customers, our know-how and expertise are significant advantages in terms of our ability to be responsive and to offer a personalised solution and a service tailored to each individual."



Jean-Louis Courange
Managing Director of Foyer International

Asset management by CapitalatWork Foyer Group



There were numerous challenges for the financial sector in 2014. These only served to strengthen the business model of CapitalatWork Foyer Group:

- The increasing burden of international regulation argues strongly in favour of concentrating on a limited number of businesses. CapitalatWork has been doing it for nearly 25 years, dedicating itself exclusively to managing the wealth of private and institutional customers;
- Measures such as FATCA or the future OECD Common Reporting Standard will significantly increase cross-border operating costs. Several years ago, CapitalatWork decided to focus on local development for the benefit of its customers, near to where they are, in their country of residence (Luxembourg, Belgium and the Netherlands).

Assets under management increased significantly during the course of the last year. By the end of 2014, assets managed amounted to €5.8 billion, an increase of more than 14% over one year. This increase may be attributed not only to strong management performance for the benefit of the customers, but also to net inflows across all of our offices.

The 2014 financial results of CapitalatWork Foyer Group were excellent once again, thanks to recurrent revenues that were markedly higher than those of 2013, despite a lower exceptional income. A large number of operational and commercial projects came to life in 2014, such as the new internet site www.capitalatwork.com. In addition, costs were kept well under control.

As far as sales development is concerned, in 2014 CapitalatWork Foyer Group decided to continue its expansion in Belgium with a new office in Courtrai which will open in 2015.

Umbrella SICAV

Funds		Performance 2014	Benchmark	Morningstar
Equity Funds	Contrarian Equities at Work	12.10 %	17.21 %	★★★★
	European Equities at Work	1.56 %	7.20 %	★★★★
	American Equities at Work	8.94 %	13.61 %	★★
	Asian Equities at Work	9.22 %	15.61 %	★★
	Dividends at Work	7.65 %	9.80 %	N/A
Bond Funds	Corporate Bonds at Work	13.12 %	8.39 %	★★★★
	Government Bonds at Work	9.05 %	13.14 %	★★
	Cash+ at Work	1.81 %	0.21 %	★★★★
	Inflation at Work	7.63 %	5.91 %	★★★★

2014 management report and 2015 outlook

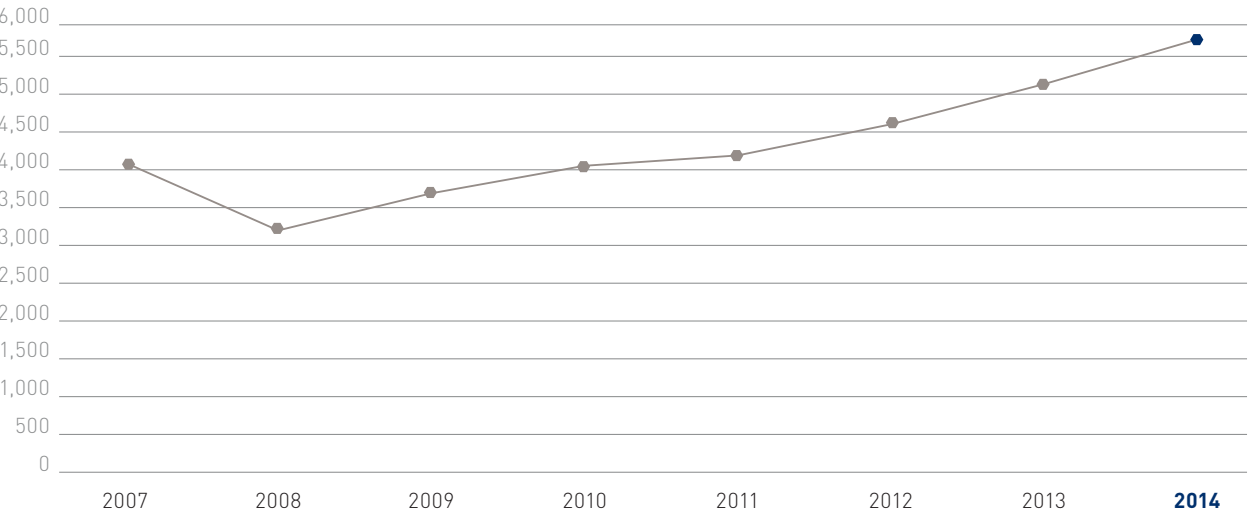
An exceptional year for bonds and shares rally over recent months.

Bonds have performed particularly well over the last quarter, driven by ever lower interest rates. Over the same period, we also saw a recovery in the stock markets, resulting in shares registering a remarkable performance. It should be stressed that portfolios' foreign currency investments have widely contributed to this good performance. This is particularly true as regards the US dollar.

Lower expectations for bonds.

The outlook for 2015 has not changed much since our message of last year. Once more, we expect shares to perform better than bonds. However, the results achieved by bond portfolios in 2014 will be very difficult to reach in 2015. As far as future bond yields are concerned, we need to be cautious and realistic. They are forecast to achieve between 1% and 4% over the next five years, depending on the economic situation that unfolds during this period. We remain convinced that the need for caution will keep European interest rates low in the long term. The absence of inflation will be the determining factor. Against this backdrop, central banks are now more concerned about the risk of deflation.

Evolution of managed assets / € millions (pro forma data)



High hopes for shares, despite weak economic growth

Although the growth forecast for Europe is gloomy, growth rates for the United States and the rest of the world are expected to be significantly higher than in Europe. Promising corporate results are expected, including those of European companies whose business activities are primarily located outside the eurozone. In the medium term, improved corporate performance is one of the factors that determine share prices and returns.

In our opinion shares are currently neither too cheap nor too expensive. The companies we analyse are generating cash flows of between 4% and 7% for their investors. By comparison, risk-free rates in Europe are not higher than 1%.

In recent months, the sharp fall in the oil price has contributed to upside and downside fluctuations in the markets. The majority of asset managers consider this volatility harmful, if not devil. Their investment processes are therefore often focused on controlling this volatility. Consequently, they are often tempted to sell in a bear market, whereas a sound long-term investment principle consists in buying shares during such market phases instead.

Provided they tie in with our fundamental analysis, we, at CapitalatWork Foyer Group, look upon these fluctuations as opportunities. We have therefore been able to take advantage of these market swings to achieve very good returns for our customers' funds and portfolios. Making the most of the corrections of recent months, we have, for example, reduced the duration of the Corporate Bonds at Work fund and increased the weighting of emerging markets in the High Yield at Work fund. CapitalatWork Foyer Group has continued to invest in foreign currency, in order to take advantage of the steady weakening of the euro.

CapitalatWork Foyer Group manages to take advantage of market volatility, always using valuation analyses that are rigorously conducted in accordance with a specific investment methodology. These enable us to react quickly when prices begin to fluctuate significantly. By comparing the prices of shares, bonds and currencies with their intrinsic values every day, we identify opportunities. This is the essence of what we do at CapitalatWork Foyer Group and it is precisely this active management that gives us our character and that we continue to develop.

"Although the growth forecast for Europe is gloomy, growth rates for the United States and the rest of the world are expected to be significantly higher than in Europe. Promising corporate results are expected, including those of European companies whose business activities are primarily located outside the eurozone."



Michel Tilmant
Managing Director of CapitalatWork Foyer Group