

INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2015
Generali CEE Emerging Europe Bond Fund

The Investment objective of the Fund
How the Fund achieves its investment objective

The Fund aims to grow its assets in the long term through exposure to the debt instruments of the Emerging Markets mainly of the Central, Eastern and South Eastern European region and the Commonwealth of Independent States. To achieve its objective the Fund invests in bonds such as Eurobonds, corporate bonds, international institution bonds, bonds of governments, government agencies and bonds issued by banks or other corporations or governments of countries that are members of the OECD or Emerging Markets countries (including the Commonwealth of Independent States) or their agencies or associated entities and other transferable debt instruments.

The Fund will use a limited number of simple derivative instruments such as swaps and forwards for non-complex efficient portfolio management and hedging. The Investment Manager has full discretion in selecting the Fund's assets. The Fund has particular targets in relation to market sectors of the Central, Eastern and South Eastern Europe and the Commonwealth of Independent States.

The Fund achieves its investment objective by employing a top-down approach to investing. Analysis of the macroeconomic environment in respective countries - business cycle position, price growth and its structure, external and internal imbalances – is the corner stone of the investment process. An important part in decision-making process is the evaluation of global risk appetite.

The year 2015 was a very successful year for the CEE region. A combination of external demand, cohesion fund inflow and falling unemployment led to the acceleration of growth in the region. This was combined with low commodity prices and imported disinflation from the key trade partner, the Eurozone. This environment led to stable exchange rates, and with the exception of the Polish government, to a decline in yields. The situation remained difficult in Russia where yields were pulled down by a severe recession and calming of geopolitics in eastern Ukraine. The Ruble appreciated in H1 but weakened in H2 with the unexpected further drop in the oil price. Full year net performance of the Fund thus was positive of +5.7% after fees.

GENERALI CEE EMERG EU BOND A EUR				
Date	NAV per Share	Market Value (EUR)	Market Value (EUR)	
31/12/2013	9.84	21,006.58	21,006.58	
31/12/2014	9.29	25,161.22	25,161.22	
31/01/2015	9.35	24,290.37	24,290.37	
28/02/2015	9.66	27,528.56	27,528.56	
31/03/2015	9.94	27,703.44	27,703.44	
30/04/2015	10.15	28,528.11	28,488.21	
31/05/2015	10.06	28,175.70	28,258.84	
30/06/2015	9.81	25,516.30	25,516.30	
31/07/2015	9.96	22,687.88	22,687.88	
31/08/2015	9.78	22,131.80	22,131.80	
30/09/2015	9.85	23,412.78	23,412.78	
31/10/2015	9.99	23,257.79	23,257.79	
30/11/2015	10.00	22,213.50	22,265.30	
31/12/2015	9.82	21,861.18	21,861.18	

INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2015
Generali CEE Emerging Europe Bond Fund (continued)

GENERALI CEE EMERG EU BOND Y EUR			
Date	NAV per Share	Market Value (EUR)	Market Value (EUR)
31/12/2013	9.96	30,807,835.11	30,807,835.11
31/12/2014	9.50	29,386,118.36	29,386,118.36
31/01/2015	9.58	29,618,008.49	29,618,008.49
28/02/2015	9.90	30,621,516.57	30,621,516.57
31/03/2015	10.20	31,539,698.60	31,539,698.60
30/04/2015	10.42	32,243,203.58	32,243,203.58
31/05/2015	10.34	31,989,436.08	31,989,436.08
30/06/2015	10.09	31,212,684.31	31,212,684.31
31/07/2015	10.25	31,718,575.69	31,718,575.69
31/08/2015	10.08	31,181,501.06	31,181,501.06
30/09/2015	10.16	31,431,805.55	31,431,805.55
31/10/2015	10.32	31,921,436.54	31,921,436.54
30/11/2015	10.34	31,980,696.44	31,980,696.44
31/12/2015	10.16	31,429,481.98	31,429,481.98

GENERALI CEE EMERG EU BOND A CZK			
Date	NAV per Share	Market Value (CZK)	Market Value (EUR)
31/12/2013	253.19	493,272.22	18,020.84
31/12/2014	237.52	596,258.37	21,513.69
31/01/2015	239.10	607,979.70	21,918.41
28/02/2015	247.11	635,823.21	23,131.46
31/03/2015	254.07	665,129.10	24,137.25
30/04/2015	259.48	682,575.91	24,833.13
31/05/2015	257.08	676,046.63	24,741.28
30/06/2015	250.51	663,225.94	24,330.19
31/07/2015	254.30	696,648.06	25,723.36
31/08/2015	249.58	694,837.10	25,696.26
30/09/2015	251.10	701,171.09	25,801.84
31/10/2015	254.69	713,313.43	26,326.70
30/11/2015	254.75	713,967.73	26,462.55
31/12/2015	249.41	703,390.94	26,030.58

GENERALI CEE EMERG EU BOND A PLN			
Date	NAV per Share	Market Value (PLN)	Market Value (EUR)
19/12/2013	40.87	497.18	119.33
31/12/2014	-	-	-
31/01/2015	40.95	508.50	121.44
28/02/2015	42.37	526.34	126.82
31/03/2015	43.73	542.93	133.33
30/04/2015	44.73	555.75	137.42
31/05/2015	44.42	551.87	134.04
30/06/2015	43.41	539.14	128.66
31/07/2015	44.19	548.66	132.24
31/08/2015	43.50	539.99	127.74
30/09/2015	43.89	545.22	128.45
31/10/2015	44.64	554.51	130.31
30/11/2015	44.80	556.40	130.28
31/12/2015	44.10	547.63	127.66

The future market outlook for the Fund

In H1 2016, we expect a bond friendly environment driven by the QE monetary policy of the ECB and its further cutting of deposit rates. We expect another 20bp cut to -0.5%. We expect that China's rebalancing process will have only limited impact on asset prices in the CEE region. Russia will suffer another year of recession resulting in decline of yields and a weak currency. Generally, we assume stability in monetary policy rates across the CEE region. Poland might further reduce rates after the appointment of the new Central bank board and conversely we cannot exclude monetary tightening in Romania at the end of 2016. CEE economies are sound, balanced and in the middle of the expansion part of the business cycle.

SCHEDULE OF INVESTMENTS as at 31 December 2015
Generali CEE Emerging Europe Bond Fund

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
Listed securities : bonds					
AUSTRIA					
Raiffeisen Bank International AG 5.163% 18/06/2024 EMTN	1,000,000	EUR	972,598	866,000	2.75
			<u>972,598</u>	<u>866,000</u>	<u>2.75</u>
BULGARIA					
Bulgaria Government International Bond 2% 26/03/2022 EMTN	325,000	EUR	325,813	330,700	1.05
			<u>325,813</u>	<u>330,700</u>	<u>1.05</u>
FEDERATION OF RUSSIA					
Russian Federal Bond - OFZ 7.4% 14/06/2017	60,000,000	RUB	1,549,491	731,979	2.33
Russian Federal Bond - OFZ 7.5% 27/02/2019	122,500,000	RUB	2,037,323	1,453,233	4.62
Russian Foreign Bond - Eurobond 3.625% 16/09/2020	500,000	EUR	501,201	512,554	1.63
			<u>4,088,015</u>	<u>2,697,766</u>	<u>8.58</u>
HUNGARY					
Hungary Government Bond 3.5% 24/06/2020	480,000,000	HUF	1,608,310	1,580,332	5.02
Hungary Government Bond 5.5% 20/12/2018	140,000,000	HUF	480,123	482,837	1.53
Hungary Government Bond 5.5% 24/06/2025	255,000,000	HUF	914,270	946,661	3.01
Hungary Government Bond 6% 24/11/2023	165,000,000	HUF	576,879	618,505	1.96
Hungary Government Bond 6.5% 24/06/2019	335,000,000	HUF	1,159,214	1,203,088	3.82
Hungary Government International Bond 5.75% 11/06/2018	600,000	EUR	602,313	671,545	2.13
			<u>5,341,109</u>	<u>5,502,968</u>	<u>17.47</u>
IRELAND					
Gazprombank OJSC Via GPB Eurobond Finance PLC 5.625% 17/05/2017 EMTN	700,000	USD	505,733	656,020	2.08
Mobile Telesystems OJSC via MTS International Funding Ltd 8.625% 22/06/2020	600,000	USD	488,680	611,899	1.94
			<u>994,413</u>	<u>1,267,919</u>	<u>4.02</u>
LUXEMBOURG					
Russian Agricultural Bank OJSC Via RSHB Capital SA 5.1% 25/07/2018	700,000	USD	483,227	640,194	2.03
			<u>483,227</u>	<u>640,194</u>	<u>2.03</u>
POLAND					
Poland Government Bond 2.5% 25/07/2018	3,700,000	PLN	886,346	878,971	2.79
Poland Government Bond 3.25% 25/07/2025	5,000,000	PLN	1,210,944	1,199,675	3.81
Poland Government Bond 3.75% 25/04/2018	10,000,000	PLN	2,512,864	2,439,890	7.75
Poland Government Bond 4.75% 25/04/2017	3,200,000	PLN	800,167	776,960	2.47
Poland Government Bond 5.25% 25/10/2017	6,300,000	PLN	1,684,961	1,562,729	4.96
Poland Government Bond 5.5% 25/10/2019	5,700,000	PLN	1,549,253	1,497,503	4.76
			<u>8,644,535</u>	<u>8,355,728</u>	<u>26.54</u>

SCHEDULE OF INVESTMENTS as at 31 December 2015
Generali CEE Emerging Europe Bond Fund (continued)

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
ROMANIA					
Romania Government Bond 5.8% 26/07/2027	4,000,000	RON	999,869	1,017,440	3.23
Romania Government Bond 5.85% 26/04/2023	7,300,000	RON	1,765,116	1,869,462	5.94
Romanian Government International Bond 4.875% 07/11/2019 EMTN	900,000	EUR	949,057	1,039,551	3.30
Romanian Government International Bond 6.5% 18/06/2018	400,000	EUR	435,044	459,531	1.46
			<u>4,149,086</u>	<u>4,385,984</u>	<u>13.93</u>
SLOVENIA					
Slovenia Government Bond 5.125% 30/03/2026	1,300,000	EUR	1,248,425	1,718,779	5.46
			<u>1,248,425</u>	<u>1,718,779</u>	<u>5.46</u>
TURKEY					
Turkey Government Bond 8.8% 14/11/2018	4,000,000	TRY	1,218,838	1,207,918	3.84
Turkey Government International Bond 5.125% 18/05/2020	500,000	EUR	572,250	556,300	1.77
			<u>1,791,088</u>	<u>1,764,218</u>	<u>5.61</u>
Total listed securities : bonds			<u>28,038,309</u>	<u>27,530,256</u>	<u>87.44</u>
Other organised market : bonds					
ROMANIA					
Romania Government Bond 4.75% 24/02/2025	5,000,000	RON	1,168,271	1,195,610	3.80
Romania Government Bond 5.9% 26/07/2017	5,100,000	RON	1,215,780	1,213,990	3.86
			<u>2,384,051</u>	<u>2,409,600</u>	<u>7.66</u>
Total other organised market : bonds			<u>2,384,051</u>	<u>2,409,600</u>	<u>7.66</u>
Bond interest accrued				603,778	1.92
Financial assets at fair value through profit or loss			<u>30,422,360</u>	<u>30,543,634</u>	<u>97.02</u>
Financial Derivative Instruments					
Open Forward Foreign Currency Contracts					
Maturity	Counterparty	Currency Purchased	Currency Sold	Unrealised Appreciation/ (Depreciation)	% of Net Assets
05-Jan-16	RBC IS Bank Luxembourg	EUR 18	CZK 490	-	-
26-Jan-16	RBC IS Bank Luxembourg	EUR 3,282,597	USD 3,500,000	62,664	0.20
26-Jan-16	RBC IS Bank Luxembourg	EUR 734,027	RUB 53,000,000	71,982	0.23
29-Jan-16	RBC IS Bank Luxembourg	CZK 694,859	EUR 25,773	(65)	-
29-Jan-16	RBC IS Bank Luxembourg	PLN 542	EUR 128	(1)	-
01-Feb-16	RBC IS Bank Luxembourg	EUR 454,158	HUF 144,000,000	(890)	-
01-Feb-16	RBC IS Bank Luxembourg	EUR 953,674	PLN 4,050,000	11,100	0.04
Net profit on open forward foreign exchange contracts				<u>144,790</u>	<u>0.47</u>
Net financial derivative instruments				<u>144,790</u>	<u>0.47</u>
Cash and other net assets				<u>789,077</u>	<u>2.51</u>
Total net assets attributable to holders of redeemable participating shares				<u>31,477,501</u>	<u>100.00</u>