

INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2015
Generali CEE Cash & Bond Fund**The Investment objective of the Fund**
How the Fund achieves its investment objective

The investment objective of the Fund is to achieve appreciation of assets in the short-term and mid-term horizon over the level of short-term interest rates, with high liquidity and low volatility of assets.

The net asset value gradually increased during 2015 and crossed the EUR 21.4 million mark at the end of 2015. It means that assets under management almost doubled in 2015. For the whole year 2015 the Fund posted above average performance despite the challenging environment. Weakness in the global economy has caused widening credit spreads moreover and both government and corporate bonds were affected by high volatility. The Fund's good performance (1.36 %) was driven mainly by positive bond selection. Our operations led to the improvement of the average credit rating, of the Fund's holdings, as we decreased our exposure in Russian corporate bonds and on the other hand we were buying bonds from the CEE region and US banks with better credit rating profiles. The average credit rating of the bond portfolio varied between BBB and BBB-, and the average duration increased to the level to 0.84 years by the end of 2015.

The Fund seeks to achieve its objective by investing primarily in a diversified portfolio (mainly by issuer) of floating and fixed Eurobonds, corporate bonds and bonds issued by banks. An additional part of the portfolio is formed by government bonds and the rest is held in cash. There was no significant change in the investment policy during 2015.

With only one exception all bonds in the portfolio which are rated by Standard & Poor's or other reputable rating agencies and deemed to be of equivalent quality have an average rating varied between BBB and BBB-. The average modified duration of the Fund is less than one year.

In seeking to achieve the investment objective, the Fund uses a variety of techniques including fundamental analysis of issuers, analysis and prediction of macro-economic indicators, interest rates, foreign exchange rates, yield curve and analysis of regional political situations.

The Fund uses derivatives such as foreign exchange forwards and swaps (currency forwards and currency swaps) in order to hedge the currency exposure of the assets of the Fund in the range of 85–105%.

GENERALI CEE CASH AND BOND A PLN			
Date	NAV per Share	Market Value (PLN)	Market Value (EUR)
31/12/2013	48.11	1,515,706.36	364,537.30
31/12/2014	49.39	3,043,426.81	708,088.20
31/01/2015	49.70	2,938,701.48	701,824.71
28/02/2015	49.89	3,100,506.81	747,060.03
31/03/2015	50.09	3,220,144.85	790,788.38
30/04/2015	50.23	3,294,928.54	810,763.74
31/05/2015	50.31	3,417,743.92	829,664.99
30/06/2015	50.37	3,473,729.03	828,974.72
31/07/2015	50.49	3,132,960.78	755,114.81
31/08/2015	50.43	3,047,976.60	721,030.77
30/09/2015	50.47	3,185,239.99	750,421.18
31/10/2015	50.64	3,188,753.78	749,363.68
30/11/2015	50.78	3,167,518.15	741,741.22
31/12/2015	50.83	3,112,223.74	725,503.71

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

GENERALI CEE CASH AND BOND A EUR			
Date	NAV per Share	Market Value (EUR)	Market Value (EUR)
31/12/2013	10.96	8,925,456.87	8,925,456.87
31/12/2014	11.02	10,806,309.30	10,806,309.30
31/01/2015	11.07	11,240,533.33	11,240,533.33
28/02/2015	11.09	11,223,726.46	11,223,726.46
31/03/2015	11.12	12,757,468.15	12,757,468.15
30/04/2015	11.14	14,139,146.22	14,135,460.16
31/05/2015	11.15	15,784,415.49	15,786,944.70
30/06/2015	11.14	15,607,995.85	15,607,995.85
31/07/2015	11.16	15,608,919.57	15,608,919.57
31/08/2015	11.14	15,831,112.92	15,831,112.92
30/09/2015	11.13	13,415,749.27	13,415,749.27
31/10/2015	11.16	11,006,632.87	11,006,632.87
30/11/2015	11.18	10,453,194.47	10,458,491.56
31/12/2015	11.17	10,253,690.29	10,253,690.29

GENERALI CEE CASH AND BOND A CZK			
Date	NAV per Share	Market Value (CZK)	Market Value (EUR)
31/12/2013	261.95	34,046,901.90	1,243,844.17
31/12/2014	261.36	52,718,277.92	1,902,136.29
31/01/2015	262.13	135,387,872.40	4,880,898.03
28/02/2015	262.50	167,562,347.16	6,095,973.98
31/03/2015	263.16	191,265,033.89	6,940,926.09
30/04/2015	263.59	204,823,850.17	7,442,785.38
31/05/2015	263.66	214,698,619.97	7,816,596.44
30/06/2015	263.33	225,187,673.72	8,260,923.66
31/07/2015	263.78	234,741,658.77	8,667,711.19
31/08/2015	263.10	245,587,621.48	9,082,248.77
30/09/2015	262.51	253,222,748.69	9,318,143.50
31/10/2015	263.09	261,658,215.91	9,657,181.59
30/11/2015	263.40	268,445,809.90	9,917,603.58
31/12/2015	262.65	280,530,643.19	10,381,673.88

The future market outlook for the Fund

The bond markets remain in balance for 2016, with many mutually offsetting risks and influences. We expect the ECB to continue with and even expand its quantitative easing program which is likely to support risk assets. Weakness in emerging markets and commodities is expected to continue to weigh on corporate earnings but should not signal a sharp decline in investment grade credit quality. With slow, positive growth and a supportive central bank, European investment grade credit should be a relative safe haven. The banking sector is expected to continue to build resilience through higher capital buffers.

However, political risk in Europe remains significant, with several important elections in 2016 including the Brexit vote expected in the second quarter. Geopolitical risks are also increasing and have a potential to unsettle markets. Significant tail risks remain, keeping positioning conservative. The year 2016 is likely to be more characterised by individual names and sector picking compared to 2015.

SCHEDULE OF INVESTMENTS as at 31 December 2015
Generali CEE Cash and Bond Fund

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
Listed securities : bonds					
AUSTRIA					
Erste Group Bank AG 0.758% 19/07/2017 EMTN	300,000	EUR	289,050	293,901	1.38
Erste Group Bank AG 3.375% 28/03/2017 EMTN	800,000	EUR	843,788	828,512	3.88
Raiffeisen Bank International AG 0.789% 27/07/2017 EMTN	500,000	EUR	500,000	498,210	2.33
			<u>1,632,838</u>	<u>1,620,623</u>	<u>7.59</u>
BULGARIA					
Bulgaria Government International Bond 4.25% 09/07/2017	2,000,000	EUR	2,161,000	2,129,490	9.97
			<u>2,161,000</u>	<u>2,129,490</u>	<u>9.97</u>
CZECH REPUBLIC					
Cetelem CR AS 0.92% 27/06/2016	5,000,000	CZK	193,554	185,488	0.87
			<u>193,554</u>	<u>185,488</u>	<u>0.87</u>
FINLAND					
Neste Oyj 4% 28/03/2017	400,000	EUR	417,800	414,681	1.94
			<u>417,800</u>	<u>414,681</u>	<u>1.94</u>
HUNGARY					
Hungary Government International Bond 3.5% 18/07/2016	1,250,000	EUR	1,292,810	1,273,250	5.96
Hungary Government International Bond 4.375% 04/07/2017	1,000,000	EUR	1,073,832	1,062,253	4.97
MFB Magyar Fejlesztési Bank Zrt 5.875% 31/05/2016	1,300,000	EUR	1,384,874	1,327,557	6.21
MOL Hungarian Oil & Gas PLC 5.875% 20/04/2017 EMTN	500,000	EUR	532,660	527,312	2.47
			<u>4,284,176</u>	<u>4,190,372</u>	<u>19.61</u>
ITALY					
UniCredit SpA 4.875% 07/03/2017 EMTN	500,000	EUR	533,135	526,750	2.47
			<u>533,135</u>	<u>526,750</u>	<u>2.47</u>
LUXEMBOURG					
Sberbank of Russia Via SB Capital SA 4.95% 07/02/2017	500,000	USD	455,804	465,323	2.18
Severstal OAO Via Steel Capital SA 6.7% 25/10/2017	500,000	USD	468,303	482,206	2.26
			<u>924,107</u>	<u>947,529</u>	<u>4.44</u>
NETHERLANDS					
NE Property Cooperatief UA 3.75% 26/02/2021	100,000	EUR	99,597	99,304	0.46
Petrobras Global Finance BV 1.9896% 20/05/2016	600,000	USD	436,457	539,906	2.53
Volkswagen International Finance NV 1.875% 15/05/2017 EMTN	200,000	EUR	203,318	202,264	0.95
			<u>739,372</u>	<u>841,474</u>	<u>3.94</u>

SCHEDULE OF INVESTMENTS as at 31 December 2015
Generali CEE Cash and Bond Fund (continued)

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
POLAND					
PZU Finance AB 1.375% 03/07/2019	300,000	EUR	298,068	299,997	1.40
			298,068	299,997	1.40
ROMANIA					
Romanian Government International Bond 5.25% 17/06/2016	1,350,000	EUR	1,430,813	1,380,252	6.46
			1,430,813	1,380,252	6.46
SLOVENIA					
Slovenska izvozna in razvojna banka dd 0.875% 04/08/2018	120,000	EUR	119,618	121,716	0.57
Slovenska izvozna in razvojna banka dd 3.232% 29/03/2016	200,000	EUR	200,000	201,950	0.94
EMTN			319,618	323,666	1.51
SWEDEN					
PGNIG Finance AB 4% 14/02/2017 EMTN	1,100,000	EUR	1,167,150	1,138,346	5.33
			1,167,150	1,138,346	5.33
TURKEY					
Export Credit Bank of Turkey 5.375% 04/11/2016	500,000	USD	484,313	469,843	2.20
Turkey Government International Bond 5.5% 16/02/2017	1,350,000	EUR	1,466,525	1,422,534	6.66
Turkey Government International Bond 7% 26/09/2016	1,400,000	USD	1,277,315	1,335,749	6.25
Turkiye Is Bankasi 5.1% 01/02/2016	500,000	USD	475,622	461,424	2.16
			3,703,775	3,689,550	17.27
UNITED STATES OF AMERICA					
Citigroup Inc 1.327% 10/02/2019	600,000	EUR	596,400	600,000	2.81
Goldman Sachs Group Inc 0.591% 29/05/2020 EMTN	800,000	EUR	795,372	796,255	3.73
Morgan Stanley 0.609% 19/11/2019 EMTN	500,000	EUR	501,555	501,907	2.35
			1,893,327	1,898,162	8.89
Total listed securities : bonds			19,698,733	19,586,380	91.69
Bond interest accrued				404,069	1.89
Financial assets at fair value through profit or loss			19,698,733	19,990,449	93.58

SCHEDULE OF INVESTMENTS as at 31 December 2015
Generali CEE Cash and Bond Fund (continued)

Description						Fair Value EUR	% of Net Assets
Financial Derivative Instruments							
Open Forward Foreign Currency Contracts							
Maturity	Counterparty	Currency Purchased		Currency Sold		Unrealised Appreciation/ (Depreciation)	% of Net Assets
04-Jan-16	RBC IS Bank Luxembourg	EUR	15,447	CZK	417,814	(15)	-
04-Jan-16	RBC IS Bank Luxembourg	EUR	1,497	CZK	40,479	(1)	-
04-Jan-16	RBC IS Bank Luxembourg	EUR	28	PLN	118	-	-
04-Jan-16	RBC IS Bank Luxembourg	EUR	14	CZK	385	-	-
05-Jan-16	RBC IS Bank Luxembourg	EUR	1,973	CZK	53,363	(1)	-
05-Jan-16	RBC IS Bank Luxembourg	EUR	57,140	CZK	1,545,172	(40)	-
05-Jan-16	RBC IS Bank Luxembourg	EUR	121	PLN	516	1	-
05-Jan-16	RBC IS Bank Luxembourg	PLN	880	EUR	207	(2)	-
05-Jan-16	RBC IS Bank Luxembourg	EUR	-	CZK	5	-	-
05-Jan-16	RBC IS Bank Luxembourg	EUR	4	CZK	108	-	-
12-Jan-16	RBC IS Bank Luxembourg	EUR	4,719,319	USD	5,000,000	117,885	0.55
12-Jan-16	RBC IS Bank Luxembourg	EUR	192,479	CZK	5,200,000	64	-
29-Jan-16	RBC IS Bank Luxembourg	PLN	3,119,825	EUR	734,653	(8,437)	(0.04)
29-Jan-16	RBC IS Bank Luxembourg	CZK	278,424,597	EUR	10,326,958	(26,055)	(0.12)
Net profit on open forward foreign exchange contracts						83,399	0.39
Net financial derivative instruments						83,399	0.39
Cash and other net assets						1,287,020	6.03
Total net assets attributable to holders of redeemable participating shares						21,360,868	100.00