

INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2015
Generali CEE Corporate Bonds Fund

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

The investment objective of the Fund is to seek an attractive level of income and to achieve an appreciation of the value of the assets in the medium term above the medium term European interest rates together with a medium degree of volatility.

The Fund achieves its objective by using both a variety of techniques including fundamental analysis of issuers, analysis and prediction of macro-economic indices, interest rates, foreign exchange rates, yield curve and analysis of regional political situation and by investing primarily in debt securities and debentures issued by corporations worldwide (including treasury paper and commercial paper) listed or traded on a Recognized Exchange in major global markets. The Fund also invests in debt securities issued by governments and their agencies, instrumentalities and political sub-divisions, supranational and local and public authorities. Such instruments may be fixed or floating rate debt securities and mainly rated B- to BBB+ by Standard & Poor's or another reputable rating agency.

The derivatives used by the Fund include foreign exchange forwards and swaps (currency forwards and swaps) and they are used for hedging purposes. Details of the derivatives which may be used are set out in the derivatives risk management process filed with the Central Bank of Ireland.

The performance of developed market corporate bonds fell short of expectations in 2015 for a number of reasons. Some fundamental figures (debt leverage, interest coverage, etc.) have started to deteriorate since the second half of 2015 not only due to depressed commodity prices but also due to the central banks' equity-friendly policy, finally leading to the rise in global speculative-grade default rate to 3.4% at the end of 2015, up from 2.2% recorded year ago. In addition, increasing risk aversion on global equity markets and elevated volatility significantly contributed to the widening in credit spreads on both developed and emerging markets.

Despite the number of adverse headwinds, the Fund managed to achieve an attractive return of 6.5%. Apart from an active tactical strategy (altering the Fund's composition and average duration depending on short-term market influences) and taking advantage of a high carry of non-investment grade bonds, we have been keeping a significant exposure in high-yield i) Russian corporate bonds, profiting from the "Minsk agreement" and by a ceasefire in Eastern Ukraine and also from balance sheet deleveraging in some cases, ii) Chinese developer's bonds, which benefitted from easing in PBoC monetary policy and ii) Kazakh quasi sovereign bonds.

GENERALI CEE CORPORATE BOND A EUR			
Date	NAV per Share	Market Value (EUR)	Market Value (EUR)
31/12/2013	12.77	7,313,159.64	7,313,159.64
31/12/2014	12.14	7,545,549.31	7,545,549.31
31/01/2015	12.15	7,139,879.01	7,139,879.01
28/02/2015	12.39	7,215,471.64	7,215,471.64
31/03/2015	12.57	7,371,397.95	7,371,397.95
30/04/2015	12.72	7,493,085.23	7,485,693.82
31/05/2015	12.81	7,482,420.89	7,488,463.70
30/06/2015	12.80	7,523,848.60	7,523,848.60
31/07/2015	12.85	7,351,361.61	7,351,361.61
31/08/2015	12.74	7,248,598.76	7,248,598.76
30/09/2015	12.74	7,156,490.94	7,156,490.94
31/10/2015	12.91	6,778,570.35	6,778,570.35
30/11/2015	13.01	6,595,068.93	6,596,118.35
31/12/2015	12.93	6,388,634.07	6,388,634.07

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Generali CEE Corporate Bonds Fund (continued)

GENERALI CEE CORPORATE BOND A CZK			
Date	NAV per Share	Market Value (CZK)	Market Value (EUR)
19/12/2013	265.23	3,063.60	110.77
31/12/2014	258.58	95,444,838.20	3,443,759.88
31/01/2015	258.52	195,354,860.89	7,042,781.15
28/02/2015	263.33	231,219,965.50	8,411,859.33
31/03/2015	267.29	231,390,052.09	8,397,045.80
30/04/2015	270.45	228,651,028.12	8,307,403.18
31/05/2015	272.16	239,699,203.27	8,735,150.99
30/06/2015	271.78	250,317,475.65	9,182,800.83
31/07/2015	272.99	260,535,656.53	9,620,140.87
31/08/2015	270.13	269,339,849.48	9,960,646.64
30/09/2015	269.85	287,280,402.36	10,571,404.14
31/10/2015	273.39	298,856,320.22	11,030,075.03
30/11/2015	275.30	307,371,976.87	11,356,331.04
31/12/2015	272.92	317,014,933.95	11,731,857.96

GENERALI CEE CORPORATE BOND A PLN			
Date	NAV per Share	Market Value (PLN)	Market Value (EUR)
31/12/2013	52.93	5,087,473.10	1,223,570.58
31/12/2014	51.23	3,793,495.01	882,600.18
31/01/2015	51.38	3,725,124.11	889,639.24
28/02/2015	52.42	4,085,264.02	984,335.03
31/03/2015	53.30	4,364,786.83	1,071,884.30
30/04/2015	53.95	5,604,711.61	1,380,687.65
31/05/2015	54.39	7,758,684.84	1,836,309.80
30/06/2015	54.39	8,446,961.06	2,015,792.57
31/07/2015	54.68	9,481,587.26	2,285,278.20
31/08/2015	54.24	8,808,764.80	2,083,805.52
30/09/2015	54.33	8,388,845.29	1,976,355.69
31/10/2015	55.11	9,821,485.62	2,308,069.27
30/11/2015	55.56	10,279,457.25	2,406,404.96
31/12/2015	55.34	11,070,134.03	2,580,606.02

GENERALI CEE CORPORATE BOND B PLN			
Date	NAV per Share	Market Value (PLN)	Market Value (EUR)
31/12/2013	51.14	88,875.92	21,375.24
31/12/2014	47.02	66,154.83	15,391.68
31/01/2015	47.11	67,475.66	16,114.63
28/02/2015	48.06	69,577.67	16,764.58
31/03/2015	48.86	71,461.72	17,549.24
30/04/2015	49.46	69,044.59	17,056.81
31/05/2015	49.90	57,413.28	13,953.64
30/06/2015	49.91	57,962.38	13,832.21
31/07/2015	50.16	54,043.74	13,025.77
31/08/2015	49.75	78,164.33	18,490.59
30/09/2015	49.83	78,787.01	18,561.69
31/10/2015	50.51	79,692.24	18,727.84
30/11/2015	50.99	78,471.03	18,373.09
31/12/2015	50.75	78,350.29	18,264.57

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Generali CEE Corporate Bonds Fund (continued)

GENERALI CEE CORPORATE BOND B CZK			
Date	NAV per Share	Market Value (CZK)	Market Value (EUR)
31/12/2013	269.34	109,585,085.75	4,003,499.95
31/12/2014	247.50	30,817,559.17	1,111,933.09
31/01/2015	247.43	29,701,610.86	1,070,779.32
28/02/2015	252.33	30,274,982.95	1,101,413.96
31/03/2015	256.00	30,042,017.86	1,090,211.95
30/04/2015	258.93	29,773,473.50	1,084,707.39
31/05/2015	260.92	29,939,895.91	1,092,402.70
30/06/2015	260.60	29,855,399.53	1,095,233.91
31/07/2015	261.62	29,800,284.44	1,100,359.69
31/08/2015	258.78	29,346,812.26	1,085,295.13
30/09/2015	258.71	28,687,196.29	1,055,637.43
31/10/2015	262.01	28,576,080.36	1,054,675.07
30/11/2015	263.94	27,998,260.08	1,035,030.06
31/12/2015	261.84	27,815,225.44	1,029,365.62

GENERALI CEE CORPORATE BOND B EUR			
Date	NAV per Share	Market Value (EUR)	Market Value (EUR)
31/12/2013	11.11	948,329.74	948,329.74
31/12/2014	10.19	803,753.68	803,753.68
31/01/2015	10.20	790,417.78	790,417.78
28/02/2015	10.40	798,704.61	798,704.61
31/03/2015	10.56	794,804.74	794,804.74
30/04/2015	10.68	807,254.61	807,941.61
31/05/2015	10.76	809,070.96	809,767.47
30/06/2015	10.75	812,050.63	812,050.63
31/07/2015	10.79	815,814.25	815,814.25
31/08/2015	10.69	809,938.43	809,938.43
30/09/2015	10.70	810,014.67	810,014.67
31/10/2015	10.84	594,551.79	594,551.79
30/11/2015	10.92	568,369.54	568,796.27
31/12/2015	10.86	561,897.99	561,897.99

The future market outlook for the Fund

Looking ahead, we anticipate 2016 to be characterized by a mediocre, albeit resilient economic recovery in the EU, driven by the ECB's QE, low commodity prices and the weak euro. The US economy is starting to look fragile, due to an accelerated deterioration in the manufacturing sector (driven down by the fall in oil prices, somewhat weaker export demand from EM and a strong USD) and more recently also due to weakening in some of the services sectors. The economic outlook for commodity importing emerging economies is mixed. While Asian economies are negatively influenced by an ongoing slowdown in China, the CEE region profits from the EMU economic recovery. On the other hand, commodity-exporting emerging economies are set to contract further, due to the broad-based commodity oversupply contributing to depreciation in local currencies, an increase in inflation and hence restrictive monetary policies in many cases. Low energy prices and a still negative output gap will continue to keep underlying inflation low in developed economies.

Regarding central bank policy, we expect ongoing strong support from major central banks, including the ECB, the Bank of Japan and the People's Bank of China. In the case of the Fed, given the accelerated deterioration in the US economy, the recently announced gradual normalization of monetary policy is increasingly uncertain.

**INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2015
Generali CEE Corporate Bonds Fund (continued)**

The challenges for bond investors remain substantial. Core yields on both sides of the Atlantic are likely to remain in a narrow trading range in 2016 as concerns about global growth and an accommodative monetary policy stance persist. With yields on government bonds and IG credit already depressed, the only way to reach an attractive total return is to invest in non-investment grade credits. Unfortunately, there are a number of reasons to remain bearish for credit for 2016. Firstly, concerns about the global economy are unlikely to vanish. Secondly, increasing volatility on equity markets generally widens credit spreads. Thirdly, Moody's forecast that the global speculative-grade default rate will continue to rise to 3.9% by the end of 2016, driven by the commodity sectors.

In this environment the investment strategy will be based mainly on a selection of fundamentally strong and liquid credit names. Similar to past years we are also going profit from high carry of non-investment grade credits, where we will offset the higher fundamental risk by a shorter duration. Moreover, we have already implemented (and are going to continue with) a more active tactical strategy, i.e. we alter the Fund's composition and average duration depending on short-term market influences.

SCHEDULE OF INVESTMENTS as at 31 December 2015
Generali CEE Corporate Bonds 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	800,000	EUR	766,396	783,735	3.51
			<u>766,396</u>	<u>783,735</u>	<u>3.51</u>
BRAZIL					
Bertin SA / Bertin Finance Ltd 10.25% 05/10/2016	100,000	USD	100,005	95,278	0.43
JBS SA 10.5% 04/08/2016	500,000	USD	423,864	475,237	2.13
			<u>523,869</u>	<u>570,515</u>	<u>2.56</u>
CAYMAN ISLANDS					
Agile Property Holdings Ltd 8.875% 28/04/2017	300,000	USD	228,887	279,619	1.25
Geely Automobile Holdings Ltd 5.25% 06/10/2019	200,000	USD	173,692	190,095	0.85
Shimao Property Holdings Ltd 6.625% 14/01/2020	400,000	USD	372,060	384,207	1.72
			<u>774,639</u>	<u>853,921</u>	<u>3.82</u>
CROATIA					
Croatia Government International Bond 6.25% 27/04/2017	400,000	USD	357,036	381,971	1.71
Croatia Government International Bond 6.75% 05/11/2019	400,000	USD	385,575	395,342	1.77
			<u>742,611</u>	<u>777,313</u>	<u>3.48</u>
GREAT BRITAIN					
International Personal Finance PLC 5.75% 07/04/2021 EMTN	600,000	EUR	596,921	555,600	2.49
International Personal Finance PLC 9% 25/07/2016 EMTN	4,000,000	CZK	157,140	149,753	0.67
Jaguar Land Rover Automotive PLC 4.125% 15/12/2018	200,000	USD	176,136	185,722	0.83
			<u>930,197</u>	<u>891,075</u>	<u>3.99</u>
IRELAND					
Alfa Bank AO Via Alfa Bond Issuance PLC 7.875% 25/09/2017	800,000	USD	695,462	773,400	3.47
Bank Otkritie Financial Corp OJSC via OFCB Capital PLC 7.25% 25/04/2018	800,000	USD	717,324	745,930	3.34
Gazprombank OJSC Via GPB Eurobond Finance PLC 3.984% 30/10/2018	300,000	EUR	280,505	293,993	1.32
Metalloinvest Finance Ltd 6.5% 21/07/2016	850,000	USD	722,895	793,094	3.55
Novolipetsk Steel via Steel Funding Ltd 4.45% 19/02/2018	900,000	USD	709,786	821,051	3.68
Russian Railways via RZD Capital PLC 5.739% 03/04/2017 EMTN	650,000	USD	562,906	609,943	2.73
VEB-Leasing OAO via VEB Leasing Invest Ltd 5.125% 27/05/2016	400,000	USD	375,090	367,438	1.65
			<u>4,063,968</u>	<u>4,404,849</u>	<u>19.74</u>

SCHEDULE OF INVESTMENTS as at 31 December 2015
Generali CEE Corporate Bonds Fund (continued)

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
KAZAKHSTAN					
Development Bank of Kazakhstan JSC 4.125% 10/12/2022	600,000	USD	481,694	488,442	2.19
Intergas Finance BV 6.375% 14/05/2017	546,000	USD	482,773	514,601	2.31
KazAgro National Management Holding JSC 3.255% 22/05/2019 EMTN	700,000	EUR	657,975	658,725	2.95
KazMunayGas National Co JSC 7% 05/05/2020	300,000	USD	287,112	293,199	1.31
KazMunayGas National Co JSC 9.125% 02/07/2018 EMTN	100,000	USD	99,652	101,580	0.46
Natsionalnaya Kompaniya Kazakhstan Engineering AO 4.55% 03/12/2016	500,000	USD	375,807	444,767	1.99
Samruk-Energy JSC 3.75% 20/12/2017 EMTN	600,000	USD	457,112	541,287	2.43
			2,842,125	3,042,601	13.64
LUXEMBOURG					
ALROSA Finance SA 7.75% 03/11/2020	800,000	USD	737,417	777,594	3.49
Gazprom OAO Via Gaz Capital SA 5.136% 22/03/2017	200,000	EUR	192,925	204,200	0.92
Home Credit & Finance Bank OOO Via Eurasia Capital SA 9.375% 24/04/2020	400,000	USD	308,900	342,447	1.53
Russian Standard Bank Via Russian Standard Finance SA 7.561% 01/12/2016	50,000	USD	37,002	35,211	0.16
Sberbank of Russia Via SB Capital SA 5.4% 24/03/2017 EMTN	800,000	USD	651,707	749,951	3.36
Severstal OAO Via Steel Capital SA 4.45% 19/03/2018 EMTN	200,000	USD	182,693	184,249	0.83
Severstal OAO Via Steel Capital SA 6.7% 25/10/2017	750,000	USD	673,009	723,308	3.24
			2,783,653	3,016,960	13.53
NETHERLANDS					
Halyk Savings Bank of Kazakhstan JSC 7.25% 03/05/2017	850,000	USD	685,368	808,447	3.62
Home Credit BV 6.25% 22/06/2016	9,000,000	CZK	352,983	334,142	1.50
Kazakhstan Temir Zholy Finance BV 6.375% 06/10/2020	200,000	USD	183,987	181,939	0.82
Kazakhstan Temir Zholy Finance BV 7% 11/05/2016	300,000	USD	280,112	278,978	1.25
NE Property Cooperatief UA 3.75% 26/02/2021	200,000	EUR	199,194	198,608	0.89
Petrobras Global Finance BV 2% 20/05/2016	400,000	USD	332,073	363,620	1.63
			2,033,717	2,165,734	9.71
POLAND					
Synthos Finance AB 4% 30/09/2021	500,000	EUR	499,200	498,680	2.23
			499,200	498,680	2.23
TURKEY					
Export Credit Bank of Turkey 5.375% 04/11/2016	300,000	USD	282,669	281,906	1.26
Export Credit Bank of Turkey 5.875% 24/04/2019	400,000	USD	372,030	380,895	1.71
Türkiye Garanti Bankasi AS 4% 13/09/2017	400,000	USD	374,097	371,966	1.67
Türkiye Garanti Bankasi AS 4.75% 17/10/2019 EMTN	450,000	USD	412,564	412,686	1.85
Türkiye Halk Bankasi AS 4.875% 19/07/2017	300,000	USD	285,050	281,290	1.26
Türkiye Is Bankasi 3.75% 10/10/2018	500,000	USD	432,540	452,644	2.03
Türkiye Is Bankasi 3.875% 07/11/2017	200,000	USD	179,801	184,432	0.83
Türkiye Is Bankasi 5.1% 01/02/2016	200,000	USD	181,816	184,570	0.83
Türkiye Vakıflar Bankasi TAO 3.75% 15/04/2018 EMTN	200,000	USD	172,134	181,118	0.81
Yapi ve Kredi Bankasi AS 5.25% 03/12/2018	500,000	USD	468,426	468,296	2.10
Yapi ve Kredi Bankasi AS 6.75% 08/02/2017	200,000	USD	189,748	191,100	0.86
			3,350,875	3,390,903	15.21

SCHEDULE OF INVESTMENTS as at 31 December 2015
Generali CEE Corporate Bonds Fund (continued)

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
UNITED ARAB EMIRATES					
Glencore Finance Dubai Ltd 1.75% 19/05/2016 EMTN	100,000	EUR	97,485	98,418	0.44
			97,485	98,418	0.44
Total listed securities : bonds			19,408,735	20,494,704	91.86
Bond interest accrued				296,742	1.33
Financial assets at fair value through profit or loss			19,408,735	20,791,446	93.19

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 15,373	CZK 415,814	(15)	-
04-Jan-16	RBC IS Bank Luxembourg	EUR 1,174	CZK 31,760	(1)	-
04-Jan-16	RBC IS Bank Luxembourg	EUR 61	PLN 260	1	-
04-Jan-16	RBC IS Bank Luxembourg	EUR 128	CZK 3,462	-	-
04-Jan-16	RBC IS Bank Luxembourg	EUR 11	CZK 307	-	-
05-Jan-16	RBC IS Bank Luxembourg	EUR 57,131	CZK 1,544,928	(41)	-
05-Jan-16	RBC IS Bank Luxembourg	EUR 1,309	CZK 35,393	(1)	-
05-Jan-16	RBC IS Bank Luxembourg	EUR 715	PLN 3,037	7	-
05-Jan-16	RBC IS Bank Luxembourg	CZK 40,556	EUR 1,502	(1)	-
05-Jan-16	RBC IS Bank Luxembourg	EUR -	CZK 9	-	-
05-Jan-16	RBC IS Bank Luxembourg	EUR 3	CZK 74	-	-
05-Jan-16	RBC IS Bank Luxembourg	EUR 5	CZK 147	-	-
18-Jan-16	RBC IS Bank Luxembourg	EUR 555,165	CZK 15,000,000	153	-
19-Jan-16	RBC IS Bank Luxembourg	EUR 17,776,863	USD 19,000,000	294,219	1.32
19-Jan-16	RBC IS Bank Luxembourg	USD 213,793	EUR 200,000	(3,279)	(0.02)
19-Jan-16	RBC IS Bank Luxembourg	EUR 276,332	USD 300,000	289	-
29-Jan-16	RBC IS Bank Luxembourg	PLN 11,007,093	EUR 2,591,939	(29,766)	(0.13)
29-Jan-16	RBC IS Bank Luxembourg	PLN 79,453	EUR 18,710	(215)	-
29-Jan-16	RBC IS Bank Luxembourg	CZK 315,512,683	EUR 11,702,580	(29,525)	(0.13)
29-Jan-16	RBC IS Bank Luxembourg	CZK 28,210,875	EUR 1,046,361	(2,640)	(0.01)
Net profit on open forward foreign exchange contracts				229,185	1.03
Net financial derivative instruments				229,185	1.03
Cash and other net assets				1,289,995	5.78
Total net assets attributable to holders of redeemable participating shares				22,310,626	100.00