

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

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

The investment objective of the Fund is to achieve long-term capital appreciation and to reduce the portfolio's overall volatility through investments in a diversified and actively managed portfolio of transferable securities.

In seeking to achieve the Fund's objective, the asset allocation, parameters and composition of the portfolio may be adjusted (within investment limits) by the Investment Manager in order to profit from the development of individual markets. The Investment Manager will use a variety of techniques including fundamental analysis of issuers, analysis and prediction of macro-economic indices, interest rates, commodity prices, foreign exchange rates, yield curve and analysis of the regional political situation. In addition with regards to fixed income securities the decision making process of the Investment Manager is particularly focused on the price, yield to maturity, rating, fundamentals of the issuer, the country and other parameters of securities such as maturity and whether the security is fixed or floating rate etc. In the final step of its analysis, the Investment Manager checks the appropriateness of the proposed investments, e.g. if the bond is listed on a Recognized Exchange. With regards to equities, the Investment Manager will employ mainly a bottom-up approach to investing, and will typically consider factors such as a company's position on its chosen market, its comparative advantages over competitors, the implications of any vertical fundamental analysis (stability of the company's financial indicators over time) and any horizontal fundamental analysis (comparison with other companies in the sector) of particular stocks.

The target/neutral allocation consists of:

- Equities and equity related securities between 35% and 40% of NAV.
- Bonds between 55% and 60% of NAV, with a regional allocation in EE and CIS, of which ½ will be corporates and ½ government and quasi-sovereign bonds.

The derivatives used by the Fund include foreign exchange forwards and swaps (currency forwards and currency swaps) and are used for hedging purposes in the range of 85–105%. 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 Fund reinvests all income and gains and it is not intended to declare dividends.

Over the first half of the year US equity markets, which represent the main part of the Fund's equity exposure, recorded a 1% gain after moving in a tight range, as negative factors (weak GDP and earnings growth) were offset by corporate equity buybacks and the extension of the zero-interest-rate-policy. European equity markets rebounded strongly during the first quarter of 2015 in expectation of the continuation of the ECB quantitative easing programme and earnings recovery were supported by an economic recovery. Emerging markets underperformed developed markets, as commodity prices remained weak along with the slowdown in the Chinese economy and as a number of emerging economies faced country-specific fiscal and/or monetary problems. In the late summer global equity markets experienced a double digit double-bottom correction, triggered firstly by a Chinese Yuan devaluation and secondly by the Fed's worries over the global economy, as chair Yellen indicated that global developments overshadowed signs of strength in the United States. Market sentiment on equity markets significantly improved in October, mainly thanks to the central bank (ECB, Fed, PBoC) actions so equities managed to erase most of their recent losses. The US earnings season also contributed positively, as many companies (mainly from the IT and healthcare sectors) surprised positively. Global equity markets were further supported by the ECB, as Draghi said that lowering of the deposit rate was discussed and the Council indicated that it may consider adding monetary stimulus at its December meeting. In December, market volatility started to rise along with investors' nervousness regarding the Fed's outlook for the pace of interest rate hikes in 2016. EU markets also reacted sharply negatively to the ECB decision that disappointed, as the market was apparently hoping for bolder action (expansion of monthly asset purchases). The market reaction to the first interest rate hike in the US in almost 10 years was rather positive, as the FOMC expects only gradual increases in the Fed funds rate and the statement emphasized the conditional nature of the outlook, despite the fact that the indicated path remains above current market expectations that include only around two rate hikes in 2016.

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

The Investment objective of the Fund

How the Fund achieves its investment objective (continued)

US equity markets represented by the S&P 500 index finished the year with a 4% gain, while the STOXX Europe 50 Index managed to deliver a 11% gain, despite some losses incurred in 2H. Emerging markets, as represented by the broad-based MSCI Emerging Markets index lost 14% driven down by the negative development of commodity-exporting economies, weak commodity prices and local currency devaluations.

US Treasury yields moved slightly up in 2015. However, as the Fed hesitated to start its key rate cycle, the impact was smaller than expected at the start of the year. Long-dated euro area core yields were very volatile in 2015. After the QE induced duration shock which triggered a fall to 0.05% in 10-year Bund yields in April, the strongest sell-off for years drove 10-year Bund yields close to 1% in June. Since then, core yields have drifted down. In contrast, yields at the short end of the curve have moved further into negative territory mainly driven by the purchases of the ECB and the decision to lower the deposit rate to -0.3% in December.

The performance of developed markets 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 2H 2015, not only due to depressed commodity prices but also due to equity-friendly central bank policy, finally leading to the rise in the global speculative-grade default rate to 3.4% at the end of 2015, up from 2.2% recorded a 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, corporate bonds contributed positively to the Fund's performance. We took advantage of the high carry of EU non-investment grade bonds and kept significant exposure to high-yield i) Russian corporate bonds, profiting from the Minsk agreement and a ceasefire on Eastern Ukraine and also from balance sheet deleveraging in some cases, ii) Chinese developer's bonds, profiting from easing in PBoC monetary policy and ii) Kazakh quasi sovereign bonds. On the equity side, we have been keeping an underweight position (c.a. 6 % NAV) in emerging markets, in favour of developed markets (c.a. 27% NAV) via selected global brand names. With regards to individual stock exposure, we preferred stocks whose brand value we expect to grow at an above-average pace and with relatively low valuations (based on P/E, P/CF, etc.) in comparison to sector peers.

GENERALI CEE BALANCED A EUR			
Date	NAV per Share	Market Value (EUR)	Market Value (EUR)
31/12/2013	-	-	-
31/12/2014	9.98	2,681,077.22	2,681,077.22
31/01/2015	9.95	2,686,118.67	2,686,118.67
28/02/2015	10.16	2,744,075.86	2,744,075.86
31/03/2015	10.18	2,752,786.10	2,752,786.10
30/04/2015	10.28	2,777,835.86	2,783,505.80
31/05/2015	10.22	2,770,353.35	2,772,230.49
30/06/2015	10.11	2,819,715.78	2,819,715.78
31/07/2015	10.11	2,825,180.77	2,825,180.77
31/08/2015	9.80	2,743,769.72	2,743,769.72
30/09/2015	9.67	2,716,050.60	2,716,050.60
31/10/2015	10.05	2,731,535.80	2,731,535.80
30/11/2015	10.10	2,708,276.07	2,705,299.48
31/12/2015	9.92	2,657,394.58	2,657,394.58

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Generali CEE Balanced Fund (continued)

GENERALI CEE BALANCED A CZK			
Date	NAV per Share	Market Value (CZK)	Market Value (EUR)
31/12/2013	-	-	-
31/12/2014	274.10	34,593,565.64	1,248,175.76
31/01/2015	273.22	106,421,539.83	3,836,626.39
28/02/2015	278.72	131,881,468.11	4,797,891.72
31/03/2015	279.14	149,673,503.74	5,431,587.29
30/04/2015	281.97	160,309,596.90	5,838,388.27
31/05/2015	280.10	167,880,080.58	6,114,967.90
30/06/2015	277.23	177,497,163.02	6,511,415.52
31/07/2015	277.05	185,474,692.97	6,848,554.62
31/08/2015	267.97	187,920,957.20	6,949,637.25
30/09/2015	264.42	189,757,982.72	6,982,753.81
31/10/2015	274.47	202,061,288.94	7,457,600.95
30/11/2015	275.84	208,119,921.67	7,682,324.80
31/12/2015	270.22	212,176,734.14	7,852,082.16

GENERALI CEE BALANCED A PLN			
Date	NAV per Share	Market Value (PLN)	Market Value (EUR)
31/12/2013	-	-	-
31/12/2014	42.72	131,273.04	30,542.18
31/01/2015	42.67	131,631.23	31,436.35
28/02/2015	43.58	140,543.06	33,863.53
31/03/2015	43.73	145,604.36	35,756.85
30/04/2015	44.20	147,095.69	36,436.18
31/05/2015	43.97	183,769.74	44,655.40
30/06/2015	43.58	182,292.61	43,502.52
31/07/2015	43.61	190,545.25	45,925.74
31/08/2015	42.27	184,973.89	43,757.51
30/09/2015	41.77	168,091.84	39,601.31
31/10/2015	43.45	166,202.34	39,057.89
30/11/2015	43.73	167,336.53	39,181.45
31/12/2015	42.98	163,016.33	38,001.43

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 accelerated deterioration in the manufacturing sector (driven down by the fall in oil prices, somewhat weaker export demand from emerging markets (EM) and a strong USD) and more recently also due to the weakening in some service 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, given 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 policies, 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.

There are number of risks. Apart from uncertain global economic development, the major risk relates to the Fed. While it is likely to proceed extremely carefully in normalizing its key rate, a clear risk that the markets will overreact remains. In this case, US bonds and EM assets seem prone to suffer the most. There is also greater risk that European integration faces more severe setbacks, given that the UK's forthcoming referendum on EU membership, political uncertainty in the periphery and ongoing migrant issue risks eroding political cohesion over the medium term.

**INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2015
Generali CEE Balanced 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 achieve 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 to profit from high carry of non-investment grade credits, where we will offset the higher fundamental risk by shorter duration. Moreover, we have already implemented and are going to continue with a more active tactical strategy, i.e. we will alter the Fund's composition and average duration depending on short-term market influences.

We see upside potential for equities in the euro area, underpinned by higher earnings, a weaker euro, decent valuations and a dividend yield of around 3%. For the US, however, the equity cycle appears more mature, with already decreasing earnings and the normalization of monetary policy creating some headwinds to valuations. We continue to be cautious on the EM but at some time in 2016 there could be opportunities to buy as we think they are experiencing their greatest capitulation phase. The asset allocation, parameters and composition of the equity part will be adjusted in order to profit from the development of individual markets. In terms of risk/return profile we will keep a diversified and balanced portfolio.

SCHEDULE OF INVESTMENTS as at 31 December 2015
Generali CEE Balanced Fund

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
Listed securities : equities					
BELGIUM					
Anheuser-Busch InBev SA/NV	620	EUR	54,028	70,928	0.67
			54,028	70,928	0.67
CANADA					
Thomson Reuters Corp	3,000	USD	105,761	104,529	0.99
			105,761	104,529	0.99
FRANCE					
LVMH Moet Hennessy Louis Vuitton SE	600	EUR	84,257	86,940	0.83
			84,257	86,940	0.83
GERMANY					
Allianz SE	450	EUR	61,965	73,598	0.70
Bayerische Motoren Werke AG	1,050	EUR	96,754	102,512	0.97
HUGO BOSS AG	900	EUR	92,508	68,940	0.65
Porsche Automobil Holding SE	2,030	EUR	137,998	101,520	0.96
Siemens AG	1,000	EUR	94,077	89,880	0.85
			483,302	436,450	4.13
GREAT BRITAIN					
BP PLC	3,342	USD	110,061	96,171	0.91
			110,061	96,171	0.91
INDIA					
Tata Motors Ltd	3,000	USD	112,582	81,386	0.77
			112,582	81,386	0.77
JAPAN					
Toyota Motor Corp	970	USD	102,798	109,867	1.04
			102,798	109,867	1.04
SOUTH KOREA					
Samsung Electronics Co Ltd	130	USD	63,549	63,606	0.60
			63,549	63,606	0.60
SWITZERLAND					
Nestle SA	1,300	EUR	87,291	90,558	0.86
			87,291	90,558	0.86

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

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
UNITED STATES OF AMERICA					
3M Co	500	USD	62,348	69,336	0.66
Apple Inc	980	USD	80,589	94,960	0.90
AT&T Inc	3,400	USD	94,157	107,700	1.02
Boeing Co	700	USD	75,685	93,172	0.88
Cisco Systems Inc	2,000	USD	43,664	49,995	0.47
Coca-Cola Co	2,000	USD	68,542	79,094	0.75
eBay Inc	3,050	USD	62,514	77,155	0.73
Exxon Mobil Corp	670	USD	50,181	48,077	0.46
FedEx Corp	700	USD	104,383	96,008	0.91
Goldman Sachs Group Inc	600	USD	89,482	99,547	0.94
Harley-Davidson Inc	1,880	USD	100,292	78,554	0.74
Intel Corp	1,000	USD	31,982	31,713	0.30
Johnson & Johnson	850	USD	69,431	80,376	0.76
MasterCard Inc	450	USD	30,024	40,331	0.38
Microsoft Corp	1,200	USD	42,456	61,287	0.58
NIKE Inc	1,300	USD	40,303	74,795	0.71
Oracle Corp	2,620	USD	88,243	88,105	0.84
PayPal Holdings Inc	3,000	USD	83,277	99,972	0.95
Procter & Gamble Co	1,300	USD	87,359	95,032	0.90
Starbucks Corp	1,500	USD	52,328	82,891	0.79
Wal-Mart Stores Inc	1,500	USD	81,457	84,645	0.80
Walt Disney Co	1,050	USD	89,906	101,569	0.96
Wells Fargo & Co	2,250	USD	94,877	112,593	1.07
			1,623,480	1,846,907	17.50
Total listed securities : equities			2,827,109	2,987,342	28.30
Listed securities : bonds					
AUSTRIA					
Erste Group Bank AG 0.758% 19/07/2017 EMTN	50,000	EUR	48,110	48,984	0.47
JBS Investments GmbH 7.75% 28/10/2020	200,000	USD	183,524	177,667	1.68
			231,634	226,651	2.15
CAYMAN ISLANDS					
Geely Automobile Holdings Ltd 5.25% 06/10/2019	200,000	USD	175,369	190,095	1.80
Shimao Property Holdings Ltd 6.625% 14/01/2020	200,000	USD	187,994	192,104	1.82
			363,363	382,199	3.62
CROATIA					
Croatia Government International Bond 5.875% 09/07/2018	120,000	EUR	132,081	130,775	1.24
Croatia Government International Bond 6.25% 27/04/2017	200,000	USD	187,373	190,986	1.81
Croatia Government International Bond 6.75% 05/11/2019	200,000	USD	192,649	197,671	1.88
			512,103	519,432	4.93
GREAT BRITAIN					
International Personal Finance PLC 5.75% 07/04/2021 EMTN	200,000	EUR	202,710	185,200	1.76
			202,710	185,200	1.76

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

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
IRELAND					
Alfa Bank AO Via Alfa Bond Issuance PLC 7.875% 25/09/2017	100,000	USD	81,977	96,675	0.92
Novolipetsk Steel via Steel Funding Ltd 4.45% 19/02/2018	200,000	USD	168,346	182,456	1.73
			250,323	279,131	2.65
KAZAKHSTAN					
Development Bank of Kazakhstan JSC 4.125% 10/12/2022	400,000	USD	326,762	325,629	3.09
Eurasian Development Bank 4.767% 20/09/2022 EMTN	200,000	USD	175,700	176,509	1.67
Intergas Finance BV 6.375% 14/05/2017	300,000	USD	268,468	282,748	2.68
KazAgro National Management Holding JSC 3.255% 22/05/2019 EMTN	400,000	EUR	375,200	376,414	3.57
KazMunayGas National Co JSC 9.125% 02/07/2018 EMTN	100,000	USD	99,652	101,580	0.96
Samruk-Energy JSC 3.75% 20/12/2017 EMTN	200,000	USD	175,506	180,429	1.71
			1,421,288	1,443,309	13.68
LUXEMBOURG					
ALROSA Finance SA 7.75% 03/11/2020	200,000	USD	186,010	194,398	1.84
Sberbank of Russia Via SB Capital SA 5.4% 24/03/2017 EMTN	200,000	USD	176,493	187,488	1.78
			362,503	381,886	3.62
NETHERLANDS					
Halyk Savings Bank of Kazakhstan JSC 7.25% 03/05/2017	400,000	USD	350,366	380,447	3.61
Petrobras Global Finance BV 2% 20/05/2016	300,000	USD	249,922	272,715	2.59
			600,288	653,162	6.20
POLAND					
Synthos Finance AB 4% 30/09/2021	250,000	EUR	249,620	249,340	2.36
			249,620	249,340	2.36
TURKEY					
Export Credit Bank of Turkey 5.375% 04/11/2016	600,000	USD	576,570	563,811	5.35
Turkey Government International Bond 7.5% 14/07/2017	200,000	USD	198,062	197,367	1.87
Türkiye Garanti Bankasi AS 4% 13/09/2017	200,000	USD	184,489	185,983	1.76
Türkiye Garanti Bankasi AS 4.75% 17/10/2019 EMTN	200,000	USD	175,282	183,416	1.74
Türkiye Halk Bankasi AS 4.875% 19/07/2017	200,000	USD	186,863	187,526	1.78
Yapi ve Kredi Bankasi AS 6.75% 08/02/2017	200,000	USD	189,525	191,100	1.81
			1,510,791	1,509,203	14.31
Total listed securities : bonds			5,704,623	5,829,513	55.28
Listed securities : exchange traded funds					
IRELAND					
SOURCE MSCI EMERGING MARKETS UCITS ETF	21,600	USD	704,108	635,791	6.03
			704,108	635,791	6.03
Total listed securities : exchange traded funds			704,108	635,791	6.03

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

Description		Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
Bond interest accrued					84,945	0.81
Financial assets at fair value through profit or loss				9,235,840	9,537,591	90.42
Financial Derivative Instruments						
Open Forward Foreign Currency Contracts						
Maturity	Counterparty	Currency Purchased		Currency Sold	Unrealised Appreciation/ (Depreciation)	% of Net Assets
4-Jan-16	RBC IS Bank Luxembourg	CZK	103	EUR 4	-	-
4-Jan-16	RBC IS Bank Luxembourg	EUR	1	CZK 21	-	-
4-Jan-16	RBC IS Bank Luxembourg	EUR	14,881	CZK 402,517	(14)	-
4-Jan-16	RBC IS Bank Luxembourg	CZK	17,945	EUR 665	-	-
4-Jan-16	RBC IS Bank Luxembourg	EUR	71	CZK 1,908	-	-
5-Jan-16	RBC IS Bank Luxembourg	EUR	39	CZK 1,064	-	-
5-Jan-16	RBC IS Bank Luxembourg	EUR	44,655	CZK 1,206,892	(6)	-
5-Jan-16	RBC IS Bank Luxembourg	CZK	61,227	EUR 2,268	(2)	-
5-Jan-16	RBC IS Bank Luxembourg	EUR	-	CZK 4	-	-
5-Jan-16	RBC IS Bank Luxembourg	EUR	-	CZK 2	-	-
5-Jan-16	RBC IS Bank Luxembourg	EUR	1	CZK 32	-	-
19-Jan-16	RBC IS Bank Luxembourg	EUR	8,139,932	USD 8,700,000	134,721	1.28
19-Jan-16	RBC IS Bank Luxembourg	EUR	184,222	USD 200,000	192	(0.01)
29-Jan-16	RBC IS Bank Luxembourg	PLN	162,222	EUR 38,200	(439)	-
29-Jan-16	RBC IS Bank Luxembourg	CZK	206,696,135	EUR 7,666,500	(19,342)	(0.18)
29-Jan-16	RBC IS Bank Luxembourg	CZK	5,215,291	EUR 193,195	(244)	-
29-Jan-16	RBC IS Bank Luxembourg	CZK	1,146,729	EUR 42,456	(30)	-
Net profit on open forward foreign exchange contracts					114,836	1.09
Net financial derivative instruments					114,836	1.09
Cash and other net assets					895,051	8.49
Total net assets attributable to holders of redeemable participating shares					10,547,478	100.00