

INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2015
Generali CEE Oil Industry & Energy Production 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 through investment in a diversified portfolio of transferable securities.

The Fund invests primarily in a diversified portfolio of shares and/or transferable securities issued by companies active in the oil and energy sector. This includes companies mainly involved in the following industries: oil & gas (exploration, production, marketing, refining and/or transportation of oil and gas products); energy equipment & services (construction or provision of oil rigs, drilling equipment and other energy related service and equipment) and electric-integrated industry (generates, distributes and trades electricity to municipal, industrial and residential customers).

The Fund's regional focus is primarily in North America and Western Europe. An additional part of the portfolio is made up of transferable securities issued in emerging market countries. All these securities are listed and traded on Recognized Exchanges.

In seeking to achieve its investment objective, the Fund uses supplementary criteria such as: the strength of position in the market, comparative advantages over competitors and positive conclusions of vertical fundamental analysis (stability of financial indicators in time) and horizontal fundamental analysis (comparison with the sector) of particular stocks. The Fund has a quality bias.

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 does not intend to declare dividends.

The Oil and Energy sector lagged behind World markets as crude oil prices fell around 30 percent in 2015. The imbalance in global supply and demand has led oil prices to slump to levels last seen over 10 years ago.

Weak energy prices have pressured oil and energy companies, and while refining segments have outperformed, upstream units have struggled, with stressed results mitigated by cost reductions and modest efficiency gains. Sluggish production growth and concerns about capital repatriation continue to repress the broader group.

The Energy sector had its roughest year since the financial crisis era seven years ago, and ended the year as the S&P's worst-performing sector. The two broadest energy subsector indices, Exploration & Production and Oil Services, both posted losses of 37%, as oil prices continued to decline all the way to the mid-\$40s.

The Fund's decline of 17.5 % was significantly smaller than that of the broad S&P 500 Energy index given our overweighting in the Oil & Refining Sector which posted double digit gains as low oil prices supported this subsector in 2015.

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Generali CEE Oil Industry & Energy Production Fund (continued)

NAV per Share of the Fund during the period

GENERALI CEE OIL IND. AND ENERGY A EUR			
Date	NAV per Share	Market Value (EUR)	Market Value (EUR)
31/12/2013	10.44	10,315,515.26	10,315,515.26
31/12/2014	9.88	9,510,358.87	9,510,358.87
31/01/2015	9.79	8,766,813.98	8,766,813.98
28/02/2015	10.18	9,134,376.56	9,134,376.56
31/03/2015	9.88	8,887,732.33	8,887,732.33
30/04/2015	10.39	9,239,974.67	9,347,076.36
31/05/2015	9.97	8,993,192.14	8,984,763.48
30/06/2015	9.56	8,629,813.11	8,629,813.11
31/07/2015	9.24	7,879,273.14	7,879,273.14
31/08/2015	8.60	7,362,054.79	7,362,054.79
30/09/2015	7.98	6,870,522.28	6,870,522.28
31/10/2015	8.77	7,233,727.47	7,233,727.47
30/11/2015	8.88	7,370,203.88	7,309,200.20
31/12/2015	8.19	6,731,106.40	6,731,106.40

GENERALI CEE OIL IND. AND ENERGY A PLN			
Date	NAV per Share	Market Value (PLN)	Market Value (EUR)
31/12/2013	47.52	150,695.11	36,243.16
31/12/2014	45.73	312,284.99	72,656.69
31/01/2015	45.35	371,253.88	88,663.36
28/02/2015	47.19	496,376.44	119,600.77
31/03/2015	45.81	608,667.91	149,473.87
30/04/2015	48.25	715,375.52	178,423.33
31/05/2015	46.36	799,658.61	191,850.43
30/06/2015	44.46	851,585.84	203,223.43
31/07/2015	43.02	857,382.15	206,648.60
31/08/2015	40.03	870,777.40	205,991.51
30/09/2015	37.18	838,813.39	197,618.81
31/10/2015	40.89	1,010,878.11	237,558.43
30/11/2015	41.47	1,060,400.84	245,989.37
31/12/2015	38.26	1,016,949.66	237,065.46

The future market outlook for the Fund

Energy looks like the sector with the greatest potential for price appreciation in 2016, although risks remain in the mid-term.

With oil priced at \$35/ barrel, it is more likely than ever that US production will fall sharply in 2016, and that production will start to decline in many other regions too. Assuming global demand continues to grow at a modest rate, it is logical to forecast a solid price recovery as the year progresses.

The problem for oil remains in the short-term. The recent disastrous OPEC meeting, which confirmed a production "free-for-all" (no quotas or overall target), gives rise to the possibility of higher OPEC output in Q1 2016. We project a balanced market by the end of 2016, offering gains of 10-30% on a 12-month outlook. EU gas prices could also benefit from renewed Russia-Ukraine tensions.

SCHEDULE OF INVESTMENTS as at 31 December 2015
Generali CEE Oil Industry & Energy Production Fund

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
Listed securities : equities					
AUSTRIA					
OMV AG	7,100	EUR	192,376	185,523	2.66
Verbund AG	3,100	EUR	71,148	36,766	0.53
			<u>263,524</u>	<u>222,289</u>	<u>3.19</u>
BRAZIL					
Cia Energetica de Minas Gerais	14,534	USD	90,234	20,069	0.29
Petroleo Brasileiro SA	4,500	USD	98,990	17,813	0.26
			<u>189,224</u>	<u>37,882</u>	<u>0.55</u>
CHINA					
China Petroleum & Chemical Corp	400	USD	32,178	22,086	0.32
PetroChina Co Ltd	1,260	USD	115,842	76,078	1.09
			<u>148,020</u>	<u>98,164</u>	<u>1.41</u>
CURACAO					
Schlumberger Ltd	3,100	USD	154,820	199,047	2.86
			<u>154,820</u>	<u>199,047</u>	<u>2.86</u>
CZECH REPUBLIC					
CEZ AS	10,700	CZK	302,971	175,933	2.53
			<u>302,971</u>	<u>175,933</u>	<u>2.53</u>
FINLAND					
Neste Oil OYJ	11,000	EUR	99,358	303,930	4.36
			<u>99,358</u>	<u>303,930</u>	<u>4.36</u>
FRANCE					
Electricite de France SA	10,400	EUR	248,504	141,180	2.03
Engie SA	18,127	EUR	384,209	295,923	4.25
Technip SA	1,038	EUR	57,909	47,473	0.68
TOTAL SA	8,461	EUR	317,503	349,144	5.01
			<u>1,008,125</u>	<u>833,720</u>	<u>11.97</u>
GERMANY					
E.ON SE	17,339	EUR	285,532	154,855	2.22
RWE AG	12,000	EUR	310,841	140,520	2.02
			<u>596,373</u>	<u>295,375</u>	<u>4.24</u>
GREAT BRITAIN					
Noble Corp plc	6,000	USD	127,322	58,271	0.84
Rowan Cos Plc	2,200	USD	47,582	34,328	0.49
Royal Dutch Shell PLC	7,878	EUR	164,058	166,186	2.38
			<u>338,962</u>	<u>258,785</u>	<u>3.71</u>

SCHEDULE OF INVESTMENTS as at 31 December 2015
Generali CEE Oil Industry & Energy Production Fund (continued)

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
ITALY					
Enel SpA	23,000	EUR	76,536	89,516	1.28
Eni SpA	8,100	EUR	127,812	111,780	1.60
Saipem SpA	2,000	EUR	34,566	14,980	0.21
			<u>238,914</u>	<u>216,276</u>	<u>3.09</u>
SPAIN					
Gas Natural SDG SA	5,767	EUR	82,631	108,506	1.56
Iberdrola SA	15,984	EUR	77,805	104,695	1.50
Repsol SA	11,740	EUR	91,800	62,098	0.89
			<u>252,236</u>	<u>275,299</u>	<u>3.95</u>
UNITED STATES OF AMERICA					
Anadarko Petroleum Corp	930	USD	44,375	41,590	0.60
Apache Corp	3,750	USD	254,368	153,514	2.20
Chevron Corp	4,350	USD	305,808	360,238	5.17
ConocoPhillips	3,550	USD	130,136	152,582	2.19
Devon Energy Corp	3,050	USD	140,313	89,846	1.29
Dominion Resources Inc/VA	1,300	USD	34,938	80,946	1.16
Duke Energy Corp	4,832	USD	195,418	317,552	4.56
Energy Transfer Partners LP	2,000	USD	81,827	62,101	0.89
EOG Resources Inc	3,660	USD	121,669	238,508	3.42
Exelon Corp	6,600	USD	199,025	168,721	2.42
Exxon Mobil Corp	4,200	USD	217,459	301,381	4.33
Halliburton Co	8,600	USD	208,758	269,487	3.87
Hess Corp	5,900	USD	255,050	263,308	3.78
Kinder Morgan Inc/DE	2,093	USD	-	28,747	0.41
Marathon Oil Corp	8,900	USD	165,713	103,149	1.48
Marathon Petroleum Corp	6,850	USD	93,759	326,893	4.69
Occidental Petroleum Corp	2,900	USD	166,094	180,493	2.59
Phillips 66	1,275	USD	31,919	96,009	1.38
Southern Co	2,800	USD	74,972	120,604	1.73
Spectra Energy Corp	6,200	USD	116,297	136,636	1.96
Valero Energy Corp	5,550	USD	84,526	361,264	5.18
			<u>2,922,424</u>	<u>3,853,569</u>	<u>55.30</u>
Total listed securities : equities			<u>6,514,951</u>	<u>6,770,269</u>	<u>97.16</u>
Financial assets at fair value through profit or loss			<u>6,514,951</u>	<u>6,770,269</u>	<u>97.16</u>

SCHEDULE OF INVESTMENTS as at 31 December 2015
Generali CEE Oil Industry & Energy Production 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	107	PLN	452	1	-
05-Jan-16	RBC IS Bank Luxembourg	EUR	388	PLN	1,646	4	-
05-Jan-16	RBC IS Bank Luxembourg	EUR	52	PLN	220	1	-
05-Jan-16	RBC IS Bank Luxembourg	PLN	8	EUR	2	-	-
15-Jan-16	RBC IS Bank Luxembourg	EUR	185,041	CZK	5,000,000	32	-
15-Jan-16	RBC IS Bank Luxembourg	EUR	4,719,869	USD	5,050,000	72,738	1.04
15-Jan-16	RBC IS Bank Luxembourg	USD	200,000	EUR	183,687	358	0.01
15-Jan-16	RBC IS Bank Luxembourg	CZK	400,000	EUR	14,835	(34)	-
15-Jan-16	RBC IS Bank Luxembourg	CZK	150,000	EUR	5,566	(16)	-
15-Jan-16	RBC IS Bank Luxembourg	USD	200,000	EUR	184,027	19	-
29-Jan-16	RBC IS Bank Luxembourg	PLN	993,651	EUR	233,984	(2,687)	(0.04)
29-Jan-16	RBC IS Bank Luxembourg	PLN	31,710	EUR	7,462	(81)	-
29-Jan-16	RBC IS Bank Luxembourg	PLN	1,866	EUR	439	(5)	-
Net profit on open forward foreign exchange contracts						70,330	1.01
Net financial derivative instruments						70,330	1.01
Cash and other net assets						127,573	1.83
Total net assets attributable to holders of redeemable participating shares						6,968,172	100.00