

**INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2015
Generali CEE New Economies 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 investments in a diversified portfolio of transferable securities.

The Fund seeks to achieve its objective by investing primarily in the equity securities of companies operating in emerging economies worldwide, in particular the emerging economies in Asia (except Japan), Latin America, South Africa and Central and Eastern Europe. We consider mainly countries included in the MSCI Emerging Markets Indexes as emerging market countries.

The key investment criteria we use are a company's financial strength, competitiveness, profitability, growth prospects and quality of management. The primary approach is to look for growth at a reasonable price. The allocation is based on fundamental research that seeks out sectors and regions with above-average long-term growth. 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 does not intend to declare dividends.

It was a challenging year for emerging market equities, which ended the year lower in US dollar terms. Most emerging market currencies depreciated against the US dollar. At first, markets were relatively resilient, even staging a rally in the first quarter of 2015 on a wave of global monetary easing. But eventually, sentiment was battered by plummeting commodity prices and renewed concerns over China's economic slowdown. Despite the volatility, stocks in China and Hong Kong were amongst the best performers, due to stimulus efforts.

Brazil led the weakness in Latin America. The real sank to a record low against the US dollar after the country lost its investment-grade credit rating in a surprise downgrade by Standard & Poor's. Meanwhile, Mexico was supported by a relatively resilient GDP growth driven by domestic consumption.

In emerging Europe, Hungary outperformed its regional counterparts, as its currency held up well against the US dollar and GDP growth outpaced the Eurozone. The country is expected to regain its investment-grade status in 2016. Gains were pared by Russia and Turkey, however weak commodity prices and fiscal austerity driven by declining tax revenues deepened Russia's recession.

New Economies Fund returned -17.55% in Euro terms in 2015 and slightly underperforming the MSCI Emerging Markets Indexes return of -16.96%. This Fund's underperformance relative to the benchmark was driven mainly by the underweight to China. Chinese stocks rose sharply in the beginning of the year, in response to a tide of equity account openings, a surge in margin trading activity, and monetary easing. Although weak economic data reversed gains in the second half, the indexes still ended the year among the best-performing markets positive stock selection.

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

NAV per Share of the Fund during the period

GENERALI CEE NEW ECONOMIES A EUR			
Date	NAV per Share	Market Value (EUR)	Market Value (EUR)
31/12/2013	9.84	13,919,031.84	13,919,031.84
31/12/2014	10.20	14,937,684.88	14,937,684.88
31/01/2015	10.43	14,541,528.34	14,541,528.34
28/02/2015	10.81	15,082,126.73	15,082,126.73
31/03/2015	10.29	14,362,588.99	14,362,588.99
30/04/2015	11.07	15,401,655.94	15,461,844.23
31/05/2015	10.49	14,916,046.20	14,951,501.00
30/06/2015	10.12	14,434,769.23	14,434,769.23
31/07/2015	9.38	12,774,414.94	12,774,414.94
31/08/2015	8.70	11,863,131.69	11,863,131.69
30/09/2015	8.50	11,603,662.80	11,603,662.80
31/10/2015	8.93	12,191,631.17	12,191,631.17
30/11/2015	8.71	12,014,639.62	11,898,108.93
31/12/2015	8.41	11,486,619.27	11,486,619.27

GENERALI CEE NEW ECONOMIES A PLN			
Date	NAV per Share	Market Value (PLN)	Market Value (EUR)
31/12/2013	42.04	179,378.40	43,141.68
31/12/2014	44.31	434,893.12	101,182.88
31/01/2015	45.31	530,813.60	126,769.63
28/02/2015	47.02	640,844.22	154,409.95
31/03/2015	44.79	4,926,595.29	1,209,850.64
30/04/2015	48.21	6,053,848.62	1,501,815.69
31/05/2015	45.70	5,766,606.94	1,400,712.56
30/06/2015	44.12	5,835,338.43	1,392,551.92
31/07/2015	40.87	5,462,470.78	1,316,579.71
31/08/2015	37.96	5,166,491.65	1,222,187.68
30/09/2015	37.10	5,096,538.24	1,200,710.23
31/10/2015	39.02	5,440,296.21	1,278,480.77
30/11/2015	38.14	5,399,605.28	1,251,832.10
31/12/2015	36.81	5,231,292.24	1,219,488.78

The future market outlook for the Fund

The US Federal Reserve moved to finally raise interest rates, while emphasizing that any future adjustments will be gradual. This is better news than was expected several months ago and will have the biggest impact on the countries that have borrowed heavily in US dollars, including Brazil, Russia and Turkey, as their debt burdens would increase in local currency terms.

Another driver of sentiment is likely to be the slowdown in China, as it restructures an export and investment-led economy towards a more sustainable model with consumption and services as its main growth pillars. While this is a good thing in the longer term, the knock-on impact on commodity prices may spell trouble for emerging market exporters. With major oil players continuing to ramp up production, short-term prospects for the energy sector appear challenging.

We also expect corporate earnings to improve modestly in 2016. Many companies are working to maintain or grow margins, which should position them for an earnings recovery.

SCHEDULE OF INVESTMENTS as at 31 December 2015
Generali CEE New Economies Fund

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
Listed securities : equities					
AUSTRIA					
Erste Group Bank AG	14,062	EUR	273,747	406,532	3.20
Raiffeisen Bank International AG	3,000	EUR	101,970	40,815	0.32
			<u>375,717</u>	<u>447,347</u>	<u>3.52</u>
BRAZIL					
Ambev SA	78,932	USD	367,417	324,069	2.55
Banco Bradesco SA	26,924	USD	251,631	119,216	0.94
Cia Brasileira de Distribuicao	6,150	USD	161,924	59,558	0.47
Cia de Saneamento Basico do Estado de Sao Paulo	42,300	USD	273,761	179,122	1.41
Cia Energetica de Minas Gerais	42,235	USD	250,104	58,320	0.46
Itau Unibanco Holding SA	35,456	USD	339,516	212,481	1.67
Petroleo Brasileiro SA	10,800	USD	231,190	42,751	0.34
Vale SA	20,500	USD	356,946	62,087	0.49
			<u>2,232,489</u>	<u>1,057,604</u>	<u>8.33</u>
CHILE					
Enersis SA	8,000	USD	117,877	89,478	0.70
			<u>117,877</u>	<u>89,478</u>	<u>0.70</u>
CHINA					
China Life Insurance Co Ltd	29,400	USD	322,766	432,759	3.41
China Petroleum & Chemical Corp	2,550	USD	141,016	140,798	1.11
Guangshen Railway Co Ltd	4,000	USD	53,502	91,025	0.72
Huaneng Power International Inc	13,500	USD	214,605	426,263	3.35
PetroChina Co Ltd	3,570	USD	316,964	215,554	1.70
Sinopec Shanghai Petrochemical Co Ltd	12,200	USD	228,298	444,626	3.50
			<u>1,277,151</u>	<u>1,751,025</u>	<u>13.79</u>
CZECH REPUBLIC					
CEZ AS	11,300	CZK	306,606	185,798	1.46
Komerčni banka as	2,700	CZK	394,505	494,602	3.89
			<u>701,111</u>	<u>680,400</u>	<u>5.35</u>
FEDERATION OF RUSSIA					
Sberbank of Russia PJSC	9,000	USD	61,370	47,970	0.38
Severstal PAO	4,000	USD	25,434	30,967	0.24
			<u>86,804</u>	<u>78,937</u>	<u>0.62</u>
GREAT BRITAIN					
Evraz PLC	17,659	GBP	112,010	17,551	0.14
			<u>112,010</u>	<u>17,551</u>	<u>0.14</u>

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

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
HONG KONG					
China Mobile Ltd	8,100	USD	303,172	420,024	3.30
Lenovo Group Ltd	229,714	EUR	208,353	214,735	1.69
			511,525	634,759	4.99
INDIA					
HDFC Bank Ltd	12,240	USD	294,444	694,084	5.46
ICICI Bank Ltd	56,000	USD	302,891	403,645	3.18
Infosys Ltd	25,500	USD	240,165	393,192	3.09
Tata Motors Ltd	16,400	USD	277,058	444,912	3.50
			1,114,558	1,935,833	15.23
INDONESIA					
Telekomunikasi Indonesia Persero Tbk PT	6,200	USD	152,029	253,411	1.99
			152,029	253,411	1.99
MEXICO					
America Movil SAB de CV	9,500	USD	170,962	122,959	0.97
Cemex SAB de CV	39,567	USD	174,849	202,880	1.60
			345,811	325,839	2.57
NETHERLANDS					
X5 Retail Group NV	5,000	USD	80,212	87,223	0.69
			80,212	87,223	0.69
PERU					
Cia de Minas Buenaventura SAA	10,400	USD	232,659	40,976	0.32
			232,659	40,976	0.32
SOUTH AFRICA					
Gold Fields Ltd	23,000	USD	133,446	58,649	0.46
Sasol Ltd	7,700	USD	252,928	190,108	1.50
			386,374	248,757	1.96
SOUTH KOREA					
Hyundai Motor Co	9,000	EUR	180,787	358,353	2.82
KB Financial Group Inc	13,500	USD	379,663	346,355	2.72
Korea Electric Power Corp	9,000	USD	162,066	175,394	1.38
KT Corp	18,500	USD	229,052	202,831	1.60
LG Display Co Ltd	52,000	USD	423,577	499,751	3.93
POSCO	5,880	USD	404,750	191,399	1.51
Samsung Electronics Co Ltd	1,010	USD	298,200	494,169	3.89
SK Telecom Co Ltd	19,300	USD	266,226	358,000	2.82
			2,344,321	2,626,252	20.67

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

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
TAIWAN					
AU Optronics Corp	56,600	USD	206,642	151,621	1.19
Siliconware Precision Industries Co Ltd	73,000	USD	300,893	520,804	4.10
Taiwan Semiconductor Manufacturing Co Ltd	31,600	USD	279,771	661,788	5.21
United Microelectronics Corp	116,000	USD	190,298	200,755	1.58
			<u>977,604</u>	<u>1,534,968</u>	<u>12.08</u>
UNITED STATES OF AMERICA					
Southern Copper Corp	6,479	USD	159,216	155,787	1.22
			<u>159,216</u>	<u>155,787</u>	<u>1.22</u>
Total listed securities : equities			<u>11,207,468</u>	<u>11,966,147</u>	<u>94.17</u>
Listed securities : exchange traded funds					
FRANCE					
Lyxor ETF Eastern Europe CECE EUR	3,000	EUR	58,340	47,880	0.38
Lyxor ETF Turkey EURO	4,000	EUR	164,765	157,200	1.24
			<u>223,105</u>	<u>205,080</u>	<u>1.62</u>
Total listed securities : exchange traded funds			<u>223,105</u>	<u>205,080</u>	<u>1.62</u>
Financial assets at fair value through profit or loss			<u>11,430,573</u>	<u>12,171,227</u>	<u>95.79</u>
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 145	PLN 614	2	-
05-Jan-16	RBC IS Bank Luxembourg	EUR 575	PLN 2,444	6	-
05-Jan-16	RBC IS Bank Luxembourg	EUR 73	PLN 308	1	-
05-Jan-16	RBC IS Bank Luxembourg	EUR 1	PLN 5	-	-
15-Jan-16	RBC IS Bank Luxembourg	EUR 703,157	CZK 19,000,000	121	-
15-Jan-16	RBC IS Bank Luxembourg	EUR 10,234,171	USD 10,950,000	157,719	1.24
15-Jan-16	RBC IS Bank Luxembourg	CZK 900,000	EUR 33,379	(77)	-
15-Jan-16	RBC IS Bank Luxembourg	CZK 400,000	EUR 14,843	(43)	-
29-Jan-16	RBC IS Bank Luxembourg	PLN 5,273,392	EUR 1,241,773	(14,261)	(0.11)
Net profit on open forward foreign exchange contracts				<u>143,468</u>	<u>1.13</u>
Net financial derivative instruments				<u>143,468</u>	<u>1.13</u>
Cash and other net assets				<u>391,413</u>	<u>3.08</u>
Total net assets attributable to holders of redeemable participating shares				<u>12,706,108</u>	<u>100.00</u>