

INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2015
Generali CEE Emerging Europe 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 exposure to the emerging equity markets of the Central, Eastern and South Eastern European region and the Commonwealth of Independent States, including the Czech Republic, the Slovak Republic, Russia, Poland, Hungary, Romania, Slovenia, Croatia, Bulgaria, Serbia, Turkey, Latvia, Lithuania, Estonia, Ukraine, Belorussia and Kazakhstan. These are not as advanced as markets of developed economies but which are experiencing growth often fuelled by growth in domestic consumption and investment and should gradually converge with those of the more developed economies in time.

The Fund achieves its investment objective by employing a bottom-up approach to investing and considering 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 a target stock.

The derivatives used by the Fund may include foreign exchange forwards and swaps and they may be used for hedging purposes, but the FX-currency exposure has remained fully open.

Over the first quarter of the year, markets in Central and Eastern Europe performed well with the pan-regional CECEUR indexes (capitalization weighted indexes for the CEE region) reaching a 16% high, especially driven by a strong performance in Hungary thanks to a shift to pro-market policies by the government. In the second quarter of the year, the performance of CEE markets started to dramatically deteriorate. First was Poland, where stocks started to lose ground ahead of the presidential election. After the election, the newly elected president and his poll leading opposition party started to push for various anti-market policies, such as special taxes for banks, insurance companies, asset managers, telecoms and retail companies. Russian equities partially recovered from deep losses incurred at the end of 2014, but remained very volatile. Turkish equities also suffered from political risk ahead of the country's general election at the beginning of June, which increased uncertainty about future government policies. In May and June, Greek troubles further lowered investor confidence and pushed global as well as emerging equity markets lower.

As The Law and Justice Party's (PiS) win ended eight years of centrist rule in Poland and provided Eurosceptic conservatives with a clear victory, the fall of Polish equities accelerated. Facing new tax burdens, the weakness was driven especially by the financial sector due to its high weight in the WIG 20 indexes.

The performance of CEE indexes varied across the countries also in the last quarter. Most of them fell behind Western Europe and CEE equities saw very volatile trading, in Poland influenced by the result of Polish elections and following uncertainties connected with sectorial taxes and draft bill aimed at aiding FX mortgages.

Overall, performance of equities in Central and Eastern Europe lagged behind the improving economic growth in the region in 2015. The wide CECE EUR indexes recorded a more than 12% decline for the year as aside from banks, which represent 30–50% of the regional market capitalisation, utilities also continued to be under pressure due to low electricity prices and telecoms scrapped or lowered their dividends due to costly auctions for spectrum frequencies (4G/LTE).

Due to its underweight positions mainly in Poland, Turkey and Russia and bets on Romanian stocks and Austrian real estate names, the Fund heavily over-performed the composite CECE EUR indexes. The Fund remains open to currency risk.

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

GENERALI CEE EMERGING EUROPE I EUR			
Date	NAV per Share	Market Value (EUR)	Market Value (EUR)
31/12/2013	8.89	2,311,650.94	2,311,650.94
31/12/2014	8.76	2,279,315.77	2,279,315.77
31/01/2015	8.99	2,337,491.12	2,337,491.12
28/02/2015	9.34	2,430,570.33	2,430,570.33
31/03/2015	9.46	2,460,792.08	2,460,792.08
30/04/2015	9.90	2,575,544.96	2,575,544.96
31/05/2015	9.76	2,537,729.50	2,537,729.50
30/06/2015	9.32	2,424,673.45	2,424,673.45
31/07/2015	9.36	2,434,415.49	2,434,415.49
31/08/2015	8.80	2,288,524.38	2,288,524.38
30/09/2015	8.56	2,227,498.13	2,227,498.13
31/10/2015	8.99	2,337,207.66	2,337,207.66
30/11/2015	9.05	2,354,084.65	2,354,084.65
31/12/2015	8.65	2,248,588.64	2,248,588.64

GENERALI CEE EMERGING EUROPE Y EUR			
Date	NAV per Share	Market Value (EUR)	Market Value (EUR)
31/12/2013	9.73	22,400,933.86	22,400,933.86
31/12/2014	9.59	22,574,607.14	22,574,607.14
31/01/2015	9.84	23,150,779.57	23,150,779.57
28/02/2015	10.23	24,072,647.02	24,072,647.02
31/03/2015	10.36	24,371,966.54	24,371,966.54
30/04/2015	10.84	25,508,490.59	25,508,490.59
31/05/2015	10.68	24,704,067.94	25,133,962.54
30/06/2015	10.20	24,014,243.04	24,014,243.04
31/07/2015	10.25	24,110,730.63	24,110,730.63
31/08/2015	9.63	22,665,809.22	22,665,809.22
30/09/2015	9.37	22,061,396.74	22,061,396.74
31/10/2015	9.84	23,147,971.47	23,147,971.47
30/11/2015	9.91	23,315,123.26	23,315,123.26
31/12/2015	9.46	22,270,278.79	22,270,278.79

GENERALI CEE EMERGING EUROPE A CZK			
Date	NAV per Share	Market Value (CZK)	Market Value (EUR)
31/12/2013	240.88	40,243,073.20	1,470,210.48
31/12/2014	232.25	54,492,001.13	1,966,134.27
31/01/2015	237.72	55,785,295.10	2,011,127.97
28/02/2015	246.84	57,867,088.04	2,105,223.93
31/03/2015	249.66	58,441,106.15	2,120,802.69
30/04/2015	260.85	61,335,447.39	2,232,601.76
31/05/2015	256.53	59,215,284.41	2,198,778.67
30/06/2015	244.52	57,502,376.96	2,109,452.70
31/07/2015	245.09	57,966,115.60	2,140,368.06
31/08/2015	229.84	54,387,266.19	2,011,333.79
30/09/2015	223.11	52,849,035.59	1,944,749.83
31/10/2015	233.56	55,372,099.24	2,043,652.31
30/11/2015	234.74	55,773,021.08	2,058,987.40
31/12/2015	223.47	53,007,115.14	1,961,648.74

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

GENERALI CEE EMERGING EUROPE A PLN			
Date	NAV per Share	Market Value (PLN)	Market Value (EUR)
31/12/2013	42.91	6,091.60	1,465.07
31/12/2014	42.21	18,626.25	4,333.61
31/01/2015	43.25	20,397.55	4,871.37
28/02/2015	44.99	21,983.32	5,296.83
31/03/2015	45.49	1,963,378.20	482,157.40
30/04/2015	47.56	2,400,073.40	592,328.99
31/05/2015	46.81	2,608,748.76	644,621.70
30/06/2015	44.71	2,534,846.48	604,918.70
31/07/2015	44.81	2,542,594.92	612,823.21
31/08/2015	42.10	2,388,027.41	564,912.88
30/09/2015	40.96	2,323,894.08	547,493.86
31/10/2015	42.98	2,438,226.97	572,988.34
30/11/2015	43.26	2,458,499.05	574,769.82
31/12/2015	41.27	2,343,011.39	546,189.35

The future market outlook for the Fund

In the largest central and eastern European countries, GDP growth experienced slow recovery with the exception of Russia, where the economy is facing a recession. The Fund's investment universe is heavily dependent on the situation in Western Europe, which continues to be under pressure for many reasons, demanding more non-standard measures to be provided by the European Central Bank.

We keep an eye on Poland as the WIG index suffered heavily in 2015. However we still remain very cautious as more negative news flow is likely on the back of political developments. As Russia is heavily influenced by the development of the crude and ruble, we would rather monitor the situation there and remain underweight. Political risk aside, the region is projected to regain momentum towards a healthy economic growth (case by case) on the back of improving domestic demand and continued accommodative monetary policy. The Czech Republic and Poland are expected to lead the way.

SCHEDULE OF INVESTMENTS as at 31 December 2015
Generali CEE Emerging Europe Fund

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
Listed securities : equities					
AUSTRIA					
BUWOG AG	14,586	EUR	241,869	291,793	0.95
CA Immobilien Anlagen AG	19,000	EUR	312,585	319,770	1.05
Conwert Immobilien Invest SE	20,000	EUR	246,838	280,800	0.92
Erste Group Bank AG	9,160	CZK	171,299	263,054	0.86
Erste Group Bank AG	38,000	EUR	824,208	1,098,580	3.59
IMMOFINANZ AG	121,374	EUR	323,444	255,007	0.83
Vienna Insurance Group AG Wiener Versicherung Gruppe	30,000	CZK	1,050,525	764,607	2.50
			<u>3,170,768</u>	<u>3,273,611</u>	<u>10.70</u>
CROATIA					
Hrvatski Telekom dd	22,697	HRK	426,410	428,946	1.40
			<u>426,410</u>	<u>428,946</u>	<u>1.40</u>
CZECH REPUBLIC					
CEZ AS	49,000	CZK	1,182,049	805,674	2.63
Kofola CS AS	13,152	CZK	248,184	238,493	0.78
Komerčni banka as	6,238	CZK	1,143,332	1,142,714	3.74
Philip Morris CR AS	450	CZK	190,343	199,823	0.65
Pivovary Lobkowicz Group AS	34,715	CZK	202,520	266,448	0.87
			<u>2,966,428</u>	<u>2,653,152</u>	<u>8.67</u>
FEDERATION OF RUSSIA					
Gazprom PAO	186,000	USD	923,809	630,308	2.06
Lukoil PJSC SADR	16,950	USD	756,253	501,728	1.64
Lukoil PJSC	5,750	RUB	249,160	170,018	0.56
Mobile Telesystems PJSC	13,000	USD	146,843	73,957	0.24
Novatek OAO SGDR	4,299	USD	359,876	322,953	1.06
Novatek OAO	9,900	RUB	83,552	73,746	0.24
Rostelecom PJSC	18,000	USD	138,685	123,447	0.40
Rosneft OAO	200,000	USD	732,551	639,971	2.09
Sberbank of Russia PJSC	130,000	USD	613,085	692,903	2.27
Surgutneftegas OAO	42,705	USD	266,639	179,264	0.59
Surgutneftegas OAO Pref	230,000	RUB	163,229	128,207	0.42
			<u>4,433,682</u>	<u>3,536,502</u>	<u>11.57</u>
GERMANY					
UNIWHEELS AG	9,500	PLN	255,887	278,816	0.91
			<u>255,887</u>	<u>278,816</u>	<u>0.91</u>
GREAT BRITAIN					
Evraz PLC	32,650	GBP	75,803	32,450	0.11
			<u>75,803</u>	<u>32,450</u>	<u>0.11</u>

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

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets
HUNGARY					
Magyar Telekom Telecommunications PLC	400,000	HUF	502,258	513,915	1.68
MOL Hungarian Oil & Gas PLC	23,000	HUF	1,274,843	1,037,530	3.39
OTP Bank PLC	70,000	HUF	1,012,535	1,329,091	4.34
Richter Gedeon Nyrt	56,000	HUF	702,502	974,313	3.19
			<u>3,492,138</u>	<u>3,854,849</u>	<u>12.60</u>
JERSEY					
Atrium European Real Estate Ltd	165,000	EUR	689,535	589,050	1.93
			<u>689,535</u>	<u>589,050</u>	<u>1.93</u>
LUXEMBOURG					
Kernel Holding SA	7,347	PLN	90,211	82,380	0.27
Pegas Nonwovens SA	6,000	CZK	155,514	162,314	0.53
			<u>245,725</u>	<u>244,694</u>	<u>0.80</u>
POLAND					
Asseco Poland SA	16,000	PLN	172,107	211,854	0.69
Bank Millennium SA	78,861	PLN	132,380	102,213	0.33
Bank Pekao SA	18,843	PLN	814,896	630,334	2.06
Bank Zachodni WBK SA	5,300	PLN	442,590	350,884	1.15
CCC SA	4,300	PLN	199,803	138,881	0.45
Globe Trade Centre SA	34,846	PLN	83,437	58,080	0.19
Orange Polska SA	50,000	PLN	117,038	76,461	0.25
PGE Polska Grupa Energetyczna SA	197,000	PLN	869,948	587,362	1.92
Polski Koncern Naftowy ORLEN SA	13,000	PLN	146,986	205,618	0.67
Powszechna Kasa Oszczednosci Bank Polski SA	139,000	PLN	1,223,607	885,571	2.89
Powszechny Zaklad Ubezpieczen SA	47,000	PLN	454,167	372,736	1.22
Tauron Polska Energia SA	200,000	PLN	191,508	134,274	0.44
			<u>4,848,467</u>	<u>3,754,268</u>	<u>12.26</u>
ROMANIA					
Banca Transilvania	1,508,000	RON	309,345	810,447	2.65
BRD-Groupe Societe Generale SA	400,000	RON	793,824	1,070,441	3.50
Electrica SA	200,000	RON	541,396	539,644	1.76
OMV Petrom SA	8,050,228	RON	722,946	516,325	1.69
Societatea Nationala de Gaze Naturale ROMGAZ SA	108,646	RON	802,152	653,582	2.14
Transelectrica SA	28,537	RON	85,451	183,977	0.60
Transgaz SA Medias	4,617	RON	200,196	282,850	0.93
			<u>3,455,310</u>	<u>4,057,266</u>	<u>13.27</u>
SLOVENIA					
Gorenje dd	7,510	EUR	31,700	34,546	0.11
Krka dd Novo mesto	3,201	EUR	163,321	208,705	0.68
Petrol DD Ljubljana	531	EUR	115,705	135,830	0.44
Telekom Slovenije DD	958	EUR	95,729	69,944	0.23
Zavarovalnica Triglav DD	3,408	EUR	58,163	80,088	0.26
			<u>464,618</u>	<u>529,113</u>	<u>1.72</u>

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

Description	Quantity	Currency	Acquisition cost EUR	Fair Value EUR	% of Net Assets	
TURKEY						
Akbank TAS	251,160	TRY	767,256	530,718	1.73	
Arcelik AS	25,547	TRY	119,129	112,558	0.37	
BIM Birlesik Magazalar AS	27,468	TRY	443,050	444,843	1.45	
Enka Insaat ve Sanayi AS	72,513	TRY	131,311	103,370	0.34	
Haci Omer Sabanci Holding AS	132,225	TRY	474,897	345,289	1.13	
Koza Altin Isletmeleri AS	6,917	TRY	80,980	26,789	0.09	
TAV Havalimanlari Holding AS	22,013	TRY	106,752	126,285	0.41	
Tofas Turk Otomobil Fabrikasi AS	18,267	TRY	88,966	109,173	0.36	
Tupras Turkiye Petrol Rafinerileri AS	18,107	TRY	297,304	397,461	1.30	
Turk Hava Yollari AO	101,710	TRY	279,175	237,054	0.78	
Turk Telekomunikasyon AS	120,000	TRY	257,467	206,639	0.68	
Turkcell Iletisim Hizmetleri AS	81,057	TRY	351,455	253,084	0.83	
Turkiye Garanti Bankasi AS	360,000	TRY	1,009,657	808,391	2.64	
Turkiye Halk Bankasi AS	91,354	TRY	597,433	299,352	0.98	
Yapi ve Kredi Bankasi AS	114,645	TRY	209,729	118,957	0.39	
			5,214,561	4,119,963	13.48	
Total listed securities : equities			29,739,332	27,352,680	89.42	
Listed securities : exchange traded funds						
ROMANIA						
Fondul Proprietatea SA/Fund	8,000,000	RON	1,187,455	1,433,151	4.68	
			1,187,455	1,433,151	4.68	
Total listed securities : exchange traded funds			1,187,455	1,433,151	4.68	
Financial assets at fair value through profit or loss			30,926,787	28,785,831	94.10	
				Fair Value	% of Net	
Description				EUR	Assets	
Financial Derivative Instruments						
Open Forward Foreign Currency Contracts						
Maturity	Counterparty	Currency Purchased		Currency Sold	Unrealised Appreciation/ (Depreciation)	% of Net Assets
05-Jan-16	RBC IS Bank Luxembourg	EUR	41 CZK	1,104	-	-
05-Jan-16	RBC IS Bank Luxembourg	EUR	9 PLN	40	-	-
29-Jan-16	RBC IS Bank Luxembourg	CZK	53,220,689 EUR	1,973,992	(4,980)	(0.02)
29-Jan-16	RBC IS Bank Luxembourg	PLN	2,338,306 EUR	550,622	(6,324)	(0.02)
Net loss on open forward foreign exchange contracts					(11,304)	(0.04)
Net financial derivative instruments					(11,304)	(0.04)
Cash and other net assets				1,816,542	5.94	
Total net assets attributable to holders of redeemable participating shares				30,591,069	100.00	