



# Mediolanum Portfolio

Annual Report - 31st December 2016

**MEDIOLANUM PORTFOLIO FUND**

**ANNUAL REPORT AND  
AUDITED FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**DECEMBER 31, 2016**

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# GENERAL INFORMATION

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**MANAGER AND GLOBAL  
DISTRIBUTOR**

**Mediolanum International Funds Limited**  
2 Shelbourne Buildings, Shelbourne Road, Ballsbridge, Dublin 4, Ireland.

**INVESTMENT MANAGER**

**Mediolanum Asset Management Limited**  
2 Shelbourne Buildings, Shelbourne Road, Ballsbridge, Dublin 4, Ireland.

**TRUSTEE**

**RBC Investor Services Bank S.A., Dublin Branch**  
4th Floor, One George's Quay Plaza, George's Quay, Dublin 2, Ireland.

**ADMINISTRATOR, REGISTRAR AND  
TRANSFER AGENT**

**RBC Investor Services Ireland Limited**  
4th Floor, One George's Quay Plaza, George's Quay, Dublin 2, Ireland.

**CORRESPONDENT BANK/  
PAYING AGENT IN ITALY**

**State Street Bank International GmbH - Succursale Italia**  
Via Ferrante Aporti, 10 20125 Milan, Italy.

**PAYING AGENT IN SPAIN**

**Banco Mediolanum S.A.**  
Av Diagonal 670, 08034 Barcelona, Spain.

**INDEPENDENT AUDITORS**

**Deloitte**  
Chartered Accountants and Statutory Audit Firm,  
Hardwicke House, Hatch Street, Dublin 2, Ireland.

**LEGAL ADVISERS**

**Dillon Eustace**  
33 Sir John Rogerson's Quay, Dublin 2, Ireland.

**DIRECTORS OF THE MANAGER**

**Andrew Bates (Chairperson)\*\***  
**Furio Pietribiasi (Managing Director)\***  
**Corrado Bocca\*\***  
**Vittorio Gaudio\*\*\*\***  
**Bronwyn Wright\*\*\***  
**Des Quigley\*\*\***  
**Paul O'Faherty\*\*\***

\*Executive Director

\*\*Non Executive Director

\*\*\*Independent Director

\*\*\*\*Vittorio Gaudio resigned on July 19, 2016.

**Report of the Trustee to the Unitholders  
For the year ended 31 December 2016**

As required by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) ("the Regulations"), we are pleased to present our report as follows.

In our opinion, Mediolanum Portfolio Fund has been managed for the year ended 31 December 2016:

- (i) In accordance with the limitations imposed on the investment and borrowing powers of the Manager by the Trust Deed and the Regulations; and
- (ii) Otherwise in accordance with the provisions of the Trust Deed and the Regulations.

**RBC INVESTOR SERVICES BANK S.A.  
DUBLIN BRANCH****Date: 02 March 2017**

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RBC Investor Services Bank S.A., Dublin Branch  
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Registered in Ireland 905449  
Incorporated in Luxembourg with Limited Liability  
Registered in Luxembourg B 47 192

## STATEMENT OF MANAGER'S RESPONSIBILITIES

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The Manager is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Mediolanum Portfolio Fund (the “Fund”) and of the profit or loss of the Fund for that financial year. In preparing those financial statements, the Manager is required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Fund will continue in operation.

The Manager is responsible for maintaining proper books of account, which disclose with reasonable accuracy at any time the financial position of the Fund and which enables it to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the “UCITS Regulations”) and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the “CBI UCITS Regulations”) and the Trust Deed. The Manager is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors of the Manager are satisfied that transactions with connected parties entered into during the financial year complied with the obligations set out in Regulation 41(1) of UCITS Regulations, namely any such transaction must be conducted at arm's length and in the best interests of the Unitholders.

The Directors of the Manager have adopted and are adhering to the Irish Funds (“IF”) Code of Corporate Governance.

Signed on behalf of the Manager.

Director:

Director:

Date: March 29, 2017

# REPORT OF THE INVESTMENT MANAGER

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016

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### 2016 – Market Review

In 2016, most of asset classes apart from cash gained. Commodities fared best, returning 15.1% in euro terms, followed by equities and REITs. Equities outperformed REITs by 4 percentage points in 2016 – REITs were the best performing asset class in 2014 and 2015. In contrast, sovereign debt fared second worst after cash, rising 4.7% in 2016. In terms of regional equity performance Emerging Markets (EM), in particular LatAm, clearly outperformed Developed Markets (DM) in 2016 – despite the recent underperformance after the Trump victory. Among DM regions, the US fared best in euro terms, while the UK fared worst. Within fixed income, inflation linkers outperformed, followed by credit, while nominal sovereign debt came in worst. EM debt was the best performing Fixed Income (FI) asset in 2016, while Gilts fared worst – thanks to the strong GBP slump after the Brexit vote. The trade-weighted euro gained 1.6% in 2016 as GBP depreciated 16.2% vs. the euro. USD rose 3.3% vs. the euro.

### **Active 100 Fund**

<b>Performance*</b>	<b>Sub-Fund</b>
<b>31/12/15 – 30/12/16</b>	<b>3.99%</b>

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The Sub-Fund had a positive absolute performance returning 3.99% in 2016. At the end of the year, 92% was invested in equity funds and 8% was invested in fixed income funds and liquidity.

The Challenge North American Equity fund was the strongest performing geographical target fund along with Challenge Pacific Equity fund. The Challenge European Equity fund which was negative overall was the worst contributor to performance. From a sector point of view, the Sub-Fund's exposure to the Challenge Energy and Challenge Technology Equity funds contributed significantly to the positive performance. The Challenge Counter Cyclical Equity fund was the worst performer.

The overlay implemented using financial derivative instruments had a negative contribution overall to the Sub-Fund's performance. On the equity side there were negative contributions from our long Nasdaq futures. A long European Healthcare position implemented via a swap was also negative. On the currency side we were long CAD v USD which generated a negative performance.

### **Active 80 Fund**

<b>Performance*</b>	<b>Sub-Fund</b>
<b>31/12/15 – 30/12/16</b>	<b>3.02%</b>

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The Sub-Fund had a positive absolute net performance of 3.02% in 2016. At the end of 2016, the Sub-Fund had 67% invested in equity funds and 33% in fixed income funds and liquidity.

The Challenge North American Equity fund was the strongest performing geographical target fund along with Challenge Pacific Equity fund. The Challenge European Equity fund which was negative overall was the worst contributor to performance. From a sector point of view, the Sub-Fund's exposure to the Challenge Energy and Challenge Technology Equity funds contributed significantly to the positive performance. The Challenge Counter Cyclical Equity fund was the worst performer.

The overall contribution of investments in fixed income target funds was positive. The positive contribution to performance was due to positioning in the Challenge International Income and Challenge International Bond funds where the main driver to contribution was currency. The investment into Challenge Euro Income fund detracted from performance.

The overlay implemented using financial derivative instruments had a negative contribution overall to the Sub-Fund's performance. On the equity side there were negative contributions from our long Nasdaq futures. A long European Healthcare position implemented via a swap was also negative. On the currency side we were long CAD v USD which generated a negative performance.

# REPORT OF THE INVESTMENT MANAGER

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

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### Active 40 Fund

Performance*	Sub-Fund
31/12/15 – 30/12/16	2.06%

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The Sub-Fund had a positive absolute net performance of 2.06% in 2016. At the end of 2016, the Sub-Fund had 33% invested in equity funds and 67% in fixed income funds and liquidity.

The Challenge North American Equity fund was the strongest performing geographical target fund along with Challenge Pacific Equity fund. The Challenge European Equity fund which was negative overall was the worst contributor to performance. From a sector point of view, the Sub-Fund's exposure to the Challenge Energy and Challenge Technology Equity funds contributed significantly to the positive performance. The Challenge Counter Cyclical Equity fund was the worst performer.

The overall contribution of investments in fixed income target funds was positive. The positive contribution to performance was due to positioning in the Challenge International Income and Challenge International Bond funds where the main driver to contribution was currency. The investment into Challenge Euro Income fund detracted from performance.

The overlay implemented using financial derivative instruments had a negative contribution overall to the Sub-Fund's performance. On the equity side there were negative contributions from our long Nasdaq futures. A long European Healthcare position implemented via a swap was also negative. On the currency side we were long CAD v USD which generated a negative performance.

### Active 10 Fund

Performance*	Sub-Fund
31/12/15 – 30/12/16	0.88%

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The Sub-Fund had a negative absolute performance of 0.88% in 2016. At the end of 2016, the Sub-Fund had 5.5% invested in equity funds and 94.5% in fixed income funds and liquidity.

The overall contribution of investments in fixed income target funds was positive. The positive contribution to performance was due to positioning in the Challenge International Income and Challenge International Bond funds where the main driver to contribution was currency. The investment into Challenge Euro Income fund detracted from performance.

On the equity side the Challenge International Equity fund delivered a positive contribution.

The overlay implemented using financial derivative instruments had a negative contribution overall to the Sub-Fund's performance. On the equity side there were negative contributions from our long Nasdaq futures. A long European Healthcare position implemented via a swap was also negative. On the currency side we were long CAD v USD which generated a negative performance.



# REPORT OF THE INVESTMENT MANAGER

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

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### Aggressive Fund

Performance*	Sub-Fund
31/12/15 – 30/12/16	3.98%

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The Sub-Fund had a positive absolute performance of 3.98% for 2016. At the end of the year the Sub-Fund was 88% invested in equity funds and 12% in liquidity.

The Challenge North American Equity fund was the strongest performing geographical target fund along with Challenge Pacific Equity fund. The Challenge European Equity fund which was negative overall was the worst contributor to performance. From a sector point of view, the Sub-Fund's exposure to the Challenge Energy and Challenge Technology Equity funds contributed significantly to the positive performance. The Challenge Counter Cyclical fund was the worst performer.

The overlay implemented using financial derivative instruments had a negative contribution overall to the Sub-Fund's performance. On the equity side there were negative contributions from our long Nasdaq futures. A long European Healthcare position implemented via a swap was also negative. On the currency side we were long CAD v USD which generated a negative performance.

### Aggressive Fund Hedged Class

Performance*	Sub-Fund
31/12/15 – 30/12/16	1.38%

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The currency hedging, implemented using currency forward contracts, contributed negatively to the Sub-Fund's hedged class performance due to the depreciation of the Euro against major currencies such as the US Dollar, Japanese Yen and Canadian Dollar. The negative contribution was slightly offset from the strong appreciation of the Euro against the British Pound.

### Aggressive Plus Fund

Performance*	Sub-Fund
31/12/15 – 30/12/16	4.08%

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The Sub-Fund had a positive absolute performance of 4.08% for 2016. The Sub-Fund was 88% invested in equity funds with exposure to Emerging Market equities and 12% in liquidity at the end of the year.

The Challenge North American Equity fund was the strongest performing geographical target fund along with Challenge Emerging Markets Equity fund. The Challenge European Equity fund which was negative overall was the worst contributor to performance. From a sector point of view, the Sub-Fund's exposure to the Challenge Energy and Challenge Technology Equity funds contributed significantly to the positive performance. The Challenge Counter Cyclical fund was the worst performer.

The overlay implemented using financial derivative instruments had a negative contribution overall to the Sub-Fund's performance. On the equity side there were negative contributions from our long Nasdaq futures. A long European Healthcare position implemented via a swap was also negative. On the currency side we were long CAD v USD which generated a negative performance.

# REPORT OF THE INVESTMENT MANAGER

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

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### Aggressive Plus Fund Hedged Class

Performance*	Sub-Fund
31/12/15 – 30/12/16	1.52%

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The currency hedging, implemented using currency forward contracts, contributed negatively to the Sub-Fund's hedged class performance due to the depreciation of the Euro against major currencies such as the US Dollar, Japanese Yen and Canadian Dollar. The negative contribution was slightly offset from the strong appreciation of the Euro against the British Pound.

### Dynamic Fund

Performance*	Sub-Fund
31/12/15 – 30/12/16	3.34%

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The Sub-Fund had a positive absolute performance of 3.34% for 2016. It was 50% invested in equity funds and 50% in fixed income funds and liquidity at the end of the year.

The Challenge North American Equity fund was the strongest performing geographical target fund along with Challenge Pacific Equity fund. The Challenge European Equity fund which was negative overall was the worst contributor to performance. From a sector point of view, the Sub-Fund's exposure to the Challenge Energy and Challenge Technology Equity funds contributed significantly to the positive performance. The Challenge Counter Cyclical fund was the worst performer.

The overall contribution of investments in fixed income target funds was positive. The positive contribution to performance was due to positioning in the Challenge International Income and Challenge International Bond funds where the main driver to contribution was currency. The investment into Challenge Euro Income fund detracted from performance.

The overlay implemented using financial derivative instruments had a negative contribution overall to the Sub-Fund's performance. On the equity side there were negative contributions from our long Nasdaq futures. A long European Healthcare position implemented via a swap was also negative. On the currency side we were long CAD v USD which generated a negative performance.

### Dynamic Fund Hedged Class

Performance*	Sub-Fund
31/12/15 – 30/12/16	1.15%

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The currency hedging, implemented using currency forward contracts, contributed negatively to the Sub-Fund's hedged class performance due to the depreciation of the Euro against major currencies such as the US Dollar, Japanese Yen and Canadian Dollar. The negative contribution was slightly offset from the strong appreciation of the Euro against the British Pound.

# REPORT OF THE INVESTMENT MANAGER

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

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### Balanced Fund

Performance*	Sub-Fund
31/12/15 – 30/12/16	1.86%

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The Sub-Fund had a positive absolute performance of 1.86% for 2016. It was 48% invested in equity funds and 52% in fixed income funds and liquidity at the end of the year.

The Challenge North American Equity fund was the strongest performing geographical target fund along with Challenge Pacific Equity fund. The Challenge European Equity fund which was negative overall was the worst contributor to performance.

The overall contribution of investments in fixed income target funds was positive. The positive contribution to performance was due to positioning in the Challenge International Income and Challenge International Bond funds where the main driver to contribution was currency. The investment into Challenge Euro Income fund detracted from performance.

The overlay implemented using financial derivative instruments had a negative contribution overall to the Sub-Fund's performance. On the equity side there were negative contributions from our long Nasdaq futures. A long European Healthcare position implemented via a swap was also negative. On the currency side we were long CAD v USD which generated a negative performance.

### Balanced Fund Hedged Class

Performance*	Sub-Fund
31/12/15 – 30/12/16	0.10%

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The currency hedging, implemented using currency forward contracts, contributed negatively to the Sub-Fund's hedged class performance due to the depreciation of the Euro against major currencies such as the US Dollar, Japanese Yen and Canadian Dollar. The negative contribution was slightly offset from the strong appreciation of the Euro against the British Pound.

### Moderate Fund

Performance*	Sub-Fund
31/12/15 – 30/12/16	0.67%

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The Moderate Fund had a positive absolute performance of 0.67% over 2016, with the equity allocation driving the performance. At the end of the year the Sub-Fund had 30% invested in equity funds and 70% in fixed income funds and liquidity.

The Challenge North American Equity fund was the strongest performing geographical target fund along with Challenge Pacific Equity fund. The Challenge European Equity fund which was negative overall was the worst contributor to performance.

The overall contribution of investments in fixed income target funds was positive. The positive contribution to performance was due to positioning in the Challenge International Income and Challenge International Bond funds where the main driver to contribution was currency. The investment into Challenge Euro Income fund detracted from performance.

The overlay implemented using financial derivative instruments had a negative contribution overall to the Sub-Fund's performance. On the equity side there were negative contributions from our long Nasdaq futures. A long European Healthcare position implemented via a swap was also negative. On the currency side we were long CAD v USD which generated a negative performance.

# REPORT OF THE INVESTMENT MANAGER

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

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### Moderate Fund Hedged Class

Performance*	Sub-Fund
31/12/15 – 30/12/16	-0.27%

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The currency hedging, implemented using currency forward contracts, contributed negatively to the Sub-Fund's hedged class performance due to the depreciation of the Euro against major currencies such as the US Dollar, Japanese Yen and Canadian Dollar. The negative contribution was slightly offset from the strong appreciation of the Euro against the British Pound.

### Liquidity Fund

Performance*	Sub-Fund
31/12/15 – 30/12/16	0.19%

*\* Performance is stated in euro, net of management fees, performance fees and costs and is based on the NAV of the Mediolanum S Class.*

The Sub-Fund had a positive absolute performance of 0.19% for 2016. The Sub-Fund held 80% corporate bonds, 17% fixed deposits and 3% cash at year end. At the end of 2016 the Sub-Fund had an average duration of 0.74 years.

The Sub-Fund increased its exposure to short term corporate bonds over the period in the UK, Netherlands, Spain and France and reduced exposure to Italy. In addition the Sub-Fund was able to get a positive rate on a 12 month fixed deposit during the year which contributed to performance.

The Sub-Fund has a large exposure to European Financials and Consumer Cyclical investment grade corporate bonds. These short dated corporates tightened throughout the year aided by the ECB CSSP corporate bond purchase program which contributed to positive performance.

### 2017 - Market Outlook

### Economic & Monetary Review

Over the last few years global economies have relied on monetary policy for stability and growth, with central banks balance sheets having grown significantly. This certainly benefitted economies and especially around the time of the financial crisis and sovereign issues in Europe.

Monetary policy appears to near it's limit in terms of effectiveness in terms of additional growth but it has also led to other issues. It helped exacerbate a problem that already existed and that was rising inequality. This rise in inequality has led to a rise of Populism including occupy wall street, the Arab spring but more recently and importantly from a global economic perspective has been BREXIT and the TRUMP election. This is a wake-up call for governments that they need to do something different. The low rates derived from loose monetary policy are giving governments the ability to borrow at and invest. So governments can appease populists by fiscally expanding. This is a global phenomenon with all major economies' fiscal policy becoming more expansionary. Not only this but the average age of fixed assets in the US being 23 years, the highest on record. So the combination of low rates, old infrastructure and a need to appease the public it is the perfect storm for governments to expand.

This combination of monetary and fiscal policy has led to an improvement in PMI's with Europe and some Emerging Markets being particularly strong. The US remains robust and the UK surprised on the upside. This indicates GDP and industrial production will be stronger in the coming quarters. The OECD leading indicator continues to improve with Global indicator pointing higher. This improvement in PMI's tends to lead to better corporate earnings.

# **REPORT OF THE INVESTMENT MANAGER**

## **FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)**

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### **2017 - Market Outlook (continued)**

#### **Asset Class Outlook**

##### **Fixed Income**

###### **Core Yields**

Overall the major low in yields has been reached for the cycle, we expect yields to gradually move higher over the next year. The speed of the increase is likely to be contained as the ECB and Bank of Japan will maintain easy monetary policy and growth will continue to be below historic returns.

###### **Peripheral Yields**

Fundamentals improving but the large gains of bond prices are behind us, QE likely to mean spreads remain contained although there are potential political risks on the horizon with elections coming in next few quarters.

###### **Credit**

Credit spreads have tightened following the action by central banks and the bottoming of energy. Credit spreads are likely to remain contained due to ongoing policies and low corporate defaults.

##### **FX**

The US Dollar has been relatively stable over the last two quarters, it is likely to rise in the medium term as the Fed increase interest rates although the large gains have already occurred. The euro has the potential to trade in wide range for the year as the upside will be capped by the potential increases in QE by the ECB and trump policies. Commodity currencies have bounced from oversold levels but structural issues mean that they will trade lower over the medium term.

##### **Equities**

The equity markets are likely to return single digit positive returns as the outlook for a global growth continues to improve. While the US is later in the business cycle there is further room to rise before the Fed tightens monetary policy to slow growth. Europe and Japan are in expansion with better growth and easier monetary policy. Emerging Markets are in early recovery, therefore it is important to watch the Fed and US dollar.

##### **Commodities**

Commodity markets appear to have put in a bottom which can last a number of quarters. This includes base metals, energy and precious metals. Energy markets fundamentals have improved with a reduction in US shale production growth turning negative year on year following the decline in the rig count. Also the agreement by OPEC to cut production will decrease supplies. Global oil demand has continued to grow. Chinese oil demand continues to grow, despite the slowdown in the Chinese economy imports in 2016 were record levels.

##### **Key Risks**

Deterioration in fundamentals: Global PMI's have reaccelerated and are well above 50, if this was to reverse and fall below 50 it would be a warning sign.

Inflation increase: oil price has now bottomed coupled with wage growth in the US means inflation could now move higher which could lead the Fed to increase interest rates. The speed of tightening is very important.

Oil Price: It is important that oil does not fall back into the 20's or above 60. A range between 35 and 50 would be optimal to keep inflation contained and reduce bankruptcy risk.

Geopolitical Risks: Anti-establishment movement increased with Brexit risks contained from a global perspective. The US election also shows that populism is on the rise and the election in France poses the greatest risk over the coming quarters.

# **REPORT OF THE INVESTMENT MANAGER**

## **FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)**

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### **2017 - Market Outlook (continued)**

#### **Conclusion**

Overall data has continued to be strong, with economic surprises high in most major regions. Purchasing Managers Index's are robust and OECD leading indicators are also pointing to better growth going forward. Emerging markets stresses have also been reduced due to the rebound in commodity prices. Volatility cannot be ruled out due to very high expectations around Trump's policies, weakness would be an opportunity to add risk.

## **INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF MEDIOLANUM PORTFOLIO FUND**

We have audited the financial statements of Mediolanum Portfolio Fund for the year ended 31 December 2016 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Net Assets attributable to the Holders of Redeemable Participating Units and the related notes 1 to 28. The relevant financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework").

This report is made solely to the Fund's Unitholders, as a body in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 and the Trust Deed. Our audit work has been undertaken so that we might state to the Unitholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund's Unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Trustee, the Manager and the Auditors**

As explained more fully in the Statement of Manager's Responsibilities, the manager is responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish Law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. The Trustee is responsible for safeguarding the assets of the Fund.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Manager; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and audited financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Fund as at 31 December 2016 and of the profit for the year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 and the Trust Deed.

Deloitte  
Chartered Accountants and Statutory Audit Firm  
Dublin  
Date: March 29, 2017

# STATEMENT OF FINANCIAL POSITION

## AS AT DECEMBER 31, 2016

(expressed in EUR)	ACTIVE 100 FUND		ACTIVE 80 FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>ASSETS</b>				
Investments in transferable securities (note 17)	1,947,540	2,398,493	2,151,446	2,432,410
Investments in investment funds (note 17)	82,087,770	87,746,184	52,944,007	58,103,879
Cash and cash equivalents (note 11)	975,848	857,689	575,350	457,302
Amounts receivable on subscriptions	1,250	-	-	-
Interest and dividends receivable, net	40,628	48,010	22,861	25,530
Futures contracts at fair value (note 15, 17)	-	-	-	-
Forward foreign exchange contracts at fair value (note 13, 17)	-	-	-	-
Swaps at fair value (note 16, 17)	-	40,483	-	26,977
Other assets	-	398,715	-	188,594
<b>TOTAL ASSETS</b>	<b>85,053,036</b>	<b>91,489,574</b>	<b>55,693,664</b>	<b>61,234,692</b>
<b>LIABILITIES</b>				
Bank overdraft (note 11)	-	-	-	-
Amounts payable on redemptions	85,000	180,738	27,503	79,629
Forward foreign exchange contracts at fair value (note 13, 17)	-	218,817	-	146,885
Management and advisory fees payable	94,092	99,079	57,294	61,180
Other expenses payable	47,269	28,594	32,485	19,312
<b>TOTAL LIABILITIES (Excluding Net Assets Attributable to Holders of Redeemable Participating Units)</b>	<b>226,361</b>	<b>527,228</b>	<b>117,282</b>	<b>307,006</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING UNITS</b>	<b>84,826,675</b>	<b>90,962,346</b>	<b>55,576,382</b>	<b>60,927,686</b>
<b>S Class</b>				
Number of units 'A' outstanding	7,160,002.423	7,984,572.038	5,178,767.457	5,848,845.574
Net asset value per unit	11.847	11.392	10.732	10.417
Number of units 'B' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-
<b>S H Class</b>				
Number of units 'A' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-
Number of units 'B' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-
<b>S A Class</b>				
Number of units 'A' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-

The accompanying notes form an integral part of these financial statements.



# STATEMENT OF FINANCIAL POSITION

## AS AT DECEMBER 31, 2016 (continued)

(expressed in EUR)	ACTIVE 40 FUND		ACTIVE 10 FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>ASSETS</b>				
Investments in transferable securities (note 17)	577,931	1,391,984	-	399,067
Investments in investment funds (note 17)	14,143,999	15,590,515	4,260,792	4,587,922
Cash and cash equivalents (note 11)	125,414	106,714	41,286	9,755
Amounts receivable on subscriptions	-	-	-	-
Interest and dividends receivable, net	6,141	14,610	-	4,188
Futures contracts at fair value (note 15, 17)	-	-	-	-
Forward foreign exchange contracts at fair value (note 13, 17)	-	-	-	-
Swaps at fair value (note 16, 17)	-	7,693	-	-
Other assets	-	653	-	-
<b>TOTAL ASSETS</b>	<b>14,853,485</b>	<b>17,112,169</b>	<b>4,302,078</b>	<b>5,000,932</b>
<b>LIABILITIES</b>				
Bank overdraft (note 11)	-	-	-	3,199
Amounts payable on redemptions	84,763	4,427	-	-
Forward foreign exchange contracts at fair value (note 13, 17)	-	42,047	-	12,646
Management and advisory fees payable	10,879	11,437	2,731	2,691
Other expenses payable	10,297	6,194	4,541	2,604
<b>TOTAL LIABILITIES (Excluding Net Assets Attributable to Holders of Redeemable Participating Units)</b>	<b>105,939</b>	<b>64,105</b>	<b>7,272</b>	<b>21,140</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING UNITS</b>	<b>14,747,546</b>	<b>17,048,064</b>	<b>4,294,806</b>	<b>4,979,792</b>
<b>S Class</b>				
Number of units 'A' outstanding	1,313,477.641	1,549,715.490	400,753.101	468,736.759
Net asset value per unit	11.228	11.001	10.717	10.624
Number of units 'B' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-
<b>S H Class</b>				
Number of units 'A' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-
Number of units 'B' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-
<b>S A Class</b>				
Number of units 'A' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

## AS AT DECEMBER 31, 2016 (continued)

(expressed in EUR)	AGGRESSIVE FUND		AGGRESSIVE PLUS FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>ASSETS</b>				
Investments in transferable securities (note 17)	-	-	-	-
Investments in investment funds (note 17)	10,934,883	11,922,682	30,313,795	31,914,205
Cash and cash equivalents (note 11)	250,752	255,184	587,521	845,933
Amounts receivable on subscriptions	-	-	147	-
Interest and dividends receivable, net	-	-	-	-
Futures contracts at fair value (note 15, 17)	-	-	-	-
Forward foreign exchange contracts at fair value (note 13, 17)	35,351	498	64,817	1,012
Swaps at fair value (note 16, 17)	-	5,341	-	14,672
Other assets	-	27,147	-	69,877
<b>TOTAL ASSETS</b>	<b>11,220,986</b>	<b>12,210,852</b>	<b>30,966,280</b>	<b>32,845,699</b>
<b>LIABILITIES</b>				
Bank overdraft (note 11)	-	-	-	-
Amounts payable on redemptions	3,500	-	22,800	-
Forward foreign exchange contracts at fair value (note 13, 17)	1,530	50,953	2,891	120,667
Management and advisory fees payable	10,191	10,185	27,061	27,377
Other expenses payable	8,678	4,997	19,361	11,282
<b>TOTAL LIABILITIES (Excluding Net Assets Attributable to Holders of Redeemable Participating Units)</b>	<b>23,899</b>	<b>66,135</b>	<b>72,113</b>	<b>159,326</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING UNITS</b>				
	<b>11,197,087</b>	<b>12,144,717</b>	<b>30,894,167</b>	<b>32,686,373</b>
<b>S Class</b>				
Number of units 'A' outstanding	475,626.541	554,622.776	1,589,510.575	1,756,072.280
Net asset value per unit	12.391	11.917	12.513	12.022
Number of units 'B' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-
<b>S H Class</b>				
Number of units 'A' outstanding	493,869.887	522,531.112	997,153.678	1,064,723.188
Net asset value per unit	10.739	10.593	11.036	10.871
Number of units 'B' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-
<b>S A Class</b>				
Number of units 'A' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

## AS AT DECEMBER 31, 2016 (continued)

(expressed in EUR)	DYNAMIC FUND		BALANCED FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>ASSETS</b>				
Investments in transferable securities (note 17)	315,873	349,184	305,344	325,430
Investments in investment funds (note 17)	12,313,539	13,202,614	11,768,455	12,457,703
Cash and cash equivalents (note 11)	169,721	207,462	77,300	188,209
Amounts receivable on subscriptions	-	-	-	6,590
Interest and dividends receivable, net	3,356	3,665	3,244	3,416
Futures contracts at fair value (note 15, 17)	-	3,134	-	3,134
Forward foreign exchange contracts at fair value (note 13, 17)	25,178	400	19,491	-
Swaps at fair value (note 16, 17)	-	6,163	-	5,799
Other assets	-	48,090	-	32,690
<b>TOTAL ASSETS</b>	<b>12,827,667</b>	<b>13,820,712</b>	<b>12,173,834</b>	<b>13,022,971</b>
<b>LIABILITIES</b>				
Bank overdraft (note 11)	-	3,134	-	3,134
Amounts payable on redemptions	-	40,002	-	6,597
Forward foreign exchange contracts at fair value (note 13, 17)	1,843	51,354	1,261	45,246
Management and advisory fees payable	10,518	10,359	8,562	8,139
Other expenses payable	9,637	5,454	9,341	5,214
<b>TOTAL LIABILITIES (Excluding Net Assets Attributable to Holders of Redeemable Participating Units)</b>	<b>21,998</b>	<b>110,303</b>	<b>19,164</b>	<b>68,330</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING UNITS</b>	<b>12,805,669</b>	<b>13,710,409</b>	<b>12,154,670</b>	<b>12,954,641</b>
<b>S Class</b>				
Number of units 'A' outstanding	643,303.282	713,461.605	540,268.788	574,392.802
Net asset value per unit	12.136	11.744	11.911	11.693
Number of units 'B' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-
<b>S H Class</b>				
Number of units 'A' outstanding	452,995.650	488,670.244	509,257.412	555,998.654
Net asset value per unit	11.035	10.910	11.231	11.220
Number of units 'B' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-
<b>S A Class</b>				
Number of units 'A' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

## AS AT DECEMBER 31, 2016 (continued)

(expressed in EUR)	MODERATE FUND		LIQUIDITY FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>ASSETS</b>				
Investments in transferable securities (note 17)	239,830	248,229	113,202,273	130,323,332
Investments in investment funds (note 17)	3,262,727	3,369,192	-	-
Cash and cash equivalents (note 11)	88,323	81,982	25,611,953	2,782,688
Amounts receivable on subscriptions	-	-	-	9,990
Interest and dividends receivable, net	2,548	2,605	1,772,789	2,269,743
Futures contracts at fair value (note 15, 17)	-	-	-	-
Forward foreign exchange contracts at fair value (note 13, 17)	2,467	45	-	-
Swaps at fair value (note 16, 17)	-	-	-	-
Other assets	-	-	-	-
<b>TOTAL ASSETS</b>	<b>3,595,895</b>	<b>3,702,053</b>	<b>140,587,015</b>	<b>135,385,753</b>
<b>LIABILITIES</b>				
Bank overdraft (note 11)	-	-	-	-
Amounts payable on redemptions	-	-	1,500	7,880
Forward foreign exchange contracts at fair value (note 13, 17)	177	11,427	-	-
Management and advisory fees payable	2,688	2,017	27,659	24,345
Other expenses payable	4,630	2,451	83,876	43,991
<b>TOTAL LIABILITIES (Excluding Net Assets Attributable to Holders of Redeemable Participating Units)</b>	<b>7,495</b>	<b>15,895</b>	<b>113,035</b>	<b>76,216</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING UNITS</b>	<b>3,588,400</b>	<b>3,686,158</b>	<b>140,473,980</b>	<b>135,309,537</b>
<b>S Class</b>				
Number of units 'A' outstanding	188,896.857	188,386.086	560,955.255	701,937.425
Net asset value per unit	11.417	11.341	11.081	11.073
Number of units 'B' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-
<b>S H Class</b>				
Number of units 'A' outstanding	130,082.641	140,407.388	-	-
Net asset value per unit	11.007	11.037	-	-
Number of units 'B' outstanding	-	-	-	-
Net asset value per unit	-	-	-	-
<b>S A Class</b>				
Number of units 'A' outstanding	-	-	11,946,573.974	11,370,034.876
Net asset value per unit	-	-	11.238	11.217

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

## AS AT DECEMBER 31, 2016 (continued)

(expressed in EUR)	TOTAL Dec 2016	TOTAL Dec 2015
<b>ASSETS</b>		
Investments in transferable securities (note 17)	118,740,237	137,868,129
Investments in investment funds (note 17)	222,029,967	238,894,896
Cash and cash equivalents (note 11)	28,503,468	5,792,918
Amounts receivable on subscriptions	1,397	16,580
Interest and dividends receivable, net	1,851,567	2,371,767
Futures contracts at fair value (note 15, 17)	-	6,268
Forward foreign exchange contracts at fair value (note 13, 17)	147,304	1,955
Swaps at fair value (note 16, 17)	-	107,128
Other assets	-	765,766
<b>TOTAL ASSETS</b>	<b>371,273,940</b>	<b>385,825,407</b>
<b>LIABILITIES</b>		
Bank overdraft (note 11)	-	9,467
Amounts payable on redemptions	225,066	319,273
Forward foreign exchange contracts at fair value (note 13, 17)	7,702	700,042
Management and advisory fees payable	251,675	256,809
Other expenses payable	230,115	130,093
<b>TOTAL LIABILITIES (Excluding Net Assets Attributable to Holders of Redeemable Participating Units)</b>	<b>714,558</b>	<b>1,415,684</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING UNITS</b>	<b>370,559,382</b>	<b>384,409,723</b>

The accompanying notes form an integral part of these financial statements.

Signed on behalf of the Manager on March 29, 2017:

Director:

Director:

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016

(expressed in EUR)	ACTIVE 100 FUND		ACTIVE 80 FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>INCOME</b>				
Interest on investments in securities	99,598	91,811	70,377	73,497
Bank interest	-	-	-	-
Other income	22,642	398,715	11,571	188,594
<b>TOTAL INCOME</b>	<b>122,240</b>	<b>490,526</b>	<b>81,948</b>	<b>262,091</b>
<b>EXPENSES</b>				
Management fees (note 8)	1,076,945	1,356,776	677,134	809,500
Trustee fees (note 8)	8,459	6,573	5,962	3,729
Administration and transfer agent fees (note 8)	41,263	44,979	30,514	31,882
Auditor Remuneration	7,691	8,166	5,040	5,470
Bank charges and correspondent fees	16,922	19,145	10,459	12,102
Interest on swaps	468	677	311	435
Other charges	82,129	51,742	56,153	32,413
<b>TOTAL EXPENSES</b>	<b>1,233,877</b>	<b>1,488,058</b>	<b>785,573</b>	<b>895,531</b>
<b>TOTAL NET (EXPENSE)</b>	<b>(1,111,637)</b>	<b>(997,532)</b>	<b>(703,625)</b>	<b>(633,440)</b>
Net realised appreciation on sale of investments	2,684,682	14,086,221	2,397,125	7,307,334
Net realised (depreciation) on forward foreign exchange contracts	(313,460)	(57,565)	(210,041)	(34,868)
Net realised appreciation on futures contracts	-	22,209	-	25,821
Net realised appreciation on foreign exchange	2,271	7,471	1,521	4,728
Net realised (depreciation)/appreciation on swaps	(193,478)	114,719	(128,923)	69,169
<b>TOTAL NET REALISED GAIN</b>	<b>2,180,015</b>	<b>14,173,055</b>	<b>2,059,682</b>	<b>7,372,184</b>
Change in net unrealised appreciation/(depreciation) on:				
Investments	1,645,400	(5,441,291)	(19,918)	(2,423,327)
Futures contracts	-	(74,915)	-	(47,254)
Forward foreign exchange contracts	218,817	(218,817)	146,885	(146,885)
Swaps	(40,483)	45,821	(26,977)	30,301
<b>TOTAL CHANGE IN UNREALISED APPRECIATION/(DEPRECIATION)</b>	<b>1,823,734</b>	<b>(5,689,202)</b>	<b>99,990</b>	<b>(2,587,165)</b>
<b>TOTAL PROFIT FOR THE FINANCIAL YEAR</b>	<b>2,892,112</b>	<b>7,486,321</b>	<b>1,456,047</b>	<b>4,151,579</b>
<b>PROFIT ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITS</b>	<b>2,892,112</b>	<b>7,486,321</b>	<b>1,456,047</b>	<b>4,151,579</b>

All results arise from continuing operations. There are no recognised gains and losses for the current and preceding financial years other than those shown above.  
The accompanying notes form an integral part of these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

(expressed in EUR)	ACTIVE 40 FUND		ACTIVE 10 FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>INCOME</b>				
Interest on investments in securities	20,170	44,715	485	14,267
Bank interest	-	-	-	-
Other income	3,917	754	-	824
<b>TOTAL INCOME</b>	<b>24,087</b>	<b>45,469</b>	<b>485</b>	<b>15,091</b>
<b>EXPENSES</b>				
Management fees (note 8)	123,456	155,665	25,429	30,203
Trustee fees (note 8)	2,610	970	1,420	174
Administration and transfer agent fees (note 8)	13,289	14,094	8,755	9,487
Auditor Remuneration	1,337	1,531	390	447
Bank charges and correspondent fees	2,857	3,384	907	952
Interest on swaps	89	123	-	-
Other charges	15,419	9,052	4,646	2,859
<b>TOTAL EXPENSES</b>	<b>159,057</b>	<b>184,819</b>	<b>41,547</b>	<b>44,122</b>
<b>TOTAL NET (EXPENSE)</b>	<b>(134,970)</b>	<b>(139,350)</b>	<b>(41,062)</b>	<b>(29,031)</b>
Net realised appreciation on sale of investments	762,745	1,757,171	86,850	260,897
Net realised (depreciation) on forward foreign exchange contracts	(59,464)	(9,759)	(17,877)	(2,698)
Net realised appreciation on futures contracts	-	17,719	-	5,345
Net realised appreciation foreign exchange	246	284	82	22
Net realised (depreciation)/appreciation on swaps	(36,768)	19,595	-	-
<b>TOTAL NET REALISED GAIN</b>	<b>666,759</b>	<b>1,785,010</b>	<b>69,055</b>	<b>263,566</b>
Change in net unrealised (depreciation)/appreciation on:				
Investments	(296,744)	(796,628)	(2,232)	(72,804)
Futures contracts	-	(12,678)	-	(3,458)
Forward foreign exchange contracts	42,047	(42,047)	12,646	(12,646)
Swaps	(7,693)	8,629	-	-
<b>TOTAL CHANGE IN UNREALISED (DEPRECIATION)/APPRECIATION</b>	<b>(262,390)</b>	<b>(842,724)</b>	<b>10,414</b>	<b>(88,908)</b>
<b>TOTAL PROFIT FOR THE FINANCIAL YEAR</b>	<b>269,399</b>	<b>802,936</b>	<b>38,407</b>	<b>145,627</b>
<b>PROFIT ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITS</b>	<b>269,399</b>	<b>802,936</b>	<b>38,407</b>	<b>145,627</b>

All results arise from continuing operations. There are no recognised gains and losses for the current and preceding financial years other than those shown above. The accompanying notes form an integral part of these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

(expressed in EUR)	AGGRESSIVE FUND		AGGRESSIVE PLUS FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>INCOME</b>				
Interest on investments in securities	-	143	-	383
Bank interest	-	-	-	-
Other income	2,475	27,147	7,958	69,877
<b>TOTAL INCOME</b>	<b>2,475</b>	<b>27,290</b>	<b>7,958</b>	<b>70,260</b>
<b>EXPENSES</b>				
Management fees (note 8)	110,053	136,812	304,269	368,687
Trustee fees (note 8)	2,492	959	4,063	2,429
Administration and transfer agent fees (note 8)	13,054	13,883	21,232	22,349
Auditor Remuneration	1,015	1,090	2,799	2,934
Bank charges and correspondent fees	2,679	2,609	7,492	7,273
Interest on swaps	62	87	169	254
Other charges	10,936	6,828	30,202	17,824
<b>TOTAL EXPENSES</b>	<b>140,291</b>	<b>162,268</b>	<b>370,226</b>	<b>421,750</b>
<b>TOTAL NET (EXPENSE)</b>	<b>(137,816)</b>	<b>(134,978)</b>	<b>(362,268)</b>	<b>(351,490)</b>
Net realised appreciation on sale of investments	538,137	2,188,298	1,231,063	5,527,166
Net realised (depreciation) on forward foreign exchange contracts	(232,810)	(484,126)	(498,612)	(960,605)
Net realised (depreciation) on futures contracts	-	(25,248)	-	(49,902)
Net realised appreciation on foreign exchange	303	76	822	173
Net realised (depreciation)/appreciation on swaps	(25,531)	15,547	(70,120)	43,062
<b>TOTAL NET REALISED GAIN</b>	<b>280,099</b>	<b>1,694,547</b>	<b>663,153</b>	<b>4,559,894</b>
Change in net unrealised appreciation/(depreciation) on:				
Investments	16,171	(1,120,124)	387,726	(2,906,127)
Futures contracts	-	-	-	-
Forward foreign exchange contracts	84,275	(11,317)	181,580	(42,439)
Swaps	(5,341)	6,043	(14,672)	16,591
<b>TOTAL CHANGE IN UNREALISED APPRECIATION/(DEPRECIATION)</b>	<b>95,105</b>	<b>(1,125,398)</b>	<b>554,634</b>	<b>(2,931,975)</b>
<b>TOTAL PROFIT FOR THE FINANCIAL YEAR</b>	<b>237,388</b>	<b>434,171</b>	<b>855,519</b>	<b>1,276,429</b>
<b>PROFIT ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITS</b>	<b>237,388</b>	<b>434,171</b>	<b>855,519</b>	<b>1,276,429</b>

All results arise from continuing operations. There are no recognised gains and losses for the current and preceding financial years other than those shown above.  
The accompanying notes form an integral part of these financial statements.



# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

(expressed in EUR)	DYNAMIC FUND		BALANCED FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>INCOME</b>				
Interest on investments in securities	10,197	12,435	9,736	9,750
Bank interest	-	-	-	-
Other income	1,821	49,021	1,654	32,690
<b>TOTAL INCOME</b>	<b>12,018</b>	<b>61,456</b>	<b>11,390</b>	<b>42,440</b>
<b>EXPENSES</b>				
Management fees (note 8)	115,830	137,804	92,536	104,818
Trustee fees (note 8)	2,577	931	2,426	718
Administration and transfer agent fees (note 8)	13,838	14,501	13,739	14,082
Auditor Remuneration	1,163	9,893	1,102	1,163
Bank charges and correspondent fees	2,607	2,767	2,480	2,452
Interest on swaps	71	100	67	91
Other charges	12,831	-	12,315	6,968
<b>TOTAL EXPENSES</b>	<b>148,917</b>	<b>165,996</b>	<b>124,665</b>	<b>130,292</b>
<b>TOTAL NET (EXPENSE)</b>	<b>(136,899)</b>	<b>(104,540)</b>	<b>(113,275)</b>	<b>(87,852)</b>
Net realised appreciation on sale of investments	588,751	1,724,494	544,050	1,190,545
Net realised (depreciation) on forward foreign exchange contracts	(195,563)	(360,805)	(177,694)	(247,551)
Net realised appreciation/(depreciation) on futures contracts	5,602	(21,594)	5,602	(16,413)
Net realised appreciation on foreign exchange	985	96	962	81
Net realised (depreciation)/appreciation on swaps	(29,456)	13,153	(27,718)	20,086
<b>TOTAL NET REALISED GAIN</b>	<b>370,319</b>	<b>1,355,344</b>	<b>345,202</b>	<b>946,748</b>
Change in net unrealised appreciation/(depreciation) on:				
Investments	(13,601)	(884,073)	(179,944)	(686,744)
Futures contracts	(3,134)	3,134	(3,134)	3,134
Forward foreign exchange contracts	74,289	(23,143)	63,475	(26,378)
Swaps	(6,163)	6,865	(5,799)	6,594
<b>TOTAL CHANGE IN UNREALISED APPRECIATION /(DEPRECIATION)</b>	<b>51,391</b>	<b>(897,217)</b>	<b>(125,402)</b>	<b>(703,394)</b>
<b>TOTAL PROFIT FOR THE FINANCIAL YEAR</b>	<b>284,811</b>	<b>353,587</b>	<b>106,525</b>	<b>155,502</b>
<b>PROFIT ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITS</b>	<b>284,811</b>	<b>353,587</b>	<b>106,525</b>	<b>155,502</b>

All results arise from continuing operations. There are no recognised gains and losses for the current and preceding financial years other than those shown above.  
The accompanying notes form an integral part of these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

(expressed in EUR)	MODERATE FUND		LIQUIDITY FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>INCOME</b>				
Interest on investments in securities	7,677	8,067	3,329,985	3,728,780
Bank interest	-	-	54,396	40,772
Other income	-	-	-	-
<b>TOTAL INCOME</b>	<b>7,677</b>	<b>8,067</b>	<b>3,384,381</b>	<b>3,769,552</b>
<b>EXPENSES</b>				
Management fees (note 8)	23,319	25,752	279,051	338,150
Trustee fees (note 8)	1,765	175	28,383	24,273
Administration and transfer agent fees (note 8)	9,942	10,258	65,755	61,296
Auditor Remuneration	326	331	12,737	12,148
Bank charges and correspondent fees	813	756	7,955	6,700
Interest on swaps	-	-	-	-
Other charges	3,585	2,023	135,513	72,089
<b>TOTAL EXPENSES</b>	<b>39,750</b>	<b>39,295</b>	<b>529,394</b>	<b>514,656</b>
<b>TOTAL NET (EXPENSE)/INCOME</b>	<b>(32,073)</b>	<b>(31,228)</b>	<b>2,854,987</b>	<b>3,254,896</b>
Net realised appreciation/(depreciation) on sale of investments	92,805	366,113	(2,992,492)	(1,709,025)
Net realised (depreciation) on forward foreign exchange contracts	(30,693)	(38,910)	-	-
Net realised (depreciation) on futures contracts	-	(3,850)	-	-
Net realised appreciation/(depreciation) on foreign exchange	72	87	(1)	2
<b>TOTAL NET REALISED GAIN/(LOSS)</b>	<b>62,184</b>	<b>323,440</b>	<b>(2,992,493)</b>	<b>(1,709,023)</b>
Change in net unrealised (depreciation)/appreciation on:				
Investments	(34,452)	(286,178)	384,774	(1,289,014)
Futures contracts	-	-	-	-
Forward foreign exchange contracts	13,671	(8,886)	-	-
Swaps	-	-	-	-
<b>TOTAL CHANGE IN UNREALISED (DEPRECIATION)/APPRECIATION</b>	<b>(20,781)</b>	<b>(295,064)</b>	<b>384,774</b>	<b>(1,289,014)</b>
<b>TOTAL PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	<b>9,330</b>	<b>(2,852)</b>	<b>247,268</b>	<b>256,859</b>
<b>PROFIT/(LOSS) ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITS</b>	<b>9,330</b>	<b>(2,852)</b>	<b>247,268</b>	<b>256,859</b>

All results arise from continuing operations. There are no recognised gains and losses for the current and preceding financial years other than those shown above. The accompanying notes form an integral part of these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

(expressed in EUR)	TOTAL Dec 2016	TOTAL Dec 2015
<b>INCOME</b>		
Interest on investments in securities	3,548,225	3,983,848
Bank interest	54,396	40,772
Other income	52,038	767,622
<b>TOTAL INCOME</b>	<b>3,654,659</b>	<b>4,792,242</b>
<b>EXPENSES</b>		
Management fees (note 8)	2,828,022	3,464,167
Trustee fees (note 8)	60,157	40,931
Administration and transfer agent fees (note 8)	231,381	236,811
Auditor Remuneration	33,600	43,173
Bank charges and correspondent fees	55,171	58,140
Interest on swaps	1,237	1,767
Other charges	363,729	201,798
<b>TOTAL EXPENSES</b>	<b>3,573,297</b>	<b>4,046,787</b>
<b>TOTAL NET INCOME</b>	<b>81,362</b>	<b>745,455</b>
Net realised appreciation on sale of investments	5,933,716	32,699,214
Net realised (depreciation) on forward foreign exchange contracts	(1,736,214)	(2,196,887)
Net realised appreciation/(depreciation) on futures contracts	11,204	(45,913)
Net realised appreciation on foreign exchange	7,263	13,020
Net realised (depreciation)/appreciation on swaps	(511,994)	295,331
<b>TOTAL NET REALISED GAIN</b>	<b>3,703,975</b>	<b>30,764,765</b>
Change in net unrealised appreciation/(depreciation) on:		
Investments	1,887,180	(15,906,310)
Futures contracts	(6,268)	(132,037)
Forward foreign exchange contracts	837,685	(532,558)
Swaps	(107,128)	120,844
<b>TOTAL CHANGE IN UNREALISED APPRECIATION/(DEPRECIATION)</b>	<b>2,611,469</b>	<b>(16,450,061)</b>
<b>TOTAL PROFIT FOR THE FINANCIAL YEAR</b>	<b>6,396,806</b>	<b>15,060,159</b>
<b>PROFIT ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITS</b>	<b>6,396,806</b>	<b>15,060,159</b>

All results arise from continuing operations. There are no recognised gains and losses for the current and preceding financial years other than those shown above. The accompanying notes form an integral part of these financial statements.

Signed on behalf of the Manager on March 29, 2017:

Director:

Director:

# STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING UNITS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016

(expressed in EUR)	ACTIVE 100 FUND		ACTIVE 80 FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>NET ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>90,962,346</b>	<b>118,276,925</b>	<b>60,927,686</b>	<b>73,827,698</b>
Operating income	122,240	490,526	81,948	262,091
Operating expenses	(1,233,877)	(1,488,058)	(785,573)	(895,531)
Net expense from investments	(1,111,637)	(997,532)	(703,625)	(633,440)
Net realised appreciation	2,180,015	14,173,055	2,059,682	7,372,184
Net unrealised appreciation/(depreciation)	1,823,734	(5,689,202)	99,990	(2,587,165)
Changes in net assets as a result of operations	2,892,112	7,486,321	1,456,047	4,151,579
Movements in capital (note 3)	(9,027,783)	(34,800,900)	(6,807,351)	(17,051,591)
<b>NET ASSETS AT THE END OF THE FINANCIAL YEAR</b>	<b>84,826,675</b>	<b>90,962,346</b>	<b>55,576,382</b>	<b>60,927,686</b>

(expressed in EUR)	ACTIVE 40 FUND		ACTIVE 10 FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>NET ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>17,048,064</b>	<b>20,801,713</b>	<b>4,979,792</b>	<b>5,836,510</b>
Operating income	24,087	45,469	485	15,091
Operating expenses	(159,057)	(184,819)	(41,547)	(44,122)
Net expense from investments	(134,970)	(139,350)	(41,062)	(29,031)
Net realised appreciation	666,759	1,785,010	69,055	263,566
Net unrealised (depreciation)/appreciation	(262,390)	(842,724)	10,414	(88,908)
Changes in net assets as a result of operations	269,399	802,936	38,407	145,627
Movements in capital (note 3)	(2,569,917)	(4,556,585)	(723,393)	(1,002,345)
<b>NET ASSETS AT THE END OF THE FINANCIAL YEAR</b>	<b>14,747,546</b>	<b>17,048,064</b>	<b>4,294,806</b>	<b>4,979,792</b>

(expressed in EUR)	AGGRESSIVE FUND		AGGRESSIVE PLUS FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>NET ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>12,144,717</b>	<b>15,941,821</b>	<b>32,686,373</b>	<b>42,120,112</b>
Operating income	2,475	27,290	7,958	70,260
Operating expenses	(140,291)	(162,268)	(370,226)	(421,750)
Net expense from investments	(137,816)	(134,978)	(362,268)	(351,490)
Net realised appreciation	280,099	1,694,547	663,153	4,559,894
Net unrealised appreciation/(depreciation)	95,105	(1,125,398)	554,634	(2,931,975)
Changes in net assets as a result of operations	237,388	434,171	855,519	1,276,429
Movements in capital (note 3)	(1,185,018)	(4,231,275)	(2,647,725)	(10,710,168)
<b>NET ASSETS AT THE END OF THE FINANCIAL YEAR</b>	<b>11,197,087</b>	<b>12,144,717</b>	<b>30,894,167</b>	<b>32,686,373</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING UNITS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

(expressed in EUR)	DYNAMIC FUND		BALANCED FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>NET ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>13,710,409</b>	<b>17,320,877</b>	<b>12,954,641</b>	<b>14,827,053</b>
Operating income	12,018	60,525	11,390	42,440
Operating expenses	(148,917)	(165,065)	(124,665)	(130,292)
Net expense from investments	(136,899)	(104,540)	(113,275)	(87,852)
Net realised appreciation	370,319	1,355,344	345,202	946,748
Net unrealised appreciation/(depreciation)	51,391	(897,217)	(125,402)	(703,394)
Changes in net assets as a result of operations	284,811	353,587	106,525	155,502
Movements in capital (note 3)	(1,189,551)	(3,964,055)	(906,496)	(2,027,914)
<b>NET ASSETS AT THE END OF THE FINANCIAL YEAR</b>	<b>12,805,669</b>	<b>13,710,409</b>	<b>12,154,670</b>	<b>12,954,641</b>

(expressed in EUR)	MODERATE FUND		LIQUIDITY FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>NET ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>3,686,158</b>	<b>4,188,676</b>	<b>135,309,537</b>	<b>147,380,201</b>
Operating income	7,677	8,067	3,384,381	3,769,552
Operating expenses	(39,750)	(39,295)	(529,394)	(514,656)
Net (expense)/income from investments	(32,073)	(31,228)	2,854,987	3,254,896
Net realised appreciation/(depreciation)	62,184	323,440	(2,992,493)	(1,709,023)
Net unrealised (depreciation)/appreciation	(20,781)	(295,064)	384,774	(1,289,014)
Changes in net assets as a result of operations	9,330	(2,852)	247,268	256,859
Movements in capital (note 3)	(107,088)	(499,666)	4,917,175	(12,327,523)
<b>NET ASSETS AT THE END OF THE FINANCIAL YEAR</b>	<b>3,588,400</b>	<b>3,686,158</b>	<b>140,473,980</b>	<b>135,309,537</b>

(expressed in EUR)	TOTAL Dec 2016	TOTAL Dec 2015
<b>NET ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>384,409,723</b>	<b>460,521,586</b>
Operating income	3,654,659	4,791,311
Operating expenses	(3,573,297)	(4,045,856)
Net income from investments	81,362	745,455
Net realised appreciation	3,703,975	30,764,765
Net unrealised appreciation/(depreciation)	2,611,469	(16,450,061)
Changes in net assets as a result of operations	6,396,806	15,060,159
Movements in capital (note 3)	(20,247,147)	(91,172,022)
<b>NET ASSETS AT THE END OF THE FINANCIAL YEAR</b>	<b>370,559,382</b>	<b>384,409,723</b>

The accompanying notes form an integral part of these financial statements.

## CHANGES IN THE NUMBER OF UNITS

### FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016

	ACTIVE 100 FUND		ACTIVE 80 FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>S Class</b>				
Number of units 'A' in issue at the beginning of the financial year	7,984,572.038	10,932,852.161	5,848,845.574	7,432,259.366
Number of units 'B' in issue at the beginning of the financial year	-	-	-	-
Number of 'A' units issued	87,308.093	155,469.774	20,038.375	50,513.134
Number of 'B' units issued	-	-	-	-
Number of 'A' units redeemed	(911,877.708)	(3,103,749.897)	(690,116.492)	(1,633,926.926)
Number of 'B' units redeemed	-	-	-	-
Number of units 'A' in issue at the end of the financial year	7,160,002.423	7,984,572.038	5,178,767.457	5,848,845.574
Number of units 'B' in issue at the end of the financial year	-	-	-	-
<b>S H Class</b>				
Number of units 'A' in issue at the beginning of the financial year	-	-	-	-
Number of units 'B' in issue at the beginning of the financial year	-	-	-	-
Number of 'A' units issued	-	-	-	-
Number of 'B' units issued	-	-	-	-
Number of 'A' units redeemed	-	-	-	-
Number of 'B' units redeemed	-	-	-	-
Number of units 'A' in issue at the end of the financial year	-	-	-	-
Number of units 'B' in issue at the end of the financial year	-	-	-	-
<b>S A Class</b>				
Number of units 'A' in issue at the beginning of the financial year	-	-	-	-
Number of 'A' units issued	-	-	-	-
Number of 'A' units redeemed	-	-	-	-
Number of units 'A' in issue at the end of the financial year	-	-	-	-

The accompanying notes form an integral part of these financial statements.

# CHANGES IN THE NUMBER OF UNITS

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

	ACTIVE 40 FUND		ACTIVE 10 FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>S Class</b>				
Number of units 'A' in issue at the beginning of the financial year	1,549,715.490	1,956,428.612	468,736.759	562,021.260
Number of units 'B' in issue at the beginning of the financial year	-	-	-	-
Number of 'A' units issued	12,525.607	71,184.327	5,677.541	19,294.065
Number of 'B' units issued	-	-	-	-
Number of 'A' units redeemed	(248,763.456)	(477,897.449)	(73,661.199)	(112,578.566)
Number of 'B' units redeemed	-	-	-	-
Number of units 'A' in issue at the end of the financial year	1,313,477.641	1,549,715.490	400,753.101	468,736.759
Number of units 'B' in issue at the end of the financial year	-	-	-	-
<b>S H Class</b>				
Number of units 'A' in issue at the beginning of the financial year	-	-	-	-
Number of units 'B' in issue at the beginning of the financial year	-	-	-	-
Number of 'A' units issued	-	-	-	-
Number of 'B' units issued	-	-	-	-
Number of 'A' units redeemed	-	-	-	-
Number of 'B' units redeemed	-	-	-	-
Number of units 'A' in issue at the end of the financial year	-	-	-	-
Number of units 'B' in issue at the end of the financial year	-	-	-	-
<b>S A Class</b>				
Number of units 'A' in issue at the beginning of the financial year	-	-	-	-
Number of 'A' units issued	-	-	-	-
Number of 'A' units redeemed	-	-	-	-
Number of units 'A' in issue at the end of the financial year	-	-	-	-

The accompanying notes form an integral part of these financial statements.

## CHANGES IN THE NUMBER OF UNITS

### FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

	AGGRESSIVE FUND		AGGRESSIVE PLUS FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>S Class</b>				
Number of units 'A' in issue at the beginning of the financial year	554,622.776	779,300.992	1,756,072.280	2,305,755.086
Number of units 'B' in issue at the beginning of the financial year	-	-	-	-
Number of 'A' units issued	6,616.062	13,098.778	33,643.773	78,491.830
Number of 'B' units issued	-	-	-	-
Number of 'A' units redeemed	(85,612.297)	(237,776.994)	(200,205.478)	(628,174.636)
Number of 'B' units redeemed	-	-	-	-
Number of units 'A' in issue at the end of the financial year	475,626.541	554,622.776	1,589,510.575	1,756,072.280
Number of units 'B' in issue at the end of the financial year	-	-	-	-
<b>S H Class</b>				
Number of units 'A' in issue at the beginning of the financial year	522,531.112	655,361.831	1,064,723.188	1,401,031.488
Number of units 'B' in issue at the beginning of the financial year	-	-	-	-
Number of 'A' units issued	2,028.160	17,650.532	4,087.997	39,793.398
Number of 'B' units issued	-	-	-	-
Number of 'A' units redeemed	(30,689.385)	(150,481.251)	(71,657.507)	(376,101.698)
Number of 'B' units redeemed	-	-	-	-
Number of units 'A' in issue at the end of the financial year	493,869.887	522,531.112	997,153.678	1,064,723.188
Number of units 'B' in issue at the end of the financial year	-	-	-	-
<b>S A Class</b>				
Number of units 'A' in issue at the beginning of the financial year	-	-	-	-
Number of 'A' units issued	-	-	-	-
Number of 'A' units redeemed	-	-	-	-
Number of units 'A' in issue at the end of the financial year	-	-	-	-

The accompanying notes form an integral part of these financial statements.



## CHANGES IN THE NUMBER OF UNITS

### FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

	DYNAMIC FUND		BALANCED FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>S Class</b>				
Number of units 'A' in issue at the beginning of the financial year	713,461.605	897,299.412	574,392.802	681,252.335
Number of units 'B' in issue at the beginning of the financial year	-	-	-	-
Number of 'A' units issued	11,719.669	9,997.570	41,534.510	21,000.131
Number of 'B' units issued	-	-	-	-
Number of 'A' units redeemed	(81,877.992)	(193,835.377)	(75,658.524)	(127,859.664)
Number of 'B' units redeemed	-	-	-	-
Number of units 'A' in issue at the end of the financial year	643,303.282	713,461.605	540,268.788	574,392.802
Number of units 'B' in issue at the end of the financial year	-	-	-	-
<b>S H Class</b>				
Number of units 'A' in issue at the beginning of the financial year	488,670.244	646,651.720	555,998.654	620,804.832
Number of units 'B' in issue at the beginning of the financial year	-	-	-	-
Number of 'A' units issued	468.956	26,255.937	6,783.670	43,022.601
Number of 'B' units issued	-	-	-	-
Number of 'A' units redeemed	(36,143.550)	(184,237.413)	(53,524.912)	(107,828.779)
Number of 'B' units redeemed	-	-	-	-
Number of units 'A' in issue at the end of the financial year	452,995.650	488,670.244	509,257.412	555,998.654
Number of units 'B' in issue at the end of the financial year	-	-	-	-
<b>S A Class</b>				
Number of units 'A' in issue at the beginning of the financial year	-	-	-	-
Number of 'A' units issued	-	-	-	-
Number of 'A' units redeemed	-	-	-	-
Number of units 'A' in issue at the end of the financial year	-	-	-	-

The accompanying notes form an integral part of these financial statements.

## CHANGES IN THE NUMBER OF UNITS

### FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016 (continued)

	MODERATE FUND		LIQUIDITY FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>S Class</b>				
Number of units 'A' in issue at the beginning of the financial year	188,386.086	217,747.543	701,937.425	671,455.338
Number of units 'B' in issue at the beginning of the financial year	-	-	-	-
Number of 'A' units issued	5,471.845	10,786.048	61,344.528	819,538.465
Number of 'B' units issued	-	-	-	-
Number of 'A' units redeemed	(4,961.074)	(40,147.505)	(202,326.698)	(789,056.378)
Number of 'B' units redeemed	-	-	-	-
Number of units 'A' in issue at the end of the financial year	188,896.857	188,386.086	560,955.255	701,937.425
Number of units 'B' in issue at the end of the financial year	-	-	-	-
<b>S H Class</b>				
Number of units 'A' in issue at the beginning of the financial year	140,407.388	154,746.982	-	-
Number of units 'B' in issue at the beginning of the financial year	-	-	-	-
Number of 'A' units issued	1,364.257	24,590.488	-	-
Number of 'B' units issued	-	-	-	-
Number of 'A' units redeemed	(11,689.004)	(38,930.082)	-	-
Number of 'B' units redeemed	-	-	-	-
Number of units 'A' in issue at the end of the financial year	130,082.641	140,407.388	-	-
Number of units 'B' in issue at the end of the financial year	-	-	-	-
<b>S A Class</b>				
Number of units 'A' in issue at the beginning of the financial year	-	-	11,370,034.876	12,498,448.691
Number of 'A' units issued	-	-	1,051,126.520	914,360.470
Number of 'A' units redeemed	-	-	(474,587.422)	(2,042,774.285)
Number of units 'A' in issue at the end of the financial year	-	-	11,946,573.974	11,370,034.876

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

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## Note 1 – Establishment and Organisation

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The Fund is an open-ended umbrella unit trust established in Ireland as a UCITS pursuant to the UCITS Regulations. The Fund was constituted on February 7, 2005 and commenced trading on September 22, 2005. These financial statements cover the financial year December 31, 2015 to December 29, 2016, the last trading date being December 29, 2016.

As at December 31, 2016, the Fund had ten Sub-Funds denominated in Euro – Active 100 Fund, Active 80 Fund, Active 40 Fund, Active 10 Fund, Aggressive Fund, Aggressive Plus Fund, Dynamic Fund, Balanced Fund, Moderate Fund and Liquidity Fund.

The assets of a Sub-Fund will be invested separately in accordance with the investment objectives and policies of the Sub-Fund as set out in the Sub-Fund Information Card attached to the Prospectus.

## Note 2 – Significant Accounting Policies

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### (a) Basis of Accounting

The financial statements are prepared in accordance with Financial Reporting Standard 102 (“FRS 102”) applicable in the UK and Republic of Ireland, the UCITS Regulations, the CBI UCITS Regulations and the Trust Deed. The financial statements are prepared under the historical cost convention, adjusted to take account of the revaluation of investments.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires the Board of Directors of the Manager to exercise its judgement in the process of applying the Fund’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 17.

### (b) Financial Instruments

#### *(i) Measurement and Recognition*

The Fund has elected to apply the recognition and measurement provisions of IAS 39 - Financial Instruments: Recognition and Measurement (“IAS 39”) and the disclosures of Section 11 and 12 of FRS 102.

The Fund recognises financial assets held-for-trading on the trade date, being the date it commits to purchase or sell short the instruments. From this date any gains and losses arising from changes in fair value of the assets or liabilities are recognised in the relevant Sub-Fund and Statement of Comprehensive Income, where relevant. Other financial assets and liabilities are recognised on the date they are originated.

Financial instruments categorised at fair value through profit or loss are measured initially at fair value, with transaction costs for such instruments being expensed immediately in the Statement of Comprehensive Income, where relevant.

Financial assets and liabilities not at fair value through profit or loss are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

#### *(ii) Classification*

The Fund classifies its investment securities as financial assets and liabilities at fair value through profit or loss: held for trading, in accordance with IAS 39.

Investments are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. This category includes equities and derivatives. These investments are acquired principally for the purpose of generating a profit from fluctuations in the price.

#### *(iii) Subsequent measurement*

After initial measurement, the Fund measures financial instruments, which are classified at fair value through profit or loss, at their fair values.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty in the case of non-exchange traded instruments, at the Statement of Financial Position date without any deduction for estimated future selling costs. Financial assets and financial liabilities are priced at their last traded value.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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### Note 2 – Significant Accounting Policies (continued)

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**(b) Financial Instruments (continued)**

*(iii) Subsequent measurement (continued)*

If a quoted market price is not available on a recognised stock exchange or from a reputable broker/counterparty, the fair value of the financial instruments may be estimated by a competent person using valuation techniques, including use of recent arm's length market transactions and reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the Statement of Comprehensive Income, where relevant.

All investments in the Fund's portfolios as at December 31, 2016 were recorded at the fair value.

*(iv) Derecognition*

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or the Fund has transferred substantially all the risk and rewards of ownership and the transfer qualifies for derecognition in accordance with IAS 39. The Fund derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

**(c) Income Recognition**

Income arising on interest bearing securities is accounted for on an accrual basis and is shown gross of withholding tax if deducted. Deposit interest is accounted for on an accrual basis. Dividend income is recognised in the financial statements on the date the related security is listed "ex dividend" and is stated gross of any withholding tax.

**(d) Operating Expenses**

The Fund is responsible for all normal operating expenses including administration fees, fees and expenses of the Manager and the Trustee, audit fees, stamp and other duties and charges incurred on the acquisition and realisation of investments. Such costs are expensed in the financial year to which they relate.

**(e) Valuation of Investments**

The valuation point for these annual financial statements was December 29, 2016. The assets of a Sub-Fund are valued on each dealing day as follows:

- i) Any asset listed and regularly traded on a recognised exchange and for which market quotations are readily available shall be valued at the last traded price at the relevant valuation point. Any asset listed but not regularly traded on a recognised exchange and for which market quotations are readily available shall be valued at the latest available price at the relevant valuation point, provided that the value of any investment listed on a recognised exchange but acquired or traded at a premium or at a discount outside or off the relevant recognised exchange or on an over-the-counter market, shall be valued taking into account the level of premium or discount as of the date of valuation of the investment and subject to approval of the Trustee.
- ii) If an asset is listed on several recognised exchanges, the stock exchange or market, which in the opinion of the Administrator constitutes the main market for such assets, will be used.
- iii) The assets of a Sub-Fund which are not listed or which are listed but in respect of which prices are not available or in respect of which the last traded price does not represent fair market value shall be valued at their probable realisation value estimated with care in good faith by (i) the Administrator, based upon the advice of the relevant Investment Manager and such value will be approved by the Trustee or (ii) a competent person, firm or corporation selected by the Manager and approved for such purpose by the Trustee.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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### Note 2 – Significant Accounting Policies (continued)

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#### (e) Valuation of Investments (continued)

- iv) Derivative contracts traded on a regulated market including without limitation futures and options contracts and index futures shall be valued at the settlement price as determined by the market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by (i) the Manager or (ii) a competent person, firm or corporation selected by the Manager and approved for the purpose by the Trustee or (iii) any other means provided that the value is approved by the Trustee. Over-the-counter derivative contracts will be valued daily either (i) on the basis of a quotation provided by the relevant counterparty and such valuation shall be approved or verified at least weekly by a party who is approved for the purpose by the Trustee and who is independent of the counterparty (the “Counterparty Valuation”); or (ii) using an alternative valuation provided by a competent person appointed by the Manager and approved for the purpose by the Trustee or a valuation by any other means provided that the value is approved by the Trustee (the “Alternative Valuation”). Where the Alternative Valuation method is used the Manager will follow international best practice and adhere to the principles on valuation of over-the-counter instruments established by bodies such as IOSCO (the International Organisation of Securities Commissions) and AIMA (the Alternative Investment Management Association) and will be reconciled to the Counterparty Valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained.
- v) Forward foreign exchange and interest rate swap contracts shall be valued in the same manner as over-the-counter derivatives contracts or by reference to freely available market quotations.
- vi) Units in other investment funds not valued pursuant to paragraph i) above are valued by reference to the latest available net asset value of the units of the relevant investment funds.
- vii) The Manager, with the approval of the Trustee may adjust the value of any investment if, having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant consideration, they consider that such adjustment is required to reflect the fair value thereof.
- viii) Assets denominated in a currency other than in the base currency of the relevant Sub-Fund are converted into the base currency at the rate (whether official or otherwise) which the Administrator after consulting or in accordance with a method approved by the Trustee deems appropriate in the circumstances.
- ix) Cash and other liquid assets are valued at their nominal value plus accrued interest.
- x) In the case of non-money market Sub-Funds, the Manager may value money market instruments on an amortised cost basis, in accordance with the Central Bank of Ireland’s requirements.

#### (f) Investment Gains and Losses

Realised gains and losses and unrealised gains and losses arising on the valuation of investments are recognised in the Statement of Comprehensive Income, where relevant. The cost of investments sold is recognised on a weighted average basis.

#### (g) Cash and Cash Equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

#### (h) Foreign Currencies

The reporting currency of the Fund and of each Sub-Fund is Euro. Foreign currency assets and liabilities are translated into Euro at the exchange rate ruling at the financial year end. The cost of investment securities expressed in currencies other than the Euro are translated into Euro at the exchange rate prevailing at the purchase date. Transactions in foreign currencies are translated into Euro at the exchange rate at the date of the transaction. The portion of realised gains and losses on sale of investments that result from changes in the foreign exchange rates between the date of purchases and sales are included in net realised appreciation on sale of investments in the Statement of Comprehensive Income, where relevant.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 2 – Significant Accounting Policies (continued)

(i) **Net Asset Value**

The net asset value per unit of each class of units is calculated by dividing the net assets of the Sub-Fund attributable to that class by the total number of units outstanding in that class.

(j) **Cash Flow Statement**

The Fund has availed itself of certain exemptions contained in FRS 102 Section 7.1A 'Cash Flow Statements' and has presented a Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units in place of a cash flow statement. In the opinion of the Directors of the Manager, this information also satisfies the requirement of FRS 102 Section 10.4 'Reporting Financial Performance' in relation to a reconciliation of movements in Unitholders' Equity.

(k) **Transaction fees**

Transaction fees include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and security exchanges, and transfer taxes and duties. Transaction fees do not include debt premiums or discounts, financing costs or internal administrative or holding costs. Transaction fees relate to the purchase and sale of investments.

(l) **Classification of Redeemable Participating Units**

The Fund provides its Unitholders with the right to redeem their interest in the Fund at any dealing date for cash equal to their proportionate share of the Net Asset Value of the Fund. Under FRS 102, this right represents in substance a liability of the Fund to Unitholders and accordingly redeemable participating units are classified as financial liabilities in these financial statements. The liability to Unitholders is prescribed as "Net assets attributable to holders of redeemable participating units" in the Statement of Financial Position. Distributions to Unitholders are shown as a financial cost in the Statement of Comprehensive Income, where relevant.

In accordance with FRS 102 Section 22, financial instruments issued by the Fund are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Fund to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Fund; and
- where the instrument will or may be settled in the Fund's own equity instruments, it is either a non derivative that includes no obligation to deliver a variable number of the Fund's own equity instruments or is a derivative that will be settled by the Fund's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

## Note 3 – Movements in Capital for the Financial Year Ended December 31, 2016

(expressed in EUR)	ACTIVE 100 FUND		ACTIVE 80 FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Issue of units	914,763	1,772,220	198,383	530,778
Redemption of units	(9,942,546)	(36,573,120)	(7,005,734)	(17,582,369)
<b>Total</b>	<b>(9,027,783)</b>	<b>(34,800,900)</b>	<b>(6,807,351)</b>	<b>(17,051,591)</b>

(expressed in EUR)	ACTIVE 40 FUND		ACTIVE 10 FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Issue of units	136,466	798,365	60,503	204,677
Redemption of units	(2,706,383)	(5,354,950)	(783,896)	(1,207,022)
<b>Total</b>	<b>(2,569,917)</b>	<b>(4,556,585)</b>	<b>(723,393)</b>	<b>(1,002,345)</b>

(expressed in EUR)	AGGRESSIVE FUND		AGGRESSIVE PLUS FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Issue of units	94,354	350,387	431,454	1,401,519
Redemption of units	(1,279,372)	(4,581,662)	(3,079,179)	(12,111,687)
<b>Total</b>	<b>(1,185,018)</b>	<b>(4,231,275)</b>	<b>(2,647,725)</b>	<b>(10,710,168)</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 3 – Movements in Capital for the Financial Year Ended December 31, 2016 (continued)

(expressed in EUR)	DYNAMIC FUND		BALANCED FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Issue of units	130,079	412,208	554,800	744,282
Redemption of units	(1,319,630)	(4,376,263)	(1,461,296)	(2,772,196)
<b>Total</b>	<b>(1,189,551)</b>	<b>(3,964,055)</b>	<b>(906,496)</b>	<b>(2,027,914)</b>

(expressed in EUR)	MODERATE FUND		LIQUIDITY FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Issue of units	76,191	403,662	12,487,167	19,338,463
Redemption of units	(183,279)	(903,328)	(7,569,992)	(31,665,986)
<b>Total</b>	<b>(107,088)</b>	<b>(499,666)</b>	<b>4,917,175</b>	<b>(12,327,523)</b>

(expressed in EUR)	TOTAL	TOTAL
	Dec 2016	Dec 2015
Issue of units	15,084,160	25,956,561
Redemption of units	(35,331,307)	(117,128,583)
<b>Total</b>	<b>(20,247,147)</b>	<b>(91,172,022)</b>

### Note 4 – Units

Units of each Sub-Fund are all freely transferable and, subject to the differences between units of different Classes as outlined below, are all entitled to participate equally in the profits and distributions (if any) of that Sub-Fund and in its assets in the event of termination. The units, which are of no par value and which must be fully paid for upon issue other than in certain circumstances which are at the discretion of the Manager, carry no preferential or pre-emptive rights. Fractions of units may be issued up to three decimal places.

A unit in a Sub-Fund represents the beneficial ownership of one undivided share in the assets of the relevant Sub-Fund attributable to the relevant Class.

The Fund is made up of the Sub-Funds, each Sub-Fund being a single pool of assets. The Manager may, whether on the establishment of a Sub-Fund or from time to time, create more than one Class of units in a Sub-Fund to which different levels of subscription fees and expenses (including the management fee), minimum subscription, designated currency, hedging strategy (if any) applied to the designated currency of the Class, distribution policy and such other features as the Manager may determine may be applicable. Units shall be issued to investors as units in a Class.

“A” units are accumulating Classes and are not entitled to receive distributions whereas “B” units are distributing Classes and shall receive distributions.

The net assets attributable to holders of redeemable participating units are at all times equal to the Net Asset Value of the Fund. The participating units are in substance a liability of the Fund to Unitholders under FRS 102 as they can be redeemed at the option of the Unitholder.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 5 – Taxation

The Fund qualifies as an investment undertaking as defined in Section 739B (1) of the Taxes Act. Under current Irish law and practice, it is not chargeable to Irish tax on its income and capital gains. Tax may arise on the happening of a chargeable event. A chargeable event includes any distribution payments to Unitholders or any encashment, redemption or transfer of units. No tax will arise on the Fund in respect of chargeable events in respect of:

- (i) a Unitholder who is not Irish resident and not ordinarily resident in Ireland at the time of the chargeable event, or
- (ii) certain exempted Irish resident investors who have provided the Fund with the necessary signed statutory declarations, or
- (iii) units held in a recognised clearing system as designated by the order of the Irish Revenue Commissioners.

Distributions and interest on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Fund may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreement in operation between Ireland and other countries. The Fund may not, therefore, be able to reclaim withholding tax suffered by it in particular countries.

To the extent that a chargeable event arises in respect of an Irish Unitholder, the Fund may be required to deduct tax in connection with that chargeable event and pay the tax to the Irish Revenue Commissioners. A chargeable event can include dividend payments to Unitholders, appropriation, cancellation, redemption, repurchase or transfer of units, or a deemed disposal of units every 8 years beginning from the date of acquisition of those units. Certain exemptions can apply to tax exempt Irish investors to the extent that these Unitholders have appropriate tax declarations in place with the Fund, in which case there may be no requirement to deduct tax.

### Note 6 – Contingent Liabilities

There were no contingent liabilities at the financial year end (there were no contingent liabilities as at December 31, 2015).

### Note 7 – Soft Commission Arrangements

For both the financial year ended December 31, 2016 and financial year ended December 31, 2015, the Investment Manager received soft commissions from brokers/dealers in consideration for directing dealings in the investments of the Fund. These soft commissions were in the form of goods and services such as subscriptions to research services which are of demonstrable benefits to the Unitholders.

### Note 8 – Fee Schedule

Mediolanum International Funds Limited, the Manager, receives an annual management fee, accrued daily and payable monthly in arrears, based on the percentage of the Net Asset Value attributable to each Class of each Sub-Fund as follows:

	S Class	S H Class	S A Class
Active 100 Fund	1.00%	-	-
Active 80 Fund	0.90%	-	-
Active 40 Fund	0.50%	-	-
Active 10 Fund	0.25%	-	-
Aggressive Fund	0.70%	0.70%	-
Aggressive Plus Fund	0.70%	0.70%	-
Dynamic Fund	0.60%	0.60%	-
Balanced Fund	0.45%	0.45%	-
Moderate Fund	0.35%	0.35%	-
Liquidity Fund	0.30%	-	0.20%

Mediolanum Asset Management Limited, the Investment Manager, shall be entitled to receive out of the assets of each relevant Sub-Fund an annual fee, accrued at each valuation point and payable monthly in arrears of 0.30% of the Net Asset Value of the relevant Sub-Fund (plus VAT, if any), subject to a minimum annual fee of Euro 75,000 per Sub-Fund. The Investment Manager has waived its right to the minimum fee of Euro 75,000 with effect from October 6, 2009 for the Active 10 Fund, the Aggressive Fund and the Moderate Fund. The Investment Manager has waived its right to the minimum fee of Euro 75,000 with effect from December 1, 2012 for the Dynamic Fund and the Balanced Fund. The Investment Manager has waived its right to the minimum fee of Euro 75,000 with effect from May 1, 2015 for the Active 40 Fund. With effect from February 12, 2015 the Investment Manager has agreed to waive its Investment Management fee of 30bps for the Liquidity Fund (such fee waiver may be withdrawn by the Investment Manager on provision of 30 days notice to the Manager). An Investment Manager shall not be entitled to be repaid for any out-of-pocket expenses out of the assets of a Sub-Fund.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 8 – Fee Schedule (continued)

Below is a breakdown per Sub-Fund of what the Manager and Investment Manager received for the financial year ended December 31, 2016.

(expressed in EUR) Sub-Fund Name	Management Fees		Investment Management Fees	
	Dec 16	Dec 15	Dec 16	Dec 15
Active 100 Fund	828,334	1,043,371	248,611	313,405
Active 80 Fund	507,783	606,962	169,351	202,538
Active 40 Fund	77,142	94,678	46,314	60,987
Active 10 Fund	11,556	13,724	13,873	16,479
Aggressive Fund	77,028	95,735	33,025	41,077
Aggressive Plus Fund	212,968	257,995	91,301	110,692
Dynamic Fund	77,209	91,838	38,621	45,966
Balanced Fund	55,519	62,878	37,017	41,940
Moderate Fund	12,556	13,863	10,763	11,889
Liquidity Fund	279,051	287,087	-	51,063
	<b>2,139,146</b>	<b>2,568,131</b>	<b>688,876</b>	<b>896,036</b>

RBC Investor Services Bank S.A., Dublin Branch, the Trustee, receives a fee equal to 0.005% per annum of the Net Asset Value of each Sub-Fund (plus VAT, if any). The safekeeping fee is charged at a rate of 0.0125% per annum of the Net Asset Value of each Sub-Fund (plus VAT, if any). Each Sub-Fund will also be responsible for transaction charges and sub-custody transaction charges (which will be charged at normal commercial rates).

Effective April 1, 2016, the Trustee is entitled to a depositary cash flow monitoring and reconciliation flat fee of Euro 2,000 per Sub-Fund per annum and also depositary oversight fees charged at 0.002% per annum of the Net Asset Value of each Sub-Fund (plus VAT, if any).

The Trustee received fees of Euro 36,237 as Trustee Fees, for the financial year ended December 31, 2016 (December 31, 2015: Euro 11,695).

The Trustee received fees of Euro 23,920 as Depositary Oversight Fees, for the financial year ended December 31, 2016 (December 31, 2015: Euro 29,236).

The Trustee shall also be entitled to be repaid all of its disbursements out of the assets of each Sub-Fund. The Trustee shall pay out of its own fee, the fees of any sub-custodian appointed by it.

RBC Investor Services Ireland Limited, the Administrator, will be entitled to receive out of the assets of the Fund, an administration fee, accrued daily and payable monthly in arrears, of Euro 15,000 (plus VAT, if any) per Sub-Fund per annum. The annual administration fee will be allocated between all Sub-Funds so that each Sub-Fund will be charged a proportionate share of the administration fee based on the Net Asset Value of each Sub-Fund. Each Sub-Fund will also be responsible for transaction charges (which will be charged at normal commercial rates).

The Administrator received fees of Euro 181,059 for the financial year ended December 31, 2016 (December 31, 2015: Euro 184,264).

RBC Investor Services Ireland Limited, the Transfer Agent, receives out of the assets of the Fund an annual fee, accrued daily and payable monthly in arrears at a rate of Euro 3,000 for the Fund, Euro 2,000 per Sub-Fund and Euro 1,600 per Class of units (plus VAT, if any).

The Transfer Agent received fees of Euro 50,322 for the financial year ended December 31, 2016 (December 31, 2015: Euro 52,547).

The Manager shall also be entitled to be repaid all of its administration expenses out of the assets of the Fund, which include an annual fee, payable monthly in arrears of up to 0.045% of the Net Asset Value of each relevant Sub-Fund for which services are provided (plus VAT, if any) in relation to the provision of performance attribution, performance measurement, risk analysis and research services to each relevant Sub-Fund. Administration expenses of Euro 164,596 were incurred for the financial year ended December 31, 2016 (December 31, 2015: Euro 188,384).

### Note 9 – Performance Fee

The Investment Manager is not entitled to receive a performance fee from the assets of the Sub-Funds.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 10 – Foreign Exchange Translation

The exchange rates as at December 31, 2016, which were used to convert assets and liabilities denominated in foreign currencies were as follows:

AUD	1.454350	GBP	0.857862	USD	1.048950
CAD	1.414613	HKD	8.134738		
CHF	1.073758	JPY	122.144916		

The exchange rates as at December 31, 2015, which were used to convert assets and liabilities denominated in foreign currencies were as follows:

AUD	1.496538	GBP	0.735758	USD	1.091350
CAD	1.515612	HKD	8.458963		
CHF	1.080709	JPY	131.584024		

### Note 11 – Cash and Cash Equivalents

Cash balances were held with RBC Investor Services Bank S.A., Dublin Branch and Goldman Sachs. Third Party Deposits were held with Bank of Ireland.

As at December 31, 2016 Liquidity Fund had a cash balance greater than 10% of Net Assets:

Currency	Amount in EUR	Total Percentage of the NAV
<b>LIQUIDITY FUND</b>		
EUR	25,611,953	18.23%
<b>Total</b>	<b>25,611,953</b>	<b>18.23%</b>

As at December 31, 2015 no Sub-Fund had a cash balance greater than 10% of Net Assets.

As at December 31, 2016 and December 31, 2015 the following were the cash balances and cash balances held as collateral:

(expressed in EUR)	ACTIVE 100 FUND		ACTIVE 80 FUND		ACTIVE 40 FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Cash	975,848	857,689	575,350	457,302	125,414	106,714
<b>Total Cash and Cash Equivalents</b>	<b>975,848</b>	<b>857,689</b>	<b>575,350</b>	<b>457,302</b>	<b>125,414</b>	<b>106,714</b>

(expressed in EUR)	ACTIVE 10 FUND		AGGRESSIVE FUND		AGGRESSIVE PLUS FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Cash	41,286	9,755	250,752	255,184	587,521	845,933
<b>Total Cash and Cash Equivalents</b>	<b>41,286</b>	<b>9,755</b>	<b>250,752</b>	<b>255,184</b>	<b>587,521</b>	<b>845,933</b>

Bank Overdraft	-	3,199	-	-	-	-
<b>Bank Overdraft</b>	<b>-</b>	<b>3,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 11 – Cash and Cash Equivalents (continued)

As at December 31, 2016 and December 31, 2015 the following were the cash balances and cash balances held as collateral:

(expressed in EUR)	DYNAMIC FUND		BALANCED FUND		MODERATE FUND	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Cash	169,721	199,399	77,300	180,146	88,323	81,982
<b>Cash balances held as collateral</b>						
Goldman Sachs	-	8,063	-	8,063	-	-
<b>Total Cash and Cash Equivalents</b>	<b>169,721</b>	<b>207,462</b>	<b>77,300</b>	<b>188,209</b>	<b>88,323</b>	<b>81,982</b>
Bank Overdraft	-	3,134	-	3,134	-	-
<b>Bank Overdraft</b>	<b>-</b>	<b>3,134</b>	<b>-</b>	<b>3,134</b>	<b>-</b>	<b>-</b>

(expressed in EUR)	LIQUIDITY FUND	
	Dec 2016	Dec 2015
Cash	25,611,953	2,782,688
<b>Total Cash and Cash Equivalents</b>	<b>25,611,953</b>	<b>2,782,688</b>

### Note 12 – Derivative Contracts

UCITS Regulations permits Funds to invest in financial derivative instruments both for investment purposes and for efficient portfolio management/hedging purposes, in each case subject to the conditions and within the limits laid down by the Central Bank of Ireland and the Fund's investment policies. The Sub-Fund Information Card outlines the permitted techniques and instruments for each Sub-Fund. During the financial year the instruments used by the Sub-Funds were for investment purposes and for efficient portfolio management/hedging purposes. These instruments consisted of options, futures and swaps. The Sub-Funds also entered into forward currency contracts to purchase or sell a specific currency at a future date at a price set at the time of the contract.

The Sub-Funds entered into these contracts to hedge against changes in currency exchange rates. The Sub-Funds can use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

Please see Note 11 for details of Cash held as Collateral and Notes 13 to 16 for details of Forwards, Options, Futures and Swaps.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 13 – Forward Foreign Exchange Contracts

As at December 31, 2016, the Fund had entered into the following outstanding contracts with RBC Investor Services Bank S.A.:

Sub-Fund Name	Currency Purchased	Currency Sold	Fair Value EUR
<b>ACTIVE 100 FUND</b>			
<b>Maturity</b>			
Total as at December 31, 2016			-
Total as at December 31, 2015			(218,817)
<b>ACTIVE 80 FUND</b>			
<b>Maturity</b>			
Total as at December 31, 2016			-
Total as at December 31, 2015			(146,885)
<b>ACTIVE 40 FUND</b>			
<b>Maturity</b>			
Total as at December 31, 2016			-
Total as at December 31, 2015			(42,047)
<b>ACTIVE 10 FUND</b>			
<b>Maturity</b>			
Total as at December 31, 2016			-
Total as at December 31, 2015			(12,646)
<b>AGGRESSIVE FUND</b>			
<b>Maturity</b>			
27-Jan-17	EUR	124,603	AUD (179,087) 1,797
27-Jan-17	EUR	106,478	CAD (148,218) 1,773
27-Jan-17	EUR	110,021	CHF (117,477) 585
27-Jan-17	EUR	237,275	GBP (199,528) 4,815
27-Jan-17	EUR	419,977	JPY (51,486,120) (1,530)
27-Jan-17	EUR	2,812,237	USD (2,924,920) 26,378
27-Jan-17	EUR	2,296	CHF (2,463) 3
Total as at December 31, 2016			33,821
Total as at December 31, 2015			(50,455)
<b>AGGRESSIVE PLUS FUND</b>			
<b>Maturity</b>			
27-Jan-17	EUR	227,581	AUD (327,094) 3,283
27-Jan-17	EUR	447,919	GBP (376,662) 9,089
27-Jan-17	EUR	257,651	HKD (2,081,126) 2,046
27-Jan-17	EUR	787,842	JPY (96,583,788) (2,871)
27-Jan-17	EUR	5,373,154	USD (5,588,451) 50,399
27-Jan-17	HKD	50,839	EUR (6,265) (20)
Total as at December 31, 2016			61,926
Total as at December 31, 2015			(119,655)

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 13 – Forward Foreign Exchange Contracts (continued)

Sub-Fund Name	Currency Purchased		Currency Sold		Fair Value EUR
<b>DYNAMIC FUND</b>					
<b>Maturity</b>					
27-Jan-17	EUR	187,116	GBP	(157,348)	3,797
27-Jan-17	EUR	350,267	JPY	(42,940,241)	(1,276)
27-Jan-17	EUR	2,161,225	USD	(2,247,823)	20,272
27-Jan-17	EUR	108,076	AUD	(156,050)	1,066
27-Jan-17	AUD	156,050	EUR	(107,574)	(562)
27-Jan-17	EUR	97,607	AUD	(142,271)	43
27-Jan-17	EUR	4,225	GBP	(3,628)	(2)
27-Jan-17	EUR	9,423	JPY	(1,151,372)	(3)
<b>Total as at December 31, 2016</b>					<b>23,335</b>
<b>Total as at December 31, 2015</b>					<b>(50,954)</b>
<b>BALANCED FUND</b>					
<b>Maturity</b>					
27-Jan-17	EUR	139,956	GBP	(117,691)	2,840
27-Jan-17	EUR	295,884	JPY	(36,273,293)	(1,078)
27-Jan-17	EUR	1,775,155	USD	(1,846,284)	16,651
27-Jan-17	USD	39,433	EUR	(37,717)	(158)
27-Jan-17	EUR	4,376	GBP	(3,758)	(3)
27-Jan-17	EUR	9,679	JPY	(1,182,681)	(2)
27-Jan-17	EUR	36,384	USD	(38,221)	(20)
<b>Total as at December 31, 2016</b>					<b>18,230</b>
<b>Total as at December 31, 2015</b>					<b>(45,246)</b>
<b>MODERATE FUND</b>					
<b>Maturity</b>					
27-Jan-17	EUR	47,393	JPY	(5,810,091)	(173)
27-Jan-17	EUR	262,974	USD	(273,511)	2,467
27-Jan-17	EUR	3,256	JPY	(397,808)	(1)
27-Jan-17	EUR	5,821	USD	(6,115)	(3)
<b>Total as at December 31, 2016</b>					<b>2,290</b>
<b>Total as at December 31, 2015</b>					<b>(11,382)</b>

## Note 14 – Options

As at December 31, 2016, the Fund had not entered into any option transactions (as at December 31, 2015, the Fund had not entered into any option transactions).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 15 – Futures Contracts

As at December 31, 2016, the Fund had not entered into any futures contracts. As at December 31, 2015, the Fund had entered into the following future contracts:

Numbers of contracts purchased/(sold)	Description	Currency	Commitments	Fair Value EUR
<b>DYNAMIC FUND</b>				
Total as at December 31, 2016				-
Total as at December 31, 2015				3,134
<b>BALANCE FUND</b>				
Total as at December 31, 2016				-
Total as at December 31, 2015				3,134

### Note 16 – Swaps

The Fund may enter into various swap contracts including, but not limited to, credit default swaps, equity swaps and interest rate swaps. The purpose is to create, manage or reduce the Fund's exposure to interest rate movements, defaults of corporate and sovereign debts, or other markets, as appropriate.

Credit default swap contracts involve an arrangement between the Fund and a counterparty which allow the Fund to protect against losses incurred as a result of default on certain designated bonds by a specified reference entity.

As at December 31, 2016, the Fund had not entered into any swap transactions.

Buy/Sell	Description	Maturity Date	Quantity	Currency	Issuer	Fair Value EUR
<b>ACTIVE 100 FUND</b>						
Total as at December 31, 2016						-
Total as at December 31, 2015						40,483
<b>ACTIVE 80 FUND</b>						
Total as at December 31, 2016						-
Total as at December 31, 2015						26,977
<b>ACTIVE 40 FUND</b>						
Total as at December 31, 2016						-
Total as at December 31, 2015						7,693
<b>AGGRESSIVE FUND</b>						
Total as at December 31, 2016						-
Total as at December 31, 2015						5,341

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 16 – Swaps (continued)

						Fair Value
Buy/Sell	Description	Maturity Date	Quantity	Currency	Issuer	EUR
AGGRESSIVE PLUS FUND						
Total as at December 31, 2016						-
Total as at December 31, 2015						14,672
DYNAMIC FUND						
Total as at December 31, 2016						-
Total as at December 31, 2015						6,163
BALANCED FUND						
Total as at December 31, 2016						-
Total as at December 31, 2015						5,799

### Note 17 – Risks Associated with Financial Instruments

The Fund is exposed to risk, which includes market risk, currency risk, liquidity risk, credit risk and interest rate risk arising from the financial instruments it holds. The Fund may use derivatives and other instruments in connection with its risk management activities.

The Fund has in place guidelines that set out its overall business strategies and its general risk management philosophy and has established processes to monitor and control economic hedging transactions in a timely and accurate manner. The Investment Manager employs a risk management process to monitor and control position risk in a timely and accurate manner.

The Fund's accounting policies in relation to derivatives are set out in Note 2 to the financial statements.

The Sub-Funds utilise various methods to value investments measured at fair value on a recurring and non recurring basis.

The Financial Reporting Council issued an amendment to FRS 102 fair value hierarchy disclosures which aligns with IFRS 13 Fair Value Measurement effective for accounting periods beginning on or after January 1, 2017 with early application permitted. The Fund has elected to apply the amendment for these financial statements.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement (lowest being level 3).

Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect Fund management's assumptions, made in good faith, about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The determination of what constitutes "observable" requires significant judgment by Fund management. Fund management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to Fund management's perceived risk of that instrument.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, Fund management's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. Fund management uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 17 – Risks Associated with Financial Instruments (continued)

The three levels of inputs are defined as follows:

Level 1 - The unadjusted quoted price in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 - Inputs other than quoted prices included within level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly; and

Level 3 - Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The following tables summarise the inputs used to value the Sub-Funds' financial instruments measured at fair value on a recurring and non-recurring basis as at December 31, 2016:

	Total Investments	Quoted prices in active markets	Significant other observable inputs	Significant unobservable inputs
	EUR	(Level 1) EUR	(Level 2) EUR	(Level 3) EUR
Assets and Liabilities	Dec 2016	Dec 2016	Dec 2016	Dec 2016
<b>ACTIVE 100 FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	1,947,540	-	1,947,540	-
Investments in investment funds	82,087,770	-	82,087,770	-
<b>Total</b>	<b>84,035,310</b>	<b>-</b>	<b>84,035,310</b>	<b>-</b>
<b>ACTIVE 80 FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	2,151,446	-	2,151,446	-
Investments in investment funds	52,944,007	-	52,944,007	-
<b>Total</b>	<b>55,095,453</b>	<b>-</b>	<b>55,095,453</b>	<b>-</b>
<b>ACTIVE 40 FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	577,931	-	577,931	-
Investments in investment funds	14,143,999	-	14,143,999	-
<b>Total</b>	<b>14,721,930</b>	<b>-</b>	<b>14,721,930</b>	<b>-</b>
<b>ACTIVE 10 FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in investment funds	4,260,792	-	4,260,792	-
<b>Total</b>	<b>4,260,792</b>	<b>-</b>	<b>4,260,792</b>	<b>-</b>
<b>AGGRESSIVE FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in investment funds	10,934,883	-	10,934,883	-
Forward foreign exchange contracts	35,351	-	35,351	-
<b>Total</b>	<b>10,970,234</b>	<b>-</b>	<b>10,970,234</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	1,530	-	1,530	-
<b>Total</b>	<b>1,530</b>	<b>-</b>	<b>1,530</b>	<b>-</b>



# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 17 – Risks Associated with Financial Instruments (continued)

	Total Investments	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	EUR	EUR	EUR	EUR
Assets and Liabilities	Dec 2016	Dec 2016	Dec 2016	Dec 2016
<b>AGGRESSIVE PLUS FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in investment funds	30,313,795	-	30,313,795	-
Forward foreign exchange contracts	64,817	-	64,817	-
<b>Total</b>	<b>30,378,612</b>	<b>-</b>	<b>30,378,612</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	2,891	-	2,891	-
<b>Total</b>	<b>2,891</b>	<b>-</b>	<b>2,891</b>	<b>-</b>
<b>DYNAMIC FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	315,873	-	315,873	-
Investments in investment funds	12,313,539	-	12,313,539	-
Forward foreign exchange contracts	25,178	-	25,178	-
<b>Total</b>	<b>12,654,590</b>	<b>-</b>	<b>12,654,590</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	1,843	-	1,843	-
<b>Total</b>	<b>1,843</b>	<b>-</b>	<b>1,843</b>	<b>-</b>
<b>BALANCED FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	305,344	-	305,344	-
Investments in investment funds	11,768,455	-	11,768,455	-
Forward foreign exchange contracts	19,491	-	19,491	-
<b>Total</b>	<b>12,093,290</b>	<b>-</b>	<b>12,093,290</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	1,261	-	1,261	-
<b>Total</b>	<b>1,261</b>	<b>-</b>	<b>1,261</b>	<b>-</b>
<b>MODERATE FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	239,830	-	239,830	-
Investments in investment funds	3,262,727	-	3,262,727	-
Forward foreign exchange contracts	2,467	-	2,467	-
<b>Total</b>	<b>3,505,024</b>	<b>-</b>	<b>3,505,024</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	177	-	177	-
<b>Total</b>	<b>177</b>	<b>-</b>	<b>177</b>	<b>-</b>
<b>LIQUIDITY FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	113,202,273	-	113,202,273	-
<b>Total</b>	<b>113,202,273</b>	<b>-</b>	<b>113,202,273</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 17 – Risks Associated with Financial Instruments (continued)

The following tables summarise the inputs used to value the Sub-Funds' financial instruments measured at fair value on a recurring and non-recurring basis as at December 31, 2015:

	Total Investments	Quoted prices in active markets	Significant other observable inputs	Significant unobservable inputs
	EUR	(Level 1) EUR	(Level 2) EUR	(Level 3) EUR
Assets and Liabilities	Dec 2015	Dec 2015	Dec 2015	Dec 2015
<b>ACTIVE 100 FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	2,398,493	-	2,398,493	-
Investments in investment funds	87,746,184	-	87,746,184	-
Swaps	40,483	-	40,483	-
<b>Total</b>	<b>90,185,160</b>	<b>-</b>	<b>90,185,160</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	218,817	-	218,817	-
<b>Total</b>	<b>218,817</b>	<b>-</b>	<b>218,817</b>	<b>-</b>
<b>ACTIVE 80 FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	2,432,410	-	2,432,410	-
Investments in investment funds	58,103,879	-	58,103,879	-
Swaps	26,977	-	26,977	-
<b>Total</b>	<b>60,563,266</b>	<b>-</b>	<b>60,563,266</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Futures contracts	146,885	-	146,885	-
<b>Total</b>	<b>146,885</b>	<b>-</b>	<b>146,885</b>	<b>-</b>
<b>ACTIVE 40 FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	1,391,984	-	1,391,984	-
Investments in investment funds	15,590,515	-	15,590,515	-
Swaps	7,693	-	7,693	-
<b>Total</b>	<b>16,990,192</b>	<b>-</b>	<b>16,990,192</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Futures contracts	42,047	-	42,047	-
<b>Total</b>	<b>42,047</b>	<b>-</b>	<b>42,047</b>	<b>-</b>
<b>ACTIVE 10 FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	399,067	-	399,067	-
Investments in investment funds	4,587,922	-	4,587,922	-
<b>Total</b>	<b>4,986,989</b>	<b>-</b>	<b>4,986,989</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	12,646	-	12,646	-
<b>Total</b>	<b>12,646</b>	<b>-</b>	<b>12,646</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 17 – Risks Associated with Financial Instruments (continued)

	Total Investments  EUR Dec 2015	Quoted prices in active markets (Level 1) EUR Dec 2015	Significant other observable inputs (Level 2) EUR Dec 2015	Significant unobservable inputs (Level 3) EUR Dec 2015
<b>Assets and Liabilities</b>				
<b>AGGRESSIVE FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in investment funds	11,922,682	-	11,922,682	-
Forward foreign exchange contracts	498	-	498	-
Swaps	5,341	-	5,341	-
<b>Total</b>	<b>11,928,521</b>	<b>-</b>	<b>11,928,521</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Futures contracts	-	-	-	-
Forward foreign exchange contracts	50,953	-	50,953	-
<b>Total</b>	<b>50,953</b>	<b>-</b>	<b>50,953</b>	<b>-</b>
<b>AGGRESSIVE PLUS FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in investment funds	31,914,205	-	31,914,205	-
Forward foreign exchange contracts	1,012	-	1,012	-
Swaps	14,672	-	14,672	-
<b>Total</b>	<b>31,929,889</b>	<b>-</b>	<b>31,929,889</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	120,667	-	120,667	-
<b>Total</b>	<b>120,667</b>	<b>-</b>	<b>120,667</b>	<b>-</b>
<b>DYNAMIC FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	349,184	-	349,184	-
Investments in investment funds	13,202,614	-	13,202,614	-
Forward foreign exchange contracts	400	-	400	-
Futures contracts	3,134	3,134	-	-
Swaps	6,163	-	6,163	-
<b>Total</b>	<b>13,561,495</b>	<b>3,134</b>	<b>13,558,361</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	51,354	-	51,354	-
<b>Total</b>	<b>51,354</b>	<b>-</b>	<b>51,354</b>	<b>-</b>
<b>BALANCED FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	325,430	-	325,430	-
Investments in investment funds	12,457,703	-	12,457,703	-
Futures contracts	3,134	3,134	-	-
Swaps	5,799	-	5,799	-
<b>Total</b>	<b>12,792,066</b>	<b>3,134</b>	<b>12,788,932</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	45,246	-	45,246	-
<b>Total</b>	<b>45,246</b>	<b>-</b>	<b>45,246</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 17 – Risks Associated with Financial Instruments (continued)

	Total Investments	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	EUR	EUR	EUR	EUR
Assets and Liabilities	Dec 2015	Dec 2015	Dec 2015	Dec 2015
<b>MODERATE FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	248,229	-	248,229	-
Investments in investment funds	3,369,192	-	3,369,192	-
Forward foreign exchange contracts	45	-	45	-
<b>Total</b>	<b>3,617,466</b>	<b>-</b>	<b>3,617,466</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	11,427	-	11,427	-
<b>Total</b>	<b>11,427</b>	<b>-</b>	<b>11,427</b>	<b>-</b>
<b>LIQUIDITY FUND</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investments in securities at market value	130,323,332	-	130,323,332	-
<b>Total</b>	<b>130,323,332</b>	<b>-</b>	<b>130,323,332</b>	<b>-</b>

### Valuation Techniques

When fair values of listed equity as well as publicly traded derivatives at the reporting date, are based on quoted market prices or binding dealer price quotations, without any deduction for transaction costs, the instruments are included within level 1 of the hierarchy. Fair values of debt securities are included within level 2 of the hierarchy.

For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models and other relevant valuation models.

The Fund uses widely recognised valuation models for determining fair values of over-the-counter derivatives. For these financial instruments, inputs into models are market observable and are therefore included within level 2.

The fair values of currency exchange contracts are calculated by reference to current exchange rates for contracts with similar maturity and risk profiles.

The fair values of any investments in any open ended investment funds are based on the net asset value (market value of the Sub-Fund's assets less liabilities / number of units) calculated by the administrator of the underlying investment funds. The net asset value of the underlying investment funds are adjusted for any factors that indicate that the net asset value per share, as calculated by the administrator of the underlying investment funds, may not be the fair value. Investments in investment funds are categorised in level 2, except for any exchange traded funds which may be classified as level 1.

The investment objective of each Sub-Fund is as follows:

#### Active 100 Fund

The objective of the Sub-Fund is to provide long-term capital appreciation through a global exposure (including emerging markets) to a diversified portfolio of equity securities.

#### Active 80 Fund

The objective of the Sub-Fund is to provide long-term capital appreciation through a global exposure (including emerging markets) to a diversified portfolio of equity securities.

#### Active 40 Fund

The objective of the Sub-Fund is to provide long-term capital appreciation through a global exposure (including emerging markets) to a diversified portfolio of bonds and equity securities.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

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## Note 17 – Risks Associated with Financial Instruments (continued)

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### Active 10 Fund

The objective of the Sub-Fund is to provide medium-term capital appreciation through a global exposure (including emerging markets) to a diversified portfolio of bonds.

### Aggressive Fund

The objective of the Sub-Fund is to provide long-term capital appreciation through a global exposure to a diversified portfolio of equity securities.

### Aggressive Plus Fund

The objective of the Sub-Fund is to provide long-term capital appreciation through a global exposure (including emerging markets) to a diversified portfolio of equity securities.

### Dynamic Fund

The objective of the Sub-Fund is to provide long-term capital appreciation through a global exposure to a diversified portfolio of mainly equity securities.

### Balanced Fund

The objective of the Sub-Fund is to provide long-term capital appreciation through a global exposure to a diversified portfolio of bonds and equity securities.

### Moderate Fund

The objective of the Sub-Fund is to provide long-term capital appreciation through a global exposure to a diversified portfolio of bonds and equity securities.

### Liquidity Fund

The investment objective of the Sub-Fund is to provide capital appreciation through a global exposure (including emerging markets) to a diversified portfolio of money market instruments (including but not limited to commercial paper, mortgage and asset backed securities with maturities of up to 10 years) and/or fixed income securities denominated in Euro (or hedged into Euro) listed or traded on recognised exchanges in both developed and emerging markets.

The Schedules of Investments on pages 70 to 98 are representative of the type of investments held during the financial year.

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control economic hedging transactions in a timely and accurate manner. The Fund's accounting policies in relation to derivatives are set out in Note 2 and the Fund has a Risk Management Process in place for the use of financial derivative investments which has been approved by the Directors of the Manager and the Central Bank of Ireland.

Set out below is a description of some of the more important types of risk and an outline of the processes the Investment Manager has implemented to assess, monitor and control these specific risks.

The main risks arising from the Sub-Funds financial instruments are market price, foreign currency, liquidity, credit and interest rate risks.

#### (a) Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-Funds might suffer through holding market positions in the face of price movements. Certain Sub-Funds may invest in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalisation, and social, political and economic instability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility; (iii) certain national policies which may restrict a Sub-Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

The Manager considers the asset allocation of the portfolios of the Sub-Funds to minimise the risk associated with particular market sectors whilst continuing to follow the investment objectives.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 17 – Risks Associated with Financial Instruments (continued)

#### (a) Market Price Risk (continued)

##### Sensitivity Analysis

As at December 31, 2016, if the underlying assets (excluding financial derivative instruments) held by the Sub-Funds had increased by 5% (December 31, 2015: 5%), whilst the foreign currency rates held constant, there would have been the following approximate increases in net assets attributable to holders of redeemable participating units:

Sub-Fund Name	Dec 2016	Dec 2015
	5% gain (EUR)	5% gain (EUR)
Active 100	4,201,766	4,507,234
Active 80	2,754,773	3,026,814
Active 40	736,097	849,125
Active 10	213,040	249,349
Aggressive Fund	546,744	596,134
Aggressive Plus Fund	1,515,690	1,595,710
Dynamic Fund	631,471	677,590
Balanced Fund	603,690	639,157
Moderate Fund	175,128	180,871
Liquidity Fund	5,660,114	6,516,167

A decrease by 5% (December 31, 2015: 5%) would result in an equal but opposite effect on net assets attributable to holders of redeemable participating units to the figures shown above, on the basis that all other variables remain constant.

##### Global Exposure to Financial Derivative Instruments

The Investment Manager's risk management department has assessed the risk profile of the Fund and the related Sub-Funds on the basis of the investment policy, strategy and the use of financial derivative instruments. Based on the risk profile, risk management has determined that the method for the calculation of the global exposure to financial derivative instruments for all Sub-Funds will be the commitment approach, where the Sub-Fund holds financial derivative instruments except for Portfolio Active Sub-Funds (Active 100, Active 80, Active 40 and Active 10) where relative VaR approach is used. The global exposure for the Sub-Funds using the commitment approach, as at December 31, 2016 is as follows:

Sub-Fund Name	Global Exposure		
	Min	Max	Average
Aggressive Fund	0%	11%	1%
Aggressive Plus Fund	0%	11%	1%
Dynamic Fund	0%	12%	2%
Balanced Fund	0%	12%	2%
Moderate Fund	0%	9%	1%
Liquidity Fund	0%	0%	0%

The minimum, maximum and average relative VaR levels for each of the Portfolio Active Sub-Funds are detailed below:

Sub-Fund	Min	Max	Average	Model
Active 100	0.96	1.10	1.02	EWMA
Active 80	1.01	1.13	1.06	EWMA
Active 40	0.96	1.16	1.05	EWMA
Active 10	0.86	1.13	0.98	EWMA

The Portfolio Active Sub-Funds use an exponentially weighted moving average value at risk ("EWMA"). EWMA is a risk calculation methodology that places a greater weight on recent market volatility over a specified historical data period and is a relative VaR calculation methodology.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 17 – Risks Associated with Financial Instruments (continued)

#### (a) Market Price Risk (continued)

The leverage (as sum of notionals) for the Portfolio Active Sub-Funds, as at December 31, 2016 is as follows:

Sub-Fund Name	Leverage (as sum of notionals)		
	Min	Max	Average
Active 100	0%	38%	4%
Active 80	0%	37%	4%
Active 40	0%	37%	4%
Active 10	0%	36%	4%

#### (b) Currency Risk

The value of the assets of the Sub-Fund will be affected by fluctuations in the value of the currencies in which the Sub-Fund's portfolio securities are quoted or denominated relative to the base currency. Currency exchange rates may fluctuate significantly over short periods of time, causing together with other factors, the Sub-Fund's Net Asset Value to fluctuate. Sub-Funds that invest in investment funds have indirect exposure to the currencies of the underlying investments within those investment funds.

As disclosed in Note 12, Sub-Funds may invest in financial derivative instruments, including currency derivatives, for investment and efficient portfolio management purposes which will increase or decrease the relevant Sub-Fund's exposure to individual currencies relative to the portfolio of investments held.

The following Sub-Funds have a hedged share class:

Aggressive Fund  
Aggressive Plus Fund  
Dynamic Fund  
Balanced Fund  
Moderate Fund

In executing share class hedging, the Manager employs a look through approach in respect of currency exposure of investment funds.

Where the Manager or the Investment Manager, as appropriate, seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Manager or the Investment Manager. However over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be under review by the Manager or the Investment Manager to ensure that positions in excess of 100% of Net Asset Value will not be carried forward from month to month.

The following is an analysis of the net assets and liabilities held by each Sub-Fund at the Statement of Financial Position date denominated in currencies at December 31, 2016. This analysis is not representative of the actual exposure a Unitholder may be subject to due to the impact of share class hedging and the exposure to underlying currency risk in investment funds held by a Sub-Fund. The currency exposure on the forward currency contracts is inclusive of hedging and portfolio contracts. Each amount is shown in the base currency of Euro.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 17 – Risks Associated with Financial Instruments (continued)

#### (b) Currency Risk (continued)

	Investments	Other Net Assets	Forward Currency Contracts	Net Exposure	Net Exposure
	EUR	EUR	EUR	EUR	EUR
	Dec 2016	Dec 2016	Dec 2016	Dec 2016	Dec 2015
<b>ACTIVE 100 FUND</b>					
CAD	-	-	-	-	3,931,043
USD	-	2	-	2	(3,322,159)
<b>Total</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>608,884</b>
<b>ACTIVE 80 FUND</b>					
CAD	-	-	-	-	2,636,215
USD	-	3	-	3	(2,762,896)
<b>Total</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>(126,681)</b>
<b>ACTIVE 40 FUND</b>					
USD	-	2	-	2	(775,419)
<b>Total</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>(775,419)</b>
<b>ACTIVE 10 FUND</b>					
CAD	-	-	-	-	226,456
USD	-	4	-	4	(233,588)
<b>Total</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>(7,132)</b>
<b>AGGRESSIVE FUND</b>					
AUD	-	-	(122,805)	(122,805)	-
CAD	-	-	(104,705)	(104,705)	26,529
CHF	-	-	(111,730)	(111,730)	-
GBP	-	-	(232,461)	(232,461)	(266,425)
JPY	-	-	(421,507)	(421,507)	(448,975)
USD	-	1	(2,785,858)	(2,785,857)	(2,714,914)
<b>Total</b>	<b>-</b>	<b>1</b>	<b>(3,779,066)</b>	<b>(3,779,065)</b>	<b>(3,403,785)</b>
<b>AGGRESSIVE PLUS FUND</b>					
AUD	-	-	(224,299)	(224,299)	-
CAD	-	-	-	-	453,077
GBP	-	-	(438,830)	(438,830)	(515,284)
HKD	-	-	(249,361)	(249,361)	-
JPY	-	-	(790,713)	(790,713)	(839,497)
USD	-	3	(5,322,753)	(5,322,750)	(4,783,681)
<b>Total</b>	<b>-</b>	<b>3</b>	<b>(7,025,956)</b>	<b>(7,025,953)</b>	<b>(5,685,385)</b>
<b>DYNAMIC FUND</b>					
AUD	-	-	(97,560)	(97,560)	-
CAD	-	-	-	-	180,521
GBP	-	-	(187,546)	(187,546)	(207,792)
JPY	-	-	(360,970)	(360,970)	(396,783)
USD	-	4	(2,140,953)	(2,140,949)	(2,128,918)
<b>Total</b>	<b>-</b>	<b>4</b>	<b>(2,787,029)</b>	<b>(2,787,025)</b>	<b>(2,552,972)</b>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 17 – Risks Associated with Financial Instruments (continued)

#### (b) Currency Risk (continued)

	Investments	Other Net Assets	Forward Currency Contracts	Net Exposure	Net Exposure
	EUR	EUR	EUR	EUR	EUR
	Dec 2016	Dec 2016	Dec 2016	Dec 2016	Dec 2015
<b>BALANCED FUND</b>					
CAD	-	-	-	-	164,548
GBP	-	-	(141,495)	(141,495)	-
JPY	-	-	(306,645)	(306,645)	(349,318)
USD	-	7	(1,757,350)	(1,757,343)	(1,961,926)
<b>Total</b>	<b>-</b>	<b>7</b>	<b>(2,205,490)</b>	<b>(2,205,483)</b>	<b>(2,146,696)</b>
<b>MODERATE FUND</b>					
CAD	-	-	-	-	82,258
JPY	-	-	(50,823)	(50,823)	(61,172)
USD	-	2	(266,332)	(266,330)	(357,302)
<b>Total</b>	<b>-</b>	<b>2</b>	<b>(317,155)</b>	<b>(317,153)</b>	<b>(336,216)</b>

There were no financial assets or liabilities held in foreign currencies for Liquidity Fund as at December 31, 2016 or December 31, 2015 and as such there was no currency risk exposure.

#### Sensitivity Analysis

As at December 31, 2016, had the Euro strengthened by 5% in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable participating units and the change in net assets attributable to holders of redeemable participating units per the Statement of Comprehensive Income would have decreased by the amount shown below. The analysis is performed on the same basis for December 31, 2015.

Sub-Fund Name	Dec 2016 5% Movement (EUR)	Dec 2015 5% Movement (EUR)
Active 100	-	237,937
Active 80	-	(6,334)
Active 40	-	(1,106)
Active 10	-	(356)
Aggressive Fund	(188,953)	(170,190)
Aggressive Plus Fund	(351,299)	(306,923)
Dynamic Fund	(139,351)	(136,675)
Balanced Fund	(110,274)	(107,335)
Moderate Fund	(15,858)	(20,924)

A 5% weakening of the Euro would have resulted in an equal but opposite effect on the above financial statement amounts to the amounts shown above on the basis that all other variables remain constant.

#### (c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments.

Generally the Sub-Funds' assets are composed of actively traded and highly liquid securities. The liquidity risks associated with the need to satisfy Unitholders' requests for redemptions are mitigated by maintaining a constant pool of cash to satisfy usual levels of demand.

The Sub-Funds avoid entering into derivative contractual arrangements that produce an exposure not covered by sufficient liquid assets or a total investment exposure in excess of total Unitholders' funds. The risk management guidelines adopted by the Manager require coverage to be composed of cash reserves or physical securities.

The following tables analyse for each Sub-Fund the liabilities into relevant maturity groupings based on the remaining period at December 31, 2016 to the contractual maturity date, based on normal market conditions.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 17 – Risks Associated with Financial Instruments (continued)

### (c) Liquidity Risk (continued)

	Less than 1 month EUR	1-3 months EUR	3-12 months EUR	More than 1 year EUR	Total Dec 2016 EUR
<b>ACTIVE 100 FUND</b>					
Bank overdraft	-	-	-	-	-
Investments in financial derivative instruments	-	-	-	-	-
Management and advisory fees payable	94,092	-	-	-	94,092
Other payables	132,269	-	-	-	132,269
Net Assets Attributable to Holders of Redeemable Participating Units	84,826,675	-	-	-	84,826,675
<b>Total</b>	<b>85,053,036</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,053,036</b>
<b>ACTIVE 80 FUND</b>					
Bank overdraft	-	-	-	-	-
Investments in financial derivative instruments	-	-	-	-	-
Management and advisory fees payable	57,294	-	-	-	57,294
Other payables	59,988	-	-	-	59,988
Net Assets Attributable to Holders of Redeemable Participating Units	55,576,382	-	-	-	55,576,382
<b>Total</b>	<b>55,693,664</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,693,664</b>
<b>ACTIVE 40 FUND</b>					
Bank overdraft	-	-	-	-	-
Investments in financial derivative instruments	-	-	-	-	-
Management and advisory fees payable	10,879	-	-	-	10,879
Other payables	95,060	-	-	-	95,060
Net Assets Attributable to Holders of Redeemable Participating Units	14,747,546	-	-	-	14,747,546
<b>Total</b>	<b>14,853,485</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,853,485</b>
<b>ACTIVE 10 FUND</b>					
Bank overdraft	-	-	-	-	-
Investments in financial derivative instruments	-	-	-	-	-
Management and advisory fees payable	2,731	-	-	-	2,731
Other payables	4,541	-	-	-	4,541
Net Assets Attributable to Holders of Redeemable Participating Units	4,294,806	-	-	-	4,294,806
<b>Total</b>	<b>4,302,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,302,078</b>
<b>AGGRESSIVE FUND</b>					
Investments in financial derivative instruments	1,530	-	-	-	1,530
Management and advisory fees payable	10,191	-	-	-	10,191
Other payables	12,178	-	-	-	12,178
Net Assets Attributable to Holders of Redeemable Participating Units	11,197,087	-	-	-	11,197,087
<b>Total</b>	<b>11,220,986</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,220,986</b>
<b>AGGRESSIVE PLUS FUND</b>					
Investments in financial derivative instruments	2,891	-	-	-	2,891
Management and advisory fees payable	27,061	-	-	-	27,061
Other payables	42,161	-	-	-	42,161
Net Assets Attributable to Holders of Redeemable Participating Units	30,894,167	-	-	-	30,894,167
<b>Total</b>	<b>30,966,280</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,966,280</b>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 17 – Risks Associated with Financial Instruments (continued)

### (c) Liquidity Risk (continued)

	Less than 1 month EUR	1-3 months EUR	3-12 months EUR	More than 1 year EUR	Total Dec 2016 EUR
<b>DYNAMIC FUND</b>					
Bank overdraft	-	-	-	-	-
Investments in financial derivative instruments	1,843	-	-	-	1,843
Management and advisory fees payable	10,518	-	-	-	10,518
Other payables	9,637	-	-	-	9,637
Net Assets Attributable to Holders of Redeemable Participating Units	12,805,669	-	-	-	12,805,669
<b>Total</b>	<b>12,827,667</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,827,667</b>
<b>BALANCED FUND</b>					
Bank overdraft	-	-	-	-	-
Investments in financial derivative instruments	1,261	-	-	-	1,261
Management and advisory fees payable	8,562	-	-	-	8,562
Other payables	9,341	-	-	-	9,341
Net Assets Attributable to Holders of Redeemable Participating Units	12,154,670	-	-	-	12,154,670
<b>Total</b>	<b>12,173,834</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,173,834</b>
<b>MODERATE FUND</b>					
Investments in financial derivative instruments	177	-	-	-	177
Management and advisory fees payable	2,688	-	-	-	2,688
Other payables	4,630	-	-	-	4,630
Net Assets Attributable to Holders of Redeemable Participating Units	3,588,400	-	-	-	3,588,400
<b>Total</b>	<b>3,595,895</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,595,895</b>
<b>LIQUIDITY FUND</b>					
Management and advisory fees payable	27,659	-	-	-	27,659
Other payables	85,376	-	-	-	85,376
Net Assets Attributable to Holders of Redeemable Participating Units	140,473,980	-	-	-	140,473,980
<b>Total</b>	<b>140,587,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140,587,015</b>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 17 – Risks Associated with Financial Instruments (continued)

### (c) Liquidity Risk (continued)

The following tables analyse for each Sub-Fund the liabilities into relevant maturity groupings based on the remaining period at December 31, 2015 to the contractual maturity date, based on normal market conditions.

	Less than 1 month EUR	1-3 months EUR	3-12 months EUR	More than 1 year EUR	Total Dec 2015 EUR
<b>ACTIVE 100 FUND</b>					
Bank overdraft	-	-	-	-	-
Investments in financial derivative instruments	-	218,817	-	-	218,817
Management and advisory fees payable	99,079	-	-	-	99,079
Other payables	209,332	-	-	-	209,332
Net Assets Attributable to Holders of Redeemable Participating Units	90,962,346	-	-	-	90,962,346
<b>Total</b>	<b>91,270,757</b>	<b>218,817</b>	<b>-</b>	<b>-</b>	<b>91,489,574</b>
<b>ACTIVE 80 FUND</b>					
Bank overdraft	-	-	-	-	-
Investments in financial derivative instruments	-	146,885	-	-	146,885
Management and advisory fees payable	61,180	-	-	-	61,180
Other payables	98,941	-	-	-	98,941
Net Assets Attributable to Holders of Redeemable Participating Units	60,927,686	-	-	-	60,927,686
<b>Total</b>	<b>61,087,807</b>	<b>146,885</b>	<b>-</b>	<b>-</b>	<b>61,234,692</b>
<b>ACTIVE 40 FUND</b>					
Bank overdraft	-	-	-	-	-
Investments in financial derivative instruments	-	42,047	-	-	42,047
Management and advisory fees payable	11,437	-	-	-	11,437
Other payables	10,621	-	-	-	10,621
Net Assets Attributable to Holders of Redeemable Participating Units	17,048,064	-	-	-	17,048,064
<b>Total</b>	<b>17,070,122</b>	<b>42,047</b>	<b>-</b>	<b>-</b>	<b>17,112,169</b>
<b>ACTIVE 10 FUND</b>					
Bank overdraft	3,199	-	-	-	3,199
Investments in financial derivative instruments	-	12,646	-	-	12,646
Management and advisory fees payable	2,691	-	-	-	2,691
Other payables	2,604	-	-	-	2,604
Net Assets Attributable to Holders of Redeemable Participating Units	4,979,792	-	-	-	4,979,792
<b>Total</b>	<b>4,988,286</b>	<b>12,646</b>	<b>-</b>	<b>-</b>	<b>5,000,932</b>
<b>AGGRESSIVE FUND</b>					
Investments in financial derivative instruments	-	50,953	-	-	50,953
Management and advisory fees payable	10,185	-	-	-	10,185
Other payables	4,997	-	-	-	4,997
Net Assets Attributable to Holders of Redeemable Participating Units	12,144,717	-	-	-	12,144,717
<b>Total</b>	<b>12,159,899</b>	<b>50,953</b>	<b>-</b>	<b>-</b>	<b>12,210,852</b>
<b>AGGRESSIVE PLUS FUND</b>					
Investments in financial derivative instruments	-	120,667	-	-	120,667
Management and advisory fees payable	27,377	-	-	-	27,377
Other payables	11,282	-	-	-	11,282
Net Assets Attributable to Holders of Redeemable Participating Units	32,686,373	-	-	-	32,686,373
<b>Total</b>	<b>32,725,032</b>	<b>120,667</b>	<b>-</b>	<b>-</b>	<b>32,845,699</b>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 17 – Risks Associated with Financial Instruments (continued)

### (c) Liquidity Risk (continued)

	Less than 1 month EUR	1-3 months EUR	3-12 months EUR	More than 1 year EUR	Total Dec 2015 EUR
<b>DYNAMIC FUND</b>					
Bank overdraft	3,134				3,134
Investments in financial derivative instruments	-	51,354	-	-	51,354
Management and advisory fees payable	10,359	-	-	-	10,359
Other payables	45,456	-	-	-	45,456
Net Assets Attributable to Holders of Redeemable Participating Units	13,710,409	-	-	-	13,710,409
<b>Total</b>	<b>13,769,358</b>	<b>51,354</b>	<b>-</b>	<b>-</b>	<b>13,820,712</b>
<b>BALANCED FUND</b>					
Bank overdraft	3,134	-	-	-	3,134
Investments in financial derivative instruments	-	45,246	-	-	45,246
Management and advisory fees payable	8,139	-	-	-	8,139
Other payables	11,811	-	-	-	11,811
Net Assets Attributable to Holders of Redeemable Participating Units	12,954,641	-	-	-	12,954,641
<b>Total</b>	<b>12,977,725</b>	<b>45,246</b>	<b>-</b>	<b>-</b>	<b>13,022,971</b>
<b>MODERATE FUND</b>					
Investments in financial derivative instruments	-	11,427	-	-	11,427
Management and advisory fees payable	2,017	-	-	-	2,017
Other payables	2,451	-	-	-	2,451
Net Assets Attributable to Holders of Redeemable Participating Units	3,686,158	-	-	-	3,686,158
<b>Total</b>	<b>3,690,626</b>	<b>11,427</b>	<b>-</b>	<b>-</b>	<b>3,702,053</b>
<b>LIQUIDITY FUND</b>					
Management and advisory fees payable	24,345	-	-	-	24,345
Other payables	51,871	-	-	-	51,871
Net Assets Attributable to Holders of Redeemable Participating Units	135,309,537	-	-	-	135,309,537
<b>Total</b>	<b>135,385,753</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135,385,753</b>

### (d) Credit Risk

Credit risk arises where there exists a possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Each Sub-Fund will have credit exposure to counterparties by virtue of investment positions in bonds, swaps, options, repurchase transactions and forward exchange rate and other contracts held by the Sub-Fund.

To the extent that a counterparty defaults on its obligation and the Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. A Sub-Fund's exposure to any one counterparty in respect of any of the techniques or instruments employed by the Sub-Fund for the purpose of efficient portfolio management or for protection against exchange risks may not exceed 5% of the Net Asset Value of the Sub-Fund. This limit is raised to 10% of the Net Asset Value of the Sub-Fund where the counterparty is a credit institution that falls into certain categories as outlined in the UCITS Regulations. Please see the categories below:

- a credit institution authorised in the European Economic Area (EEA) (European Union Member States, Norway, Iceland, Liechtenstein);
- a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basel Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States);
- a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 17 – Risks Associated with Financial Instruments (continued)

#### (d) Credit Risk (continued)

Credit risk also arises when the Sub-Fund holds cash or deposits with a credit institution or the Trustee; credit risk crystallises when the counterparty fails to repay the amount as required. According to the UCITS Regulations, a Sub-Fund may not invest more than 20% of its net assets in deposits made with the same credit institution. Deposits made with any one credit institution that is not included in the above mentioned categories must not exceed 10% of net assets.

As at December 31, 2016 RBC Investor Services Bank S.A., Dublin Branch has a long-term credit rating of AA- with S&P (as at December 31, 2015: AA- for S&P).

As at December 31, 2016 and December 31, 2015 financial assets exposed to credit risk included financial derivative instruments as disclosed in Notes 13 to 16, as well as cash held as collateral as disclosed in Note 11. The carrying amounts of these financial assets represent the maximum credit risk exposure at the reporting date.

The following table summarises the credit quality of the financial derivative instruments and cash held as collateral in the Fund, as rated by the well known rating agency, S&P:

Rating	December 31, 2016	December 31, 2015
AA-	100.00%	1.49%
A	-	98.51%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

#### (e) Custody and Title Risk

The duties of the Trustee are to provide safekeeping, oversight and asset verification services in respect of the assets of the Fund and each Sub-Fund in accordance with the provisions of the UCITS Regulations. The Trustee will also provide cash monitoring services in respect of each Sub-Funds' cash flows and subscriptions.

The Trustee will be liable to the relevant Sub-Fund and its Unitholders for loss of a financial instrument held in custody (i.e. those assets which are required to be held in custody pursuant to the UCITS Regulations or in the custody of any sub-custodian appointed by the Trustee. However the Trustee shall not be liable for the loss of a financial instrument held in custody by the Trustee or any sub-custodian if it can prove that loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Trustee shall also be liable to the relevant Sub-Fund and its Unitholders for all other losses suffered by them as a result of the Trustee's negligent or intentional failure to properly fulfil its obligations under the UCITS Regulations.

However, it should be noted that not all jurisdictions have the same rules and regulations as Ireland regarding the custody of assets and the recognition of the interests of a beneficial owner such as a Sub-Fund. Therefore, in such jurisdictions, there is a risk that if a sub-custodian becomes bankrupt or insolvent, the Sub-Fund's beneficial ownership of the assets held by such sub-custodian may not be recognised and consequently the creditors of the sub-custodian may seek to have recourse to the assets of the Sub-Fund.

In those jurisdictions where the Sub-Fund's beneficial ownership of its assets is ultimately recognised, the Sub-Fund may suffer delay and cost in recovering those assets. The Sub-Funds may invest in markets where custodial and/or settlement systems are not fully developed, such as Russia and Argentina, the assets of a Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk. When the Trustee employs a sub-custodian the Trustee retains responsibility for the assets of the Sub-Funds.

#### (f) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Sub-Funds may invest in interest bearing securities, which may in particular be exposed to interest rate risk.

The interest rate profile of financial assets (other than cash and short-term debtors) held by the Sub-Funds as at December 31, 2016 (expressed in Euro) is shown overleaf. The sensitivity analysis is based on 5% movement on interest rates against floating financial assets only with all other variables held constant. The interest rate sensitivity provided above represents a hypothetical outcome and is not intended to be predictive. Market conditions, and therefore future interest rates, could vary significantly from that suggested.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 17 – Risks Associated with Financial Instruments (continued)

#### (f) Interest Rate Risk (continued)

Currency	Total Investments	Fixed rate Financial Assets	Floating rate Financial Assets*	Non-Interest Bearing Financial Assets	5% Sensitivity Analysis
<b>ACTIVE 100 FUND</b>					
EUR	84,035,310	-	1,947,540	82,087,770	97,377
<b>ACTIVE 80 FUND</b>					
EUR	55,095,453	2,151,446	-	52,944,007	-
<b>ACTIVE 40 FUND</b>					
EUR	14,721,930	577,931	-	14,143,999	-
<b>ACTIVE 10 FUND</b>					
EUR	4,260,792	-	-	4,260,792	-
<b>AGGRESSIVE FUND</b>					
EUR	10,934,883	-	-	10,934,883	-
<b>AGGRESSIVE PLUS FUND</b>					
EUR	30,313,795	-	-	30,313,795	-
<b>DYNAMIC FUND</b>					
EUR	12,629,412	315,873	-	12,313,539	-
<b>BALANCED FUND</b>					
EUR	12,073,799	305,344	-	11,768,455	-
<b>MODERATE FUND</b>					
EUR	3,502,557	239,830	-	3,262,727	-
<b>LIQUIDITY FUND</b>					
EUR	113,202,273	40,547,876	72,654,397	-	3,632,720

\* Floating rate includes assets less than one year on fixed rate.

The interest rate profile of financial assets (other than cash and short-term debtors) held by the Sub-Funds as at December 31, 2015 (expressed in Euro) is shown below. The sensitivity analysis is based on 5% movement on interest rates against floating financial assets only with all other variables held constant. The interest rate sensitivity provided above represents a hypothetical outcome and is not intended to be predictive. Market conditions, and therefore future interest rates, could vary significantly from that suggested.

Currency	Total Investments	Fixed rate Financial Assets	Floating rate Financial Assets*	Non-Interest Bearing Financial Assets	5% Sensitivity Analysis
<b>ACTIVE 100 FUND</b>					
EUR	90,144,677	2,398,493	-	87,746,184	-
<b>ACTIVE 80 FUND</b>					
EUR	60,536,289	2,432,410	-	58,103,879	-
<b>ACTIVE 40 FUND</b>					
EUR	16,982,499	1,391,984	-	15,590,515	-
<b>ACTIVE 10 FUND</b>					
EUR	4,986,989	399,067	-	4,587,922	-

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 17 – Risks Associated with Financial Instruments (continued)

#### (f) Interest Rate Risk (continued)

Currency	Total Investments	Fixed rate Financial Assets	Floating rate Financial Assets*	Non-Interest Bearing Financial Assets	5% Sensitivity Analysis
<b>AGGRESSIVE FUND</b>					
EUR	11,922,682	-	-	11,922,682	-
<b>AGGRESSIVE PLUS FUND</b>					
EUR	31,914,205	-	-	31,914,205	-
<b>DYNAMIC FUND</b>					
EUR	13,551,798	349,184	-	13,202,614	-
<b>BALANCED FUND</b>					
EUR	12,783,133	325,430	-	12,457,703	-
<b>MODERATE FUND</b>					
EUR	3,617,421	248,229	-	3,369,192	-
<b>LIQUIDITY FUND</b>					
EUR	130,323,332	36,222,210	94,101,122	-	4,705,056

\*Floating rate includes assets less than one year on fixed rate.

The below table represents the weighted average calculations for all Sub-Funds which hold fixed interest securities as at December 31, 2016 and December 31, 2015. The weighted average is calculated using nominal values.

Currency	Weighted Average Interest Rate %		Weighted Average Period for which rate is fixed (years)		Weighted Average Period until Maturity (days)	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>ACTIVE 100 FUND</b>						
EUR	-	5.25	-	1.59	-	579
<b>ACTIVE 80 FUND</b>						
EUR	3.75	3.75	7.67	8.68	2,801	3,167
<b>ACTIVE 40 FUND</b>						
EUR	3.75	3.75	7.67	8.68	2,801	3,167
<b>ACTIVE 10 FUND</b>						
EUR	-	3.75	-	8.68	-	3,167
<b>DYNAMIC FUND</b>						
EUR	3.75	3.75	7.67	8.68	2,801	3,167
<b>BALANCED FUND</b>						
EUR	3.75	3.75	7.67	8.68	2,801	3,167
<b>MODERATE FUND</b>						
EUR	3.75	3.75	7.67	8.68	2,801	3,167
<b>LIQUIDITY FUND</b>						
EUR	3.17	3.04	1.78	1.23	649	448

#### (g) Fair Value of Financial Assets and Financial Liabilities

All of the financial assets and financial liabilities of the Fund are stated at fair value in the financial statements as defined in Note 2(e).



## NOTES TO THE FINANCIAL STATEMENTS (continued)

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### Note 17 – Risks Associated with Financial Instruments (continued)

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**(h) Emerging Markets Risk**

Due to the developing nature of the countries in which the Sub-Funds may invest, their markets are similarly of a developing nature. Accordingly, these markets may be insufficiently liquid and levels of volatility in price movements may be greater than those experienced in more developed economies and markets. In addition, reporting standards and market practices may not provide the same degree of information as would generally apply internationally and therefore may increase risk. In addition, an issuer may default on payments and such circumstances could mean that investors may not receive back on redemption or otherwise the amount originally invested.

As the Sub-Funds may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Sub-Funds which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk. When the Trustee employs a sub-custodian the Trustee retains responsibility for the assets of the Sub-Funds.

**(i) Default Risk**

Certain Sub-Funds may invest in securities which have low credit status (be they rated or unrated) and may therefore be exposed to a higher credit risk than Sub-Funds which do not invest in such securities. The lower ratings of certain securities held by a Sub-Fund and the unrated nature of others reflect a greater possibility that adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and principal. Such securities carry a higher degree of default risk which may affect the capital value of an investment.

**(j) Futures and Options Risk**

The Investment Manager may engage in various portfolio strategies on behalf of the Sub-Funds through the use of futures and options. Due to the nature of futures, cash to meet margin monies will be held by a broker with whom each Sub-Fund has an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such monies will be returned to each Sub-Fund. On execution of an option the Sub-Funds may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

**(k) Counterparty Risk**

Each Sub-Fund will have credit exposure to counterparties by virtue of investment positions in swaps, options, repurchase transactions and forward exchange rate and other contracts held by the Sub-Fund. To the extent that a counterparty defaults on its obligation and the Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 18 – Comparative Net Assets Information

(expressed in EUR)

	ACTIVE 100 FUND		
	2016	2015	2014
Net Assets at December 31	84,826,675	90,962,346	118,276,925
Net Asset Value per unit:			
S Class – ‘A’ units	11.847	11.392	10.818
S Class - ‘B’ units	-	-	-
S H Class - ‘A’ units	-	-	-
S H Class - ‘B’ units	-	-	-

	ACTIVE 80 FUND		
	2016	2015	2014
Net Assets at December 31	55,576,382	60,927,686	73,827,698
Net Asset Value per unit:			
S Class - ‘A’ units	10.732	10.417	9.933
S Class - ‘B’ units	-	-	-
S H Class - ‘A’ units	-	-	-
S H Class - ‘B’ units	-	-	-

	ACTIVE 40 FUND		
	2016	2015	2014
Net Assets at December 31	14,747,546	17,048,064	20,801,713
Net Asset Value per unit:			
S Class - ‘A’ units	11.228	11.001	10.632
S Class - ‘B’ units	-	-	-
S H Class - ‘A’ units	-	-	-
S H Class - ‘B’ units	-	-	-

	ACTIVE 10 FUND		
	2016	2015	2014
Net Assets at December 31	4,294,806	4,979,792	5,836,510
Net Asset Value per unit:			
S Class - ‘A’ units	10.717	10.624	10.385
S Class - ‘B’ units	-	-	-
S H Class - ‘A’ units	-	-	-
S H Class - ‘B’ units	-	-	-

	AGGRESSIVE FUND		
	2016	2015	2014
Net Assets at December 31	11,197,087	12,144,717	15,941,821
Net Asset Value per unit:			
S Class - ‘A’ units	12.391	11.917	11.389
S Class - ‘B’ units	-	-	-
S H Class - ‘A’ units	10.739	10.593	10.783
S H Class - ‘B’ units	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 18 – Comparative Net Assets Information (continued)

(expressed in EUR)

	<b>AGGRESSIVE PLUS FUND</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
Net Assets at December 31	30,894,167	32,686,373	42,120,112
Net Asset Value per unit:			
S Class - 'A' units	12.513	12.022	11.553
S Class - 'B' units	-	-	-
S H Class - 'A' units	11.036	10.871	11.050
S H Class - 'B' units	-	-	-

	<b>DYNAMIC FUND</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
Net Assets at December 31	12,805,669	13,710,409	17,320,877
Net Asset Value per unit:			
S Class - 'A' units	12.136	11.744	11.343
S Class - 'B' units	-	-	-
S H Class - 'A' units	11.035	10.910	11.046
S H Class - 'B' units	-	-	-

	<b>BALANCED FUND</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
Net Assets at December 31	12,154,670	12,954,641	14,827,053
Net Asset Value per unit:			
S Class - 'A' units	11.911	11.693	11.433
S Class - 'B' units	-	-	-
S H Class - 'A' units	11.231	11.220	11.337
S H Class - 'B' units	-	-	-

	<b>MODERATE FUND</b>		
	<b>Dec 2016</b>	<b>Dec 2015</b>	<b>Dec 2014</b>
Net Assets at December 31	3,588,400	3,686,158	4,188,676
Net Asset Value per unit:			
S Class - 'A' units	11.417	11.341	11.273
S Class - 'B' units	-	-	-
S H Class - 'A' units	11.007	11.037	11.205
S H Class - 'B' units	-	-	-

	<b>LIQUIDITY FUND</b>		
	<b>Dec 2016</b>	<b>Dec 2015</b>	<b>Dec 2014</b>
Net Assets at December 31	140,473,980	135,309,537	147,380,201
Net Asset Value per unit:			
S Class - 'A' units	11.081	11.073	11.066
S Class - 'B' units	-	-	-
S H Class - 'A' units	-	-	-
S H Class - 'B' units	-	-	-
S A Class	11.238	11.217	11.197

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 19 – Schedule of Investments

The country breakdown in the Schedule of Investments is made in accordance with the location of the company registration.

## Note 20 – Commission Recapture Agreements

No Sub-Fund had Commission Recapture Agreements in place for the financial year (none existed for the financial year ended December 31, 2015).

## Note 21 – Securities Lending

As at December 31, 2016, the Fund had not entered into any securities lending transactions (none existed as at December 31, 2015).

## Note 22 – Management Fees Incurred on Investments into other funds

Please note where the Manager has negotiated a rebate on the management fee charged on its investment into other funds, this rebate is paid directly to the relevant Mediolanum Portfolio Sub-Fund.

Active 100 Fund	Management Fee
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Liquidity US Dollar Fund - Mediolanum L Class*	0.80%
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Cyclical Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Energy Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Technology Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Financial Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE European Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE North American Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE International Equity Fund - Mediolanum L Class*	1.95%
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	0.20%
CHALLENGE North American Equity Fund - Mediolanum L Hedge Class*	1.60%
CHALLENGE International Income Fund - Mediolanum L Class*	1.05%

Active 80 Fund	Management Fee
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Euro Bond Fund - Mediolanum L Class*	1.25%
CHALLENGE Euro Income Fund - Mediolanum L Class*	1.05%
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Cyclical Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Energy Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Technology Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Financial Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE European Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE North American Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE International Equity Fund - Mediolanum L Class*	1.95%
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	0.20%
CHALLENGE International Bond Fund - Mediolanum L Hedge Class*	1.25%
CHALLENGE International Income Fund - Mediolanum L Class*	1.05%
CHALLENGE International Bond Fund - Mediolanum L Class*	1.25%
Mediolanum Best Brands Euro Fixed Income - L Class*	0.50%
CHALLENGE North American Equity Fund - Mediolanum L Hedge Class*	1.60%
CHALLENGE International Income Fund - Mediolanum L Class*	1.05%
CHALLENGE International Bond Fund - Mediolanum L Class*	1.25%

\* This is a related party per Note 24.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Note 22 – Management Fees Incurred on Investments into other funds (continued)

Active 40 Fund	Management Fee
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Euro Bond Fund - Mediolanum L Class*	1.25%
CHALLENGE Euro Income Fund - Mediolanum L Class*	1.05%
CHALLENGE Liquidity US Dollar Fund - Mediolanum L Class*	0.80%
CHALLENGE Technology Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE European Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE North American Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE International Equity Fund - Mediolanum L Class*	1.95%
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	0.20%
Mediolanum Best Brands Euro Fixed Income - L Class*	0.50%
CHALLENGE North American Equity Fund - Mediolanum L Hedge Class*	1.60%
CHALLENGE International Income Fund - Mediolanum L Class*	1.05%
CHALLENGE International Bond Fund - Mediolanum L Class*	1.25%
Active 10 Fund	Management Fee
CHALLENGE Euro Bond Fund - Mediolanum L Class*	1.25%
CHALLENGE Euro Income Fund - Mediolanum L Class*	1.05%
CHALLENGE International Equity Fund - Mediolanum L Class*	1.95%
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	0.20%
CHALLENGE International Bond Fund - Mediolanum L Hedge Class*	1.25%
Mediolanum Best Brands Euro Fixed Income - L Class*	0.50%
CHALLENGE International Income Fund - Mediolanum L Class*	1.05%
CHALLENGE International Bond Fund - Mediolanum L Class*	1.25%
Aggressive Fund	Management Fee
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Liquidity US Dollar Fund - Mediolanum L Class*	0.80%
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Cyclical Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Energy Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Technology Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Financial Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE European Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE North American Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE International Equity Fund - Mediolanum L Class*	1.95%
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	0.20%
CHALLENGE North American Equity Fund - Mediolanum L Hedge Class*	1.60%
Aggressive Plus Fund	Management Fee
CHALLENGE North American Equity Fund - Mediolanum L Hedge Class*	1.60%
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Emerging Market Equity Fund - Mediolanum L Class*	1.85%
CHALLENGE Liquidity US Dollar Fund - Mediolanum L Class*	0.80%
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Cyclical Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Energy Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Technology Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Financial Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE European Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE North American Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE International Equity Fund - Mediolanum L Class*	1.95%
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	0.20%

\* This is a related party per Note 24.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 22 – Management Fees Incurred on Investments into other funds (continued)

<b>Dynamic Fund</b>	<b>Management Fee</b>
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Euro Bond Fund - Mediolanum L Class*	1.25%
CHALLENGE Euro Income Fund - Mediolanum L Class*	1.05%
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Cyclical Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Energy Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Technology Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Financial Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE European Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE North American Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE International Equity Fund - Mediolanum L Class*	1.95%
CHALLENGE International Income Fund - Mediolanum L Hedge Class*	1.05%
CHALLENGE International Bond Fund - Mediolanum L Hedge Class*	1.25%
CHALLENGE International Bond Fund - Mediolanum L Class*	1.25%
<b>Balanced Fund</b>	<b>Management Fee</b>
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Euro Bond Fund - Mediolanum L Class*	1.25%
CHALLENGE Euro Income Fund - Mediolanum L Class*	1.05%
CHALLENGE Technology Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Financial Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE European Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE North American Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE International Equity Fund - Mediolanum L Class*	1.95%
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	0.20%
CHALLENGE International Income Fund - Mediolanum L Hedge Class*	1.05%
CHALLENGE International Bond Fund - Mediolanum L Hedge Class*	1.25%
CHALLENGE International Bond Fund - Mediolanum L Class*	1.25%
<b>Moderate Fund</b>	<b>Management Fee</b>
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	1.65%
CHALLENGE Euro Bond Fund - Mediolanum L Class*	1.25%
CHALLENGE Euro Income Fund - Mediolanum L Class*	1.05%
CHALLENGE European Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE North American Equity Fund - Mediolanum L Class*	1.60%
CHALLENGE International Income Fund - Mediolanum L Hedge Class*	1.05%
CHALLENGE International Bond Fund - Mediolanum L Hedge Class*	1.25%
Mediolanum Best Brands Euro Fixed Income - L Class*	0.50%
CHALLENGE International Bond Fund - Mediolanum L Class*	1.25%

\* This is a related party per Note 24.

### Note 23 – Distributions

As there were no B units in issue during the financial year (B units are those which would ordinarily be entitled to receive a distribution) no distributions were paid during the financial year ended December 31, 2016 (no distribution paid during the financial year ended December 31, 2015).

### Note 24 – Related Party Transactions

FRS 102 Section 33 'Related Party Disclosures' requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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### Note 24 – Related Party Transactions (continued)

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The Investment Manager and Manager are considered to be related parties. Details of fees paid by the Fund to these entities are detailed separately under Note 8.

Details of investments in related parties are referenced in the Schedule of Investments. Significant transactions with related parties are referenced in the Significant Portfolio Changes.

Management fees charged by funds which the Fund invests into that are related parties are referenced in Note 22.

The following Mediolanum Group entities are invested in the Fund: Challenge Fund and Mediolanum Vita S.p.A. Together these entities held 35.01% of the Fund's assets as at December 31, 2016 (December 31, 2015: 31.94%). Key management officers and their close family members held units to the value of 0.19% of the Fund's assets as at December 31, 2016 (December 31, 2015: 0.29%).

The following Distributors appointed by Mediolanum International Funds Limited are related parties; Banca Mediolanum S.p.A. and Banco Mediolanum S.A.. As Distributors they are appointed to distribute the Fund to clients in Italy and Spain respectively. Together these entities held 64.99% of the Fund's assets as at December 31, 2016 (December 31, 2015: 68.06%).

Certain transactions were carried out by the Investment Manager on behalf of the Fund where the broker or the issuer was a related party.

The following parties also fall within the definition of related parties:

- i. Directors of Mediolanum International Funds Limited, Mediolanum Asset Management Limited and Banca Mediolanum S.p.A.
- ii. Banca Mediolanum, as detailed in Note 11, cash is held with Banca Mediolanum.
- iii. Mediolanum International Funds Limited, Mediolanum Asset Management Limited and Banca Mediolanum S.p.A. key management officers.

Andrew Bates is a Director of the Manager and is also a partner in Dillon Eustace, legal advisors to the Fund. Dillon Eustace is considered to be a related party by virtue of the employment of Andrew Bates. Legal fees for the financial year amounted to Euro 2,523 (December 31, 2015: Euro 4,845).

### Note 25 – Material Changes to the Prospectus/Trust Deed

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There were no material changes to the Prospectus or the Trust Deed during the financial year.

### Note 26 – Significant Events that Took Place During the Financial Year

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The European Union Directive 2014/91/EU (known as “UCITS V Directive”) came into effect on March 18, 2016.

Subscription, redemption and dividend payments were held in accounts in the name of the Administrator, RBC Investor Services Ireland Limited (the “Administrator”). In light of the introduction of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015) (“IMR”) the Administrator has put forward a change to this model such that accounts are held in the name of RBC Investor Services Bank S.A., Dublin Branch (“the Trustee”) on behalf of the Fund.

With effect from July 1, 2016, the Fund will be operating umbrella cash accounts (i.e. a cash account designated in a particular currency opened in the name of the Trustee on behalf of the Fund into which (i) subscription monies received from investors who have subscribed for units are deposited and held until units are issued as of the relevant dealing day; or (ii) redemption monies due to investors who have redeemed units are deposited and held until paid to the relevant investors; or (iii) dividend payments owing to Unitholders are deposited and held until paid to such Unitholders, hereinafter “Umbrella Cash Accounts”).

All subscriptions, redemptions or dividends payable to or from the relevant Sub-Fund will be channelled and managed through such Umbrella Cash Accounts.

### Note 27 – Change of Directors

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Vittorio Gaudio resigned as a Director of the Manager, effective July 19, 2016 and Luigi Del Fabbro was appointed in his place, effective February 8, 2017.

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## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

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### **Note 28 – Subsequent Events**

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There were no significant subsequent events after the financial year end.



# ACTIVE 100 FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016

(expressed in EUR)	Quantity/		Acquisition	% Net	
Description	Face value	Currency	cost	Valuation	assets
<b>1) INVESTMENTS</b>					
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>					
<b>1) LISTED SECURITIES : BONDS</b>					
ITALY					
Italy Buoni Poliennali Del Tesoro 5.25% 01/08/2017	1,886,000	EUR	2,105,700	1,947,540	2.30
<b>Total Italy</b>			<b>2,105,700</b>	<b>1,947,540</b>	<b>2.30</b>
<b>TOTAL LISTED SECURITIES : BONDS</b>			<b>2,105,700</b>	<b>1,947,540</b>	<b>2.30</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<b>2,105,700</b>	<b>1,947,540</b>	<b>2.30</b>
<b>B) OTHER TRANSFERABLE SECURITIES</b>					
<b>1) OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>					
IRELAND					
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class* <sup>1</sup>	2,376,264	EUR	7,305,382	12,601,329	14.86
CHALLENGE Cyclical Equity Fund - Mediolanum L Class* <sup>1</sup>	1,019,152	EUR	3,288,118	6,955,713	8.20
CHALLENGE Energy Equity Fund - Mediolanum L Class* <sup>1</sup>	662,510	EUR	3,984,320	4,958,890	5.85
CHALLENGE European Equity Fund - Mediolanum L Class* <sup>1</sup>	779,269	EUR	2,880,937	4,205,714	4.96
CHALLENGE Financial Equity Fund - Mediolanum L Class* <sup>1</sup>	1,850,873	EUR	7,552,981	7,099,948	8.37
CHALLENGE International Equity Fund - Mediolanum L Class* <sup>1</sup>	1,778,734	EUR	7,614,017	14,793,728	17.44
CHALLENGE International Income Fund - Mediolanum L Class* <sup>1</sup>	388,779	EUR	2,113,439	2,217,596	2.61
CHALLENGE Liquidity Euro Fund - Mediolanum L Class* <sup>1</sup>	136,104	EUR	919,839	921,972	1.09
CHALLENGE Liquidity US Dollar Fund - Mediolanum L Class* <sup>1</sup>	81,882	EUR	386,484	411,131	0.48
CHALLENGE North American Equity Fund - Mediolanum L Class* <sup>1</sup>	1,616,178	EUR	9,034,753	14,862,372	17.52
CHALLENGE North American Equity Fund - Mediolanum L Hedge Class* <sup>1</sup>	152,434	EUR	1,311,085	1,512,755	1.78
CHALLENGE Pacific Equity Fund - Mediolanum L Class* <sup>1</sup>	698,032	EUR	3,479,319	4,803,158	5.66
CHALLENGE Technology Equity Fund - Mediolanum L Class* <sup>1</sup>	1,708,937	EUR	4,573,117	6,743,464	7.95
<b>Total Ireland</b>			<b>54,443,791</b>	<b>82,087,770</b>	<b>96.77</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>			<b>54,443,791</b>	<b>82,087,770</b>	<b>96.77</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>			<b>54,443,791</b>	<b>82,087,770</b>	<b>96.77</b>
<b>TOTAL INVESTMENTS</b>			<b>56,549,491</b>	<b>84,035,310</b>	<b>99.07</b>
<b>CASH AND OTHER NET ASSETS</b>				<b>791,365</b>	<b>0.93</b>
<b>TOTAL NET ASSETS</b>				<b>84,826,675</b>	<b>100.00</b>

\* This is a related party per Note 24.

<sup>1</sup>UCITS

# ACTIVE 100 FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016 (continued)

### ANALYSIS OF TOTAL ASSETS

(expressed in EUR) Description	Valuation	% total assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING	1,947,540	2.29
OTHER TRANSFERABLE SECURITIES	82,087,770	96.51
CASH AND CASH EQUIVALENTS	975,848	1.15
OTHER ASSETS	41,878	0.05
<b>TOTAL</b>	<b>85,053,036</b>	<b>100.00</b>

## ECONOMIC BREAKDOWN OF INVESTMENTS

(expressed as a percentage of net assets)

	% Net Assets
Investment funds	96.77
States, Provinces and Municipalities	2.30
<b>TOTAL INVESTMENTS</b>	<b>99.07</b>
<b>CASH AND OTHER NET ASSETS</b>	<b>0.93</b>
<b>TOTAL NET ASSETS</b>	<b>100.00</b>

# ACTIVE 80 FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Valuation	% Net assets
<b>1) INVESTMENTS</b>					
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>					
<b>1) LISTED SECURITIES : BONDS</b>					
ITALY					
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	1,839,000	EUR	2,208,683	2,151,446	3.87
<b>Total Italy</b>			<b>2,208,683</b>	<b>2,151,446</b>	<b>3.87</b>
<b>TOTAL LISTED SECURITIES : BONDS</b>			<b>2,208,683</b>	<b>2,151,446</b>	<b>3.87</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<b>2,208,683</b>	<b>2,151,446</b>	<b>3.87</b>
<b>B) OTHER TRANSFERABLE SECURITIES</b>					
<b>1) OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>					
IRELAND					
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class* <sup>1</sup>	499,847	EUR	1,202,772	2,650,688	4.77
CHALLENGE Cyclical Equity Fund - Mediolanum L Class* <sup>1</sup>	264,080	EUR	826,718	1,802,348	3.24
CHALLENGE Energy Equity Fund - Mediolanum L Class* <sup>1</sup>	130,684	EUR	802,429	978,168	1.76
CHALLENGE Euro Bond Fund - Mediolanum L Class* <sup>1</sup>	109,036	EUR	1,103,340	1,113,477	2.00
CHALLENGE Euro Income Fund - Mediolanum L Class* <sup>1</sup>	797,784	EUR	5,818,959	5,856,530	10.54
CHALLENGE European Equity Fund - Mediolanum L Class* <sup>1</sup>	627,946	EUR	2,568,838	3,389,024	6.10
CHALLENGE Financial Equity Fund - Mediolanum L Class* <sup>1</sup>	847,121	EUR	3,139,455	3,249,555	5.85
CHALLENGE International Bond Fund - Mediolanum L Class* <sup>1</sup>	471,717	EUR	2,854,454	3,102,013	5.58
CHALLENGE International Bond Fund - Mediolanum L Hedge Class* <sup>1</sup>	120,362	EUR	1,060,393	1,040,413	1.87
CHALLENGE International Equity Fund - Mediolanum L Class* <sup>1</sup>	1,196,133	EUR	5,315,773	9,948,239	17.90
CHALLENGE International Income Fund - Mediolanum L Class* <sup>1</sup>	741,076	EUR	4,081,395	4,227,095	7.61
CHALLENGE Liquidity Euro Fund - Mediolanum L Class* <sup>1</sup>	119,109	EUR	805,212	806,843	1.44
CHALLENGE North American Equity Fund - Mediolanum L Class* <sup>1</sup>	1,043,510	EUR	5,352,645	9,596,117	17.27
CHALLENGE Pacific Equity Fund - Mediolanum L Class* <sup>1</sup>	411,197	EUR	2,015,155	2,829,447	5.09
CHALLENGE Technology Equity Fund - Mediolanum L Class* <sup>1</sup>	596,566	EUR	1,602,325	2,354,050	4.24
<b>Total Ireland</b>			<b>38,549,863</b>	<b>52,944,007</b>	<b>95.26</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>			<b>38,549,863</b>	<b>52,944,007</b>	<b>95.26</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>			<b>38,549,863</b>	<b>52,944,007</b>	<b>95.26</b>
<b>TOTAL INVESTMENTS</b>			<b>40,758,546</b>	<b>55,095,453</b>	<b>99.13</b>
<b>CASH AND OTHER NET ASSETS</b>				<b>480,929</b>	<b>0.87</b>
<b>TOTAL NET ASSETS</b>				<b>55,576,382</b>	<b>100.00</b>

\* This is a related party per Note 24.

<sup>1</sup>UCITS.

# ACTIVE 80 FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016 (continued)

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### ANALYSIS OF TOTAL ASSETS

(expressed in EUR) Description	Valuation	% total assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING	2,151,446	3.86
OTHER TRANSFERABLE SECURITIES	52,944,007	95.06
CASH AND CASH EQUIVALENTS	575,350	1.04
OTHER ASSETS	22,861	0.04
<b>TOTAL</b>	<b>55,693,664</b>	<b>100.00</b>

# ECONOMIC BREAKDOWN OF INVESTMENTS

(expressed as a percentage of net assets)

	% Net Assets
Investment funds	95.26
States, Provinces and Municipalities	3.87
<b>TOTAL INVESTMENTS</b>	<b>99.13</b>
<b>CASH AND OTHER NET ASSETS</b>	<b>0.87</b>
<b>TOTAL NET ASSETS</b>	<b>100.00</b>

# ACTIVE 40 FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Valuation	% Net assets
<b>1) INVESTMENTS</b>					
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>					
<b>1) LISTED SECURITIES : BONDS</b>					
ITALY					
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	494,000	EUR	560,286	577,931	3.92
<b>Total Italy</b>			<b>560,286</b>	<b>577,931</b>	<b>3.92</b>
<b>TOTAL LISTED SECURITIES : BONDS</b>			<b>560,286</b>	<b>577,931</b>	<b>3.92</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<b>560,286</b>	<b>577,931</b>	<b>3.92</b>
<b>B) OTHER TRANSFERABLE SECURITIES</b>					
<b>1) OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>					
IRELAND					
CHALLENGE Euro Bond Fund - Mediolanum L Class* <sup>1</sup>	108,636	EUR	967,765	1,109,390	7.52
CHALLENGE Euro Income Fund - Mediolanum L Class* <sup>1</sup>	202,416	EUR	1,370,562	1,485,933	10.08
CHALLENGE European Equity Fund - Mediolanum L Class* <sup>1</sup>	90,662	EUR	386,255	489,301	3.32
CHALLENGE International Bond Fund - Mediolanum L Class* <sup>1</sup>	400,212	EUR	2,293,943	2,631,791	17.85
CHALLENGE International Equity Fund - Mediolanum L Class* <sup>1</sup>	271,464	EUR	1,359,121	2,257,769	15.31
CHALLENGE International Income Fund - Mediolanum L Class* <sup>1</sup>	184,718	EUR	1,026,278	1,053,629	7.14
CHALLENGE Liquidity Euro Fund - Mediolanum L Class* <sup>1</sup>	87,450	EUR	591,163	592,387	4.02
CHALLENGE Liquidity US Dollar Fund - Mediolanum L Class* <sup>1</sup>	37,658	EUR	177,745	189,080	1.28
CHALLENGE North American Equity Fund - Mediolanum L Class* <sup>1</sup>	153,158	EUR	804,245	1,408,439	9.55
CHALLENGE North American Equity Fund - Mediolanum L Hedge Class* <sup>1</sup>	11,844	EUR	101,549	117,543	0.80
CHALLENGE Pacific Equity Fund - Mediolanum L Class* <sup>1</sup>	55,822	EUR	248,998	384,113	2.60
CHALLENGE Technology Equity Fund - Mediolanum L Class* <sup>1</sup>	56,726	EUR	188,564	223,840	1.52
Mediolanum Best Brands Euro Fixed Income - L Class* <sup>1</sup>	366,797	EUR	2,141,902	2,200,784	14.92
<b>Total Ireland</b>			<b>11,658,090</b>	<b>14,143,999</b>	<b>95.91</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>			<b>11,658,090</b>	<b>14,143,999</b>	<b>95.91</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>			<b>11,658,090</b>	<b>14,143,999</b>	<b>95.91</b>
<b>TOTAL INVESTMENTS</b>			<b>12,218,376</b>	<b>14,721,930</b>	<b>99.83</b>
<b>CASH AND OTHER NET ASSETS</b>				<b>25,616</b>	<b>0.17</b>
<b>TOTAL NET ASSETS</b>				<b>14,747,546</b>	<b>100.00</b>

\* This is a related party per Note 24.

<sup>1</sup>UCITS.

# ACTIVE 40 FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016 (continued)

### ANALYSIS OF TOTAL ASSETS

(expressed in EUR) Description	Valuation	% total assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING	577,931	3.89
OTHER TRANSFERABLE SECURITIES	14,143,999	95.22
CASH AND CASH EQUIVALENTS	125,414	0.85
OTHER ASSETS	6,141	0.04
<b>TOTAL</b>	<b>14,853,485</b>	<b>100.00</b>



## ECONOMIC BREAKDOWN OF INVESTMENTS

(expressed as a percentage of net assets)

	% Net Assets
Investment funds	95.91
States, Provinces and Municipalities	3.92
<b>TOTAL INVESTMENTS</b>	<b>99.83</b>
<b>CASH AND OTHER NET ASSETS</b>	<b>0.17</b>
<b>TOTAL NET ASSETS</b>	<b>100.00</b>

# ACTIVE 10 FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Valuation	% Net assets
<b>1) INVESTMENTS</b>					
<b>A) OTHER TRANSFERABLE SECURITIES</b>					
<b>1) OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>					
IRELAND					
CHALLENGE Euro Bond Fund - Mediolanum L Class* <sup>1</sup>	80,564	EUR	738,371	822,717	19.16
CHALLENGE Euro Income Fund - Mediolanum L Class* <sup>1</sup>	61,168	EUR	433,551	449,036	10.46
CHALLENGE International Bond Fund - Mediolanum L Class* <sup>1</sup>	113,893	EUR	644,715	748,958	17.44
CHALLENGE International Bond Fund - Mediolanum L Hedge Class* <sup>1</sup>	7,451	EUR	65,313	64,404	1.50
CHALLENGE International Equity Fund - Mediolanum L Class* <sup>1</sup>	29,453	EUR	159,880	244,958	5.70
CHALLENGE International Income Fund - Mediolanum L Class* <sup>1</sup>	142,869	EUR	773,585	814,922	18.97
CHALLENGE Liquidity Euro Fund - Mediolanum L Class* <sup>1</sup>	50,998	EUR	344,746	345,460	8.04
Mediolanum Best Brands Euro Fixed Income - L Class* <sup>1</sup>	128,390	EUR	752,685	770,337	17.94
<b>Total Ireland</b>			<b>3,912,846</b>	<b>4,260,792</b>	<b>99.21</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>			<b>3,912,846</b>	<b>4,260,792</b>	<b>99.21</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>			<b>3,912,846</b>	<b>4,260,792</b>	<b>99.21</b>
<b>TOTAL INVESTMENTS</b>			<b>3,912,846</b>	<b>4,260,792</b>	<b>99.21</b>
<b>CASH AND OTHER NET ASSETS</b>				<b>34,014</b>	<b>0.79</b>
<b>TOTAL NET ASSETS</b>				<b>4,294,806</b>	<b>100.00</b>

### ANALYSIS OF TOTAL ASSETS

(expressed in EUR) Description	Valuation	% total assets
<b>OTHER TRANSFERABLE SECURITIES</b>	4,260,792	99.04
<b>CASH AND CASH EQUIVALENTS</b>	41,286	0.96
<b>TOTAL</b>	<b>4,302,078</b>	<b>100.00</b>

\* This is a related party per Note 24.

<sup>1</sup>UCITS.

## ECONOMIC BREAKDOWN OF INVESTMENTS

(expressed as a percentage of net assets)

	% Net Assets
Investment funds	99.21
<b>TOTAL INVESTMENTS</b>	<b>99.21</b>
<b>CASH AND OTHER NET ASSETS</b>	<b>0.79</b>
<b>TOTAL NET ASSETS</b>	<b>100.00</b>

# AGGRESSIVE FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Valuation	% Net assets
<b>1) INVESTMENTS</b>					
<b>A) OTHER TRANSFERABLE SECURITIES</b>					
<b>1) OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>					
IRELAND					
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class* <sup>1</sup>	292,695	EUR	755,661	1,552,161	13.86
CHALLENGE Cyclical Equity Fund - Mediolanum L Class* <sup>1</sup>	151,495	EUR	454,030	1,033,951	9.23
CHALLENGE Energy Equity Fund - Mediolanum L Class* <sup>1</sup>	90,057	EUR	565,052	674,076	6.02
CHALLENGE European Equity Fund - Mediolanum L Class* <sup>1</sup>	83,519	EUR	437,132	450,754	4.03
CHALLENGE Financial Equity Fund - Mediolanum L Class* <sup>1</sup>	236,893	EUR	653,805	908,722	8.12
CHALLENGE International Equity Fund - Mediolanum L Class* <sup>1</sup>	244,392	EUR	858,633	2,032,607	18.15
CHALLENGE Liquidity Euro Fund - Mediolanum L Class* <sup>1</sup>	112,719	EUR	761,079	763,558	6.82
CHALLENGE Liquidity US Dollar Fund - Mediolanum L Class* <sup>1</sup>	57,801	EUR	272,877	290,221	2.59
CHALLENGE North American Equity Fund - Mediolanum L Class* <sup>1</sup>	160,867	EUR	871,474	1,479,334	13.21
CHALLENGE North American Equity Fund - Mediolanum L Hedge Class* <sup>1</sup>	24,725	EUR	212,660	245,371	2.19
CHALLENGE Pacific Equity Fund - Mediolanum L Class* <sup>1</sup>	80,375	EUR	509,064	553,061	4.94
CHALLENGE Technology Equity Fund - Mediolanum L Class* <sup>1</sup>	241,020	EUR	566,680	951,067	8.50
<b>Total Ireland</b>			<b>6,918,147</b>	<b>10,934,883</b>	<b>97.66</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>			<b>6,918,147</b>	<b>10,934,883</b>	<b>97.66</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>			<b>6,918,147</b>	<b>10,934,883</b>	<b>97.66</b>
<b>TOTAL INVESTMENTS</b>			<b>6,918,147</b>	<b>10,934,883</b>	<b>97.66</b>
<b>CASH AND OTHER NET ASSETS</b>				<b>262,204</b>	<b>2.34</b>
<b>TOTAL NET ASSETS</b>				<b>11,197,087</b>	<b>100.00</b>

### ANALYSIS OF TOTAL ASSETS

(expressed in EUR) Description	Valuation	% total assets
<b>OTHER TRANSFERABLE SECURITIES</b>	10,934,883	97.45
<b>CASH AND CASH EQUIVALENTS</b>	250,752	2.23
<b>OTHER ASSETS</b>	35,351	0.32
<b>TOTAL</b>	<b>11,220,986</b>	<b>100.00</b>

\* This is a related party per Note 24.

<sup>1</sup>UCITS.

# ECONOMIC BREAKDOWN OF INVESTMENTS

(expressed as a percentage of net assets)

	% Net Assets
Investment funds	97.66
<b>TOTAL INVESTMENTS</b>	<b>97.66</b>
<b>CASH AND OTHER NET ASSETS</b>	<b>2.34</b>
<b>TOTAL NET ASSETS</b>	<b>100.00</b>

# AGGRESSIVE PLUS FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016

(expressed in EUR)	Quantity/		Acquisition	% Net	
Description	Face value	Currency	cost	Valuation	assets
<b>1) INVESTMENTS</b>					
<b>A) OTHER TRANSFERABLE SECURITIES</b>					
<b>1) OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>					
IRELAND					
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class* <sup>1</sup>	625,610	EUR	1,697,572	3,317,612	10.74
CHALLENGE Cyclical Equity Fund - Mediolanum L Class* <sup>1</sup>	332,276	EUR	983,438	2,267,783	7.34
CHALLENGE Emerging Market Equity Fund - Mediolanum L Class* <sup>1</sup>	309,467	EUR	2,170,333	2,475,738	8.00
CHALLENGE Energy Equity Fund - Mediolanum L Class* <sup>1</sup>	167,169	EUR	1,061,355	1,251,260	4.05
CHALLENGE European Equity Fund - Mediolanum L Class* <sup>1</sup>	307,882	EUR	1,653,873	1,661,642	5.38
CHALLENGE Financial Equity Fund - Mediolanum L Class* <sup>1</sup>	462,400	EUR	1,219,812	1,773,767	5.74
CHALLENGE International Equity Fund - Mediolanum L Class* <sup>1</sup>	676,034	EUR	2,461,923	5,622,577	18.20
CHALLENGE Liquidity Euro Fund - Mediolanum L Class* <sup>1</sup>	364,222	EUR	2,459,812	2,467,239	7.99
CHALLENGE Liquidity US Dollar Fund - Mediolanum L Class* <sup>1</sup>	93,540	EUR	441,635	469,665	1.52
CHALLENGE North American Equity Fund - Mediolanum L Class* <sup>1</sup>	503,178	EUR	2,724,065	4,627,229	14.98
CHALLENGE North American Equity Fund - Mediolanum L Hedge Class* <sup>1</sup>	57,529	EUR	509,250	570,914	1.85
CHALLENGE Pacific Equity Fund - Mediolanum L Class* <sup>1</sup>	225,756	EUR	1,441,261	1,553,429	5.03
CHALLENGE Technology Equity Fund - Mediolanum L Class* <sup>1</sup>	571,450	EUR	1,384,460	2,254,940	7.30
<b>Total Ireland</b>			<b>20,208,789</b>	<b>30,313,795</b>	<b>98.12</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>			<b>20,208,789</b>	<b>30,313,795</b>	<b>98.12</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>			<b>20,208,789</b>	<b>30,313,795</b>	<b>98.12</b>
<b>TOTAL INVESTMENTS</b>			<b>20,208,789</b>	<b>30,313,795</b>	<b>98.12</b>
<b>CASH AND OTHER NET ASSETS</b>				<b>580,372</b>	<b>1.88</b>
<b>TOTAL NET ASSETS</b>				<b>30,894,167</b>	<b>100.00</b>

### ANALYSIS OF TOTAL ASSETS

(expressed in EUR)	% total	
Description	Valuation	assets
<b>OTHER TRANSFERABLE SECURITIES</b>	30,313,795	97.89
<b>CASH AND CASH EQUIVALENTS</b>	587,521	1.90
<b>OTHER ASSETS</b>	64,964	0.21
<b>TOTAL</b>	<b>30,966,280</b>	<b>100.00</b>

\* This is a related party per Note 24.

<sup>1</sup>UCITS.

# ECONOMIC BREAKDOWN OF INVESTMENTS

(expressed as a percentage of net assets)

	% Net Assets
Investment funds	98.12
<b>TOTAL INVESTMENTS</b>	<b>98.12</b>
<b>CASH AND OTHER NET ASSETS</b>	<b>1.88</b>
<b>TOTAL NET ASSETS</b>	<b>100.00</b>

# DYNAMIC FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Valuation	% Net assets
<b>1) INVESTMENTS</b>					
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>					
<b>1) LISTED SECURITIES : BONDS</b>					
ITALY					
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	270,000	EUR	316,042	315,873	2.47
<b>Total Italy</b>			<b>316,042</b>	<b>315,873</b>	<b>2.47</b>
<b>TOTAL LISTED SECURITIES : BONDS</b>			<b>316,042</b>	<b>315,873</b>	<b>2.47</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<b>316,042</b>	<b>315,873</b>	<b>2.47</b>
<b>B) OTHER TRANSFERABLE SECURITIES</b>					
<b>1) OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>					
IRELAND					
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class* <sup>1</sup>	109,806	EUR	270,697	582,299	4.55
CHALLENGE Cyclical Equity Fund - Mediolanum L Class* <sup>1</sup>	54,529	EUR	176,462	372,163	2.91
CHALLENGE Energy Equity Fund - Mediolanum L Class* <sup>1</sup>	48,503	EUR	305,389	363,043	2.83
CHALLENGE Euro Bond Fund - Mediolanum L Class* <sup>1</sup>	63,672	EUR	525,368	650,223	5.08
CHALLENGE Euro Income Fund - Mediolanum L Class* <sup>1</sup>	66,373	EUR	468,775	487,245	3.80
CHALLENGE European Equity Fund - Mediolanum L Class* <sup>1</sup>	144,358	EUR	724,347	779,100	6.08
CHALLENGE Financial Equity Fund - Mediolanum L Class* <sup>1</sup>	144,492	EUR	440,165	554,272	4.33
CHALLENGE International Bond Fund - Mediolanum L Class* <sup>1</sup>	68,272	EUR	422,660	448,957	3.51
CHALLENGE International Bond Fund - Mediolanum L Hedge Class* <sup>1</sup>	181,073	EUR	1,411,381	1,565,198	12.22
CHALLENGE International Equity Fund - Mediolanum L Class* <sup>1</sup>	292,689	EUR	1,119,520	2,434,295	19.01
CHALLENGE International Income Fund - Mediolanum L Hedge Class* <sup>1</sup>	47,072	EUR	316,443	315,383	2.46
CHALLENGE North American Equity Fund - Mediolanum L Class* <sup>1</sup>	266,998	EUR	1,407,673	2,455,312	19.17
CHALLENGE Pacific Equity Fund - Mediolanum L Class* <sup>1</sup>	95,768	EUR	602,016	658,979	5.15
CHALLENGE Technology Equity Fund - Mediolanum L Class* <sup>1</sup>	163,981	EUR	456,885	647,070	5.05
<b>Total Ireland</b>			<b>8,647,781</b>	<b>12,313,539</b>	<b>96.15</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>			<b>8,647,781</b>	<b>12,313,539</b>	<b>96.15</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>			<b>8,647,781</b>	<b>12,313,539</b>	<b>96.15</b>
<b>TOTAL INVESTMENTS</b>			<b>8,963,823</b>	<b>12,629,412</b>	<b>98.62</b>
<b>CASH AND OTHER NET ASSETS</b>				<b>176,257</b>	<b>1.38</b>
<b>TOTAL NET ASSETS</b>				<b>12,805,669</b>	<b>100.00</b>

\* This is a related party per Note 24.

<sup>1</sup>UCITS.



## DYNAMIC FUND

### SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016 (continued)

#### ANALYSIS OF TOTAL ASSETS

(expressed in EUR) Description	Valuation	% total assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING	315,873	2.46
OTHER TRANSFERABLE SECURITIES	12,313,539	95.99
CASH AND CASH EQUIVALENTS	169,721	1.33
OTHER ASSETS	28,534	0.22
<b>TOTAL</b>	<b>12,827,667</b>	<b>100.00</b>

## ECONOMIC BREAKDOWN OF INVESTMENTS

(expressed as a percentage of net assets)

	% Net Assets
Investment funds	96.15
States, Provinces and Municipalities	2.47
<b>TOTAL INVESTMENTS</b>	<b>98.62</b>
<b>CASH AND OTHER NET ASSETS</b>	<b>1.38</b>
<b>TOTAL NET ASSETS</b>	<b>100.00</b>

# BALANCED FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016

(expressed in EUR)	Quantity/ Face value		Acquisition cost	Valuation	% Net assets
Description		Currency			
1) INVESTMENTS					
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
1) LISTED SECURITIES : BONDS					
ITALY					
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	261,000	EUR	313,484	305,344	2.51
Total Italy			313,484	305,344	2.51
TOTAL LISTED SECURITIES : BONDS			313,484	305,344	2.51
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
			313,484	305,344	2.51
B) OTHER TRANSFERABLE SECURITIES					
1) OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS					
IRELAND					
CHALLENGE Euro Bond Fund - Mediolanum L Class* <sup>1</sup>	85,052	EUR	695,567	868,551	7.15
CHALLENGE Euro Income Fund - Mediolanum L Class* <sup>1</sup>	231,644	EUR	1,617,832	1,700,500	13.99
CHALLENGE European Equity Fund - Mediolanum L Class* <sup>1</sup>	137,730	EUR	660,370	743,330	6.12
CHALLENGE Financial Equity Fund - Mediolanum L Class* <sup>1</sup>	39,016	EUR	136,909	149,665	1.23
CHALLENGE International Bond Fund - Mediolanum L Class* <sup>1</sup>	46,250	EUR	282,405	304,143	2.50
CHALLENGE International Bond Fund - Mediolanum L Hedge Class* <sup>1</sup>	205,334	EUR	1,586,826	1,774,905	14.60
CHALLENGE International Equity Fund - Mediolanum L Class* <sup>1</sup>	217,524	EUR	937,615	1,809,143	14.88
CHALLENGE International Income Fund - Mediolanum L Hedge Class* <sup>1</sup>	165,749	EUR	1,118,928	1,110,517	9.14
CHALLENGE Liquidity Euro Fund - Mediolanum L Class* <sup>1</sup>	18,310	EUR	123,797	124,035	1.02
CHALLENGE North American Equity Fund - Mediolanum L Class* <sup>1</sup>	258,723	EUR	1,400,632	2,379,212	19.57
CHALLENGE Pacific Equity Fund - Mediolanum L Class* <sup>1</sup>	89,031	EUR	534,457	612,621	5.04
CHALLENGE Technology Equity Fund - Mediolanum L Class* <sup>1</sup>	48,614	EUR	160,381	191,833	1.58
Total Ireland			9,255,719	11,768,455	96.82
TOTAL OTHER TRANSFERABLE SECURITIES: INVESTMENT FUNDS			9,255,719	11,768,455	96.82
TOTAL OTHER TRANSFERABLE SECURITIES			9,255,719	11,768,455	96.82
TOTAL INVESTMENTS			9,569,203	12,073,799	99.33
CASH AND OTHER NET ASSETS				80,871	0.67
TOTAL NET ASSETS				12,154,670	100.00

\* This is a related party per Note 24

<sup>1</sup>UCITS.

# **BALANCED FUND**

## **SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016 (continued)**

### **ANALYSIS OF TOTAL ASSETS**

(expressed in EUR)		
<b>Description</b>	<b>Valuation</b>	<b>% total assets</b>
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>	305,344	2.51
<b>OTHER TRANSFERABLE SECURITIES</b>	11,768,455	96.67
<b>CASH AND CASH EQUIVALENTS</b>	77,300	0.63
<b>OTHER ASSETS</b>	22,735	0.19
<b>TOTAL</b>	<b>12,173,834</b>	<b>100.00</b>

## ECONOMIC BREAKDOWN OF INVESTMENTS

(expressed as a percentage of net assets)

	% Net Assets
Investment funds	96.82
States, Provinces and Municipalities	2.51
<b>TOTAL INVESTMENTS</b>	<b>99.33</b>
<b>CASH AND OTHER NET ASSETS</b>	<b>0.67</b>
<b>TOTAL NET ASSETS</b>	<b>100.00</b>

# MODERATE FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Valuation	% Net assets
<b>1) INVESTMENTS</b>					
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>					
<b>1) LISTED SECURITIES : BONDS</b>					
ITALY					
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	205,000	EUR	241,131	239,830	6.68
<b>Total Italy</b>			<b>241,131</b>	<b>239,830</b>	<b>6.68</b>
<b>TOTAL LISTED SECURITIES : BONDS</b>			<b>241,131</b>	<b>239,830</b>	<b>6.68</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>					
			<b>241,131</b>	<b>239,830</b>	<b>6.68</b>
<b>B) OTHER TRANSFERABLE SECURITIES</b>					
<b>1) OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>					
IRELAND					
CHALLENGE Euro Bond Fund - Mediolanum L Class* <sup>1</sup>	24,931	EUR	211,462	254,594	7.10
CHALLENGE Euro Income Fund - Mediolanum L Class* <sup>1</sup>	26,598	EUR	180,793	195,253	5.44
CHALLENGE European Equity Fund - Mediolanum L Class* <sup>1</sup>	49,797	EUR	242,161	268,754	7.49
CHALLENGE International Bond Fund - Mediolanum L Class* <sup>1</sup>	13,342	EUR	81,903	87,736	2.45
CHALLENGE International Bond Fund - Mediolanum L Hedge Class* <sup>1</sup>	68,488	EUR	523,330	592,010	16.50
CHALLENGE International Income Fund - Mediolanum L Hedge Class* <sup>1</sup>	97,168	EUR	661,856	651,024	18.14
CHALLENGE North American Equity Fund - Mediolanum L Class* <sup>1</sup>	68,670	EUR	398,837	631,491	17.60
CHALLENGE Pacific Equity Fund - Mediolanum L Class* <sup>1</sup>	22,073	EUR	129,547	151,883	4.23
Mediolanum Best Brands Euro Fixed Income - L Class* <sup>1</sup>	71,664	EUR	400,763	429,982	11.98
<b>Total Ireland</b>			<b>2,830,652</b>	<b>3,262,727</b>	<b>90.93</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS</b>			<b>2,830,652</b>	<b>3,262,727</b>	<b>90.93</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>			<b>2,830,652</b>	<b>3,262,727</b>	<b>90.93</b>
<b>TOTAL INVESTMENTS</b>			<b>3,071,783</b>	<b>3,502,557</b>	<b>97.61</b>
<b>CASH AND OTHER NET ASSETS</b>				<b>85,843</b>	<b>2.39</b>
<b>TOTAL NET ASSETS</b>				<b>3,588,400</b>	<b>100.00</b>

\* This is a related party per Note 24.

<sup>1</sup>UCITS.

# MODERATE FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016 (continued)

### ANALYSIS OF TOTAL ASSETS

(expressed in EUR) Description	Valuation	% total assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING	239,830	6.67
OTHER TRANSFERABLE SECURITIES	3,262,727	90.73
CASH AND CASH EQUIVALENTS	88,323	2.46
OTHER ASSETS	5,015	0.14
<b>TOTAL</b>	<b>3,595,895</b>	<b>100.00</b>

## ECONOMIC BREAKDOWN OF INVESTMENTS

(expressed as a percentage of net assets)

	% Net Assets
Investment funds	90.93
States, Provinces and Municipalities	6.68
<b>TOTAL INVESTMENTS</b>	<b>97.61</b>
<b>CASH AND OTHER NET ASSETS</b>	<b>2.39</b>
<b>TOTAL NET ASSETS</b>	<b>100.00</b>



# LIQUIDITY FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Valuation	% Net assets
1) INVESTMENTS					
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
1) LISTED SECURITIES : BONDS					
BELGIUM					
Solvay SA 0.506% 01/12/2017	2,000,000	EUR	2,002,400	2,009,200	1.43
<b>Total Belgium</b>			<b>2,002,400</b>	<b>2,009,200</b>	<b>1.43</b>
BERMUDA ISLANDS					
Fidelity International Ltd 6.875% 24/02/2017 EMTN	850,000	EUR	872,695	858,585	0.61
<b>Total Bermuda Islands</b>			<b>872,695</b>	<b>858,585</b>	<b>0.61</b>
CURACAO					
Teva Pharmaceutical Finance IV BV 2.875% 15/04/2019	1,300,000	EUR	1,392,625	1,375,790	0.98
<b>Total Curacao</b>			<b>1,392,625</b>	<b>1,375,790</b>	<b>0.98</b>
DENMARK					
Carlsberg Breweries A/S 3.375% 13/10/2017 EMTN	1,940,000	EUR	2,038,578	1,992,574	1.42
TDC A/S 4.375% 23/02/2018 EMTN	2,600,000	EUR	2,759,781	2,727,140	1.94
<b>Total Denmark</b>			<b>4,798,359</b>	<b>4,719,714</b>	<b>3.36</b>
FRANCE					
Alstom SA 2.25% 11/10/2017 EMTN	200,000	EUR	205,780	203,360	0.14
Alstom SA 4.125% 01/02/2017	400,000	EUR	419,300	401,320	0.29
Casino Guichard Perrachon SA 4.379% 08/02/2017 EMTN	4,800,000	EUR	4,962,165	4,821,120	3.43
RCI Banque SA 0.375% 10/07/2019 EMTN	700,000	EUR	699,104	703,220	0.50
Renault SA 4.625% 18/09/2017 EMTN	1,450,000	EUR	1,562,665	1,497,125	1.07
Wendel SA 6.75% 20/04/2018	3,000,000	EUR	3,367,515	3,247,800	2.31
<b>Total France</b>			<b>11,216,529</b>	<b>10,873,945</b>	<b>7.74</b>
GERMANY					
Daimler AG 0.164% 09/03/2018 EMTN	2,500,000	EUR	2,500,000	2,506,500	1.78
Deutsche Bank AG 5.125% 31/08/2017 EMTN	3,350,000	EUR	3,589,645	3,457,870	2.46
Deutsche Pfandbriefbank AG 0.875% 20/01/2017 EMTN	800,000	EUR	798,992	800,080	0.57
Volkswagen Bank GmbH 1.125% 08/02/2018 EMTN	1,040,000	EUR	1,054,084	1,051,960	0.75
Volkswagen Leasing GmbH 0% 11/08/2017 EMTN	520,000	EUR	518,024	519,636	0.37
Volkswagen Leasing GmbH 3.25% 10/05/2018 EMTN	3,300,000	EUR	3,478,860	3,440,580	2.45
<b>Total Germany</b>			<b>11,939,605</b>	<b>11,776,626</b>	<b>8.38</b>
HONG KONG					
Dongfeng Motor Hong Kong International Co Ltd 1.6% 28/10/2018	700,000	EUR	717,150	715,330	0.51
<b>Total Hong Kong</b>			<b>717,150</b>	<b>715,330</b>	<b>0.51</b>
IRELAND					
Allied Irish Banks Plc 2.75% 16/04/2019 EMTN	3,400,000	EUR	3,598,880	3,581,220	2.55
Bank of Ireland 2% 08/05/2017 EMTN	700,000	EUR	714,434	704,970	0.50
Bank of Ireland 3.25% 15/01/2019	2,040,000	EUR	2,179,128	2,167,908	1.54
FCA Capital Ireland Plc 2% 23/10/2019 EMTN	650,000	EUR	682,175	676,065	0.48

# LIQUIDITY FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016 (continued)

(expressed in EUR)	Quantity/ Face value	Currency	Acquisition cost	Valuation	% Net assets
Description					
FCA Capital Ireland Plc 2.625% 17/04/2019 EMTN	400,000	EUR	423,600	419,480	0.30
FCA Capital Ireland Plc 2.875% 26/01/2018 EMTN	1,300,000	EUR	1,345,500	1,336,790	0.95
Intesa Sanpaolo Bank Ireland Plc 0.284% 09/03/2018 EMTN	2,000,000	EUR	1,999,400	1,999,600	1.43
<b>Total Ireland</b>			<b>10,943,117</b>	<b>10,886,033</b>	<b>7.75</b>
ITALY					
Intesa Sanpaolo SpA 4% 09/11/2017 EMTN	3,000,000	EUR	3,205,915	3,098,700	2.20
Mediobanca SpA 0.875% 14/11/2017 EMTN*	1,000,000	EUR	998,400	1,005,900	0.72
UniCredit SpA 0.646% 10/04/2017 EMTN	1,700,000	EUR	1,710,296	1,702,040	1.21
Unione di Banche Italiane SpA 2.75% 28/04/2017 EMTN	2,700,000	EUR	2,806,350	2,722,950	1.94
<b>Total Italy</b>			<b>8,720,961</b>	<b>8,529,590</b>	<b>6.07</b>
LUXEMBOURG					
Glencore Finance Europe SA 4.625% 03/04/2018 EMTN	2,600,000	EUR	2,767,700	2,730,260	1.94
Glencore Finance Europe SA 5.25% 22/03/2017 EMTN	2,300,000	EUR	2,381,481	2,325,530	1.66
HeidelbergCement Finance Luxembourg SA 8.5% 31/10/2019	1,250,000	EUR	1,545,821	1,539,750	1.10
<b>Total Luxembourg</b>			<b>6,695,002</b>	<b>6,595,540</b>	<b>4.70</b>
MEXICO					
America Movil SAB de CV 4.125% 25/10/2019 EMTN	800,000	EUR	891,200	885,200	0.63
<b>Total Mexico</b>			<b>891,200</b>	<b>885,200</b>	<b>0.63</b>
NETHERLANDS					
BMW Finance NV 3.875% 18/01/2017 EMTN	800,000	EUR	835,280	801,600	0.57
Conti-Gummi Finance BV 2.5% 20/03/2017 EMTN	2,800,000	EUR	2,889,400	2,815,120	2.00
EDP Finance BV 2.625% 15/04/2019 EMTN	1,100,000	EUR	1,163,030	1,152,690	0.82
EDP Finance BV 5.75% 21/09/2017 EMTN	1,500,000	EUR	1,614,750	1,561,650	1.11
General Motors Financial International BV 1.875% 15/10/2019 EMTN	1,350,000	EUR	1,413,180	1,403,325	1.00
Mylan NV 0.557% 22/11/2018	1,740,000	EUR	1,740,000	1,754,094	1.25
PostNL NV 5.375% 14/11/2017	1,936,000	EUR	2,163,276	2,026,218	1.44
Repsol International Finance BV 0.399% 06/07/2018 EMTN	2,700,000	EUR	2,711,900	2,712,150	1.93
Repsol International Finance BV 4.875% 19/02/2019 EMTN	1,000,000	EUR	1,115,440	1,102,000	0.79
<b>Total Netherlands</b>			<b>15,646,256</b>	<b>15,328,847</b>	<b>10.91</b>
NORWAY					
Santander Consumer Bank AS 0.25% 30/09/2019	800,000	EUR	797,136	800,800	0.57
Santander Consumer Bank AS 0.625% 20/04/2018 EMTN	500,000	EUR	499,470	503,800	0.36
<b>Total Norway</b>			<b>1,296,606</b>	<b>1,304,600</b>	<b>0.93</b>
SPAIN					
Gas Natural Capital Markets SA 4.125% 24/04/2017 EMTN	1,500,000	EUR	1,580,600	1,519,200	1.08
Santander Consumer Finance SA 1.1% 30/07/2018	2,300,000	EUR	2,342,218	2,337,490	1.67
<b>Total Spain</b>			<b>3,922,818</b>	<b>3,856,690</b>	<b>2.75</b>
SWEDEN					
Volvo Treasury AB 0.146% 20/06/2018 EMTN	2,700,000	EUR	2,700,794	2,700,810	1.92
<b>Total Sweden</b>			<b>2,700,794</b>	<b>2,700,810</b>	<b>1.92</b>

\* This is a related party per Note 24.

# LIQUIDITY FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016 (continued)

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Valuation	% Net assets
UNITED KINGDOM					
Aviva Plc 0.1% 13/12/2018 EMTN	1,270,000	EUR	1,269,632	1,269,238	0.90
Credit Suisse AG 3.875% 25/01/2017 EMTN	2,200,000	EUR	2,299,821	2,205,720	1.57
FCE Bank Plc 0.868% 11/08/2018 EMTN	500,000	EUR	508,000	506,550	0.36
FCE Bank Plc 2.875% 03/10/2017 EMTN	1,400,000	EUR	1,468,455	1,430,800	1.02
Imperial Brands Finance Plc 4.5% 05/07/2018 EMTN	1,150,000	EUR	1,262,815	1,228,315	0.88
Lloyds Bank Plc 0.228% 21/08/2017 EMTN	2,000,000	EUR	2,012,160	2,005,000	1.43
Lloyds Bank Plc 1.875% 10/10/2018 EMTN	1,350,000	EUR	1,405,620	1,396,575	0.99
Nationwide Building Society 0.335% 23/03/2018 EMTN	1,900,000	EUR	1,907,695	1,910,640	1.36
Santander UK Plc 1.75% 15/01/2018 EMTN	2,000,000	EUR	2,054,400	2,035,200	1.45
Standard Chartered Plc 1.625% 20/11/2018 EMTN	700,000	EUR	723,730	719,950	0.51
<b>Total United Kingdom</b>			<b>14,912,328</b>	<b>14,707,988</b>	<b>10.47</b>
UNITED STATES OF AMERICA					
Bank of America Corp 4.625% 07/08/2017 EMTN	1,800,000	EUR	1,917,810	1,851,300	1.32
Goldman Sachs Group Inc 0.238% 27/07/2017 EMTN	1,500,000	EUR	1,500,375	1,503,000	1.07
Goldman Sachs Group Inc 4.375% 16/03/2017 EMTN	1,800,000	EUR	1,916,610	1,817,460	1.29
Morgan Stanley 0.186% 03/12/2019	2,650,000	EUR	2,650,000	2,653,445	1.89
Morgan Stanley 5.5% 02/10/2017 EMTN	2,800,000	EUR	3,074,344	2,918,160	2.08
<b>Total United States of America</b>			<b>11,059,139</b>	<b>10,743,365</b>	<b>7.65</b>
<b>TOTAL LISTED SECURITIES : BONDS</b>			<b>109,727,584</b>	<b>107,867,853</b>	<b>76.79</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<b>109,727,584</b>	<b>107,867,853</b>	<b>76.79</b>
B) OTHER TRANSFERABLE SECURITIES DEALT ON AN OTHER REGULATED MARKET					
1) OTHER ORGANISED MARKET : BONDS					
ITALY					
Mediobanca SpA 3.475% 31/05/2017*	2,200,000	EUR	2,299,840	2,232,340	1.59
UniCredit SpA 0% 31/07/2017	300,000	EUR	294,900	297,600	0.21
Unione di Banche Italiane SpA 2.51% 30/12/2016	2,800,000	EUR	2,880,700	2,804,480	2.00
<b>Total Italy</b>			<b>5,475,440</b>	<b>5,334,420</b>	<b>3.80</b>
<b>TOTAL OTHER ORGANISED MARKET : BONDS</b>			<b>5,475,440</b>	<b>5,334,420</b>	<b>3.80</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES DEALT ON AN OTHER REGULATED MARKET</b>			<b>5,475,440</b>	<b>5,334,420</b>	<b>3.80</b>
<b>TOTAL INVESTMENTS</b>			<b>115,203,024</b>	<b>113,202,273</b>	<b>80.59</b>
<b>CASH AND OTHER NET ASSETS</b>				<b>27,271,707</b>	<b>19.41</b>
<b>TOTAL NET ASSETS</b>				<b>140,473,980</b>	<b>100.00</b>

\* This is a related party per Note 24.

# LIQUIDITY FUND

## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2016 (continued)

### ANALYSIS OF TOTAL ASSETS

(expressed in EUR) Description	Valuation	% total assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING	107,867,853	76.73
OTHER TRANSFERABLE SECURITIES DEALT ON ANOTHER REGULATED MARKET	5,334,420	3.79
CASH AND CASH EQUIVALENTS	25,611,953	18.22
OTHER ASSETS	1,772,789	1.26
<b>TOTAL</b>	<b>140,587,015</b>	<b>100.00</b>

# ECONOMIC BREAKDOWN OF INVESTMENTS

(expressed as a percentage of net assets)

	% Net Assets
Banks and Financial Institutions	35.14
Holding and Finance Companies	28.24
Retail	3.43
Automobile Industry	3.36
News Transmission	2.57
Pharmaceuticals and Cosmetics	2.23
Transportation	1.44
Chemicals	1.43
Tobacco and Spirits	1.42
Insurance	0.90
Electronics and Electrical Equipment	0.43
<b>TOTAL INVESTMENTS</b>	<b>80.59</b>
<b>CASH AND OTHER NET ASSETS</b>	<b>19.41</b>
<b>TOTAL NET ASSETS</b>	<b>100.00</b>

# SIGNIFICANT PORTFOLIO CHANGES

(expressed in EUR)

## ACTIVE 100 FUND

### Purchases\*\*

<b>Security</b>	<b>Cost</b>	<b>% of Total Purchases</b>
CHALLENGE Financial Equity Fund - Mediolanum L Class*	877,097	37.99
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class*	508,035	22.01
CHALLENGE Energy Equity Fund - Mediolanum L Class*	355,643	15.41
CHALLENGE International Income Fund - Mediolanum L Class*	344,401	14.92
CHALLENGE European Equity Fund - Mediolanum L Class*	157,124	6.81
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	66,089	2.86

### Sales\*\*\*

<b>Security</b>	<b>Proceeds</b>	<b>% of Total Sales</b>
CHALLENGE North American Equity Fund - Mediolanum L Class*	2,230,135	17.49
CHALLENGE Financial Equity Fund - Mediolanum L Class*	1,869,686	14.66
CHALLENGE International Equity Fund - Mediolanum L Class*	1,774,833	13.92
CHALLENGE Energy Equity Fund - Mediolanum L Class*	1,343,616	10.54
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class*	1,270,460	9.96
CHALLENGE Technology Equity Fund - Mediolanum L Class*	938,743	7.36
CHALLENGE Cyclical Equity Fund - Mediolanum L Class*	802,116	6.29
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	784,625	6.15
CHALLENGE International Income Fund - Mediolanum L Class*	661,253	5.19
Italy Buoni Poliennali Del Tesoro 5.25% 01/08/2017	359,154	2.82
CHALLENGE North American Equity Fund - Mediolanum L Hedge Class*	230,029	1.80
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	200,322	1.57
CHALLENGE Liquidity US Dollar Fund - Mediolanum L Class*	155,548	1.22
CHALLENGE European Equity Fund - Mediolanum L Class*	131,767	1.03

\*This is a related party per Note 24.

\*\* Represents total purchases during the financial year.

\*\*\* Represents total sales during the financial year.

# SIGNIFICANT PORTFOLIO CHANGES

(expressed in EUR)

## ACTIVE 80 FUND

### Purchases\*\*

Security	Cost	% of Total Purchases
CHALLENGE Euro Income Fund - Mediolanum L Class*	1,009,269	21.29
CHALLENGE International Equity Fund - Mediolanum L Class*	673,025	14.20
CHALLENGE Financial Equity Fund - Mediolanum L Class*	636,998	13.44
CHALLENGE International Income Fund - Mediolanum L Class*	547,106	11.54
CHALLENGE International Bond Fund - Mediolanum L Class*	504,548	10.64
CHALLENGE North American Equity Fund - Mediolanum L Class*	362,265	7.64
CHALLENGE European Equity Fund - Mediolanum L Class*	332,787	7.02
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	178,970	3.78
CHALLENGE Technology Equity Fund - Mediolanum L Class*	135,876	2.87
CHALLENGE Euro Bond Fund - Mediolanum L Class*	121,041	2.55
CHALLENGE International Bond Fund - Mediolanum L Hedge Class*	108,028	2.28
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	78,316	1.65
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	52,085	1.10

### Sales\*\*\*

Security	Proceeds	% of Total Sales
CHALLENGE North American Equity Fund - Mediolanum L Class*	2,250,503	17.91
CHALLENGE International Equity Fund - Mediolanum L Class*	2,071,162	16.49
CHALLENGE Euro Income Fund - Mediolanum L Class*	1,662,397	13.23
CHALLENGE Financial Equity Fund - Mediolanum L Class*	1,167,787	9.30
CHALLENGE International Income Fund - Mediolanum L Class*	1,103,878	8.79
CHALLENGE International Bond Fund - Mediolanum L Class*	942,940	7.50
CHALLENGE European Equity Fund - Mediolanum L Class*	528,022	4.20
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	514,645	4.10
CHALLENGE Technology Equity Fund - Mediolanum L Class*	502,424	4.00
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	434,414	3.46
CHALLENGE International Bond Fund - Mediolanum L Hedge Class*	279,977	2.23
CHALLENGE Cyclical Equity Fund - Mediolanum L Class*	248,111	1.97
CHALLENGE Euro Bond Fund - Mediolanum L Class*	241,107	1.92
CHALLENGE Energy Equity Fund - Mediolanum L Class*	234,150	1.86
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class*	195,472	1.56
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	186,517	1.48

\*This is a related party per Note 24.

\*\* Represents total purchases during the financial year.

\*\*\* Represents total sales during the financial year.

# SIGNIFICANT PORTFOLIO CHANGES

(expressed in EUR)

## ACTIVE 40 FUND

### Purchases\*\*

Security	Cost	% of Total Purchases
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	669,362	33.39
CHALLENGE International Equity Fund - Mediolanum L Class*	402,939	20.10
CHALLENGE International Bond Fund - Mediolanum L Class*	236,290	11.79
CHALLENGE North American Equity Fund - Mediolanum L Class*	182,921	9.12
Mediolanum Best Brands Euro Fixed Income - L Class*	182,355	9.10
CHALLENGE Euro Income Fund - Mediolanum L Class*	126,246	6.30
CHALLENGE European Equity Fund - Mediolanum L Class*	67,778	3.38
CHALLENGE Euro Bond Fund - Mediolanum L Class*	63,702	3.18
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	33,684	1.68
CHALLENGE North American Equity Fund - Mediolanum L Hedge Class*	21,038	1.05
CHALLENGE International Income Fund - Mediolanum L Class*	18,208	0.91

### Sales\*\*\*

Security	Proceeds	% of Total Sales
CHALLENGE International Equity Fund - Mediolanum L Class*	826,473	17.90
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	816,624	17.69
CHALLENGE International Bond Fund - Mediolanum L Class*	729,823	15.81
CHALLENGE North American Equity Fund - Mediolanum L Class*	529,069	11.46
Mediolanum Best Brands Euro Fixed Income - L Class*	509,120	11.03
CHALLENGE Euro Income Fund - Mediolanum L Class*	333,775	7.23
CHALLENGE Euro Bond Fund - Mediolanum L Class*	260,614	5.65
CHALLENGE International Income Fund - Mediolanum L Class*	210,703	4.56
CHALLENGE European Equity Fund - Mediolanum L Class*	118,364	2.56
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	85,658	1.86
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	78,254	1.70
CHALLENGE Technology Equity Fund - Mediolanum L Class*	57,084	1.24
CHALLENGE Liquidity US Dollar Fund - Mediolanum L Class*	36,585	0.79
CHALLENGE North American Equity Fund - Mediolanum L Hedge Class*	24,023	0.52

\*This is a related party per Note 24.

\*\* Represents total purchases during the financial year.

\*\*\* Represents total sales during the financial year.



# SIGNIFICANT PORTFOLIO CHANGES

(expressed in EUR)

## ACTIVE 10 FUND

### Purchases\*\*

Security	Cost	% of Total Purchases
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	398,737	82.55
CHALLENGE International Equity Fund - Mediolanum L Class*	26,331	5.45
CHALLENGE International Income Fund - Mediolanum L Class*	20,035	4.15
CHALLENGE Euro Bond Fund - Mediolanum L Class*	16,350	3.38
Mediolanum Best Brands Euro Fixed Income - L Class*	12,604	2.61
CHALLENGE Euro Income Fund - Mediolanum L Class*	8,970	1.86

### Sales\*\*\*

Security	Proceeds	% of Total Sales
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	403,851	32.42
CHALLENGE International Income Fund - Mediolanum L Class*	173,046	13.89
CHALLENGE Euro Bond Fund - Mediolanum L Class*	157,664	12.66
CHALLENGE International Bond Fund - Mediolanum L Class*	153,574	12.33
Mediolanum Best Brands Euro Fixed Income - L Class*	140,430	11.28
CHALLENGE Euro Income Fund - Mediolanum L Class*	84,898	6.82
CHALLENGE International Equity Fund - Mediolanum L Class*	69,133	5.55
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	54,044	4.34
CHALLENGE International Bond Fund - Mediolanum L Hedge Class*	8,884	0.71

\*This is a related party per Note 24.

\*\* Represents total purchases during the financial year.

\*\*\* Represents total sales during the financial year.

# SIGNIFICANT PORTFOLIO CHANGES

(expressed in EUR)

## AGGRESSIVE FUND

### Purchases\*\*

Security	Cost	% of Total Purchases
CHALLENGE Financial Equity Fund - Mediolanum L Class*	101,535	25.31
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	88,444	22.05
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class*	57,739	14.39
CHALLENGE Energy Equity Fund - Mediolanum L Class*	50,870	12.68
CHALLENGE European Equity Fund - Mediolanum L Class*	34,160	8.52
CHALLENGE International Equity Fund - Mediolanum L Class*	20,709	5.16
CHALLENGE Technology Equity Fund - Mediolanum L Class*	19,445	4.85
CHALLENGE Liquidity US Dollar Fund - Mediolanum L Class*	16,562	4.13
CHALLENGE North American Equity Fund - Mediolanum L Class*	11,659	2.91

### Sales\*\*\*

Security	Proceeds	% of Total Sales
CHALLENGE International Equity Fund - Mediolanum L Class*	290,294	15.54
CHALLENGE North American Equity Fund - Mediolanum L Class*	257,614	13.79
CHALLENGE Financial Equity Fund - Mediolanum L Class*	227,049	12.16
CHALLENGE Energy Equity Fund - Mediolanum L Class*	198,061	10.60
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	176,079	9.43
CHALLENGE Technology Equity Fund - Mediolanum L Class*	167,191	8.95
CHALLENGE Cyclical Equity Fund - Mediolanum L Class*	151,648	8.12
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class*	150,009	8.03
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	92,367	4.95
CHALLENGE European Equity Fund - Mediolanum L Class*	70,630	3.78
CHALLENGE Liquidity US Dollar Fund - Mediolanum L Class*	48,270	2.58
CHALLENGE North American Equity Fund - Mediolanum L Hedge Class*	38,679	2.07

\*This is a related party per Note 24.

\*\* Represents total purchases during the financial year.

\*\*\* Represents total sales during the financial year.

# SIGNIFICANT PORTFOLIO CHANGES

(expressed in EUR)

## AGGRESSIVE PLUS FUND

### Purchases\*\*

Security	Cost	% of Total Purchases
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	447,307	29.56
CHALLENGE Emerging Market Equity Fund - Mediolanum L Class*	292,576	19.34
CHALLENGE Financial Equity Fund - Mediolanum L Class*	153,494	10.14
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class*	152,752	10.10
CHALLENGE International Equity Fund - Mediolanum L Class*	139,701	9.23
CHALLENGE Technology Equity Fund - Mediolanum L Class*	134,555	8.89
CHALLENGE Energy Equity Fund - Mediolanum L Class*	91,328	6.04
CHALLENGE North American Equity Fund - Mediolanum L Class*	46,741	3.09
CHALLENGE Liquidity US Dollar Fund - Mediolanum L Class*	39,490	2.61
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	15,146	1.00

### Sales\*\*\*

Security	Proceeds	% of Total Sales
CHALLENGE North American Equity Fund - Mediolanum L Class*	732,756	15.48
CHALLENGE International Equity Fund - Mediolanum L Class*	718,901	15.19
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	649,998	13.74
CHALLENGE Emerging Market Equity Fund - Mediolanum L Class*	591,727	12.50
CHALLENGE Technology Equity Fund - Mediolanum L Class*	419,219	8.86
CHALLENGE Financial Equity Fund - Mediolanum L Class*	339,675	7.18
CHALLENGE Energy Equity Fund - Mediolanum L Class*	334,818	7.08
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class*	308,813	6.53
CHALLENGE Cyclical Equity Fund - Mediolanum L Class*	297,154	6.28
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	159,486	3.37
CHALLENGE Liquidity US Dollar Fund - Mediolanum L Class*	88,695	1.87
CHALLENGE North American Equity Fund - Mediolanum L Hedge Class*	46,136	0.97
CHALLENGE European Equity Fund - Mediolanum L Class*	44,912	0.95

\*This is a related party per Note 24.

\*\* Represents total purchases during the financial year.

\*\*\* Represents total sales during the financial year.

# SIGNIFICANT PORTFOLIO CHANGES

(expressed in EUR)

## DYNAMIC FUND

### Purchases\*\*

Security	Cost	% of Total Purchases
CHALLENGE International Bond Fund - Mediolanum L Hedge Class*	314,753	31.09
CHALLENGE Euro Bond Fund - Mediolanum L Class*	118,638	11.72
CHALLENGE European Equity Fund - Mediolanum L Class*	89,125	8.80
CHALLENGE International Equity Fund - Mediolanum L Class*	73,555	7.27
CHALLENGE International Bond Fund - Mediolanum L Class*	72,632	7.17
CHALLENGE Financial Equity Fund - Mediolanum L Class*	71,282	7.04
CHALLENGE Euro Income Fund - Mediolanum L Class*	65,892	6.51
CHALLENGE Technology Equity Fund - Mediolanum L Class*	50,130	4.95
CHALLENGE Energy Equity Fund - Mediolanum L Class*	39,690	3.92
CHALLENGE International Income Fund - Mediolanum L Hedge Class*	32,889	3.25
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	30,678	3.03
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	22,826	2.25
CHALLENGE Cyclical Equity Fund - Mediolanum L Class*	16,795	1.66
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class*	13,554	1.34

### Sales\*\*\*

Security	Proceeds	% of Total Sales
CHALLENGE International Bond Fund - Mediolanum L Hedge Class*	443,963	17.68
CHALLENGE North American Equity Fund - Mediolanum L Class*	423,965	16.89
CHALLENGE International Equity Fund - Mediolanum L Class*	360,905	14.37
CHALLENGE Euro Bond Fund - Mediolanum L Class*	180,081	7.17
CHALLENGE Financial Equity Fund - Mediolanum L Class*	149,864	5.97
CHALLENGE Technology Equity Fund - Mediolanum L Class*	140,752	5.61
CHALLENGE International Bond Fund - Mediolanum L Class*	123,709	4.93
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	123,440	4.92
CHALLENGE European Equity Fund - Mediolanum L Class*	111,037	4.42
CHALLENGE Euro Income Fund - Mediolanum L Class*	110,229	4.39
CHALLENGE Energy Equity Fund - Mediolanum L Class*	108,043	4.30
CHALLENGE Cyclical Equity Fund - Mediolanum L Class*	65,682	2.62
CHALLENGE International Income Fund - Mediolanum L Hedge Class*	61,546	2.45
CHALLENGE Counter Cyclical Equity Fund - Mediolanum L Class*	55,771	2.22
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	51,720	2.06

\*This is a related party per Note 24.

\*\* Represents total purchases during the financial year.

\*\*\* Represents total sales during the financial year.

# SIGNIFICANT PORTFOLIO CHANGES

(expressed in EUR)

## BALANCED FUND

### Purchases\*\*

Security	Cost	% of Total Purchases
CHALLENGE International Bond Fund - Mediolanum L Hedge Class*	320,343	21.11
CHALLENGE Euro Income Fund - Mediolanum L Class*	259,479	17.10
CHALLENGE International Equity Fund - Mediolanum L Class*	210,439	13.87
CHALLENGE International Income Fund - Mediolanum L Hedge Class*	195,062	12.85
CHALLENGE North American Equity Fund - Mediolanum L Class*	173,984	11.46
CHALLENGE European Equity Fund - Mediolanum L Class*	152,712	10.06
CHALLENGE Euro Bond Fund - Mediolanum L Class*	117,567	7.75
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	44,342	2.92
CHALLENGE Financial Equity Fund - Mediolanum L Class*	21,784	1.43
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	18,017	1.19
CHALLENGE Technology Equity Fund - Mediolanum L Class*	3,887	0.26

### Sales\*\*\*

Security	Proceeds	% of Total Sales
CHALLENGE North American Equity Fund - Mediolanum L Class*	554,843	21.41
CHALLENGE International Equity Fund - Mediolanum L Class*	438,228	16.91
CHALLENGE International Bond Fund - Mediolanum L Hedge Class*	418,205	16.14
CHALLENGE Euro Income Fund - Mediolanum L Class*	348,355	13.44
CHALLENGE International Income Fund - Mediolanum L Hedge Class*	239,392	9.24
CHALLENGE Euro Bond Fund - Mediolanum L Class*	167,267	6.45
CHALLENGE European Equity Fund - Mediolanum L Class*	167,096	6.45
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	109,567	4.23
CHALLENGE Financial Equity Fund - Mediolanum L Class*	38,817	1.50
CHALLENGE International Bond Fund - Mediolanum L Class*	38,106	1.47
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	33,673	1.30
CHALLENGE Technology Equity Fund - Mediolanum L Class*	30,068	1.16
CHALLENGE Liquidity Euro Fund - Mediolanum L Class*	7,838	0.30

\*This is a related party per Note 24.

\*\* Represents total purchases during the financial year.

\*\*\* Represents total sales during the financial year.

# SIGNIFICANT PORTFOLIO CHANGES

(expressed in EUR)

## MODERATE FUND

### Purchases\*\*

Security	Cost	% of Total Purchases
CHALLENGE North American Equity Fund - Mediolanum L Class*	111,633	30.88
CHALLENGE European Equity Fund - Mediolanum L Class*	71,854	19.88
CHALLENGE International Bond Fund - Mediolanum L Hedge Class*	66,301	18.34
CHALLENGE International Income Fund - Mediolanum L Hedge Class*	48,757	13.49
Mediolanum Best Brands Euro Fixed Income - L Class*	23,276	6.44
CHALLENGE Euro Bond Fund - Mediolanum L Class*	15,646	4.33
CHALLENGE Euro Income Fund - Mediolanum L Class*	7,588	2.10
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	6,564	1.81
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	6,007	1.66
CHALLENGE International Bond Fund - Mediolanum L Class*	3,863	1.07

### Sales\*\*\*

Security	Proceeds	% of Total Sales
CHALLENGE North American Equity Fund - Mediolanum L Class*	211,376	39.52
CHALLENGE International Bond Fund - Mediolanum L Hedge Class*	85,039	15.90
CHALLENGE European Equity Fund - Mediolanum L Class*	62,001	11.59
CHALLENGE International Income Fund - Mediolanum L Hedge Class*	55,874	10.45
Mediolanum Best Brands Euro Fixed Income - L Class*	36,085	6.75
CHALLENGE Euro Bond Fund - Mediolanum L Class*	24,438	4.57
CHALLENGE Pacific Equity Fund - Mediolanum L Class*	21,728	4.06
CHALLENGE Euro Income Fund - Mediolanum L Class*	14,684	2.74
CHALLENGE International Bond Fund - Mediolanum L Class*	12,665	2.37
Italy Buoni Poliennali Del Tesoro 3.75% 01/09/2024	10,956	2.05

\*This is a related party per Note 24.

\*\* Represents total purchases during the financial year.

\*\*\* Represents total sales during the financial year.

# SIGNIFICANT PORTFOLIO CHANGES

(expressed in EUR)

## LIQUIDITY FUND

### Purchases

Security	Cost	% of Total Purchases
Casino Guichard Perrachon SA 4.379% 08/02/2017 EMTN	4,998,035	5.29
Nationwide Building Society 0.335% 23/03/2018 EMTN	4,116,605	4.36
Glencore Finance Europe SA 5.25% 22/03/2017 EMTN	3,759,833	3.98
Deutsche Bank AG 5.125% 31/08/2017 EMTN	3,672,751	3.89
Allied Irish Banks Plc 2.75% 16/04/2019 EMTN	3,643,875	3.86
Volkswagen Leasing GmbH 3.25% 10/05/2018 EMTN	3,485,912	3.69
Wendel SA 6.75% 20/04/2018	3,374,542	3.57
Bank of America Corp 4.625% 07/08/2017 EMTN	3,049,071	3.23
Glencore Finance Europe SA 4.625% 03/04/2018 EMTN	2,820,577	2.99
TDC A/S 4.375% 23/02/2018 EMTN	2,816,034	2.98
Repsol International Finance BV 0.399% 06/07/2018 EMTN	2,712,153	2.87
Volvo Treasury AB 0.146% 20/06/2018 EMTN	2,701,735	2.86
Volvo Treasury AB 0.141% 20/06/2018 EMTN	2,701,117	2.86
Morgan Stanley 0.186% 03/12/2019	2,650,000	2.80
Daimler AG 0.164% 09/03/2018 EMTN	2,500,000	2.65
Santander Consumer Finance SA 1.1% 30/07/2018	2,348,693	2.49
Bank of Ireland 3.25% 15/01/2019	2,198,148	2.33
Cooperatieve Rabobank UA 0% 15/01/2018 EMTN	2,100,000	2.22
Carlsberg Breweries A/S 3.375% 13/10/2017 EMTN	2,065,580	2.19
Santander UK Plc 1.75% 15/01/2018 EMTN	2,062,815	2.18
Mylan NV 0.557% 22/11/2018	1,740,000	1.84
Royal Bank of Scotland Group Plc 1.5% 28/11/2016 EMTN	1,672,086	1.77
EDP Finance BV 5.75% 21/09/2017 EMTN	1,663,059	1.76
Santander International Debt SAU 4% 27/03/2017 EMTN	1,560,329	1.65
HeidelbergCement Finance Luxembourg SA 8.5% 31/10/2019	1,559,397	1.65
RCI Banque SA 0.375% 10/07/2019 EMTN	1,498,080	1.59
Bank of Ireland 2% 08/05/2017 EMTN	1,447,049	1.53
Petroleos Mexicanos 6.375% 05/08/2016	1,429,960	1.51
Lloyds Bank Plc 1.875% 10/10/2018 EMTN	1,418,484	1.50
General Motors Financial International BV 1.875% 15/10/2019 EMTN	1,414,012	1.50
Teva Pharmaceutical Finance IV BV 2.875% 15/04/2019	1,409,009	1.49
FCA Capital Ireland Plc 2.875% 26/01/2018 EMTN	1,357,856	1.44
Imperial Brands Finance Plc 4.5% 05/07/2018 EMTN	1,296,749	1.37
Aviva Plc 0.1% 13/12/2018 EMTN	1,269,632	1.34
EDP Finance BV 2.625% 15/04/2019 EMTN	1,172,286	1.24
Repsol International Finance BV 4.875% 19/02/2019 EMTN	1,144,077	1.21
Volkswagen Bank GmbH 1.125% 08/02/2018 EMTN	1,057,537	1.12
Bank of America Corp 0.189% 26/07/2019 EMTN	1,000,000	1.06

# SIGNIFICANT PORTFOLIO CHANGES

(expressed in EUR)

## LIQUIDITY FUND (continued)

Sales		
Security	Proceeds	% of Total Sales
Italy Government International Bond 5.75% 25/07/2016 EMTN	8,458,991	7.73
Santander International Debt SAU 4.625% 21/03/2016 EMTN	5,754,324	5.26
Royal Bank of Scotland Group Plc 1.5% 28/11/2016 EMTN	5,734,750	5.24
Tesco Plc 5.875% 12/09/2016 EMTN	4,150,000	3.79
BBVA Senior Finance SAU 4.875% 15/04/2016 EMTN	3,573,070	3.27
Imperial Tobacco Finance Plc 8.375% 17/02/2016 EMTN	3,400,000	3.11
JPMorgan Chase & Co 0.282% 12/06/2017 EMTN	3,365,026	3.08
Renault SA 4.625% 25/05/2016 EMTN	3,137,059	2.87
GE Capital European Funding 1% 02/05/2017 EMTN	2,830,938	2.59
FCE Bank Plc 1.875% 12/05/2016 EMTN	2,730,217	2.50
Volvo Treasury AB 0.141% 20/06/2018 EMTN	2,701,735	2.47
Santander Consumer Bank AS 1% 10/06/2016 EMTN	2,504,004	2.29
Telefonica Emisiones SAU 5.496% 01/04/2016 EMTN	2,400,000	2.19
Intesa Sanpaolo SpA 4.125% 19/09/2016 EMTN	2,288,425	2.09
Bank of Ireland 2% 08/05/2017 EMTN	2,244,533	2.05
RCI Banque SA 1.75% 06/07/2016 EMTN	2,217,285	2.03
Nationwide Building Society 0.335% 23/03/2018 EMTN	2,213,761	2.02
Bank of Ireland 2.75% 05/06/2016 EMTN	2,178,236	1.99
ING Bank NV 0.342% 05/06/2017 EMTN	2,111,258	1.93
Cooperatieve Rabobank UA 0% 15/01/2018 EMTN	2,102,625	1.92
Mediobanca SpA 3.75% 02/02/2016 EMTN*	2,000,000	1.83
Unione di Banche Italiane SpA 2.51% 30/12/2016	1,940,899	1.77
Societe Generale SA 2.76% 13/05/2016 EMTN	1,800,000	1.65
Pernod Ricard SA 4.875% 18/03/2016	1,700,000	1.55
Santander International Debt SAU 4% 27/03/2017 EMTN	1,559,784	1.43
Deutsche Telekom International Finance BV 6% 20/01/2017 EMTN	1,484,411	1.36
Citigroup Inc 4.375% 30/01/2017 EMTN	1,461,810	1.34
Petroleos Mexicanos 6.375% 05/08/2016	1,436,063	1.31
Credit Suisse AG 0.148% 10/11/2017 EMTN	1,403,907	1.28
Goldman Sachs Group Inc 0.038% 30/01/2017	1,401,231	1.28
Mediobanca SpA 4.625% 11/10/2016 EMTN*	1,400,000	1.28
Glencore Finance Europe SA 5.25% 22/03/2017 EMTN	1,365,686	1.25
Intesa Sanpaolo SpA 4% 03/04/2016	1,200,000	1.10
Mediobanca SpA 4.45% 13/07/2016*	1,200,000	1.10
Alstom SA 3.875% 02/03/2016 EMTN	1,100,000	1.01
Wendel SA 4.875% 26/05/2016	1,100,000	1.01

\*This is a related party per Note 24.



## **APPENDIX – Unaudited Information**

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### **1) UCITS V Remuneration Policy**

In line with the requirements of the UCITS Regulations, the Fund adopted a remuneration policy (the “Remuneration Policy”) which is consistent with the principles outlined in the European Securities and Markets Authority (“ESMA”) Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (the “Remuneration Guidelines”).

The Directors of the Manager not affiliated with the Investment Manager (the “Independent Directors”) receive a fixed annual fee which is competitive and based on the individual Director’s powers, tasks, expertise and responsibilities. Directors that are employees of the Investment Manager or an affiliate are not paid any fees for their services as Director.

Quantitative remuneration disclosures as required by paragraphs (a) and (b) of Regulation 89(3A) of the UCITS Regulations will be included within the financial statements for the year ending December 2017. The disclosures required by paragraphs (c) and (d) of Regulation 24(B) of the UCITS Regulations will also be made at this time following the first annual review of the Remuneration Policy.

### **2) Cybersecurity Risk**

Cybersecurity breaches may occur allowing an unauthorised party to gain access to assets of the Sub-Funds, Unitholder data, or proprietary information, or may cause the Fund, the Investment Manager, the Distributor, the Administrator or the Trustee to suffer data corruption or lose operational functionality.

The Fund may be affected by intentional cybersecurity breaches which include unauthorised access to systems, networks, or devices (such as through “hacking” activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of Unitholder data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the Fund, the Investment Manager, the Distributor, the Administrator, the Trustee, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, Unitholders may lose some or all of their invested capital. In addition, such incidents could affect issuers in which a Sub-Fund invests, and thereby cause a Sub-Fund’s investments to lose value, as a result of which investors, including the relevant Sub-Fund and its Unitholders, could potentially lose all or a portion of their investment with that issuer.

### **4) Fund Distributions**

The Prospectus of the Fund states “Where the amount of any distribution payable to an individual “B” Unitholder is less than Euro 5, that amount shall not be distributed but shall be retained and reinvested within and for the benefit of that proportion of the relevant Sub-Fund attributable to “B” Units”.

During 2017 it will be the intention of the Manager to reinvest for the benefit of individual “B” Unitholders distribution amounts greater than Euro 0.05 and less than Euro 5. Distributions less than or equal to Euro 0.05 shall not be reinvested on behalf of individual “B” Unitholders but shall be retained and reinvested within and for the benefit of that proportion of the relevant Sub-Fund attributable to “B” Units”.

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