

MEDIOLANUM FUND OF HEDGE FUNDS
INTERIM UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2017

MEDIOLANUM FUND OF HEDGE FUNDS

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MEDIOLANUM FUND OF HEDGE FUNDS

TRUST INFORMATION

MANAGER and AIFM

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

DEPOSITARY

Northern Trust Fiduciary Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
Ireland

DIRECTORS of THE MANAGER

Andrew Bates (Chairperson)¹
Furio Pietribiasi (Managing Director)²
Corrado Bocca¹
Bronwyn Wright³
Paul O’Faherty³
Des Quigley³
Luigi Del Fabbro^{1,4}

ADMINISTRATOR, REGISTRAR and TRANSFER AGENT

Northern Trust International Fund Administration
Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
Ireland

INVESTMENT MANAGER

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

DELEGATE INVESTMENT MANAGER

Tages Capital LLP
39 St James’ Street
London SW1A1D
United Kingdom

¹Non-executive Directors

²Executive Director

³Independent Non-executive Directors

⁴Luigi Del Fabbro was appointed on 8 February 2017

MEDIOLANUM FUND OF HEDGE FUNDS

TRUST INFORMATION (continued)

GLOBAL DISTRIBUTOR

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

IRISH LEGAL ADVISORS

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

INDEPENDENT AUDITORS

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

MEDIOLANUM FUND OF HEDGE FUNDS

ALTERNATIVE STRATEGY COLLECTION

SCHEDULE OF INVESTMENTS

As at 30 June 2017

Financial assets at fair value through profit or loss	Holdings	Currency	Fair Value EUR €	% of Net Assets
Collective Investment Schemes: 97.76% (31 Dec 2016: 99.06%)				
British Virgin Islands: 0.00% (31 Dec 2016: 0.00%)				
Kingate Global Fund - Vi**	10,750	USD	-	-
Total British Virgin Islands			-	-
Cayman Islands: 42.54% (31 Dec 2016: 64.45%)				
Alvento Long/Short Equity Fund Class F EUR 10/2015	3,238	EUR	3,827,521	5.25
Atreus Overseas Fund Tranche A Series 06/2016	5,617	USD	4,571,159	6.26
EDL Global Opportunities Fund Class C-R EUR Series 1	4,000	EUR	4,028,571	5.52
GAM Talentum Enhanced Europe Long/Short A EUR Series Initial	15,185	EUR	3,994,933	5.48
MKM Longboat Multi Strategy Fund USD Class R*	2,877	USD	-	-
Palmerston Credit Feeder Fund Founder EUR Series 11/2014	24,169	EUR	2,877,102	3.94
Pine River Liquid Rates Class C Series 1 11/2013	3,748	USD	4,717,903	6.47
Ronit Global Opportunities UCITS EUR Institutional Class A Founder	50,368	EUR	4,084,964	5.60
TT Mid-Cap Europe Long/Short Fund Class A EUR	6,668	EUR	2,932,395	4.02
Total Cayman Islands			31,034,548	42.54
Ireland: 23.51% (31 Dec 2016: 15.45%)				
FundLogic Alternatives - Market Neutral Credit UCITS Fund	5,378	EUR	5,728,319	7.85
FundLogic Alternatives - MS Dalton Asia Pacific UCITS Fund	1,723	EUR	2,507,159	3.45
FundLogic Alternatives - Quantica Managed Futures UCITS Strategy Fund	2,777	EUR	2,739,231	3.75
Sector Healthcare Fund Class A EUR 06/2016	31,377	EUR	6,174,891	8.46
Total Ireland			17,149,600	23.51
Luxembourg: 31.71% (31 Dec 2016: 19.16%)				
Alpha UCITS - Amber Equity Fund Class A EUR	4,223	EUR	5,571,586	7.63
Hellebore Credit Arbitrage Class B EUR	554	EUR	3,552,447	4.87
Tages - Anavon Global Equity Long/Short UCITS Fund - Class E Eur	41,609	EUR	4,113,917	5.64
Tages Cygnus Europa Event Driven UCITS Fund Class A	46,697	EUR	4,749,511	6.51
Tages Fore UCITS Fund Class A EUR	49,490	EUR	5,148,981	7.06
Total Luxembourg			23,136,442	31.71
Total Collective Investment Schemes			71,320,590	97.76

* Fair value of investments written down to zero on 30 November 2009

** In Voluntary Liquidation

MEDIOLANUM FUND OF HEDGE FUNDS

ALTERNATIVE STRATEGY COLLECTION

SCHEDULE OF INVESTMENTS (continued) As at 30 June 2017

	Fair Value EUR €	% of Net Assets
Financial assets at fair value through profit or loss		
Total Forward Foreign Exchange Contracts (note 9) (31 Dec 2016: 0.01%)	18,934	0.03
Total Financial Assets at fair value through Profit of Loss	71,339,524	97.79
Financial liabilities at fair value through profit or loss		
Total Forward Foreign Exchange Contracts (note 9) (31 Dec 2016: (0.12%))	-	-
Total Financial Liabilities at fair value through Profit or Loss	-	-
Total Net Assets at fair value through Profit or Loss	71,339,524	97.79
Cash (31 Dec 2016: 6.95%)	5,027,363	6.89
Other Net Liabilities (31 Dec 2016: (5.90%))	(3,414,179)	(4.68)
Net Assets Attributable to Holders of Redeemable Participating units	72,952,708	100.00

MEDIOLANUM FUND OF HEDGE FUNDS

MEDIOLANUM HIGH VOLATILITY FUND SIDE POCKET

SCHEDULE OF INVESTMENTS (continued) As at 30 June 2017

Financial assets at fair value through profit or loss	Holdings	Currency	Fair Value EUR €	% of Net Assets
Collective Investment Schemes: 85.05% (31 Dec 2016: 70.11%)				
Cayman Islands: 85.05% (31 Dec 2016: 70.11%)				
GLG Emerging Markets Growth Fund Class E***	2,764	EUR	226,786	85.05
Total Cayman Islands			226,786	85.05
Total Collective Investment Schemes			226,786	85.05
Total Net Assets at fair value through Profit or Loss			226,786	85.05
Cash (31 Dec 2016: 40.29%)			87,565	32.84
Other Net Liabilities (31 Dec 2016: (10.40%))			(47,711)	(17.89)
Net Assets Attributable to Holders of Redeemable Participating Units			266,640	100.00

*** Investment in side pocket shares

MEDIOLANUM FUND OF HEDGE FUNDS

STATEMENT OF NET ASSETS

as at 30 June 2017

		Alternative Strategy Collection 30 Jun 2017	Alternative Strategy Collection 31 Dec 2016	Mediolanum High Volatility Fund 30 Jun 2017	Mediolanum High Volatility Fund 31 Dec 2016	Total 30 Jun 2017	Total 31 Dec 2016
	Note	EUR €	EUR €	EUR €	EUR €	EUR €	EUR €
Assets							
Cash at bank	4	5,027,363	6,315,087	87,565	176,562	5,114,928	6,491,649
Financial assets at fair value through profit or loss	9	71,339,524	89,953,860	226,786	307,268	71,566,310	90,261,128
Accrued interest receivable		5	67	-	-	5	67
Sundry receivables and prepayments	6	1,312,901	861,658	-	-	1,312,901	861,658
Total assets		77,679,793	97,130,672	314,351	483,830	77,994,144	97,614,502
Liabilities							
Financial liabilities at fair value through profit or loss	9	-	109,151	-	-	-	109,151
Redemptions payable		4,530,000	2,000,000	-	-	4,530,000	2,000,000
Administration fee payable	3	6,717	9,750	2,000	3,000	8,717	12,750
Management fee payable	3	94,079	117,098	45,261	42,259	139,340	159,357
Investment manager fee payable	3	18,268	22,737	-	-	18,268	22,737
Depository fee payable	3	7,290	11,425	-	-	7,290	11,425
Auditors remuneration payable		26,297	27,556	-	-	26,297	27,556
Accrued interest payable		3,504	1,812	138	91	3,642	1,903
Sundry payables and accrued expenses	7	40,930	4,027,660	312	218	41,242	4,027,878
Total liabilities		4,727,085	6,327,189	47,711	45,568	4,774,796	6,372,757
Net assets attributable to holders of redeemable participating units		72,952,708	90,803,483	266,640	438,262	73,219,348	91,241,745

The accompanying notes form an integral part of the financial statements

MEDIOLANUM FUND OF HEDGE FUNDS

INCOME STATEMENT

For the six months ended 30 June 2017

		Alternative Strategy Collection 30 Jun 2017	Alternative Strategy Collection 30 Jun 2016	Mediolanum High Volatility Fund 30 Jun 2017	Mediolanum High Volatility Fund 30 Jun 2016	Total 30 Jun 2017	Total 30 Jun 2016
Income	Note	EUR €	EUR €	EUR €	EUR €	EUR €	EUR €
Dividend Income		966	-	-	-	966	-
Other income		68,486	22,378	8,243	-	76,729	22,378
Net realised gain on financial assets and liabilities at fair value through profit or loss and foreign exchange	18	5,896,516	3,317,463	15,336	-	5,911,852	3,317,463
Net realised gain on forward foreign exchange contracts and currency exchange	18	636,439	720,708		-	636,439	720,708
Net change in unrealised (loss)/gain:							
- financial assets and liabilities at fair value through profit or loss and foreign exchange	18	(4,867,045)	(7,085,154)	10,544	16,481	(4,856,501)	(7,068,673)
- open forward foreign exchange contracts	18	122,189	(117,113)	(565)	(599)	121,624	(117,712)
Total investment income/(expense)		1,857,551	(3,141,718)	33,558	15,882	1,891,109	(3,125,836)
Expenses							
Management fee	3	634,750	833,313	3,002	2,734	637,752	836,047
Investment management fee	3	123,252	161,808	-	-	123,252	161,808
Administration fee	3	19,500	21,677	6,000	6,000	25,500	27,677
Depository fee	3	20,488	25,850	-	-	20,488	25,850
Interest expenses		21,376	12,771	749	313	22,125	13,084
Distributions	8	-	-	195,000	-	195,000	-
Other expenses		54,960	58,890	429	(3,041)	55,389	55,849
Total expenses		874,326	1,114,309	205,180	6,006	1,079,506	1,120,315
Increase/(decrease) in net assets from operations attributable to holders of redeemable participating units		983,225	(4,256,027)	(171,622)	9,876	811,603	(4,246,151)

All profit and loss account items arose solely from continuing operations during the period.

The Trust has no recognised gains and losses other than the results for the period above.

The accompanying notes form an integral part of the financial statements

MEDIOLANUM FUND OF HEDGE FUNDS

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING UNITS

For the six months ended 30 June 2017

	Alternative Strategy Collection 30 Jun 2017 EUR €	Alternative Strategy Collection 30 Jun 2016 EUR €	Mediolanum High Volatility Fund 30 Jun 2017 EUR €	Mediolanum High Volatility Fund 30 Jun 2016 EUR €	Total 30 Jun 2017 EUR €	Total 30 Jun 2016 EUR €
Net assets attributable to holders of redeemable participating units at start of period	90,803,483	122,667,570	438,262	352,206	91,241,745	123,019,776
Increase/(decrease) in net assets from operations attributable to holders of redeemable participating units	983,225	(4,256,027)	(171,622)	9,876	811,603	(4,246,151)
Proceeds from the issue of units	-	-	-	-	-	-
Payments on the redemption of units	(18,834,000)	(17,662,002)	-	-	(18,834,000)	(17,662,002)
Net assets attributable to holders of redeemable participating units at end of period	72,952,708	100,749,541	266,640	362,082	73,219,348	101,111,623

The accompanying notes form an integral part of the financial statements

MEDIOLANUM FUND OF HEDGE FUNDS

STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

	Alternative Strategy Collection 30 Jun 2017 EUR €	Alternative Strategy Collection 30 Jun 2016 EUR €	Mediolanum High Volatility Fund 30 Jun 2017 EUR €	Mediolanum High Volatility Fund 30 Jun 2016 EUR €	Total 30 Jun 2017 EUR €	Total 30 Jun 2016 EUR €
Cash flows from operating activities						
Change in net assets attributable to holders of redeemable participating units from operations	983,225	(4,256,027)	(171,622)	9,876	811,603	(4,246,151)
Adjustments to reconcile to net cash generated by operating activities:						
Movement in financial assets and liabilities at fair value through profit or loss	18,505,185	23,658,172	80,482	(16,481)	18,585,667	23,641,691
Movement in receivables and prepaid investments	(451,181)	(3,670,892)	-	-	(451,181)	(3,670,892)
Movement in payables and accrued expenses	(4,020,953)	(556,595)	2,143	(4,211)	(4,018,810)	(560,806)
Net cash generated by/(used in) operating activities	15,016,276	15,174,658	(88,997)	(10,816)	14,927,279	15,163,842
Cash flow from financing activities						
Payments on redemption of redeemable participating units	(16,304,000)	(15,635,002)	-	-	(16,304,000)	(15,635,002)
Net cash used in financing activities	(16,304,000)	(15,635,002)	-	-	(16,304,000)	(15,635,002)
Net decrease in cash and cash equivalents	(1,287,724)	(460,344)	(88,997)	(10,816)	(1,376,721)	(471,160)
Opening cash and cash equivalents	6,315,087	4,675,015	176,562	150,687	6,491,649	4,825,702
Ending cash and cash equivalents	5,027,363	4,214,671	87,565	139,871	5,114,928	4,354,542
Supplementary information						
Interest paid	(19,684)	(6,923)	(702)	(654)	(20,386)	(7,577)
Interest received	62	-	-	-	62	-

The accompanying notes form an integral part of the financial statements

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2017

1. General

Mediolanum Fund of Hedge Funds (the “Trust”), constituted on 11 April 2005, is an open-ended umbrella unit trust and is authorised by the Central Bank of Ireland (“the Central Bank”) pursuant to the provisions of the Unit Trusts Act, 1990.

In accordance with Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I.257 of 2013), Mediolanum International Funds Limited has been authorised as the Alternative Investment Fund Manager (“AIFM”) of the Trust effective 21 July 2014. In addition Northern Trust Fiduciary Services (Ireland) Limited has been appointed as Depositary to the Trust effective 21 July 2014.

The Trust is structured as an umbrella scheme and the following Sub-Funds have been authorised by the Central Bank:

Mediolanum High Volatility Fund (Side Pocket created 1 November 2013).

Alternative Strategy Collection is currently the only Sub-Fund actively trading.

The investment objective of the Alternative Strategy Collection is to seek to achieve medium to long term capital appreciation while attempting to limit investment risk and the year-on-year volatility rate to less than that of the global equity markets. The Sub-Fund will invest primarily in open-ended regulated and non-regulated collective investment schemes which pursue a range of alternative investment strategies thus allowing diversification of financial assets held, with the aim of lowering overall risk.

A side pocket for illiquid securities of the High Volatility Fund was created on the 1 November 2013. The Side Pocket initially comprised of two securities one of which has since been fully redeemed and the Side Pocket currently holds one illiquid security - GLG Emerging Markets Growth Fund Class E.

“SA” Units automatically reinvest all earnings, dividend and other distributions of whatever kind and “SB” Units may distribute earnings back to Unitholders.

2. Basis of Accounting

Accounting Convention

The financial statements are prepared in accordance with Financial Reporting Standard 104 ‘Interim Financial Reporting’ (‘FRS 104’), Unit Trust Act, 1990, AIFM Regulations – European Union (Alternative Investment Fund Managers) Regulations 2013 (SI No 257 of 2013) and the Trust Deed.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016, as described in those financial statements.

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

3. Fees and Expenses

(a) Management Fees

Mediolanum International Funds Limited, the Manager, is entitled to an annual fee accrued and payable monthly in arrears of 1.50% of the Net Asset Value of each relevant Sub-Fund. The Manager is also entitled to be repaid all of its Administration Expenses out of the assets of each Sub-Fund, which include an annual fee accrued at each valuation point and payable monthly in arrears of up to 0.045% of the Net Asset Value of each relevant Sub-Fund. A fee of €10 is charged (gross of any relevant taxes) per Class in which a Unitholder holds less than 25 Units. The appropriate number of Units of each such Unitholder will be automatically redeemed to pay these administrative charges. If a Unitholder holds a number of Units in any class with a value of less than €10 (gross of any relevant taxes), then his/her entire holding shall be automatically redeemed and paid to the Manager. This administrative charge shall be adjusted periodically in accordance with the Eurostat All Items Harmonised Index of Consumer Prices (HICP). This administrative charge is chargeable on the first Dealing Day in December of each year. The Manager received management fees of €37,752 (30 June 2016: €36,047) for the six months ended 30 June 2017.

(b) Investment Manager Fees

Mediolanum Asset Management Limited, the Investment Manager, is 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 €75,000 per Sub-Fund. The Investment Manager received management fees of €123,252 (30 June 2016: €161,808) for the six months ended 30 June 2017. The investment management fees for the Mediolanum High Volatility Fund Side Pocket have been waived.

The Investment Manager is not entitled to be repaid for any out-of-pocket expenses out of the assets of a Sub-Fund.

The fees relating to the Delegate Investment Manager appointed in respect of the Sub-Funds shall be borne by the Investment Manager and shall not be charged to the Sub-Funds. A Delegate Manager shall not be entitled to be repaid for any out of pocket expenses out of the assets of the Sub-Funds.

(c) Performance Fees

The Investment Manager is also entitled to a performance fee of up to 10% of the increase in the Net Asset Value of each Sub-Fund, calculated on a monthly basis. The calculation of the performance fee will be verified by the Depositary. The Investment Manager received performance fees for the six months ended 30 June 2017 of €Nil (30 June 2016: €Nil) in relation to the Alternative Strategy Collection. Performance fees for the Mediolanum High Volatility Fund Side Pocket have been waived.

(d) Administration Fees

Northern Trust International Fund Administration Services (Ireland) Limited, the Administrator, is entitled to receive out of the assets of the Sub-Fund an annual fee accrued at each Valuation Point at the following rates: €0-200 million the fee shall be 0.04% per annum of the Net Asset Value of the Fund, €200-400 million the fee shall be 0.03% per annum of the Net Asset Value of the Sub-Fund, in excess of €400 million the fee shall be 0.025% per annum of the Net Asset Value of the Sub-Fund and payable monthly in arrears. Such a fee is subject to a minimum monthly fee of €3,000 per Sub-Fund or, where the relevant Sub-Fund has multiple Classes, a minimum monthly fee of €3,250 applies.

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

3. Fees and Expenses (continued)

(d) Administration Fees (continued)

If at any time during a calendar year there are ten or more Unitholders in each Sub-Fund, the following transfer agency fees will apply:

- i) an annual Unitholder register fee of €25 per Unitholder; and
- ii) a transaction fee of €25 for each subscription, conversion, redemption or transfer of Units.

The Administrator is entitled to receive a termination fee of €2,500 for the termination of each and any Sub-Fund within the Trust and a monthly fee of €1,000 for the establishment and maintenance of any Side Pocket within the Trust.

The Administrator is entitled to be repaid out of the assets of each Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of each Sub-Fund which shall include legal fees, couriers' fees and telecommunications costs and expenses. Each Sub-Fund will bear its proportion of the fees and expenses of the Administrator. The Administrator received fees of €25,500 (30 June 2016: €27,677) for the six months ended 30 June 2017.

(e) Depositary Fees

Northern Trust Fiduciary Services (Ireland) Limited, the Depositary, is entitled to receive out of the assets of the Sub-Fund an annual fee accrued at each Valuation Point at the following rates €0-200 million and the fee shall be 0.04% per annum of the Net Asset Value of the Sub-Fund, in excess of €200 million the fee shall be 0.03% per annum of the Net Asset Value of the Sub-Fund as a whole and payable monthly in arrears.

The Depositary is entitled to a transaction charge of €150 per Sub-Fund Hedge Fund investment transaction and telegraphic transfer charge of €25 per transaction.

Each Sub-Fund is responsible for sub-custodian fees and charges (which will be charged at normal commercial rates).

The Depositary shall be entitled to be repaid all of its disbursements out of the assets of each Sub-Fund.

The Depositary received fees of €20,488 (30 June 2016: €25,850) for the six months ended 30 June 2017.

(f) Underlying Fund Fees

Both the Alternative Strategy Collection and Mediolanum High Volatility Fund Side Pocket are invested in underlying funds which incur their own fees. The details of the fees charged by the underlying funds are detailed in the Fund of Funds Disclosure on pages 25 and 26.

4. Bank Balances

The Depositary to the Trust is Northern Trust Fiduciary Services (Ireland) Limited, an indirect wholly-owned subsidiary of Northern Trust Corporation ("NTC"). NTC is publicly traded and a constituent of the S&P 500. NTC has a credit rating of A+ (31 December 2016: A+) from Standard & Poor's. The Northern Trust Company ("TNTC") is also wholly owned by NTC. TNTC has a credit rating of AA- (31 December 2016: AA-) from Standard & Poor's and Aa2 (31 December 2016: Aa2) from Moody's.

All of the cash assets are held with The Northern Trust Company.

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

4. Bank Balances (continued)

As at 30 June 2017, the Alternative Strategy Collection had a cash balance representing less than 10% of the Net Assets of the Sub-Fund and the Mediolanum High Volatility Fund Side Pocket had a cash balance representing 32.84% of Net Assets of the Sub-Fund.

As at 31 December 2016, the Alternative Strategy Collection had a cash balance representing less than 10% of the Net Assets of the Sub-Fund and the Mediolanum High Volatility Fund side Pocket had a cash balance representing 40.29% of Net Assets of the Sub-Fund.

5. Redeemable Participating Units

	Alternative Strategy Collection 30 Jun 2017	Alternative Strategy Collection 30 Jun 2016	Mediolanum High Volatility Fund 30 Jun 2017	Mediolanum High Volatility Fund 30 Jun 2016
<i><u>Participating units in issue</u></i>				
<u>Class SA Euro Units</u>				
At the beginning of the period	6,961,503	7,272,195	-	-
Units issued	-	-	-	-
Units redeemed	(182,201)	(369,512)	-	-
Units at the end of the period	6,779,302	6,902,683	-	-
<u>Class SB Euro Units</u>				
At the beginning of the period	2,207,469	4,840,206	-	-
Units issued	-	-	-	-
Units redeemed	(1,695,098)	(1,412,778)	-	-
Units at the end of the period	512,371	3,427,428	-	-
<u>Side Pocket SP Units</u>				
At the beginning of the period	-	-	51,853	51,853
Units issued	-	-	-	-
Units redeemed	-	-	(21,738)	-
Units at the end of the period	-	-	30,115	51,853

Units of each Sub-Fund are all freely transferable, designated as 'A' or 'B' units and, subject to such designation, 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, carry no preferential or pre-emptive rights. Fractions of Units may be issued up to three decimal places.

Units of the Mediolanum High Volatility Fund Side Pocket may only be redeemed once sufficient liquidity has been raised from the underlying security. Due to the current illiquid nature of the underlying security in the Side Pocket, investors should note that it may potentially be several years before this security becomes liquid. The fair value of the security held in the Side Pocket may differ to its actual realisable value. As a result there can be no assurances that Unitholders will not experience substantial or complete losses upon the disposition of the investment.

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

5. Redeemable Participating Units (continued)

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

The Trust is made up of the two Sub-Funds, each Sub-Fund being a single pool of assets, one being a Side Pocket. 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 holding, designated currency, hedging strategy (if any) applied to the designated currency of the Class, distribution policy, minimum subscription and such other features as the Manager may determine may be applicable. Creation of further Classes in a Sub-Fund must be notified in advance to the Central Bank. A separate pool of assets will not be maintained for each Class. Units shall be issued to investors as Units in a Class.

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

6. Sundry Receivables and Prepayments

	Alternative Strategy Collection 30 Jun 2017 EUR €	Alternative Strategy Collection 31 Dec 2016 EUR €	Mediolanum High Volatility Fund 30 Jun 2017 EUR €	Mediolanum High Volatility Fund 31 Dec 2016 EUR €	Total 30 Jun 2017 EUR €	Total 31 Dec 2016 EUR €
Management fee rebate from investments	32,433	24,357	-	-	32,433	24,357
Receivable for sale of investments	1,280,468	837,301	-	-	1,280,468	837,301
	<u>1,312,901</u>	<u>861,658</u>	<u>-</u>	<u>-</u>	<u>1,312,901</u>	<u>861,658</u>

7. Sundry Payables and Accrued Expenses

	Alternative Strategy Collection 30 Jun 2017 EUR €	Alternative Strategy Collection 31 Dec 2016 EUR €	Mediolanum High Volatility Fund 30 Jun 2017 EUR €	Mediolanum High Volatility Fund 31 Dec 2016 EUR €	Total 30 Jun 2017 EUR €	Total 31 Dec 2016 EUR €
Legal fees payable	10,772	8,710	87	86	10,859	8,796
Payable for purchase of investments	-	4,000,000	-	-	-	4,000,000
Other payables	30,158	18,950	225	132	30,383	19,082
	<u>40,930</u>	<u>4,027,660</u>	<u>312</u>	<u>218</u>	<u>41,242</u>	<u>4,027,878</u>

8. Distributions

The income and gains will be accumulated and reinvested in the Sub-Fund on behalf of Unitholders. The Manager may make distributions in respect of "SB" units out of that proportion of the Net Asset value of the Sub-Fund attributable to "SB" Units. No distributions were paid to Class "SB" Unitholders for the financial six months ended 30 June 2017 and year ended 31 December 2016 for the Alternative Strategy Collection. There was a distribution declared during the six months ended 30 June 2017 for €195,000 (31 December 2016: €Nil), for the Mediolanum High Volatility Side Pocket.

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

9. Financial Risk Management

A Sub-Fund may invest in collective investment schemes ("underlying schemes") which are unregulated and which will not provide a level of investor protection equivalent to funds authorised by the Central Bank of Ireland.

Risks for the Sub-Funds arise both directly from the investment in financial instruments and indirectly from investing in underlying schemes. Therefore all risks listed below may arise not only at Sub-Fund level but also at the underlying scheme level.

The Trust is exposed to a variety of financial risks in pursuing its stated investment objective and policy. These risks are defined in FRS 102 as market risk (which in turn includes price risk, foreign currency risk, and interest rate risk), liquidity risk and credit risk. The Trust takes exposure to these risks to generate investment returns on its portfolio, although these risks can also potentially result in a reduction in the Trust's net assets. The Investment Manager will use its best endeavors to minimise the potentially adverse effects of these risks on the Trust's performance where it can do so while still managing the investments of the Trust in a way that is consistent with the Trust's investment objective and policy.

The risks, and the measures adopted by the Trust for managing these risks, are detailed as follows:

Market price risk

Market price risk is defined in FRS 102 as the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices. Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the relevant Sub-Fund might suffer through holding market positions in the face of price movements. The Investment Manager and the Delegate Investment Manager consider the asset allocation of the portfolio of invested funds in order to minimise the risk associated with particular countries to follow the relevant Sub-Fund's investment objective. The fair value of the non-listed collective investment schemes in funds are valued on the basis of the latest available unaudited net asset value provided by the relevant fund manager or independent administrators.

Credit risk

Credit risk is defined in FRS 102 as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial assets which potentially expose the relevant Sub-Fund to credit risk consist principally of investments and cash balances held with the Depositary. The extent of the relevant Sub-Fund's exposure to credit risk in respect of these financial assets approximates their carrying value as recorded in the relevant Sub-Fund's balance sheet. The relevant Sub-Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. Credit risk exposure can also arise indirectly through the investment in financial instruments at the underlying fund level. Such risk is to a certain extent diversified away by investing in number of underlying funds that can be diversified in terms of investment style, asset selection, geographic allocation etc. It is important to note that by investing in underlying funds that can have brokerage and custody accounts that are not segregated; the Sub-Funds can be indirectly exposed to additional credit and custody risks. Substantially all of the cash assets are held with The Northern Trust Company, ("TNTC"). Cash deposited with TNTC is deposited as banker and is held on its Statement of Financial position. Accordingly, in accordance with usual banking practice, the Bank's liability to the Sub-Fund in respect of such cash deposits shall be that of debtor and the Sub-Fund will rank as a general creditor of TNTC. The financial instruments held in custody are held with the Depositary, Northern Trust Fiduciary Services (Ireland) Limited. These assets are held distinct and separately from the proprietary assets of the Depositary. Securities are clearly recorded to ensure they are held on behalf of the Sub-Fund. Bankruptcy or insolvency of the Depositary and or one of its agents or affiliates may cause the Sub-Fund's rights with respect to the securities held by the Depositary to be delayed. Both Northern Trust Fiduciary Services (Ireland) Limited and The Northern Trust Company, are wholly owned subsidiaries of Northern Trust Corporation.

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

9. Financial Risk Management (continued)

Credit risk (continued)

Risk is managed by monitoring the credit quality and financial positions of the Depository the Sub-Fund uses. Northern Trust acts as its own sub-custodian in the U.S., the U.K., Ireland and Canada. In all other markets Northern Trust appoints a local sub-custodian. Northern Trust continually reviews its sub-custodian network to ensure clients have access to the most efficient, creditworthy and cost-effective provider in each market.

Foreign currency risk

Currency risk is defined in FRS 102 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Trust is exposed to currency risk as assets and liabilities of the Trust may be denominated in a currency other than the functional currency of the Trust, which is its functional and presentation currency, the Euro. The underlying collective investment schemes may invest in a variety of securities denominated in both USD and foreign currencies and accordingly the Sub-Funds may be indirectly exposed to currency risk. The underlying funds may not necessarily hedge such foreign currency.

The relevant Sub-Fund invests in securities denominated in currencies other than its reporting currency EUR. Consequently, the relevant Sub-Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse effect on the value of that portion of the relevant Sub-Fund's assets or units which are denominated in currencies other than its own currency. The Investment Manager and the Delegate Investment Manager may follow a policy of hedging its foreign currency exposure of the portfolio into Euro in order to limit the risk of this exposure.

Liquidity risk

Liquidity risk is defined in FRS 102 as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Under certain circumstances the markets in which the portfolios of each Sub-Fund will trade may become illiquid making it difficult to acquire or sell contracts at the price quoted on different markets. Many of the schemes in which the portfolios shall invest do not provide for frequent redemptions. Accordingly, the portfolios ability to respond to market movements may be impaired, and the portfolios may experience adverse price movements upon liquidation of its investments.

Interest rate risk

Interest rate risk is defined in FRS 102 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Interest rate risk in the Sub-Funds arose from cash balances that were held and fixed income securities that were held in the Alternative Strategy Collection and the Mediolanum High Volatility Side Pocket Sub-Funds. The majority of the Sub-Fund's financial assets and liabilities were non-interest bearing and as a result the Sub-Fund was not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents of the Sub-Funds were invested at short-term market interest rates.

10. Fair Value Measurement

FRS 102 requires the Trust to classify financial instruments at fair value into the following hierarchy:

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

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.

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

10. Fair Value Measurement (continued)

The following is a summary of the inputs used to value the assets and liabilities carried at fair value as at 30 June 2017 and 31 December 2016.

Alternative Strategy Collection As at 30 June 2017	Level 1 EUR €	Level 2 EUR €	Level 3 EUR €	Total EUR €
Financial Assets at fair value through Profit or Loss				
Collective Investment Schemes	-	71,320,590	-	71,320,590
Open forward currency contracts	-	18,934	-	18,934
	-	71,339,524	-	71,339,524
Alternative Strategy Collection As at 31 December 2016	Level 1 EUR €	Level 2 EUR €	Level 3 EUR €	Total EUR €
Financial Assets at fair value through Profit or Loss				
Collective Investment Schemes	-	82,217,208	7,730,756	89,947,964
Open forward currency contracts	-	5,896	-	5,896
	-	82,223,104	7,730,756	89,953,860
Financial Liabilities at fair value through Profit or Loss				
Open forward currency contracts	-	(109,151)	-	(109,151)
	-	(109,151)	-	(109,151)
Mediolanum High Volatility Fund As at 30 June 2017	Level 1 EUR €	Level 2 EUR €	Level 3 EUR €	Total EUR €
Financial Assets at fair value through Profit or Loss				
Collective Investment Schemes	-	-	226,786	
	-	-	226,786	226,786
Mediolanum High Volatility Fund As at 31 December 2016	Level 1 EUR €	Level 2 EUR €	Level 3 EUR €	Total EUR €
Financial Assets at fair value through Profit or Loss				
Collective Investment Schemes	-	-	307,268	307,268
	-	-	307,268	307,268

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

10. Fair Value Measurement (continued)

The following table shows the movement in Level 3 investments during the period:

Alternative Strategy Collection 30 June 2017

		Realised	Unrealised	Transfers	Purchases, sales, other	
	Beginning	gains	gains	between	ettlements &	Ending
	Balance	or losses	or losses	level 2	instruments	Balance
Assets	EUR€	EUR€	EUR€	EUR€	net	EUR€
Collective Investment Schemes	7,730,756	1,117,820	(733,941)		(8,114,635)	-
Total	7,730,756	1,117,820	(733,941)	-	(8,114,635)	-

31 December 2016

		Realised	Unrealised	Transfers	Purchases, sales, other	
	Beginning	gains	gains	between	ettlements &	Ending
	Balance	or losses	or losses	level 2	instruments	Balance
Assets	EUR€	EUR€	EUR€	EUR€	net	EUR€
Collective Investment Schemes	24,209,344	(819,719)	(795,560)	(3,137,016)	(11,726,293)	7,730,756
Total	24,209,344	(819,719)	(795,560)	(3,137,016)	(11,726,293)	7,730,756

Mediolanum High Volatility Fund 30 June 2017

		Realised	Unrealised	Transfers	Purchases, sales, other	
	Beginning	gains	gains	between	ettlements &	Ending
	Balance	or losses	or losses	level 2	instruments	Balance
Assets	EUR€	EUR€	EUR€	EUR€	net	EUR€
Collective Investment Schemes	307,268	15,336	10,544		(106,362)	226,786
Total	307,268	15,336	10,544	-	(106,362)	226,786

31 December 2016

		Realised	Unrealised	Transfers	Purchases, sales, other	
	Beginning	gains	gains	between	ettlements &	Ending
	Balance	or losses	or losses	level 2	instruments	Balance
Assets	EUR€	EUR€	EUR€	EUR€	net	EUR€
Collective Investment Schemes	250,485	(5,411)	88,891	-	(26,697)	307,268
Total	250,485	(5,411)	88,891	-	(26,697)	307,268

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

11. Foreign Currency Forward Exchange Contracts

As at 30 June 2017 and 31 December 2016 the Alternative Strategy Collection held the following foreign currency forward exchange contracts:

Alternative Strategy Collection

30 June 2017

Purchase Currency	Amount	Sale Currency	Amount	Maturity date	Value EUR €
EUR	9,587,930	USD	10,930,000	31/07/2017	18,934
					18,934

31 December 2016

Purchase Currency	Amount	Sale Currency	Amount	Maturity date	Value EUR €
EUR	460,299	USD	480,000	31/01/2017	5,896
EUR	20,480,997	USD	21,750,000	31/01/2017	(109,151)
					(103,255)

As at 30 June 2017 and 31 December 2016 the Mediolanum High Volatility Fund Side Pocket held no foreign currency forward exchange contracts.

12. Related Party Transactions

The Trust is constituted by means of a Trust Deed to which Mediolanum International Funds Limited is party, as Manager. Mediolanum Asset Management Limited was appointed as Investment Manager by way of an Investment Management agreement. The fees paid to these parties are outlined in Note 3.

Northern Trust Fiduciary Services (Ireland) Limited is the Depositary of the Trust and received the fees as outlined in Note 3. Northern Trust International Fund Administration Services (Ireland) Limited is the Administrator of the Trust and received the fees as outlined in Note 3.

The Directors, the AIFM, the Investment Manager, the Administrator and the Depositary and their respective affiliates, officers, directors and Unitholders, employees and agents (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Trust and/or their respective roles with respect to the Trust.

These activities may include managing or advising other funds (including other collective investment schemes), purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Unit Trust may invest. In particular, the AIFM and other companies within the Mediolanum Group may be involved in advising or managing other investment funds (including other collective investment schemes) or other real estate portfolios which have similar or overlapping investment objectives to or with the Unit Trust. Subject to the next succeeding paragraphs, each of the Parties will use its reasonable endeavors to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly and in the best interests of Unitholders.

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

12. Related Party Transactions (continued)

The underlying Unitholders in both Sub-Funds, Mediolanum International Life dac & Banca Mediolanum S.p.A are connected to the Investment Manager. As at 30 June 2017 Mediolanum International Life dac holds 100% (31 December 2016: 100%) of the Class SA units in the Alternative Strategy Collection & Banca Mediolanum S.p.A. holds 100% (31 December 2016: 100%) of the Class SB units in the Alternative Strategy Collection. Mediolanum International Life dac holds 100% (31 December 2016: 100%) of the Class SA units in the Mediolanum High Volatility Fund Side Pocket and Banca Mediolanum S.p.A. holds 100% (31 December 2016: 100%) of the Class SB units in the Mediolanum High Volatility Fund Side Pocket.

Performance fees in relation to the Mediolanum High Volatility Fund Side Pocket have been waived by the Investment Manager.

Andrew Bates is a Partner at Dillon Eustace and sits on the Board of Directors of Mediolanum International Funds Limited in a non-executive capacity. During the period total legal fees paid to Dillon Eustace were €2,998 (30 June 2016: €590).

At 30 June 2017, Alternative Strategy Collection invested 19.21% (31 December 2016: 11.01%) of the Total Net Asset Value into funds managed by Tages Capital LLP, the Delegate Investment Manager.

Connected Party Transactions

The Directors of the Manager are satisfied that transactions with connected parties entered into during complied with the obligations set out in Chapter 1, Part 1, Section 1, xii of the AIF Rulebook, namely any transactions be carried out as if negotiated at arm's length and in the best interest of the Unitholders.

13. Soft Commission Arrangements

There were no soft commission arrangements in operation during the period under review or as at 31 December 2016. Underlying Funds in which the Sub-Funds invest may engage in soft commission arrangements.

14. Exchange Rates

The following exchange rates were used to translate assets and liabilities into the reporting currency (Euro) at 30 June 2017 and 31 December 2016:

Currency	EUR €Rate	EUR €Rate
	30 Jun 2017	31 Dec 2016
USD	0.8768	0.9481

15. Changes in the Portfolio

A list, specifying for each investment the total purchases and sales which took place during the period under review may be obtained, upon request, at the registered office of the Manager.

16. Contingent Liabilities

There were no significant contingent liabilities at the Statement of Net Asset date. (There were no significant contingent liabilities as at 31 December 2016).

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the six months ended 30 June 2017**

17. Net Asset Value

	Alternative Strategy Collection 30 Jun 2017 EUR €	Alternative Strategy Collection 31 Dec 2016 EUR €	Alternative Strategy Collection 31 Dec 2015 EUR €
Net assets attributable to holders of redeemable participating units:			
Class SA Euro Units (€)	67,826,471	68,942,141	73,648,656
Class SB Euro Units (€)	5,126,237	21,861,342	49,018,914
Number of redeemable participating units outstanding:			
Class SA Euro Units	6,779,302	6,961,503	7,272,195
Class SB Euro Units	512,370	2,207,469	4,840,206
Net assets value per redeemable participating unit:			
Class SA Euro Units (€)	€0.00	€9.90	€0.13
Class SB Euro Units (€)	€0.00	€9.90	€0.13
	Mediolanum High Volatility Fund 30 Jun 2017 EUR €	Mediolanum High Volatility Fund 31 Dec 2016 EUR €	Mediolanum High Volatility Fund 31 Dec 2015 EUR €
Net assets attributable to holders of redeemable participating units:			
Class SA Euro Units (€)	-	-	-
Class SB Euro Units (€)	-	-	-
Class SP Euro Units (€)	266,640	438,262	352,206
Number of redeemable participating units outstanding:			
Class SA Euro Units	-	-	-
Class SB Euro Units	-	-	-
Class SP Euro Units	30,115	51,853	51,853
Net assets value per redeemable participating unit:			
Class SA Euro Units (€)	-	-	-
Class SB Euro Units (€)	-	-	-
Class SP Euro Units (€)	€8.85	€8.45	€6.79

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

18. Realised and Unrealised Gains in Investments

	Alternative Strategy Collection	Mediolanum High Volatility Fund
	30 Jun 2017	30 Jun 2017
	EUR €	EUR €
Realised (loss)/gain on investments		
Realised gain on investments	5,899,426	15,336
Realised loss on investments	(2,910)	-
Realised gain on currency contracts and currency exchange	636,439	-
Total realised gain on investments	6,532,955	15,336
Unrealised gain/(loss) on investments		
Movement in unrealised gain on investments	1,225,708	10,544
Movement in unrealised loss on investments	(6,046,741)	-
Unrealised gain/(loss) on currency contracts and currency exchange	76,177	(565)
Total unrealised gain/(loss) on investments	(4,744,856)	9,979
	Alternative Strategy Collection	Mediolanum High Volatility Fund
	30 Jun 2016	30 Jun 2016
	EUR €	EUR €
Realised (loss)/gain on investments		
Realised gain on investments	3,568,140	-
Realised loss on investments	(250,677)	-
Realised gain on currency contracts and currency exchange	720,708	-
Total realised (loss)/gain on investments	4,038,171	-
Unrealised gain/(loss) on investments		
Movement in unrealised gain on investments	1,171,240	16,481
Movement in unrealised loss on investments	(8,252,581)	-
Unrealised loss on currency contracts and currency exchange	(120,926)	(599)
Total unrealised gain/(loss) on investments	(7,202,267)	15,882

19. Efficient Portfolio Management Techniques

The Sub-Funds may employ investment techniques and instruments relating to its investments for the purpose of efficient portfolio management under the conditions and within the limits stipulated from time to time by the Central Bank. The Sub-Funds may use the various investment techniques and instruments for efficient portfolio management such as taking long or short positions in derivative instruments including forward contracts so as to alter the interest rates, credit and or currency exposure of the portfolio. Derivative instruments may be purchased for the purpose of efficient portfolio management only and in accordance with the Central Bank's guidelines. The Sub-Fund did use these techniques during the period. Details of foreign currency forward exchange contracts held at 30 June 2017 are disclosed on page 20. The realised and unrealised gain/ (loss) on foreign exchange contracts are disclosed in the Income Statement on page 8.

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2017

20. 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 Company, the Investment Manager, the Distributor, the Administrator or the Depositary to suffer data corruption or lose operational functionality.

The Sub-Funds 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 Manager, the Investment Manager, the Distributor, the Administrator, the Depositary, 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

21. Changes to Directors of the Manager

Luigi Del Fabbro was appointed as a Director of the Manager effective 8 February 2017. There were no other changes to the Directors of the Manager.

22. Significant Events During the Period

The Trust has a credit facility with The Northern Trust Company. This was reduced from €12m to €9m effective 26 February 2017.

The Manager has declared a distribution of €95,000 on 29 March 2017, dealing date 2 May 2017, on the Mediolanum High Volatility Side Pocket.

23. Post Balance Sheet Events

No events have occurred subsequent to the period end which impact on the financial statements for the six months ended 30 June 2017.

24. Approval of the Financial Statements

The financial statements were approved by the Directors of the Manager on 24 August 2017.

MEDIOLANUM FUND OF HEDGE FUNDS

FUND OF FUNDS DISCLOSURE (UNAUDITED)

Alternative Strategy Collection

Fund Name	Domicile	Management fee %	Incentive fee %
Kingate Global Fund - Vi**	British Virgin Islands	1.50%	0.00%
Alvento Long/Short Equity Fund Class F EUR 10/2015	Cayman Islands	1.50%	20.00%
Atreaus Overseas Fund Tranche A Series 06/2016	Cayman Islands	2.00%	20.00%
EDL Global Opportunities Fund Class C-R Eur Series 1	Cayman Islands	2.00%	20.00%
GAM Talentum Enhanced Europe Long/Short A EUR Series Initial	Cayman Islands	1.50%	20.00%
MKM Longboat Multi Strategy Fund USD Class R*	Cayman Islands	2.00%	20.00%
Palmerston Credit Feeder Fund Founder EUR Series 11/2014	Cayman Islands	1.50%	15.00%
Pine River Liquid Rates Class C Series 1 11/2013	Cayman Islands	1.50%	23.00%
Ronit Global Opportunities UCITS EUR Institutional Class A Founder	Cayman Islands	2.00%	20.00%
TT Mid-Cap Europe Long/Short Fund Class A EUR	Cayman Islands	1.50%	20.00%
FundLogic Alternatives - Market Neutral Credit UCITS Fund	Ireland	1.00%	15.00%
FundLogic Alternatives - MS Dalton Asia Pacific UCITS Fund	Ireland	1.25%	7.50%
FundLogic Alternatives - Quantica Managed Futures UCITS Strategy Fund	Ireland	0.50%	15.00%
Sector Healthcare Fund Class A EUR 06/2016	Ireland	2.00%	20.00%
Alpha UCITS - Amber Equity Fund Class A EUR	Luxembourg	1.50%	20.00%
Hellebore Credit Arbitrage Class B EUR	Luxembourg	1.00%	15.00%
Tages - Anavon Global Equity Long/Short UCITS Fund - Class E Eur	Luxembourg	1.00%	20.00%
Tages Cygnus Europa Event Driven UCITS Fund Class A	Luxembourg	1.25%	15.00%
Tages Fore UCITS Fund Class A EUR	Luxembourg	1.15%	10.00%

* Fair value of investment written down to zero on 30 November 2009

** In Voluntary Liquidation

MEDIOLANUM FUND OF HEDGE FUNDS**FUND OF FUNDS DISCLOSURE (UNAUDITED) (continued)****Mediolanum High Volatility Fund Side Pocket**

Fund Name	Domicile	Management fee %	Incentive fee %
GLG Emerging Markets Growth Fund Class E***	Cayman Islands	0.00%	0.00%

*** Investment in side pocket shares