

Mediolanum Specialities SICAV-SIF

Société d'Investissement à Capital Variable
Luxembourg

R.C.S. Luxembourg B 133 351

Annual Report, including Audited Financial Statements
for the year ended December 31, 2020

Mediolanum Specialities SICAV-SIF

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Mediolanum Specialities SICAV-SIF

Management and Administration

Registered Office

11/13 boulevard de la Foire
L-1528 Luxembourg
Grand-Duchy of Luxembourg

Directors

Chairman:

Furio Pietribiasi
Mediolanum International Funds Limited
4th Floor, The Exchange, George's Dock, IFSC
Dublin 1,
Ireland

Members:

Paul Guillaume
370 route de Longwy
L-1940 Luxembourg
Grand-Duchy of Luxembourg

Fabio Morvilli
45 Boulevard Grande Duchesse Charlotte
L-1331 Luxembourg
Grand-Duchy of Luxembourg

Administrator, Depositary, Transfer and Paying Agent and Domiciliation agent

RBC Investor Services Bank S.A.
14 Porte de France
L-4360 Esch-sur-Alzette
Grand-Duchy of Luxembourg

Alternative Investment Fund Manager and Global Distributor

Mediolanum International Funds Limited
4th Floor, The Exchange, George's Dock, IFSC
Dublin 1,
Ireland

Cash Manager and Portfolio Manager

Mediolanum International Funds Limited
4th Floor, The Exchange, George's Dock, IFSC
Dublin 1,
Ireland

Sub-Portfolio Manager ⁽¹⁾

For Mediolanum Specialities SICAV-SIF – Equity Income Fund
Mediolanum Gestione Fondi SGR p.A.
Palazzo Meucci, Via Francesco Sforza, 20080 Basiglio
Milano 3,
Italy

⁽¹⁾ Effective March 31, 2020, Mediolanum Gestione Fondi SGR p.A. was terminated as a Sub-Portfolio Manager for Mediolanum Specialities SICAV-SIF – Equity Income Fund.

Mediolanum Specialities SICAV-SIF

Management and Administration (continued)

Securities Lending Agent

Goldman Sachs International Bank
Peterborough Court
133 Fleet Street
London
EC4A 2BB
United Kingdom

Auditor

PricewaterhouseCoopers (effective January 1, 2020)
Société coopérative
2, Rue Gerhard Mercator
B.P. 1443, L-1014 Luxembourg
Grand-Duchy of Luxembourg

Legal Adviser

Arendt & Medernach S.A.
41A avenue J.F. Kennedy
L-2082 Luxembourg
Grand-Duchy of Luxembourg

Mediolanum Specialities SICAV-SIF

Management Report

Mediolanum Specialities SICAV-SIF – Equity Income Fund

Performance* **31/12/2019 - 31/12/2020** **(12.49)%**

** Performance is stated in EUR, net of management fee, performance fee and cost, and reflects the reinvestment of dividends.*

Income stocks were hit particularly hard during the COVID-19 pandemic which had a significant impact on the fund's performance as it targets dividend paying stocks. Overall the year was positive for equities but with significant divergent performances recorded for different market factors, favouring growth and momentum stocks while income and value exposed stocks struggled for much of 2020.

The key reason for this was the negative impact of COVID-19 which led to sharply lower economic activity and to financial regulators seeking to limit banks and insurance companies from paying dividends, a key source of income for dividend investors. Although we did see income and value stocks rally in the final quarter of the year, owing to the successful clinical data of a COVID-19 vaccine, this was not enough to erase the large losses recorded earlier in the year.

Geopolitical issues played a significant role with European and UK assets underperforming for most of the year linked in part to Brexit concerns. In the US, assets benefitted from strong fiscal stimulus measures while in China, the economy rebounded strongly. The fund is entering 2021 positioned to benefit from a better performance of the income style factor and has an effective mix of allocations between cyclical sectors that will benefit from a re-opening of economies and defensive sectors that continue to offer attractive upside potential. The performance was recorded due to the positive contribution in allocation and picking activity coming from the exposure to the financials and the consumer staples.

Mediolanum Specialities SICAV-SIF – Diversified Income Fund

Performance* **31/12/2019 - 31/12/2020** **1.31% Net**

** Performance is stated in EUR, net of management fee, performance fee and cost, and reflects the reinvestment of dividends.*

Risk assets finished the year strongly with global equities posting 14.2% for the year 2020 in local currency terms. The EUR gained 9% against the USD over the course of 2020 resulting in 6.7% gains for EUR denominated investors. Gold was one the best performing assets in 2020 returning 24%.

North American equities and emerging markets were the best performing regions. US equities were boosted by the stellar performance from the technology sector. Sovereign bonds played their role in diversifying multi-asset portfolios during the worst of the sell-off in Q1 last year, and all fixed income assets delivered positive returns in 2020 led by sovereign bonds in local currency terms. The main theme of Q4 was the value rotation that took place.

From a fixed income perspective there were positive returns from our overweight high yield position in Q2. The overweight position in energy detracted from the equity performance due to a slump in demand for oil as a result of the global pandemic.

The fund currently has a 50% allocation to equity, 45% to fixed income and 5% to cash.

The fund is positioned into 2021 for an early cycle playbook where we have an overweight in value and cyclicals and expect emerging markets to outperform. We are tentatively positive on credit markets as they are approaching historically low levels once again but the technicals remain supportive due to easy monetary policy which is set to remain accommodative.

Market Outlook

As we look into 2021, we are still dealing with the impact of COVID-19 on economic activity, but optimism with regards vaccine deployment is fostering some strong expectations for an economic rebound in 2021 even against the current bleak backdrop. No doubt the path to the recovery will be volatile and likewise the level of uncertainty with regards to the COVID-19 virus and its ability to be put into abeyance leaves a high level of possible outcomes in place for 2021.

Mediolanum Specialities SICAV-SIF

Management Report (continued)

Market Outlook (continued)

The central scenario remains one where 2021 is essentially a recovery/reflation story and in turn this should dominate the investment themes for the year ahead. The biggest uncertainty faced by markets within this positive macroeconomic assessment is the current levels of valuations. Global equities are trading well above their historical averages, while bond yields remain at historically low levels. In short, the support by policy makers over the course of 2020 has helped to push risk valuations back to expensive levels.

The AIFM continues to monitor market impacts on the Fund and to the date of signing these financial statements have not encountered any issues with its operations including access to liquidity, levels of redemption requests, the need to suspend or gate calculations of the NAV or any concerns around continued operations of the fund, the manager or its delegates. As such, the Fund is in full capacity to continue its usual operations in accordance with its investment policy and its prospectus.

The Board of Directors of the Fund

Luxembourg, May 12, 2021

The figures stated in the management report are historical and not necessarily indicative of future performance.



Audit report

To the Shareholders of
Mediolanum Specialities SICAV-SIF

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Mediolanum Specialities SICAV-SIF (the “Fund”) and of each of its sub-funds as at 31 December 2020, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund’s financial statements comprise:

- the combined statement of net assets for the Fund and the statement of net assets for each of the sub-funds as at 31 December 2020;
- the combined statement of operations and changes in net assets for the Fund and the statement of operations and changes in net assets for each of the sub-funds for the year then ended;
- the statement of investments as at 31 December 2020; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;



- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 12 May 2021

Bertrand Jaboulay

Mediolanum Specialities SICAV-SIF

Combined Statement of Net Assets as at December 31, 2020

EUR	Notes	December 31, 2020
ASSETS		
Investments in securities at market value	(3)	64,539,254
Cash at bank	(3)	2,083,495
Amounts receivable on disposal of investments		389,619
Amounts receivable on subscriptions		46,649
Dividends receivable, net		131,001
Other assets		7,909
TOTAL ASSETS		67,197,927
LIABILITIES		
Bank overdraft	(3)	11,004
Amounts payable on purchase of investments		333,505
Amounts payable on redemptions		3,343
Interest payable, net		1,136
Management, portfolio manager and cash management fees payable	(6)	98,068
Performance fees payable	(6)	1,081
Taxes and other expenses payable		113,689
TOTAL LIABILITIES		561,826
TOTAL NET ASSET VALUE		66,636,101

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

Mediolanum Specialities SICAV-SIF

Combined Statement of Operations and Changes in Net Assets for the year ended December 31, 2020

EUR	Notes	December 31, 2020
NET ASSETS AT THE BEGINNING OF THE YEAR		70,486,674
INCOME		
Dividend income, net	(3)	1,238,224
Bank interest income	(3)	2,289
Securities lending commission	(13)	2,890
Other income	(4,16)	37,355
Total Income		1,280,758
EXPENSES		
Management fees	(6)	1,100,417
Investment management fees	(6)	7,392
Cash management fees	(6)	6,329
Performance fees	(6)	1,996
Depository fees	(6,16)	44,733
Domiciliation, administration and transfer agent fees and paying agent fees	(6)	81,517
Professional fees	(6)	121,485
Subscription tax	(4)	5,430
Bank charges and correspondent fees		20,980
Bank interest expense		11,637
Total Expenses		1,401,916
NET INCOME / (LOSS) FROM INVESTMENTS		(121,158)
Net realised gain / (loss) on disposal of investments	(3,15)	(2,522,480)
Net realised gain / (loss) on forward foreign exchange contracts	(3,15)	(54,020)
Net realised gain / (loss) on futures contracts	(3,15)	(229,858)
Net realised gain / (loss) from swap contracts	(3,15)	137,867
Net realised gain / (loss) on foreign exchange	(3,15)	63,151
NET REALISED GAIN / (LOSS)		(2,726,498)
Change in net unrealised appreciation / (depreciation) on:		
- investments	(3,15)	(2,619,272)
NET INCREASE / (DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS		(5,345,770)
CHANGES IN SHARE CAPITAL		
Proceeds from issue of shares		18,477,163
Proceeds from redemption of shares		(16,003,926)
Dividend distribution	(14)	(978,040)
NET ASSETS AT THE END OF THE YEAR		66,636,101

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

Mediolanum Specialities SICAV-SIF

Mediolanum Specialities SICAV-SIF – Equity Income Fund

Statement of Net Assets as at December 31, 2020

EUR	Notes	December 31, 2020
ASSETS		
Investments in securities at market value	(3)	33,325,734
Cash at bank	(3)	117,158
Amounts receivable on disposal of investments		389,619
Dividend receivable, net		112,414
Other assets		7,909
TOTAL ASSETS		33,952,834
LIABILITIES		
Bank overdraft	(3)	402
Amounts payable on purchase of investments		333,505
Interest payable, net		308
Management, portfolio manager and cash management fees payable	(6)	47,048
Taxes and other expenses payable		68,642
TOTAL LIABILITIES		449,905
TOTAL NET ASSET VALUE		33,502,929
Net Asset Value per Share		
Distributing Shares		1.724
Number of shares outstanding		
Distributing Shares		19,429,243

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

Mediolanum Specialities SICAV-SIF

Mediolanum Specialities SICAV-SIF – Equity Income Fund

Statement of Operations and Changes in Net Assets for the year ended December 31, 2020

EUR	Notes	December 31, 2020
NET ASSETS AT THE BEGINNING OF THE YEAR		50,791,165
INCOME		
Dividend income, net	(3)	1,049,153
Bank interest income	(3)	1,997
Securities lending commission	(13)	2,593
Other income	(4,16)	36,279
Total Income		1,090,022
EXPENSES		
Management fees	(6)	612,186
Investment management fees	(6)	7,392
Cash management fees	(6)	3,696
Performance fees	(6)	454
Depositary fees	(6,16)	23,419
Domiciliation, administration and transfer agent fees and paying agent fees	(6)	40,276
Professional fees	(6)	90,679
Subscription tax	(4)	3,304
Bank charges and correspondent fees		12,313
Bank interests expense		3,361
Total Expenses		797,080
NET INCOME / (LOSS) FROM INVESTMENTS		292,942
Net realised gain / (loss) on disposal of investments	(3,15)	(3,016,039)
Net realised gain / (loss) on forward foreign exchange contracts	(3,15)	782
Net realised gain / (loss) on futures contracts	(3,15)	(200,310)
Net realised gain / (loss) on foreign exchange	(3,15)	13,536
NET REALISED GAIN / (LOSS)		(2,909,089)
Change in net unrealised appreciation / (depreciation) on:		
- investments	(3,15)	(3,430,345)
NET INCREASE / (DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS		(6,339,434)
CHANGES IN SHARE CAPITAL		
Subscription of shares		2,169,288
Redemption of shares		(12,469,442)
Dividend distribution	(14)	(648,648)
NET ASSETS AT THE END OF THE YEAR		33,502,929

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

Mediolanum Specialities SICAV-SIF

Mediolanum Specialities SICAV-SIF – Equity Income Fund

Statement of Changes in the Number of Shares for the year ended December 31, 2020

December 31, 2020

Distribution Shares	
Number of shares outstanding at the beginning of the year	25,359,584
Number of shares issued	1,392,353
Number of shares redeemed	(7,322,694)
Number of shares outstanding at the end of the year	19,429,243

Statistics

	December 31, 2018	December 31, 2019	December 31, 2020
	EUR	EUR	EUR
Net Asset Value	49,939,065	50,791,165	33,502,929
Net Asset Value per Share			
Distribution Shares	1.793	2.003	1.724

Mediolanum Specialities SICAV-SIF

Mediolanum Specialities SICAV-SIF – Equity Income Fund

Statement of Investments as at December 31, 2020

(expressed in EUR)

Description	Quantity	Currency	Cost	Market Value	% Net Assets
Transferable Securities Admitted to an Official Stock Exchange Listing or Traded on a Regulated Market					
Listed Securities: Shares					
France					
Axa Sa	36,638	EUR	675,531	720,889	2.15
Orange	89,134	EUR	829,821	873,870	2.61
Rubis Shs	8,431	EUR	341,618	320,547	0.96
Sanofi-Aventis Sa	18,009	EUR	1,318,689	1,420,190	4.24
Total Sa	25,644	EUR	1,024,154	912,670	2.72
Veolia Environnement Sa	33,287	EUR	676,331	670,400	2.00
Total France			4,866,144	4,918,566	14.68
Germany					
Allianz Ag /Nam.	2,376	EUR	267,916	476,863	1.42
Bayer	13,911	EUR	821,362	669,884	2.00
Deutsche Boerse Ag /Nam.	6,981	EUR	891,355	972,104	2.90
Deutsche Post Ag	23,014	EUR	669,083	932,067	2.78
Deutsche Telekom Ag /Nam.	74,037	EUR	1,104,795	1,107,223	3.31
E.On Ag /Nam.	85,889	EUR	785,459	778,498	2.32
Fresenius Se & Co Kгаа	16,810	EUR	635,243	636,091	1.90
Total Germany			5,175,213	5,572,730	16.63
Great Britain					
3i Group Plc	73,946	GBP	695,897	955,601	2.85
Astrazeneca Plc	9,283	GBP	805,692	760,148	2.27
Bae Systems Plc	186,064	GBP	1,032,487	1,014,912	3.03
Bp Plc	201,838	GBP	587,887	579,285	1.73
British American Tobacco (25P)	41,997	GBP	1,462,519	1,288,741	3.85
Imperial Brands	64,266	GBP	1,134,169	1,106,750	3.30
Reckitt Benckiser Group Plc	15,946	GBP	1,175,899	1,170,080	3.49
Royal Dutch Shell Plc /-B-	68,986	GBP	1,038,182	971,037	2.90
Unilever Plc	13,607	GBP	654,932	674,616	2.01
Vodafone Group Plc	851,855	GBP	1,292,933	1,154,006	3.45
Total Great Britain			9,880,597	9,675,176	28.88
Ireland					
Dcc Plc	16,488	GBP	947,543	977,804	2.92
Linde Plc	2,311	EUR	483,140	492,243	1.47
Total Ireland			1,430,683	1,470,047	4.39
Jersey					
Experian Plc	17,194	GBP	495,792	536,470	1.60
Total Jersey			495,792	536,470	1.60

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

Mediolanum Specialities SICAV-SIF

Mediolanum Specialities SICAV-SIF – Equity Income Fund

Statement of Investments as at December 31, 2020 (continued)

(expressed in EUR)

Description	Quantity	Currency	Cost	Market Value	% Net Assets
Netherlands					
Euronext Nv	11,263	EUR	985,515	1,028,875	3.07
Sbm Offshore Nv	25,413	EUR	341,112	391,233	1.17
Total Netherlands			1,326,627	1,420,108	4.24
Norway					
Yara International Asa	10,606	NOK	338,110	359,543	1.07
Total Norway			338,110	359,543	1.07
Spain					
Grifols. Sa	13,351	EUR	332,907	320,558	0.96
Inditex	25,300	EUR	581,658	667,667	1.99
Repsol Ypf Sa Madrid	115,920	EUR	1,029,297	960,513	2.87
Total Spain			1,943,862	1,948,738	5.82
Sweden					
Essity Aktie- B	33,582	SEK	879,151	882,200	2.63
Svenska Handelsbanken Ab	101,224	SEK	844,394	830,421	2.48
Swedish Match Ab	10,717	SEK	673,249	678,879	2.03
Total Sweden			2,396,794	2,391,500	7.14
Switzerland					
Coca-Cola Hbc	6,337	GBP	150,829	168,203	0.50
Nestle Ag /Act Nom.	20,626	CHF	1,919,624	1,980,151	5.91
Novartis Ag Basel /Nam.	19,586	CHF	1,453,744	1,508,611	4.50
Roche Holding Ag /Genussschein	4,720	CHF	1,409,659	1,342,970	4.01
Total Switzerland			4,933,856	4,999,935	14.92
Total Listed Securities: Shares			32,787,678	33,292,813	99.37

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

Mediolanum Specialities SICAV-SIF

Mediolanum Specialities SICAV-SIF – Equity Income Fund

Statement of Investments as at December 31, 2020 (continued)

(expressed in EUR)

Description	Quantity	Currency	Cost	Market Value	% Net Assets
Rights					
Spain					
Right Repsol 08.01.21 /Sous	115,920	EUR	-	32,921	0.10
Total Spain			-	32,921	0.10
Total - Rights			-	32,921	0.10
Total Transferable Securities Admitted to an Official Stock Exchange Listing or Traded on a Regulated Market			32,787,678	33,325,734	99.47
TOTAL INVESTMENTS			32,787,678	33,325,734	99.47
Cash				117,158	0.35
Other Net Assets				60,037	0.18
Total				33,502,929	100.00

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

Mediolanum Specialities SICAV-SIF

Mediolanum Specialities SICAV-SIF – Diversified Income Fund

Statement of Net Assets as at December 31, 2020

EUR	Notes	December 31, 2020
ASSETS		
Investments in securities at market value	(3)	31,213,520
Cash at bank	(3)	1,966,337
Amounts receivable on subscriptions		46,649
Dividend receivable, net		18,587
TOTAL ASSETS		33,245,093
LIABILITIES		
Bank overdraft	(3)	10,602
Amounts payable on redemptions		3,343
Interest payable, net		828
Management, portfolio manager and cash management fees payable	(6)	51,020
Performance fees payable	(6)	1,081
Taxes and other expenses payable		45,047
TOTAL LIABILITIES		111,921
TOTAL NET ASSET VALUE		33,133,172
Net Asset Value per Share		
Class B Distributing Shares		4.004
Number of shares outstanding		
Class B Distributing Shares		8,275,315

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

Mediolanum Specialities SICAV-SIF

Mediolanum Specialities SICAV-SIF – Diversified Income Fund

Statement of Operations and Changes in Net Assets for the year ended December 31, 2020

EUR	Notes	December 31, 2020
NET ASSETS AT THE BEGINNING OF THE YEAR		
		19,695,509
INCOME		
Dividend income, net	(3)	189,071
Bank interest income	(3)	292
Securities lending commission	(13)	297
Other income	(4,16)	1,076
Total Income		190,736
EXPENSES		
Management fees	(6)	488,231
Cash management fees	(6)	2,633
Performance fees	(6)	1,542
Depositary fees	(6,16)	21,314
Domiciliation, administration and transfer agent fees and paying agent fees	(6)	41,241
Professional fees	(6)	30,806
Subscription tax	(4)	2,126
Bank charges and correspondent fees		8,667
Bank interests expense		8,276
Total Expenses		604,836
NET INCOME / (LOSS) FROM INVESTMENTS		
		(414,100)
Net realised gain / (loss) on disposal of investments	(3,15)	493,559
Net realised gain / (loss) on forward foreign exchange contracts	(3,15)	(54,802)
Net realised gain / (loss) on futures contracts	(3,15)	(29,548)
Net realised gain / (loss) on foreign exchange	(3,15)	49,615
Net realised gain / (loss) on swap contracts	(3,15)	137,867
NET REALISED GAIN / (LOSS)		
		182,591
Change in net unrealised appreciation / (depreciation) on:		
- investments	(3,15)	811,073
NET INCREASE / (DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS		
		993,664
CHANGES IN SHARE CAPITAL		
Subscription of shares		16,307,875
Redemption of shares		(3,534,484)
Dividend distribution	(14)	(329,392)
NET ASSETS AT THE END OF THE YEAR		
		33,133,172

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

Mediolanum Specialities SICAV-SIF

Mediolanum Specialities SICAV-SIF – Diversified Income Fund

Statement of Changes in the Number of Shares for the year ended December 31, 2020

December 31, 2020

Class B Distributing Shares	
Number of shares outstanding at the beginning of the year	4,938,363
Number of shares issued	4,251,552
Number of shares redeemed	(914,600)
Number of shares outstanding at the end of the year	8,275,315

Statistics

	December 31, 2018	December 31, 2019	December 31, 2020
	EUR	EUR	EUR
Net Asset Value	20,517,445	19,695,509	33,133,172
Net Asset Value per Share			
Class B Distributing Shares	3.701	3.988	4.004

Mediolanum Specialities SICAV-SIF

Mediolanum Specialities SICAV-SIF – Diversified Income Fund

Statement of Investments as at December 31, 2020

(expressed in EUR)

Description	Quantity	Currency	Cost	Market Value	% Net Assets
Transferable Securities Admitted to an Official Stock Exchange Listing or Traded on a Regulated Market					
Investment Funds					
Ireland					
Ish Eur Inf Linked Govt Etf	2,911	EUR	636,132	655,557	1.98
Ish Iv Edg Qlty Accum Usd Etf	17,497	EUR	584,668	675,297	2.04
Ish Msci Wo Mi Usd -Etf-	14,231	EUR	613,923	623,033	1.88
Ishs Gl Co Bn Hedged Eur -Etf	334,450	EUR	1,589,094	1,665,427	5.03
Ishs Glb Agg Bd Hedged Eur /Cap	836,984	EUR	4,359,477	4,502,974	13.59
Ishs Msci Eurp-Exc Trd Fnd Eur	42,324	EUR	1,319,235	1,464,834	4.42
Ishs Msci Wd Eur-Ac Acc Etf	21,267	EUR	1,222,086	1,352,581	4.08
Ishs Vii Msci Uk /Acc Ex Tr Gbp	5,160	GBP	554,550	572,739	1.73
Spdr S&P Us Div Etf /Dis	13,394	USD	641,999	634,719	1.92
Ssga World Tech Etf Usd /Cap	8,640	EUR	634,389	690,077	2.08
Vanec Jpm Em Bd Acc-A- Usd	12,054	USD	629,431	653,927	1.97
Total Ireland			12,784,984	13,491,165	40.72
Luxembourg					
Dbxt2 Glob Agg -5C -Hdg -Eur /Cap	178,565	EUR	3,991,789	4,160,207	12.55
Mul Ly U10y Ie -C- Usd- Cap Etf	7,215	EUR	662,055	615,728	1.86
Xt2 Gl Gov Bd (Dr) Etf -1c- Cap	10,931	EUR	2,567,594	2,676,565	8.08
Total Luxembourg			7,221,438	7,452,500	22.49
United States					
Ish Msci China - Shs	4,837	USD	322,719	318,207	0.96
Ishares Msci Eafe Value Etf	8,503	USD	299,176	329,115	0.99
Ishares Msci Japan Etf	13,664	USD	668,944	748,157	2.26
Ishs Global Healthcare - Shs	9,658	USD	602,281	595,631	1.80
Ishs Msci Acwi -Shs	14,574	USD	1,015,077	1,074,167	3.24
Ishs Msci Emerging Market -Shs	41,007	USD	1,501,873	1,723,557	5.20
Ishs Russell 2000 - Shs	2,195	USD	305,861	350,490	1.06

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

Mediolanum Specialities SICAV-SIF

Mediolanum Specialities SICAV-SIF – Diversified Income Fund

Statement of Investments as at December 31, 2020 (continued)

(expressed in EUR)

Description	Quantity	Currency	Cost	Market Value	% Net Assets
United States (continued)					
Spdr S&P500 Etf Trust S.1	16,965	USD	4,626,502	5,130,531	15.49
Total United States			9,342,433	10,269,855	31.00
Total Investment Funds			29,348,855	31,213,520	94.21
Total Transferable Securities Admitted to an Official Stock Exchange Listing or Traded on a Regulated Market			29,348,855	31,213,520	94.21
TOTAL INVESTMENTS			29,348,855	31,213,520	94.21
Cash				1,966,337	5.93
Other Net Liabilities				(46,685)	(0.14)
Total				33,133,172	100.00

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

Mediolanum Specialities SICAV-SIF

Notes to the Financial Statements as at December 31, 2020

Note 1 - General Information

Mediolanum Specialities SICAV-SIF (the "Fund") is an open-ended investment company incorporated under the laws of the Grand Duchy of Luxembourg as a Société d'Investissement à Capital Variable ("SICAV").

The Fund has been incorporated on November 6, 2007, for an unlimited period. The Fund is governed by the Law of August 10, 1915 on commercial companies, as amended, and by the Law of February 13, 2007, as amended relating to the specialised investment funds (the "2007 Law"). The Articles of Incorporation have been published on November 26, 2007 in the *Mémorial C, Recueil des Sociétés et Associations*.

The Fund qualifies as an alternative investment fund (the "AIF") within the meaning of the directive 2011/61/EU of the European Parliament and of the Council of June 8, 2011 on alternative investment fund managers and amending directives 2003/41/EC and 2009/65/EC and regulations (EC) n°1060/2009 and (EU) n°1095/2010 (the "Directive 2011/61/EU") and the articles 1 (39) and 4 of the amended law of July 12, 2013 on alternative investment fund managers (the "2013 Law").

The registered office of the Fund is established at 11/13, boulevard de la Foire, L-1528 Luxembourg. The Fund is recorded at the Luxembourg Trade and Companies Register ("Registre de Commerce et des Sociétés") under the number B 133 351.

As at December 31, 2020, the following Sub-Funds (collectively the "Sub-Funds") were offered to investors:

Mediolanum Specialities SICAV-SIF – Equity Income Fund
Mediolanum Specialities SICAV-SIF – Diversified Income Fund

As at December 31, 2020 the Sub-Funds offer the following active share classes:

Sub-Fund	Currency	Class
Mediolanum Specialities SICAV-SIF – Equity Income Fund	EUR	Distribution Share
Mediolanum Specialities SICAV-SIF – Diversified Income Fund	EUR	B Distributing Share

Note 2 - Alternative Investment Fund Manager

The Fund has appointed Mediolanum International Funds Limited with registered office at 4th Floor, The Exchange, George's Dock, IFSC, Dublin 1, Ireland as its Alternative Investment Fund Manager (the "AIFM") in compliance with article 4 (1) of the 2013 Law.

The AIFM was incorporated in Ireland on March 27, 1997 as a private company limited by shares under Irish law and has its registered office at 4th Floor, The Exchange, George's Dock, IFSC, Dublin 1, Ireland. The status of AIFM has been approved by the CSSF in accordance with the provisions of Chapter 2 of the 2013 Law with effect as of July 29, 2019.

Pursuant to the terms of the Alternative Investment Fund Management services agreement (the "AIFM Agreement"), the AIFM, subject to the overall supervision, approval and direction of the Board of Directors, provides the services listed under Annex I of the 2013 Law.

Note 3 - Significant Accounting and Valuation Principles

The Fund's financial statements are prepared in conformity with legal and regulatory requirements and presented in accordance with the generally accepted accounting principles in Luxembourg relating to Specialised Investment Funds (SIF) under the going concern basis of accounting.

The Net Asset Value per Share of each Class within the relevant Sub-Fund is expressed in the share currency of such Class or in the Reference Currency of the Sub-Fund and shall be determined as of any Valuation Day by dividing the net assets of the Fund attributable to the relevant Sub-Fund, being the value of the portion of assets less the portion of liabilities attributable to such Class within such Sub-Fund, as of any such Valuation Day, by the number of Shares then outstanding, in accordance with the valuation rules set forth below. The Net Asset Value per Share may be rounded up or down to the nearest unit of the relevant currency as the Fund shall determine. If since the time of determination of the Net Asset Value there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Sub-Fund are dealt in or quoted, the Fund may, in order to safeguard the interests of the shareholders and the Fund, cancel the first valuation and carry out a second valuation for all applications received in relation to the relevant Valuation Day.

Mediolanum Specialities SICAV-SIF

Notes to the Financial Statements as at December 31, 2020 (continued)

Note 3 - Significant Accounting and Valuation Principles (continued)

The Net Asset Value per Share of each Class and the issue and redemption prices per Share of each Sub-Fund may be obtained during business hours at the registered office of the Fund.

Investment Valuation

The value of such assets is determined as follows:

- a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- b) The value of assets, which are listed or dealt in on any stock exchange, is based on the closing price of the preceding business day on the stock exchange, which is normally the principal market for such assets. The net unrealised gain / (loss) is presented in the statement of net assets and net realised gain / (loss) and change in net unrealised appreciation / (depreciation) in the statement of operations and changes in net assets.
- c) The value of assets dealt in on any other Regulated Market is based on the closing price of the preceding business day.
- d) In the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not representative of the fair market value of the relevant assets, the value of such assets is based on the reasonably foreseeable sales price determined prudently and in good faith by the Board of Directors of the Fund.
- e) Units or shares of open-ended underlying funds are valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis and in good faith.
- f) All other securities and other assets are valued at fair market value as determined in good faith pursuant to the procedures established by the Board of Directors or the AIFM.
- g) Money market instruments held by the Fund with a remaining maturity of ninety days or less are valued by the amortized cost method which approximates market value.

The net asset value of these Sub-Funds is struck as at December 31, 2020, with the valuation point for these annual financial statements at December 30, 2020. If the net asset value had been calculated using closing prices as at December 31, 2020, the NAV of the following Sub-Funds would have increased/decreased as follows:

Sub-Fund	% NAV impact
Mediolanum Specialities SICAV-SIF – Equity Income Fund	(0.28%)
Mediolanum Specialities SICAV-SIF – Diversified Income Fund	0.29%

The Board of Directors of the Fund, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

Mediolanum Specialities SICAV-SIF

Notes to the Financial Statements as at December 31, 2020 (continued)

Note 3 - Significant Accounting and Valuation Principles (continued)

Valuation of Forward Foreign Exchange Contracts

Outstanding forward foreign exchange contracts are valued at the forward exchange rate applicable at the closing date for the remaining period until maturity.

The unrealised gain / (loss) on the outstanding forward foreign exchange contracts is calculated on the valuation date at the forward exchange rate applicable at the valuation for the remaining period until maturity. The net unrealised gain / (loss) is presented in the statement of net assets and net realised gain / (loss) and change in net unrealised appreciation / (depreciation) in the statement of operations and changes in net assets.

Valuation of Options Contracts

Outstanding options traded on a regulated market are valued at the last available market price on the valuation date. The change in net unrealised appreciation / (depreciation) arising at the time of reporting from the valuation of options trades is taken into account in the statement of operations and changes in net assets.

Valuation of Futures Contracts

Outstanding futures contracts are valued by reference to the last available settlement price on the relevant market. Upon entering into a future contract, the Sub-Fund is required to deposit, with the Broker, cash and securities in an amount equal to a certain percentage of the contract amount which is referred to as the "Margin accounts". Subsequent payments are made and received by the Sub-Fund periodically and are based on changes in the market value of the open contracts. The net unrealised gain / (loss) is presented in the Statement of Net Assets and net realised gain / (loss) and change in net unrealised appreciation / (depreciation) in the statement of operations and changes in net assets.

Contracts For Differences

At each valuation date the difference between the opening price and the current market price of the underlying security to the contract of difference is recorded as unrealised gain / (loss) on contracts for difference in the Statement of Net Assets. When the Sub-Fund enters a closing transaction, the difference between the opening notional amount and the closing notional amount of the underlying security is recorded as a net realised gain / (loss) and change in net unrealised appreciation / (depreciation) in the statement of operations and changes in net assets.

Valuation of Swaps Contracts

Credit default swaps will be valued at their present value of future cash flows by reference to standard market conventions, where the cash flows are adjusted for default probability. Interest rate swaps will be valued at their market value established by reference to the applicable interest rates' curve. Other swaps will be valued at fair market value as determined in good faith pursuant to the procedures established by the Board of Directors of the AIFM and recognised by the Auditor of the Fund.

Acquisition of Investments and Net Realised Gain / (Loss) on Disposal of Investments

Investments are initially recognised at cost, which is the amount paid for the acquisition of investments, including transaction costs. Net realised gain / (loss) on disposal of investments are determined on the basis of the average cost of investment sold and are recognised in the statement of operations and changes in net assets.

Foreign Currency Translation

The accounting and financial statements of the Fund are expressed in Euro (EUR). The value of all assets and liabilities not expressed in EUR are converted into EUR at rates effective at the year-end date. Income and expenses expressed in currencies other than EUR are converted into EUR at the prevailing exchange rate at transaction date. Net realised gain / (loss) on foreign exchange is included in the statement of operations and changes in net assets. The cost of securities denominated in currencies other than EUR is converted at the exchange rate prevailing at the date of acquisition.

Mediolanum Specialities SICAV-SIF

Notes to the Financial Statements as at December 31, 2020 (continued)

Note 3 - Significant Accounting and Valuation Principles (continued)

The closing exchange rates as at December 31, 2020 were as follows:

1 EUR=	1.600586	AUD
	1.569298	CAD
	1.086011	CHF
	7.438934	DKK
	0.903817	GBP
	24.482505	MXN
	10.501490	NOK
	1.707573	NZD
	10.068512	SEK
	1.230050	USD

Income Recognition

Dividend income is accounted for on an ex-dividend basis, net of withholding tax. Interest income is recognised on an accrual basis.

The Sub-Funds may enter into securities lending transactions. All revenues arising from securities lending transactions, net of direct and indirect operational costs and fees, will be returned to the respective Sub-Fund. Details of securities lending are disclosed in Note 13.

Other income comprises of tax reclaims.

Combined Financial Statements

The combined financial statements are denominated in EUR. The combined statements of net assets and the combined statement of operations and changes in net assets equal the sum of the corresponding items in the statements of net assets and the statement of operations and changes in net assets of each Sub-Fund.

Note 4 - Taxation

The Fund is currently not liable to any Luxembourg tax on profits or income, nor are distributions paid by the Fund liable to any Luxembourg withholding tax. The Fund is, however, liable in Luxembourg to a subscription tax (taxe d'abonnement) of 0.01% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Funds at the end of the relevant calendar quarter. In case some Sub-Funds are invested in other Luxembourg investment funds, which in turn are subject to the subscription tax relating to undertakings for collective investment, no subscription tax is due from the Fund on the portion of assets invested therein. Under the current law and practice, the Fund is not liable to Luxembourg taxes on income or capital gains, nor are dividends paid by the Fund liable to any Luxembourg withholding tax. Interests, dividends and capital gains on securities may be subject to withholding and capital gains taxes in certain countries.

Note 5 - Contingent Liabilities

As at December 31, 2020, there are no contingent liabilities.

Mediolanum Specialities SICAV-SIF

Notes to the Financial Statements as at December 31, 2020 (continued)

Note 6 - Fees, Costs and Expenses

1) Management Fees

The Alternative Investment Fund Manager (AIFM) is entitled to receive out of the assets of the Sub-Funds a management fee, accrued daily and payable monthly in arrears at the rate per annum of the Net Asset Value of the Sub-Fund. The management fee's rates are as follows:

Sub-Fund	Up to	December 31, 2020
Mediolanum Specialities SICAV-SIF – Equity Income Fund	1.6% p.a.	1.6% p.a.
Mediolanum Specialities SICAV-SIF – Diversified Income Fund	1.8% p.a.	1.8% p.a.

The Alternative Investment Fund Manager (AIFM) is also entitled to be repaid all of its administration expenses out of the assets of the Sub-Funds, which include an annual fee, payable monthly in arrears of up to 0.045% per annum of the Net Asset Value of the Sub-Funds for which services are provided in relation to the provision of performance attribution, performance measurement, risk analyses and research services for the Sub-Funds. As at December 31, 2020, the actual rate charged was 0.045% annum. The management fees are reflected in the statement of operations and changes in net assets under the caption "Management fees".

2) Performance Fees

The AIFM shall be entitled to a performance fee in respect of each Class of Shares in issue at the Valuation Day prior to the Calculation Date equal to a percentage of the amount by which the Net Asset Value per each Class of Shares (before the deduction of the applicable performance fee and adjustment for any distributions) exceeds the Performance Target Value as at the Valuation Day prior to the Calculation Date. Any such performance fee, where payable, will be subject to a cap of 1% of the Net Asset Value of the relevant Class of Shares at the end of the relevant Calculation Period. In any given Calculation Period, the Performance Target Value for each Class of Share is defined as being equal to the high-water mark (the "HWM") increased by the relevant hurdle rate ("Hurdle Rate") for that Calculation Period only. The HWM is described below and the relevant percentage and Hurdle Rate are as indicated in the table below.

The HWM of a Class of Shares will initially be set at either (i) the initial offer price of a Class of Shares on the creation of that Class of Shares or (ii) for an existing Class of Shares, the last Net Asset Value per Share prior to January 2, 2020. The initial HWM will remain unchanged until such time as a performance fee crystallises and becomes payable at the end of a subsequent Calculation Period. Upon such crystallisation and payment of a performance fee, the HWM will be adjusted upwards (i.e. on the outperformance of the Performance Target Value). The adjusted HWM will be equal to the Net Asset Value per Share of the Class of Shares at the end of that Calculation Period for which a performance fee crystallised and became payable. Where the Net Asset Value per Share does not outperform the Performance Target Value as at the Valuation Day prior to the Calculation Date, no performance fee is payable (even where the Net Asset Value per Share of the relevant Class of Shares exceeded the Performance Target Value during the Calculation Period) and the HWM remains unchanged from the end of the previous Calculation Period.

The performance fee is calculated on the first Valuation Day of January of each year (the "Calculation Date"). The Calculation Period is the 12 months period immediately preceding the Calculation Date (the "Calculation Period"). As noted above, either (i) the initial offer price of a Class of Shares on the creation of that Class of Shares or (ii) for an existing Class of Shares, the last Net Asset Value per Share prior to January 2, 2020, shall be used as the HWM for the purposes of the calculation of the performance fee in the first Calculation Period for a Class of Shares. For a new Class of Shares, the first Calculation Period will commence on the final day of the initial offer period for that Class of Shares and will conclude at the end of the first Calculation Period. For an existing Class of Shares, the first Calculation Period will commence on January 2, 2020 and will conclude at the end of the first Calculation Period. The performance fee shall accrue daily and will crystallise and be payable annually in arrears at the end of each Calculation Period. For the calculation of the performance fee, the total Net Asset Value of each Class of Shares in issue is taken into consideration.

The Net Asset Value per Share for a Class of Shares used for subscription or redemption purposes may include an allowance for performance fee accrual, where applicable. For determination of accruals, where applicable, the Calculation Period is defined as the period to the Valuation Day from the previous Calculation Date.

Mediolanum Specialities SICAV-SIF

Notes to the Financial Statements as at December 31, 2020 (continued)

Note 6 - Fees, Costs and Expenses (continued)

2) Performance Fees (continued)

In the event that a shareholder redeems during a Calculation Period, any performance fee accrued up until the time of their redemption will be payable on a pro rata basis. For purpose of the calculation of such performance fee, the Hurdle Rate set out in the table below will be applied on a pro rata basis up until the time of redemption during the Calculation Period.

Sub-Fund	Sub-Fund Type	Hurdle Rate*	Percentage to be applied on the amount by which the Net Asset Value per Class of Shares exceeds the performance target value
Mediolanum Specialities SICAV-SIF – Equity Income Fund	Equity Income	5%	20%
Mediolanum Specialities SICAV-SIF – Diversified Income Fund	Multi-Assets	3%	20%

* Where a performance fee is not payable at the end of a Calculation Period, the Hurdle Rate for the following Calculation Period will be applicable for that Calculation Period only at the rate set out in the table above and will not be a cumulative rate including the previous Calculation Period in which a performance fee was not payable. For example, if no performance fee is payable at the end of the first Calculation Period, the Hurdle Rate for the following Calculation Period will remain at 3% for that Calculation Period and will not be cumulative of both the first and second Calculation Periods (i.e. 10% for Mediolanum Specialities SICAV-SIF – Equity Income Fund and 6% for Mediolanum Specialities SICAV-SIF – Diversified Income Fund).

The AIFM may waive, permanently or temporarily, some or all the performance fee accrued in respect of all or part of the assets under management attributable to the relevant Class(es) of Shares.

The performance fee shall be calculated by the Administrator and shall be due and payable 10 Business Days following the Calculation Date.

The AIFM is only entitled to and shall only be paid a performance fee if the percentage difference between the Net Asset Value per Class of Shares and the Performance Target Value is a positive figure as at the relevant Valuation Day at the end of the relevant Calculation Period.

Included in that calculation shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the relevant Valuation Day at the end of the relevant Calculation Period. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

The performance fees are not calculated using an equalisation or series accounting methodology. As a result, the impact of the performance fee on a shareholder will be different than if performance fees were individually calculated for each shareholder based on the performance of that shareholder's investment. Whether a shareholder is disadvantaged or advantaged by this will depend on the timing of investments by that shareholder and on the performance of the relevant Share Class.

3) Cash Management Fees

The Cash Manager is entitled to receive out of the assets of the Sub-Funds an annual fee, accrued daily and payable monthly in arrears of 0.01% per annum of the Net Asset Value of the Sub-Funds.

Mediolanum Specialities SICAV-SIF

Notes to the Financial Statements as at December 31, 2020 (continued)

Note 6 - Fees, Costs and Expenses (continued)

4) Portfolio Manager Fees

The Portfolio Manager fees are borne by the AIFM.

The Portfolio Manager is entitled to receive out of the assets of Mediolanum Specialities SICAV-SIF – Equity Income Fund an annual fee accrued daily and payable monthly in arrears of 0.02% per annum of the Net Asset Value of the Sub-Fund.

For Mediolanum Specialities SICAV-SIF – Equity Income Fund, the fees (plus VAT, if any) of the Sub-Portfolio Manager are borne by the Portfolio Manager and shall not be charged to the Sub-Fund. The Sub-Portfolio Manager is not entitled to be repaid for any out-of-pocket expenses out of the assets of the Sub-Fund.

5) Depository Fees, Domiciliation, Administration Fees, Transfer and Paying Agent Fees

The Depository as well as the Administrator are entitled to receive out of the assets of the Sub-Fund the following fees:

Depository:

The Depository receives for its services (i) a fix fee amounting to up to 15,000 EUR p.a. (plus any applicable taxes) plus (ii) a variable fee amounting to up to 0.025% p.a. of the Net Asset Value of the Sub-Fund.

Administrator:

For its administrative agency and fund accounting services, the Administrator receives a fee of 33,000 EUR p.a. (plus any applicable taxes).

In addition, the Administrator receives an annual fee for its services as Transfer Agent amounting to (i) up to 3,300 EUR (maintenance fee for the register on Fund level) plus (ii) up to 2,700 EUR (maintenance fee for the register on Sub-Fund level) plus (iii) up to 1,800 EUR (maintenance fee for the register per Class) plus (iv) a variable amount for transactions depending on the actual number of transactions (each plus any applicable taxes, if any).

For its compliance monitoring services, the Administrator receives an annual fee of up to 6,500 EUR (plus any applicable taxes). Additional fees may be charged in case of investment breaches.

These fees are accrued daily and payable monthly. In addition, these service providers are entitled to be reimbursed by the Fund for their reasonable out-of-pocket expenses (and disbursements and for the charges of any correspondents).

6) Professional Fees

Professional fees consist of legal fees, audit fees, and publication expenses. The professional fees are reflected in the statement of operations and changes in net assets under the caption "Professional fees".

Note 7 - Valuation of Forward Foreign Exchange Contracts

As at December 31, 2020, there are no outstanding forward foreign exchange contracts.

Note 8 - Futures Contracts

As at December 31, 2020, there are no outstanding futures contracts.

Note 9 - Contract For Difference (CFD)

As at December 31, 2020, there are no outstanding CFD.

Mediolanum Specialities SICAV-SIF

Notes to the Financial Statements as at December 31, 2020 (continued)

Note 10 - Options Contracts

As at December 31, 2020, there are no outstanding options contracts.

Note 11 - Outstanding Swap Contracts

As at December 31, 2020, there are no outstanding swap contracts.

Note 12 - Changes in Securities Portfolio

A detailed schedule of securities portfolio movements for the year ended December 31, 2020 is available free of charge upon request at the registered office of the Fund.

Note 13 - Securities Lending

Goldman Sachs International Bank has been appointed as "Securities Lending Agent" for Mediolanum Specialities SICAV-SIF.

The Sub-Funds Mediolanum Specialities SICAV-SIF – Diversified Income Fund and Mediolanum Specialities SICAV-SIF – Equity Income Fund are in the scope of this agreement.

The Sub-Funds listed below entered into securities lending transactions with third parties against the provision of collateral:

Sub-Fund	Total value of the lent securities as at December 31, 2020 (expressed in EUR)
Mediolanum Specialities SICAV-SIF – Equity Income Fund	829,418
Mediolanum Specialities SICAV-SIF – Diversified Income Fund	-

As at December 31, 2020, the collateral amounted EUR 871,500 (105% of the loaned value), the details are as follows:

Sub-Fund	Counterparty	Type of Collateral	Total value of Collateral
Mediolanum Specialities SICAV-SIF – Equity Income Fund	Citigroup Global Markets Limited	Government Bonds	EUR 871,500
Mediolanum Specialities SICAV-SIF – Diversified Income Fund	-	-	-

Until April 23, 2010, the collateral could only be created in the form of cash or in form of G10 government bonds in accordance with the applicable law and agreement. As from April 23, 2010, the collateral can only be created in the form of U.S., U.K. and Eurozone government securities or cash which is not to be reinvested in accordance with the applicable law and agreement.

The net income earned from the securities lending program is reflected net of cost in the statement of operations and changes in net assets under the caption "Securities lending commission".

Mediolanum Specialities SICAV-SIF

Notes to the Financial Statements as at December 31, 2020 (continued)

Note 13 - Securities Lending (continued)

The following table is a breakdown by each Sub-Fund for the year ended December 31, 2020.

Sub-Fund	(expressed in EUR)		
	Gross Revenue	Costs	Net Revenue
Mediolanum Specialities SICAV-SIF – Equity Income Fund	2,881	288	2,593
Mediolanum Specialities SICAV-SIF – Diversified Income Fund	330	33	297
Total	3,211	321	2,890

Note 14 - Dividend Distribution

For the year ended December 31, 2020, the Sub-Funds Mediolanum Specialities SICAV-SIF – Equity Income Fund and Mediolanum Specialities SICAV-SIF – Diversified Income Fund distributed the following dividends:

Sub-Fund	Ex-Date	Currency	Dividend per Share	Number of Shares Outstanding	Total Amount Distributed
Mediolanum Specialities SICAV-SIF – Equity Income Fund Class Distribution Shares	07/12/2020	EUR	0.0335	19,362,638	648,648
Mediolanum Specialities SICAV-SIF – Diversified Income Fund Class B Distributing Shares	07/12/2020	EUR	0.0402	8,193,772	329,392

Note 15 - AIFM 2011/61/EU Directive requirements

As at December 31, 2020, the split between the realised gain and realised loss on sale of investments and the split between the change in unrealised appreciation and unrealised depreciation on investments are as follow:

SICAV-SIF	Sub-Funds	Currency	Realised gain on sale of Investments	Realised loss on sale of Investments	Change in unrealised appreciation on Investments	Change in unrealised depreciation on Investments
Mediolanum Specialities SICAV-SIF	Mediolanum Specialities SICAV-SIF – Equity Income Fund	EUR	8,650,037	(11,666,076)	24,796	(3,455,141)
Mediolanum Specialities SICAV-SIF	Mediolanum Specialities SICAV-SIF – Diversified Income Fund	EUR	1,040,548	(546,989)	811,073	-

Mediolanum Specialities SICAV-SIF

Notes to the Financial Statements as at December 31, 2020 (continued)

Note 15 - AIFM 2011/61/EU Directive requirements (continued)

As at December 31, 2020, the split between the realised gain and realised loss on sale of options and the split between the change in unrealised appreciation and unrealised depreciation on options are as follow:

SICAV-SIF	Sub-Funds	Currency	Realised gain on sale of options	Realised loss on sale of options	Change in unrealised appreciation on options	Change in unrealised depreciation on options
Mediolanum Specialities SICAV-SIF	Mediolanum Specialities SICAV-SIF – Equity Income Fund	EUR	-	-	-	-
Mediolanum Specialities SICAV-SIF	Mediolanum Specialities SICAV-SIF – Diversified Income Fund	EUR	-	-	-	-

As at December 31, 2020, the split between the realised gain and realised loss on forward foreign exchange contracts and the split between the change in unrealised appreciation and unrealised depreciation on forward foreign exchange contracts are as follow:

SICAV-SIF	Sub-Funds	Currency	Realised gain on sale of forward foreign exchange contracts	Realised loss on sale of forward foreign exchange contracts	Change in unrealised appreciation on forward foreign exchange contracts	Change in unrealised depreciation on forward foreign exchange contracts
Mediolanum Specialities SICAV-SIF	Mediolanum Specialities SICAV-SIF – Equity Income Fund	EUR	782	-	-	-
Mediolanum Specialities SICAV-SIF	Mediolanum Specialities SICAV-SIF – Diversified Income Fund	EUR	19,372	(74,174)	-	-

As at December 31, 2020, the split between the realised gain and realised loss on sale of futures contracts and the split between the change in unrealised appreciation and unrealised depreciation on futures contracts are as follow:

SICAV-SIF	Sub-Funds	Currency	Realised gain on sale of futures contracts	Realised loss on sale of futures contracts	Change in unrealised appreciation on futures contracts	Change in unrealised depreciation on futures contracts
Mediolanum Specialities SICAV-SIF	Mediolanum Specialities SICAV-SIF – Equity Income Fund	EUR	-	(200,310)	-	-
Mediolanum Specialities SICAV-SIF	Mediolanum Specialities SICAV-SIF – Diversified Income Fund	EUR	5,449	(34,997)	-	-

Mediolanum Specialities SICAV-SIF

Notes to the Financial Statements as at December 31, 2020 (continued)

Note 15 - AIFM 2011/61/EU Directive requirements (continued)

As at December 31, 2020, the split between the realised gain and realised loss on sale of swap contracts and the split between the change in unrealised appreciation and unrealised depreciation on swap contracts are as follow:

SICAV-SIF	Sub-Funds	Currency	Realised gain on sale of swap contracts	Realised loss on sale of swap contracts	Change in unrealised appreciation on swap contracts	Change in unrealised depreciation on swap contracts
Mediolanum Specialities SICAV-SIF	Mediolanum Specialities SICAV-SIF – Equity Income Fund	EUR	-	-	-	-
Mediolanum Specialities SICAV-SIF	Mediolanum Specialities SICAV-SIF – Diversified Income Fund	EUR	137,867	-	-	-

As at December 31, 2020, the split between the realised gain and realised loss on sale of contract for differences and the split between the change in unrealised appreciation and unrealised depreciation on contract for differences are as follow:

SICAV-SIF	Sub-Funds	Currency	Realised gain on sale of contract for differences	Realised loss on sale of contract for differences	Change in unrealised appreciation on contract for differences	Change in unrealised depreciation on contract for differences
Mediolanum Specialities SICAV-SIF	Mediolanum Specialities SICAV-SIF – Equity Income Fund	EUR	-	-	-	-
Mediolanum Specialities SICAV-SIF	Mediolanum Specialities SICAV-SIF – Diversified Income Fund	EUR	-	-	-	-

As at December 31, 2020, the split between the realised gain and realised loss on foreign exchange and the split between the change in unrealised appreciation and unrealised depreciation on foreign exchange are as follow:

SICAV-SIF	Sub-Funds	Currency	Realised gain on foreign exchange	Realised loss on foreign exchange	Change in unrealised appreciation on foreign exchange	Change in unrealised depreciation on foreign exchange
Mediolanum Specialities SICAV-SIF	Mediolanum Specialities SICAV-SIF – Equity Income Fund	EUR	136,291	(122,755)	-	-
Mediolanum Specialities SICAV-SIF	Mediolanum Specialities SICAV-SIF – Diversified Income Fund	EUR	95,525	(45,910)	-	-

Mediolanum Specialities SICAV-SIF

Notes to the Financial Statements as at December 31, 2020 (continued)

Note 16 - Tax reclaim

Since 2015, Withholding Tax claims have been filed in respect of the withholding tax applied on dividends paid during the recent years in selected European countries. The decision to file a claim is taken by the Board of Directors of the Alternative Investment Fund Manager (AIFM) based on the analysis of costs to be borne and maximum potential amount refunded. The refunds are recorded under "Other income" and the costs under "Depository fees" in the statement of operations and changes in net assets.

Income received by the Fund may be liable to withholding taxes in the country of origin and is thus collected by the Fund after deduction of such tax in "Other income".

Note 17 - Transaction Costs

For the year ended December 31, 2020, the Fund incurred transaction costs (i.e. broker fees and included as part of the securities cost amounts) relating to purchase or sale of transferable securities, money market instruments, derivatives or other eligible assets are as follows:

Mediolanum Specialities SICAV-SIF – Equity Income Fund	EUR	227,863
Mediolanum Specialities SICAV-SIF – Diversified Income Fund	EUR	6,143

Note 18 - Events Occurred During the Year

Appointment of Portfolio Manager

With effect from April 1, 2020, Mediolanum International Funds Limited replaced Mediolanum Gestione Fondi SGR p.A. as the Portfolio Manager of Mediolanum Specialities SICAV-SIF – Equity Income Fund.

COVID 19 impact

In March 2020, the World Health Organisation declared COVID-19 a pandemic. To deal with the virus, the majority of governments around the world closed large parts of their economies and enforced a lockdown of their citizens to contain the spread. The COVID-19 pandemic and subsequent shut down of large parts of the global economy not only had a large impact on global growth in 2020, but also asset class volatility particularly during the first quarter. The response to the pandemic has been unprecedented. To deal with the virus, Central Banks around the world have stepped in to provide unprecedented monetary support to their respective economies, governments have put in place the necessary fiscal supports in terms of pandemic unemployment benefits to help support those hit hardest from the economic fallout of the pandemic. Financial markets responded very favourably to the stimulus with most equity and bond markets now back above their pre-pandemic highs. Looking ahead the trajectory of financial markets will mainly be driven by the speed to which economies can open-up which ultimately will depend on the vaccine rollout and the ability to deal with new variants of the virus. The approval of several vaccines late last year was a positive development. However, given the unpredictable nature of the virus, there remains a high degree of risk. In this environment it could potentially have an adverse impact on the value of a Fund's investments and the ability of the AIFM to access markets or implement the Fund's investment policy in the manner originally contemplated. Government interventions or other limitations or bans introduced by regulatory authorities or exchanges and trading venues as temporary measures in light of significant market volatility, may also negatively impact on the AIFM's ability to implement a Fund's investment policy. Funds' access to liquidity could also be impaired in circumstances where the need for liquidity to meet redemption requests may rise significantly. Services required for the operation of the Fund may in certain circumstances be interrupted as a result of the pandemic.

However throughout 2020 the Sub-Funds did not experience any disruptions to their operations or services despite the challenges caused by COVID-19, due to the effective implementation of the BCP plans of both Mediolanum International Funds Limited and their service provider. Furthermore, during the peak of the 2020 market volatility the Sub-Funds did not experience any significant liquidity issues or concerns, therefore no liquidity measures were triggered.

Change in the performance fee methodology starting January 2, 2020

There was a change in the performance fee methodology which took effect from January 2, 2020. See Note 6 for further details.

Mediolanum Specialities SICAV-SIF

Notes to the Financial Statements as at December 31, 2020 (continued)

Note 19 - Subsequent Events

Change in performance fee methodology

Effective January 1, 2021, the Performance Fees calculation methodology will be slightly amended to reflect that in calculating the Performance Target Value, adjustments will also be made to prevent any distortions due to subscriptions and redemptions, as further described in the updated Prospectus.

Mediolanum Specialities SICAV-SIF

Information for Shareholders (unaudited)

Remuneration Policy

The AIFM put a remuneration policy in place as required by the amended Law of July 12, 2013 on Alternative Investment Fund Managers. Details of the amounts of remuneration may be obtained upon request and free of charge from the AIFM of the Fund.

Information concerning the Remuneration Policy

The following information - in particular the remuneration and how it divides up and the number of employees - is based on the annual report of Mediolanum International Funds Limited (hereinafter "Management Company") from December 31, 2020. The remuneration does not include the employer's mandatory contribution to the statutory social welfare scheme.

	In EUR
Total remuneration paid by the Management Company in the last business year	14,152,968
Of which fixed remuneration	10,781,455
Of which variable remuneration	3,371,513
Average number of beneficiaries as at December 31, 2020	107
	In EUR
Total remuneration paid to risk takers in the last business year	2,262,022
Of which senior management	1,768,022
Of which other risk takers	221,917
Of which Directors of the Management Company	272,083
	In EUR
Total remuneration paid to the personnel involved in managing the Fund's activities	21,880
Of which fixed remuneration	16,668
Of which variable remuneration	5,212
Average number of involved beneficiaries as at December 31, 2020	22

The remuneration policy provides for a fixed and a variable remuneration component. The variable component is based on the achievement of individual and company objectives, and long-term performance objectives. At the same time, the remuneration system is structured in such a way that it does not offer any incentives to enter into inappropriate risk positions. The fixed and variable remuneration components stand in an appropriate relation to one another.

Mediolanum Specialities SICAV-SIF

Information for Shareholders (unaudited) (continued)

Following the Regulation 2015/2365 of the European Parliament and of the Council of November 25, 2015 on transparency of securities financing transactions, only transactions on securities lending were subject to this Regulation as at December 31, 2020.

Global Data in (EUR)

Sub-Fund	Amount of assets engaged	Total net assets	(%) of assets	(%) lendable assets
Mediolanum Specialities SICAV-SIF – Equity Income Fund	829,418	33,502,929	2.48	2.50
Mediolanum Specialities SICAV-SIF – Diversified Income Fund	-	33,133,172	-	-
Total	829,418	66,636,101		

Mediolanum Specialities SICAV-SIF – Equity Income Fund

Concentration data in (EUR)

Ten largest collateral issuers	Amount of Collateral
FRENCH REPUBLIC GOVERNMENT 0.0 25 MAR 23	414,970
UNITED STATES TREASURY 0.125 15 JUL 26 IL	414,683
KINGDOM OF BELGIUM 2.25 22 JUN 57 144A	41,847

Top 10 Counterparties	Overall valuation
Citigroup Global Markets Limited	829,418
Total	829,418

Aggregate transaction data for each type of SFTs to be broken down according to the below categories in (EUR)

Type of Collateral	Amount of Collateral
BONDS	871,500
EQUITIES	-
CASH	-
Total	871,500

Quality of Collateral
The collateral received from the securities lending program is of high quality bonds with the permitted universe being a sub-set of G-10 countries. These are: France, Germany, Netherlands, Sweden, Switzerland, United States, Canada, Belgium, United Kingdom

Mediolanum Specialities SICAV-SIF

Information for Shareholders (unaudited) (continued)

Mediolanum Specialities SICAV-SIF – Equity Income Fund (continued)

Maturity tenor of Collateral	Amount of Collateral
Less than one day	-
One day to one week	-
One week to one month	-
One month to three months	-
Three months to one year	-
Above one year	871,500
Open maturity	-
Total	871,500

Currencies of Cash Collateral	Amount of Collateral
EUR	-

Currencies of Securities Collateral	Amount of Collateral
EUR	456,817
USD	414,683
Total	871,500

Maturity tenor of the SFTs	Overall valuation
Less than one day	-
One day to one week	-
One week to one month	-
One month to three months	-
Three months to one year	-
Above one year	-
Open maturity	829,418
Total	829,418

Countries in which the counterparties are established	Overall valuation
BELGIUM	41,847
FRANCE	414,970
UNITED STATES OF AMERICA	414,683
Total	871,500

Mediolanum Specialities SICAV-SIF

Information for Shareholders (unaudited) (continued)

Mediolanum Specialities SICAV-SIF – Equity Income Fund (continued)

Settlement and clearing	Amount of Collateral
Bilateral	871,500
Total	871,500

Data on reuse of Collateral:

Share of collateral received that is reused	-
Cash collateral reinvestment returns to the collective investment undertaking	-

Safekeeping of collateral received by the collective investment undertaking as part of SFTs in (EUR)

Name of the custodian	Amount of collateral asset safe-kept
RBC INVESTOR SERVICES BANK S.A.	871,500
Type of accounts	Segregated accounts

Data on return and cost for each type of SFTs and total return swaps in (EUR)

Sub-Fund	Gross Revenue	Costs	Net Revenue
Mediolanum Specialities SICAV-SIF – Equity Income Fund	2,881	288	2,593
Mediolanum Specialities SICAV-SIF – Diversified Income Fund	330	33	297
Total	3,211	321	2,890