

FONDO ITALIANO D'INVESTIMENTO

FONDO ITALIANO D'INVESTIMENTO SGR S.p.A.

ANNUAL REPORT ON OPERATIONS OF FONDO ITALIANO DI INVESTIMENTO AS AT 31 DECEMBER 2016

Approved by the Board of Directors Meeting of 27 February 2017

REGISTERED OFFICE IN MILAN
VIA TURATI 16/18

SHARE CAPITAL EUR 4,000,000 fully paid up

Registered with the Business Register of Milan, Tax Identification and VAT No. 06968440963

Registered under No. 129 of the Register of AIF Managers kept by Banca d'Italia

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COMPOSITION OF THE COMPANY BODIES

BOARD OF DIRECTORS

Dr Innocenzo Cipolletta	Chairman
Eng. Carlo Giovanni Mammola	Chief Executive Officer
Dr Ferruccio Carminati	Board Member
Dr Roberto Cassanelli	Board Member
Dr Pierpaolo Cellerino	Board Member
Dr Stefano Firpo	Board Member
Prof. Anna Gervasoni *	Board Member
Dr Giovanni Gilli	Board Member
Dr Roberto Lombardi *	Board Member
Dr Rinaldo Ocleppo	Board Member
Dr Giovanni Sabatini	Board Member
Dr Marco Zizzo	Board Member

BOARD OF AUDITORS

Dr Paolo Bifulco	Chairman
Dr Alfredo D’Innella	Statutory Auditor
Dr Marco Tani	Statutory Auditor
Dr Silvana Micci	Alternate Auditor
Dr Francesca Monti	Alternate Auditor

AUDITING COMPANY

EY S.p.A.

DEPOSITARY

Société Générale Securities Services S.p.A.

* Independent board member

The Corporate Bodies were appointed on 21 July 2016 for the 2016-2018 three-year period.

Dr Roberto Lombardi was appointed following Prof. Guido Giuseppe Maria Corbetta’s resignation on 29 December 2016.

FONDO ITALIANO DI INVESTIMENTO

ANNUAL REPORT as at 31 December 2016

Closed-ended fund reserved for qualified investors
Management company: Fondo Italiano d'Investimento SGR S.p.A. (hereinafter, the "SGR")

Directors' Report

The **total net value as at 31 December 2016**, the Fund's sixth year of operations, is equal to Euro **215,911,192**, for a **unit value** of 4,800 units in circulation of Euro 44,981.498.

The activities of the SGR - which does not belong to any group - are focused on the management of five funds, including the Fondo Italiano di Investimento (hereinafter, the "Fund" or the "Italian Fund"), an alternative, closed-ended fund reserved for qualified investors and authorised by Banca d'Italia on 24 August 2010. The Fund became operational on 10 November 2010 for a duration of 12 years, ending 31 December 2022.

It is noted that the Board of Directors of SGR approved the "Spin-Off Project" on 17 March 2016, pursuant to Articles 2501-ter and 2506-bis of the Italian Civil Code. This project involved the partial proportional spin-off (hereinafter, the Spin-Off) of Fondo Italiano di Investimento (hereinafter, the "Spin-Off Fund"), through the creation of two new beneficiary mutual funds called, "Fondo Italiano di Investimento Fondo di Fondi" (hereinafter, "FII FoF") and "Fondo Italiano di Investimento - FII Venture" (hereinafter, jointly, the "Beneficiary Funds").

As a result of the Spin-Off, effective 1 January 2016, part of the portfolio and part of the *commitment* of the Spin Off Fund, represented by indirect investments (the so-called fund of funds) in *private equity* and indirect investments in *venture capital*, were assigned to each of the Beneficiary Funds.

The Split Fund and the Beneficiary Funds continue to be managed by the same SGR; because this is a partial proportional spin-off, the subscribers of the Beneficiary Funds are the same as those of the Split Fund. Consequently, the units of each of the Beneficiary Funds were assigned in proportion to the ownership units of the subscribers of the Split Fund as at the date of the Spin-Off.

The *commitment* of each fund was determined as a function of the calls made on the fund up to 31 December 2015 by FII for each of the three investment areas and as a function of the calls provided for in the *business plan* of each fund. In particular:

- FII: Euro 720,000,000, 4,800 shares, with a nominal value of Euro 150,000
- FII FoF: Euro 388,800,000, 4,800 shares, with a nominal value of Euro 81,000
- FII Venture: Euro 91,200,000, 4,800 shares, with a nominal value of Euro 19,000

At the same time, the amount of the management fees were distributed among the Split Fund and the Beneficiary Fund in accordance with the *best practices* applied on the reference market for direct funds and funds of funds.

In particular, the management fees provided for in the regulations of the Split Fund and the Beneficiary Funds are as follows:

- FII: 1.50%
- FII FoF: 0.65%
- FII Venture: 0.65%

The Spin-Off Project was prepared on the basis of the economic and financial situation of the Split Fund as derived from the Management Report of the Fund as at 31 December 2015 approved by the Board of Directors of SGR on 24 February 2016.

On 29 March 2016, the Depositary, SGSS S.p.A., issued the certificate of compliance for the spin-off project, which certifies that it is compliant with current regulations and the regulations of the Fondo Italiano di Investimento regarding the type of operation, the effective date and the rules applicable to transfers between funds.

On 31 March 2016, Reconta Ernst & Young S.p.A., SGR's statutory auditor, issued its report attesting to the appropriateness of the criteria adopted for the valuation of the assets and liabilities of the Fondo Italiano di Investimento as at 1 January 2016 and used to calculate the exchange rate for the units of the fund being divided with the shares of the Beneficiary Funds.

Reference market

The initial 2016 figures confirm the good health of the Italian private equity market. In particular, according to the initial results of the Monitoring Centre Private Equity Monitor – PEM®, approximately 100 new investment operations were announced (excluding start ups, re-investments in underlying companies and operations implemented by public investment vehicles), which is essentially consistent with 2015 (109 operations) and 2014 (89 operations).

With regard to operation type, approximately 70% are investments in buy-outs, 25% are in expansions, with the remaining 5% in turnarounds and replacements. In this context, the add-on operations represent approximately 20% of the market.

With regard to size, the average turnover is equal to approximately 70 million Euros (65 million in 2015), while from a geographic point of view, more than 50% of the market is concentrated between Lombardy and Veneto. In terms of industry, more than 50% of the companies are active in the production of consumer goods and industrial products.

In this context, the Fondo Italiano di Investimento continued to be a point of reference for the entire market. The Fund, created through a Ministry of the Economy and Finance project, was joined by the most important financial and business institutions of the country with the objective of supporting small and medium size companies (hereinafter, “SMC”) in their process of development, operating through capitalisation interventions as a function of their growth on both the national and international levels. Since the partial proportional spin-off described above was implemented, the Fund operates by making direct investments, primarily minority interests, in the share capital of Italian businesses. The investment activities, which were concluded in November 2016, were aimed at Italian companies during their development phase with turnover of indicatively between 10-250 million Euros, with the objective of creating a broader segment of “national middleweight champion” companies that possess an adequate financial and managerial structure and a functional governance system to compete at the international level, while maintaining all of the flexibility and innovation that is typical of SMCs.

Therefore, the Fund acts as a partner that has the ability to support businesses in dealing with the processes of development, aggregation, internationalisation, generational change and corporate reorganisation.

Investment activities

As of today, a total of 40 investments (including *add-ons*) have been approved and completed, amounting to more than 400 million Euros (of which 380 million Euros has actually been invested). As at 31 December 2016, the 24 underlying¹ companies of the Fund employ approximately 19,000 employees with total turnover of approximately 2.8 billion Euros and an average export percentage of approximately 60% (+20% since entry to the Fund). With regard to the operating sectors, 7 companies (29.2%) are active in the industrial components sector, 5 (20.8%) in the services sector, 4 (16.7%) in consumer goods, 2 (8.3%) in biomedical and pharma, 2 (8.3%) in automotive, 1 (4.2%) in machine tools and plant, 1 (4.2%) in shipping and shipbuilding, 1 (4.2%) in media & entertainment and 1 (4.2%) in ICT.

With regard to geographic location, 12 (50%) of the companies are located in the North East (including Lombardy), 4 (17%) in the North West and 8 (33%) in the Centre (including Emilia Romagna).

The average size of investment is approximately 11.5 million Euros.

As at 31 December 2016, the amount still to be called up is equal to Euro 277,303,153, and an amount of Euro 442,696,847 (equal to 61% of collected subscriptions) has been called up. On 2 January 2017, there was an additional call-up equal to Euro 1,902,160, raising the total called-up amount to Euro 444,599,007 (equal to 62% of subscriptions). Partial early distributions against divestments were made as repayment of principal for a total amount of Euro 185,769,570, equal to 42% of the total called-up amount as of the date of this Report, broken down as follows:

- 1) Euro 3,250,000 on 24 December 2013 for the partial divestment of Farmol S.p.A.;
- 2) Euro 16,000,000 on 13 June 2014 in connection with the divestment of EcoEridania S.p.A.;
- 3) Euro 7,757,332 on 8 July 2014 in connection with the divestment of Arioli S.p.A.;
- 4) Euro 59,810,000 on 1 August 2014, of which Euro 48,000,000 was for the divestment of Megadyne S.p.A. and Euro 11,810,000 was for the divestment of Angelatoni Test Technologies S.p.A.;
- 5) Euro 2,892,236 on 28 November 2014 for the remaining portion of the divestment of Megadyne S.p.A.;
- 6) Euro 4,000,000 on 30 June 2015 for the repayment of the Rigoni di Asiago S.r.l. shareholder loan;
- 7) Euro 10,000,002 on 31 July 2015 for the early repayment of the convertible bond of TBS Group S.p.A.
- 8) Euro 16,500,000 on 21 December 2015 for the divestment of Comecer S.p.A.;
- 9) Euro 5,885,000 on 29 April 2016 for the sale of the Farmol S.p.a. convertible bond;
- 10) Euro 14,000,000 on 8 July 2016 for the sale of Marsilli S.p.A.;
- 11) Euro 35,200,000 on 21 July 2016 arising from the liquidation distribution of Ferry Investments S.r.l. following the disposal of Caronte & Tourist S.p.A.;
- 12) Euro 5,500,000 on 18 November 2016 for the collection of the receivable from Roxe S.A. resulting from the sale of EcoEridania S.p.A.;
- 13) Euro 4,975,000 on 1 December 2016 for the partial repayment of the second Forgital Italy S.p.A. convertible bond.

Details on the investments in the portfolio are provided below:

¹ The two companies in the portfolio, MAPE S.p.A. and IMT S.p.A., which have been fully written off, are not taken into consideration.

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- 1) On 29 April 2011, the Fund subscribed to an increase in share capital in **GEICO Servizi Integrati di Manutenzione S.r.l.** (now Geico Lender S.p.A.), a company with its registered office in Montesilvano (PE) that operates in the “*facility management*” sector, for Euro 3,000,000, equal to 12.10% of the capital. The operation was performed as a co-investment with the fund Atlante Private Equity, managed by IMI Fondi Chiusi SGR S.p.A.. The current book value is Euro 700,000.
 - 2) On 9 May 2011, the Fund invested in Euro 6,650,000 in **BAT S.p.A.**, a company with its registered office in Noventa di Piave (VE) and operating in the production and distribution of awnings and components for outdoor awnings, of which Euro 5,703,960 was in capital, equal to 21.60% of the share capital, and Euro 946,040 was in converting shareholder loans, Euro 500,000 of which was converted in 2012. On 29 July 2016, shares were purchased for Euro 76,720. Consequently, the book value amounts to Euro 4,548,680 (equal to 22.10% of the share capital), plus Euro 321,040 for the shareholder loan.
 - 3) On 3 October 2011, the Fund invested Euro 15,000,000 in **Sanlorenzo S.p.A.**, a company head-quartered in Ameglia (SP), equal to 19.00% of the share capital (which later increased to 22.40% as a result of a *price adjustment* in 2012). The group, which was founded in 1958, operates in the production of *yachts* and *mega yachts* in fibreglass and metal. In 2013, following the entry of a Chinese investor, the Fund’s percentage dropped to 15.96%.
 - 4) On 7 October 2011, the Fund invested Euro 10,200,000, equal to 24.90% of the share capital, in **TrueStar Group S.p.A.**, a company with its registered office in Milan. TrueStar Group S.p.A. operates in the airport baggage handling sector with associated assistance for passengers in case of damaged, stolen or lost bags. In 2013, the Fund invested another Euro 3,000,000 as a partially convertible shareholder loan backed by a pledge on shares. During 2016, it was considered prudent to write down the holding by an additional Euro 2,500,000 in order to align its book value with its fair value. The current book value is Euro 1,700,000, plus the shareholder loan of Euro 3,000,000.
 - 5) On 14 December 2011, the Fund invested Euro 4,000,000 in the **DBA Group S.r.l.**, a company with its registered office in Villorba (TV) that operates in the *engineering*, *project management* and IC&T sectors. Of that investment, Euro 500,000 was for capital and Euro 3,500,000 was a loan as an advance against a future share capital increase, converted on 30 July 2012, which raised the Fund’s investment to 22.80%. On 21 April 2015, the Fund subscribed to a second share capital increase of Euro 1,500,000, equal to 34.84% of the share capital. On 23 December 2015, the controlling shareholder increased its participation by the amount of Euro 600,000, diluting the Fund’s current stake to 32.80% of the share capital.
 - 6) On 22 December 2011, the Fund invested Euro 10,000,000 in **Amut S.p.A.**, a company head-quartered in Novara, equal to 27.80% of the share capital (which later increased to 39.80% as a result of a *price adjustment* in 2012). The company is active in the production of systems for the washing extrusion, recycling and thermoforming of thermoplastic materials. Following an additional write-down at the end of 2016 for Euro 620,000, the book value is now equal to Euro 5,960,000.
 - 7) On 30 December 2011, the Fund invested Euro 10,000,000 in **IMT S.p.A.**, a company with its registered office in Casalecchio di Reno (BO) that operates in the production and marketing of machine tools. Of this investment, Euro 5,000,000 was in capital, equal to 30.30% of the share capital, and Euro 5,000,000 was a convertible bond, with capitalised interest, for a total of Euro 576,490 (years 2012 and 2013). As a result of losses, the company filed a request for admission into Extraordinary Administration in December 2014. Consequently, since the end of 2014, the subsidiary has been fully written down.
 - 8) On 27 January 2012, the Fund invested Euro 5,000,000, equal to 29.76% of the share capital, in **ELCO Electronic Components Italiana S.p.A.**, a company with its registered office in Carsoli (AQ) that operates in the design and production of printed circuit boards for electronic systems.

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- 9) On 30 January 2012, the Fund underwrote a share capital increase in **Sira Industrie S.p.A.**, a company with its registered office in Pianoro (BO) and operating in the production of terminals for outsourced die-casting in aluminium, for Euro 12,000,000 for the acquisition of an investment equal to 40.35% of the share capital. The current book value, unchanged since 31 December 2015, is equal to Euro 7,400,000.
 - 10) On 9 February 2012, the Fund increased its participation in **TBS Group S.p.A.**, a company listed on the AIM and head-quartered in the Area Science Park of Trieste, operating in the integrated broad-spectrum clinical engineering services sector, in the amount of Euro 10,000,001, equal to 13.17% of the share capital, and a convertible bond of Euro 10,000,002, which was repaid early on 30 July 2015.
 - 11) On 15 February 2012, the Fund invested Euro 10,000,000 in **Rigoni di Asiago S.r.l.**, a company head-quartered in Asiago (VI) and operating in the production and distribution of organic food products, for an investment equal to 35.56% of the share capital. On 30 May 2013, the Fund invested another Euro 4,000,000 as a convertible shareholder loan, which was repaid on 28 May 2015. On 10 December 2015, the Fund subscribed to a second capital increase of Euro 2,500 for the purpose of facilitating a financing operation with Istituto Sviluppo Agroalimentare S.p.A.. The book value is Euro 10,002,500, equal to 35.55% of the share capital.
 - 12) On 20 April 2012, the Fund underwrote a share capital increase in **La Patria S.r.l.**, a company with its registered office in Bologna and operating in the security services sector, for Euro 9,320,049, equal to 32.37% of the share capital. The operation was performed as a co-investment with PM & Partners SGR S.p.A..
 - 13) On 29 May 2012, the Fund subscribed to an increase in share capital in **Zeis Excelsa S.p.A.**, a company head-quartered in Montegranaro (FM) and operating in the production and distribution of footwear and clothing with its own brands and under licenses, for Euro 12,000,000, equal to 19.99% of the share capital and a convertible shareholder loan of Euro 8,000,000. At the end of 2016, it was considered prudent to write down the holding for an additional Euro 693,000, reducing the book value to Euro 107,000, in addition to the bonds, equal to Euro 9,872,813, including matured coupons.
 - 14) On 25 June 2012, the Fund invested Euro 13,000,000, equal to 28.85% of the share capital, in **General Medical Merate S.p.A.**, a company head-quartered in Seriate (BG) and operating in the production and marketing of radiological equipment. The current book value is Euro 11,800,000.
 - 15) On 27 June 2012, the Fund increased its participation in **Labomar S.r.l.**, a company head-quartered in Istrana (TV) and specialised in research & development and the production of food supplements and health and diet products, for Euro 3,000,000, equal to 29.33% of the share capital.
 - 16) On 19 July 2012, the Fund increased its participation in **Antares Vision S.r.l.**, a company head-quartered in Castel Mella (BS) and operating in the artificial vision technology sector for industrial quality control, for Euro 4,000,000 and purchased Euro 1,000,000 in shares, for a total of Euro 5,000,000, equal to 21.11% of the share capital.
 - 17) On 30 July 2012, the Fund underwrote a share capital increase in **E.M.A.R.C. S.p.A.**, a company with its registered office in Vinovo (TO) and operating in the production of structural components for vehicles and in the design and implementation of production methods, for Euro 10,000,000, equal to 31.00% of the share capital. On 5 November 2014, the Fund subscribed to a convertible bond of Euro 1,000,000. At the end of 2016, it was again considered prudent to write down the book value of the holding by an additional Euro 2,900,000, which is now recorded at Euro 4,100,000, plus the convertible bond for Euro 1,000,000.
 - 18) On 18 October 2012, the Fund underwrote a share capital increase in **Mape S.p.A.**, a Bolognese company that operates in the production of connecting rods for the motorcycling, recreational, marine,

automobile and industrial vehicle sectors, for Euro 4,000,000, equal to 30.07% of the share capital, and a convertible bond of Euro 6,000,000. As at 30 June 2013, the book value of the subsidiary and the relative bond loan were fully written down, for a total of Euro 10,000,000. On 15 May 2014, the Court of Bologna declared the company bankrupt.

- 19) On 29 January 2013, the Fund increased its participation in **Turbocoating S.p.A.**, a company head-quartered in Rubbiano di Solignano (PR), that operates in the application of thermal coating spray technologies (so-called coating) for the energy and biomedical sectors, for Euro 7,500,000, equal to 15.25% of the capital, and a convertible bond of Euro 2,500,000. The operation was performed as a co-investment with Winch Italia S.p.A. and Winch Italy Holdings 2 S.A., which invested a total of 10 million Euros.
- 20) On 31 January 2013, the Fund underwrote a share capital increase in **Surgital S.p.A.**, a company with its registered office in Lavezzola (RV) and operating in the production and marketing of frozen pasta and frozen ready meals for the Ho.Re.Ca. (hotel, restaurant and catering) channel, for Euro 10,600,000, equal to 15.0% of the share capital (which later increased to 16.00% due to a *price adjustment* in 2013).
- 21) On 24 April 2013, the Fund increased its participation in **Mesgo S.p.A.**, a company head-quartered in Gorlago (BG) and operating in the synthetic and natural rubber compound sector for Euro 8,000,000, equal to 32.00% of the share capital.
- 22) On 27 December 2013, the Fund invested in Forgital Group S.p.A. (now **Forgital Italy S.p.A.** through a merger by incorporation of Forgital Group S.p.A. into Forgital Italy S.p.A., which took place on 1 November 2015), a company head-quartered in (VI) that operates in the production and machining of rings and other large forged components for application in industrial and aerospace industries. This investment amounted to Euro 30,000,000, of which Euro 10,000,000 was in capital, equal to 8.24% of the share capital, Euro 5,000,000 for the first convertible bond and Euro 15,000,000 for the second convertible bond. On 12 June 2015, the first convertible bond was converted into shares, bringing the Fund's interest to 12.77%. On 29 November 2016, the second convertible bond was partially converted into capital for Euro 10,025,000, bringing the capital share to Euro 25,025,000, equal to 17.00% of the share capital. The difference of Euro 4,975,000 was repaid on 29 November 2016, plus interest accrued. On the same date, the majority shareholders converted the shareholder loan equal to Euro 9.8 million.
- 23) On 30 July 2014, at the same time as the sale described above and as part of an LBO operation, the Fund increased its participation in MegaCo S.r.l. (now **Megadyne S.p.A.** through the merger by incorporation that took place on 29 December 2014) for Euro 15,000,000, equal to 4.81% of the share capital, a company with its registered office in Mathi (TO) and operating in the production and marketing of polyurethane and rubber belts, pulleys and other related products.
- 24) On 26 August 2014, the Fund underwrote a share capital increase in **Film Master Group - Italian Entertainment Network S.p.A.** (hereinafter, "I.E.N."), a company with its registered office in Rome and operating in the production of advertisement videos, corporate events and international shows as well as the management of museum services, for Euro 3,333,331, equal to 15.33% of the share capital, and a convertible bond of Euro 6,666,660, plus Euro 1,253,999 in ordinary bonds issued as dividends.
- 25) On 17 March 2015, the Fund increased its participation of **Brugola O.E.B. Industriale S.p.A.** for Euro 7,500,000, equal to 15.15% of the share capital (now equal to 15.18% as a result of a price adjustment), a company head-quartered in Lissone (MB) and operating in the production and marketing of special

screws and bolts intended for engines for automobiles, light commercial vehicles and light trucks.

- 26) On 11 May 2016, the Fund increased its participation in **Ligabue Venice Services Holding S.p.A.** (hereinafter, "Ligabue") by Euro 9,000,000, equal to 30.6% of the share capital, plus Euro 5,000,000 for the convertible shareholder loan. Ligabue, which is with its registered office in Padua, controls 100% of Ligabue S.p.A., an operational holding company owned by the Ligabue Group that provides food products and catering and hospitality services at remote locations (such as on/off shore oil platforms and on board ships).

Divestments of holdings

- 1) On 23 May 2012, the Fund had invested Euro 6,250,000 (32.90% of the share capital) in **Farmol S.p.A.**, a company head-quartered in Comun Nuovo (BG) and operating in the preparation of consumer products, such as aerosols for cosmetics and household cleaning. On 29 November 2013, the holding was sold for a value of Euro 4,493,855; on the same date, the Fund collected dividends equal to Euro 1,756,145 and subscribed to a convertible bond of Euro 3,000,000, which was sold to the majority shareholders on 28 April 2016 for a value of Euro 5,885,000, plus interest accrued.
- 2) On 28 September 2011, the Fund had increased its participation of 10,000,000 in **Eco Eridania S.p.A.**, v Arenzano (GE), an operational *holding* of the group of the same name operating in the waste management sector and specialised in the collection, transportation, storage and disposal of special waste. Subsequently, in December 2012 and March 2013, the Fund subscribed to an additional Euro 2,300,000, reaching an investment of 30.6% of the share capital, for an invested total of Euro 12,300,000. On 9 June 2014, Eco Eridania S.p.A. was sold for Euro 21,500,000, of which Euro 16,000,000 was ready cash and Euro 5,500,000 was collected on 17 November 2016.
- 3) On 21 December 2010, the Fund had invested Euro 3,000,000 in **Arioli S.p.A.**, a company with its registered office in a Gerenzano (VA) and operating in the production and marketing of textile machinery. Subsequently, in May 2011 and March 2012, the Fund had subscribed to additional capital increases for a total of Euro 5,727,159, increasing the ownership interest to 32.73%. On 4 July 2014, Arioli S.p.A. was sold for Euro 7,757,332.
- 4) On 16 May 2012, the Fund underwrote a share capital increase of Euro 8,000,000, equal to 32.00% of the share capital, in **Angelantoni Test Technologies S.r.l.**, a company with its registered office in Massa Martana (PG) and operating in the design and production of equipment for materials and systems testing used in various industrial environments. On 29 July 2014, Angelantoni Test Technologies S.r.l. was sold for Euro 11,810,000.
- 5) On 26 September 2012, the Fund underwrote a share capital increase of Euro 20,000,000, equal to 13.60% of the share capital in **Megadyne S.p.A.**, a company with its registered office in Mathi (TO) and operating in the production and marketing of polyurethane and rubber belts, pulleys and other related products. Subsequently, in August 2013, the Fund invested another Euro 2,000,000, after which the ownership interest increased to 14.13% of the capital. On 31 July 2014, the company was sold for Euro 51,502,236, net the costs of the earn-out and the price adjustment.
- 6) On 23 May 2011, the Fund had increased its participation in **Comecer S.p.A.**, a company head-quartered in Castel Bolognese (RA) and operating in the nuclear medicine and isotechnology sector, for Euro 7,500,000, equal to 32.90% of the share capital. On 18 December 2015, the company was sold for Euro 16,500,000.
- 7) On 18 April 2013, the Fund underwrote a share capital increase of in **Marsilli S.p.A.**, a company with its registered office in Castelleone (CR) that operates in the design and production of machines and automatic lines for winding and complex systems for the automation industry, for Euro 10,000,000,

equal to 13.75% of the share capital. On 30 June 2016, the company was sold for Euro 14,000,000.

- 8) On 13 June 2011, the Fund underwrote a share capital increase in **Cartour S.r.l.**, a company with its registered office in Messina that is active in the ferrying of commercial vehicles between Sicily and the continent for Euro 17,500,000, equal to 25.36% of the share capital. Subsequently, the Fund exercised its swap right in the parent company Caronte & Tourist S.p.A., which took place on 17 July 2013 through the acquisition through the vehicle of Ferry Investments S.r.l. of 10.11% of Caronte & Tourist S.p.A. from the sale of the investment in Cartour S.r.l..

On 14 July 2016, the underlying company Caronte & Tourist S.p.A., owned by Ferry Investments S.r.l., was sold for Euro 35,500,000 and was attributed to the Fund for Euro 35,279,838, Euro 35,200,000 of which was contributed on 21 July 2016 and Euro 79,838 of which was contributed on 29 December 2016 (after the final liquidation of the vehicle).

- 9) On 29 November 2016, the **Forgital Italy S.p.A.** convertible bond was partially repaid early for Euro 4,975,000.

The following table shows changes that took place in the investments.

no	Company name	Value as at 31/12/2015	Increase during period: AUCAP/Profi t on sales	Sales during period	Decreases/w rite-downs during period	Value as at 31/12/2016	Shareholder loans as at 31/12/2016	Bonds as at 31/12/2016
Direct investments								
1	Geico Lender S.p.A.	700,000				700,000		
2	BAT S.p.A.	4,471,960	76,720			4,548,680	321.040	
3	Ferry Investments S.r.l. (formerly Cartour S.r.l.)	17,500,000	17,779,838	-35,279,838		0		
4	Sanlorenzo S.p.A.	15,000,000				15,000,000		
5	Truestar Group S.p.A.	4,200,000			-2,500,000	1,700,000	3,000,000	
6	DBA Group S.r.l.	3,350,000				3,350,000		
7	Amut S.p.A.	7,500,000			-1,540,000	5,960,000		
8	IMT S.p.A.	0				0		
9	Elco S.p.A.	5,000,000				5,000,000		
10	Sira Group S.p.A.	7,400,000				7,400,000		
11	TBS Group S.p.A.	10,000,001				10,000,001		
12	Rigoni di Asiago S.r.l.	10,002,500				10,002,500		
13	La Patria S.r.l.	9,320,049				9,320,049		
14	Zeis Excelsa S.p.A.	800,000			-693,000	107,000		9,872,813
15	General Medical Merate S.p.A.	11,800,000				11,800,000		
16	Labomar S.r.l.	3,000,000				3,000,000		
17	Antares Vision S.r.l.	5,000,000				5,000,000		
18	E.M.A.R.C. S.p.A.	7,000,000			-2,900,000	4,100,000		1,000,000
19	Mape S.p.A.	0				0		
20	Turbocoating S.p.A.	7,500,000				7,500,000		2,500,000
21	Surgital S.p.A.	10,600,000				10,600,000		
22	Marsilli S.p.A.	10,000,000	4.000.000	-14.000.000		0		
23	Mesgo S.p.A.	8,000,000				8,000,000		
24	Forgital Italy S.p.A.	15,000,000	10.025.000			25,025,000		0
25	Megadyne S.p.A. (formerly MegaCo S.r.l.)	15,000,000				15,000,000		
26	Film Master Group S.p.A.	3,333,331				3,333,331		7,920,659
27	Brugola O.E.B. S.p.A.	7,500,000				7,500,000		
28	Ligabue Venice Services Holding S.p.A.		9.000.000			9,000,000	5,000,000	
TOTAL		198,977,841	40.881.558	-49.279.838	-7,633,000	182,946,561	8,321,040	21,293,472

* * *

Regulatory, compliance and risk profiles

In line with the provisions of Directive 2011/61/EU (the so-called AIFMD), the Company identifies,

measures, monitors and controls the risks associated with the Fund's portfolio based on a quali-quantitative methodology governed by a special company policy approved by the Board of Directors (last update October 2016) and implemented through the risk management function.

In this context, issuer, credit, liquidity, rate, market and operating risks are examined according to the type of activity being analysed.

Following the risk management analysis of the Fund's risk profile exclusively concerning the portfolio held as at 31 December 2016, the risk was deemed "low", an improve over the last report. This risk class is also be confirmed in light of the overall risks associated with the management of the Fund. These assessments are used to respect limits imposed on the overall risk of the Fund.

The Company does not implement hedging policies and/or risk mitigation policies. In particular, hedging operations for market risks such as rate risk, exchange risk, credit spread risk and/or volatility risk are not put in place given the typicality of the activities performed. *However, as part of the risk management function's reporting to the Corporate Bodies, the results of the risk analysis are presented for the purpose of taking corrective action.*

The Fund Regulations do not provide for the use of financial leverage or derivative financial instruments.

* * *

For the Fund's underlying companies, the Company exercised its voting rights as follows:

Company	meeting date	Actions taken at general shareholder meetings
General Medical Merate S.p.A.	25/02/16	Favourable vote for the disposal of treasury shares. Favourable vote for the change in the number of members on the Board of Directors of the Company and appointment of a new Board of Directors. Favourable vote for the revision of compensation owed to the Board of Directors.
Surgital S.p.A.	09/03/16	Favourable vote for the storage on behalf of third parties of frozen products as well as the associated handling activities.
Amut S.p.A.	24/03/16	Favourable vote for the merger resolution through the incorporation of the company "Amut Ecotech S.r.l." and approval of the associated project. Favourable vote for the expansion of the company purpose as a consequence of the merger and the update to the text of the Articles of Association.
Megadyne S.p.A.	05/04/16	Favourable vote for the approval of the annual financial statements for the year ended 31/12/2015; acknowledgement of the consolidated financial statements for the year ended 31/12/2015.
La Patria S.p.A.	07/04/16	Favourable vote for the merger by incorporation of the company Sistemi Integrati S.r.l. in La Patria S.r.l. related and consequent resolutions; abstained on various matters.
Sira Industrie S.p.A.	11/04/16	Favourable vote for the replacement of a statutory auditors; Abstained on various matters.
Ferry investments Srl	26/04/16	Favourable vote for the approval of the financial statements for financial year ending 31/12/2015; favourable vote for the appointment of the members of the Board of Directors and determination of their compensation; favourable vote for the appointment of the members of the Board of Auditors and determination of their compensation; favourable vote for the appointment of the Voluntary Audit Board and determination of relevant compensation.
Forgital Italy S.p.A.	28/04/16	Favourable vote for the requirements of Article 2364 of the Italian Civil Code.
Ital TBS S.p.A.	28/04/16	Favourable vote for the annual financial statements of the year ended 31/12/2015. Acknowledgement of the consolidated financial statements for the year ended 31/12/2015.
General Medical Merate S.p.A.	28/04/16	Favourable vote for the approval of the financial statements for the year ended 31/12/2015. Favourable vote for the appointment of the company's board of directors and determination of the compensation owed to the company's board of directors.
Turbocoating S.p.A.	29/04/16	Favourable vote for the approval of the annual financial statements for the year ended 31/12/2015. Favourable vote for the appointment of the Board of Directors. Favourable vote for the appointment of the Board of Auditors. Favourable vote for the appointment of the entity charged with performing the statutory audit of the accounts and determination of its compensation. Abstained on various matters.

Turbocoating S.p.A.	29/04/16	Favourable vote for the determination of compensation for the Board of Directors. Favourable vote regarding compensation for the board of auditors. Abstained on various matters.
BAT S.p.A.	29/04/16	Favourable vote for the financial statements for the year ending 31/12/2015 and the consolidated financial for the year statements ending 31/12/2015.
Mesgo S.p.A.	29/04/16	Favourable Vote for the report of the Board of Directors, Board of Auditors and the Independent Auditor regarding the financial statements for the year ending 31/12/2015 and approval of the financial statements for the year ending 31/12/2015. Favourable vote for the renewal of the Board of Directors for the 2016-2018 three-year period and determination of their compensation. Favourable vote for the renewal of the Board of Auditors for the 2016-2018 three-year period and determination of their compensation.
Geico Lender S.p.A.	29/04/16	Favourable vote for the approval of the annual financial statements for the year ended 31/12/2015.
Brugola OEB Industriale S.p.A.	29/04/16	Favourable vote for the approval of the financial statements for the year ended 31/12/2015. Acknowledgement of the consolidated financial statements for the year ended 31/12/2015. Favourable vote for the appointment of a Director to represent the majority shareholder. Favourable vote for the assignment of the audit mission for the 2016-2018 three-year period. Favourable vote for the appointment of a Statutory Auditor representing the majority shareholder.
Labomar Srl	20/05/16	Favourable vote for the approval of the annual financial statements for the year ended 31/12/2015. Abstained on various matters.
Labomar Srl	20/05/16	Favourable vote for the determination of fees to be paid to the Board of Directors for financial year 2016. Abstained on various matters.
Megadyne S.p.A.	20/05/16	Favourable vote for the Merger Project through incorporation of Sampla Belting International S.r.l. and Sampla Belting International B.V. in Megadyne S.p.A..
Rigoni di Asiago S.p.A.	27/05/16	Favourable vote for the financial statements ended 31/12/2015 and acknowledgement of the presentation of the consolidated financial statements ended 31/12/2015. Abstained regarding the integration of the Board of Auditors after resignation of a member.
La Patria S.p.A.	31/05/16	Favourable vote for the approval of the financial statements for the year ended 31/12/2015 and acknowledgement of the consolidated financial statements for the year ended 31/12/2015. Favourable vote for the appointment of the Board of Directors and allocation of compensation to the Board of Directors. Abstained on various matters.
Surgital S.p.A.	09/06/16	Favourable vote for the approval of the annual financial statements for the year ended 31/12/2015 and acknowledgement of the consolidated financial statements ended 31/12/2015. Favourable vote for the appointment of the Board of Directors and Board of Auditors after expiration of term. Favourable vote for the appointment of the Board of Auditors after expiration of term.
DBA S.p.A.	21/06/16	Favourable vote for the approval of the annual financial statements for the year ended 31/12/2015. Acknowledgement of the consolidated financial statements for the year ending 31/12/2015, accompanied by the Independent Auditor's Report.
Forgital Italy S.p.A.	23/06/16	Favourable vote for the appointment of the new common representative of the bondholders and establishment of the associated compensation. Abstained on various matters.
Amut S.p.A.	27/06/16	Favourable vote regarding the 2015 management report and the Board of Auditors' report and for the approval of the financial statements for the year ended 31/12/2015. Acknowledgement of the consolidated financial statements for the year ended 31/12/2015.
IEN S.p.A.	27/06/16	Favourable vote for the approval of the annual financial statements for the year ended 31/12/2015 and acknowledgement of the consolidated financial statements for the year ended 31/12/2015. Favourable vote for the appointment of company officers and change in registered office. Abstained on various matters.
San Lorenzo S.p.A.	27/06/16	Favourable vote for the renewal of the terms of company officers, Board of Directors and Board of Auditors.
Truestar S.p.A.	27/06/16	Favourable vote for the amendment to Articles 21.1 and 21.2 of the By-laws with reduction in the minimum number of members on the Board of Directors from five to three.
Truestar S.p.A.	27/06/16	Favourable vote for setting the number of members of the Board of Directors to three, for the appointment of the Board Member for FII and for the determination of the term of office of the Board of Directors and their compensation.
Antares Vision Srl	28/06/16	Favourable vote for approval of the annual financial statements for the year ended 31/12/2015 and resolutions pertaining to the result of the financial year. Acknowledgement of the presentation of the consolidated financial statements for the year ended 31/12/2015. Favourable vote for the approval of the distribution of bonuses to the members of the Board of Directors. Abstained on various matters.

Marsilli S.p.A.	30/06/16	Ordinary General Shareholder Meeting: Favourable vote for the approval of the unconsolidated balance sheet and the profit and loss statement of the Company as at 30 April 2016. Authorisation for the acquisition of category B treasury shares for the purpose of their cancellation. Did not participate in appointments pursuant to Article 2364, first paragraph, nos. 2 and 3 of the Italian Civil Code. Extraordinary General Shareholder Meeting: Did not participate for the cancellation of all of the category B treasury shares, subject to their acquisition and consequently: (i) share capital reduction; (ii) by-law amendments regarding the elimination of category B; (iii) conversion of all A and C shares into ordinary shares, with elimination of the indication of the nominal value and adoption of a new text of the by-laws, all with deferred effect pursuant to Article 2445 of the Italian Civil Code.
Forgital Italy S.p.A.	04/07/16	Favourable vote for the distribution of Euro 60,000.00 from the extraordinary reserves for donations. Abstained on the Chairman's presentation.
Zeis S.p.A.	15/07/16	Favourable vote for the Annual Financial Statements for the year ended 31/12/2015 and the Consolidated Financial Statements for the year ended 31/12/2015; favourable vote regarding appointment of a director.
IEN S.p.A.	18/07/16	Favourable vote regarding the purchase of Civita Cultura Holding Srl shares: Civita Cultura Srl share capital increase.
BAT S.p.A.	29/07/16	Favourable vote for the appointment of the Board of Directors.
BAT S.p.A.	29/07/16	Vote to adopt new by-laws
Truestar S.p.A.	02/08/16	Favourable vote for the approval of the Annual Financial Statements of Truestar Group S.p.A. for the year ended 31/12/2015; acknowledgement of the Consolidated Financial Statements.
Zeis S.p.A.	08/09/16	Favourable vote regarding appointment of a member of the board of directors; appointment of members of the board of auditors in accordance with the current Articles of Association; abstained on various matters.
Forgital Italy S.p.A.	29/09/16	Favourable vote for the proposed distribution of a dividend.
DBA Group Srl	29/09/16	Favourable vote for the distribution of a portion of the share premium reserve as a dividend.
Truestar Group S.p.A.	14/10/16	Favourable vote regarding appointment of the Chairman of the board of auditors and an alternate auditor pursuant to Article 28 of the Articles of Association.
TBS Group S.p.A.	08/11/16	Ordinary Shareholders' Meeting: Favourable vote to grant the delegation to the Directors to modify the conditions, including the potential exercise of the call option at the beginning of 2017, of the bond issue operation, called "TBS Group S.p.A. 6.50% 2014 - 2019" for a nominal amount of Euro 15,000,000.00. Extraordinary Shareholders' Meeting: favourable vote for the modification of Articles 9, 15, 16, 17, 19, 21, 22, 24, 27 and 30 of the Articles of Association.
Forgital Italy S.p.A.	29/11/16	Ordinary Meeting: Favourable vote for modifications to the convertible bond regulation called 'Forgital conv. 2013 II' regarding the early repayment and early conversion option at the request of the company. Capital increase against payment; amendments of the Articles of Association. Bondholders' Meeting: Favourable vote for modifications to the convertible bond regulation called 'Forgital conv. 2013 II' regarding the early repayment and early conversion option at the request of the company.
Ligabue S.p.A.	06/12/16	Favourable vote for the merger by incorporation of Ligabue Venice Services Holding S.p.A. into Ligabue S.p.A..
Forgital Italy S.p.A.	14/12/16	Favourable vote for the confirmation of the appointment of a director; favourable vote regarding the allocation of variable remuneration.
San Lorenzo S.p.A.	16/12/16	Extraordinary Shareholders' Meeting: Favourable vote regarding the examination and discussion of the proposal to modify Article 14.1 of the Articles of Association - increase of the maximum number of members on the Board of Directors. Favourable vote regarding the appointment of two directors.
General Medical Merate S.p.A.	21/12/16	Favourable vote to approve the co-optation of a Board member.
Mesgo S.p.A.	23/12/16	Favourable vote regarding the determination of Board of Directors compensation.

* * *

This Report is drafted in compliance with the Regulations of Banca d'Italia of 19 January 2015 in accordance with the principles of clarity and precision and is a true and faithful representation of the economic and financial situation and the trends of the Fund as at 31 December 2016.

The Annual Report on Operations is comprised of the following documents:

- 1) Assets and Liabilities Statement

- 2) Income Section
3) Explanatory Notes

and is accompanied by this Directors' Report of Fondo Italiano d'Investimento SGR S.p.A., as the company that is responsible for the management of the Fondo Italiano di Investimento.

The data as at 31 December 2016 is not comparable with the data from the last financial year due to the partial proportional Spin-Off Project described above. In particular, the data as at 31 December 2016 refers only to the part of the direct investments retained by the Fondo Italiano di Investimento, while the data as at 31 December 2015 refers to both the direct and indirect investments (*private equity* and *venture capital*); the latter were transferred to the Beneficiary Funds, FII FoF and FII Venture.

For better understanding, the asset situation as at 31 December 2016 is provided below, in comparison with the data as at 1 January 2016 (effective date of the Spin-Off Project):

ASSETS	Situation as at 31/12/2016		Situation as at 1/1/2016	
	Total value	As a percentage of the assets	Total value	As a percentage of the assets
A. FINANCIAL INSTRUMENTS	204,240,033	94.51	237,131,088	93.92
Unlisted financial instruments				
A1. Controlling shareholdings			17,500,000	6.93
A2. Non-controlling shareholdings	182,946,561	84.66	181,477,841	71.88
A4. Debt securities	21,293,472	9.85	38,153,247	15.11
A5. UCI units				
C. RECEIVABLES	8,321,040	3.85	3,321,040	1.32
C2. Other	8,321,040	3.85	3,321,040	1.32
F. NET CASH POSITION	1,033,557	0.48	4,075,629	1.61
F1. Cash assets	1,033,557	0.48	4,075,629	1.61
G. OTHER ASSETS	2,513,028	1.16	7,951,575	3.15
G2. Prepaid expenses and accrued income	1,216,398	0.56	1,025,191	0.41
G3. Tax savings	778,384	0.36	778,384	0.31
G4. Other	518,246	0.24	6,148,000	2.43
TOTAL ASSETS	216,107,658	100.00	252,479,332	100.00

LIABILITIES AND NET		Situation as at 31/12/2016	Situation as at 1/1/2016
M. OTHER LIABILITIES	196,466		106.583
M1. Fees and expenses accrued and not yet paid	20,946		17.407
M3. Accrued charges and deferred income	843		
M4. Other	174,677		89.176
TOTAL LIABILITIES	196,466		106.583
TOTAL NET VALUE OF THE FUND	215,911,192		252.372.749
Number of shares in circulation	4,800		4.800
Unit value of the shares	44,981.498		52.577,656
Total value of amounts to be called up	277,303,153		296.300.567
Unit value of the shares to be called up	57.771,490		61,729.285
Redemptions or income distributed	185,769,570		120,209,570
Unit value of the redeemed shares	38,701.994		25,043.660

This Annual Report is drafted in Euros and was audited by EY S.p.A., which was appointed to perform the accounting control and audit of the annual financial statements of SGR for the financial years 2010 – 2018.

Assets and Liabilities Statement

As at 31 December 2016, the assets of the Fund are represented by the following items:

- 1) Euro 204,240,033 in financial instruments, comprised of the following:
 - Euro 182,946,561 in connection with the book value of the non-controlling shareholdings in the portfolio;
 - Euro 21,293,472 associated with debt securities represented by bonds issued by the underlying companies;
- 2) Euro 8,321,040 in shareholder loans to underlying companies;
- 3) Euro 1,033,557 in connection with the net cash position;
- 4) Euro 2,513,028 in other assets, to include:
 - Euro 1,216,398 represented by accrued interest income on bonds and shareholder loans;
 - Euro 778,384 in tax savings;
 - Euro 518,246 in other assets, including: (i) Euro 260,713 in receivables from the Revenue Office and (ii) Euro 257,533 in other receivables for end of year dividends.

The liabilities amount to Euro 196,466 and are represented by allocations and/or invoices during the financial year.

Income Section

Financial year 2016 ends with a **profit** of Euro **10,101,029**, broken down as follows:

- Euro 4,000,000 in connection with gains on the sale of Marsilli S.p.A. on 30 June 2016;
- Euro 17,779,838 in profits from the sale of Caronte & Tourist S.p.A., owned through the vehicle Ferry Investments S.r.l., completed on 14 July 2016;
- Euro (7,633,000) in connection with the write-downs of E.M.A.R.C. S.p.A., AMUT S.p.A., TrueStar S.p.A. and Zeis Excelsa S.p.A.;
- Euro 2,332,740 in dividends;
 - Euro 1,118,545 from Mesgo S.p.A.;
 - Euro 450,000 from Ferry Investments S.r.l.;
 - Euro 343,937 from Rigoni di Asiago S.r.l.;
 - Euro 256,258 from Forgital Italy S.p.A.;
 - Euro 164,000 from DBA Group S.r.l.;
- Euro 2,229,845 for interest income, including (i) Euro 1,821,900 for bonds and (ii) Euro 407,945, for loans to some underlying companies;
- Euro 2,885,000 in gains from the sale of the Farmol convertible bond;
- Euro (10,800,000) in management fees accrued during the financial year equal to 1.50% of the total subscribed amounts and calculated in accordance with Article B.4, paragraph a1, of the Fund Regulations;
- Euro (914,452) in other operating expenses including (i) Euro (800,663) for transaction fees incurred for the portfolio investments, (ii) Euro (107,885) for the costs of the independent auditor, (iii) Euro (3,880) for the printing of the annual financial statements, (iv) Euro (1,334) for the CONSOB contribution, (v) Euro (690) in banking fees;
- Euro (1,378) in interest expenses;

-
- Euro (38,277) for Depositary fees;
 - Euro 260,713 in other income in connection with a receivable from the Revenue Office.

for the Board of Directors
The Chairman
Innocenzo Cipolletta
[signature]

Milan, 27 February 2017

STATEMENTS OF THE REPORT

ASSETS AND LIABILITIES STATEMENT

ASSETS	Situation as at 31/12/2016		Situation at end of previous financial year	
	Total value	As a percentage of the assets	Total value	As a percentage of the assets
A. FINANCIAL INSTRUMENTS	204,240,033	94.51	371,446,523	93.24
Unlisted financial instruments				
A1. Controlling shareholdings			17,500,000	4.39
A2. Non-controlling shareholdings	182,946,561	84.66	206,122,000	51.74
A4. Debt securities	21,293,472	9.85	38,153,247	9.58
A5. UCI units			109,671,276	27.53
C. RECEIVABLES	8,321,040	3.85	3,321,040	0.83
C2. Other	8,321,040	3.85	3,321,040	0.83
F. NET CASH POSITION	1,033,557	0.48	14,907,374	3.74
F1. Cash assets	1,033,557	0.48	14,907,374	3.74
G. OTHER ASSETS	2,513,028	1.16	8,737,495	2.19
G2. Prepaid expenses and accrued income	1,216,398	0.56	1,025,191	0.26
G3. Tax savings	778,384	0.36	1,297,306	0.32
G4. Other	518,246	0.24	6,414,998	1.61
TOTAL ASSETS	216,107,658	100.00	398,412,432	100.00

LIABILITIES AND NET		Situation as at 31/12/2016		Situation at end of previous financial year	
M. OTHER LIABILITIES		196,466		174,922	
M1. Fees and expenses accrued and not yet paid		20,946		29,011	
M3. Accrued charges and deferred income		843			
M4. Other		174,677		145,911	
TOTAL LIABILITIES		196,466		174,922	
TOTAL NET VALUE OF THE FUND		215,911,192		398,237,510	
Number of shares in circulation		4,800		4,800	
Unit value of the shares		44,981,498		82,966.148	
Total value of amounts to be called up		277,303,153		575,341,320	
Unit value of the shares to be called up		57,771,490		119,862.775	
Redemptions or income distributed		185,769,570		143,240,063	
Unit value of the redeemed shares		38,701,994		29,841.680	

The data as at 31 December 2016 is not comparable with the data from the previous year due to the partial proportionate Spin-Off Project described above, which took effect 1 January 2016.

INCOME SECTION

	Report ending 31/12/2016		Report from previous financial year	
A. FINANCIAL INSTRUMENTS				
Unlisted financial instruments				
A1. HOLDINGS	16,479,578		-1,848,360	
A1.1 dividends and other income	2,332,740		2,226,518	
A1.2 profits/losses from encashments	21,779,838		9,000,000	
A1.3 capital gains/losses	-7,633,000		-13,074,878	
A2. OTHER UNLISTED FINANCIAL INSTRUMENTS	4,706,900		22,854,154	
A2.1 interest, dividends and other income	1,821,900		2,707,186	
A2.2 profits/losses from encashments	2,885,000		1,479,101	
A2.3 capital gains/losses			18,667,867	
Operating profit financial instruments		21,186,478		21,005,794
C. RECEIVABLES				
C1. interest income and related income	407,945		425,945	
C2. increases/decreases in value			-137,357	
Operating result receivables		407,945		288,588
Operating result investments		21,594,423		21,294,382
Gross operating profit		21,594,423		21,294,382
H. FINANCIAL EXPENSES	-1,378		-2,931	
H1. Interest expenses on loans received				
H1.2 on other loans	-535		-2,931	
H2. Other financial expenses	-843			
Net operating profit		21,593,045		21,291,451
I. OPERATING EXPENSES	-11,752,729		-23,160,929	
I1. SGR management fees	-10,800,000		-13,920,000	
I2. Depositary fees	-38,277		-55,060	
I5. Other operating expenses	-914,452		-9,185,869	
L. OTHER INCOME AND EXPENSES	260,713		767,338	
L1. Interest income on liquid assets				
L2. Other income	260,713		773,840	
L3. Other expenses			-6,502	
Operating profit before taxes		10,101,029		-1,102,140
Total Profit/(Loss) for the period		10,101,029		-1,102,140

The data as at 31 December 2016 is not comparable with the data from the previous year due to the partial proportionate Spin-Off Project described above, which took effect 1 January 2016.

EXPLANATORY NOTES

PART A – PERFORMANCE

PART B – ASSETS, LIABILITIES AND THE TOTAL NET VALUE

Section I – Valuation criteria

Section II – Assets

Section III – Liabilities

Section IV – Total net value

Section V – Other balance sheet figures

Part C – ECONOMIC RESULT OF THE FINANCIAL YEAR

Section I – Result of operations on shareholdings and other financial instruments

Section III – Receivables

Section VI – Other management operations and financial expenses

Section VII – Operating expenses

Section VIII – Other income and expenses

Part D – OTHER INFORMATION

– TABLE A

– TABLE B

PART A – PERFORMANCE

The trends in the equity values through 31 December 2016 is shown below:

	Value of the Fund	Number of units	Unit Value	Nominal Value
as at 31 December 2010	3,426,978	4,800	713.954	250,000
as at 30 June 2011	43,880,841	4,800	9,141.842	250,000
as at 31 December 2011	131,753,548	4,800	27,448.656	250,000
as at 31 December 2012	289,411,243	4,800	60,294.009	250,000
as at 31 December 2013	382,572,995	4,800	79,702.707	250,000
as at 31 December 2014	380,387,531	4,800	79,247.402	250,000
as at 31 December 2015	398,237,510	4,800	82,966.148	250,000
as at 31 December 2016	215,911,192	4,800	44,981.498	150,000

The Fund's units were issued at the first partial closing of subscriptions, which took place on 9 November 2010.

As indicated in the Directors' Report, effective 1 January 2016, the partial proportionate Spin-Off Project was completed, through which the nominal value of 4,800 shares was decreased to Euro 150,000.00, among other things.

As at 31 December 2016, 13 partial early distributions had taken place against divestments of direct investments only (as a result of the Spin-Off Project), for a total of Euro 185,769,570, broken down as follows:

- Euro 3,250,000 during the 2013 financial year (one distribution);
- Euro 86,459,568 during the 2014 financial year (four distributions);
- Euro 30,500,002 during the 2015 financial year (three distributions);
- Euro 65,560,000 during the 2016 financial year (five distributions);

The distributions resulting from the divestments of the UCI/holding company units through 31 December 2015 were attributed on an accruals basis to the beneficiary funds of the Spin-Off Project.

The details are shown below:

Description	Amount	Unit Value	Value Date
1st Distribution	3,250,000	677.083	24/12/2013
2013 Sub-Total	3,250,000		
2nd Distribution	16,000,000	3,333.333	16/06/2014
3rd Distribution	7,757,332	1,616.111	08/07/2014
4th Distribution	59,810,000	12,460.417	01/08/2014
5th Distribution	2,892,236	602,549	28/11/2014
2014 Sub-Total	86,459,568		
6th Distribution	4,000,000	833.333	30/06/2015
7th Distribution	10,000,002	2,083.334	31/07/2015
8th Distribution	16,500,000	3,437,500	21/12/2015
2015 Sub-Total	30,500,002		
9th Distribution	5,885,000	1,226.042	29/04/2016
10th Distribution	14,000,000	2,916.667	08/07/2016
11th Distribution	35,200,000	7,333.333	21/07/2016
12th Distribution	5,500,000	1,145.833	18/11/2016
13th Distribution	4,975,000	1,036.458	01/12/2016
2016 Sub-Total	65,560,000		
TOTAL DISTRIBUTIONS	185,769,570		

During the financial year, no units were exchanged and no income was distributed. The partial proportionate spin-off project described in the Directors' Report was completed.

The net asset value of the Fund as at 31 December 2016 is equal to Euro 215,911,192, which corresponds to a net unit value of Euro 44,981.498. The profit for the financial year is Euro 10,101,029. For the relevant composition, please refer to the Directors' Report.

For the qualitative and quantitative information concerning the risks assumed and the methodologies used to monitor these risks, see the contents of part D – Other Information.

PART B – ASSETS, LIABILITIES AND THE TOTAL NET VALUE

Section I – Valuation criteria

The valuation criteria applied to determine the value of the Fund's assets are the criteria established by the Regulations on Collective Asset Management Services Title V – Collective Asset Management Bodies issued on 19 January 2015 (hereinafter, the "Banca d'Italia Regulation"). The Company updated these criteria by defining a special policy called "Valuation of Assets and calculation of the NAV of managed funds", which was approved by the Board of Directors on 16 April 2015.

The purpose of valuing the Fund's assets is to correctly determine the asset situation of the Fund itself. For this reason, the Company has equipped itself with the necessary tools to ensure that the Fund's assets are fairly and correctly represented and that their total net value is equal to the current value on the reference date of the valuation of the assets that comprise it, net of any liabilities.

The total net value takes into account the accrued income components directly attributable to the Fund and the effects from executed transactions that have not been settled.

The income and expenses are recorded on an accrual basis regardless of the date of collection and payment.

Therefore, when valuing the net assets of the Fund, the accruals portion of the relevant positive and negative income components are taken into account, among other factors.

The valuation criteria are indicated below:

Unlisted financial instruments

Holdings in unlisted companies are recorded at the adjusted purchase price in case of reduction of the net equity and are written down in case of deterioration of the economic, equity or financial situation of the company or events that could permanently affect the prospects of the same company and the estimated realisable value of the associated securities. The holdings are written down when there are reductions in the net equity of the underlying companies.

Any write-down may be defined according to:

- the criteria defined by Banca d'Italia (reflecting the reduction in the net equity of the holding recorded in the last official statement of account, annual financial statements and/or half-year report);
- at the *fair value* as determined through the valuation process (any write-down is intended to align the book value of the holding with this value).

In exceptional cases, the Company may avoid performing the write-down on the basis of a justified resolution when specific circumstances are in place, such as when the reduction is temporary or irrelevant.

Holdings in unlisted companies may be revalued after a period of typically no less than one year from the investment date based on the criteria established by Banca d'Italia (Articles 2.4.3 and 2.4.6 section II of the Banca d'Italia Regulations).

The costs associated with the due diligence activities and legal, fiscal, accounting and notarial services incurred in all phases of the management of the companies (from acquisition through disposal) are expensed during the reference period on an accrual basis and do not increase the carrying/book value of the underlying company.

Listed financial instruments

The value of listed financial instruments is determined according to the last available price recorded on the trading market; in particular, on the basis of the price located in the interval between the ask and the offer (bid-ask-price), which is considered most representative of the fair value on the measurement date. For instruments traded on multiple markets, reference is made to the market with the highest prices, keeping in mind the volumes traded on that market and the operations carried out by the fund.

If the listed financial instrument shows limited trading volumes and few exchanges, this instrument is valued in accordance with the criteria established for unlisted financial instruments.

Discounts are not applied to prices negotiated on regulated markets, unless there are agreements or legal or regulatory constraints that would impact the price of the units undergoing valuation.

Receivables

The acquired receivables are valued in accordance with their estimated realisable value. This value is calculated taking into account the following:

- market prices, where available;
- the characteristics of the receivables.

When calculating the estimated realisable value, negative economic trends impacting certain operating sectors as well as specific geographical areas may also be taken into account. The associated write-downs may also be determined on a flat-rate basis.

Receivables connected to holdings (currently in the portfolio or sold in accordance with the provisions of the Fund's management regulations) are not considered in this item. In general, the receivables are valued at their nominal value. However, if these receivables arise from loans granted by the Fund to issuers of the financial instruments held in the portfolio, the valuation of said receivables shall be consistent with the valuation process of the holding.

Other assets potentially held by the Fund

The other assets potentially held by the Fund, other than those described in the above paragraphs, are valued based on the most recent price recorded on the reference market, corrected as necessary based on the other available objective elements, potentially including valuations performed by independent experts.

In any event, the following are valued according to their nominal value:

- liquid assets;
- debt positions. For loans repayable by instalments, reference is made to the outstanding capital debt;
- on-demand bank deposits.

Other information

Items denominated in currencies other than the currency of the Fund are converted into Euros based on the current exchange rates on the reference date of the valuation using the reference exchange rates produced by the European Central Bank (ECB).

Forward currency transactions are converted at the current forward exchange rate for maturities corresponding to those of the transactions being valued.

Assets received as collateral are recorded in the memorandum accounts at their current value.

Income and expenses

Interest and other income and expenses are recorded on an accrual basis regardless of the date of collection and payment through the appropriate entries of accrued income and expenses.

Substitute tax: taxation

With reference to the taxation of Italian mutual funds, Law No. 10 of 26 February 2011 introduced significant modifications to the tax regime for mutual funds. In particular, for Italian and foreign mutual funds, the taxation regime on the results achieved through the management of the fund has been cancelled, whereby the SGR directly applied a tax of 12.50% on the increase in value generated over the year. Starting 1 July 2011, taxation takes place at the level of the results achieved by the participants at the time of collection of the proceeds. Consequently, the unit value as at 30 June 2011 represents the basis for the tax calculation in the event of distribution of proceeds.

Section II – Assets

The Fund's assets as at 31 December 2016 are broken down as follows:

- 94.51% Financial Instruments;
- 3.85% Receivables;
- 1.16% Other assets.
- 0.48% Liquidity.

The financial instruments are represented by the following assets:

- 1) Non-controlling shareholdings, equal to Euro 182,946,561 (84.66%) represented by the book value of the following companies: Geico Lender S.p.A., BAT S.p.A., Sanlorenzo S.p.A., TrueStar Group S.p.A., DBA Group S.r.l., Amut S.p.A., Elco Electronic Components Italiana S.p.A., Sira Industrie S.p.A., TBS Group S.p.A., Rigoni di Asiago S.r.l., La Patria S.r.l., Zeis Excelsa S.p.A., General Medical Merate S.p.A., Labomar S.r.l., Antares Vision S.r.l., E.M.A.R.C. S.p.A., Megadyne S.p.A., Turbocoating S.p.A., Surgital S.p.A., Mesgo S.p.A., Forgital Italy S.p.A., IEN-Film Master Group S.p.A., Brugola O.E.B. Industriale S.p.A. and Ligabue Venice Services Holding S.p.A..

The information sheet for each of the Fund's holdings is provided below.

- 2) Debt securities equal to Euro 21,293,472 (9.85%) represented by four convertible bonds (hereinafter, the "CB's") in addition to ordinary bonds and capitalised interest:
 - a. Euro 8,000,000, convertible bond issued by Zeis Excelsa S.p.A. on 29 May 2012, duration: 6 years and Euro 1,872,813 in ordinary bonds issued against the 2013, 2014, 2015 and 2016 coupons in addition to capitalised interest on the aforesaid ordinary bonds for a total of Euro 9,872,813;
 - b. Euro 2,500,000, convertible bond issued by Turbocoating S.p.A. on 29 January 2013, duration: 10 years;
 - c. Euro 6,666,660, convertible bond issued by IEN-Film Master Group S.p.A. on 26 August 2014, duration 6 years, and Euro 1,253,999 in ordinary bonds for coupon issue during 2015 and 2016;
 - d. Euro 1,000,000, convertible bond issued by E.M.A.R.C. S.p.A. on 5 November 2014, duration: eight years.

On 28 April 2016, the convertible bond issued by Farmol S.p.A. was sold for Euro 5,885,000.

On 29 November 2016, the convertible bond issued by Forgital Italy S.p.A. was partially converted for Euro 10,025,000 and the difference of Euro 4,975,000 was repaid, for a total of Euro 15,000,000.

The receivables, which are equal to Euro 8,321,040 (3.85%), are associated with three loans, as described below:

- a. Euro 321,040, against a purchase price of Euro 446,040, in a convertible shareholder loan issued to BAT S.p.A., on 9 May 2011;
- b. Euro 3,000,000 as a convertible shareholder loan, backed by a pledge on shares, disbursed to Truestar Group S.p.A. in two separate tranches, Euro 1,200,000 on 26 November 2013 and Euro 1,800,000 on 19 December 2013, initial duration of three years, extended for another financial year;
- c. Euro 5,000,000 as a convertible shareholder loan issued to Ligabue Venice Services Holding S.p.A. on 11 May 2016, duration: five years.

The net cash position, equal to Euro 1,033,557 (0.48%), consists of the balance of the current accounts held with the Depository of the Fund.

The rest of the assets, equal to Euro 2,513,028 (1.16%), break down as follows:

- Euro 1,216,398 in accrued interest for interest accruing on the convertible bonds, ordinary bonds and loans in place.
- Euro 778,384 in tax savings for the Fund;
- Euro 518,246, broken down as Euro 260,712 for a receivable from the Revenue Office and Euro 257,534, for other receivables for a dividend matured at the end of the year.

On 17 November 2016, Roxe S.A. repaid the receivable of Euro 5,500,000, consisting of the deferred price of the sale of Eco Eridania S.p.A..

Section II.1 – Unlisted financial instruments

For table A and Table B, see below.

Section II.1 – a): Breakdown of unlisted financial instruments by geographical area

Geographical areas	Bonds	Equity Securities	Other negotiable securities and debt securities	UCI units	Holdings	Real Estate
ITALY	21,293,472				182,946,561	
EURO COUNTRIES						
Total	21,293,472				182,946,561	

All of the investments were made in the national territory.

Section II.1 – b): Breakdown of unlisted financial instruments by economic sector

Type of security	Bonds	Equity Securities	Other negotiable securities and debt securities	UCI units	Holdings	Real Estate
TEXTILES						
FOOD					20,602,500	
MECHANICAL	1,000,000				62,533,680	
TRANSPORTATION					9,000,000	
OTHER (FACILITY MANAGEMENT)					700,000	
FINANCIAL						
ELECTRONIC					3,350,000	
OTHER	20,293,472				86,760,381	
TOTAL	21,293,472				182,946,561	

BAT S.p.A., Amut S.p.A., IMT S.p.A., Sira Industrie S.p.A., E.M.A.R.C. S.p.A., Mape S.p.A., Mesgo S.p.A., Forgital Italy S.p.A. and Brugola O.E.B. Industriale S.p.A. operate in the mechanical sector.

Rigoni di Asiago S.r.l., Surgital S.p.A. and Ligabue Venice Services Holding S.p.A. operate in the food sector; the rest of the companies operate in various sectors: Geico Lender S.p.A. in facility management, DBA Group S.p.A. in engineering and ICT, Sanlorenzo S.p.A. in ship and boat building, True-Star Group S.p.A. in airport baggage sorting, Elco S.p.A. in the production of printed circuit boards, TBS Group S.p.A. in integrated medical equipment maintenance services, La Patria S.r.l. in security services, Farmol S.p.A. in the production of aerosols and liquids for cosmetics, Zeis Excelsa S.p.A. in footwear and clothing, Turbocoating S.p.A. in the so-called coating sector, Antares Vision S.r.l. in the artificial vision technology sector, General Medical Merate S.p.A. in diagnostic radiology equipment, Labomar S.r.l. in nutraceuticals, Megadyne S.p.A. in polyurethane and rubber belts, IEN-Film Master Group S.p.A. in cinematographic production, as described in the prospectuses of each underlying company.

Section II.1 - c) Breakdown of unlisted financial instruments by issuer's country of residence

Financial instrument	Issuer's country of residence			
	Italy	EU countries	Other OECD countries	Other countries
Equities: (other than shareholdings)				
Debt securities:				
– issued by the government				
– issued by other public entities				
– issued by banks				
– issued by others	21,293,472			
UCI units:				
– open unreserved AIF				
– reserved AIF				
including: real estate AIF				
– other (please specify)				
Total:				
– in absolute value	21,293,472			
– as a percentage of the total activities	9.85%			

Section II.1 – d): Changes during the year in unlisted financial instruments

	Value of Purchases	Value of sales/redemptions
Controlling shareholdings	19,101,720	49,279,838
Debt securities	1,140,225	20,885,000
UCI units		
Total	20,241,945	70,164,838

The table showing changes during the year in unlisted financial instruments shows the amount invested and divested, before capital gains/losses and profits from the sale recorded at the end of the financial year; the balance is positive and is equal to Euro 49,922,893.

Details of Sales/Redemptions equal to Euro 70,164,838

- a) Euro 49,279,838 for the value of the sales of non-controlling shareholdings, broken down as follows:
- Euro 35,279,838, sale of Caronte & Tourist S.p.A., owned through the corporate vehicle Ferry Investments S.r.l. (liquidated in 2016), on 14 July 2016 and attributed to the Fund respectively on 21 July 2016 for Euro 35,200,000 and on 29 December 2016, for Euro 79,838;
 - Euro 14,000,000, sale of Marsilli S.p.A. on 30 June 2016.
- b) Euro 20,885,000, broken down as follows:
- Euro 5,885,000, sale of the Farmol S.p.A. convertible bond on 28 April 2016 and
 - Euro 15,000,000, partial conversion of the Forgitel Italy S.p.A. convertible bond for Euro 10,025,000 and early repayment of the difference for Euro 4,975,000 on 29 November 2016.

Details of Purchases, equal to Euro 20,241,945

- a) Euro 19,101,720 for the value of purchases of non-controlling shareholdings, broken down as follows:
- Euro 10,025,000 for the aforesaid conversion involving Forgital Italy S.p.A.;
 - Euro 9,000,000 for the subscription of the share capital increase in Ligabue Venice Services Holding S.p.A. on 11 May 2016;
 - Euro 76,720 for the purchase of shares in BAT S.p.A. on 31 July 2016;
- b) Euro 1,140,225 in ordinary bonds, as follows:
- Euro 486,225 for the fourth coupon of the Zeis Excelsa S.p.A. convertible bond, plus capitalised interest, on 29 May 2016 and
 - Euro 653,999 for the second IEN-Film Master Group S.p.A. convertible bond coupon, on 26 August 2016.

The details of “purchases” made during the financial year are provided below.

Unlisted financial instruments	Share capital increase	Purchase of shares - Replacement	Purchase of debt securities	Increases	Repayments/ Decreases	Total
BAT S.p.A.		76,720				76,720
ZEIS EXCELSA S.p.A.			486,225			486,225
IEN S.p.A.			653,999			653,999
FORGITAL ITALY S.p.A.				10,025,000		10,025,000
LIGABUE VENICE SERVICES HOLDING S.p.A.	9,000,000					9,000,000

Section II.5 – Receivables

	Remaining life			
	Up to 12 months	12-24 months	24-36 months	More than 36 months or undetermined
Other receivables:				
Non-interest bearing loans to Underlying Companies	3,000,000			5,321,040

The item, “Receivables”, breaks down as follows:

- Euro 3,000,000 for the Truostar Group S.p.A. loan; in particular:
 - Euro 1,200,000, first tranche, with an original maturity date of 26 November 2016, extended pursuant to the contract for another financial year, and thus until 26 November 2017;
 - Euro 1,800,000, second tranche, which was also extended for another financial year until 19 December 2017.
- Euro 321,040 for the BAT S.p.A. loan.
- Euro 5,000,000, in connection with the Ligabue Venice Services Holding S.p.A. loan, maturity date: 31 December 2020.

Section II.8 – Net liquidity position

Description	
Cash assets	1,033,557
NET CASH POSITION	1,033,557

The cash assets, equal to Euro 1,033,557, consist of the balance of the current account with the Depository, primarily resulting from certain collections for dividends and interest used to cover the management fees for the first quarter of 2017.

Section II.9 – Other Assets

Description	
G.2 Prepaid expenses and accrued income	1,216,398
Accrued interest on convertible bonds	1,207,686
Accrued interest on loans to Underlying Companies	8,712
G.3 Tax savings	778,384
Tax savings of first half of 2011	557,834
Tax savings for financial year 2010	220,550
G.4 Other	518,246
Receivables from Ligabue	257,533
Receivables from Erario	260,713
Total other assets	2,513,028

Item G.2, equal to Euro 1,216,398, is broken down as follows:

- (i) Euro 1,207,686, accrued interest on convertible bonds, including
- Euro 303,214 for the convertible bond and ordinary bonds of Zeis Excelsa S.p.A.;
 - Euro 560,702 for the Turbocoating S.p.A. convertible bond;
 - Euro 248,036 for the IEN-Film Master Group S.p.A. convertible bond;
 - Euro 95,734 for the E.M.A.R.C. S.p.A. convertible bond.

- (ii) Euro 8,712, accrued interest on the TrueStar Group S.p.A. loan.

Item G.3, equal to Euro 778,384, reports a tax savings of 12.5% of the losses as at 31 December 2010 and as at 30 June 2011. Starting 1 July 2011, the tax (currently equal to 26%) is applied to the so-called “gains” from underlying companies.

Item G.4, equal to Euro 518,246, is broken down as follows:

- Euro 260,713 in connection with a receivable from the Revenue Office for reimbursement of tax withholdings;
- Euro 257,533 in connection with a receivable from the underlying company Ligabue for a loan coupon, matured at the end of the year.

Section III – Liabilities

Section III.5 – Other Liabilities

Description	
M.1 Fees and expenses accrued and not yet paid	20,946
Depository	20,946
M.3 Accrued charges and deferred income	843
Advance on c/c expenses	843
M.4 Other	174,677
Payables for capital expenditure	131,062
Independent Auditor	43,615
Total other liabilities	196,466

The other Liabilities, equal to Euro 196,466, break down as follows:

- Euro 20,946 in Depository Bank fees calculated in accordance with Article B4.a4. of the Fund Regulations;
- Euro 131,062 in invoices received before the end of December and paid during the first few months of 2017;
- Euro 43,615 in cost provisions for auditing activities, a part of which was already paid on the date of approval of this Annual Report;
- Euro 843, in banking fees.

Section IV – Total net value

Description	Number of Shares	%
Total Shares Issued	4,800	100%
of which:		
Shares held by residents	4,800	100%

All of the shares are held by qualified investors.

Statement of changes in the value of the fund since the start of operations on 10/11/2010 through 31/12/2016

	Amount	As a percentage of payments made
INITIAL AMOUNT OF THE FUND (units issued x issue price)	720,000,000	
TOTAL PAYMENTS MADE	442,696,847	100.00%
A1. Overall result of the management of shareholdings	16,479,578	3.72%
A2. Overall result of the management of other financial instruments	4,706,900	1.06%
B. Overall real estate management result		0.00%
C. Overall credit management result	407,945	0.09%
D. Interest income and total related income on bank deposits		0.00%
E. Overall result of the management of other assets		0.00%
F. Overall result of foreign exchange management		0.00%
G. Overall result of other management operations		0.00%
H. Total financial expenses	-1,378	0.00%
I. Total operating expenses	-11,752,729	-2.65%
L. Total other income and expenses	260,713	0.06%
M. Total taxes	778,384	0.18%
REDEMPTIONS OF UNITS	185,769,570	41.96%
TOTAL DISTRIBUTED INCOME		0.00%
TOTAL VALUE PRODUCED BY MANAGEMENT BEFORE TAXES	-41,794,469	-9.44%
TOTAL NET VALUE AS AT 31/12/2016	215,911,192	48.77%
TOTAL AMOUNTS TO BE CALLED UP	277,303,153	
INTERNAL RATE OF RETURN AS AT THE REPORT DATE	-2.21%	

It is noted that the initial commitment of Euro 1,200,000,000 was decreased to Euro 720,000,000 as a result of the Spin-Off Project, as described in detail in the Directors' Report.

This operation also involved, effective 1 January 2016, the assignment of the value of the "taxes" and the "total value generated by the management before taxes" accrued as at 31 December 2015, equal respectively to Euro 1,297,306 and Euro (84,478,413), as follows:

Tax savings:

- Euro 778,384, portion attributed to Fondo Italiano di Investimento.
- Euro 420,327 portion attributed to Fondo Italiano di Investimento Fondo di Fondi;
- Euro 98,595 portion attributed to Fondo italiano di Investimento – FII Venture.

Total operating results, before taxes:

- Euro (51,895,498), portion attributed to Fondo Italiano di Investimento. As at 31 December 2016, the total value produced by the management amounts to Euro (41,794,469), with the result for the period being Euro 10,101,029.
- Euro (29,209,838), portion attributed to Fondo Italiano di Investimento Fondo di Fondi;
- Euro (3,373,077), portion attributed to Fondo Italiano di Investimento FII Venture.

PART C – ECONOMIC RESULT OF THE FINANCIAL YEAR

Section I – Result of operations on shareholdings and other financial instruments

Overall result of operations on:	Proceeds/losses on disposals	including: for exchange rate changes	Capital gains/(losses)	including: for exchange rate changes
A. Holdings in unlisted companies				
1. Controlling	17,779,838			
2. Non-controlling	4,000,000		-7,633,000	
B. Unlisted financial instruments				
1. Other equities				
2. Debt securities	2,885,000			
3. UCI units				
C. Listed financial instruments				
1. Debt securities				
2. Equities				
3. UCI units				

The profits from sale, reported in items A1.2 and A2.2 of the income section, are equal to Euro 24,664,838 and are the result of the following sales completed during the financial year:

- Euro 17,779,838 from the sale of Caronte & Tourist S.p.A.;
- Euro 4,000,000 from the sale of Marsilli S.p.A.;
- Euro 2,885,000 from the sale of the Farmol S.p.A. convertible bond.

The capital losses, equal to Euro 7,633,000, are the result of the write-down of four underlying companies, as discussed in the Directors Report, as follows:

- Euro 2,900,000 for E.M.A.R.C. S.p.A.,
- Euro 2,500,000 for TrueStar Group S.p.A.,
- Euro 1,540,000 for BAT S.p.A.,
- Euro 693,000 in connection with Zeis Excelsa S.p.A..

Section VII – Operating expenses

Section VII.1 – Costs incurred during the period

OPERATING EXPENSES	Total amounts paid				Taxes paid to entities of the group to which SGR belongs			
	Amount (in thousands of Euros)	% of total net value	% of total assets	% of the value of the loan	Amount (in thousands of Euros)	% of total net value	% of total assets	% of the value of the loan
1) Management fees	10,800.000	5.00%	5.00%					
2) Recurring costs of the UCIs in which the Fund invests								
3) Compensation of the depository	38,277	0.02%	0.02%					
4) Auditing expenses of the fund	107,885	0.05%						
5) Costs associated with the valuation of the holding, of real estate and of real property rights held by the fund								
6) Compensation owed to independent experts								
7) Real estate management expenses								
8) Legal and judicial expenses								
9) Fees for the publication of the unit value and potential publication of the prospectus								
10) Other expenses paid by the fund:								
– Costs for capital expenditure	800,663	0.37%						
– Bank fees	1,533	0.00%						
– CONSOB Oversight Contribution	1,334	0.00%						
– Prospectus printing costs	3,880	0.00%						
TOTAL RECURRING COSTS	11,753.572	5.44%						
11) Incentive commissions								
12) Financial instrument trading fees								
– on equity Securities								
– on debt securities								
– on derivatives								
– other (please specify)								
13) Financial expenses on debts assumed by the fund	0,535			0.02%				
14) Tax expenses to be paid by the fund		0.00%						
TOTAL EXPENSES	11,754.107	5.44%						

The operating costs incurred during the reference period are broken down as follows:

- Management fees equal to Euro (10,800,000), calculated in accordance with the procedures contained in the Management Regulations pursuant to Article B4.a4;
- Investment expenditures equal to Euro (800,663) for transaction costs (expenses incurred for due diligence, legal consultation, notary fees, etc.) incurred for the current investments;
- Euro (107,885) in independent auditor's fees;
- Euro (38,277) for Depositary fees;
- Euro (1,334) for the oversight contribution paid to CONSOB;
- Euro (3,880) in costs to print the periodic reports (annual and interim);
- Euro (2,068) in banking fees for the three current accounts (management account, inflow account and loan account) of the Depositary, in addition to interest expenses for use of the credit line.

Section VII.3 – Remuneration

Introduction:

The data contained in the following tables refers to financial year 2016 and is denominated in Euros;

The definitions found in the following tables are compliant with EU Delegated Regulation 231/2013;

The fixed component is for financial year 2016; the variable component of the remuneration is calculated based on the amount of the gross bonus paid in 2016 (2015 performance objectives);

The remuneration and incentives policy was adopted by the Company's General Shareholders' Meeting; in this section, the Company provides the information referred to in Article 107 of EU Delegation Regulation 231/2013:

- **total remuneration, divided into the fixed component and the variable component, of the staff, with indication of the number of beneficiaries;**

Total remuneration of personnel as at 31/12/2016 *		
Fixed component	Variable component	Average number of beneficiaries **
5.848.497	1,829,394	66

*Includes all of the staff of FIL, the strategic monitoring body, the management body and the control body.

**Calculated on the 2016 fixed component.

- **total remuneration of the staff, divided between upper management and other staff members whose work significantly impacts the risk profile of the AIF;**

FIL total remuneration	
Senior management ***	Other significant personnel
550.248	2,363,585

*** top management includes the total pro-rata remuneration of the strategic oversight body and the management body; while the other important staff includes the remuneration of the Senior Partners and the Partner, who manage the AIF in question, as well as the other more relevant personnel defined by the remuneration policy, in part.

- **total remuneration, divided into fixed component and variable component, of the staff involved in AIF management activities;**

FII total remuneration ****		
Fixed component	Variable component	Average number of beneficiaries
2,352,602	894,646	21

*** Including the portion of the remuneration for the management body, the Senior Partners, the Partner and the Direct Investment Management Team, including monitoring.

- **the proportion of total remuneration of the staff attributable to each AIF, with indication of the number of beneficiaries;**

% Total remuneration for each AIF		
AIF	%	Average number of beneficiaries
FII	43%	21

- **if relevant, the carried interest paid by the AIF: not paid.**

The remuneration and incentives policy adopted by the Company requires disclosure for information purposes of the aggregate amount of the remunerations, divided by the categories of most important staff, as described in the Policy;

Aggregate amount of remuneration	
Board of Directors, including the Chairman and Chief Executive Officer	1.280.090
Senior Partners	1.475.515
Partners	1.143.064
Other more significant personnel	767.276

Section VIII – Other income and expenses

Description	
L.1 Interest income on liquid assets	
L.2 Other income	260,713
Revenue from Investments	260,713
L.3 Other expenses	
TOTAL	260,713

Item L.2 concerns the receivable for reimbursement of the tax withholding applied to certain interests.

PART D – OTHER INFORMATION

The Management Company manages the risk associated with the Fund's activities at various levels.

In addition to the checks performed by the Investment Teams, qualitative/quantitative controls are performed by the Risk Management Function regarding the major management risks and by the Compliance Function, with particular attention to the management of potential conflicts of interest and compliance with the rules to be followed in investment activities. The Internal Audit Function performs third-level controls on the investment decision-making process.

The Company pays particular attention to operational risks, which can arise from errors in internal procedures, inefficiencies in the systems, materials errors or external events.

The Company does not directly engage in portfolio risk hedging operations directly on behalf of the Funds. The Fund Regulations do not provide for the possibility to request loans to fund early redemptions of shares. In addition, so-called "soft commission" agreements are not provided for.

The Company formalised a risk management policy through which it adopted and implemented a qualitative/quantitative model for the identification, management and assessment of operating and financial risks, which is tailored to the circumstances of the company.

All of the securities in the portfolio are deposited with the Depositary, except those that have been given as a guarantee.

TABLE A

PROSPECTUS regarding each investment in an unlisted company

Legend for financial statement data:

- “net fixed capital” refers to the tangible and intangible fixed assets that are functional to the company’s activities;
- in the debt-related items, debts that are payable within the next financial year are listed as, “short-term debt” and all other debt is listed as “medium/long-term debt”;
- “net financial position” refers to the difference between all of the short-term receivables and payables (remaining life of 12 months or less);
- the net equity includes: capital, share premium, reserves, fund for general financial risks, revaluation reserves, funds for credit risks, profits (losses) carried forward, profit or loss for the financial year;
- “gross operating margin” refers to the difference between the “turnover” and the cost of sales (excluding personnel costs and other management costs);
- the “operating result” is equal to the “gross operating margin” net of personnel costs and other management costs;
- “gross working capital” refers to the working capital including prepaid expenses and accrued income, net of cash equivalents and non-current financial assets;
- “net working capital” refers to the difference between the “gross working capital” and the non-financial payables (including trade payables, tax payables, social security payables and accrued charges and deferred income).

If consolidated financial statements have been drafted by the issuer, this data has also been presented, where deemed significant.

The information sheets are arranged in the order of their operation closing dates.

* * *

Description and registered office of the company: **Geico Lender S.p.A. – Montesilvano (PE)**

Activity performed by the company: Facility Management – Installation of hydraulic systems, heating systems and air conditioning systems (including maintenance and repair)

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	23,077	12.10	3,000,000	700,000	700,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	32,959,350	30,902,304	25,907,003
2) Holdings	2,015	2,562	7,285,501
3) Real estate	4,540	5,369	6,198
4) Short-term debt	22,338,276	20,444,080	14,339,659
5) Medium/long-term debt	1,633,812	1,486,240	2,170,946
6) Shareholders' equity	8,987,262	8,971,984	9,396,398
7) Gross working capital	24,619,320	22,511,255	17,061,859
8) Net working capital	9,082,986	7,601,749	6,624,797
9) Net fixed capital	6,177,183	6,743,767	769,689
10) Net financial position	-247,911	-1,086,626	1,465,922

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	41,023,564	37,884,201	19,328,019
2) Gross operating margin	17,828,696	16,668,437	8,710,358
3) Operating result	870,425	1,137,507	723,666
4) Balance of financial income/expenses	-289,531	-399,318	-219,458
5) Balance of extraordinary income/expenses	-33,384	1	1,356,818
6) Profit before taxes	547,510	738,190	861,026
7) Net profit (loss)	15,279	18,857	453,103
8) Depreciation and amortisation for financial year	1,345,417	1,227,702	390,214

C) CRITERIA AND PARAMETERS USED FOR THE VALUATIONS

Purchase cost, corrected for impairment losses

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY CONTROLLED REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 29 April 2011, the Fund, in co-investment with the fund Atlante Private Equity, managed by IMI Fondi Chiusi SGR S.p.A., increased its participation in Geico Servizi Integrati di Manutenzione S.p.A. (now Geico Lender S.p.A.) by Euro 3,000,000, equal to 12.10% of the share capital. On the same date, the company purchased 100% of the share capital of Lender S.r.l. and the affiliate, ARM Engineering S.p.A..

F) OTHER INFORMATION

Geico Lender S.p.A. operates in the “facility management” sector and provides installation, management, specialised maintenance and integrated management of technological systems in civil and industrial real estate complexes.

The objective of the operation was to reinforce the activities of the companies Geico Lender and Lender in their respective reference areas, expanding operations into “peripheral” territorial areas, and to participate in larger tenders and contracts thanks to its larger size and robustness towards potential customers. On 1 December 2014, the merger by incorporation of subsidiary Lender S.p.A. into Geico Lender S.p.A. was completed.

As a result of the 2011 and 2012 losses and delays in the implementation of the actions planned in the industrial plan, the holding was written down by a total of Euro 2,300,000, thus bringing the book value to Euro 700,000.

The 2016 forecast data shows a production value of 41 million Euros (unchanged from 2015) and an EBITDA of 3.3 million Euros. The improved profitability compared to the previous financial year is due to a better sales mix, thanks to greater income from shipbuilding activities and a decrease in fixed structural costs.

Description and registered office of the company: **BAT S.p.A. – Noventa di Piave (VE)**

Activity performed by the company: Production of outdoor awnings and their components

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	11,163	22,10	6,280,680	4,548,680	4,471,960
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments	1		446,040	321,040	321,040

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	33,095,845	35,811,321	35,000,033
2) Holdings	7,578,469	6,680,239	7,565,802
3) Real estate	4,380,109	4,694,437	5,012,442
4) Short-term debt	12,527,967	14,052,989	12,755,728
5) Medium/long-term debt	4,119,215	6,275,562	5,492,001
6) Shareholders' equity	16,448,663	15,482,770	16,752,304
7) Gross working capital	17,252,808	19,366,418	16,946,844
8) Net working capital	12,071,449	13,488,597	11,992,613
9) Net fixed capital	5,538,991	6,048,306	6,387,082
10) Net financial position	-3,089,277	-2,129,382	-2,344,170

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	22,614,643	24,366,468	21,174,982
2) Gross operating margin	7,072,350	8,126,861	6,503,088
3) Operating result	1,026,777	2,075,181	978,978
4) Balance of financial income/expenses	179,933	42,162	-305,026
5) Balance of extraordinary income/expenses	103,828	-641,716	-113,603
6) Profit before taxes	1,310,538	-659,936	-1,575,214
7) Net profit (loss)	965,894	-1,269,534	-1,850,286
8) Depreciation and amortisation for financial year	961,102	989,259	995,541

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost, adjusted for impairment losses

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company owns 100% of BAT Real Estate Corp., a real estate company created in June 2011 that acquired a hanger that is instrument to the Group's activities in the United States.

E) DESCRIPTION OF THE OPERATIONS

On 9 May 2011, the Fund acquired a 21.6% stake in the capital of BAT S.p.A. through a total investment of Euro 6,650,000, as follows (i) Euro 5,053,960 in a capital increase, (ii) Euro 650,000 in purchased shares, (iii) Euro 446,040 for the subscription of a converting non-interest bearing shareholder loan and (iv) Euro 500,000 for the subscription of an additional converting shareholder loan, which was converted during 2012.

On 29 July 2016, shares were purchased for Euro 76,720, bringing its stake in the share capital to 22.10%.

F) OTHER INFORMATION

BAT S.p.A. is the operational holding of the BAT Group, which is active both in Italy and abroad in the design, production and marketing of outdoor awnings, their accessories and components and special sun protection systems. The BAT Group was created in 1983 when the Barbieri brothers created Fonderie BAT S.r.l., which specialised in the production of outdoor awnings. In 1994, the Group began to develop its industrial production and grew to the national and even international level.

Given the group's performance and certain losses reported in the past, the shareholding was written down for a total of Euro 1,857,000 in previous financial years. The current book value is Euro 4,548,680, plus the shareholder loan of Euro 321,040.

The data from the consolidated financial statements is shown below:

(Figures in Euros)			
Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	46,351,014	49,010,000	54,860,392
2) Holdings	6,249	6,000	7,059
3) Real estate	12,768,178	13,040,000	13,557,975
4) Short-term debt	21,258,733	24,083,000	26,501,630
5) Medium/long-term debt	8,423,060	11,418,000	10,406,751
6) Net equity	16,669,221	13,509,000	17,952,011
7) Gross working capital	29,655,368	30,586,000	34,883,281
8) Net working capital	18,735,208	19,377,000	22,174,324
9) Net fixed capital	15,708,419	16,672,000	18,292,675
10) Net financial position	-7,737,871	-9,291,000	-8,568,799

(Figures in Euros)			
Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	56,325,951	52,128,000	63,086,349
2) Gross operating margin	20,491,735	19,012,000	22,801,410
3) Operating result	4,234,368	2,522,000	1,632,436
4) Balance of financial income/expenses	-121,048	-177,000	-817,888
5) Balance of extraordinary income/expenses	190,169	-4,366,000	-94,070
6) Profit before taxes	4,303,489	-4,157,000	720,478
7) Net profit (loss)	3,250,732	-4,580,000	-21,416
8) Depreciation and amortisation for financial year	2,125,634	2,150,000	2,537,283

The forecast as at 31 December 2016 shows performance that is essentially consistent with the budget, which forecasts income of approximately 62.8 million Euros, up from the corresponding previous financial year; the margins and NFP are expected to be improved. The company's good performance is primarily achieved by the finished product marketing division.

Description and registered office of the company: **Sanlorenzo S.p.A. – Ameglia (SP)**

Activity performed by the company: Construction of ships and boats

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	4,788,963	15.96	15,000,000	15,000,000	15,000,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	382,424,368	356,846,387	325,383,102
2) Holdings	1,986,847	1,986,847	736,797
3) Real estate	22,301,048	23,355,907	24,706,102
4) Short-term debt	274,091,617	248,161,962	215,273,313
5) Medium/long-term debt	20,015,136	20,763,524	25,401,607
6) Net equity	88,317,615	87,920,901	84,708,182
7) Gross working capital	273,726,252	272,278,757	222,016,986
8) Net working capital	65,004,634	84,932,807	70,630,056
9) Net fixed capital	58,523,603	58,591,711	60,998,034
10) Net financial position	-185,521,574	-186,530,836	-144,893,327

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	224,608,831	164,177,663	119,992,849
2) Gross operating margin	37,660,997	30,739,936	21,922,623
3) Operating result	14,284,370	11,445,620	7,239,965
4) Balance of financial income/expenses	-7,861,000	-5,048,586	-6,090,396
5) Balance of extraordinary income/expenses	-225,151	145,184	
6) Profit before taxes	1,206,219	6,038,218	637,569
7) Net profit (loss)	396,714	3,212,719	-626,223
8) Depreciation and amortisation for financial year	7,565,531	7,440,444	7,435,119

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 3 October 2011, the Fund underwrote a share capital increase in Sanlorenzo S.p.A. for Euro 14,464,080 and acquired treasury shares for Euro 535,920, for a total investment of Euro 15,000,000, equal to 19.00% of the share capital. On the same date, the majority shareholder subscribed to Euro 15,000,000. On 6 December 2012, a price adjustment was completed (calculated using the balance sheet figures as at 31 December 2011), as a function of which the Fund's interest increased to 22.40%.

In December 2013, this percentage decreased to 15.96% following a capital increase subscribed to by a Chinese industrial company and by the entrepreneur, for a total of Euro 25,000,000.

F) OTHER INFORMATION

The company operates in the production of yachts and mega yachts in fibreglass and metal.

The Fund's intervention is intended to support the company in its program of internal growth, by expanding and streamlining its current production structures, and external growth, through the acquisition of existing proven construction sites/brands in order to consolidate its presence on the reference market and acquire new market shares over the medium to long-term.

The data from the consolidated financial statements of Sanlorenzo Group is shown below:

(Figures in Euros)			
Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	385,644,128	363,337,622	334,913,139
2) Holdings	1,410,354	1,308,063	58,013
3) Real estate	22,301,048	23,355,907	24,706,102
4) Short-term debt	277,266,069	250,850,393	217,802,815
5) Medium/long-term debt	25,499,745	29,663,607	37,289,405
6) Shareholders' equity	82,878,314	82,823,622	79,820,919
7) Gross working capital	278,444,656	268,169,685	232,029,191
8) Net working capital	68,606,427	80,722,007	80,385,207
9) Net fixed capital	67,713,837	69,687,231	74,175,648
10) Net financial position	-191,393,057	-195,864,109	-153,406,921

(Figures in Euros)			
Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	224,866,962	164,433,854	115,905,816
2) Gross operating margin	38,579,676	32,330,109	23,714,154
3) Operating result	13,804,241	10,926,570	7,072,409
4) Balance of financial income/expenses	-8,052,892	-5,323,686	-6,404,631
5) Balance of extraordinary income/expenses	-225,151	145,184	-136,435
6) Profit before taxes	1,174,547	5,994,889	734,906
7) Net profit (loss)	275,740	3,187,264	-486,325
8) Depreciation and amortisation for financial year	9,479,439	9,524,338	9,366,358

The 2016 forecast data confirms the gradual recovery of the domestic and American market, showing an improvement in production value thanks to more orders for boats in both metal and fibreglass. However, the situation on the Russian market is critical, which in previous years was one of the main marketing countries.

Show Boats International, a prestigious magazine in the industry, ranked Sanlorenzo number two for the fourth year in a row on its list of the top 20 builders of over 24-meter megayachts in the world (a segment in which Italy is the absolute world leader), behind the Azimut-Benetti group and in front of the Ferretti group.

Description and registered office of the company: **TrueStar Group S.p.A. – Milan**

Activity performed by the company: Airport baggage sorting and associated assistance in case of lost baggage

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	5,185	24.90	10,200,000	1,700,000	4,200,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments	1		3,000,000	3,000,000	3,000,000

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	25,113,122	24,952,762	26,579,739
2) Holdings	11,779,592	11,744,926	12,738,655
3) Real estate			
4) Short-term debt	11,696,167	6,157,785	9,255,750
5) Medium/long-term debt	2,904,044	8,284,233	8,433,472
6) Shareholders' equity	10,512,911	10,510,744	8,890,517
7) Gross working capital	7,109,094	7,698,377	6,460,577
8) Net working capital	3,754,003	3,158,104	1,058,697
9) Net fixed capital	2,543,300	3,322,490	3,616,983
10) Net financial position	-2,572,287	3,650,188	-198,016

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	12,757,039	17,009,235	14,082,196
2) Gross operating margin	3,436,188	3,015,375	3,929,104
3) Operating result	353,205	-1,866,418	-447,152
4) Balance of financial income/expenses	-13,836	-223,181	-201,125
5) Balance of extraordinary income/expenses	-72,404	3,510,436	37
6) Profit before taxes	266,965	1,420,837	-648,240
7) Net profit (loss)	2,166	1,620,228	-652,362
8) Depreciation and amortisation for financial year	646,073	570,393	471,832

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost, adjusted for impairment losses

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 7 October 2011, the Fund increased its participation in Truestar Group S.p.A. for Euro 8,500,000 and purchased shares for Euro 1,700,000, for a total investment of Euro 10,200,000, equal to 24.90% of the share capital.

On 18 November 2013, the company signed a loan agreement for a total amount of Euro 4,000,000 to fund guarantees to participate in certain tenders, of which (i) Euro 3,000,000 was disbursed by the Fund in 2 tranches, Euro 1,200,000 on 26 November 2013 and Euro 1,800,000 on 19 December 2013, guaranteed by a pledge on shares, and (ii) Euro 1,000,000 was contributed by the majority shareholder.

The duration of the loan (initially three years) was extended by contact for an additional financial year, and thus through 26 November 2017 and 19 November 2017, respectively for the two tranches.

F) OTHER INFORMATION

TrueStar Group S.p.A. (hereinafter, "TrueStar"), head-quartered in Milan, operates in Italy and worldwide (70% of its revenues) in the airport security and baggage handling sector with associated passenger assistance in case of damage, loss, or theft of baggage. The Group operates through subsidiaries all over the world and under concessions in more than 50 airports located in 15 nations, primarily in Italy, Spain, Brazil, Chile, Paraguay, Colombia, Perù and Argentina.

TrueStar's activities are closely connected to and dependent on the issue and renewal of concessions by the competent airport authorities.

The Fund's intervention is intended to support a growth program that is aimed at winning new tender contracts and renewing the contracts that are expiring through a series of investments and by issuing the appropriate guarantees; acquiring small local structures, in particular in areas that are expected to be high growth areas over the next few years in order to develop and consolidate its international presence; and developing services that are ancillary to the core business (advertising, e-commerce, development of the insurance product).

As of today, the company has paid Euro 450,822 in interest, as follows: (i) Euro 150,411 in 2014, (ii) Euro 150,000 in 2015 and (iii) Euro 150,411 in 2016.

Given the negative performance of the company, the shareholding was written down by Euro 6,000,000 in previous years. During the financial year, it was written down again by an additional Euro 2,500,000; consequently, the book value is now equal to Euro 1,700,000, plus the shareholder loan of Euro 3,000,000.

The data from the consolidated financial statements is shown below:

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	28,211,509	28,189,214	25,518,320
2) Holdings			
3) Real estate			
4) Short-term debt	12,752,048	10,620,635	7,967,938
5) Medium/long-term debt	7,195,912	8,210,091	6,481,848
6) Shareholders' equity	8,263,549	9,358,488	11,068,534
7) Gross working capital	7,044,731	3,876,038	7,920,985
8) Net working capital	-1,253,949	-4,741,310	2,821,543
9) Net fixed capital	16,945,975	18,630,168	13,486,908
10) Net financial position	-5,064,790	-3,502,914	-517,108

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	45,864,522	36,759,400	35,507,166
2) Gross operating margin	16,930,871	10,744,157	10,917,766
3) Operating result	2,276,447	-112,326	-293,124
4) Balance of financial income/expenses	-1,689,365	-780,474	-927,449
5) Balance of extraordinary income/expenses	804,064	-32,896	-11,429
6) Profit before taxes	1,373,087	-1,815,355	-1,232,002
7) Net profit (loss)	-405,125	-2,443,119	-2,102,533
8) Depreciation and amortisation for financial year	1,634,043	1,390,589	1,352,500

The forecast data as at 31 December 2016 shows a decline in revenue, equal to approximately 44.6 million, and a significantly lower result in terms of Ebitda.

Description and registered office of the company: **DBA Group S.r.l.- Villorba (TV)**

Activity performed by the company: Engineering and IC&T

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	1	32.80	5,500,000	3,350,000	3,350,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	9,945,862	7,450,074	7,290,866
2) Holdings	4,622,294	4,622,294	4,622,294
3) Real estate			
4) Short-term debt	1,048,846	644,317	631,706
5) Medium/long-term debt	284,034	267,358	240,879
6) Shareholders' equity	8,612,982	6,538,399	6,418,281
7) Gross working capital	4,158,720	1,741,225	1,421,294
8) Net working capital	3,112,891	1,103,490	795,326
9) Net fixed capital	49,746	56,704	108,969
10) Net financial position	4,194,263	2,104,546	1,820,317

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	2,402,991	1,973,736	1,627,494
2) Gross operating margin	1,365,662	885,060	392,587
3) Operating result	-52,035	-309,352	-835,248
4) Balance of financial income/expenses	44,023	321,579	37,568
5) Balance of extraordinary income/expenses	1,575	5,905	-2,411
6) Profit before taxes	-6,437	18,132	-800,091
7) Net profit (loss)	-25,415	120,116	-619,620
8) Depreciation and amortisation for financial year	29,692	55,802	84,676

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost, corrected for impairment losses

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 14 December 2011, the Fund underwrote a share capital increase DBA Group S.r.l. of Euro 500,000 and paid an advance against a future capital increase of Euro 3,500,000, which was converted on 30 July 2012, for a total of Euro 4,000,000, equal to 22.80% of the share capital.

On 21 April 2015, the Fund subscribed to an additional capital increase equal to Euro 1,500,000 for the acquisition of the Slovenian company Actual IT, which specialises in the development of IT solutions, bringing its stake to 34.84% of the share capital. Following a capital increase reserved for majority shareholders on 23 December 2015, that stake was reduced to 32.80%.

F) OTHER INFORMATION

The Group is active in two main business areas, which are closely interconnected: (i) Engineering or process engineering/project management and (ii) ICT, or the development of Web-Based software platforms.

In the Engineering area, the company carries out more than 1,500 engineering projects every year. In 2005, the ICT area came about as a support activity for the Engineering area and prospectively represents an important area for development.

The Fund's intervention is intended to support foreign growth and finance the development of two innovative projects that will facilitate the telematic management of the primary port processes and the management of toll collection on paid infrastructure.

As a result of the macroeconomic conditions and the conditions of the reference market, as well as some losses from previous years, the shareholding was written down by Euro 2,150,000. The current book value is Euro 3,350,000.

On 5 October 2016, the company paid dividends of Euro 164,000.

The data from the consolidated financial statements is shown below:

Asset data	(Figures in Euros)		
	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	32,142,542	22,050,062	19,659,725
2) Holdings	8,321	149,403	149,403
3) Real estate	981,936		
4) Short-term debt	15,700,611	12,800,640	9,983,572
5) Medium/long-term debt	5,506,739	1,959,553	2,535,279
6) Shareholders' equity	10,935,192	7,289,869	7,140,874
7) Gross working capital	20,280,755	16,639,716	13,925,635
8) Net working capital	9,353,018	9,165,871	7,547,408
9) Net fixed capital	7,787,474	2,824,034	3,394,839
10) Net financial position	6,731,013	5,305,944	4,673,975

(Figures in Euros)			
Income data	2° Previous Financial		
	31/12/2015	Previous Financial Year	Year
1) Turnover	39,371,937	23,603,857	19,875,061
2) Gross operating margin	19,980,899	12,082,773	10,130,788
3) Operating result	1,898,803	850,598	68,800
4) Balance of financial income/expenses	-232,914	-254,485	-200,018
5) Balance of extraordinary income/expenses	114,667	122,147	11,089
6) Profit before taxes	1,623,054	718,260	-120,129
7) Net profit (loss)	682,490	149,071	-465,361
8) Depreciation and amortisation for financial year	1,699,386	683,199	787,896

The 2016 forecast is characterised by turnover that is slightly better than the 2015 figures and an improved Ebitda. This performance is primarily due to the consolidation of the acquisition of the Slovenian subsidiary and by a few very important contracts.

Description and registered office of the company: **Amut S.p.A. – Novara (NO)**

Activity performed by the company: Production of extrusion systems for plastics

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)					
Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	5,225,172	39.80	10,000,000	5,960,000	7,500,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)			
Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	66,322,472	60,471,554	50,237,955
2) Holdings	1,661,668	1,930,626	1,917,039
3) Real estate	4,670,634	4,887,233	5,128,447
4) Short-term debt	36,509,807	28,941,169	20,559,372
5) Medium/long-term debt	3,424,706	3,598,027	2,482,326
6) Shareholders' equity	26,387,959	27,932,358	27,196,257
7) Gross working capital	50,135,956	43,214,264	31,333,582
8) Net working capital	25,380,222	19,583,417	15,735,161
9) Net fixed capital	9,627,041	9,901,199	8,760,496
10) Net financial position	-14,160,295	-7,647,295	1,009,665

(Figures in Euros)			
Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	38,809,025	29,181,159	34,180,480
2) Gross operating margin	8,303,111	9,161,969	7,711,208
3) Operating result	634,412	1,815,606	83,967
4) Balance of financial income/expenses	-823,002	298,308	-294,587
5) Balance of extraordinary income/expenses	-978,201	-127,139	1,135,067
6) Profit before taxes	-1,854,748	1,986,775	924,447
7) Net profit (loss)	-1,544,401	1,064,315	770,784
8) Depreciation and amortisation for financial year	1,076,534	813,240	673,378

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost, corrected for impairment losses

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 22 December 2011, the Fund underwrote a share capital increase in Amut S.p.A. of Euro 7,000,000 and purchased shares from shareholders for Euro 3,000,000, for a total of Euro 10,000,000, equal to 27.80% of the share capital.

On 21 November 2012, in accordance with contractual arrangements, a price adjustment was completed on the balance sheet figures as at 31 December 2011, as a function of which the Fund's interest increased to 39.80%.

F) OTHER INFORMATION

Amut S.p.A., which was founded in 1958 by the Milani brothers, produces innovative systems for the washing, extrusion, recycling and thermoforming of thermoplastic materials.

Amut conducts activities in three thermoplastic transformation areas: (i) extrusion of profiles, tubes, foils and sheets (which are used in a wide range of industrial sectors), (ii) production of in-line and off-line thermoforming systems (for the production of products for packaging, trays, pans and disposable products such as plates and cups) and (iii) production of systems for the recycling of plastics of industrial origin or post consumer plastics. Since the 1980s, the company has also produced systems for the recycling of plastics of industrial origin or post consumer plastics.

In December 2011, before the Fund's entry, Amut completed a merger by incorporation of AMU S.p.A., a company held in part by the same shareholders as AMUT that is active in the production of extrusion lines for plastics.

The Fund's intervention is intended to support Amut in continuing its growth program in all three of its business areas.

At the end of 2014, the company created "Amut Dolci Bielloni S.r.l." which, starting in 2015, initially signed a lease agreement for the business unit of Dolci Bielloni S.p.A., a company under arrangement with creditors that produces cast film and converting systems as well as flexographic printing machines, and then later in December 2016 purchased that business unit, with the objective of defending another market segment.

During 2015, the shareholding was written down by Euro 2,500,000. In 2016 as well, the shareholding was written down again by Euro 1,540,000, as a result of the consolidated loss reported at the end of 2015. Accordingly, the book value is now equal to Euro 5,960,000.

The data from the consolidated financial statements is shown below:

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	87,774,329	70,279,235	55,821,765
2) Holdings	1,250	11,250	1,250
3) Real estate	6,583,640	6,841,976	7,126,638
4) Short-term debt	56,882,095	36,721,830	25,321,100
5) Medium/long-term debt	5,793,562	5,736,956	2,933,419
6) Shareholders' equity	25,098,672	27,820,449	27,567,246
7) Gross working capital	68,101,998	51,675,422	34,154,965
8) Net working capital	30,360,999	22,634,243	17,176,975
9) Net fixed capital	14,023,831	13,852,879	12,512,044
10) Net financial position	-23,995,631	-10,883,253	-136,820

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	61,276,548	37,584,707	38,350,693
2) Gross operating margin	11,711,938	10,777,241	9,059,304
3) Operating result	-593,738	1,145,382	-273,882
4) Balance of financial income/expenses	-960,544	269,275	-358,431
5) Balance of extraordinary income/expenses	-1,223,505	-126,641	51,353
6) Profit before taxes	-2,777,787	1,288,016	-580,960
7) Net profit (loss)	-2,653,045	235,409	-697,633
8) Depreciation and amortisation for financial year	1,600,750	1,255,799	1,085,446

The 2016 preliminary figures show an increase in the Group's activity as a result of the good performance of its historical business lines as well as the development of the activities of Amut Dolci Bielloni, a newco with the goal of acquiring the business unit of Dolci Bielloni, which is under arrangement with creditors.

Description and registered office of the company: **IMT S.p.A. – Casalecchio di Reno (BO)**

Activity performed by the company: Production and Marketing of Machine Tools

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)					
Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	2,136,570	30.30	5,000,000		
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer	5,000,000	100	5,000,000		
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)	
Asset data	31/12/2013
1) Total assets	112,711,702
2) Holdings	798,955
3) Real estate	
4) Short-term debt	83,692,758
5) Medium/long-term debt	11,823,646
6) Shareholders' equity	17,195,298
7) Gross working capital	92,094,446
8) Net working capital	42,915,146
9) Net fixed capital	14,240,736
10) Net financial position	-51,010,872

(Figures in Euros)	
Income data	31/12/2013
1) Turnover	63,963,137
2) Gross operating margin	20,304,741
3) Operating result	-1,250,791
4) Balance of financial income/expenses	-2,799,959
5) Balance of extraordinary income/expenses	-1,332,065
6) Profit before taxes	-5,383,356
7) Net profit (loss)	-5,211,231
8) Depreciation and amortisation for financial year	2,339,830

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost, corrected for impairment losses

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 30 December 2011, the Fund underwrote a share capital increase in IMT S.p.A. for a total of Euro 4,999,994, equal to 27.80% of the share capital, and a convertible bond of Euro 5,000,000 with a duration of seven years and a maturity date of 30/12/2018. On the same date, the majority shareholder increased its participation of Euro 11,000,000, Euro 5,000,000 of which was a conversion of a shareholder loan.

The Fund's stake increased to 30.3% due to a price adjustment completed on 28 December 2012 for a symbolic price of 6 Euros.

The company capitalised interest for the first and second coupon payments of the convertible bond, respectively for 2012 and 2013, for a total of Euro 576,490.

F) OTHER INFORMATION

IMT S.p.A. is a Group head-quartered in Casalecchio di Reno (Bologna) that operates in the production and marketing of machine tools and in particular grinding machines. The Group was created a few years ago through the combination of four operators in the grinding machines sector – Morara and De.Ci.Ma. (which became a single company 2006), Tacchella Macchine and Meccanodora Favretto – becoming the Italian leader and one of the European leaders in the reference sector.

The decline in turnover in 2013 was caused by the contraction in the Company's main geographic reference market, China. At the end of 2013, a gradual recovery was noted in orders, which hinted at an improvement for 2014. Unfortunately, a few months later orders once again dropped, and this fact led to a serious financial crisis that caused a strong decline in production in the second half of 2014. The estimated losses of the financial year completed absorbed the net equity, making it negative.

In December 2014, the company filed a request for extraordinary administration pursuant to Legislative Decree 270/1999, and on 31 December 2014, the Court of Bologna declared IMT S.p.A. insolvent.

Consequently, at the end of financial year 2014, it was decided to write down both the share capital and the convertible bond in full, including capitalised interest, as at 31 December 2013, for a total of Euro 10,576,490. In addition, the interest accruing for the ending financial year was also written down.

Description and registered office of the company: **Elco S.p.A. – Carsoli (AQ)**

Activity performed by the company: Production of printed circuit boards

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	418,375	29.76	5,000,000	5,000,000	5,000,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	29,492,581	28,108,641	24,339,862
2) Holdings	10,501,636	9,969,753	5,239,321
3) Real estate	3,839,834	3,940,024	4,111,209
4) Short-term debt	9,374,700	9,341,582	7,168,202
5) Medium/long-term debt	5,656,869	5,234,955	4,535,185
6) Shareholders' equity	14,461,012	13,532,104	12,636,475
7) Gross working capital	11,825,462	12,361,796	12,739,953
8) Net working capital	4,269,363	5,689,235	8,347,576
9) Net fixed capital	5,442,255	5,602,770	4,921,638
10) Net financial position	2,067,691	1,201,940	5,619,303

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	17,192,166	14,885,472	14,113,233
2) Gross operating margin	4,419,014	4,088,073	3,718,038
3) Operating result	790,225	1,018,119	1,051,965
4) Balance of financial income/expenses	-139,331	-233,248	-78,670
5) Balance of extraordinary income/expenses	-150,142	-47,538	-73,260
6) Profit before taxes	207,496	429,044	405,357
7) Net profit (loss)	108,265	181,913	62,649
8) Depreciation and amortisation for financial year	565,471	567,021	456,563

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 27 January 2012, the Fund invested Euro 5,000,000 in Elco S.p.A., equal to 29.76% of its share capital, Euro 4,250,000 of which was part of a capital increase and Euro 750,000 was in purchased shares.

F) OTHER INFORMATION

Elco S.p.A. produces printed circuit boards for electronic systems in various sectors, including the aeronautic, aerospace and automotive industries. The company creates prototypes and produces small high-tech series in Italy, while its large series production takes place at the Chinese plant.

It is the second leading operator in Italy and the fifth operator in Europe in terms of production value.

In January 2014, the company purchased 60% of a Dutch competitor, Ramaer B.V.; the remaining 40% will be purchased subsequently in accordance with the contract.

The data from the consolidated financial statements is shown below:

(Figures in Euros)			
Asset data			2° Previous Financial
	31/12/2015	Previous Financial Year	Year
1) Total assets	37,575,704	38,056,000	29,007,000
2) Holdings	818,000	831,000	821,000
3) Real estate	4,911,000	5,066,000	5,215,000
4) Short-term debt	13,336,812	14,606,000	10,503,000
5) Medium/long-term debt	6,500,870	6,750,000	5,563,000
6) Shareholders' equity	17,738,022	16,700,000	12,941,000
7) Gross working capital	19,927,620	21,117,000	16,451,000
8) Net working capital	9,665,808	11,600,000	10,727,000
9) Net fixed capital	14,287,084	15,260,000	9,728,000
10) Net financial position	2,563,808	257,000	4,100,000

(Figures in Euros)			
Income data			2° Previous Financial
	31/12/2015	Previous Financial Year	Year
1) Turnover	40,232,000	40,647,000	21,332,000
2) Gross operating margin	14,324,000	15,231,000	8,605,000
3) Operating result	1,370,000	1,045,000	748,000
4) Balance of financial income/expenses	-252,000	-540,000	-284,000
5) Balance of extraordinary income/expenses	-108,000	126,000	148,000
6) Profit before taxes	445,000	631,000	612,000
7) Net profit (loss)	202,000	240,000	102,000
8) Depreciation and amortisation for financial year	2,118,000	2,004,000	1,253,000

The 2016 forecast data shows income equal to 37.9 million Euros, less than the previous financial year, primarily due to the deconsolidation of a French subsidiary, and an EBITDA equal to approximately 3.2 million Euros. In 2016, Elco acquired a small Dutch company, VPS, for the implementation of strategic and technical/commercial synergies with Ramaer to serve the Northern European markets.

Description and registered office of the company: **Sira Industrie S.p.A. – Pianoro (BO)**

Activity performed by the company: Production and marketing of radiators and outsourced die-casting

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	306,769	40.35	12,000,000	7,400,000	7,400,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	54,329,947	49,819,262	43,965,823
2) Holdings	28,290,289	22,069,543	21,769,543
3) Real estate			
4) Short-term debt	22,061,457	18,665,170	17,740,079
5) Medium/long-term debt	11,406,736	9,560,936	4,827,433
6) Shareholders' equity	20,861,754	21,593,156	21,398,311
7) Gross working capital	16,667,365	17,770,979	10,987,212
8) Net working capital	2,798,118	7,875,000	4,937,540
9) Net fixed capital	1,169,123	2,443,792	2,557,352
10) Net financial position	133,987	-2,398,862	-2,800,390

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	17,381,942	15,739,539	13,666,896
2) Gross operating margin	1,696,967	2,411,646	1,137,512
3) Operating result	-150,057	1,177,728	-233,461
4) Balance of financial income/expenses	-679,962	-872,818	-573,400
5) Balance of extraordinary income/expenses	73,616	113,022	164,100
6) Profit before taxes	-756,403	417,932	-642,761
7) Net profit (loss)	-731,400	194,845	-733,986
8) Depreciation and amortisation for financial year	388,337	570,274	466,228

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost, corrected for impairment losses

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 30 January 2012, the Fund underwrote a share capital increase in Sira Industrie S.p.A. of Euro 11,999,999, equal to 34.23% of the share capital.

On 19 December 2012, in accordance with the contractual arrangements, the price adjustment took place for the symbolic price of 1 Euro based on the balance sheet figures as at 31 December 2011. The Fund's holding increased to 40.35%.

F) OTHER INFORMATION

Sira Industrie S.p.A. is a Group with a registered office in Pianoro (Bologna). It was founded in 1959 and produces heating terminals in aluminium, known as "heaters" or "radiators", and provides full cycle castings.

The objective of the Fund's investment is to support the Group to implement a strategy of (i) internal growth through investments designed to further strengthen the production capacity of the current plants and (ii) external growth through extraordinary operations with companies active in outsourced die-casting in aluminium and the production of aluminium radiators.

Since the entry of the Fund, the Group has acquired: (i) the company Almec S.p.A. (active in outsourced die casting as a direct supplier of automobile manufacturers); (ii) the radiator business unit of Faral S.p.A.; and (ii) the brand, moulds and product portfolio of the Pasotti S.p.A. company.

As a result of the reported losses and the delays in implementing the business plan, the shareholding was written down in previous financial years by Euro 4,600,000, thereby bringing the book value down to Euro 7,400,000.

The data from the consolidated financial statements is shown below:

(Figures in Euros)			
Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	129,528,068	116,445,038	116,026,539
2) Holdings	227,800	7,800	7,800
3) Real estate	10,512,316	10,110,164	10,231,485
4) Short-term debt	69,915,740	62,884,630	63,595,548
5) Medium/long-term debt	17,416,568	12,025,221	12,168,615
6) Shareholders' equity	42,195,760	41,535,187	40,262,376
7) Gross working capital	69,906,519	68,283,585	65,175,657
8) Net working capital	33,925,518	38,771,040	32,661,700
9) Net fixed capital	38,871,888	32,520,525	29,685,516
10) Net financial position	-9,660,729	-6,558,267	-3,270,998

(Figures in Euros)			
Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	97,319,739	78,244,338	74,077,455
2) Gross operating margin	17,348,288	10,746,330	11,171,012
3) Operating result	1,413,482	1,927,058	-1,176,431
4) Balance of financial income/expenses	-1,757,870	-2,266,460	-1,645,190
5) Balance of extraordinary income/expenses	276,706	-75,620	1,602,337
6) Profit before taxes	-67,682	-415,022	-1,219,284
7) Net profit (loss)	-410,949	-985,992	-1,636,700
8) Depreciation and amortisation for financial year	3,934,424	4,112,348	3,492,868

In 2016, the Group essentially completed the modernisation of a production plant in the die-casting division and set up a strategic partnership with local operators in certain geographical areas with potentially attractive prospects for the development of the radiator division. The 2016 forecast revenue is less than in 2015 primarily due to smaller sales volumes in the radiator division. In terms of margins, however, the Group expects to report an improvement, primarily due to the drop in the price of aluminium and greater efficiency in terms of direct production costs. The NFP is expected to be consisted with the previous financial year.

Description and registered office of the company: **TBS Group S.p.A. – Trieste**

Activity performed by the company: Integrated medical equipment maintenance services

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	5,555,556	13.17	10,000,001	10,000,001	10,000,001
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	136,148,492	123,590,145	116,407,620
2) Holdings	89,465,850	74,824,953	73,287,786
3) Real estate	1,077,845	1,119,075	1,160,306
4) Short-term debt	22,899,926	22,713,340	29,852,599
5) Medium/long-term debt	39,265,871	29,769,884	19,405,730
6) Shareholders' equity	73,982,695	71,106,921	67,149,291
7) Gross working capital	12,899,194	12,155,035	17,348,659
8) Net working capital	6,795,268	3,162,898	6,800,616
9) Net fixed capital	3,284,376	3,699,449	3,541,928
10) Net financial position	19,926,621	21,172,656	-14,667,117

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	9,087,029	17,362,968	9,042,577
2) Gross operating margin	1,651,314	3,899,054	450,280
3) Operating result	-2,846,005	-1,323,920	-4,622,768
4) Balance of financial income/expenses	5,361,225	4,682,614	6,109,215
5) Balance of extraordinary income/expenses			
6) Profit before taxes	2,515,220	3,341,624	-4,624,835
7) Net profit (loss)	3,684,371	3,986,196	-3,488,238
8) Depreciation and amortisation for financial year	924,407	1,131,994	1,237,549

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 9 February 2012, the Fund underwrote a share capital increase in TBS Group S.p.A. (hereinafter, "TBS") for a total of Euro 10,000,001, equal to 13.17% of the share capital, and subscribed to a convertible bond of Euro 10,000,002 with a duration of 4 years and a maturity date of 9 February 2016, which was repaid in advance on 30 July 2015, plus interest accrued.

F) OTHER INFORMATION

TBS is a listed company on AIM Italia and is a European leader in the broad spectrum clinical engineering services sector. With its registered office at the AREA Science Park of Trieste, TBS was created in February 1987 as a result of a CNR research project with the goal of verifying the efficiency and practicality of multivendor clinical engineering services in outsourcing to public and private social-health structures. Operations started in 1991. In 1997, the company reported turnover of approximately 2.5 million Euros, which had reached 200 million Euros by the end of 2012.

Since 2001, in parallel with its capacity for managing not only biomedical equipment but also all hospital technology, TBS has increasingly expanded its operations in the e-Health and e-Government sector , expanding its skills and market shares in these sectors through various acquisitions.

The Group is now present in 13 countries (Saudi Arabia, Austria, Belgium, China, France, Germany, India, the United Kingdom, Italy, Holland, Portugal, Serbia and Spain), employs more than 2,000 employees and operates 26 specialised centres and more than 300 on-site laboratories associated with more than 1,000 hospitals.

TBS Group's shareholder base includes major institutional shareholders, in addition to its managers, and the Fund's entry is intended to support additional expansion and internationalisation projects for the Group.

As in previous financial years, given the fact that the trading volumes on the listing market of the security are low and the exchange frequency is limited, TBS is considered an unlisted financial instrument and, therefore, on 31 December 2016, the carrying value corresponds to the purchase cost.

As of today, the TBS Group has paid

1. dividends for Euro 227,000, broken down as follows:
 - Euro 133,000 in 2012,
 - Euro 94,000 in 2015 and
2. interest on the convertible bond equal to Euro 2,149,000, broken down as follows:
 - Euro 573,000 in 2012,
 - Euro 640,000 in 2013,
 - Euro 592,000 in 2014,
 - Euro 344,000 in 2015,

For a better understanding of the underlying company, the figures from the consolidated financial statements of Elco S.p.A. are shown below:

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	265,508,000	252,136,000	253,243,000
2) Holdings	1,370,000	1,125,000	676,000
3) Real estate	7,667,000	6,827,000	6,992,000
4) Short-term debt	140,425,000	147,851,000	168,455,000
5) Medium/long-term debt	71,608,000	52,633,000	34,203,000
6) Shareholders' equity	53,475,000	51,652,000	50,585,000
7) Gross working capital	150,469,000	144,845,000	146,132,000
8) Net working capital	80,818,000	62,223,000	51,303,000
9) Net fixed capital	85,729,000	74,380,000	72,929,000
10) Net financial position	15,877,000	10,500,000	-27,695,000

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	232,556,000	230,853,000	216,668,000
2) Gross operating margin	119,716,000	117,587,000	108,224,000
3) Operating result	10,819,000	13,588,000	6,218,000
4) Balance of financial income/expenses	-5,592,000	-6,584,000	-6,711,000
5) Balance of extraordinary income/expenses	551,000		-6,088,000
6) Profit before taxes	5,778,000	6,957,000	-6,589,000
7) Net profit (loss)	2,870,000	2,348,000	-10,495,000
8) Depreciation and amortisation for financial year	11,828,000	10,507,000	10,330,000

As at 30 September 2016, the consolidated income was equal to 167.8 million Euros with an Ebitda of 15.2 million. At the end of 2016, the company transferred control of its activities in the "Integrated e-Health & e-Government Solutions" division to an industrial operator.

Description and registered office of the company: **Rigoni di Asiago S.r.l.- Asiago (VI)**

Activity performed by the company: Food – production and marketing of spreadable products (fruit jams, honey and creams)

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	1	35.55	10,002,500	10,002,500	10,002,500
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	101,825,087	88,654,713	81,967,973
2) Holdings	10,043,517	9,017,659	6,313,317
3) Real estate	4,388,638	4,449,928	4,499,087
4) Short-term debt	58,963,915	56,674,927	44,885,136
5) Medium/long-term debt	15,650,277	7,273,576	14,811,364
6) Shareholders' equity	27,210,895	24,706,210	22,271,473
7) Gross working capital	48,038,491	34,681,825	43,343,186
8) Net working capital	18,270,942	10,727,640	21,294,330
9) Net fixed capital	16,027,690	13,248,056	11,662,129
10) Net financial position	-24,292,327	-27,415,033	-21,948,195

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	91,400,276	76,144,514	67,659,988
2) Gross operating margin	13,343,031	11,907,675	10,006,405
3) Operating result	5,795,758	5,198,170	3,694,366
4) Balance of financial income/expenses	-775,808	-973,761	-811,081
5) Balance of extraordinary income/expenses	53,116	-138,707	-116,776
6) Profit before taxes	4,848,673	3,923,702	2,624,509
7) Net profit (loss)	3,224,686	2,434,736	1,614,916
8) Depreciation and amortisation for financial year	2,762,364	2,382,651	2,410,315

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 15 February 2012, the Fund underwrote a share capital increase in Rigoni di Asiago S.r.l. by Euro 500,000 and subscribed to a shareholder loan against a future capital increase of Euro 9,500,000, which was converted on 25 July 2012, for a total investment of Euro 10,000,000, equal to 35.56% of the share capital.

On 30 May 2013, the Fund dispensed Euro 4,000,000 as a convertible shareholder loan with a duration of two years, which was repaid on 28 May 2015, plus interest accrued.

On 10 December 2015, the Fund subscribed to a second capital increase of Euro 2,500 for the purpose of facilitating a financing operation with Istituto Sviluppo Agroalimentare S.p.A.. The Fund's stake remained unchanged at 35.55% of the share capital.

F) OTHER INFORMATION

The Group Rigoni di Asiago (hereinafter, the "Group") produces and markets jams, honeys, spreadable creams and organic sweeteners.

The Fund's intervention is intended to help the Group expand its production capacity, consolidate its leadership position on the domestic market and continue to grow on the international markets, including by launching new products and innovative packaging.

The Rigoni Group began operations in the 2000's, initially concentrating on the production and sale of honey. The company subsequently started to produce and market jams and other spreadable organic products and became a leader at the national level. The company's brand is well-known both nationally and internationally and it offers a wide range of organic products, such as honey, the jam, "Fiordifrutta", the cream, "Nocciolata"; the sweetener, "Dolcedi"; the "Tantifrutti" fruit juices, etc.

During 2014, the Company issued a mini five-year bond with a duration of 5 years for 7 million Euros, which was used to finance the expansion of its production capacity as well as build a new production plant in Italy, which became operational at the end of 2015.

On 20 July 2016, the company paid dividends of Euro 343,937.

The data from the consolidated financial statements is shown below:

(Figures in Euros)			
Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	102,713,741	91,229,066	85,399,792
2) Holdings	800	800	800
3) Real estate	7,976,158	8,106,034	7,882,515
4) Short-term debt	64,893,110	50,854,780	50,678,718
5) Medium/long-term debt	16,690,884	19,589,800	16,054,259
6) Shareholders' equity	21,129,747	20,784,486	18,666,815
7) Gross working capital	54,359,490	46,174,666	46,512,669
8) Net working capital	48,932,202	20,346,555	22,568,421
9) Net fixed capital	37,105,356	32,633,406	30,337,952
10) Net financial position	-29,957,665	-19,957,991	-25,537,143

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	94,720,963	80,232,923	71,046,202
2) Gross operating margin	16,645,711	15,775,845	12,955,907
3) Operating result	5,288,632	5,490,361	3,552,948
4) Balance of financial income/expenses	-1,845,516	-2,156,475	-2,028,990
5) Balance of extraordinary income/expenses	-240,299	-512,623	-154,431
6) Profit before taxes	3,202,817	2,821,263	1,369,527
7) Net profit (loss)	1,320,952	1,297,910	390,378
8) Depreciation and amortisation for financial year	4,611,967	4,095,259	3,988,595

Description and registered office of the company: **La Patria S.r.l. - Bologna**

Activity performed by the company: Security services

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	1	32.37	9,320,049	9,320,049	9,320,049
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	48,600,052	50,142,191	49,401,678
2) Holdings	6,656,433	14,247,719	6,656,433
3) Real estate	15,021		
4) Short-term debt	10,341,616	8,659,328	10,622,740
5) Medium/long-term debt	15,630,272	17,684,719	13,379,425
6) Shareholders' equity	22,628,164	23,798,144	25,399,513
7) Gross working capital	5,422,132	3,459,982	5,918,729
8) Net working capital	-2,069,404	-1,448,701	-795,819
9) Net fixed capital	35,030,525	30,568,122	34,637,603
10) Net financial position	-4,676,154	-4,498,978	-2,515,098

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	20,966,445	15,771,104	17,017,707
2) Gross operating margin	15,323,042	11,716,018	12,920,987
3) Operating result	-791,160	-1,078,978	-519,518
4) Balance of financial income/expenses	442,412	501,270	46,077
5) Balance of extraordinary income/expenses		-684,443	-114,464
6) Profit before taxes	-348,748	-1,262,151	-587,905
7) Net profit (loss)	-1,169,984	-1,601,365	-1,197,067
8) Depreciation and amortisation for financial year	4,982,714	4,003,680	4,062,965

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 20 April 2012, the Fund underwrote a share capital increase in La Patria S.r.l., a company with its registered office in Bologna and operating in the security services sector, for Euro 9,320,049, equal to 32.37% of the share capital.

The operation was conducted jointly with PM & Partners and the industrial shareholders, and it was used, along with bank loans, to purchase 100% of La Patria S.r.l., which now owns 100% of the company Sistemi Integrati S.r.l. (together, the "La Patria Group").

The share held by the Company is given as a pledge to two banks to secure a loan granted to the company.

F) OTHER INFORMATION

The company was founded in 1950 by the Colli family, which still owns shares in the company. La Patria Group is active in the security services industry primarily in the provinces of Modena and Bologna, where it holds a leadership position.

The objective of the investment is to support La Patria Group in its aggregation process to create an Italian leader in the security services sector, promoting a business model that focuses on high-value added services, such as zone surveillance.

The data from the consolidated financial statements is shown below:

Asset data	(Figures in Euros)		
	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	46,688,546	50,109,080	47,676,818
2) Holdings	12,384	12,384	12,384
3) Real estate	15,021		
4) Short-term debt	9,643,627	8,978,389	9,107,261
5) Medium/long-term debt	15,908,110	18,365,551	13,747,862
6) Shareholders' equity	21,136,809	22,765,140	24,821,695
7) Gross working capital	9,739,915	8,423,930	8,691,968
8) Net working capital	3,300,070	4,711,030	3,354,846
9) Net fixed capital	36,209,529	39,385,450	36,611,482
10) Net financial position	295,105	1,251,180	1,583,884

Income data	(Figures in Euros)		
	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	27,498,137	23,124,739	23,496,976
2) Gross operating margin	18,529,211	15,698,513	16,037,767
3) Operating result	478,053	255,398	798,399
4) Balance of financial income/expenses	-763,783	-676,978	-853,257
5) Balance of extraordinary income/expenses		-690,206	-114,464
6) Profit before taxes	-285,730	-1,111,786	-169,322
7) Net profit (loss)	-1,628,779	-2,056,553	-1,334,027
8) Depreciation and amortisation for financial year	6,211,299	5,360,827	5,151,202

The loss recorded in 2015, like the loss recorded in previous years, is also essentially consistent with what was expected in the business plan at the entry of the Fund and therefore was already taken into account when determining the purchase price of the investment; consequently, this loss is not permanent in nature. These losses are the result of the depreciation of the goodwill, among other factors, resulting from the original operation and the merger by incorporation of the two companies acquired in 2014 and 2015.

The pre-closing data as at 31 December 2016 shows a slight improvement in turnover compared to the 2015 figures that is essentially consistent with what was forecast in the budget, thanks to better performance in all of the business lines. The company also shows improvement in its margins, primarily due to the reduced impact of indirect costs resulting from the merger by incorporation of the subsidiary, Sistemi Integrati S.r.l. In addition, during 2016 the company confirmed its good cash generation capacity and continued to work on identifying and analysing additional potential target companies to continue the aggregation process effectively begun during 2014.

Description and registered office of the company **Zeis Excelsa S.p.A. – Montegranaro (FM)**

Activity performed by the company: Production of footwear, clothing and accessories under its own brands or under license

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	249,900	19.99	12,000,000	107,000	800,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer	8,000,000	100	8,000,000	8,000,000	8,000,000
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments	1,727,838	100	1,872,813	1,872,813	1,386,588

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	91,966,612	121,926,239	146,610,985
2) Holdings	6,713,305	11,861,327	11,025,766
3) Real estate	10,748,424	11,085,410	13,666,196
4) Short-term debt	38,628,890	69,866,311	80,379,010
5) Medium/long-term debt	26,230,078	25,995,847	25,681,443
6) Shareholders' equity	27,107,644	26,064,081	40,550,532
7) Gross working capital	56,795,018	74,997,653	91,522,064
8) Net working capital	32,445,706	36,943,488	54,674,745
9) Net fixed capital	18,983,966	22,664,537	28,624,473
10) Net financial position	-12,940,633	-34,855,880	-35,100,029

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	50,930,234	89,645,702	106,117,073
2) Gross operating margin	3,469,920	10,247,890	16,848,423
3) Operating result	-11,761,599	-10,198,767	-4,858,786
4) Balance of financial income/expenses	-3,018,563	-4,240,060	-3,230,562
5) Balance of extraordinary income/expenses	21,153,749	-1,919,421	3,247,134
6) Profit before taxes	3,859,439	-17,560,892	-8,721,919
7) Net profit (loss)	1,043,563	-14,486,447	-7,132,602
8) Depreciation and amortisation for financial year	3,669,288	4,859,703	5,262,294

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost, corrected for impairment losses

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 29 May 2012, the Fund underwrote a share capital increase in Zeis Excelsa S.p.A. (hereinafter, “Zeis”) by Euro 12,000,000, equal to 19.99% of the share capital, and subscribed to a convertible bond (hereinafter, the convertible bond) for Euro 8,000,000, with a duration of six years and a maturity date of 28 May 2018.

The company issued ordinary bonds (with the same maturity date as the convertible bond), in addition to interest capitalisation, against the convertible bond coupon issue, for a total of Euro 1,872,813, which breaks down as follows:

- Euro 448,000, on 11 June 2013, as the first dividend,
- Euro 473,088, on 12 June 2014, as the second dividend, including capitalised interest,
- Euro 465,500, on 12 June 2015, as the third dividend, including capitalised interest,
- Euro 486,225, on 29 May 2016, as the fourth dividend, including capitalised interest,

F) OTHER INFORMATION

Zeis Excelsa S.p.A. is the parent company of the group of the same name and is one of the leading Italian operators in the production and distribution of medium and high range footwear, both under its own brands, with the brands Bikkembergs, Docksteps, Cult and Virtus Palestre, and brands that it markets under license, including Merrell, Samsonite Footwear and other smaller brands.

Since 2011, when Zeis bought the Bikkembergs brand, which it had already been selling under license in the footwear sector and significantly increased its turnover, especially abroad, by expanding its line of products in the clothing sector, the Company has experienced a consistent loss of revenue concentrated primarily in the wholesale channel of the footwear segment in Italy and western Europe (France, Spain).

Since 2014, the company has been in a process of reviewing the Group’s business model with the objective of a commercial relaunch of Zeis products and brands (particularly abroad) and progressive outsourcing of production and logistics in order to focus on design, industrialisation, marketing and distribution, including direct distribution, of the footwear (having sold the Bikkembergs clothing business in the meantime). This commercial restructuring process (with closure of various poor-performing points of sale) and production reorganisation process is still ongoing, and the effects are expected to materialise in the coming years.

In July 2015, the company sold 51% of the Bikkembergs brand to the Chinese company Canudilo, listed on Shenzhen, for an amount of approximately 41 million Euros.

In previous years, given the company’s performance, the losses reported in past years and the impairment analysis, which reveals a permanent loss of value, the shareholding was entirely written down (to bring it in line with its fair value), for Euro 11,200,000.

At the end of 2016, the shareholding was written down again for Euro 693,000; therefore, the carrying value is equal to Euro 107,000, plus the Euro 9,872,813 in bonds, for a total of Euro 9,979,813.

The data from the consolidated financial statements is shown below:

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	97,937,523	140,097,762	173,826,995
2) Holdings	5,276,301	973,616	1,170,217
3) Real estate	15,689,924	16,398,680	19,161,914
4) Short-term debt	47,501,986	77,381,136	97,129,373
5) Medium/long-term debt	23,194,568	30,964,716	33,741,209
6) Shareholders' equity	27,240,969	31,751,910	42,956,413
7) Gross working capital	58,087,536	75,723,312	98,319,554
8) Net working capital	28,198,767	28,387,251	44,064,553
9) Net fixed capital	27,549,396	60,711,371	71,075,379
10) Net financial position	-25,719,759	-46,117,714	-52,055,332

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	66,135,553	103,921,911	119,221,712
2) Gross operating margin	9,970,801	19,861,868	28,421,667
3) Operating result	-12,912,328	-11,504,176	-4,499,873
4) Balance of financial income/expenses	-3,606,838	-5,107,929	-4,159,927
5) Balance of extraordinary income/expenses	21,013,728	-216,901	-447,313
6) Profit before taxes	4,276,991	-17,147,629	-9,461,661
7) Net profit (loss)	2,053,159	-14,322,662	-8,293,581
8) Depreciation and amortisation for financial year	6,345,612	9,508,043	9,905,836

Following the sale of the majority in Levitas (owner of the Bikkembergs brand) to Canudilo, 2015 was the first deconsolidation year of the underlying company (in which Zeis now owns 24.5%), as well as the transfer of the clothing activities, which were transferred under license to the SINV partner in 2014.

The 2016 forecast shows another reduction in turnover as a result of the operations indicated below, and the financial benefits resulting from the collection of the Bikkembergs fees (for which capital gains were equal to approximately 20 million Euros), against operating margins that are still negative, despite certain improvements over previous years, thanks to measures for reducing costs and rendering them variable in nature.

Description and registered office of the company: **General Medical Merate S.p.A.- Seriate (BG)**

Activity performed by the company: Radiological Diagnostic Equipment

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	1,399,656	28.85	13,000,000	11,800,000	11,800,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	63,240,704	54,958,987	58,745,369
2) Holdings	9,030,523	12,364,227	11,028,886
3) Real estate	14,175	18,716	24,798
4) Short-term debt	27,906,165	23,468,998	28,764,344
5) Medium/long-term debt	6,656,770	3,370,168	4,019,005
6) Shareholders' equity	28,677,769	28,119,821	25,962,020
7) Gross working capital	43,286,567	33,902,102	37,430,432
8) Net working capital	22,841,274	19,484,869	22,581,805
9) Net fixed capital	2,905,687	1,798,962	2,840,694
10) Net financial position	4,073,045	1,100,815	-4,497,242

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	55,207,056	39,903,592	43,029,628
2) Gross operating margin	13,739,403	8,790,857	8,952,933
3) Operating result	1,558,656	-720,380	-22,556
4) Balance of financial income/expenses	-491,431	1,459,289	-444,984
5) Balance of extraordinary income/expenses	-128,286	2	-162,112
6) Profit before taxes	877,117	2,034,356	-629,652
7) Net profit (loss)	557,947	2,062,496	-674,619
8) Depreciation and amortisation for financial year	891,444	670,722	712,493

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost, corrected for impairment losses

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 25 June 2012, the Fund underwrote a share capital increase in General Medical Merate S.p.A. (hereinafter "GMM") of Euro 13,000,000, equal to 28.85% of the share capital.

F) OTHER INFORMATION

Created in 1952, GMM produces and markets advanced radiological equipment with high levels of integrated technology, such as remote-controlled tables, machine units, complete x-ray rooms and/or monoblocks, both under its own brand and as a supplier of the major multi-national brands. The fields of application include both conventional “static” radiology (single images) and “dynamic” radiology (moving images).

Controlled by the Sordi family, the majority shareholder through the holding, GMM Italia S.p.A. employs more than 230 employees. Since 2008, the company has completed two acquisitions in Italy, MT Medical Technology S.r.l. and Mecall S.r.l., and one in China, IMD China Ltd. Currently, the company operates four plants in Italy and one in China.

The company has positioned itself within the historical core of Italian companies that over the years have achieved a global level of excellence in the sector of diagnostic radiology machines, representing a point of reference for the entire segment at both the national and international levels.

In June 2015, GMM and Mecall S.r.l. were merged with the objective of simplifying and streamlining the corporate structure of the group and achieving cost synergies, which began to emerge by the last few months of 2015.

Following certain losses in previous financial years, the shareholding was written down by Euro 1,200,000, reducing the book value to Euro 11,800,000.

The data from the consolidated financial statements is shown below:

Asset data	(Figures in Euros)		
	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	64,004,469	63,447,266	68,953,247
2) Holdings	408,161	143,836	138,917
3) Real estate	975,617	1,023,241	1,066,317
4) Short-term debt	28,343,823	31,327,395	36,916,421
5) Medium/long-term debt	7,327,432	5,757,753	6,435,519
6) Shareholders' equity	28,333,214	26,362,118	25,601,307
7) Gross working capital	47,489,867	48,026,359	51,946,003
8) Net working capital	27,228,456	29,106,660	31,136,382
9) Net fixed capital	4,337,607	4,649,052	5,138,067
10) Net financial position	8,168,168	2,949,497	-2,661,102

Income data	(Figures in Euros)		
	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	61,222,096	59,408,948	61,021,089
2) Gross operating margin	17,258,023	15,773,091	14,908,551
3) Operating result	2,746,216	1,658,562	1,142,799
4) Balance of financial income/expenses	-364,934	-780,017	-600,568
5) Balance of extraordinary income/expenses	-129,674	-12,255	-308,565
6) Profit before taxes	2,189,786	866,290	233,666
7) Net profit (loss)	1,695,973	350,353	-346,143
8) Depreciation and amortisation for financial year	1,200,114	1,139,050	1,687,042

The forecast data as at 31 December 2016 shows income equal to 63.5 million Euros with margins up from 2015. The NFP is expected to be negative (cash) as a result of the improvement in the result of operations and the sale of treasury shares during 2016 to the Chinese distributor, which brought in 5.5 million.

Description and registered office of the company: **Labomar S.r.l.- Istrana (TV)**

Activity performed by the company: Outsourced production and distribution of nutraceuticals.

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	1	29,33	3,000,000	3,000,000	3,000,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	25,176,105	20,145,399	15,993,778
2) Holdings	375,871	375,871	184,308
3) Real estate			
4) Short-term debt	13,826,659	8,828,791	8,715,708
5) Medium/long-term debt	5,549,080	5,542,889	2,462,639
6) Shareholders' equity	5,800,366	5,773,719	4,815,431
7) Gross working capital	14,620,656	10,197,540	10,596,873
8) Net working capital	5,202,332	3,161,001	3,906,167
9) Net fixed capital	8,675,151	7,982,347	4,233,584
10) Net financial position	-2,592,445	5,682	-1,038,725

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	27,486,917	25,084,770	18,909,757
2) Gross operating margin	8,823,052	8,379,578	5,513,192
3) Operating result	925,648	1,750,726	351,207
4) Balance of financial income/expenses	-175,708	-153,355	-128,457
5) Balance of extraordinary income/expenses	-11,583	-213	-39,679
6) Profit before taxes	738,357	1,583,566	183,071
7) Net profit (loss)	472,824	958,285	13,835
8) Depreciation and amortisation for financial year	1,476,801	1,088,056	999,041

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY CONTROLLED REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 27 June 2012, the Fund underwrote a share capital increase in Labomar S.r.l. of Euro 3,000,000, equal to 29.33% of the share capital.

F) OTHER INFORMATION

Labomar S.r.l. specialises in the research and development and production of food supplements and health and diet products. Founded in 1999 by Walter Bertin, a traditional pharmacist and current majority shareholder, and invested in by Carmen Frare, current technical director, in 2004, the company represents a production and distribution partner for major pharmaceutical companies, focusing its activities in medical/scientific information and direct sales in pharmacies and similar channels, such as herbalist shops and GDO.

The Fund's intervention is intended to promote chain integration and support a major investment plan designed to increase production capacity, expand activities internationally and further increase research and development, with the involvement of leading universities.

On 24 July 2015, the company paid dividends of Euro 130,873.

The estimated figures as at 31 December 2016 predict income equal to approximately 34.8 million Euros, up from the previous year, like the Ebitda, which is expected to come in at around 4.1 million, primarily due to the acquisition of new clients and the increase in orders. The NFP is expected to have increased as a result of the investments.

Description and registered office of the company: **Antares Vision S.r.l. Castel Mella (BG)**

Activity performed by the company: Mechanical ICT

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	1	21.11	5,000,000	5,000,000	5,000,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	38,163,197	28,016,565	15,774,390
2) Holdings	2,280,726	1,928,287	1,557,658
3) Real estate			
4) Short-term debt	21,248,705	15,557,603	5,777,215
5) Medium/long-term debt	2,039,033	3,243,523	2,226,891
6) Shareholders' equity	14,875,459	9,215,439	7,770,284
7) Gross working capital	26,420,014	18,342,288	9,117,879
8) Net working capital	5,741,809	2,749,968	3,249,519
9) Net fixed capital	2,041,184	2,454,933	2,540,307
10) Net financial position	3,166,392	1,704,735	1,538,290

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	39,963,961	21,530,645	12,688,978
2) Gross operating margin	15,491,462	7,226,826	3,765,988
3) Operating result	7,621,814	1,663,786	605,123
4) Balance of financial income/expenses	-108,023	-47,654	25,106
5) Balance of extraordinary income/expenses			2
6) Profit before taxes	7,866,230	1,986,761	1,131,685
7) Net profit (loss)	5,660,015	1,445,157	885,785
8) Depreciation and amortisation for financial year	469,977	976,472	481,939

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY CONTROLLED REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 19 July 2012, the Fund underwrote a share capital increase in Antares Vision S.r.l. (now Antares Vision S.r.l.) for Euro 4,000,000 and purchased shares for the amount of Euro 1,000,000, for a total of Euro 5,000,000, equal to 21.11% of the share capital.

F) OTHER INFORMATION

The company, which was created in 1998 from a spin-off of the Università di Brescia, conducts design, realisation and distribution activities of industrial visual dispersion systems, with a focus on the pharmaceutical sector, with the purpose of producing products and systems to guarantee drug safety. The Company distributes own-brand products, Antares Vision, and employs 200 employees.

With the Fund's support, the company initiated a new growth process that includes efforts to strengthen the R&D structures and open some foreign sales offices, which was followed by growth in international revenue.

The data from the consolidated financial statements is shown below:

Asset data	(Figures in Euros)		
	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	44,291,746	28,670,116	15,760,180
2) Holdings			
3) Real estate	4,131,520		
4) Short-term debt	22,274,787	16,095,196	5,834,152
5) Medium/long-term debt	5,641,247	3,259,689	2,258,116
6) Shareholders' equity	16,375,712	9,315,231	7,667,912
7) Gross working capital	27,035,131	18,923,893	9,439,516
8) Net working capital	5,664,450	2,812,104	3,514,219
9) Net fixed capital	6,227,284	2,502,549	2,562,694
10) Net financial position	5,911,372	3,353,438	2,754,425

Income data	(Figures in Euros)		
	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	45,367,612	23,465,577	14,793,954
2) Gross operating margin	21,080,438	8,937,680	5,189,945
3) Operating result	10,385,755	2,205,751	1,178,499
4) Balance of financial income/expenses	-166,573	-55,155	27,123
5) Balance of extraordinary income/expenses	-1,276	-11,148	2
6) Profit before taxes	10,217,906	2,139,448	1,205,624
7) Net profit (loss)	7,243,047	1,408,465	791,295
8) Depreciation and amortisation for financial year	592,111	1,017,794	507,157

The pre-closing data as at 31 December 2016 reported strong growth compared to the previous financial year, with revenues expected at around 62 million Euros and an Ebitda of approximately 15 million as a result of significant contracts obtained from certain pharmaceutical companies. The estimated NFP is expected to be negative.

Description and registered office of the company: **E.M.A.R.C. S.p.A. – Vinovo (TO)**

Activity performed by the company: Manufacture of parts and accessories for vehicles

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)					
Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	5,166,682	31.00	10,000,000	4,100,000	7,000,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer	1,000,000	33.33	1,000,000	1,000,000	1,000,000
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)			
Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	89,861,664	79,568,141	88,604,708
2) Holdings	11,401,623	14,619,743	13,633,517
3) Real estate	14,180,108	14,535,409	14,322,536
4) Short-term debt	52,758,149	39,329,600	51,806,293
5) Medium/long-term debt	13,703,403	14,195,473	8,928,988
6) Shareholders' equity	23,400,112	26,043,068	27,869,427
7) Gross working capital	44,399,568	32,789,234	39,530,757
8) Net working capital	2,600,863	764,742	-928,156
9) Net fixed capital	29,793,709	29,026,291	26,997,479
10) Net financial position	-27,872,196	-23,980,733	-29,988,946

(Figures in Euros)			
Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	99,351,807	90,139,265	76,917,965
2) Gross operating margin	20,628,509	13,795,203	9,837,704
3) Operating result	-3,377,250	-6,585,665	-8,303,487
4) Balance of financial income/expenses	2,547,885	-31,769	902,989
5) Balance of extraordinary income/expenses	-416,510	4,450,934	31,894
6) Profit before taxes	-2,214,912	-2,626,614	-7,368,604
7) Net profit (loss)	-2,447,893	-2,661,495	-5,195,780
8) Depreciation and amortisation for financial year	3,863,055	3,949,842	3,171,123

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost, corrected for impairment losses

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company owns 100% of two real estate companies, Carol S.r.l. and Ameg S.r.l..

E) DESCRIPTION OF OPERATIONS

On 30 June 2012, the Fund underwrote a share capital increase in E.M.A.R.C. S.p.A. by Euro 10,000,000, equal to 31.00% of the share capital.

On 5 November 2014, E.M.A.R.C. S.p.A. issued a convertible bond of Euro 3,000,000, of which Euro 1,000,000 was subscribed by the Fund (and Euro 2,000,000 was subscribed by the majority shareholder) with a duration of 8 years, with a maturity date within 91 days following 30 September 2022, thus by 30 December 2022.

F) OTHER INFORMATION

E.M.A.R.C. S.p.A., which is head-quartered in Vinovo (Turin), operates in the design and production of systems (bending machines) and in the production and marketing of components for the automotive sector. The company operates in eight countries around the world.

The company offers its clients a full portfolio of products in steel and aluminium, providing doors, hatches, sliding door systems, modules for structural assemblies, car bodies and space frames for cars and commercial vehicles. The Group, even though it is smaller in size than its competitors, performs a Tier-1 role in the automotive sector.

The Fund's intervention is intended to support the company with its industrial growth plan, which is characterised by (i) the development of production joint ventures in non-EU countries, (ii) the enhancement of current production sites and development of new production sites, (iii) the expansion of the line of products offered, (iv) the consolidation of the sales network, and (v) the potential acquisition, with opportunistic logic, of synergistic companies for their knowhow and production technologies.

Following losses primarily caused by the decrease in volumes of certain contracts and by the production inefficiencies of the Italian plants, the shareholding was written down by Euro 3,000,000 during previous financial years. At the end of 2016, the shareholding was written down again by Euro 2,900,000, to bring it in line with its fair value; therefore, the book value is now equal to Euro 4,100,000.

The data from the consolidated financial statements is shown below:

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	113,795,294	112,885,231	125,155,575
2) Holdings	2,719,637	2,719,292	2,138,575
3) Real estate	16,241,228	16,669,955	16,159,151
4) Short-term debt	63,613,119	58,082,910	64,995,064
5) Medium/long-term debt	19,028,299	21,722,113	22,185,134
6) Shareholders' equity	31,153,876	33,080,208	37,975,377
7) Gross working capital	58,398,139	54,108,025	61,844,472
8) Net working capital	7,706,058	9,712,257	12,412,001
9) Net fixed capital	47,197,860	51,970,165	54,138,501
10) Net financial position	-32,496,614	-28,958,808	-30,505,162

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	141,750,538	147,369,186	132,417,918
2) Gross operating margin	38,781,069	36,551,674	32,139,857
3) Operating result	1,732,391	-765,542	-532,464
4) Balance of financial income/expenses	835,901	-1,513,303	-2,160,181
5) Balance of extraordinary income/expenses	-359,502	-184,229	116,131
6) Profit before taxes	2,023,905	-2,443,667	-2,543,890
7) Net profit (loss)	300,052	-4,300,986	-2,543,972
8) Depreciation and amortisation for financial year	7,521,318	8,801,385	8,969,509

The pre-closing data as at 31 December 2016 show sales volumes that are consistent with the previous financial year, as a result of the positive trends on the commercial vehicle market. The margins were negatively impacted by certain issues involving the efficiency of the Italian production plants.

Description and registered office of the company: **Mape S.p.A. – Bazzano (BO)**

Activity performed by the company: Production of connecting rods and drive shafts for the automobile, recreational and industrial sector

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)					
Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	229,357	30.07	4,000,000		
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer	6,000,000	100.00	6,000,000		
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

The last available financial statements are from 31 December 2013.

(Figures in Euros)	
Asset data	31/12/2013
1) Total assets	5,085,745
2) Holdings	3,450,424
3) Real estate	
4) Short-term debt	9,947,158
5) Medium/long-term debt	15,819,000
6) Shareholders' equity	-20,680,413
7) Gross working capital	1,601,140
8) Net working capital	-1,555,223
9) Net fixed capital	7,545
10) Net financial position	-8,319,382
(Figures in Euros)	
Income data	31/12/2013
1) Turnover	1,810,067
2) Gross operating margin	813,664
3) Operating result	-2,661,933
4) Balance of financial income/expenses	-236,037
5) Balance of extraordinary income/expenses	-13,369,025
6) Profit before taxes	-20,906,522
7) Net profit (loss)	-20,927,774
8) Depreciation and amortisation for financial year	5,095

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost, corrected for impairment losses

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 18 October 2012, the Fund underwrote a share capital increase in Mape S.p.A. by Euro 4,000,000, equal to 30.07% of the share capital, and subscribed to a convertible bond (hereinafter, the “convertible bond”) for Euro 6,000,000.

F) OTHER INFORMATION

Mape is an international leader in the production of special engine systems (connecting rods, camshafts and other components) for the recreational, motorcycling, automobile, industrial and agricultural sectors.

The problems associated with foreign investments that had not yet become fully operational in parallel with the profound crisis in the automotive sector triggered a significant deterioration in economic and financial performance, which, along with the losses arising from write-downs, had led to an economic result for financial year 2012 that was strongly negative. The Fund had therefore decided to write down the share capital and convertible bond as at 30 June 2013 by a total of Euro 10,000,000.

On 13 June 2013, Mape Forge S.r.l. (100% Mape S.p.A.), had filed a request with the Court of Chieti for admission into voluntary early arrangement with creditors and, on 30 December 2013, the Court had granted the request on the basis of a liquidation plan.

On 20 September 2013, Mape S.p.A., Mape Italia S.r.l. (100% Mape S.p.A.) and Mape Tecnol S.r.l. (100% Mape S.p.A., then declared bankruptcy at the end of November 2013) had filed a request with the Court of Bologna for admission into voluntary early arrangement with creditors.

Subsequently, the Court of Bologna had authorised a liquidation plan for Mape S.p.A. and Mape Italia S.r.l. respectively and on 5 February 2014 had authorised an arrangement with creditors process for Mape S.p.A., approving a composition proposal presented by a newco, called Mape Technology S.r.l..

On 9 May 2014, the Official Receiver filed a request for revocation of the arrangement, and, consequently, on 15 May 2014, the Court of Bologna declared Mape S.p.A. bankrupt; on 13 May 2014, the same company had filed a petition for bankruptcy.

After the Fund submitted a proof of debt claiming an amount equal to the amount of the convertible bond and accrued interest as at the date of bankruptcy (specifically, Euro 6,937,481.82), the Court of Bologna approved the debt claimed by the Fund in the unsecured and subordinated loan category for an amount equal to the amount of the convertible bond and interest accrued as at the date of filing of the request for procedure (specifically, Euro 6,530,235.62). The Fund filed an appeal in objection to the statement of affairs as part of its actions taken to protect its rights of property in order to obtain recognition of the non-subordinated nature of the debt claimed in the proof of debt.

Description and registered office of the company: **Turbocoating S.p.A. (Rubbiano di Solignano)**

Activity performed by the company: Application of thermal coating spray technologies (so-called *coating*)

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	9,874	15.25	7,500,000	7,500,000	7,500,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer	2,500,000	50.00	2,500,000	2,500,000	2,500,000
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	52,642,012	52,655,743	50,843,616
2) Holdings	18,370,825	18,370,825	18,370,825
3) Real estate	31,620	27,675	17,431
4) Short-term debt	9,180,271	9,041,419	9,086,844
5) Medium/long-term debt	6,710,716	11,357,940	12,532,064
6) Shareholders' equity	36,751,025	32,256,384	29,224,708
7) Gross working capital	20,143,669	14,711,625	16,706,561
8) Net working capital	10,971,693	7,770,880	11,085,301
9) Net fixed capital	4,940,866	4,075,703	4,166,218
10) Net financial position	14,943,229	15,871,324	7,961,864

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	29,938,479	26,999,956	21,926,021
2) Gross operating margin	15,903,583	13,492,141	10,661,103
3) Operating result	6,771,796	5,196,451	4,066,399
4) Balance of financial income/expenses	-419,411	-383,444	-461,630
5) Balance of extraordinary income/expenses	51,230	-105,547	463,415
6) Profit before taxes	6,403,615	4,707,460	4,068,184
7) Net profit (loss)	4,494,642	3,031,675	2,589,675
8) Depreciation and amortisation for financial year	1,865,691	1,702,006	1,841,012

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 29 January 2013, the Fund increased its participation in Turbocoating S.p.A. for a total of Euro 7,500,000, equal to 15.25% of the share capital, and a convertible bond of Euro 2,500,000 with a duration of 10 years and a maturity date of 31 December 2022. The operation was performed as a co-investment with Winch Italia S.p.A. and Winch Italy Holdings 2 S.A., which invested an additional 10 million Euros.

F) OTHER INFORMATION

Turbocoating is an operational company and the holding of "Unitedcoatings Group" (hereinafter, the "Group" or "ICG Group"), with headquarters in Rubbiano di Solignano (PR), which operates in the application of thermal coating spray technologies (so-called coatings) for the energy and biomedical sectors.

The Group operates primarily in three industrial sectors, with (i) a division that works in surface treatment for components of the "hot part" of turbines (the so-called "IGT Division"), (ii) a division that works primarily in surface treatment for orthopaedic joint and dental prostheses (the so-called "Biomedical Division") and (iii) a joint venture that is still in the start-up phase with General Electric dedicated to the aviation sector. The technologies used are also developed internally through a company that builds the equipment that is used in the various coating processes offered by the Group.

The data from the consolidated financial statements is shown below:

Asset data	(Figures in Euros)		
	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	94,273,412	85,442,690	64,107,629
2) Holdings	1,563,257	9,485	9,424
3) Real estate	4,189,344	4,216,961	3,689,188
4) Short-term debt	22,813,378	21,452,291	19,823,291
5) Medium/long-term debt	31,776,473	32,472,274	23,420,827
6) Shareholders' equity	39,683,561	31,518,125	20,863,511
7) Gross working capital	34,886,514	32,631,186	26,969,599
8) Net working capital	15,219,008	17,253,731	12,426,838
9) Net fixed capital	35,505,088	32,636,532	30,948,520
10) Net financial position	22,073,885	18,998,640	7,693,025

Income data	(Figures in Euros)		
	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	78,381,086	65,177,376	47,181,345
2) Gross operating margin	45,195,095	36,010,721	22,674,190
3) Operating result	15,662,109	10,401,282	1,633,389
4) Balance of financial income/expenses	-138,827	817,558	-2,006,512
5) Balance of extraordinary income/expenses	-1,745,055	-341,308	481,693
6) Profit before taxes	13,077,716	10,878,776	108,570
7) Net profit (loss)	7,916,537	10,828,869	-1,366,946
8) Depreciation and amortisation for financial year	7,023,540	6,101,371	5,824,163

The estimated results as at 31 December 2016 confirm the good performance of the Group in its two main business units on both the American market and the European market.

Description and registered office of the company: **Surgical S.p.A. (Lavezzola)**

Activity performed by the company: Production and marketing of frozen pasta and frozen ready meals

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	94,118	16.00	10,600,000	10,600,000	10,600,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	92,353,159	91,460,742	92,074,490
2) Holdings	214,488	200,369	161,880
3) Real estate	13,325,572	12,088,335	7,348,266
4) Short-term debt	18,269,272	18,456,531	17,129,758
5) Medium/long-term debt	11,723,516	12,479,869	15,964,721
6) Shareholders' equity	62,360,371	60,524,342	58,980,011
7) Gross working capital	18,213,110	16,809,301	16,982,273
8) Net working capital	3,814,198	2,458,868	3,088,464
9) Net fixed capital	43,431,798	47,988,879	49,761,336
10) Net financial position	24,034,748	19,691,573	20,506,565

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	61,091,814	56,089,503	52,875,587
2) Gross operating margin	20,835,506	20,026,272	18,756,164
3) Operating result	2,456,527	2,400,923	659,764
4) Balance of financial income/expenses	115,300	240,576	521,105
5) Balance of extraordinary income/expenses	197,851	-4,312	41,431
6) Profit before taxes	2,701,105	2,546,937	757,707
7) Net profit (loss)	1,836,029	1,544,336	143,632
8) Depreciation and amortisation for financial year	8,544,312	8,761,493	9,321,500

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 31 January 2013, the Fund underwrote a share capital increase in Surgital S.p.A. for Euro 10,600,000, equal to 15.00% of the share capital, which increased to 16.00% as a result of certain contractual price adjustment clauses.

F) OTHER INFORMATION

Surgital produces and markets frozen pasta and frozen ready meals for the Ho.Re.Ca. (hotel, restaurants and catering) channel and sells third-party brands (so-called "private label" products). The Group is a leader in Italy and offers a wide range of products. The Fund's investment is intended to (i) enhance production and storage capacity by building a new automated warehouse and purchasing new production lines; (ii) strengthen its presence and increase turnover on foreign markets; and (iii) support the potential acquisition of existing structures.

The data from the consolidated financial statements is shown below:

(Figures in Euros)			
Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	94,839,188	94,075,035	94,818,227
2) Holdings	118,045	103,925	101,880
3) Real estate	15,732,912	14,598,103	9,960,462
4) Short-term debt	19,113,399	18,731,470	17,365,405
5) Medium/long-term debt	12,418,636	13,282,857	16,793,809
6) Shareholders' equity	63,307,153	62,060,708	60,659,013
7) Gross working capital	18,516,014	16,747,365	16,999,621
8) Net working capital	3,164,613	2,122,210	2,870,245
9) Net fixed capital	47,018,294	50,920,143	52,828,689
10) Net financial position	23,358,431	19,542,475	20,276,070

(Figures in Euros)			
Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	62,505,577	57,420,001	53,968,991
2) Gross operating margin	20,898,786	20,564,049	19,446,937
3) Operating result	1,684,274	2,221,404	778,206
4) Balance of financial income/expenses	105,181	238,613	511,261
5) Balance of extraordinary income/expenses	153,344	-3,253	41,384
6) Profit before taxes	1,874,226	2,366,514	1,240,849
7) Net profit (loss)	1,218,931	1,386,382	550,023
8) Depreciation and amortisation for financial year	8,759,674	8,949,980	9,500,067

The forecast data as at 31 December 2016 shows income equal to approximately 70 million Euros, up from the previous year as a result of positive trends on the domestic market. The margins also increased, primarily due to a decrease in energy costs and better plant management. The NFP in December 2016 is expected to be negative (cash) as a result of the generation of cash flows that were only partially absorbed by the investments and the working capital.

Description and registered office of the company: **Mesgo S.p.A. (Gorlago)**

Activity performed by the company: production of synthetic and natural rubber compounds

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	138,092	32.00	8,000,000	8,000,000	8,000,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	55,141,000	40,938,961	35,337,221
2) Holdings	1,173,000	368,433	143,608
3) Real estate			
4) Short-term debt	11,585,000	11,213,448	12,248,927
5) Medium/long-term debt	15,947,000	6,510,827	3,940,391
6) Shareholders' equity	27,609,000	23,214,686	19,147,903
7) Gross working capital	30,140,000	29,881,425	25,904,435
8) Net working capital	23,362,000	20,921,077	16,698,408
9) Net fixed capital	5,872,000	5,636,212	7,027,719
10) Net financial position	19,262,000	10,886,323	5,432,925

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	49,241,000	48,944,844	42,009,467
2) Gross operating margin	11,548,000	10,958,228	9,402,701
3) Operating result	7,086,000	6,235,398	5,382,683
4) Balance of financial income/expenses	2,546,000	2,009,995	1,310,975
5) Balance of extraordinary income/expenses	22,000	-23,936	-60,182
6) Profit before taxes	9,654,000	8,221,457	6,633,476
7) Net profit (loss)	7,415,000	6,095,005	4,724,333
8) Depreciation and amortisation for financial year	1,204,000	1,741,962	1,764,321

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 24 April 2013, the Fund underwrote a share capital increase in Mesgo S.p.A. for Euro 8,000,000, equal to 32.00% of the share capital.

F) OTHER INFORMATION

Founded in 1996, Mesgo is head-quartered in Gorlago (Bergamo) and is active in the natural and synthetic (both silicon and fluorinated) rubber compound sector, and is now one of the largest European compounders in the sector.

The Fund's investment is intended to (i) increase volumes in the rubber sector by building a new production plant (ii) facilitate the internationalisation of production and distribution as well as encourage the acquisition of competitors.

In March 2013, an extraordinary operation was performed involving a lease with purchase option of one of the business units of the company Iride Color S.r.l. (in an arrangement with creditors), a company that markets and produces colour pigments for plastics, rubber and silicon.

In December 2014, the Group completed the acquisition of the company 3A Mcom S.r.l. di Grigno (TN), which is active in the production of thermoplastic rubbers, and the lease of the business owned by Guzzetti Master S.r.l., which is active in the production and marketing of pigmented products. With these acquisitions, the Mesgo Group has become one of the few operators in Europe with a complete range of products in the reference sector.

Currently, the company has paid a total of Euro 2,996,595 in dividends, as follows:

- Euro 262,374, in 2013,
- Euro 649,032, in 2014,
- Euro 966,644, in 2015,
- Euro 1,118,545, in 2016.

The first consolidated financial statements are shown below:

	(Figures in Euros)
Asset data	31/12/2015
1) Total assets	65,374,764
2) Holdings	4,755
3) Real estate	2,750,740
4) Short-term debt	15,860,959
5) Medium/long-term debt	17,181,014
6) Shareholders' equity	32,332,791
7) Gross working capital	39,731,945
8) Net working capital	29,634,499
9) Net fixed capital	12,398,093
10) Net financial position	22,905,631

	(Figures in Euros)
Income data	31/12/2015
1) Turnover	67,921,598
2) Gross operating margin	18,147,398
3) Operating result	10,394,091
4) Balance of financial income/expenses	-6,294
5) Balance of extraordinary income/expenses	-11,884
6) Profit before taxes	10,375,913
7) Net profit (loss)	7,371,566
8) Depreciation and amortisation for financial year	1,873,158

The 2016 forecast shows income that is approximately 77 million Euros higher than the 31 December 2015 figures as a result of the increase in sales volumes of some of the products of the parent company, Mesgo S.p.A..

Description and registered office of the company: **Forgital Italy S.p.A. (Velo d'Astico)**

Activity performed by the company: Production and machining of rings and other large forged components

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	1,097,371	17.00	25,025,000	25,025,000	15,000,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer	15,000,000	100	15,000,000		15,000,000
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) BALANCE SHEET ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	263,863,825	168,099,777	186,311,410
2) Holdings	83,452,518	136,830,672	124,389,995
3) Real estate	17,148,809	16,095,260	16,520,567
4) Short-term debt	65,737,952	8,002,660	23,288,155
5) Medium/long-term debt	80,992,489	25,401,596	31,289,785
6) Shareholders' equity	117,133,384	134,695,521	131,733,470
7) Gross working capital	98,400,766	2,172,472	3,521,386
8) Net working capital	47,291,516	-40,972	-1,730,699
9) Net fixed capital	47,371,944	17,730,445	18,168,495
10) Net financial position	8,085,488	551,803	-332,406

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	161,027,344	2,735,389	2,719,424
2) Gross operating margin	36,481,102	1,534,738	1,092,006
3) Operating result	10,960,780	2,819,665	3,308,796
4) Balance of financial income/expenses	-3,059,508	-2,354,466	1,368,098
5) Balance of extraordinary income/expenses	-1,356,734	-8,476	-66,219
6) Profit before taxes	5,519,754	-1,594,674	-6,440,677
7) Net profit (loss)	1,896,069	-2,037,948	-6,848,235
8) Depreciation and amortisation for financial year	10,664,903	1,590,232	1,563,859

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 27 December 2013, the Fund invested Euro 30,000,000 in Forgital Group S.p.A. (now Forgital Italy S.p.A. following the merger by incorporation of Forgital Group S.p.A. into Forgital Italy S.p.A. on 12 June 2015). This investment breaks down as (i) Euro 100,000, capital increase; (ii) 9,900,000, convertible shareholder loan, converted on 17 December 2014; (iii) Euro 5,000,000, convertible shareholder loan, converted on 12 June 2015, bringing the Fund's stake to 12.77% of the share capital; and (iv) Euro 15,000,000, as the second convertible bond, duration: five years, maturity date: 15 December 2018.

On 29 November 2016, the aforesaid convertible bond was partially converted into capital for Euro 10,025,000, bringing the capital share to Euro 25,025,000, equal to 17.00% of the share capital. The difference of Euro 4,975,000 was repaid in advance, plus interest accrued.

F) OTHER INFORMATION

Forgital, head-quartered in Velo d'Astico (VI), operates in the production and machining of rings and other large forged components. The Forgital group (hereinafter, the "Group") was founded in 1873 by the Spezzapria family, the current fifth-generation owner, as a small laboratory for the production of agricultural tools. Over the years, it has become a worldwide leader in the production of large rectangular-section and profiled-section rings, primarily for the aerospace and industrial sectors (oil & gas, power generation, general mechanics transmission).

The Fund's investment is primarily intended to support the Group's development in the aerospace sector through new investments.

During 2015, the company paid interest of Euro 1,069,918, broken down as follows:

- Euro 181,918 on 25 June 2015,
- Euro 442,784 on 30 June 2015 and
- Euro 445,216 on 29 December 2015.

During 2016, the company paid interest of Euro 416,022, broken down as follows:

- Euro 227,474 on 29 June 2016,
 - Euro 188,548 on 29 November 2016,
- and dividends for Euro 256,258 on 4 October 2016.

The data from the consolidated financial statements is shown below:

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	392,645,045	366,407,820	384,046,420
2) Holdings	1,168,407	1,004,645	934,776
3) Real estate	68,899,473	71,966,519	74,092,799
4) Short-term debt	138,064,083	156,690,277	171,175,704
5) Medium/long-term debt	127,300,823	84,498,977	92,027,664
6) Shareholders' equity	127,280,139	125,218,566	120,843,052
7) Gross working capital	162,281,519	169,998,257	165,901,358
8) Net working capital	32,860,169	38,749,815	26,439,500
9) Net fixed capital	182,220,400	181,756,616	190,166,542
10) Net financial position	-33,343,200	-75,391,286	-71,329,580

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	274,634,982	240,723,652	233,561,234
2) Gross operating margin	86,422,058	76,842,767	70,490,812
3) Operating result	15,922,917	6,901,634	-3,485,900
4) Balance of financial income/expenses	-6,074,323	-7,066,194	-7,937,513
5) Balance of extraordinary income/expenses	-1,478,105	985,511	-590,014
6) Profit before taxes	8,534,392	860,920	-11,982,099
7) Net profit (loss)	1,883,850	-1,854,840	-12,507,582
8) Depreciation and amortisation for financial year	28,842,388	29,075,559	30,347,464

The pre-closing data as at 31 December 2016 confirms the budget objectives; in particular, a production value of approximately 350 million Euros is estimated, up from 31 December 2015, as a result of the good performance in the aerospace sector. The margins and NFP are expected to have improved.

Description and headquarters of the company: **Megadyne S.p.A. – Mathi (TO)**

Activity performed by the company: Production and marketing of polyurethane and rubber belts

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	48,092,336	4.81	15,000,000	15,000,000	15,000,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	493,447,523	478,460,987	127,843,677
2) Holdings	65,135,120	59,363,399	54,326,104
3) Real estate	6,639,709	7,154,055	7,326,704
4) Short-term debt	49,117,219	30,581,418	38,054,810
5) Medium/long-term debt	192,278,795	186,471,932	9,091,272
6) Shareholders' equity	252,051,509	261,407,637	80,697,595
7) Gross working capital	64,018,567	49,241,005	41,247,570
8) Net working capital	55,248,456	25,538,612	19,332,143
9) Net fixed capital	326,304,381	338,834,835	15,990,117
10) Net financial position	3,616,545	8,467,772	-10,920,859

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	91,655,191	80,203,559	72,391,896
2) Gross operating margin	30,637,421	25,636,264	21,896,948
3) Operating result	-7,864,819	632,406	7,683,720
4) Balance of financial income/expenses	-1,916,180	-4,944,686	1,814,467
5) Balance of extraordinary income/expenses	177,731	-30,359	1,591,396
6) Profit before taxes	-9,603,268	-4,342,639	11,089,583
7) Net profit (loss)	-9,356,130	-2,294,954	8,712,765
8) Depreciation and amortisation for financial year	25,996,654	12,816,099	1,680,705

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 30 July 2014, the Fund underwrote a share capital increase in MegaCo S.r.l. (now Megadyne S.p.A. as a result of a merger by incorporation completed on 29 December 2014) by Euro 15,000,000, equal to 4.81% of the share capital.

The Fund's dematerialised shares have been pledged to Banca IMI to guarantee a loan granted to the company.

F) OTHER INFORMATION

The Group operates in the polyurethane belt production sector, in which it is a global market leader, and in the rubber belt sector for applications in various industrial contexts, with production plants and distribution branches in Europe, the Americas and Asia.

The Fund's investment (its second intervention) is intended to (i) increase the company's direct presence abroad through its own branches, (ii) access new product niches and (ii) support the potential acquisition of existing structures.

The data from the consolidated financial statements is shown below:

Asset data	(Figures in Euros)		
	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	589,205,788	554,870,563	190,107,383
2) Holdings	149,760	10,206	10,206
3) Real estate	19,018,724	16,139,195	13,237,137
4) Short-term debt	77,047,739	56,049,245	62,073,120
5) Medium/long-term debt	200,830,737	187,750,720	15,049,456
6) Shareholders' equity	311,327,312	311,070,598	112,984,807
7) Gross working capital	158,576,177	138,235,362	108,970,237
8) Net working capital	115,966,722	101,703,352	75,110,660
9) Net fixed capital	390,884,026	396,646,631	63,064,564
10) Net financial position	38,432,898	31,967,830	6,206,456

Income data	(Figures in Euros)		
	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	282,179,571	231,471,913	206,438,593
2) Gross operating margin	117,919,962	96,239,428	85,779,071
3) Operating result	18,220,890	24,163,536	30,266,591
4) Balance of financial income/expenses	-16,554,139	-8,066,720	-2,850,498
5) Balance of extraordinary income/expenses	-595,726	-168,819	825,718
6) Profit before taxes	1,071,025	15,927,997	28,241,811
7) Net profit (loss)	-2,754,164	10,799,534	19,970,229
8) Depreciation and amortisation for financial year	33,782,611	18,899,960	6,574,677

The 2016 forecast data shows results that are consistent with the previous year, both in terms of income and in terms of margins, despite the negative impact of the exchange rates. The NFP in December 2016 is expected to be slightly down as a result of the generation of cash flows that were only partially absorbed by the investments and the working capital.

Description and registered office of the company: Film Master Group - Italian Entertainment Network S.p.A. - Rome

Activity performed by the company: Organisation of Events, advertising productions and management of museum services

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	589,240	15.33	3,333,331	3,333,331	3,333,331
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer	6,666,660	100	6,666,660	6,666,660	6,666,660
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments	1,253,999	100	1,253,999	1,253,999	599,999

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	25,511,066	27,149,034	13,189,194
2) Holdings	16,954,770	14,431,748	9,565,546
3) Real estate			
4) Short-term debt	2,946,124	3,094,807	3,133,969
5) Medium/long-term debt	7,774,126	7,009,780	1,096,470
6) Shareholders' equity	14,790,816	17,044,447	8,958,755
7) Gross working capital	5,190,220	3,212,448	1,978,148
8) Net working capital	2,287,815	540,048	352,640
9) Net fixed capital	692,439	436,116	519,423
10) Net financial position	2,288,589	8,129,562	-80,544

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	1,479,983	1,462,465	2,430,600
2) Gross operating margin	-1,980,601	-357,816	437,643
3) Operating result	-2,934,643	-1,311,296	-712,221
4) Balance of financial income/expenses	263,803	345,968	428,719
5) Balance of extraordinary income/expenses	12,186	-455,273	59,712
6) Profit before taxes	-2,658,654	-1,420,601	-223,790
7) Net profit (loss)	-2,253,633	-1,088,840	-234,624
8) Depreciation and amortisation for financial year	287,237	195,835	174,887

As a result of certain spin-off operations, the financial statement data as at 31 December 2013 concerns Film Master Group S.p.A. only.

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 26 August 2014, the Fund underwrote a share capital increase in Film Master Group Italian Entertainment Network S.p.A. (hereinafter, "IEN") by Euro 3,333,333, equal to 15.33% of the share capital, and subscribed to a convertible/converting bond for Euro 6,666,660, with a duration of six years, maturity date: 26 August 2020.

The company issued ordinary bonds as dividends for

- Euro 599,999 on 26 August 2015 and
 - Euro 599,999 on 26 August 2016
- in addition to capitalised interest of Euro 54,000.

F) OTHER INFORMATION

The company, with its registered office in Rome, operates in the organisation of corporate events and major institutional events, advertising productions and the management of museum services.

IEN is the operational holding that was created through the recent aggregation of the companies under the Filmmaster Group (a leader in Italy and abroad in the organisation of events, Olympic ceremonies, shows and advertising and commercial productions) with the Civita Group (an Italian leader in the management of museum services) and CineDistrict Entertainment, including through event organisation and management of the Cinecittà spaces and museum, holder of the "Cinecittà" brand, which took place at the same time as the Fund's entry.

The Fund's involvement is intended to support and facilitate the creation and development of the new IEN Group, a leading operator in the *entertainment* and *edutainment* sector, promoting its growth and international development and supporting the process of integrating its various activities in order to achieve significant synergy.

The consolidated financial statements of the group, drafted beginning in 2014, are shown below:

(Figures in Euros)		
Asset data	31/12/2015	Previous Financial Year
1) Total assets	122,579,126	113,092,710
2) Holdings	4,261,253	4,424,216
3) Real estate	729,243	729,245
4) Short-term debt	89,837,109	69,290,171
5) Medium/long-term debt	13,426,738	21,150,304
6) Shareholders' equity	19,315,279	22,652,235
7) Gross working capital	65,463,749	56,970,886
8) Net working capital	-1,083,979	3,191,638
9) Net fixed capital	31,965,550	33,235,648
10) Net financial position	-23,617,831	-9,420,637

(Figures in Euros)		
Income data	Previous Financial	
	31/12/2015	Year
1) Turnover	159,796,819	91,952,110
2) Gross operating margin	37,128,180	20,409,713
3) Operating result	-674,616	55,243
4) Balance of financial income/expenses	-2,189,991	-830,405
5) Balance of extraordinary income/expenses	333,323	-244,922
6) Profit before taxes	-2,807,322	-1,145,303
7) Net profit (loss)	-3,724,700	-2,389,774
8) Depreciation and amortisation for financial year	4,658,159	2,443,579

The 2016 forecast data shows total revenues of 162 million Euros, up from 2015. The margins are essentially expected to have improved from the previous year due to the positive performance of the museum activities and the completion of important events (corporate and special), in particular on the foreign markets. The NFP is expected to increase as a result of the group's reorganisation and rearrangement operations and the launch of new initiatives that are not yet operational.

Description and registered office of the company: **Brugola O.E.B. Industriale - Lissone (MB)**

Activity performed by the company: Production and marketing of screws and bolts

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	544,133	15.18	7,500,000	7,500,000	7,500,000
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments					

B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	139,769,336	122,443,574	120,654,803
2) Holdings	978,769	66,084	66,084
3) Real estate	8,747,619	8,103,142	8,156,926
4) Short-term debt	67,089,628	64,560,849	61,506,309
5) Medium/long-term debt	19,464,736	14,733,397	17,444,400
6) Shareholders' equity	53,214,972	43,149,328	41,704,094
7) Gross working capital	63,223,765	58,974,123	57,205,508
8) Net working capital	19,611,583	13,980,504	10,608,330
9) Net fixed capital	56,625,906	57,268,763	58,689,327
10) Net financial position	-27,948,255	-30,511,374	-31,628,523

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	125,786,255	125,713,572	121,006,549
2) Gross operating margin	29,012,616	28,245,102	25,149,104
3) Operating result	3,772,559	3,709,446	3,333,626
4) Balance of financial income/expenses	-161,311	-688,399	-1,382,378
5) Balance of extraordinary income/expenses	70,356	-39,268	38,479
6) Profit before taxes	3,621,604	2,981,779	1,989,727
7) Net profit (loss)	2,565,646	1,445,232	846,203
8) Depreciation and amortisation for financial year	6,108,729	5,744,067	5,273,169

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 17 March 2015, the Fund underwrote its share capital increase in Brugola O.E.B. Industriale S.p.A. (hereinafter, "Brugola") by Euro 7,500,000, equal to 15.15%, which increased to 15.18% as a result of certain contractual price adjustment clauses.

F) OTHER INFORMATION

The company, which was founded in 1926 by the Brugola family, which still owns a majority in the company, produces and markets special screws and bolts designed for engines for automobiles, light commercial vehicles and light trucks both in Italy and in Europe, with an international orientation thanks to its manufacturing plants and logistical centres located in America, as well as Italy and Europe. It currently employs approximately 400 people.

The Fund's involvement is intended to support the growth of the Group through the creation of a new manufacturing plant in the United States with the objective of meeting the demand of American clients.

The consolidated financial statements, drafted beginning in 2014, are shown below:

(Figures in Euros)		
Asset data	31/12/2015	Previous Financial Year
1) Total assets	152,069,539	132,770,839
2) Holdings	27,272	27,322
3) Real estate	18,335,413	16,193,694
4) Short-term debt	70,948,267	65,746,164
5) Medium/long-term debt	26,371,702	22,054,949
6) Shareholders' equity	54,749,570	44,969,726
7) Gross working capital	56,793,694	55,255,985
8) Net working capital	10,560,833	10,393,746
9) Net fixed capital	82,315,361	70,501,315
10) Net financial position	-33,743,827	-38,913,593

(Figures in Euros)		
Income data	31/12/2015	Previous Financial Year
1) Turnover	130,433,429	126,913,911
2) Gross operating margin	31,947,423	28,801,478
3) Operating result	3,767,306	4,106,771
4) Balance of financial income/expenses	-451,178	-792,920
5) Balance of extraordinary income/expenses	69,365	-51,268
6) Profit before taxes	3,385,493	3,262,583
7) Net profit (loss)	2,301,819	1,989,581
8) Depreciation and amortisation for financial year	7,068,900	6,159,102

The 2016 forecast data indicate income and an Ebitda that are essentially in line with the 2015 figures.

Description and registered office of the company: **Ligabue Venice Services Holding S.p.A. (Venice)**

Activity performed by the company: Supply of food products and catering services

A) SECURITIES IN THE FUND'S PORTFOLIO

(Figures in Euros)

Securities in the Fund's portfolio	Quantity	% of total securities issued	Purchase cost	Value as at the report date	Value as at the date of the previous report
1) Equities with voting rights	6,120,000	30.60	9,000,000	9,000,000	
2) Equities without voting rights					
3) Bonds convertible into shares of the same issuer					
4) Bonds with warrants on shares of the same issuer					
5) Other financial instruments	1	100	5,000,000	5,000,000	

B) FINANCIAL STATEMENT DATA OF THE ISSUER

(Figures in Euros)

Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	67,930,511	62,382,920	60,192,175
2) Holdings	21,194,130	17,592,053	17,550,053
3) Real estate			
4) Short-term debt	28,299,695	35,272,197	31,479,308
5) Medium/long-term debt	19,717,281	7,996,706	10,354,566
6) Shareholders' equity	19,913,535	19,114,017	18,358,301
7) Gross working capital	36,385,768	33,639,444	31,555,673
8) Net working capital	14,772,697	12,584,426	12,889,046
9) Net fixed capital	3,606,536	2,758,973	3,324,276
10) Net financial position	8,117,456	-1,462,611	-120,274

(Figures in Euros)

Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	59,725,526	57,833,923	52,008,177
2) Gross operating margin	7,924,058	9,415,687	7,435,635
3) Operating result	-4,370,742	-893,602	-2,606,627
4) Balance of financial income/expenses	6,625,541	3,685,664	4,980,351
5) Balance of extraordinary income/expenses	-61,267	-172,688	-23,115
6) Profit before taxes	1,152,283	1,602,499	39,612
7) Net profit (loss)	799,518	755,716	-589,726
8) Depreciation and amortisation for financial year	838,282	822,316	792,442

C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost.

D) LIST OF REAL ESTATE ASSETS AND REAL PROPERTY RIGHTS HELD BY SUBSIDIARY REAL ESTATE COMPANIES

The company does not control real estate companies.

E) DESCRIPTION OF OPERATIONS

On 11 May 2016, the Fund underwrote a share capital increase in Ligabue Venice Services Holding S.p.A. (hereinafter, "Ligabue") by Euro 9,000,000, equal to 30.6% of the share capital, in addition to the Euro 5,000,000 for the convertible shareholder loan.

F) OTHER INFORMATION

Ligabue controls 100% of Ligabue S.p.A., an operational holding company owned by the Ligabue Group that provides food products and catering and hospitality services at remote locations (such as on/off shore oil platforms and on board ships) and is considered an international leader in the industry. The Group provides foodstuffs and comfort items as well as technical equipment to passenger and cargo maritime companies and is involved in the direct management of stores, in addition to restaurants, on board passenger vessels. It also acts as a cruise tour operator on the German market and directly manages a cruise ship.

The Fund's intervention is intended to strengthen the Group using its own commercial structure and increase its presence in new geographical areas (especially in the industrial division) so as to consolidate its shares and contacts in the countries in which it already operates.

The data from the consolidated financial statements is shown below:

(Figures in Euros)			
Asset data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Total assets	108,888,000	101,922,000	83,657,000
2) Holdings	160,000	302,000	302,000
3) Real estate	1,614,000	1,783,000	1,894,000
4) Short-term debt	77,084,000	83,878,000	63,653,000
5) Medium/long-term debt	21,789,000	7,710,000	10,490,000
6) Shareholders' equity	10,015,000	10,334,000	9,514,000
7) Gross working capital	78,487,000	77,436,000	59,586,000
8) Net working capital	10,817,000	8,358,000	9,196,000
9) Net fixed capital	9,127,000	8,412,000	8,650,000
10) Net financial position	7,826,000	-6,397,000	-2,135,000

(Figures in Euros)			
Income data	31/12/2015	Previous Financial Year	2° Previous Financial Year
1) Turnover	261,033,000	225,218,000	198,023,000
2) Gross operating margin	72,050,000	61,838,000	49,303,000
3) Operating result	13,633,000	9,014,000	7,380,000
4) Balance of financial income/expenses	-858,000	-2,328,000	-2,821,000
5) Balance of extraordinary income/expenses	-1,117,000	-1,388,000	335,000
6) Profit before taxes	10,272,000	4,642,000	4,894,000
7) Net profit (loss)	4,887,000	1,698,000	953,000
8) Depreciation and amortisation for financial year	2,282,000	2,102,000	2,154,000

TABLE B

**SUMMARY OF ASSETS DIVESTED BY THE FUND
between 10/11/2010 and 31/12/2016**

Holdings	Quantity		Purchase		Last valuation	Gains on sale		Proceeds generated	Costs incurred	Result of the investment
	no. share/units	%	Date	Purchase cost		Date	Sales revenue			
FARMOL SPA	519,971	32.90	23/05/12	6,250,000	6,250,000	29/11/13	4,493,855	1,756,145		-
ARIOLI S.p.A.	286,128	32.73	03/05/11	5,727,159	7,757,332	04/07/14	7,757,332			2,030,172
ECO ERIDANIA S.p.A.	4,826,190	30.60	28/09/11	12,300,000	12,300,000	09/06/14	21,500,000	50,000		9,250,000
ATT S.R.L.	59,230	32.00	16/05/12	8,000,000	11,810,000	29/07/14	11,810,000	350,000		4,160,000
MEGADYNE S.p.A.	1,533,174	14.13	26/09/12	22,000,000	48,000,000	31/07/14	51,502,236	1,412,904		30,915,140
COMECER S.p.A.	329,000	32.90	23/05/11	7,500,000	7,500,000	18/12/15	16,500,000			9,000,000
MARSILLI S.p.A.	3,826,515	13.75	18/04/13	10,000,000	10,000,000	30/06/16	14,000,000	420,917		4,420,917
FERRY INVESTMENTS S.R.L.	30,000	100.00	17/07/13	17,500,000	35,200,000	21/07/16	35,279,838	725,695		18,505,533

The "last valuation" column shows the last current value assigned to the asset in the interim report.

Farmol S.p.A., Angelantoni Test Technologies S.r.l. and Megadyne S.p.A. paid dividends.

Eco Eridiana S.p.A. paid income for the exercise of the call option.

Ferry Investments S.r.l.: the initial investment was made for the same value of 13 June 2011 in Cartour Srl. Subsequently, on 17 July 2013, the swap in Caronte & Tourist S.p.A. was completed through the creation of a corporate vehicle wholly owned by the Fund, called Ferry Investment S.r.l.. The sale took place on 14 July 2016 for 35.5 million Euros, 35.2 million Euros of which was attributed to the Fund on 21 July 2016.

- On 29 November 2013, Farmol S.p.A. was sold for a value of Euro 4,493,855; on the same date, the Fund collected dividends equal to Euro 1,756,145 and paid a convertible bond of Euro 3,000,000, which is currently in the portfolio. The purchase cost of the underlying company was Euro 6,250,000. The costs incurred in connection with due diligence activities accrued during the financial year were equal to Euro 210,198.
- On 9 June 2014, Eco Eridania S.p.A. was sold for the amount of Euro 21,500,000, of which Euro 16,000,000 was ready cash (Euro 20,000 in December 2013 and Euro 10,000 in March 2014) and Euro 5,500,000 was to be collected by 31 December 2016. The profits on the sale amounted to Euro 9,200,000, plus Euro 50,000 as consideration for the call option, collected on 24 May 2013, for a total of Euro 9,250,000, against a purchase cost of Euro 12,300,000 (Euro 10,000,000 on 28 September 2011, Euro 1,440,000 on 19 December 2012 and Euro 860,000 on 11 March 2013). The costs incurred in connection with the due diligence activities associated with the Fund's entry were paid by the target. The costs incurred during 2014, equal to Euro 97,698, were for the legal expenses associated with the sale of the underlying company.
- On 4 July 2014, Arioli S.p.A. was sold for Euro 7,757,332, resulting in gains of Euro 2,030,172. The purchase cost of the underlying company was Euro 5,727,159 (Euro 3,000,000 of which was paid on 21 December 2010 as an advance against a future capital increase, Euro 1,467,459 of which was paid on 3 May 2011 and Euro 1,259,700 of which was paid on 15 March 2012). The costs incurred in connection with due diligence activities accrued during the financial year were equal to Euro 155,818.
- On 29 July 2014, Angelantoni Test Technologies S.r.l. was sold for Euro 11,810,000; the profit on the sale was equal to Euro 3,810,000, compared to a purchase cost of Euro 8,000,000 on 16 May 2012. During 2013, the company paid dividends of Euro 350,000. The costs incurred in connection with due diligence activities accrued during the financial year were equal to Euro 218,676.
- On 31 July 2014, Megadyne S.p.A. was sold for Euro 51,502,236, net of the earn-out and the price adjustment; the profit on the sale was equal to Euro 29,502,236, compared to a purchase cost of Euro 22,000,000 (of which Euro 20,000,000 was paid on 26 September 2012 and Euro 2,000,000 was paid on 1 August 2013). On 17 April 2014, the company paid dividends of Euro 1,412,904. In August 2014, the Fund paid a success fee of Euro 610,000. The costs incurred in connection with due diligence activities accrued during the financial year were equal to Euro 382,107.

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- 6) On 18 December 2015, Comecer S.p.A. was sold for Euro 16,500,000; the profit on the sale was equal to Euro 9,000,000, compared to a purchase cost of Euro 7,500,000 on 23 May 2011. The costs incurred in connection with due diligence activities accrued during the financial year were equal to Euro 144,829.
 - 7) On 30 June 2016, Marsilli S.p.A. was sold for Euro 14,000,000; the profit on the sale was equal to Euro 4,000,000, compared to a purchase cost of Euro 10,000,000 on 18 April 2013. The costs incurred in connection with due diligence activities accrued during the financial year were equal to Euro 230,157.
 - 8) On 14 July 2016, the underlying company Caronte & Tourist S.p.A., held by Ferry Investments S.r.l., was sold for Euro 35,500,000, which was attributed to the Fund for Euro 35,279,838, Euro 35,200,000 of which was contributed on 21 July 2016 and Euro 79,838 of which was contributed on 29 December 2016 (following the final liquidation of the vehicle), against a purchase cost of Euro 17,500,000 on 13 June 2011 equal to 25.36% of Cartour S.r.l., subsequently, through a shareholder swap on 17 July 2013, at 10.11% of Caronte & Tourist S.p.A. through the corporate vehicle, Ferry Investments S.r.l. (wholly owned by the Fund). The costs incurred by the Fund in connection with due diligence activities accrued during the financial year were equal to Euro 320,713.

**REPORT OF THE INDEPENDENT AUDITOR
ON THE MANAGEMENT REPORT
AS AT 31 DECEMBER 2016
PURSUANT TO ARTICLES 14 and 16
OF LEGISLATIVE DECREE No. 39 of 27/1/2010**



Fondo Italiano d'Investimento SGR S.p.A.

Report on Operations
of the closed-end fund

“Fondo Italiano di Investimento”

as at 31 December 2016

Independent auditor's report pursuant to Article 14
of Legislative Decree No. 39 of 27/1/2010 and
Article 9 of Legislative Decree No. 58 of 24/2/1998

INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE NO. 39 OF 27 JANUARY 2010 AND ARTICLE 9 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998

To the Participants of the
closed-ended fund "Fondo Italiano di Investimento"

Evaluation of the Report on Operations

We conducted the audit of the report on operations of the closed-end fund known as "Fondo Italiano di Investimento" (the "Fund"), comprised of the assets and liability statement, income section and explanatory notes, for the financial year ended 31 December 2016.

Responsibility of the directors for the report on operations

The directors of Fondo Italiano d'Investimento SGR S.p.A., the Management Company of the Fund, are responsible for drafting a management report that provides a true and faithful representation in accordance with the Order issued by Banca d'Italia on 19 January 2015 (hereinafter also referred to as the "Order").

Responsibility of the independent auditor

It is our responsibility to express an opinion on the Fund's management report based on our accounting audit. We conducted the accounting audit in accordance with the international auditing principles (ISA Italy) developed in accordance with Article 11 of Legislative Decree No. 39 of 27 January 2010. These principles require respect for ethical principles as well as the planning and performance of an accounting audit for the purpose of ascertaining with reasonable certainty that the report on operations does not contain significant errors.

The audit includes the performance of procedures intended to acquire probative elements in support of the amounts and information contained in the report on operations. The procedures are selected in accordance with the professional judgement of the auditor, including an assessment of the risks of significant errors in the report on operations due to fraud or unintentional acts or events. When assessing such risk, the auditor considers the internal control of the drafting of the Fund's report on operations, which provides a true and faithful representation in accordance with the Order, for the purpose of defining auditing procedures that are appropriate under the circumstances and not to express an opinion on the effectiveness of the internal control procedures of the Fund Management Company. The audit also includes an assessment of the appropriateness of the valuation criteria and methods used, the reasonableness of the accounting estimates made by the directors, and an assessment of the presentation of the report on operations as a whole.

We believe that we have obtained sufficient and appropriate probative elements on which to base our judgement.

Opinion

In our opinion, the management report provides a true and fair view of the economic and financial situation of the Closed-Ended Fund - the "Fondo Italiano di Investimento" - as at 31 December 2016 and of the net result for the financial year ending on that date in accordance with the Order issued by Banca d'Italia on 19 January 2015.



Disclosure

We would like to draw your attention to what was reported in the directors' report, in which it was indicated that by the resolution of 17 March 2016, the Board of Directors of the Fund Management Company approved the Spin-Off Project for the Fondo Italiano di Investimento through the creation of two new funds, respectively the "Fondo Italiano di Investimento Fondo di Fondi" and the "Fondo Italiano di Investimento - FII Venture." The aforesaid division became effective on 1 January 2016.

Our judgement does not contain any findings regarding these aspects.

Report on other legal and regulatory provisions

Judgement on the consistency of the directors' report with the report on operations

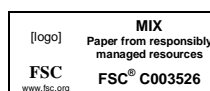
We followed the procedures indicated by auditing standard (SA Italia) No. 720B in order to express a judgement on the consistency of the directors' report, for which the directors of Società di Gestione del Fondo are responsible, with the report on operations of the closed-end fund "Fondo Italiano di Investimento" for the financial year ended 31 December 2016. In our judgement, the directors' report is consistent with the report on operations of the closed-end fund known as Fondo Italiano di Investimento Mobiliare Chiuso, for the financial year ended 31 December 2016.

Milan, 15 March 2017

EY S.p.A.

[signature]
Carlo Vago
(Shareholder)

Development and realisation: Agema® S.p.A.



Fondo Italiano D'investimento Sgr S.p.A., out of respect for the environment, printed these financial statements on paper derived from responsibly managed forests, in accordance with FSC® (Forest Stewardship Council®) criteria