



**Neuberger Berman AIFM Limited**

**ANNUAL REPORT ON OPERATIONS OF FONDO ITALIANO DI INVESTIMENTO AS  
AT 31 DECEMBER 2017**

*Approved by the Board of Directors Meeting of 17 April 2018*

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Registered under No. 212 of the Register of AIF Managers kept by Banca d'Italia

## TABLE OF CONTENTS

Composition of the Company Bodies .....	P. 3
Directors' Report.....	P. 4
Assets and Liabilities Statement .....	P. 18
Income Section .....	P. 19
Explanatory Notes .....	P. 20
PART A – Performance	
Part B – Assets, liabilities and the total net value	
Part C – Economic result of the financial year	
Part D – Other Information	
Report of the Independent Auditor	

## **Composition of the Company Bodies**

### **BOARD OF DIRECTORS**

James Charles Frazer Harvey	Counsel
Joana Amaral Palhava Ferreira From Rocha Scaff	Counsel
Christian Neira	Counsel

### **INDEPENDENT AUDITOR**

EY S.p.A.

### **DEPOSITARY**

Société Générale Securities Services S.p.A.

*Until 30-Nov-17, effective date the management's replacement company in favour of Neuberger Berman These Ltd, the Board of Directors consisted of: Innocent Cipolletta (President), Leone Pattofatto (Vice President), Carlo Giovanni Mammola (CEO), Ferruccio Carminati, Stefano Firpo, Federico Gallo, Anna Gervasoni, Giovanni Gilli, Roberto Lombardi, Rinaldo Ocleppo, Giovanni Ronca, Giovanni Sabatini, Marco Zizzo (Directors). The company's board was composed of Poalo Maria Bifulco Giousuè (President), Alfredo Innella and Marco Tani (mayors actual), and Francesca Monti Silvana Micci (mayors alternates).*

## **FONDO ITALIANO DI INVESTIMENTO**

### **ANNUAL REPORT as at 31 December 2017**

Closed-ended fund reserved for qualified investors  
Travel Management: Neuberger Berman AIFM Limited

#### **Directors' Report**

The Fondo Italiano di Investimento (below the “Fund” or the “Italian Fund”) is a alternative, closed-ended fund reserved for qualified investors.

The **total net value as at 31 December 2017**, the Fund's sixth year of operations, is equal to Euro **200,063,966**, for a **unit value** of 720,000,000 units in circulation is Euro **0.278**. Please note, in fact, that on 27-Dec-17 the assembly of Subscriber has approved the nominal' s reduction in value of 4,800 units issued from Euro 150,000 to Euro 1 increasing the number of units from 4,800 to 720,000,000.

#### **Reference market**

The Fund supports small and medium sized businesses through capital injections, in order to promote development, aggregation, internationalisation, generational change, and corporate restructuring. 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 activity terminated end of 2016 and turned to undertakings in the course of development including indicatively turnover between 10 and 250 million Euros.

#### **Operation to dispose of units and Replacement of Management Company**

By way of introduction is recalled that in August 8 2017 was signed a contract of sale related to disposal of all share of the Fund between all the subscribers of units:

- Cassa depositi e prestiti S.p.A.
- Intesa Sanpaolo S.p.A.
- Monte Paschi diSiena S.p.A.
- Unicredit S.p.A.
- Nexi S.p.A. (formerly Istituto Centrale delle banche popolari S.p.A.)
- Banca Popolare del Cividale S.C.P.A .
- Banca BPER S.p.A.
- Banco BPM S.p.A.
- Credito Valtellinese S.p.A.
- UBI Banca S.p.A.

and NB SOF IV Holdings LP (below “NB”), represented by NB Alternatives Advisers LLC (in the quality of *Investment Adviser*) and NB Secondary Opportunities Associates IV GP LLC (in the quality of *General Partner*).

On 10-Nov-17, was signed on *Replacement Agreement* between Fondo Italiano di Investimento SGR S.p.A. and NB, on the replacement of management companies of the Fund in favour of NB (then identified in Neuberger Berman AIFM Ltd. – an English law company authorised to provide fund management services by the *Financial Conduct Authority* - entry. 713856 - and enabled to manage the Fund by virtue of the freedom to provide services pursuant to art. 41-ter of the TUF and related implementation regulations). The operation of transfer of all of units and the management's replacement were finalised on 30-Nov-17. To this end, certain amendments were made to regulations approved by the meeting of unit holders. In particular, on 9 November 2017, the meeting of unit holders has approved the following changes:

- Part B – Characteristics of the FIA: par. B.4 (burdens and Expenses),. A), points (a1), (a9) and (a10);
- Part C –Operation: paragraphs C.3.2 (Convening and meeting of unit holders), C.3.4 (Constitution and validity of deliberations), C.7.1 (Management Company), C.8 (Replacing the Management Company) and C.12 (Changes to regulations) together with the implementation of a new paragraph C.7.5 (ERISA Participants).

Changes were mostly related to: (i) the disbursements and fees on the Fund; (ii) the terms and manner in of meeting of unit holders of the Fund; (iii) the modalities by which the rules of Fund may be changed and the possibility to defer the effect of such changes; (iv) the discipline of transfer of Fund units, in order to take account of ERISA legislation (*United States Employee Retirement Income Security* of the 1974 as subsequently amended and the corresponding implementing regulations and orders) and (iv) discipline the replacement of the management company, in order to introduce the possibility to replace the management company without cause and, in this case, to recognise to the management company an amount equal to 12 months of the current annual management fee title as compensation for the replacement, such amount to be divided *pro rata* between unit holders.

Next, on 28-Nov-17, the assembly of Participants has approved the following additional changes:

- Part A - Identification schedule: paragraph A.1 (Name and type of the FIA), A.4 (Management Company) and A.5 (Depositary);
- Part B – Characteristics of the FIA: paragraphs B.3 (partial reimbursements, proceeds, operating results and results allocation) and B.4 (Expenses and charges);
- Part C – Operation: paragraphs C.1 (Management Company, *Corporate Governance* and investment procedures), C.1.1 (Management Company and *corporate governance*), C.3.4 (Constitution and validity of deliberations), C.5.3 (Investment Period), C.7.1 (Management Company), C.7.4 (transfer of units), C.7.5 (ERISA Participants), C.9 (Quotas and certificates of Participation).

In particular, changes were made mainly to:

- (i) references to Fondo Italiano di Investimento SGR S.p.A., have been replaced with those relating to the new NB Manager, i.e. Neuberger Berman AIFM Limited;

- (ii) the provision on the base of which, from the date of the transfer of shares of the Fund, the final result , partial reimbursements, amounts resulting from divestments (including any capital gains) should be recognised entirely to the new participants of at the Fund;
- (iii) the provision on the base of which charges and costs for the operation of transfer and Replacement of Management Company are paid by the Fund;
- (iv) the provision on the base of which the assembly of Participants can be held on totalitarian basis, as of the effective date of Replacement of the Management Company;
- (v) the reduction of capital commitment to the Fund to the extent agreed with NB.

The changes approved by the assembly of Participants of 28-Nov-17, just set out, have had effect from the replacement of the Management Company, that is from 1 December 2017 with the exception of the amendment under point (iii) that had effect as of 28-Nov-17.

On 27-Dec-17 the assembly of Participants has approved several changes of regulations, including the above mentioned reduction of nominal value of units.

On 28-Feb-18 the Fund rules were further modified, by providing for, inter alia, the emission of two classes of units: (i) the A units, that may be held and/or be subscribed by Professional Investors only; and (ii) the B shares that may be held only by the Management Company and/or any entity to whom portfolio management is delegated, and/or directors and employees of such entities and/or by legal persons owned by such individuals.

### **Investment activities**

Forty investments have been approved and completed, amounting to approximately 400 million Euros (unchanged since 31 December 2016). As of 31-Dec-17, the Fund portfolio is comprised of 18<sup>1</sup> companies operating in different geographical areas and areas of operation.

As at 31 December 2017, total funds drawn from investors were Euro 464,216,841 (Euro 442,696,847 in 2016) and the following early partial distributions were made for a total amount of Euro 229,637,133, of which :

- 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, from 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.;

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<sup>1</sup> No account is taken of the following companies: (i) MAPE S.p.A. which has been declared bankrupt; (ii) IMT S.p.A. which is in Extraordinary Administration and (iii) Film Master Group – Italian Entertainment Network S.p.A which was sold in 2017, but for which a part of the price is delayed at a 2% annual rate until 2 July 2018.

- 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 Forgitale Italy S.p.A. convertible bond.
- 14) Euro 79,838 on 3 April 2017, as the remainder from the sale of Caronte e Tourist S.p.A.;
- 15) Euro 11,350,000 on 11 April 2017 for the sale of EMARC S.p.A.;
- 16) Euro 500,000 on 27 April 2017 for the remainder from the sale of EMARC S.p.A.;
- 17) Euro 15,215,502 on 22 May 2017 for the sale of Antares Vision S.r.l..
- 18) Euro 12,222,223 on 20 July 2017 for the sale of TBS Group S.p.A.,
- 19) Euro 4,500,000 on 13 September 2017 for the sale of IEN S.p.A.;

Details on the investments in the portfolio are provided below:

- 1) 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-Jul-16 was performed an additional acquire shares of the Euro 76,720. The current book value amounts to Euro 4,548,680 (equal to 22.10% of the share capital), plus Euro 321,040 for the shareholder loan. In the month of February 2018 participation was sold for up Euro 9,500,047. In the situation accounting officer 31-Dec-17 has not been reflected the gains as the report's date there were no agreements.
- 2) On 3 October 2011, the Fund invested Euro 15,000,000 in **Sanlorenzo S.p.A.**, a company headquartered 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%.
- 3) 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. As of 31-Dec-17 in consierazione trends for company, the value of members's membership of the investment and financing has been cleared.
- 4) On 14-Dec-11, the fund has invested in **DBA Group S.r.l.** 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. In December 2017 is the partial stake's transfer by IPO, with the building of a profit of EUR 5,656,021. As of 31-Dec-17, even taking into consideration the 147,692 actions available to the Price Adjustment mechanism established by placing on the market of the AIM, the percentage which are assigned to them of the Fund is equal at 9.85%, with a sellout value Euro 1,006,021.

- 5) 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. In order to align the book value of the underlying company with its fair value, an additional write down of Euro 760,000 was performed on 30 June 2017; the book value was therefore reduced to Euro 5,200,000.
- 6) On 30 December 2011, the Fund invested Euro 10,000,000 in **IMT S.p.A.**, a company head-quartered 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 filled a request for admission into Extraordinary Administration in December 2014. Consequently, as at 31 December 2014, the underlying company and the convertible bond were fully written down.
- 7) 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. As of 31-Dec-17, in order to align the load investee's value to its fair value, has been a devaluation of Euro 2,000,000, resulting in a value under same date is equal to EUR 3,000,000.
- 8) 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. As of 31-Dec-17, in order to align the load investee's value to its fair value, has been a devaluation of Euro 2,500,000, that in combination with that detected in the previous exercises, led the value on the same date to Euro 4,900,000.
- 9) 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.



- 10) 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.. As of 31-Dec-17, the value of membership amounts to Euro 9,320,049.
- 11) On 29 May 2012, the Fund underwrote a share capital increase 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, by Euro 12,000,000 (19.99% of the share capital) and subscribed to a convertible shareholder loan of Euro 8,000,000. As of 31-Dec-17, the load value actions, of the bond issue and interest accruing shall be given full depreciated into account trends for company.
- 12) 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. As a result of some write-downs made before the exercise of the 2017, the load shareholding's value was equal to EUR 11,800,000.
- 13) 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. As a result, on 23-Oct-17, of the call option industrial the sale of hops by its members, in January 2018 are been cashed Euro 8,149,127 full sale in allowance's return held by the Fund. As of 31-Dec-17 participation is just been entered into esercizio call's value option with the recognition of a gain Euro 5,149,127.
- 14) 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.
- 15) 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). As of 31-Dec-17, the value of membership amounts to Euro 10,600,000.
- 16) 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. As of 31-Dec-17, the value of membership amounts to Euro 8,000,000.
- 17) On 27 December 2013, the Fund invested in **Forgital Group S.p.A.** (now Forgital Italy S.p.A.), a company with its registered office 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, increasing the Fund's stake 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.

- 18) 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.**) 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. As of 31-Dec-17, the value of membership amounts to Euro 15,000,000.
- 19) 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. As of 31-Dec-17, in order to align the load investee's value to its fair value, was detected devaluation of Euro 2,500,000, they brought over the value to join Euro 5,000,000.
- 20) 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). As of 31-Dec-17, the value of membership amounts to Euro 9,000,000.

#### **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, sale of Eco Eridania S.p.A. for Euro 21,480,000, plus the Euro

- 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 headquartered 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.

- 10) 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 had subscribed to a convertible bond (hereinafter, the Convertible Bond) of Euro 1,000,000. On 10 April 2017, the company was sold for Euro 11,850,000, Euro 1,000,000 of which was collected on the following day, 11 April 2017.
- 11) On 19 July 2012, the Fund had invested 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 a total of Euro 5,000,000, equal to 21.11% of the share capital. On 19 May 2017, the company was sold for Euro 15,215,300.
- 12) 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. On 19 May 2017, the company was sold for Euro 15,215,300.
- 13) 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. On 11-Sep-17 has refine your company's sale for a total value of Euro 13,000,535, referred to Euro 4,500,000 spot recessed and Euro 8,500,535 over time at 2% per annum, with maturity did not go beyond 31-Jul-18, guaranteed by lien on actions and company's obligations.
- 14) 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. Following the signed the sales contract on 9 November 2017, in December 2017 are been cashed Euro 30,000,000 relating to participation held, making a profit of EUR 19,304,745. The amount recessed includes reimbursement, equal to Euro 2,500,000, of the loan and bond's amount accrued interest, equal to Euro 695,255.
- 15) 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.. During the 2017 was signed shareholding's sale agreement for the price of Euro 2,470,366. In December 2017, operation's

refinement, the Fund he took his sale's equivalent making a profit of EUR 1,770,366 saw that participation was recently registered to a carrying amount of Euro 700,000 as a result of write-downs practiced in previous exercises.

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

Company name	Value as at 31/12/2016	Steps period/gain/earnings Gains on sale	Sales during period	Decreases/write-downs during period	Value as at 31/12/2017	Shareholder loans at 31-12-
Lender Geico	700.000	1.770.366	(2,470,366)	-	-	-
BAT S.p.A.	4.548.680				4.548.680	321.040
Sanlorenzo S.p.A.	15.000.000				15.000.000	
Truostar Group S.p.A.	1.700.000			-1,636,700	-	
DBA Group	3.350.000	5.656.021	(8,000,000)		1.006.021	
Amut S.p.A.	5.960.000			(1,760,000)	4.200.000	
IMT S.p.A.	-				-	
Elco S.p.A.	5.000.000			-2,362,000	3.000.000	
Sira Group S.p.A.	7.400.000			-2,500,178	4.900.000	
TBS Group S.p.A.	10.000.001	2.222.222	(12,222,223)		-	
Rigoni di Asiago S.r.l.	10.002.500				10.002.500	
La Patria S.r.l.	9.320.049				9.320.049	
Zeis Excelsa S.p.A.	107.000			(107,000)	-	
General Medical Merate S.p.A.	11.800.000				11.800.000	
Labomar S.r.l.	3.000.000	5.149.127			8.149.127	
Antares Vision S.r.l.	5.000.000	10.215.503	(15,215,503)		-	
E.M.A.R.C. S.p.A.	4.100.000	6.750.000	10,000,000		-	
Mape S.p.A.	-				-	
Turbocoating	7.500.000	19.304.745	(26,804,745)		-	
Surgital	10.600.000				10.600.000	
Mesgo S.p.A.	8.000.000				8.000.000	
Forital Italy S.p.A.	25.025.000				25.025.000	
Megadyne S.p.A.	15.000.000				15.000.000	
Brown O.C.F. S.p.A.	3.599.999	213.894	(3,547,225)	-2,500,178	5.000.000	
Ligabue S.p.A.	9.000.000				9.000.000	5.000.000
<b>Total</b>	<b>182,946,561</b>	<b>51,281,878</b>	<b>(79,110,062)</b>	<b>10,000,000</b>	<b>144,551,377</b>	<b>5,321,040</b>

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### **Regulatory, compliance and risk profiles**

In compliance 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 and implemented through the risk management department. In this context, issuer, credit, liquidity, rate, market and operating risks are examined according to the type of activity being analysed.

The main risks for the Fund has exposed shall be the risk of market, credit risk and operational risk and.

Following examinations carried out the risk profile of the Fund, having regard to the portfolio held only at 31-Dec-17, is estimated “low “ .

The Company does not implement hedging policies and/or risk mitigation policies. These NB and Team Investments implement specific policies assess and monitor portfolio risk.

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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 Management Report 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.

This Annual report shall be drawn up in units of Euro and is subject to EY S.p.A.

### Assets and Liabilities Statement

As at 31 December 2017, the assets of the Fund are represented by the following items:

- 1) Euro 144,551,377 in non-controlling shareholdings corresponding to the book value of the direct investments;
- 2) Euro 5,321,040 relating to the financing members in favour of Società partecipate, of which Euro 5,000,000 of book value of Ligabue S.p.A. financing and Euro 321,040 of BAT S.p.A financing).
- 3) Euro 41,203,694 in connection with the net cash position.
- 4) Euro 9,829,336 in other assets, to include:
  - Euro 550,414 represented From Accruals for interest income on financing members and Deferred the corresponding related to disposal of I.E.N. In particular Euro 400,000 refer to the related a tourist town, Euro 98,712 to Truestar Group S.r.l. And Euro 51,702 to interest on the claim resulting from the transfer of IEN;
  - Euro 778,384 in accrued tax savings as at 30 June 2011;
  - Euro 8,500,536 of credits for the amount of deferred consideration for the sale of I.E.N., with maturity not beyond 31-Jul-18;
  - Euro 2 for loans to the depositary.

The liabilities amount to Euro 841,451 and are represented by allocations and/or invoices during the financial year.

- 1) Euro 333,333 which costs related to *management fees* of December 2017 for which has not yet been invoiced.
- 2) Euro 341,475 which pro-forma invoices t and/or activities relating predominantly *due diligence* ed assistenza to certain enterprises legal books sold financial's course year.
- 3) Euro 15,516 concerning accrual of commissions due to the Custodian.
- 4) Euro 5,632 concerning accrual of passive interest due to the is held by the custodian bank.
- 5) Euro 145,495 related primarily to debt towards asset management firms (Euro 77,113) and with respect to Audit (Euro 68,382).

### Income Section

Financial year 2017 ends with a **profit** of Euro 6,500,373, broken down as follows:

- 1) *Gain from disposal* equal to **Euro 46,952,544** on participations and other financial instruments is given referred to:
  - –Euro 6,750,000 in connection with gains on the sale of E.M.A.R.C. S.p.A., completed on 10 April 2017;

- Euro 10,215,503 in connection with gains on the sale of Antares Vision S.r.l., completed on 19 May 2017;
  - Euro 2,222,222 arising from the sales of TBS Group S.p.A. Finalized on 19-Jul-17;
  - Euro 1,033,687 arising from the sales of finalized I.E.N on 11-Sep-17;
  - Euro 1,770,366 Geico linked to the sale of Lender S.p.A. Following the signature of the Share Purchase Agreement of 27-Oct-17;
  - Euro 19,304,745 arising from the sales of Turbocoating S.p.A. Following the signature of the Share Purchase Agreement on 9 November 2017;
  - Euro 5,656,021 partial transfer for the operation, by IPO, of the investee DBA Group S.p.A, completed in December.
- 2) *Gains* equal to EUR **5,149,127** relating to Labomar S.p.A. as a result of the exercise of the *call options* by our industrial partners which increased the book value to Euro 8,149,127;
- 3) *Losses* equal to EUR **(23,951,225)**, made to the value for some companies, of debenture loans and funding members:
- Euro (10,491,225) in connection with Zeis Excelsa S.p.A.,
  - Euro (4,700,000) for Truestar Group S.p.A.,
  - Euro (2,000,000) for ELCO S.p.A.,
  - Euro (1,760,000) for Amut S.p.A.,
  - Euro (2,500,000) in connection with Sira S.p.A.;
  - Euro (2,500,000) for Brugola S.p.A..
- 4) *Dividends* equal to EUR 3,324,312 referred to:
- Euro 1,118,545 paid by Mesgo S.p.A.;
  - Euro 690,703 paid by Ligabue S.p.A.;
  - Euro 577,108 paid by Megadyne S.p.A.;
  - Euro 515,764 paid by Forgital S.p.A.;
  - Euro 355,525 from Rigoni di Asiago S.r.l.;
  - Euro 66,667 from TBS Group S.p.A.;
- 5) *Interest income* equal to EUR **1,420,224** on other financial instruments not quoted and credits, referred to:
- Euro 818,522 relating to the debenture loans;
  - Euro 550,000 relating to financing from favour of two participate;
  - Euro 51,702 relating to the claim resulting from the sale of I.E.N.
- 6) *Management Fees* equal to EUR **(11,133,333)**, of which Euro (10,800,000), related to the previous operator (1.50% of the total signed), and for (Euro 333,333) related to the current operator as established by the existing Regulation of the Fund;
- 7) *Other operating charges* equal to EUR **(15,224,323)** referred to:
- Euro (10,800,000) which compensation in previous's favour operator;
  - Euro (3,546,965) which costs of supply share of the Fund and replace the mutual guarantee scheme certain pursuant to art. B.4. Co. (a9) of the Regulation of the Fund;
  - Euro (721,520) which costs relating to investment in portfolio to participate and/or sold financial's course year;

- Euro (107,885) in independent auditor's fees;
  - Euro (43,496) for when you're paying tax consultancy;
  - Euro (3,853) the product annual's print report and Biannual;
  - Euro (800) relating to the Nobody looked twice contribution.
- 8) *Euro* (30,302) **for Depositary fees;**
- 9) *Other borrowing costs* equal to EUR **(9,202)** such as interest in favour is held by a Custodian.
- 10) *Other Profit, and charges* equal to EUR **2,550.**

During the 2018 Company business will focus on the monitoring of shareholdings in portfolio and on opportunities for same's disposal. At the end of December 2017 the Fund did not have operations in derivative instruments. At the end of December 2017 there are no assets or liabilities other's against companies in the group of the management company. No placement activities on the units of the Fund were conducted during the financial year.

#### **Events of Special Importance in after the year's end**

As described earlier, in February 2018 the participation in BAT S.p.A. was sold for Euro 9,500,047.

On 28-Feb-18 a further update of the Rules of Fund's management has been approved; the main amendment from the previous version regards the presence of two categories of units: the A, that may be held and/or be subscribed by Professional Investors only, and B Quotas that may be held only by the Management Company and/or any entity to whom portfolio management is delegated, and/or directors and employees of such entities and/or by legal persons owned by such individuals.

On 30-Mar-18 was decided the distribution of Euro 56 millions from the divestitures detailed below.

<b>Divestiture</b>	<b>Amount</b>
DBA Group S.r.l.	Euro 7,720,000.00
Geico Lender S.p.A	Euro 2,470,366.00
Turbocoating S.p.A	Euro 30,000,000.00
Holding S.r.l Labomar	Euro 8,149,127.00
BAT S.p.A.	Euro 9,500,047.89
<b>Total</b>	<b>Euro 57,839,540.89</b>

for the Board of Directors

James Charles Frazer Harvey

Milan, 17-Apr-18



## **STATEMENTS OF THE REPORT**

## ASSETS AND LIABILITIES STATEMENT

ANNUAL REPORT ON OPERATIONS OF FONDO ITALIANO DI INVESTIMENTO AS AT 31 DECEMBER 2017

Assets and Liabilities Statement

ACTIVITY'	Situation as at 31/12/2017		Situation in end Previous Financial Year	
	Value total	As a percentage of the assets	Value total	As a percentage of the assets
<b>A. FINANCIAL INSTRUMENTS</b>	<b>144.551.377</b>	<b>71,95</b>	<b>204.240.033</b>	<b>94,51</b>
Unlisted financial instruments				
A2. Non-controlling shareholdings	144.551.377	71,95	182.946.561	84,66
A4. Debt securities			21.293.472	9,85
<b>C. RECEIVABLES</b>	<b>5.321.040</b>	<b>2,65</b>	<b>8.321.040</b>	<b>3,85</b>
C2. Other	5.321.040	2,65	8.321.040	3,85
<b>F.NET CASH POSITION</b>	<b>41.203.694</b>	<b>20,51</b>	<b>1.033.557</b>	<b>0,48</b>
F1. Cash assets	41.203.694	20,51	1.033.557	0,48
<b>G. OTHER ASSETS</b>	<b>9.829.336</b>	<b>4,89</b>	<b>2.513.028</b>	<b>1,16</b>
G2. Prepaid expenses and accrued income	550.414	0,27	1.216.398	0,56
G3. Tax savings	778.384	0,39	778.384	0,36
G4. Other	8.500.538	4,23	518.246	0,24
<b>TOTAL ASSETS</b>	<b>200.905.447</b>	<b>100,00</b>	<b>216.107.658</b>	<b>100,00</b>

LIABILITIES AND SHAREHOLDERS' EQUITY	Situation as at 31/12/2017	Situation in end Previous Financial Year
<b>M. OTHER LIABILITIES</b>	<b>841.451</b>	<b>196.466</b>
M1. Fees and expenses accrued and not yet paid	348.849	20.946
M3. Accrued charges and deferred income	5.632	843
M4. Other	486.970	174.677
<b>TOTAL</b>	<b>841.451</b>	<b>196.466</b>
<b>TOTAL NET VALUE OF THE FUND</b>	<b>200.063.996</b>	<b>215.911.192</b>
<b>Number of units in circulation</b>	<b>720.000.000</b>	<b>4.800</b>
<b>Unit value of the units</b>	<b>0,278</b>	<b>44.981,498</b>
<b>Total value of amounts to be called up</b>	<b>255.783.159</b>	<b>277.303.153</b>
<b>Unit value of the units to be called up</b>	<b>0,355</b>	<b>57.771,490</b>
<b>Redemptions or income distributed</b>	<b>229.637.133</b>	<b>185.769.570</b>
<b>Unit value of the redeemed units</b>	<b>0,319</b>	<b>38.701,994</b>

## Income Section

ANNUAL REPORT ON OPERATIONS OF FONDO ITALIANO DI INVESTIMENTO AS AT 31 DECEMBER 2017

Income Section

	Report ending 31/12/2017		Report ending 31/12/2016	
<b>A. FINANCIAL INSTRUMENTS</b>				
<b>Unlisted financial instruments</b>				
A1. HOLDINGS	<b>44.039.191</b>		<b>16.479.578</b>	
A1.1 dividends and other income	3.324.313		2.332.740	
A1.2 profits/losses from encashments	46.132.751		21.779.838	
A1.3 capital gains/losses	-5.417.873		-7.633.000	
A2. OTHER UNLISTED FINANCIAL INSTRUMENTS	<b>-8.745.910</b>		<b>4.706.900</b>	
A2.1 interest, dividends and other income	818.522		1.821.900	
A2.2 profits/losses from encashments	819.793		2.885.000	
A2.3 capital gains/losses	-10.384.225			
<b>Operating profit financial instruments</b>		<b>35.293.281</b>		<b>21.186.478</b>
<b>C. RECEIVABLES</b>				
C1. interest income and related income	601.702		407.945	
C2. increases/decreases in value	-3.000.000			
<b>Operating result: receivables</b>		<b>-2.398.298</b>		<b>407.945</b>
<b>Operating result: investments</b>		<b>32.894.983</b>		<b>21.594.423</b>
<b>Gross operating profit</b>		<b>32.894.983</b>		<b>21.594.423</b>
<b>H. FINANCIAL EXPENSES</b>	<b>-9.202</b>		<b>-1.378</b>	
H1. Interest expenses on loans received				
H1.2 on other loans			-535	
H2. Other financial expenses	-9.202		-843	
<b>Net operating profit</b>		<b>32.885.781</b>		<b>21.593.045</b>
<b>I. OPERATING EXPENSES</b>	<b>-26.387.958</b>		<b>-11.752.729</b>	
I1. SGR management fees	-11.133.333		-10.800.000	
I3. Depositary fees	-30.302		-38.277	
I6. Other operating expenses	-15.224.323		-914.452	
<b>L. OTHER INCOME AND EXPENSES</b>	<b>2.550</b>		<b>260.713</b>	
L2. Other income	2.608		260.713	
L3. Other expenses	-58			
<b>Operating profit before taxes</b>		<b>6.500.373</b>		<b>10.101.029</b>
<b>Total Profit/(Loss) for the financial year</b>		<b>6.500.373</b>		<b>10.101.029</b>

## **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

### **Part C – ECONOMIC RESULT OF THE FINANCIAL YEAR**

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

Section VII – Operating expenses

Section VIII – Other income and expenses

### **Part D – OTHER INFORMATION**

- TABLE A
- TABLE B

## PART A – PERFORMANCE

The table below presents the development of units value until 31-Dec-17, that, as a consequence of the amendments made on 27-Dec-17, is represented by n. 720,000,000 units with a nominal value of Euro 1.

	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
as at 31 December 2017	200.063.996	720.000.000	0,278	1

As of 31-Dec-17 were made 19 partial deployments to disinvestments's front sun involving the direct participation that, as a transaction's result of fragmentation, which covered the Fund with effect from 1 January 2016 they remained just in the same's portfolio, for a total of Euro 229,637,133 referred to:

- 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);
- Euro 43,867,563 during the 2017 financial year (three distributions);

The details are shown below:

Description	Amount	Unit Value	Value date
1st Distribution	3.250.000	677,083	24/12/2013
<b>2013 Sub-Total</b>	<b>3.250.000</b>		
2nd Distribution	16.000.000	3.333,333	13/06/2014
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
<b>2014 Sub-Total</b>	<b>86.459.568</b>		
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
<b>2015 Sub-Total</b>	<b>30.500.002</b>		
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
<b>2016 Sub-Total</b>	<b>65.560.000</b>		
10th Distribution	79.838	16,633	03/04/2017
10th Distribution	11.350.000	2.364,583	11/04/2017
10th Distribution	500.000	104,167	27/04/2017
10th Distribution	15.215.503	3.169,896	22/05/2017
10th Distribution	12.222.223	2.546,297	20/07/2017
10th Distribution	4.500.000	937,500	13/09/2017
<b>2017 Sub-Total</b>	<b>43.867.564</b>		
<b>TOTAL DISTRIBUTIONS</b>	<b>229.637.134</b>		

The net asset value of the Fund as at 31 December 2017 is equal to Euro 200,063,966, which corresponds to a net unit value of Euro 0.278. The profit for the financial year is Euro 6,500,373. 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

This was Report read as going concern basis of accounting. This assumption is based on the reasonable expectation that the fund can in the future (and for a period of at least 12 months) continue the smooth operation. In particular, administrators did not identify pain points that indicators, which may be considered this prerequisite, not appropriate.

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 Regulations").

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 decreases in the shareholders' equity of the underlying companies. A potential 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:

- the 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 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 2017 are broken down as follows:

- 71.95% Financial Instruments;
- 2.65 % Credits;
- 4.89% Other assets.
- 20.51 % Cash.

The financial instruments are represented by the following assets:

- 1) Other Entries, equal to EUR 144,551,377 represented by the load value of participations held by the Fund. The information sheet for each of the Fund's holdings is provided below.
- 2) With respect to debt securities (equal to EUR 0 at 31-Dec-17 and Euro 21,293,472 at 31-Dec-16) it is emphasised that: (i) is given full depreciated the POC and obligations Zeis common stock issued from Excelsa S.p.A (equal to EUR 9,872,813 at 31-Dec-16); (ii) are been cashed, as a result of supply Holdings which they were connected, the POC Turbocoating (Euro 2,500,000 at 31-Dec-16), the POC ordinary I.E.N and obligations. (respectively [... Euro 6,666,660 and Euro 1,253,999 at 31-Dec-16), the POC EMARC S.p.A of the Euro 1,000,000.

Credits, equal to EUR 5,321,040, refer to:

- a. Euro 321,040 Convertible which financing members in favour of BAT S.p.A.
- b. 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.

As of 31-Dec-17 was fully devalued the Convertible financing members (of the Euro 3,000,000 millions) in favour of Truostar Group S.p.A.

The net cash position, equal to Euro 41,203,694, consists of the balance of the Fund's current account.

The rest of the assets, equal to Euro 9,829,336, break down as follows:

- Euro 550,414 Accruals active relating to interest;
- Euro 778,384 in accrued tax savings as at 30 June 2011;
- Euro 8,500,536 which slips deferred credit related to shares's disposal in I.E.N.;
- Euro 2 for loans to, the Custodian.

## Section II.1 – Unlisted financial instruments

For table A and Table B, see below.

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

GEOGRAPHICAL AREAS	Securities	Securities	Other values	UCI units	Holdings	Real Estate
	Bonds	Equity	and securities Receivables			
ITALY EURO COUNTRIES					144.551.377	
<b>Total</b>					<b>144.551.377</b>	

All of the investments were made in the national territory.

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

TYPE OF SECURITY	Securities	Securities	Other values	UCI units	Holdings	Real Estate
	Bonds	Equity Securities	and securities credit			
TEXTILES						
FOOD					20.602.500	
MECHANICAL					51.673.680	
TRANSPORTATION					9.000.000	
OTHER (FACILITY MANAGEMENT)						
FINANCIAL						
ELECTRONIC					1.006.021	
OTHER					62.269.176	
<b>TOTAL</b>					<b>144.551.377</b>	

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 of Asiago S.r.l., Surgital S.p.A. And a tourist town Venice Services Holding S.p.A. Food; DBA Group S.r.l. In *engineering* ICT and (electronic), Saint Lawrence S.p.A. In construction of ships and boats, Truestar Group S.p.A. Wrapper luggage airports, Elco S.p.A. In the production printed circuit boards, The Patria S.r.l. In security services, Zeis Excelsa S.p.A. In footwear and apparel, General Medical Merate S.p.A. In equipment for Radiology Diagnostics, Labomar S.r.l. In nutraceutical products, Megadyne S.p.A. Straps rubber and polyurethane, as specified in instructional bulletins pertaining each company related.

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

As of 31-Dec-17 the debt's value securities is zero (equal to EUR 21,293,472 at 31-Dec-16) since it is fully depreciated or into in the exercise as indicated in the report of directors and above in Section II Statements Note; debt securities depreciated refer to broadcasters resident of Italy.

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

	Value of Purchases	Value of sales/redemptions
Non-controlling shareholdings		81.610.062
Debt securities	1.224.271	10.453.311
UCI units		
<b>TOTAL</b>	<b>1.224.271</b>	<b>92.063.373</b>

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.

*Sales Detail/redemptions*, equal to EUR 92,063,373, such as sales of control equity and debt securities as follows:

- Euro 11,850.000, as a closing's result of the supply of E.M.A.R.C
- Euro 8,000,000 relating to DBA Group;
- Euro 2,470,366 to Geico homework assignment, Lender S.p.A;
- Euro 29,304,745 relating to Turbocoating;
- Euro 15,215,503 relating to Antares;
- Euro 13,000,536 for I.E.N.;
- Euro 12,222,223 for TBS Group S.p.A.,

*Purchasing Detail*, equal to Euro 1,224,271, which ordinary bonds, referred to:

- Euro 511,412 in connection with Zeis Excelsa S.p.A..
- Euro 712,859, related to POC I.E.N.

## Section II.5 – Receivables

	Remaining life			
	Up to 12 months	12-24 months	24-36 months	Over 36 months or indefinite
Receivables acquired through securitisation operations				
Other receivables:				
Non-interest bearing loans to Underlying Companies	321.040		5.000.000	
Receivables from other counterparties				

The item, "Receivables", breaks down as follows:

- Euro 321,040, regarding the financing BAT S.p.A., under the transfer recessed finalized in February 2018;

- 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	41.203.694
<b>F. NET CASH POSITION</b>	<b>41.203.694</b>

The liquidity available, equal to EUR 41,203,694, is the account balance at the Custodian. On 30-Mar-18, was decided a distribution to Euro 56 millions using also the cash receipts than the supply of participate Labomar S.p.A. And BAT S.p.A. A total of Euro 17.6 millions.

## Section II.9 – Other Assets

Description	
<b>G.2 Prepaid expenses and accrued income</b>	<b>550.414</b>
Accrued interest on loans to Underlying Companies	498.712
Accruals on loans from active transfer IEN	51.702
<b>G.3 Tax savings</b>	<b>778.384</b>
Tax savings of first half of 2011	557.834
Tax savings for financial year 2010	220.550
<b>G.4 Other</b>	<b>8.500.538</b>
Receivables from other counterparties	8.500.536
On Credits	2
<b>Total other assets</b>	<b>9.829.336</b>

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

- Euro 400,000 relating to interest financing at the above described a tourist town S.p.A.
- Euro 98,712, Accruals active for interest on the financing Truestar Group S.p.A. Recessed almost entirely in early 2018.
- Euro 51,702 accrued interest income Accruals for the corresponding deferred related to disposal of I.E.N.

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.

The entry G.4, equal to EUR 8,500.538, includes the consideration deferred for the sale of I.E.N., equal to EUR 8,500.536, and loans to the depository over Euro 2.

### Section III – Liabilities

#### Section III.5 – Other Liabilities

Description	
<b>M.1 Fees and expenses accrued and not yet paid</b>	<b>348.849</b>
Depository	15.516
Management Company	333.333
<b>M.3 Accrued charges and deferred income</b>	<b>5.632</b>
Advance on c/c expenses	5.632
<b>M.4 Other</b>	<b>486.970</b>
Independent Auditor	68.381
Amounts owed to Asset Manager	77.113
Payables for capital expenditure	341.475
Roundings	1
<b>Total other liabilities</b>	<b>841.451</b>

The other Liabilities, equal to Euro 841,451, break down as follows:

- Euro 15,516 relating to fees for the Custodian;
- Euro 333,333 relating to management fees of December 2017 new ownership out;
- Euro 5,632 against bank liquidated skills;
- Euro 68,381 to the allocation of costs related to this review task accounting officer;
- Euro 77,113 relating to asset managers for payable to compensation received;
- Euro 341,475 for his debts related to activity linked to the investments;
- Euro 1, roundings.

#### Section IV – Total net value

Description	Number of Units	%
<b>Total Units Issued</b>	<b>720.000.000</b>	<b>100%</b>
of which:		
Units held by residents	720.000.000	100%

All of the units are held by qualified investors.

**Statement of changes in the value of the fund since the start of operations on 10/11/2010 through 31/12/2017**

The initial commitment Fund, equal to EUR 1,200,000.000, fell to Euro 720,000,000 following the demerger, which had effect on the 1st of January 2016.

Following such operations to the Fund were attributed, on the 1st January 2016, a “tax savings” and a “total value product from pre-tax management” to the extent, respectively equal to EUR 778,384 and Euro (51,895,498).

As of 31-Dec-17 the “total value product from pre-tax management” amounts to Euro (35,294,096) with sustained positive results in the exercise 2016, equal to EUR 10,101,029, and in the exercise 2017, equal to EUR 6,500,373.

## PART C – ECONOMIC RESULT OF THE FINANCIAL YEAR

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

Overall result of operations on:	Surplus/loss Gains on sale	referred to: for rate changes exchange	Capital gains/(losses)	referred to: for rate changes exchange
<b>A. Holdings in unlisted companies</b>				
1. Controlling				
2. Non-controlling	46.132.751		-5.417.873	
<b>B. Unlisted financial instruments</b>				
1. Other equities				
2. Debt securities	819.793		-10.384.225	
3. UCI units				
<b>C. Listed financial instruments</b>				
1. Debt securities				
2. Equities				
3. UCI units				

The realisation on income, equal overall in Euro 46,952,544 arise from the following transfer were finalized in the exercise:

- Euro 19,304,745 relating to Turbocoating;
- Euro 10,215,503 relating to Antares Vision;
- Euro 6,750,000 for E.M.A.R.C. S.p.A.,
- Euro 2,222,222 arising from the sales of TBS Group;
- Euro 1,033,687 of I.E.N. Linked to the sale;
- Euro 1,770,366 relating to Geico Lender;
- Euro 5,656,021 partial related to the supply DBA.

A net loss balance shall, equal to EUR (15,802,098) comes the loss of participations and other licences as follows:

- Euro (10,491,225) in connection with Zeis Excelsa S.p.A.,
- Euro (1,700,000) relating to Truestar Group S.p.A. (the financing's devaluation of the Euro 3,000,000 has been classified in the Receivables item – decrements value terms);
- Euro (1,760,000) to Amut homework assignment, S.p.A.;
- Euro (2,000,000) for Elco Electronic Components Italiana S.p.A.;
- Euro (2,500,000) relating to Brugola Industrial O.E.B S.p.A.;
- Euro (2,500,000) for Sira Industrie S.p.A.,

along with their gain for Labomar S.r.l. Of the Euro 5,149,127.



## 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 where the mutual guarantee scheme			
	Amount (thousands in euro)	% on the value total net	% of total ASSETS	% to the value of financing	Amount (thousands of euro)	% on the value total net (*)	% of total ASSETS	% on value of the financing
1) Management fees basic commissions	11.133,333	5.82%	5.82%					
2) Cost for value's calculation of share								
2) Recurring costs of the UCIs in which the Fund invests								
3) Compensation of the depository	30,302	0.02%	0.02%					
4) Auditing expenses of the fund	107,689	0.05%						
6) Burden on the assessment of participation, of real property, and rights in rem in immovable property, forming fund's part								
6) Compensation owed to independent experts								
7) Real estate management expenses								
8) Legal and judicial expenses								
10) Expenses of value's publication of the interest and possible prospectus's publication supplement								
10) Other expenses paid by the fund:								
Costs for capital expenditure	721,520	0.00%						
Bank fees	9,202	0.00%						
CONSOB Oversight Contribution	0,800	0.00%						
Expenses tax and accounting legal advice	43,496	0.02%						
Prospectus printing costs	3,853	0.00%						
Expenses replacement for Assignment allowances and mutual guarantee scheme	172,843	0.02%						
Additional Expenses mutual guarantee scheme charge	174,122	0.09%						
Costs for the indemnification	10.800,000	5.82%						
<b>TOTAL RECURRING COSTS</b>	<b>26.397,160</b>	<b>13.17%</b>						
11) Incentive commissions								
12) Financial instrument trading fees FINANCIAL of which: – on equity securities – on debt securities – on derivatives – other (please specify)								
13) Financial expenses on debts assumed by the fund								
14) Tax expenses to be paid by the								
<b>TOTAL EXPENSES</b>	<b>26.397,160</b>	<b>13.17%</b>						

### Section VII.3 – Remuneration

In fact's view that the present general manager has operated for only one month during the 2017, it is not considered significant present data of remuneration for the current financial year. These Limited Berman Neuberger has no employees The Board of Directors and is not remunerated. These NB has delegated the portfolio management to Neuberger Berman Europe Limited. Pay Policies the euro area are revised each year by the Board of Directors are there to make sure that the information you provide will be competitive and fit on routesrelevant black figures.

### Section VIII – Other income and expenses

Description	
<b>L.1 Interest income on liquid assets</b>	
<b>L.2 Other income</b>	<b>2.608</b>
Revenue from Investments	2.607
Roundings	1
<b>L.3 Other expenses</b>	<b>-58</b>
Contingent liabilities	-58
<b>TOTAL</b>	<b>2.550</b>

### PART D – OTHER INFORMATION

The Management Company manages the risk associated with the Fund's activities at various levels. Team to checks conducted by Capital Expenditure you add controls carried out by the processor at quali-quantitative a periodic basis. 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.

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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 the 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 shareholders’ 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 prospectuses are arranged in the order of their operation closing dates.

\* \* \*

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Description and location **BAT S.p.A.- Noventa di Piave (VE)**

of the company:

Activity performed by

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

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#### A) Securities in the Fund's portfolio

Securities in the Fund's portfolio	Quantity	% of the total licences issued	Purchase cost	The date value Report	On the date of Value previous Report
1) equities with voting rights	11.163	22,10	6.280.680	4.548.680	4.548.680
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

(Figures in Euros)

#### B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

##### B)Financial statement items of issuer

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	34.533.497	33.095.845	35.811.321
2) Holdings	7.578.469	7.578.469	6.680.239
3) Real estate	4.051.451	4.380.109	4.694.437
4) Short-term debt	11.989.391	12.527.967	14.052.989
5) Medium/long-term debt	4.188.444	4.119.215	6.275.562
6) Shareholders' equity	18.355.662	16.448.663	15.482.770
7) Gross working capital	17.087.874	17.252.808	19.366.418
8) Net working capital	10.821.850	12.071.449	13.488.597
9) Net fixed capital	5.436.983	5.538.991	6.048.306
10) Net financial position	-3.047.085	-3.089.277	-2.129.382

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	26.711.696	22.614.643	24.366.468
2) Gross operating margin	9.365.383	7.072.350	8.126.861
3) Operating result	2.917.834	1.026.777	2.075.181
4) Balance of financial income/expenses	-48.958	179.933	42.162
5) Balance of extraordinary income/expenses		103.828	-641.716
6) Profit before taxes	2.868.876	1.310.538	-659.936
7) Net profit (loss)	1.906.997	965.894	-1.269.534
8) Depreciation and amortisation for financial year	936.585	961.102	989.259

(Figures in Euros)

### **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 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. In the month of February 2018 participation was sold for up Euro 9,500,047. In the situation accounting officer 31-Dec-17 has not been reflected the gains as the report's date there were no agreements.

### **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 a 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:

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	49.432.000	46.351.014	49.010.000
2) Holdings	6.000	6.249	6.000
3) Real estate	12.232.000	12.768.178	13.040.000
4) Short-term debt	20.504.000	21.258.733	24.083.000
5) Medium/long-term debt	7.370.000	8.423.060	11.418.000
6) Shareholders' equity	21.559.000	16.669.221	13.509.000
7) Gross working capital	30.700.000	29.655.368	30.586.000
8) Net working capital	18.311.000	18.735.208	19.377.000
9) Net fixed capital	15.504.000	15.708.419	16.672.000
10) Net financial position	-7.719.000	-7.737.871	-9.291.000

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	63.401.000	56.325.951	52.128.000
2) Gross operating margin	25.225.000	20.491.735	19.012.000
3) Operating result	7.362.000	4.234.368	2.522.000
4) Balance of financial income/expenses	-423.000	-121.048	-177.000
5) Balance of extraordinary income/expenses	-	190.169	-4.366.000
6) Profit before taxes	6.939.000	4.303.489	-4.157.000
7) Net profit (loss)	4.692.000	3.250.732	-4.580.000
8) Depreciation and amortisation for financial year	1.922.000	2.125.634	2.150.000

(Figures in Euros)

In 2016 the Company has confirmed the recorded in the positive trend in 2015 highlighting a revenue growth of 18%, especially as we launch new products.

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Description and location **Sanlorenzo S.p.A. - Ameglia (SP)**

of the company:

Activity performed by Building of ships and boats

the company:

Mechanical ICT

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**A) Securities in the Fund's portfolio**

Securities in the Fund's portfolio	Quantity	% of the total licences issued	Purchase cost	The date value Report	On the date of Value 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					

(Figures in Euros)

**B) FINANCIAL STATEMENT ITEMS OF THE ISSUER**

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	381.841.028	382.424.368	356.846.387
2) Holdings	1.986.847	1.986.847	1.986.847
3) Real estate	21.099.206	22.301.048	23.355.907
4) Short-term debt	267.259.037	274.091.617	248.161.962
5) Medium/long-term debt	18.530.181	20.015.136	20.763.524
6) Shareholders' equity	96.051.810	88.317.615	87.920.901
7) Gross working capital	293.053.291	273.726.252	272.278.757
8) Net working capital	80.418.301	65.004.634	84.932.807
9) Net fixed capital	60.095.464	58.523.603	58.591.711
10) Net financial position	-183.202.302	-185.521.574	-186.530.836

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	296.970.959	224.608.831	164.177.663
2) Gross operating margin	34.950.777	37.660.997	30.739.936
3) Operating result	14.984.816	14.284.370	11.445.620
4) Balance of financial income/expenses	-3.339.098	-7.861.000	-5.048.586
5) Balance of extraordinary income/expenses		-225.151	145.184
6) Profit before taxes	12.391.218	1.206.219	6.038.218
7) Net profit (loss)	8.155.604	396.714	3.212.719
8) Depreciation and amortisation for financial year	7.499.754	7.565.531	7.440.444

(Figures in Euros)

**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 THE 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:

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	384.660.811	385.644.128	363.337.622
2) Holdings	1.172.227	1.410.354	1.308.063
3) Real estate	21.099.206	22.301.048	23.355.907
4) Short-term debt	271.246.160	277.266.069	250.850.393
5) Medium/long-term debt	23.028.185	25.499.745	29.663.607
6) Shareholders' equity	90.386.466	82.878.314	82.823.622
7) Gross working capital	289.014.502	278.444.656	268.169.685
8) Net working capital	74.627.461	68.606.427	80.722.007
9) Net fixed capital	67.370.894	67.713.837	69.687.231
10) Net financial position	-191.793.695	-191.393.057	-195.864.109

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	297.174.244	224.866.962	164.433.854
2) Gross operating margin	39.181.863	38.579.676	32.330.109
3) Operating result	15.585.029	13.804.241	10.926.570
4) Balance of financial income/expenses	-3.469.201	-8.052.892	-5.323.686
5) Balance of extraordinary income/expenses		-225.151	145.184
6) Profit before taxes	12.393.980	1.174.547	5.994.889
7) Net profit (loss)	8.081.878	275.740	3.187.264
8) Depreciation and amortisation for financial year	9.414.559	9.479.439	9.524.338

(Figures in Euros)

In 2016, the Company has registered a positive trend with a Value of Production in increase 40.3% from the previous period, mainly due to provide is the turnover generated by the sale of new vessels.



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Description and location **TrueStar Group S.p.A. - Milano**

of the company:

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

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**A) Securities in the Fund's portfolio**

Securities in the Fund's portfolio	Quantity	% of the total licences issued	Purchase cost	The date value Report	On the date of Value Previous Report
1) equities with voting rights	5.185	24,90	10.200.000		1.700.000
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	2		3.000.000		3.000.000

(Figures in Euros)

**B) FINANCIAL STATEMENT ITEMS OF THE ISSUER**

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	24.015.380	25.113.122	24.952.762
2) Holdings	11.085.187	11.779.592	11.744.926
3) Real estate			
4) Short-term debt	8.758.964	11.696.167	6.157.785
5) Medium/long-term debt	7.317.438	2.904.044	8.284.233
6) Shareholders' equity	7.938.978	10.512.911	10.510.744
7) Gross working capital	5.635.810	7.109.094	7.698.377
8) Net working capital	565.212	3.754.003	3.158.104
9) Net fixed capital	1.885.142	2.543.300	3.322.490
10) Net financial position	-570.235	-2.572.287	3.650.188

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	10.602.947	12.757.039	17.009.235
2) Gross operating margin	3.477.538	3.436.188	3.015.375
3) Operating result	-1.496.562	353.205	-1.866.418
4) Balance of financial income/expenses	-166.134	-13.836	-223.181
5) Balance of extraordinary income/expenses		-72.404	3.510.436
6) Profit before taxes	-2.521.354	266.965	1.420.837
7) Net profit (loss)	-2.573.932	2.166	1.620.228
8) Depreciation and amortisation for financial year	559.805	646.073	570.393

(Figures in Euros)

**C) CRITERIA AND PARAMETERS USED FOR THE VALUATION**

Purchase cost, corrected for impairment losses In view negative company's development, the participation and financing members is given full depreciated.

#### **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 THE OPERATIONS**

On 7 October 2011, the Fund underwrote a share capital increase in Truostar 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.*

#### **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 indicated, into account negative company's development, the participation and financing members is given full depreciated. The data from the consolidated financial statements is shown below:

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	27.063.692	28.211.509	28.189.214
2) Holdings			
3) Real estate			
4) Short-term debt	14.418.763	12.752.048	10.620.635
5) Medium/long-term debt	7.949.717	7.195.912	8.210.091
6) Shareholders' equity	4.695.212	8.263.549	9.358.488
7) Gross working capital	7.335.544	7.044.731	3.876.038
8) Net working capital	-4.034.390	-1.253.949	-4.741.310
9) Net fixed capital	12.707.294	16.945.975	18.630.168
10) Net financial position	-3.705.241	-5.064.790	-3.502.914

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	44.449.653	45.864.522	36.759.400
2) Gross operating margin	15.574.016	16.930.871	10.744.157
3) Operating result	-1.379.965	2.276.447	-112.326
4) Balance of financial income/expenses	-604.466	-1.689.365	-780.474
5) Balance of extraordinary income/expenses		804.064	-32.896
6) Profit before taxes	-1.984.431	1.373.087	-1.815.355
7) Net profit (loss)	-3.142.486	-405.125	-2.443.119
8) Depreciation and amortisation for financial year	1.469.625	1.634.043	1.390.589

(Figures in Euros)

In 2016, revenues have registered the 17% due to the cessation of a filled by important concession new concessions not acquired during the year. This situation has contributed to the generation of deficit for the year highlighted in the tables above.

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**DBA Group S.p.A.- Villorba (TV)**

Description and location  
of the company:

Activity performed by Engineering and IC&T  
the company:

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**A) Securities in the Fund's portfolio**

	Quantit	% of the total securities issued	Cost of Purchase	On the date of Value Report	On the date of Value Previous Report
1. 1) equities with voting rights	1.280.000	9.85%	2.146.341	1.006.021	3.350.000
2. 2) equities without voting rights					
3. 3) bonds convertible into shares of the same issuer					
4. 4) bonds with warrants on shares of the same issuer					
5. 5) other financial instruments					

The number of shares in portfolio includes # 147,692 actions that, when placing on the under the AIM market, were put at the service of the Price Adjustment mechanism (“*Share Price Adjustment*”) described in Section Before, Chapter XV, Section 15.2.3 of Document di Admission,

**B) FINANCIAL STATEMENT ITEMS OF THE ISSUER**

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	10.185.453	9.945.862	7.450.074
2) Holdings	5.632.784	4.622.294	4.622.294
3) Real estate			
4) Short-term debt	1.296.034	1.048.846	644.317
5) Medium/long-term debt	311.754	284.034	267.358
6) Shareholders' equity	8.577.665	8.612.982	6.538.399
7) Gross working capital	2.792.638	4.158.720	1.741.225
8) Net working capital	1.496.604	3.112.891	1.103.490
9) Net fixed capital	47.329	49.746	56.704
10) Net financial position	3.172.342	4.194.263	2.104.546

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	2.827.791	2.402.991	1.973.736
2) Gross operating margin	1.406.252	1.365.662	885.060
3) Operating result	-46.901	-52.035	-309.352
4) Balance of financial income/expenses	525.000	44.023	321.579
5) Balance of extraordinary income/expenses		1.575	5.905
6) Profit before taxes	478.099	-6.437	18.132
7) Net profit (loss)	464.681	-25.415	120.116
8) Depreciation and amortisation for financial year	22.657	29.692	55.802

(Figures in Euros)

### **C) CRITERIA AND PARAMETERS USED FOR THE VALUATION**

Purchase cost, corrected for impairment losses In clause's view connected Lock up the IPO that fastens, under certain conditions, the Fund in this participation for 18 months a period of and lack of market's significance prices (AIM), due to trading volumes to insignificant and a lower frequency of trade, participation in DBA Group S.p.A. Was measured against the criteria for the financial investment in tools is given.

### **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 THE 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%. In December 2017 is the partial stake's transfer by IPO with the building of a profit of EUR 5,656,021. As of 31-Dec-17, even taking into consideration the actions available to the Price Adjustment mechanism established by placing on the market of the AIM, the percentage which are assigned to them of the Fund is equal at 9.85%.

### **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 data from the consolidated financial statements is shown below:

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	30.283.736	32.142.542	22.050.062
2) Holdings	1.029.320	8.321	149.403
3) Real estate	953.998	981.936	
4) Short-term debt	13.977.703	15.700.611	12.800.640
5) Medium/long-term debt	4.685.891	5.506.739	1.959.553
6) Shareholders' equity	11.620.142	10.935.192	7.289.869
7) Gross working capital	17.603.606	20.280.755	16.639.716
8) Net working capital	5.617.990	9.353.018	9.165.871
9) Net fixed capital	7.141.461	7.787.474	2.824.034
10) Net financial position	6.340.704	6.731.013	5.305.944

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	40.951.068	39.371.937	23.603.857
2) Gross operating margin	22.175.003	19.980.899	12.082.773
3) Operating result	2.905.472	1.898.803	850.598
4) Balance of financial income/expenses	-171.926	-232.914	-254.485
5) Balance of extraordinary income/expenses		114.667	122.147
6) Profit before taxes	2.733.546	1.623.054	718.260
7) Net profit (loss)	1.463.441	682.490	149.071
8) Depreciation and amortisation for financial year	1.793.049	1.699.386	683.199

(Figures in Euros)

Even in the 2016, the Company highlights a positive trend with a Value of Production in growth of 19% especially with great performance Telecommunication divisions and Port Logistic which allowed operating generating a profit from our loss of the 2015.

Description and location **Amut S.p.A.- Novara (NO)**

of the company:

Activity performed by Production of extrusion systems for plastics

the company:

#### A) Securities in the Fund's portfolio

Securities in the Fund's portfolio	Quantity	% of the total licences issued	Purchase cost	The date value Report	On the date of Value Previous Report
1) equities with voting rights	5,225,172	39,80	10,000,000	4,200,000	5,960,000
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					

(Figures in Euros)

#### B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous	2nd Exercise Previous
1) Total assets	84.440.156	66.322.472	60.471.554	60.471.554
2) Holdings	1.505.332	1.661.668	1.930.626	1.930.626
3) Real estate	6.381.311	4.670.634	4.887.233	4.887.233
4) Short-term debt	53.539.427	36.509.807	28.941.169	28.941.169
5) Medium/long-term debt	5.450.748	3.424.706	3.598.027	3.598.027
6) Shareholders' equity	25.449.981	26.387.959	27.932.358	27.932.358
7) Gross working capital	66.813.096	50.135.956	43.214.264	43.214.264
8) Net working capital	27.659.294	25.380.222	19.583.417	19.583.417
9) Net fixed capital	11.667.360	9.627.041	9.901.199	9.901.199
10) Net financial position	-24.958.596	-14.160.295	-7.647.295	-7.647.295

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous	2nd Exercise Previous
1) Turnover	43.508.934	38.809.025	29.181.159	29.181.159
2) Gross operating margin	1.551.198	8.303.111	9.161.969	9.161.969
3) Operating result	987.948	634.412	1.815.606	1.815.606
4) Balance of financial income/expenses	-34.156	-823.002	298.308	298.308
5) Balance of extraordinary income/expenses	-	-978.201	-127.139	-127.139
6) Profit before taxes	717.726	-1.854.748	1.986.775	1.986.775
7) Net profit (loss)	249.043	-1.544.401	1.064.315	1.064.315
8) Depreciation and amortisation for financial year	1.209.259	1.076.534	813.240	813.240

#### C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost, corrected for impairment losses In order to align the book value of the underlying company with its fair value, an additional write down of Euro 760,000 was performed on 30 June 2017; the book value was therefore reduced to Euro 5,200,000.

#### 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 THE 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. The activity of Amut walks you through three fields processing 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 (ii) 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. In 2017 was detected further depreciation for Euro 1,760,000, resulting in a value of loading to the 31-Dec-17 is equal to EUR 4,200,000. The data from the consolidated financial statements is shown below:*

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous	2nd Exercise Previous
1) Total assets	109.258.449	87.774.329	70.279.235	70.279.235
2) Holdings	1.750	1.250	11.250	11.250
3) Real estate	6.381.311	6.583.640	6.841.976	6.841.976
4) Short-term debt	78.044.878	56.882.095	36.721.830	36.721.830
5) Medium/long-term debt	5.574.698	5.793.562	5.736.956	5.736.956
6) Shareholders' equity	25.104.377	25.098.672	27.820.449	27.820.449
7) Gross working capital	87.198.312	68.101.998	51.675.422	51.675.422
8) Net working capital	-18.830.689	30.360.999	22.634.243	22.634.243
9) Net fixed capital	16.178.962	14.023.831	13.852.879	13.852.879
10) Net financial position	-43.880.382	-23.995.631	-10.883.253	-10.883.253

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous	2nd Exercise Previous
1) Turnover	61.870.802	61.276.548	37.584.707	37.584.707
2) Gross operating margin	13.944.334	11.711.938	10.777.241	10.777.241
3) Operating result	1.046.393	-593.738	1.145.382	1.145.382
4) Balance of financial income/expenses	-196.441	-960.544	269.275	269.275
5) Balance of extraordinary income/expenses	-	-1.223.505	-126.641	-126.641
6) Profit before taxes	849.952	-2.777.787	1.288.016	1.288.016
7) Net profit (loss)	245.076	-2.653.045	235.409	235.409
8) Depreciation and amortisation for financial year	1.621.337	1.600.750	1.255.799	1.255.799

(Figures in Euros)



In 2016, the Company has registered a Production value up 19.4% effect compared to the previous year for the continued development in the business. This growth has helped to build an useful operating from our loss detected for the previous financial year.

Description and location **IMT S.p.A. - Casalecchio di Reno (BO)**

of the company:

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

#### A) Securities in the Fund's portfolio

Securities in the Fund's portfolio	Quantity	% of the total securities issued	Purchase cost	The date value of the report	On the date of Value 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					

(Figures in Euros)

#### B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

Asset data	31/12/2013	Exercise Previous	2nd Exercise Previous
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	Exercise Previous	2nd Exercise Previous
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		

(Figures in Euros)

### **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 THE 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 with a registered office 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 location **Elco S.p.A.- Carsoli (AQ)**  
of the company:  
Activity performed by Production printed circuit boards  
the company:

#### A) Securities in the Fund's portfolio

	Quantit	% of the total securities issued	Cost of Purchase	On the date of Value Report	On the date of Value Previous Report
1. 1) equities with voting rights	418.375	29.76%	5.000.000	3.000.000	5.000.000
2. 2) equities without voting rights					
3. 3) bonds convertible into shares of the same issuer					
4. 4) bonds with warrants on shares of the same issuer					
5. 5) other financial instruments					

#### B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	31.274.923	29.492.581	28.108.641
2) Holdings	13.499.104	10.501.636	9.969.753
3) Real estate	3.698.918	3.839.834	3.940.024
4) Short-term debt	9.196.566	9.374.700	9.341.582
5) Medium/long-term debt	4.917.884	5.656.869	5.234.955
6) Shareholders' equity	17.160.473	14.461.012	13.532.104
7) Gross working capital	11.916.433	11.825.462	12.361.796
8) Net working capital	5.010.857	4.269.363	5.689.235
9) Net fixed capital	4.635.243	5.442.255	5.602.770
10) Net financial position	2.280.647	2.067.691	1.201.940

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	14.505.787	17.192.166	14.885.472
2) Gross operating margin	3.865.114	4.419.014	4.088.073
3) Operating result	535.870	790.225	1.018.119
4) Balance of financial income/expenses	-153.026	-139.331	-233.248
5) Balance of extraordinary income/expenses	-	-150.142	-47.538
6) Profit before taxes	270.055	207.496	429.044
7) Net profit (loss)	229.801	108.265	181.913
8) Depreciation and amortisation for financial year	523.644	565.471	567.021

(Figures in Euros)

#### C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost, corrected for impairment losses In order to align the book value of the underlying company with its fair value, an additional write down of Euro 2,000,000 was performed on 31 December 2017.

#### 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 THE 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 view of the Company's results in 2017 was detected devaluation of Euro 2,000.000, resulting in a value of loading to the 31-Dec-17 is equal to EUR 3,000,000. The data from the consolidated financial statements is shown below:

<b>Asset data</b>	<b>31/12/2016</b>	<b>Exercise Previous</b>	<b>2nd Exercise Previous</b>
1) Total assets	36.367.000	37.575.704	38.056.000
2) Holdings	816.000	818.000	831.000
3) Real estate	4.859.000	4.911.000	5.066.000
4) Short-term debt	18.108.000	13.336.812	14.606.000
5) Medium/long-term debt	5.205.000	6.500.870	6.750.000
6) Shareholders' equity	17.320.000	17.738.022	16.700.000
7) Gross working capital	20.816.000	19.927.620	21.117.000
8) Net working capital	11.031.000	9.665.808	11.600.000
9) Net fixed capital	12.359.000	14.287.084	15.260.000
10) Net financial position	-4.323.000	2.563.808	257.000

(Figures in Euros)

<b>Income data</b>	<b>31/12/2016</b>	<b>Exercise Previous</b>	<b>2nd Exercise Previous</b>
1) Turnover	38.794.000	40.232.000	40.647.000
2) Gross operating margin	13.772.000	14.324.000	15.231.000
3) Operating result	542.000	1.370.000	1.045.000
4) Balance of financial income/expenses	-243.000	-252.000	-540.000
5) Balance of extraordinary income/expenses	-	-108.000	126.000
6) Profit before taxes	373.000	445.000	631.000
7) Net profit (loss)	279.000	202.000	240.000
8) Depreciation and amortisation for financial year	1.953.000	2.118.000	2.004.000

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Description and location **Sira Industrie S.p.A.- Pianoro (BO)**

of the company:

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

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**A) Securities in the Fund's portfolio**

	Quantit	% of the total securities issued	Cost of Purchase	On the date of Value Report	On the date of Value Previous Report
1. 1) equities with voting rights	306.769	40.35%	12.000.000	4.900.000	7.400.000
2. 2) equities without voting rights					
3. 3) bonds convertible into shares of the same issuer					
4. 4) bonds with warrants on shares of the same issuer					
5. 5) other financial instruments					

**B) FINANCIAL STATEMENT ITEMS OF THE ISSUER**

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	56.506.602	54.329.947	49.819.262
2) Holdings	28.556.753	28.290.289	22.069.543
3) Real estate			
4) Short-term debt	26.671.957	22.061.457	18.665.170
5) Medium/long-term debt	9.501.025	11.406.736	9.560.936
6) Shareholders' equity	20.333.620	20.861.754	21.593.156
7) Gross working capital	18.527.227	16.667.365	17.770.979
8) Net working capital	4.415.736	2.798.118	7.875.000
9) Net fixed capital	896.762	1.169.123	2.443.792
10) Net financial position	-3.775.331	133.987	-2.398.862

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	Exercise Previous
1) Turnover	24.562.081	17.381.942	15.739.539
2) Gross operating margin	1.131.897	1.696.967	2.411.646
3) Operating result	-208.355	-150.057	1.177.728
4) Balance of financial income/expenses	-429.124	-679.962	-872.818
5) Balance of extraordinary income/expenses		73.616	113.022
6) Profit before taxes	-637.479	-756.403	417.932
7) Net profit (loss)	-528.136	-731.400	194.845
8) Depreciation and amortisation for financial year	210.916	388.337	570.274

(Figures in Euros)

**C) CRITERIA AND PARAMETERS USED FOR THE VALUATION**

Purchase cost, corrected for impairment losses In order to align the book value of the underlying company with its fair value, an additional write down of Euro 2,500,000 was performed on 31 December 2017.

**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 THE OPERATIONS

On 30 January 2012, the Fund undrewrote 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 (iii) 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. As of 31-Dec-17 in results's view of the investee the value of load has been brought for Euro 4,900,000 further devaluation of detecting Euro 2,500,000. The data from the consolidated financial statements is shown below:*

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	121.994.694	129.528.068	116.445.038
2) Holdings	494.264	227.800	7.800
3) Real estate	9.962.407	10.512.316	10.110.164
4) Short-term debt	63.104.352	69.915.740	62.884.630
5) Medium/long-term debt	17.404.072	17.416.568	12.025.221
6) Shareholders' equity	41.486.270	42.195.760	41.535.187
7) Gross working capital	63.539.963	69.906.519	68.283.585
8) Net working capital	34.795.097	33.925.518	38.771.040
9) Net fixed capital	36.603.653	38.871.888	32.520.525
10) Net financial position	-24.387.023	-9.660.729	-6.558.267

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	86.933.412	97.319.739	78.244.338
2) Gross operating margin	18.294.935	17.348.288	10.746.330
3) Operating result	1.691.346	1.413.482	1.927.058
4) Balance of financial income/expenses	-1.194.868	-1.757.870	-2.266.460
5) Balance of extraordinary income/expenses	-	276.706	-75.620
6) Profit before taxes	496.478	-67.682	-415.022
7) Net profit (loss)	324.431	-410.949	-985.992
8) Depreciation and amortisation for financial year	3.869.401	3.934.424	4.112.348

(Figures in Euros)

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. In addition, also through of reorganisation, business development and internalisation, the Company has registered a Production value up 30%. The deficit for the year - below the previous year – is attributable incurring a cost reorganisation of related above that has transformed his Company primarily in a holding company focused in the direction and coordination purchases and centralized management

Description and location of the company:	<b>Rigoni di Asiago S.r.l.</b>
Activity performed by the company:	Food – production and marketing of spreadable products (fruit jams, honey and creams)

#### A) Securities in the Fund's portfolio

Securities in the Fund's portfolio	Quantity	% of the total licences issued	Purchase cost	The date value Report	On the date of Value 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					

(Figures in Euros)

#### B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous	2nd Exercise Previous
1) Total assets	117.461.290	101.825.087	88.654.713	88.654.713
2) Holdings	10.413.501	10.043.517	9.017.659	9.017.659
3) Real estate	4.749.175	4.388.638	4.449.928	4.449.928
4) Short-term debt	59.362.619	58.963.915	56.674.927	56.674.927
5) Medium/long-term debt	28.184.442	15.650.277	7.273.576	7.273.576
6) Shareholders' equity	29.914.229	27.210.895	24.706.210	24.706.210
7) Gross working capital	57.798.084	48.038.491	34.681.825	34.681.825
8) Net working capital	28.030.535	18.270.942	10.727.640	10.727.640
9) Net fixed capital	18.661.332	16.027.690	13.248.056	13.248.056
10) Net financial position	-19.505.934	-24.292.327	-27.415.033	-27.415.033

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous	2nd Exercise Previous
1) Turnover	105.610.513	91.400.276	76.144.514	76.144.514
2) Gross operating margin	15.896.248	13.343.031	11.907.675	11.907.675
3) Operating result	7.892.349	5.795.758	5.198.170	5.198.170
4) Balance of financial income/expenses	-917.686	-775.808	-973.761	-973.761
5) Balance of extraordinary income/expenses	-	53.116	-138.707	-138.707
6) Profit before taxes	6.372.915	4.848.673	3.923.702	3.923.702
7) Net profit (loss)	3.670.743	3.224.686	2.434.736	2.434.736
8) Depreciation and amortisation for financial year	2.969.170	2.762.364	2.382.651	2.382.651

#### 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 THE OPERATIONS



On 15 February 2012, the Fund underwrote a share capital increase in 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 boasts a recognized brand both nationally and internationally, and it features a diverse range of organic products which honey, jam “Fiordifrutta” , the cream “Nocciolata” , the sweetener “DolceDi” , fruit juices “Tantifrutti” , etc. during the 2014, the Company has issued a mini-bonds, will last 5x years, Euro 7 millions, used to finance the expansion of production capacity, the rollout of a new manufacturing facility, with their registered office in Italy, been deployed during the year 2015.* The data from the consolidated financial statements is shown below:

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous	2nd Exercise Previous
1) Total assets	117.413.924	102.713.741	91.229.066	91.229.066
2) Holdings	800	800	800	800
3) Real estate	8.271.963	7.976.158	8.106.034	8.106.034
4) Short-term debt	66.078.490	64.893.110	50.854.780	50.854.780
5) Medium/long-term debt	28.834.076	16.690.884	19.589.800	19.589.800
6) Shareholders' equity	22.501.359	21.129.747	20.784.486	20.784.486
7) Gross working capital	63.367.771	54.359.490	46.174.666	46.174.666
8) Net working capital	30.586.587	48.932.202	20.346.555	20.346.555
9) Net fixed capital	40.182.868	37.105.356	32.633.406	32.633.406
10) Net financial position	-27.886.345	-29.957.665	-19.957.991	-19.957.991

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous	2nd Exercise Previous
1) Turnover	110.248.726	94.720.963	80.232.923	80.232.923
2) Gross operating margin	14.094.906	16.645.711	15.775.845	15.775.845
3) Operating result	7.200.678	5.288.632	5.490.361	5.490.361
4) Balance of financial income/expenses	-1.970.312	-1.845.516	-2.156.475	-2.156.475
5) Balance of extraordinary income/expenses		-240.299	-512.623	-512.623
6) Profit before taxes	5.230.366	3.202.817	2.821.263	2.821.263
7) Net profit (loss)	2.344.402	1.320.952	1.297.910	1.297.910
8) Depreciation and amortisation for financial year	4.966.630	4.611.967	4.095.259	4.095.259

(Figures in Euros)

In 2016 the Company confirms the positive trend as in previous years with a Production value up 18.6% also due to constant investments to support growth of characteristics and commercial.

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Description and location **La Patria S.r.l. – Bologna**

of the company:

Activity performed by

the company: Security services

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**A) Securities in the Fund's portfolio**

Securities in the Fund's portfolio	Quantity	% of the total licences issued	Purchase cost	The date value Report	On the date of Value 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					

(Figures in Euros)

**B) FINANCIAL STATEMENT ITEMS OF THE ISSUER**

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	43.692.407	48.600.052	50.142.191
2) Holdings	12.184	6.656.433	14.247.719
3) Real estate	14.500	15.021	
4) Short-term debt	8.518.566	10.341.616	8.659.328
5) Medium/long-term debt	13.715.692	15.630.272	17.684.719
6) Shareholders' equity	21.458.149	22.628.164	23.798.144
7) Gross working capital	9.296.889	5.422.132	3.459.982
8) Net working capital	3.545.806	-2.069.404	-1.448.701
9) Net fixed capital	32.887.773	35.030.525	30.568.122
10) Net financial position	-1.472.342	-4.676.154	-4.498.978

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	28.344.765	20.966.445	15.771.104
2) Gross operating margin	19.178.639	15.323.042	11.716.018
3) Operating result	1.296.142	-791.160	-1.078.978
4) Balance of financial income/expenses	-585.345	442.412	501.270
5) Balance of extraordinary income/expenses	-		-684.443
6) Profit before taxes	710.797	-348.748	-1.262.151
7) Net profit (loss)	-1.082.982	-1.169.984	-1.601.365
8) Depreciation and amortisation for financial year	5.958.523	4.982.714	4.003.680

(Figures in Euros)

**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 THE 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	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	43.692.407	46.688.546	50.109.080
2) Holdings	12.184	12.384	12.384
3) Real estate	14.500	15.021	
4) Short-term debt	8.518.566	9.643.627	8.978.389
5) Medium/long-term debt	13.715.692	15.908.110	18.365.551
6) Shareholders' equity	21.458.149	21.136.809	22.765.140
7) Gross working capital	9.296.889	9.739.915	8.423.930
8) Net working capital	3.545.806	3.300.070	4.711.030
9) Net fixed capital	32.887.773	36.209.529	39.385.450
10) Net financial position	1.750.643	295.105	1.251.180

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	28.344.765	27.498.137	23.124.739
2) Gross operating margin	19.109.730	18.529.211	15.698.513
3) Operating result	1.296.142	478.053	255.398
4) Balance of financial income/expenses	-585.345	-763.783	-676.978
5) Balance of extraordinary income/expenses			-690.206
6) Profit before taxes	710.797	-285.730	-1.111.786
7) Net profit (loss)	-1.082.982	-1.628.779	-2.056.553
8) Depreciation and amortisation for financial year	5.958.523	6.211.299	5.360.827

(Figures in Euros)

In 2016 the two companies merged in The Bolt-on 100% controlled's home Integrated System Srl. Even in the 2016, the Company has highlighted a positive trends concerning the production capacity and the operating loss is due (as in previous years) goodwill amortisation.

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.

Description and location of the company:	<b>Zeis Excelsa S.p.A.- Montegranaro (FM)</b>
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

Zeis Excelsa S.p.A.					
	Quantit	% of the total securities issued	Cost of Purchase	Value as at 31/12/2014 Statement of Account	Value as at 31/12/2014 rend. Prev.
1. 1) equities with voting rights	249.900	19.99%	12.000.000	-	107.000
2. 2) equities without voting rights					
3. 3) bonds convertible into shares of the same issuer	8.000.000	100.00%	8.000.000	-	8.000.000
4. 4) bonds with warrants on shares of the same issuer					
5. 5) other financial instruments	2.142.238	100.00%	2.384.225	-	1.872.813

#### B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	79.748.929	91.966.612	121.926.239
2) Holdings	9.050.460	6.713.305	11.861.327
3) Real estate	10.454.636	10.748.424	11.085.410
4) Short-term debt	33.765.089	38.628.890	69.866.311
5) Medium/long-term debt	24.802.378	26.230.078	25.995.847
6) Shareholders' equity	21.178.412	27.107.644	26.064.081
7) Gross working capital	47.698.570	56.795.018	74.997.653
8) Net working capital	24.735.206	32.445.706	36.943.488
9) Net fixed capital	16.797.144	18.983.966	22.664.537
10) Net financial position	-15.658.609	-12.940.633	-34.855.880

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	40.597.632	50.930.234	89.645.702
2) Gross operating margin	5.459.503	3.469.920	10.247.890
3) Operating result	-3.446.731	-11.761.599	-10.198.767
4) Balance of financial income/expenses	-1.888.007	-3.018.563	-4.240.060
5) Balance of extraordinary income/expenses	-	21.153.749	-1.919.421
6) Profit before taxes	-6.814.283	3.859.439	-17.560.892
7) Net profit (loss)	-5.929.231	1.043.563	-14.486.447
8) Depreciation and amortisation for financial year	2.438.644	3.669.288	4.859.703

(Figures in Euros)

#### C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost, corrected for impairment losses In view negative company's development, at 31-Dec-17 participation and the debenture loans is given full depreciated.

#### 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 THE 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 6 years and a maturity date of 28 May 2018.

## **F) Other information**

Zeis Excelsa S.p.A. Is parent company delomonimo group who fits major's one actors in Italy even more in the producers and marketer of footwear medium and high range, is with *brand* owned, with brands Bikkembergs, Docksteps, Cult and Virtus Gyms, is with brands marketed under license, including Merrell, Samsonite Footwear, and other minori. Dal 2011, year in which Zeis has detected the branded properties with the Bikkembergs and as already operated under license in the footwear section, which can result in a substantial increase of turnover especially abroad with alampciata product apparel's range, the Company has now, any consumption crisis, a constant loss of turnover concentrated mostly in the footwear segment, channel *wholesale* 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 on going, 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 Shenzen, for an amount of approximately 41 million Euros. Consequently, as at 31 December 2014, the underlying company and the convertible bond were fully written down. The data from the consolidated financial statements is shown below:*

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	83.876.916	97.937.523	140.097.762
2) Holdings	5.756.017	5.276.301	973.616
3) Real estate	13.894.666	15.689.924	16.398.680
4) Short-term debt	42.910.355	47.501.986	77.381.136
5) Medium/long-term debt	21.559.873	23.194.568	30.964.716
6) Shareholders' equity	19.406.688	27.240.969	31.751.910
7) Gross working capital	51.158.646	58.087.536	75.723.312
8) Net working capital	23.263.430	28.198.767	28.387.251
9) Net fixed capital	22.830.443	27.549.396	60.711.371
10) Net financial position	-14.078.321	-25.719.759	-46.117.714

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	52.877.256	66.135.553	103.921.911
2) Gross operating margin	10.259.974	9.970.801	19.861.868
3) Operating result	-6.500.732	-12.912.328	-11.504.176
4) Balance of financial income/expenses	-2.160.998	-3.606.838	-5.107.929
5) Balance of extraordinary income/expenses	-	21.013.728	-216.901
6) Profit before taxes	-9.321.120	4.276.991	-17.147.629
7) Net profit (loss)	-7.823.729	2.053.159	-14.322.662
8) Depreciation and amortisation for financial year	3.513.916	6.345.612	9.508.043

(Figures in Euros)

In 2016, despite the continued turnaround's operation (initiated on end 2015) that has also meant the closure of several retail stores, and their use redundancy, there remains a difficult situation viability of the Company it been decreasing of turnover and a deficit for the year.

Description and location **General Medical Merate S.p.A. – Seriate (BG)**  
of the company:

Activity performed by Radiology Diagnostics equipment  
the company:

#### A) Securities in the Fund's portfolio

Securities in the Fund's portfolio	Quantity	% of the total licences issued	Purchase cost	The date value Report	On the date of Value 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					

(Figures in Euros)

#### B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	67.449.643	63.240.704	54.958.987
2) Holdings	8.770.139	9.030.523	12.364.227
3) Real estate	9.665	14.175	18.716
4) Short-term debt	26.017.585	27.906.165	23.468.998
5) Medium/long-term debt	8.306.151	6.656.770	3.370.168
6) Shareholders' equity	33.125.907	28.677.769	28.119.821
7) Gross working capital	42.246.954	43.286.567	33.902.102
8) Net working capital	23.493.166	22.841.274	19.484.869
9) Net fixed capital	2.296.254	2.905.687	1.798.962
10) Net financial position	13.566.662	4.073.045	1.100.815

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	55.740.086	55.207.056	39.903.592
2) Gross operating margin	13.981.092	13.739.403	8.790.857
3) Operating result	1.592.318	1.558.656	-720.380
4) Balance of financial income/expenses	1.218.664	-491.431	1.459.289
5) Balance of extraordinary income/expenses	-	-128.286	2
6) Profit before taxes	2.550.598	877.117	2.034.356
7) Net profit (loss)	1.940.687	557.947	2.062.496
8) Depreciation and amortisation for financial year	857.375	891.444	670.722

(Figures in Euros)

#### 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 THE 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. The data from the consolidated financial statements is shown below:*

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	68.063.704	64.004.469	63.447.266
2) Holdings	145.867	408.161	143.836
3) Real estate	928.023	975.617	1.023.241
4) Short-term debt	26.258.013	28.343.823	31.327.395
5) Medium/long-term debt	8.940.532	7.327.432	5.757.753
6) Shareholders' equity	32.865.159	28.333.214	26.362.118
7) Gross working capital	45.688.380	47.489.867	48.026.359
8) Net working capital	26.645.306	27.228.456	29.106.660
9) Net fixed capital	3.486.614	4.337.607	4.649.052
10) Net financial position	17.824.091	8.168.168	2.949.497

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	62.222.677	61.222.096	59.408.948
2) Gross operating margin	18.076.841	17.258.023	15.773.091
3) Operating result	3.834.618	2.746.216	1.658.562
4) Balance of financial income/expenses	-453.515	-364.934	-780.017
5) Balance of extraordinary income/expenses		-129.674	-12.255
6) Profit before taxes	3.120.719	2.189.786	866.290
7) Net profit (loss)	2.197.377	1.695.973	350.353
8) Depreciation and amortisation for financial year	1.159.145	1.200.114	1.139.050

(Figures in Euros)

In 2016, the Company has registered developed in line to Last Year. In May 2016, the Trading Partner in China of the Company entered same's nelazionariato through the acquisition by the Company to own shares.

Description and location **Labomar S.r.l.- Istrana (TV)**

of the company:

Activity performed by Outsourced production and distribution of nutraceuticals.

the company:

#### A) Securities in the Fund's portfolio

	Quantit	% of the total securities issued	Cost of Purchase	On the date of Value Report	On the date of Value Previous Report
1. 1) equities with voting rights	415.071	29.33%	3.000.000	8.149.127	3.000.000
2. 2) equities without voting rights					
3. 3) bonds convertible into shares of the same issuer					
4. 4) bonds with warrants on shares of the same issuer					
5. 5) other financial instruments					

#### B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	22.611.566	25.176.105	20.145.399
2) Holdings	376.871	375.871	375.871
3) Real estate			
4) Short-term debt	10.928.245	13.826.659	8.828.791
5) Medium/long-term debt	4.750.204	5.549.080	5.542.889
6) Shareholders' equity	6.933.117	5.800.366	5.773.719
7) Gross working capital	13.503.419	14.620.656	10.197.540
8) Net working capital	5.623.945	5.202.332	3.161.001
9) Net fixed capital	8.222.543	8.675.151	7.982.347
10) Net financial position	-2.403.126	-2.592.445	5.682

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	34.715.375	27.486.917	25.084.770
2) Gross operating margin	11.671.344	8.823.052	8.379.578
3) Operating result	1.945.803	925.648	1.750.726
4) Balance of financial income/expenses	-98.331	-175.708	-153.355
5) Balance of extraordinary income/expenses		-11.583	-213
6) Profit before taxes	1.847.337	738.357	1.583.566
7) Net profit (loss)	1.278.452	472.824	958.285
8) Depreciation and amortisation for financial year	1.694.121	1.476.801	1.088.056

(Figures in Euros)

#### C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Participation is been enhanced to the call's price option of industrial members in October 2017.

**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 THE 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. As a result of the *call options* on 23-Oct-17 industrial the sale of hops by its members, the value of loading to the 31-Dec-17 is increased as a Euro 8,149,127.

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Description and location    **Mape S.p.A. – Bazzano (BO)**

of the company:

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

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**A) Securities in the Fund's portfolio**

Securities in the Fund's portfolio	Quantity	% of the total securities issued	Purchase cost	The date value of the report	On the date of Value 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					

(Figures in Euros)

**B) FINANCIAL STATEMENT ITEMS OF THE ISSUER**

The last available financial statements are from 31 December 2013.

Asset data	31/12/2013	Exercise Previous	2nd Exercise Previous
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	Exercise Previous	2nd Exercise Previous
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		

(Figures in Euros)

**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 THE 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.*

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Description and location    **Surgital S.p.A.** (Lavezzola)

The company:

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

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**A) Securities in the Fund's portfolio**

	Quantit	% of the total securities issued	Cost of Purchase	On the date of Value Report	On the date of Value Previous Report
1. 1) equities with voting rights	94.118	16.00%	10.600.000	10.600.000	10.600.000
2. 2) equities without voting rights					
3. 3) bonds convertible into shares of the same issuer					
4. 4) bonds with warrants on shares of the same issuer					
5. 5) other financial instruments					

**B) FINANCIAL STATEMENT ITEMS OF THE ISSUER**

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	108.833.769	92.353.159	91.460.742
2) Holdings	214.488	214.488	200.369
3) Real estate	13.548.666	13.325.572	12.088.335
4) Short-term debt	22.859.940	18.269.272	18.456.531
5) Medium/long-term debt	24.855.420	11.723.516	12.479.869
6) Shareholders' equity	61.118.409	62.360.371	60.524.342
7) Gross working capital	19.645.836	18.213.110	16.809.301
8) Net working capital	257.565	3.814.198	2.458.868
9) Net fixed capital	44.678.628	43.431.798	47.988.879
10) Net financial position	33.695.771	24.034.748	19.691.573

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	67.241.898	61.091.814	56.089.503
2) Gross operating margin	23.544.612	20.835.506	20.026.272
3) Operating result	8.593.232	2.456.527	2.400.923
4) Balance of financial income/expenses	-193.817	115.300	240.576
5) Balance of extraordinary income/expenses	-	197.851	-4.312
6) Profit before taxes	6.933.840	2.701.105	2.546.937
7) Net profit (loss)	1.363.593	1.836.029	1.544.336
8) Depreciation and amortisation for financial year	6.596.442	8.544.312	8.761.493

(Figures in Euros)

**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 THE OPERATIONS**

On 31 January 2013, the Fund underwrote a share capital increase in Surgital S.p.A. by 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:

<b>Asset data</b>	<b>31/12/2016</b>	<b>Exercise Previous</b>	<b>2nd Exercise Previous</b>
1) Total assets	110.588.000	94.839.188	94.075.035
2) Holdings	118.000	118.045	103.925
3) Real estate	15.853.000	15.732.912	14.598.103
4) Short-term debt	23.512.000	19.113.399	18.731.470
5) Medium/long-term debt	24.238.000	12.418.636	13.282.857
6) Shareholders' equity	62.658.000	63.307.153	62.060.708
7) Gross working capital	19.901.000	18.516.014	16.747.365
8) Net working capital	-293.000	3.164.613	2.122.210
9) Net fixed capital	48.012.000	47.018.294	50.920.143
10) Net financial position	33.177.000	23.358.431	19.542.475

(Figures in Euros)

<b>Income data</b>	<b>31/12/2016</b>	<b>Exercise Previous</b>	<b>2nd Exercise Previous</b>
1) Turnover	69.523.000	62.505.577	57.420.001
2) Gross operating margin	24.052.000	20.898.786	20.564.049
3) Operating result	7.755.000	1.684.274	2.221.404
4) Balance of financial income/expenses	-192.000	105.181	238.613
5) Balance of extraordinary income/expenses	-	153.344	-3.253
6) Profit before taxes	7.563.000	1.874.226	2.366.514
7) Net profit (loss)	2.155.000	1.218.931	1.386.382
8) Depreciation and amortisation for financial year	6.914.000	8.759.674	8.949.980

(Figures in Euros)

In 2016, the Company has continued your growth path in Italy and abroad recording up +10.1% revenue than the 2015.



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

Activity performed by  
the company: Production rubber compounds Synthetic and Natural

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**A) Securities in the Fund's portfolio**

Securities in the Fund's portfolio	Quantity	% of the total licences issued	Purchase cost	The date value Report	On the date of Value 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					

(Figures in Euros)

**B) FINANCIAL STATEMENT ITEMS OF THE ISSUER**

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	54.825.880	55.141.000	40.938.961
2) Holdings	1.172.895	1.173.000	368.433
3) Real estate			
4) Short-term debt	11.724.329	11.585.000	11.213.448
5) Medium/long-term debt	10.792.790	15.947.000	6.510.827
6) Shareholders' equity	32.308.761	27.609.000	23.214.686
7) Gross working capital	35.433.370	30.140.000	29.881.425
8) Net working capital	28.645.938	23.362.000	20.921.077
9) Net fixed capital	5.848.193	5.872.000	5.636.212
10) Net financial position	15.751.401	19.262.000	10.886.323

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	53.411.178	49.241.000	48.944.844
2) Gross operating margin	12.358.584	11.548.000	10.958.228
3) Operating result	7.972.085	7.086.000	6.235.398
4) Balance of financial income/expenses	2.653.553	2.546.000	2.009.995
5) Balance of extraordinary income/expenses		22.000	-23.936
6) Profit before taxes	10.625.638	9.654.000	8.221.457
7) Net profit (loss)	8.194.851	7.415.000	6.095.005
8) Depreciation and amortisation for financial year	1.226.902	1.204.000	1.741.962

(Figures in Euros)

**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 THE OPERATIONS**

On 24 April 2013, the Fund increased its participation in Mesgo S.p.A. by 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.

The data from the consolidated financial statements is shown below:

Asset data	31/12/2016	Exercise Previous
1) Total assets	68.610.190	65.374.764
2) Holdings	4.755	4.755
3) Real estate	4.716.030	2.750.740
4) Short-term debt	19.176.532	15.860.959
5) Medium/long-term debt	13.829.086	17.181.014
6) Shareholders' equity	35.604.573	32.332.791
7) Gross working capital	46.091.420	39.731.945
8) Net working capital	34.912.490	29.634.499
9) Net fixed capital	16.561.126	12.398.093
10) Net financial position	14.991.834	22.905.631

(Figures in Euros)

Income data	31/12/2016	Exercise Previous
1) Turnover	71.796.373	67.921.598
2) Gross operating margin	20.016.179	18.147.398
3) Operating result	10.901.725	10.394.091
4) Balance of financial income/expenses	-249.668	-6.294
5) Balance of extraordinary income/expenses		-11.884
6) Profit before taxes	10.652.057	10.375.913
7) Net profit (loss)	7.467.583	7.371.566
8) Depreciation and amortisation for financial year	2.456.701	1.873.158

(Figures in Euros)

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

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

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**A) Securities in the Fund's portfolio**

	Quantit	% of the total securities issued	Cost of Purchase	On the date of Value Report	On the date of Value Previous Report
1. 1) equities with voting rights	1.097.371	17.00%	25.025.000	25.025.000	25.025.000
2. 2) equities without voting rights					
3. 3) bonds convertible into shares of the same issuer					
4. 4) bonds with warrants on shares of the same issuer					
5. 5) other financial instruments					

**B) FINANCIAL STATEMENT ITEMS OF THE ISSUER**

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	277.962.507	263.863.825	168.099.777
2) Holdings	83.989.196	83.452.518	136.830.672
3) Real estate	17.184.519	17.148.809	16.095.260
4) Short-term debt	76.650.401	65.737.952	8.002.660
5) Medium/long-term debt	54.388.819	80.992.489	25.401.596
6) Shareholders' equity	146.923.287	117.133.384	134.695.521
7) Gross working capital	100.006.420	98.400.766	2.172.472
8) Net working capital	36.633.970	47.291.516	-40.972
9) Net fixed capital	65.615.823	47.371.944	17.730.445
10) Net financial position	-14.028.654	8.085.488	551.803

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	180.998.351	161.027.344	2.735.389
2) Gross operating margin	47.137.240	36.481.102	1.534.738
3) Operating result	18.674.453	10.960.780	2.819.665
4) Balance of financial income/expenses	-889.512	-3.059.508	-2.354.466
5) Balance of extraordinary income/expenses		-1.356.734	-8.476
6) Profit before taxes	17.913.072	5.519.754	-1.594.674
7) Net profit (loss)	12.386.976	1.896.069	-2.037.948
8) Depreciation and amortisation for financial year	11.100.542	10.664.903	1.590.232

(Figures in Euros)

**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 THE 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, with its registered office 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. The data from the consolidated financial statements is shown below:*

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	423.338.298	392.645.045	366.407.820
2) Holdings	1.775.420	1.168.407	1.004.645
3) Real estate	66.680.269	68.899.473	71.966.519
4) Short-term debt	160.203.855	138.064.083	156.690.277
5) Medium/long-term debt	101.709.944	127.300.823	84.498.977
6) Shareholders' equity	161.424.499	127.280.139	125.218.566
7) Gross working capital	191.266.737	162.281.519	169.998.257
8) Net working capital	42.937.731	32.860.169	38.749.815
9) Net fixed capital	196.160.385	182.220.400	181.756.616
10) Net financial position	-55.914.942	-33.343.200	-75.391.286

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	317.892.246	274.634.982	240.723.652
2) Gross operating margin	108.886.358	86.422.058	76.842.767
3) Operating result	30.229.538	15.922.917	6.901.634
4) Balance of financial income/expenses	-4.514.819	-6.074.323	-7.066.194
5) Balance of extraordinary income/expenses		-1.478.105	985.511
6) Profit before taxes	25.375.984	8.534.392	860.920
7) Net profit (loss)	16.646.215	1.883.850	-1.854.840
8) Depreciation and amortisation for financial year	29.352.678	28.842.388	29.075.559

(Figures in Euros)

Even in the 2016 the Company highlights a positive trend with a Value of Production in growth of 8.6% good results from the aerospace sector's performance. In November 2016, FII has converted to €10.0 mLn convertible's capital bond loan mLn of €15.0 (the remaining € 5.0 mLn have been reimbursed and interest accrued) while the other shareholders have converted to capital their financing members; for effect of this operation, FII has expanded their participation in the 17.0%.

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

Activity performed by Production of polyurethane and rubber straps  
the company:

#### A) Securities in the Fund's portfolio

Securities in the Fund's portfolio	Quantity	% of the total licences issued	Purchase cost	The date value Report	On the date of Value 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					

(Figures in Euros)

#### B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	472.843.936	493.447.523	478.460.987
2) Holdings	68.645.787	65.135.120	59.363.399
3) Real estate	8.216.263	6.639.709	7.154.055
4) Short-term debt	59.028.360	49.117.219	30.581.418
5) Medium/long-term debt	174.652.972	192.278.795	186.471.932
6) Shareholders' equity	239.162.604	252.051.509	261.407.637
7) Gross working capital	66.891.949	64.018.567	49.241.005
8) Net working capital	43.310.405	55.248.456	25.538.612
9) Net fixed capital	304.430.396	326.304.381	338.834.835
10) Net financial position	-10.657.623	3.616.545	8.467.772

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	96.000.278	91.655.191	80.203.559
2) Gross operating margin	32.689.177	30.637.421	25.636.264
3) Operating result	-5.397.911	-7.864.819	632.406
4) Balance of financial income/expenses	-6.223.659	-1.916.180	-4.944.686
5) Balance of extraordinary income/expenses		177.731	-30.359
6) Profit before taxes	-11.621.570	-9.603.268	-4.342.639
7) Net profit (loss)	-12.368.017	-9.356.130	-2.294.954
8) Depreciation and amortisation for financial year	25.304.092	25.996.654	12.816.099

(Figures in Euros)

#### 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 THE 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	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	582.666.538	589.205.788	554.870.563
2) Holdings	28.428	149.760	10.206
3) Real estate	20.296.487	19.018.724	16.139.195
4) Short-term debt	94.921.635	77.047.739	56.049.245
5) Medium/long-term debt	182.520.088	200.830.737	187.750.720
6) Shareholders' equity	305.224.815	311.327.312	311.070.598
7) Gross working capital	168.130.021	158.576.177	138.235.362
8) Net working capital	116.907.178	115.966.722	101.703.352
9) Net fixed capital	374.036.424	390.884.026	396.646.631
10) Net financial position	25.587.637	38.432.898	31.967.830

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	282.284.462	282.179.571	231.471.913
2) Gross operating margin	122.651.504	117.919.962	96.239.428
3) Operating result	16.990.228	18.220.890	24.163.536
4) Balance of financial income/expenses	-12.200.983	-16.554.139	-8.066.720
5) Balance of extraordinary income/expenses		-595.726	-168.819
6) Profit before taxes	4.789.245	1.071.025	15.927.997
7) Net profit (loss)	-3.373.117	-2.754.164	10.799.534
8) Depreciation and amortisation for financial year	34.324.359	33.782.611	18.899.960

(Figures in Euros)

Continue also in the 2016 development of the Company with increasing revenue at 5.0% especially in Europe. You is refine your Bolt-on fusion of two subsidiaries in Megadyne with tax effects from 1 January 2016. The loss of goodwill amortisation exercise is due.





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

Activity performed by Production and distribution of screws, and hardware  
the company:

#### A) Securities in the Fund's portfolio

	Quantit	% of the total securities issued	Cost of Purchase	On the date of Value Report	On the date of Value Previous Report
1. 1) equities with voting rights	544.133	15.18%	7.500.000	5.000.000	7.500.000
2. 2) equities without voting rights					
3. 3) bonds convertible into shares of the same issuer					
4. 4) bonds with warrants on shares of the same issuer					
5. 5) other financial instruments					

#### B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	129.809.243	139.769.336	122.443.574
2) Holdings	10.937.792	978.769	66.084
3) Real estate	7.158.698	8.747.619	8.103.142
4) Short-term debt	58.384.979	67.089.628	64.560.849
5) Medium/long-term debt	16.554.758	19.464.736	14.733.397
6) Shareholders' equity	54.869.506	53.214.972	43.149.328
7) Gross working capital	43.711.569	63.223.765	58.974.123
8) Net working capital	3.632.207	19.611.583	13.980.504
9) Net fixed capital	52.927.483	56.625.906	57.268.763
10) Net financial position	-29.170.364	-27.948.255	-30.511.374

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	120.882.066	125.786.255	125.713.572
2) Gross operating margin	30.886.561	29.012.616	28.245.102
3) Operating result	3.737.730	3.772.559	3.709.446
4) Balance of financial income/expenses	-596.246	-161.311	-688.399
5) Balance of extraordinary income/expenses	-29.784	70.356	-39.268
6) Profit before taxes	3.066.700	3.621.604	2.981.779
7) Net profit (loss)	2.297.757	2.565.646	1.445.232
8) Depreciation and amortisation for financial year	6.755.231	6.108.729	5.744.067

(Figures in Euros)

### C) CRITERIA AND PARAMETERS USED FOR THE VALUATION

Purchase cost, corrected for impairment losses In order to align the book value of the underlying company with its fair value, an additional write down of Euro 2,500,000 was performed on 31 December 2017.

### 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 THE OPERATIONS

On 17 March 2015, the Fund underwrote a 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. At 3 December 2017 the shareholding's value was devalued of the Euro 2,500,000. The first consolidated financial statements are shown below:

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	141.760.238	152.069.539	132.770.839
2) Holdings	27.272	27.272	27.322
3) Real estate	16.562.509	18.335.413	16.193.694
4) Short-term debt	59.926.126	70.948.267	65.746.164
5) Medium/long-term debt	24.935.233	26.371.702	22.054.949
6) Shareholders' equity	56.898.879	54.749.570	44.969.726
7) Gross working capital	48.910.505	56.793.694	55.255.985
8) Net working capital	8.310.750	10.560.833	10.393.746
9) Net fixed capital	81.761.472	82.315.361	70.501.315
10) Net financial position	-30.753.861	-33.743.827	-38.913.593

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	129.092.666	130.433.429	126.913.911
2) Gross operating margin	33.959.304	31.947.423	28.801.478
3) Operating result	3.690.394	3.767.306	4.106.771
4) Balance of financial income/expenses	-580.230	-451.178	-792.920
5) Balance of extraordinary income/expenses	-29.784	69.365	-51.268
6) Profit before taxes	3.080.380	3.385.493	3.262.583
7) Net profit (loss)	2.516.844	2.301.819	1.989.581
8) Depreciation and amortisation for financial year	8.206.085	7.068.900	6.159.102

(Figures in Euros)

In 2016, the Company confirmation even if a positive trend revenues were slightly lower (-3.9%) the previous year. Throughout the year continued the investment programme to support growth production.

Description and location of the company: **Ligabue Venice Services Holding S.p.A.**

Activity performed by the company: Food Product sourcing, catering services

#### A) Securities in the Fund's portfolio

LIGABUE S.P.A. (already LVSH S.P.A.)					
	Quantit	% of the total securities issued	Cost of Purchase	Value as at 31/12/2014 Statement of Account	Value as at 31/12/2014 rend. Prev.
1. 1) equities with voting rights	6.279.120	30.60%	9.000.000	9.000.000	9.000.000
2. 2) equities without voting rights					
3. 3) bonds convertible into shares of the same issuer					
4. 4) bonds with warrants on shares of the same issuer					
5. 5) other financial instruments	1	100.00%	5.000.000	5.000.000	5.000.000

#### B) FINANCIAL STATEMENT ITEMS OF THE ISSUER

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	58.848.148	67.930.511	62.382.920
2) Holdings	21.203.173	21.194.130	17.592.053
3) Real estate			
4) Short-term debt	30.739.111	28.299.695	35.272.197
5) Medium/long-term debt	13.717.163	19.717.281	7.996.706
6) Shareholders' equity	14.391.874	19.913.535	19.114.017
7) Gross working capital	15.662.582	36.385.768	33.639.444
8) Net working capital	1.775.230	14.772.697	12.584.426
9) Net fixed capital	3.259.661	3.606.536	2.758.973
10) Net financial position	-3.550.855	8.117.456	-1.462.611

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	74.864.226	59.725.526	57.833.923
2) Gross operating margin	9.247.724	7.924.058	9.415.687
3) Operating result	-2.818.409	-4.370.742	-893.602
4) Balance of financial income/expenses	7.622.641	6.625.541	3.685.664
5) Balance of extraordinary income/expenses		-61.267	-172.688
6) Profit before taxes	4.145.393	1.152.283	1.602.499
7) Net profit (loss)	2.874.454	799.518	755.716
8) Depreciation and amortisation for financial year	917.147	838.282	822.316

(Figures in Euros)

#### 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 THE 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:

Asset data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Total assets	102.802.000	108.888.000	101.922.000
2) Holdings	174.000	160.000	302.000
3) Real estate	1.486.000	1.614.000	1.783.000
4) Short-term debt	72.520.000	77.084.000	83.878.000
5) Medium/long-term debt	14.995.000	21.789.000	7.710.000
6) Shareholders' equity	15.287.000	10.015.000	10.334.000
7) Gross working capital	76.162.000	78.487.000	77.436.000
8) Net working capital	8.375.000	10.817.000	8.358.000
9) Net fixed capital	8.378.000	9.127.000	8.412.000
10) Net financial position	7.837.000	7.826.000	-6.397.000

(Figures in Euros)

Income data	31/12/2016	Exercise Previous	2nd Exercise Previous
1) Turnover	257.359.000	261.033.000	225.218.000
2) Gross operating margin	73.333.000	72.050.000	61.838.000
3) Operating result	11.617.000	13.633.000	9.014.000
4) Balance of financial income/expenses	-707.000	-858.000	-2.328.000
5) Balance of extraordinary income/expenses		-1.117.000	-1.388.000
6) Profit before taxes	10.755.000	10.272.000	4.642.000
7) Net profit (loss)	6.478.000	4.887.000	1.698.000
8) Depreciation and amortisation for financial year	2.451.000	2.282.000	2.102.000

(Figures in Euros)

On 11-May-16, FII has invested in Ligabue through a newco denominated Ligabue Venice Services Holding S.p.A. (merged in early 2017 in the 100% subsidiary Ligabue S.p.A.). In 2016, Ligabue has registered a positive

trend of Production value with an up 26% largely because of new contracts acquired by your division and became ferries the main operator in the field ferry catering on sale in the Mediterranean.

**Table B**

**SUMMARY OF ASSETS DIVESTED BY THE FUND between 10/11/2010 and 31/12/2017**

Holdings	Quantit		Purchas		Last assessment	Gains on sale		Income generated	Costs incurred	Result investment
	no. share/units	%	Dat	Purchase cost		Dat	Revenue of sale			
FARMOL SPA	519.971	32,90	23/05/2012	6.250.000	6.250.000	29/11/2013	4.493.855	1.756.145		0
ARIOLI S.P.A.	286.128	32,73	03/05/2011	5.727.159	7.757.332	04/07/2014	7.757.332			2.030.172
ECO ERIDANIA S.P.A.	4.826.190	30,60	28/09/2011	12.300.000	12.300.000	09/06/2014	21.500.000	50.000		9.250.000
ATT S.R.L.	59.230	32,00	16/05/2012	8.000.000	11.810.000	29/07/2014	11.810.000	350.000		4.160.000
MEGADYNE S.P.A.	1.533.174	14,13	26/09/2012	22.000.000	48.000.000	31/07/2014	51.502.236	1.412.904		30.915.140
COMECER S.P.A.	329.000	32,90	23/05/2011	7.500.000	7.500.000	18/12/2015	16.500.000			9.000.000
MARSILLI S.P.A.	3.826.515	13,75	18/04/2013	10.000.000	10.000.000	30/06/2016	14.000.000	420.917		4.420.917
FERRY INVESTMENTS S.R.L.	30.000	100,00	17/07/2013	17.500.000	35.200.000	21/07/2016	35.279.838	725.695		18.505.533
E.M.A.R.C. S.p.A.	5.166.682	100,00	30/07/2012	10.000.000	10.000.000	10/04/2017	10.850.000			850.000
Antares Vision S.r.l.	22.854	100,00	19/07/2012	5.000.000	5.000.000	19/05/2017	15.215.503			10.215.503
ITAL TBS S.p.A.	5.555.556	100,00	09/02/2012	10.000.000	12.222.223	19/07/2017	12.222.223			2.222.223
Geico Lender S.p.A.	23.077	100,00	29/04/2011	3.000.000	2.470.366	15/12/2017	2.470.366			-529.634
Turbocoating S.p.A.	13.166	100,00	29/01/2013	7.500.000	7.500.000	20/12/2017	29.304.745			21.804.745
FILM MASTER GROUP S.p.A.	589.240	15,33	26/08/2014	3.333.331	3.333.331	11/09/2017	3.547.225			213.894
DBA Group S.p.A.	2.000.000	20,00	14/12/2011	3.353.659	2.042.683	14/12/2017	8.000.000		280.000	4.366.341

- 1) 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.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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.

- 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.
- 9) On 10-Apr-17 has refine your sale of the Euro a total of E.M.A.R.C 11,850.000, referred to Euro 1,000,000 related to your POC, against a purchase participation's cost of Euro 10,000,000.
- 10) On 19-May-17 has refine your supply of Antares Vision S.r.l. Of the Euro 15,215,503 for a fee of purchase of Euro 5,000,000 and the resulting recognition of a gain of the Euro 10,215,503.
- 11) On 19-Jul-17 has refine your of's sale TBS Group S.p.A of the Euro 12,222,223, for a fee of Euro purchase 10,000,001.
- 12) productive's following assets sale signed on 27-Oct-17, was sold participation in GEICO Lender S.p.A to Euro 2,470,366 for a fee of purchase originating in Euro 3,000,000. As of 31-Dec-16 the participation was a value iscitta Euro 700,000.
- 13) On 9 November 2017 was signed on sales contract for holding's divestment denuta in Turbocoating S.p.A. For an one consideration Euro 29,304,475. You have been incurred costs with respect to participation in question for Euro 29,193.
- 14) On 11-Sep-17 has refine your sale Film Master Group – Italian Entertainente Network S.p.A, up to the value of Euro 13,000.536, referred to Euro 4,500,000 spot and recessed Euro 8,500,536 over time at 2% per annum, with maturity did not go beyond 31-Jul-18. As of 31-Dec-16 the shareholding's value in Film Master Group – Intalian Entertainente Network S.p.A was equal to EUR 3,333,331 and the debenture loans Euro 7,920,659.



- 15) On 14-Dec-17 has been partially made the investment in DBA. In particular by IPO were sold nr. 2,000,000 shares to an unit consideration Euro 4 per share. The transaction costs were equal to EUR 280,000.