

MEDIOLANUM FUND OF HEDGE FUNDS
ANNUAL REPORT
&
AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

MEDIOLANUM FUND OF HEDGE FUNDS

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MEDIOLANUM FUND OF HEDGE FUNDS

TRUST INFORMATION

MANAGER, AIFM and GLOBAL DISTRIBUTOR

Mediolanum International Funds Limited
4th Floor
The Exchange
George's Dock
IFSC
Dublin 1, D01 P2V6
Ireland

DEPOSITARY and TRUSTEE

Northern Trust Fiduciary Services (Ireland) Limited
George's Court
54-62 Townsend Street
Dublin 2, D02 R156
Ireland

DIRECTORS of THE MANAGER

Karen Zachary (Irish) (Chairperson)³
Furio Pietribiasi (Italian) (Managing Director)²
Corrado Bocca (Italian)¹
Martin Nolan (Irish)³
Christophe Jaubert (French)²
Michael Hodson (Irish)³
Edoardo Fontana Rava (Italian)¹
Carin Bryans (Irish)³
Fiona Frick (Swiss) (effective February 21, 2024)³

ADMINISTRATOR, REGISTRAR and TRANSFER AGENT

Northern Trust International Fund Administration Services (Ireland) Limited
George's Court
54-62 Townsend Street
Dublin 2, D02 R156
Ireland

DELEGATE INVESTMENT MANAGER

Tages Capital LLP
39 St James's Street
London SW1A1JD
United Kingdom

IRISH LEGAL ADVISORS

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2, D02 XK09
Ireland

INDEPENDENT AUDITORS

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1, D01 X9R7
Ireland

REGISTERED OFFICE

Mediolanum International Funds Limited
4th Floor
The Exchange
George's Dock
IFSC
Dublin 1, D01 P2V6
Ireland

The Trust is constituted in the Republic of Ireland.

¹Non-Executive Directors

²Executive Directors

³Independent Non-Executive Directors

MEDIOLANUM FUND OF HEDGE FUNDS

STATEMENT OF MANAGER'S RESPONSIBILITIES

For the financial year ended 31 December 2024

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Manager is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Trust and to enable it to ensure that the financial statements are prepared in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and comply with the Trust Deed and the Unit Trusts Act, 1990. The Manager is also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements may be available on the website of the Manager and/or any regulatory website as may be required by law and/or regulations. The Manager is responsible for the maintenance and integrity of the corporate and financial information included on the Manager's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. Notwithstanding anything else contained in this report, the Manager is not responsible for the maintenance and integrity of the Annual Report and Audited Financial Statements for the financial year ended 31 December 2024 which may be included on any regulatory authority website as may be required by law and/or regulations.

Going Concern

In preparing the financial statements, the Manager is responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting, unless the Manager intends to cease operations, or has no realistic alternative but to do so.

Corporate Governance Statement

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

Connected Party Transactions

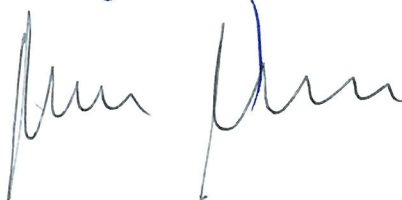
The Directors of the Manager are satisfied that transactions with connected parties entered into during the year complied with the obligations set out in Chapter 1, Part 1, Section 1, xii of the AIF Rulebook, namely any such transactions be carried out at arm's length and in the best interest of the Unitholders and that there are arrangements in place (evidenced by written procedures) to ensure such compliance.

On behalf of the Manager:

Director



Director



29 April 2025

MEDIOLANUM FUND OF HEDGE FUNDS

ANNUAL DEPOSITARY REPORT TO THE UNITHOLDERS

MEDIOLANUM FUND OF HEDGE FUNDS

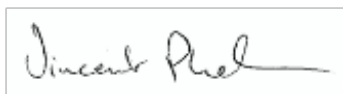
For the financial year ended 31 December 2024

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to Mediolanum Fund of Hedge Funds (the “Trust”) provide this report solely in favour of the Unitholders of the Trust for the year ended 31 December 2024 (“Annual Accounting Period”). This report is provided in accordance with current Depositary obligation under the Central Bank of Ireland AIF Rule Book, Chapter 5 (iii). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation under the AIF Rule Book, we have enquired into the conduct of the AIFM for this Annual Accounting Period and we hereby report thereon to the Unitholders of the Trust as follows:

We are of the opinion that the Trust has been managed by the AIFM during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Trust by the constitutional document and by the Central Bank of Ireland under the powers granted to the Central Bank of Ireland by the investment fund legislation; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the investment fund legislation.



For and behalf of
Northern Trust Fiduciary Services (Ireland) Limited

29 April 2025

MEDIOLANUM FUND OF HEDGE FUNDS

MANAGER'S REPORT

For the financial year ended 31 December 2024

Alternative Strategy Collection

Performance*	31/12/23 - 31/12/24	+3.60%
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**Performance is stated in Euro, net of management fee, performance fee and costs*

Investment Universe

The Mediolanum ASC Fund aims to achieve medium to long term capital appreciation whilst limiting the investment risk and rolling volatility to significantly less than that of the global equity markets by investing in underlying funds with diversified strategies in the liquid Hedge Fund space.

Reference Market review and background

In 2024 continued US strength helped developed market equities deliver positive returns, with the S&P 500 Index gaining over 30% in the year and European equities gaining over 9% (both in euro terms), while emerging markets had a more volatile year but closed 2024 with over 14% return (euro terms). While the performance of US mega cap tech ensured that global growth stocks dominated for the second year in a row, prospects for deregulation following the US election boosted financials helping global value stocks to rise in 2024.

However, concern over the US fiscal direction led to a strong performance from gold which ended the year with returns of over 30%. Developed market central banks started normalising policy in 2024, but resilient growth and sticky inflation meant markets pared back expectations for how quickly rate cuts would be delivered. A stronger dollar and rising yields led to negative returns for investment grade bonds.

Portfolio Performance

The Fund performed well over the year, with the Equity Hedge being the top performing strategy, driven mostly by the underlying Asia sub-strategy. The Multi-Strategy was also a top performer, with returns again driven by Asia. The top performing funds at the manager level were Wolf Hill and Keystone, while Melqart and Greenvale were bottom performers. The first quarter was positive for the Fund, with the major contribution coming from the Equity Hedge strategy, particularly the underlying Asian component. The Macro Discretionary strategy also performed well in the first quarter. However, the Equity Market Neutral fund detracted over this period.

The second quarter of the year was slightly negative for the portfolio, mainly due to a correction in April, with the Event Driven and Equity Market Neutral strategies detracting from performance. The third quarter was slightly negative, with the top contributor for the quarter being the Event Driven strategy that reversed previous losses, while Macro Discretionary and Macro Systematic were negative. The last quarter of the year was positive, with a strong month in November when all strategies reported positive returns with the only exception being the Equity Market Neutral.

Portfolio Activity

The Fund started the year with allocation to 19 funds and ended 2024 with 17 underlying positions. The Event Driven strategy increased in weight from 16% to 21%, mainly in relation to a bigger position in Wolf Hill, the best performing fund in the portfolio for the year. The Equity Long Short strategy experienced some turnover, with the redemption of 2 funds (TCIM and Willing) and the addition of another two (Palestra and AKO).

Long Short Equity remains the most important allocation in the portfolio at 35%. Credit was reduced from 19% to 14.7% in relation to the redemption of Hellebore. Macro strategies remained overall at 20% of allocation with one change in the year, the replacement of Quantica with Winton. During the year, the portfolio sent the redemption to AM Asia, a Multistrategy fund with a focus on Asia.

Mediolanum International Funds Limited

MEDIOLANUM FUND OF HEDGE FUNDS

ALTERNATIVE STRATEGY COLLECTION

SCHEDULE OF INVESTMENTS

As at 31 December 2024

Financial assets at fair value through Profit or Loss	Holdings	Currency	Fair Value EUR	% of Net Assets
Collective Investment Schemes: 97.30% (2023: 98.17%)				
British Virgin Islands: 0.00% (2023: 0.00%)				
Kingate Global Fund - Vi*	10,750	USD	—	—
Total British Virgin Islands			—	—
Cayman Islands: 82.34% (2023: 81.19%)				
AKO UCITS Fund ICAV - AKO Global UCITS EUR 09/2024	2,531	EUR	1,746	0.00
AKO UCITS Fund ICAV - AKO Global UCITS EUR 10/2024	7,889	EUR	5,443	0.02
BlackRock Emerging Frontiers Fund Class I	10,304	EUR	2,295,285	6.33
Broad Reach Explorer Class A KYD Series 02/2021	799	EUR	1,040,947	2.87
Broad Reach Explorer Class A KYD Series 10/2022	150	EUR	148,894	0.41
EDL Global Opportunities ALROSA Fund**	33,884	RUB	—	—
EDL Global Opportunities VTB Fund**	201,828,698	RUB	—	—
EDL Go Liquidation SPV Class A EUR Series 001	386	EUR	341,974	0.94
Greenvale Capital Fund Sub Class A EUR 07/2022	1,000	EUR	989,167	2.73
Greenvale Capital Fund Sub Class F EUR 07/2022	200	EUR	203,123	0.56
Greenvale Capital Fund Sub Class G EUR 02/2023	512	EUR	508,310	1.40
Keystone 01/2024	438	USD	518,357	1.43
Keystone 02/2024	700	USD	763,282	2.11
Keystone 12/2023	1,000	USD	1,151,408	3.18
Keystone 12/2024	500	USD	493,861	1.36
Lasker Fund Class A EUR 11/2023	1,000	EUR	1,038,686	2.87
Lasker Fund Class A EUR 12/2023	500	EUR	516,189	1.42
Lasker Fund Class A EUR 12/2024	500	EUR	481,484	1.33
Massar Macro Commodity Fund 01/2023	2,602	USD	2,653,186	7.32
Palestra Capital Offshore Fund Class B 03/2024	1,000	USD	1,097,353	3.03
Palestra Capital Offshore Fund Class B 05/2024	700	USD	763,934	2.11
Palestra Capital Offshore Fund Class B 12/2024	500	USD	479,121	1.32
Palmerston Credit Feeder Fund Class A EUR Series 07/2016	8,558	EUR	1,196,801	3.30
Palmerston Credit Feeder Fund EUR Series 02/2021	10,000	EUR	1,073,528	2.96
Palmerston Credit Feeder Fund EUR Series 11/2024	3,000	EUR	310,049	0.85
Pentwater Merger Arbitrage Master Fund Class A 03/2021	1,041	USD	2,475,719	6.83
PinnBrook Offshore Class 5 09/2022	391	EUR	439,084	1.21
PinnBrook Offshore Class 5 10/2022	1,200	EUR	1,307,805	3.61
PinnBrook Offshore Class 5 11/2022	500	EUR	549,417	1.52
Selwood Asset Management Class A EUR	14,176	EUR	2,729,686	7.53
The Winton Fund USD Tranche D 06/2024	543	USD	512,653	1.41
The Winton Fund USD Tranche D 09/2024	880	USD	868,370	2.40
Wolf Hill Offshore Fund Class A 04/2023	1,625	USD	1,974,548	5.45

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

**EDL Global Opportunities Fund restructured due to Russian exposure of approximately 10%, Russian sanctioned positions subsequently written down to zero by MIFL Investment Committee.

The accompanying notes form an integral part of the financial statements

MEDIOLANUM FUND OF HEDGE FUNDS**ALTERNATIVE STRATEGY COLLECTION****SCHEDULE OF INVESTMENTS (continued)**
As at 31 December 2024

Financial assets at fair value through Profit or Loss	Holdings	Currency	Fair Value EUR	% of Net Assets				
Collective Investment Schemes: 97.30% (2023: 98.17%) (continued)								
Cayman Islands: 82.34% (2023: 81.19%) (continued)								
Wolf Hill Offshore Fund Class A 03/2024	758	USD	917,671	2.53				
Total Cayman Islands			29,847,081	82.34				
Ireland: 14.96% (2023: 11.28%)								
AKO UCITS Fund ICAV - AKO Global UCITS Fund	10,420	EUR	2,002,919	5.53				
Melqart Event Driven UCITS Fund EUR 02/2024	4,834	EUR	–	–				
Tages International Funds ICAV - Melqart Event Driven UCITS Fund	24,780	EUR	2,367,997	6.53				
Tages International Funds ICAV - Selwood Equity Absolute Return UCITS Fund	8,815	EUR	1,051,749	2.90				
Total Ireland			5,422,665	14.96				
Luxembourg: 0.00% (2023: 5.70%)								
Total Collective Investment Schemes			35,269,746	97.30				
Forward Foreign Exchange Contracts: 0.00% (2023: 0.15%)								
Total Financial Assets at fair value through Profit or Loss			35,269,746	97.30				
Financial liabilities at fair value through profit or loss								
Forward Foreign Exchange Contracts: (0.79%) (2023: 0.00%)								
Counterparty	Currency Buys	Currency Amount	Currency Sells	Currency Amount	Currency Rate	Maturity Date	Unrealised Gain EUR	% of Net Assets
Northern Trust	EUR	14,001,102	USD	(14,812,200)	0.9452	31/01/2025	(287,399)	(0.79)
Total Fair Value Losses on Forward Foreign Exchange Contracts							(287,399)	(0.79)
Total Financial Liabilities at fair value through Profit or Loss							(287,399)	(0.79)
							Fair Value EUR	% of Net Assets
Total Net Assets at fair value through Profit or Loss							34,982,347	96.51
Bank Overdraft (2023: 2.90%)							(752,469)	(2.08)
Other Net Assets (2023: (1.22%))							2,017,886	5.57
Net Assets Attributable to Holders of Redeemable Participating Units							36,247,764	100.00

The accompanying notes form an integral part of the financial statements

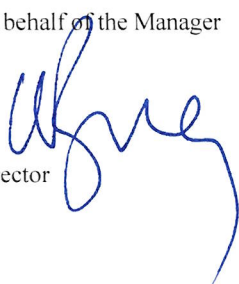
MEDIOLANUM FUND OF HEDGE FUNDS

STATEMENT OF NET ASSETS **As at 31 December 2024**

		Alternative Strategy Collection 31 Dec 2024	Alternative Strategy Collection 31 Dec 2023
Assets	Note	EUR	EUR
Cash at bank	4	436,146	1,024,027
Financial assets at fair value through profit or loss	9	35,269,746	34,676,801
Accrued interest receivable		176	1,986
Investments receivable	2	1,207,764	396,216
Sundry receivables and prepayments	6	1,001,058	4,883
Total assets		37,914,890	36,103,913
Liabilities			
Bank overdraft	4	1,188,615	—
Financial liabilities at fair value through profit or loss	9	287,399	736
Redemptions payable		—	600,000
Administration expense payable	3	6,000	5,883
Management fee payable	3	93,519	90,098
Investment manager fee payable	3	18,159	17,495
Depository fee payable	3	4,306	4,206
Auditors remuneration payable		31,064	39,957
Accrued interest payable		493	66
Sundry payables and accrued expenses	7	37,571	76,106
Total liabilities		1,667,126	834,547
Net assets attributable to holders of redeemable participating units		36,247,764	35,269,366

On behalf of the Manager

Director



Director



30 April 2025

MEDIOLANUM FUND OF HEDGE FUNDS

INCOME STATEMENT

For the financial year ended 31 December 2024

		Alternative Strategy Collection 31 Dec 2024	Alternative Strategy Collection 31 Dec 2023
Income	Note	EUR	EUR
Interest income		9,547	20,500
Other income		44,363	17,615
Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss and foreign exchange	16	1,085,083	(591,496)
Net realised (loss)/gain on forward foreign exchange contracts and currency exchange	16	(657,771)	81,658
Net change in unrealised gain:			
- financial assets and liabilities at fair value through profit or loss and foreign exchange	16	1,930,417	929,238
- open forward foreign exchange contracts	16	(338,875)	50,048
Total investment income		2,072,764	507,563
Expenses			
Management fee	3	555,241	562,790
Investment management fee	3	107,814	109,280
Administration expense	3	36,000	36,000
Depositary fee	3	22,892	24,132
Interest expenses		—	1,541
Auditors remuneration		30,311	24,488
Other expenses		22,108	35,598
Total expenses		774,366	793,829
Increase/(decrease) in net assets from operations attributable to holders of redeemable participating units		1,298,398	(286,266)

All profit and loss account items arose from continuing operations for Alternative Strategy Collection during the financial year ended 31 December 2024.

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

MEDIOLANUM FUND OF HEDGE FUNDS

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

For the financial year ended 31 December 2024

	Alternative Strategy Collection 31 Dec 2024 EUR	Alternative Strategy Collection 31 Dec 2023 EUR
Net assets attributable to holders of redeemable participating units at start of year	35,269,366	37,435,632
Increase/(decrease) in net assets from operations attributable to holders of redeemable participating units	1,298,398	(286,266)
Payments on the redemption of units	<u>(320,000)</u>	<u>(1,880,000)</u>
Net assets attributable to holders of redeemable participating units at end of year	<u>36,247,764</u>	<u>35,269,366</u>

The accompanying notes form an integral part of the financial statements

MEDIOLANUM FUND OF HEDGE FUNDS

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Alternative Strategy Collection 31 Dec 2024 EUR	Alternative Strategy Collection 31 Dec 2023 EUR
Cash flows from operating activities		
Change in net assets attributable to holders of redeemable participating units from operations	1,298,398	(286,266)
Adjustments to reconcile net cash generated by operating activities:		
Movement in financial assets and liabilities at fair value through profit or loss	(306,282)	(491,355)
Movement in receivables and prepaid investments	(1,805,913)	1,591,006
Movement in payables and accrued expenses	(42,699)	(8,281)
Net cash (used in)/generated by operating activities	(856,496)	805,104
Cash flow from financing activities		
Payments on redemption of redeemable participating units	(920,000)	(1,280,000)
Net cash used in financing activities	(920,000)	(1,280,000)
Net decrease in cash and cash equivalents	(1,776,496)	(474,896)
Opening cash and cash equivalents	1,024,027	1,498,923
Ending cash and cash equivalents	(752,469)	1,024,027
Supplementary information		
Interest received	11,784	17,361

The accompanying notes form an integral part of the financial statements

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

1. General

Mediolanum Fund of Hedge Funds (the “Trust”), constituted on 11 April 2005, is an open-ended umbrella unit trust and is authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the provisions of the Unit Trusts Act, 1990. The Trust is constituted in the Republic of Ireland with a registered address of 4th Floor, The Exchange, George’s Dock, IFSC, Dublin 1, D01 P2V6, Ireland.

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

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

- Alternative Strategy Collection (the “Sub-Fund”) is currently the only Sub-Fund actively trading.

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

Class S Unit A is the only active share class in issue and automatically reinvests all earnings, dividends and other distributions of whatever kind.

2. Basis of Accounting

(a) Accounting Convention

The financial statements are prepared in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”), Unit Trusts Act, 1990, AIFM Regulations - European Union (Alternative Investment Fund Managers) Regulations 2013 (SI No. 257 of 2013) and the Trust Deed.

(b) Financial Instruments

(i) Classification

The Trust classifies its investment securities as “financial assets and liabilities at fair value through profit or loss: held for trading”, in accordance with IAS 39 - Financial Instruments: Recognition and Measurement (“IAS 39”).

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

(ii) Measurement and Recognition

The Trust has elected to apply the recognition and measurement provisions of IAS 39 and the disclosures of Section 11 and 12 of FRS 102.

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

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

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

(iii) Subsequent Measurement

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2024

2. Basis of Accounting (continued)

(b) Financial Instruments (continued)

(iii) Subsequent Measurement (continued)

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

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

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

All investments in the Trust's portfolio as at 31 December 2024 were recorded at the fair value.

(iv) Derecognition

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

(v) Fair Value Measurement

FRS 102 requires a reporting entity in accounting for its financial instruments to apply either a) the full requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments, b) the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments, or c) the recognition and measurement provisions of IFRS 9 Financial Instruments and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments. The Trust has chosen to implement the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments.

(c) Valuation of Investments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments is based on their quoted market prices on a recognised exchange at the Statement of Net Assets date without any deduction for estimated future selling costs.

Investments in Collective Investment Schemes are measured at fair value. Fair value is based on the underlying Fund Administrator's calculation of the Net Asset Value per Unit (fair value of the Sub-Fund's assets less liabilities divided by number of units) and adjusting this Net Asset Value per Unit appropriately for any factors that indicate that Net Asset Value per Unit may not be fair value. If, in any case, a Net Asset Value is not ascertainable then fair value is estimated using valuation techniques designed to provide a reliable estimate of prices obtained in actual market transactions.

The Manager is of the view that the most appropriate estimate of fair value of its investments in Collective Investment Schemes is the Net Asset Value as reported by the scheme or its agents. The Manager reviews the valuations using its knowledge of the market and the investments held.

The underlying Collective Investment Schemes may utilise a variety of financial instruments in their trading strategies, including equity and debt securities as well as a variety of derivative instruments. Several of these financial instruments contain varying degrees of off-balance sheet risk whereby changes in market values of the securities underlying the financial instruments may be in excess of the amounts recorded on each Collective Investment Schemes' Balance Sheet.

(d) Accounting for Investments

Investment transactions are accounted for on the trade date. Realised gains and losses on investment disposals are calculated using Average Cost Method.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2024

2. Basis of Accounting (continued)

(e) Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the Trust's financial statements are measured using the Euro. As in the opinion of the Directors of the Manager, the Euro best represents the economic effects of the underlying transactions, events and conditions applicable to the Trust. The Trust has also adopted the Euro as its presentation currency.

(ii) Transactions and Balances

Monetary assets and liabilities denominated in currencies other than the presentation currency are translated to the presentation currency at the closing rates of exchange at year end. Transactions during the financial year ended 31 December 2024, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction gains and losses are included in the Income Statement.

(f) Income

Income arising from investments is accounted for on an accruals basis and is shown gross of irrecoverable withholding taxes, where applicable.

(g) Forward Foreign Exchange Contracts

The unrealised gain or loss on open forward currency contracts is calculated as the difference between the original contracted rate and the rate to close out the contract. Realised gains or losses on currency as reflected in the Income Statement include net gains and losses on forward currency contracts that have not settled.

(h) Taxation

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

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

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

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

(i) Equalisation on Investments

Many investment funds operate an Equalisation Policy that applies to the purchase of units made on a dealing day during the accounting period. When the Net Asset Value per Unit is more than the value at the beginning of the accounting period ("Peak Net Asset Value"), the offering price of units in the Trust is the sum of the Net Asset Value per Unit and the "Equalisation Factor". The Trust does not operate an Equalisation Policy on the issue and redemption of units to its Unitholders.

(j) Redeemable Participating Units

Redeemable Participating Units are redeemable at the Unitholder's option and are classified as financial liabilities. Any distributions on these participating units are recognised in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2024

2. Basis of Accounting (continued)

(k) Classification of Redeemable Participating Units

The Trust provides Unitholders with the right to redeem their interest in the Sub-Fund at any dealing date for cash equal to their proportionate share of the Net Asset Value of the Sub-Fund. Under FRS 102, this right represents in substance a liability of the Trusts to Unitholders.

(l) Significant Accounting Judgements and Estimates

The preparation of financial statements in accordance with FRS 102 requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the year. Actual results could differ from those estimates.

The areas of estimates which have the most significant effect on the amounts recognised in the financial statements are valuation of investments which are disclosed within note 9 “Derivatives and Other Financial Instruments”.

(m) Investments Receivable

Monies paid in advance by the fund to subscribe into a hedge fund position with the trade date being confirmed by the underlying fund administrator. Where the trade date is after the financial year end of the fund, the monies paid are reflected as investments receivable on the Statement of Net Assets.

3. Fees and Expenses

(a) Management Fees

Mediolanum International Funds Limited (the “Manager”) is entitled to an annual fee accrued and payable monthly in arrears of 1.50% of the Net Asset Value of the Sub-Fund. The Manager is also entitled to be paid all of its administration fee out of the assets of the Sub-Fund, which include an annual fee accrued at each valuation point and payable monthly in arrears of 0.045% of the Net Asset Value of the Sub-Fund. A fee of EUR 10 is charged (gross of any relevant taxes) per Class in which a Unitholder holds less than 25 Units. The appropriate number of Units of each such Unitholder will be automatically redeemed to pay these administrative charges. If a Unitholder holds a number of Units in any Class with a value of less than EUR 10 (gross of any relevant taxes), then his/her entire holding shall be automatically redeemed and paid to the Manager. This administrative charge shall be adjusted periodically in accordance with the Eurostat All Items Harmonised Index of Consumer Prices (HICP). This administrative charge is chargeable on the first Dealing Day in December of each year. The Manager earned management fees of EUR 555,241 (2023: EUR 562,790) for the financial year ended 31 December 2024, EUR 93,519 (2023: EUR 90,098) was payable at 31 December 2024.

(b) Investment Manager Fees

Mediolanum International Funds Limited (the “Manager”) is entitled to receive out of the assets of the Sub-Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears of 0.30% of the Net Asset Value of the Sub-Fund (plus VAT, if any), subject to a minimum annual fee of EUR 75,000 per Sub-Fund. The Investment Manager earned management fees of EUR 107,814 (2023: EUR 109,280) for the financial year ended 31 December 2024, EUR 18,159 (2023: EUR 17,495) was payable at 31 December 2024.

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

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

(c) Performance Fees

The Manager is also entitled to a performance fee of up to 10% of the increase in the Net Asset Value of the Sub-Fund, calculated on a monthly basis. The calculation of the performance fee will be verified by the Depositary. No performance fees were earned for the financial years ended 31 December 2024 and 31 December 2023 in relation to the Alternative Strategy Collection.

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) For the financial year ended 31 December 2024

3. Fees and Expenses (continued)

(d) Administration Expense

Northern Trust International Fund Administration Services (Ireland) Limited, the Administrator, is entitled to receive out of the assets of the Sub-Fund an annual fee accrued at each Valuation Point at the following rates:

- EUR 0-200 million the fee shall be 0.04% per annum of the Net Asset Value of the Sub-Fund;
- EUR 200-400 million the fee shall be 0.03% per annum of the Net Asset Value of the Sub-Fund; and
- in excess of EUR 400 million the fee shall be 0.025% per annum of the Net Asset Value of the Sub-Fund and payable monthly in arrears.

Such a fee is subject to a minimum monthly fee of EUR 3,000 per Sub-Fund or, where the Sub-Fund has multiple Classes, a minimum monthly fee of EUR 3,250 applies.

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

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

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

The Administrator is entitled to be repaid out of the assets of the Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Sub-Fund which shall include legal fees, couriers' fees and telecommunications costs and expenses. The Sub-Fund will bear its proportion of the fees and expenses of the Administrator. The Administrator expenses charged was EUR 36,000 (2023: EUR 36,000) for the financial year ended 31 December 2024, EUR 6,000 (2023: EUR 5,883) was payable at 31 December 2024 and Administrator expense paid for the year ended 31 December 2024 was EUR 35,883 (2023: EUR 42,110).

(e) Depositary Fee

Northern Trust Fiduciary Services (Ireland) Limited, the Depositary, is entitled to receive out of the assets of the Sub-Fund an annual fee accrued at each Valuation Point at the following rates:

- EUR 0-200 million and the fee shall be 0.04% per annum of the Net Asset Value of the Sub-Fund; and
- in excess of EUR 200 million the fee shall be 0.03% per annum of the Net Asset Value of the Sub-Fund as a whole and payable monthly in arrears.

The Depositary is entitled to a transaction charge of EUR 150 per Sub-Fund investment transaction and electronic transfer charge of EUR 25 per transaction.

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

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

The Depositary received fees of EUR 22,892 (2023: EUR 24,132) for the financial year ended 31 December 2024, EUR 4,306 (2023: EUR 4,206) was payable at 31 December 2024.

(f) Underlying Fund Fees

The Alternative Strategy Collection invests in underlying funds which incur their own fees. The details of the fees charged by the underlying funds are detailed in the Fund of Funds Disclosure on page 28. Where the Manager has negotiated a rebate on the management fee charged on its investment into other funds, this rebate is paid directly to the Sub-Fund.

4. Cash at Bank

The Depositary to the Trust is Northern Trust Fiduciary Services (Ireland) Limited, an indirect wholly-owned subsidiary of Northern Trust Corporation ("NTC"). NTC is publicly traded and a constituent of the S&P 500. NTC has a credit rating of A+ (2023: A+) from Standard & Poor's. The Northern Trust Company ("TNTC") is also wholly owned by NTC. TNTC has a credit rating of AA- (2023: AA-) from Standard & Poor's and A2 (2023: A2) from Moody's.

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

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the financial year ended 31 December 2024**

4. Cash at Bank (continued)

As at 31 December 2024 and 31 December 2023, the Alternative Strategy Collection had a cash balance representing less than 10% of the Net Assets of the Sub-Fund.

5. Redeemable Participating Units

	Alternative Strategy Collection 31 Dec 2024	Alternative Strategy Collection 31 Dec 2023
<i>Participating units in issue</i>		
<u>Class S Unit A</u>		
At the beginning of the year	3,725,785	3,925,282
Units redeemed	(33,231)	(199,497)
Units at the end of the year	<u>3,692,554</u>	<u>3,725,785</u>

Units of the Sub-Fund are all freely transferable, designated as 'A' or 'B' units and, subject to such designation, are all entitled to participate equally in the profits and distributions (if any) of that Sub-Fund and in its assets in the event of termination. The Units, which are of no par value and which must be fully paid for upon issue, carry no preferential or pre-emptive rights. Fractions of Units may be issued up to three decimal places.

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

The Trust is made up of the one Sub-Fund, a Sub-Fund being a single pool of assets. The Manager may, whether on the establishment of a Sub-Fund or from time to time, create more than one Class of Units in a Sub-Fund to which different levels of subscription fees and expenses (including the management fee), minimum holding, designated currency, hedging strategy (if any) applied to the designated currency of the Class, Distribution Policy, minimum subscription and such other features as the Manager may determine may be applicable. Creation of further Classes in a Sub-Fund must be notified in advance to the Central Bank. A separate pool of assets will not be maintained for each Class. Units shall be issued to investors as Units in a Class.

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

All redemption requests must be received by letter or by facsimile, by the Administrator no later than 12.00 noon (Irish time) 35 calendar days prior to the relevant Dealing Day. The Manager at its discretion may accept any redemption requests received after the time as referred to above but before the relevant Valuation Point, otherwise such redemption requests will be deemed to be made in respect of the Dealing Day next following the relevant Dealing Day.

6. Sundry Receivables and Prepayments

	Alternative Strategy Collection 31 Dec 2024 EUR	Alternative Strategy Collection 31 Dec 2023 EUR
Management fee rebate from investments	4,100	4,883
Receivable for sale of investments	996,958	—
	<u>1,001,058</u>	<u>4,883</u>

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) For the financial year ended 31 December 2024

7. Sundry Payables and Accrued Expenses

	Alternative Strategy Collection 31 Dec 2024 EUR	Alternative Strategy Collection 31 Dec 2023 EUR
Legal fees payable	3,501	19,145
Other payables	34,070	56,961
	<u>37,571</u>	<u>76,106</u>

8. Distributions

The income and gains will be accumulated and reinvested in the Sub-Fund on behalf of Unitholders. The Manager may make distributions in respect of Class S Unit B out of that proportion of the Net Asset Value of the Sub-Fund attributable to Class S Unit B. Class S Unit B is currently not active within the Sub-Fund.

9. Derivatives and Other Financial Instruments

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

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

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

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

(a) Market Price Risk

Market price risk is defined in FRS 102 as the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices.

Market Price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-Fund might suffer through holding market positions in the face of price movements. The Manager and the Delegate Investment Manager consider the asset allocation of the portfolio of invested funds in order to minimise the risk associated with particular countries to follow the Sub-Fund’s investment objective. The fair value of the non-listed Collective Investment Schemes in funds are valued on the basis of the latest available unaudited Net Asset Value provided by the relevant fund manager or independent administrators. The diversification of the portfolio, with a large number of underlying positions in the Collective Investment Schemes, provides relevant risk mitigation within the Sub-Fund. 16 strategies are identified through the Sub-Fund to offer a low correlation between each Collective Investment Scheme. A correlation matrix is used to provide an overview over all the funds and help to highlight similar price impact. In addition to a list of risk metrics performed monthly to monitor mainly the volatility of the assets, stress tests are used on a regular basis. Some historical stress tests are performed to ensure the monitoring under a proactive management, all the main market events are used to cover a full range of possible evolution and highlight any significant evolution. Hypothetical stress tests related to Rate Evolution, Volatility and Equity market are used to provide an insight on possible evolution of prices sensitivity.

If the price of each of the securities and derivatives to which the Mediolanum Alternative Strategy Collection had exposure to at 31 December 2024 had increased by 5%, with all other variables held constant, this would have increased net assets attributable to holders of redeemable participating units of the Mediolanum Alternative Strategy Collection by approximately EUR 1,823,876 (2023: EUR 1,753,651) and on a per unit basis by EUR 0.49 (2023: EUR 0.47). Conversely, if the price of each of the securities and derivatives to which the Mediolanum Alternative Strategy Collection had exposure had decreased by 5%, this would have decreased net assets attributable to holders of redeemable participating units of the Mediolanum Alternative Strategy Collection by EUR 1,823,876 (2023: 1,753,651) and on a per unit basis by EUR 0.49 (2023: EUR 0.47).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2024

9. Derivatives and Other Financial Instruments (continued)

(b) Credit Risk

Credit risk is defined in FRS 102 as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Financial assets which potentially expose the Sub-Fund to credit risk consist principally of investments and cash balances held with the Depositary. The extent of the Sub-Fund's exposure to credit risk in respect of these financial assets approximates their carrying value as recorded in the Sub-Fund's Balance Sheet. The Sub-Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. Credit risk exposure can also arise indirectly through the investment in financial instruments at the underlying fund level. Such risk is to a certain extent diversified away by investing in a number of underlying funds that can be diversified in terms of investment style, asset selection, geographic allocation, etc.

It is important to note that by investing in underlying funds that can have brokerage and custody accounts that are not segregated; the Sub-Fund can be indirectly exposed to additional credit and custody risks.

Northern Trust Fiduciary Services (Ireland) Limited ("NTFSIL") is the appointed Depositary of the Trust, responsible for the safe-keeping of assets. NTFSIL has appointed The Northern Trust Company ("TNTC") as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation ("NTC"). As at year end date 31 December 2024, NTC had a long term credit rating from Standard & Poor's of (A+) (2023: A+).

TNTC (as global sub-custodian of NTFSIL) does not appoint external sub-custodians within the U.S., the U.K., Ireland, Canada, Belgium, France, Germany, Netherlands and Saudi Arabia. However, in all other markets, TNTC appoints local external sub-custodians.

NTFSIL, in the discharge of its depositary duties, verifies the Trust's ownership of Other Assets, (as defined under Other Assets, Art 21 (8)(b) of Directive 2011/61/EU), by assessing whether the Trust holds the ownership based on information or documents provided by the Sub-Fund or where available, on external evidence.

TNTC, in the discharge of its delegated depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Trust, clearly identifiable as belonging to the Trust, and distinct and separately from the proprietary assets of TNTC, NTFSIL and NTC.

In addition TNTC, as banker, holds cash of the Trust on deposit. Such cash is held on the Statement of Financial Position of TNTC. In the event of insolvency of TNTC, in accordance with standard banking practice, the Sub-Fund will rank as an unsecured creditor of TNTC in respect of any cash deposits.

Where relevant please note the following currencies, Jordanian Dinar, Saudi Riyal, cash in the onshore China market (principally the currency of Chinese Yuan Renminbi, and any other currencies remitted into accounts in the onshore China market), are no longer held on the Balance Sheet of TNTC. For these off-book currencies, clients' cash exposure is directly to the relevant local sub-custodian / financial institution in the market.

Insolvency of NTFSIL and or one of its agents or affiliates may cause the Trust's rights with respect to its assets to be delayed.

The Manager manages risk by monitoring the credit quality and financial position of the Depositary and such risk is further managed by the Depositary monitoring the credit quality and financial positions of sub-custodian appointments.

(c) Foreign Currency Risk

Currency risk is defined in FRS 102 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Trust is exposed to currency risk as assets and liabilities of the Trust may be denominated in a currency other than the functional currency of the Trust, which is its functional and presentation currency, the Euro.

The underlying Collective Investment Schemes may invest in a variety of securities denominated in both USD and foreign currencies and accordingly the Sub-Fund may be indirectly exposed to currency risk. The underlying funds may not necessarily hedge such foreign currency.

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

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the financial year ended 31 December 2024**

9. Derivatives and Other Financial Instruments (continued)

(c) Foreign Currency Risk (continued)

The foreign currency risk listed below is substantially made up of foreign currency denominated securities and forward currency contracts. A positive balance represents a net asset foreign currency exposure while a negative balance represents a net liability foreign currency exposure. As at 31 December 2024 and 31 December 2023, the total exposure to foreign currency risk was as follows:

	Alternative Strategy Collection 31 Dec 2024 EUR	Alternative Strategy Collection 31 Dec 2023 EUR
USD	596,577	421,396
	<u>596,577</u>	<u>421,396</u>

The currency exposure of the Alternative Strategy Collection as at 31 December 2024 and 31 December 2023 is as follows:

Alternative Strategy Collection

As at 31 December 2024	Foreign Currency Monetary Assets EUR	Foreign Currency Monetary Liabilities EUR	Net Foreign Currency Monetary Assets/ Liabilities EUR	Sensitivity* EUR
USD	16,073,693	(15,477,116)	596,577	29,829
	<u>16,073,693</u>	<u>(15,477,116)</u>	<u>596,577</u>	<u>29,829</u>

As at 31 December 2023	Foreign Currency Monetary Assets EUR	Foreign Currency Monetary Liabilities EUR	Net Foreign Currency Monetary Assets/ Liabilities EUR	Sensitivity* EUR
USD	10,885,691	(10,464,295)	421,396	21,070
	<u>10,885,691</u>	<u>(10,464,295)</u>	<u>421,396</u>	<u>21,070</u>

*The effect of a 5% increase/decrease in the exchange rate between the Euro and the other currencies to which the Sub-Fund is exposed with all other variables held constant.

(d) Foreign Currency Forward Exchange Contracts

As at 31 December 2024, the Alternative Strategy Collection Fund held 1 (2023: 2) forward foreign exchange contract detailed in the Schedule of Investments page 7.

(e) Liquidity Risk

Liquidity risk is defined in FRS 102 as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Under certain circumstances the markets in which the portfolio of the Sub-Fund will trade may become illiquid making it difficult to acquire or sell contracts at the price quoted on different markets. Many of the schemes in which the portfolios shall invest do not provide for frequent redemptions. Accordingly, the portfolios ability to respond to market movements may be impaired, and the portfolios may experience adverse price movements upon liquidation of its investments.

The Manager has established a Liquidity Management Policy which enables it to identify, monitor and manage the liquidity risks of the Trust and the Sub-Fund. The Liquidity Management Policy monitors the profile of investments held by the Sub-Fund and ensures that such investments are appropriate to the Redemption Policy as stated in the Prospectus and will facilitate compliance with the Trust's underlying obligations.

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the financial year ended 31 December 2024**

9. Derivatives and Other Financial Instruments (continued)

(e) Liquidity Risk (continued)

There were no suspended/gated redemptions or investments in side pockets in the Alternative Strategy Collection as at 31 December 2024 or 31 December 2023 except for Kingate Global Fund – Vi which was written down to zero on 30 November 2009, EDL Global Opportunities VTB Fund and EDL Global Opportunities ALROSA Fund which both were written down to zero on 6 July 2022 (please see the Schedule of Investments on pages 6 and 7).

The liquidity profile of the Sub-Fund's liabilities as at 31 December 2024 and 31 December 2023 was as follows:

As at 31 December 2024	Less than 1 month EUR	1 to 3 months EUR	3 months to 1 year EUR	Total EUR
Bank overdraft	–	1,188,615		1,188,615
Financial liabilities at fair value through profit or loss				–
Forward Foreign Exchange Contracts				
Inflow	–	(14,001,102)	–	(14,001,102)
Outflow	–	14,288,501	–	14,288,501
Administration expense payable	–	6,000	–	6,000
Management fee payable	43,895	49,624	–	93,519
Investment manager fee payable	–	18,159	–	18,159
Depository fee payable	–	4,306	–	4,306
Auditors remuneration payable	–	–	31,064	31,064
Accrued interest payable	–	493	–	493
Sundry payables and accrued expenses	–	37,571	–	37,571
Net assets attributable to holders of redeemable participating units	–	36,247,764	–	36,247,764
	43,895	37,839,931	31,064	37,914,890

As at 31 December 2023	Less than 1 month EUR	1 to 3 months EUR	3 months to 1 year EUR	Total EUR
Financial liabilities at fair value through profit or loss				
Forward Foreign Exchange Contracts				
Inflow	–	(511,456)	–	(511,456)
Outflow	–	512,192	–	512,192
Redemptions payable	600,000	–	–	600,000
Administration expense payable	–	5,883	–	5,883
Management fee payable	51,128	38,970	–	90,098
Investment manager fee payable	–	17,495	–	17,495
Depository fee payable	–	4,206	–	4,206
Auditors remuneration payable	–	–	39,957	39,957
Accrued interest payable	–	66	–	66
Sundry payables and accrued expenses	–	76,106	–	76,106
Net assets attributable to holders of redeemable participating units	–	35,269,366	–	35,269,366
	651,128	35,412,828	39,957	36,103,913

(f) Interest Rate Risk

Interest rate risk is defined in FRS 102 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Interest rate risk in the Sub-Fund arose from cash balances that were held in the Alternative Strategy Collection.

The majority of the Sub-Fund's financial assets and liabilities were non-interest bearing and as a result the Sub-Fund was not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents of the Sub-Fund were invested at short-term market interest rates.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2024

9. Derivatives and Other Financial Instruments (continued)

(g) Layering of Fees

The Sub-Fund's portfolio is subject to a level of fees payable both directly by the portfolio and by the portfolio as an investor in other schemes.

(h) Fair Value Hierarchy

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

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

The categorisation of financial instruments within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the AIFM's perceived risk for this instrument.

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

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

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

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

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

The following is a summary of the Inputs used to value the assets and liabilities carried at fair value as at 31 December 2024 and 31 December 2023:

Alternative Strategy Collection As at 31 December 2024	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Financial Assets at fair value through Profit or Loss				
Collective Investment Schemes	–	35,269,746	–	35,269,746
	–	35,269,746	–	35,269,746
Financial Liabilities at fair value through Profit or Loss				
Open forward currency forward exchange contracts	–	(287,399)	–	(287,399)
	–	(287,399)	–	(287,399)

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the financial year ended 31 December 2024**

9. Derivatives and Other Financial Instruments (continued)

(h) Fair Value Hierarchy (continued)

Alternative Strategy Collection As at 31 December 2023	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Financial Assets at fair value through Profit or Loss				
Collective Investment Schemes	–	34,624,589	–	34,624,589
Open forward currency forward exchange contracts	–	52,212	–	52,212
	–	34,676,801	–	34,676,801
Financial Liabilities at fair value through Profit or Loss				
Open forward currency forward exchange contracts	–	(736)	–	(736)
	–	(736)	–	(736)

Alternative Strategy Collection holds three Level 3 investments which are priced at nil in accordance with fair value pricing.

10. Related Party Transactions

The Trust is constituted by means of a Trust Deed to which Mediolanum International Funds Limited is party, as Manager. The fees paid to Mediolanum International Funds Limited are outlined in note 3.

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

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

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

The underlying Unitholder in the Sub-Fund, Mediolanum International Life DAC, is connected to the Manager. As at 31 December 2024, Mediolanum International Life DAC holds 100% (2023: 100%) of the Class S Unit A in the Alternative Strategy Collection.

Mediolanum International Funds Limited has been authorised as the Alternative Investment Fund Manager (“AIFM”) of the Trust effective 21 July 2014.

At 31 December 2024, Alternative Strategy Collection did not invest into funds managed by Tages Capital LLP, the Delegate Investment Manager (2023: Nil).

11. Soft Commission Arrangements

For the financial year ended 31 December 2024, there were no investment research fees paid by the Sub-Fund.

12. Exchange Rates

The following exchange rates were used to translate assets and liabilities into the reporting currency (Euro €) at 31 December 2024 and 31 December 2023:

Currency	EUR Rate 31 Dec 2024	EUR Rate 31 Dec 2023
USD	0.9657	0.9053

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the financial year ended 31 December 2024**

13. Changes in the Portfolio

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

14. Contingent Liabilities

There were no significant contingent liabilities at the Statement of Net Assets date as at 31 December 2024.

15. Net Asset Value

	Alternative Strategy Collection 31 Dec 2024 EUR	Alternative Strategy Collection 31 Dec 2023 EUR	Alternative Strategy Collection 31 Dec 2022 EUR
Net assets attributable to holders of redeemable participating units:			
Class S Unit A Euro (EUR)	36,247,764	35,269,366	37,435,632
Number of redeemable participating units outstanding:			
Class S Unit A Euro (EUR)	3,692,554	3,725,785	3,925,282
Net asset value per redeemable participating unit:			
Class S Unit A Euro (EUR)	9.82	9.47	9.54

16. Realised and Unrealised Gains in Investments

	Alternative Strategy Collection 31 Dec 2024 EUR	Alternative Strategy Collection 31 Dec 2023 EUR
Realised gain/(loss) on investments		
Realised gain on investments	1,112,049	694,123
Realised loss on investments	(26,966)	(1,285,619)
Realised (loss)/gain on forward foreign exchange contracts	(657,771)	81,658
Total realised gain/(loss) on investments	<u>427,312</u>	<u>(509,838)</u>
Unrealised gain/(loss) on investments		
Movement in unrealised gain on investments	3,116,441	2,568,772
Movement in unrealised loss on investments	(1,186,024)	(1,639,534)
Unrealised (loss)/gain on forward foreign exchange contracts	(338,875)	50,048
Total unrealised gain on investments	<u>1,591,542</u>	<u>979,286</u>

17. Efficient Portfolio Management Techniques

The Sub-Fund may employ investment techniques and instruments relating to its investments for the purpose of efficient portfolio management under the conditions and within the limits stipulated from time to time by the Central Bank. The Sub-Fund may use the various investment techniques and instruments for efficient portfolio management such as taking long or short positions in derivative instruments including forward foreign contracts so as to alter the interest rates, credit and or currency exposure of the portfolio. Derivative instruments may be purchased for the purpose of efficient portfolio management only and in accordance with the Central Bank's guidelines. As at 31 December 2024, the Sub-Fund held 1 forward foreign exchange contract detailed in the Schedule of Investments page 7. The realised and unrealised gain/(loss) on forward foreign exchange contracts are disclosed in the Income Statement on page 11 and note 16.

18. Significant Events During the Year

Effective 21 February 2024, Fiona Frick has been appointed as Independent Director of the Manager.

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) For the financial year ended 31 December 2024

18. Significant Events During the Year (continued)

Effective 31 July 2024, the Prospectus has been reviewed to include updates to the taxation disclosures, risk factor disclosures, beneficial ownership, anti-money laundering and data protection sections.

Copies of the most recent Prospectus and Trust Deed are available at www.mifl.ie.

No other events have occurred during the year end which impact the financial statements for the year ended 31 December 2024.

19. Post Balance Sheet Events

No events have occurred subsequent to the year end which impact the financial statements for the financial year ended 31 December 2024.

20. Approval of the Financial Statements

The financial statements were approved by the Directors of the Manager on 29 April 2025.

MEDIOLANUM FUND OF HEDGE FUNDS**FUND OF FUNDS DISCLOSURE (UNAUDITED)**

Fund Name	Domicile	Management Fee %	Incentive Fee %
Kingate Global Fund – Vi*	British Virgin Islands	1.50%	0.00%
Am Asia Strategies Fund Class C EUR	Cayman Islands	1.50%	20.00%
Am Asia Strategies Fund Class C SDR Series 02/2022	Cayman Islands	1.50%	20.00%
BlackRock Emerging Frontiers Fund Class I EUR 12/2022	Cayman Islands	1.00%	20.00%
BlackRock Emerging Frontiers Fund Class I	Cayman Islands	1.00%	20.00%
Broad Reach Explorer Class A KYD Series 02/2021	Cayman Islands	1.00%	15.00%
Broad Reach Explorer Class A KYD Series 10/2022	Cayman Islands	1.00%	15.00%
EDL Global Opportunities ALROSA Fund**	Cayman Islands	15.00%	0.00%
EDL Global Opportunities VTB Fund**	Cayman Islands	15.00%	0.00%
EDL Go Liquidation SPV Class A EUR Series 001	Cayman Islands	15.00%	0.00%
Greenvale Capital Fund Sub Class A EUR 07/2022	Cayman Islands	1.75%	20.00%
Greenvale Capital Fund Sub Class F EUR 07/2022	Cayman Islands	1.00%	15.00%
Greenvale Capital Fund Sub Class G EUR 02/2023	Cayman Islands	1.25%	30.00%
Keystone 12/2023	Cayman Islands	2.00%	20.0%
Keystone 01/2024	Cayman Islands	2.00%	20.0%
Keystone 02/2024	Cayman Islands	2.00%	20.0%
Lasker Fund Class A EUR 11/2023	Cayman Islands	1.50%	20.0%
Lasker Fund Class A EUR 12/2023	Cayman Islands	1.50%	20.0%
Massar Macro Commodity Fund 01/2023	Cayman Islands	2.00%	20.00%
Palestra Capital Offshore Fund Class B 03/2024	Cayman Islands	1.50%	20.0%
Palestra Capital Offshore Fund Class B 05/2024	Cayman Islands	1.50%	20.0%
Palmerston Credit Feeder Fund Class A EUR Series 07/2016	Cayman Islands	1.50%	20.00%
Palmerston Credit Feeder Fund Class B EUR Series 03/2024	Cayman Islands	1.00%	15.00%
Palmerston Credit Feeder Fund EUR Series 02/2021	Cayman Islands	1.00%	15.00%
Pentwater Merger Arbitrage Master Fund Class A 03/2021	Cayman Islands	2.00%	20.00%
PinnBrook Offshore Class 5 09/2022	Cayman Islands	1.50%	17.50%
PinnBrook Offshore Class 5 10/2022	Cayman Islands	1.50%	17.50%
PinnBrook Offshore Class 5 11/2022	Cayman Islands	1.50%	17.50%
Selwood Asset Management Class A EUR	Cayman Islands	1.00%	15.00%
TCIM Offshore Fund Class S Series A-FR-88 11/2023	Cayman Islands	1.50%	20.00%
TCIM Offshore Fund Series 05/2023	Cayman Islands	1.50%	20.00%
Willing Partners Fund Class I 05/2023	Cayman Islands	1.50%	20.00%
Willing Partners Fund Class I 06/2023	Cayman Islands	1.50%	20.00%
Willing Partners Fund Class I 07/2023	Cayman Islands	1.50%	20.00%
Wolf Hill Offshore Fund Class A 04/2023	Cayman Islands	1.50%	20.00%
Wolf Hill Offshore Fund Class A Series 03/2024	Cayman Islands	1.50%	20.00%
Tages International Funds ICAV - Melqart Event Driven UCITS Fund	Ireland	1.00%	15.00%
Tages International Funds ICAV - Selwood Equity Absolute Return UCITS Fund	Ireland	1.00%	10.00%

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

**EDL Global Opportunities Fund restructured due to Russian exposure of approximately 10%, Russian sanctioned positions subsequently written down to zero by MIFL Investment Committee.

Where the Manager has negotiated a rebate on the management fee charged on its investment into other funds, this rebate is paid directly to the Sub-Fund.

MEDIOLANUM FUND OF HEDGE FUNDS

APPENDIX OF ADDITIONAL INFORMATION (UNAUDITED)

Leverage

Leverage is considered in terms of the Sub-Fund's overall "exposure" and includes any method by which the exposure of the Sub-Fund is increased whether through borrowings of cash or securities, or leverage embedded in derivative positions or by any other means. The Manager as the AIFM is required to calculate and monitor the level of leverage by the Sub-Fund, expressed as a ratio between the total exposure of the Sub-Fund and its net value with exposure values being calculated by both the Gross Method and Commitment Method.

Exposure values under the Gross Method basis are calculated as the absolute value of all positions of the Sub-Fund; this includes all eligible assets and liabilities, relevant borrowings, derivatives (converted into their equivalent underlying positions) and all other positions even those held purely for risk reduction purposes, such as forward foreign exchange contracts held for currency hedging.

The Gross Method of exposure of the Sub-Fund requires the calculation to:

- Include the sums of all non-derivative assets held at market value, plus the absolute value of all such liabilities;
- Exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Trust;
- Derivative instruments are converted into the equivalent position in their underlying assets;
- Exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
- Include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed, and include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements;
- The Statement of Net Assets; and
- The Income Statement.

Exposure values under the Commitment Method basis are calculated on a similar basis to the above, but may take into account the effect of netting off instruments to reflect eligible netting and hedging arrangements on eligible assets and different treatment of certain cash and cash equivalents items in line with regulatory requirements.

The table sets out the maximum leverage for the Alternative Strategy Collection in 2024 and its leverage at the end of the year.

Leverage as a Percent of Net Asset Value

	Gross Method	Commitment Method
Maximum leverage in 2024	141.20%	101.30%
Leverage at year end	136.90%	101.10%

Special Arrangements

There were no special arrangements in place during the year ended 31 December 2024.

Remuneration Details for the AIFM's Staff

The information provided below relates to the AIFM which has implemented a Remuneration Policy consistent with ESMA's remuneration guidelines and in particular the provisions of Annex II of Directive 2011/61/EU. The Remuneration Policy applies to all forms of benefits paid by the AIFM to Identified Staff, including senior management, staff whose professional activities have a material impact on the Trust's risk profile, staff in control functions or any employees in same remuneration bracket of those whose professional activities have a material impact on the Trust's risk profile or of the AIF it manages, in exchange for professional services and is intended to promote sound and effective risk management and does not encourage risk-taking inconsistent with the risk profile, rules or instruments of incorporation of the AIFs under management.

The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant member of staff's rank and professional activity as well as best market practice. The AIFM may provide the opportunity to certain identified staff to receive variable remuneration based on the performance of the individual, of the AIFM and of the AIF's under management. Assessment of performance will consider both financial and non-financial factors. Particular consideration will be given to risk-related factors. The above will be considered in a multi-year framework.

No variable remuneration will be paid to any Non-Executive member of the Board of the AIFM. The fixed fee of the Non-Executive and Independent Directors of the AIFM will be commercially negotiated. The Non-Executive Directors from the Mediolanum Group do not receive a fee for their role as Directors on the MIFL ("Mediolanum International Funds Limited") Board of Directors.

The remuneration of the Managing Director is determined by the Managing Director of Banca Mediolanum S.p.A. having consulted with the Chairman of the AIFM. The fixed and variable elements of remuneration are in line with the principles listed above. In addition the Managing Director may receive other benefits such as those of an equity based nature provided by the Group subject to the appropriate approvals as set out in this policy and the deferral arrangements set out in the Group Policy.

MEDIOLANUM FUND OF HEDGE FUNDS

APPENDIX OF ADDITIONAL INFORMATION (UNAUDITED) (continued)

Remuneration Details for the AIFM's Staff (continued)

The Remuneration Policy is compliant with the relevant provisions of the Rules, including Schedule 2 of the Regulations, and the guidelines on sound remuneration policies under the AIFMD issued by the European Securities and Markets Authority (the "ESMA Guidelines").

Application of the Principle of Proportionality

Taking into account its size, nature, the scope of its activities and its business model, the AIFM has disapplied the following requirements of the ESMA Guidelines:

- Variable remuneration in instruments and related retention guidelines;
- Deferral of Variable Remuneration;
- Requirement to establish a remuneration committee.

Total remuneration paid to the staff of the AIFM fully or partly involved in the activities of the AIF that have a material impact on the risk profile of the Trust during the financial year to 31 December 2024 and 31 December 2023.

Remuneration	31 Dec 2024	31 Dec 2023
Senior Management Fixed	EUR 2,054,041	EUR 1,973,633
Senior Management Variable	EUR 1,384,000	EUR 918,300

It should be noted that the above amounts have been estimated with care and in good faith giving due consideration to the cross-functional activities carried out by employees of the AIFM, the proportional activities related to the AIF in relation to the overall activities of the AIFM and the proportion of AIF assets managed by the AIFM in relation to the overall Assets Managed by the AIFM.

Mediolanum International Funds Limited (MIFL) is a management company approved by the Central Bank of Ireland. The Manager has remuneration policies and practices which apply to its staff whose professional activities might have a material impact on the Trust's risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the Trust's ("Identified Staff") which it believes are: (i) consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the investment objectives and policies and the investment restrictions and (ii) appropriate to the size, internal organisation and the nature, scope and complexity of the Manager's activities.

The current remuneration practices of the Manager provide that variable remuneration is paid to the Identified Staff of the Manager based, among other things, on the overall performance of the Manager's group, the overall performance of the Manager and the relevant individual's overall contributions to that performance. When assessing individual performance, financial as well as non-financial criteria are taken into account and, upon such assessment, the performance attributed to an individual may be adjusted when determined to be appropriate having regard to a variety of factors including where it is believed by the Manager that such adjustment does not encourage risk-taking which is inconsistent with the investment objectives and policies and the investment restrictions of the Trust. The discretionary process for allocating variable remuneration takes a variety of factors into account. For investment professionals at a senior level, the performance (both overall and year to year) of the funds for which they have responsibility is a key consideration.

The Manager (i) does not pay guaranteed variable remuneration to the staff responsible for managing the assets of the Trust (ii) no payments will be made related to the termination of an employment contract that are exclusively based on the relevant individual's performance in relation to the Trust. The total number of Identified Staff of the Manager as at 31 December 2024 is XX (2023: 8).

The Manager's pay to Identified Staff relates to all funds which the Identified Staff currently manage. The assets under management of the Manager as at 31 December 2024: was EUR 70.81 billion (2023: EUR 59.7 billion) of which the Trust represents EUR 36.25 million (2023: EUR 37.4 million) or 0.05% (2023: 0.59%) of total assets.

Cybersecurity Risk

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

APPENDIX OF ADDITIONAL INFORMATION (UNAUDITED) (continued)**Cybersecurity Risk (continued)**

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

Sustainable Finance Disclosure Regulation (SFDR) and Taxonomy Disclosures

The Mediolanum Group considers sustainability as an integral part of its culture and one of the fundamental elements of its business model. As part of the Mediolanum Group, MIFL believes that incorporating sustainability into its business will result in long-term added value and contribute to the realisation of our Vision and Values.

The SFDR and the Taxonomy Regulation were introduced by the European Commission as part of a package of legislative measures arising from the European Commission’s Action Plan on Sustainable Finance.

The SFDR aims to bring a level playing field for financial market participants for transparency in relation to sustainability risks, the consideration of adverse sustainability impacts in their investment processes and the provision of sustainability-related information with respect to financial products. The SFDR requires asset managers such as AIFMs and UCITS managers to provide prescript and standardised disclosures on how ESG factors are integrated at both an entity and product level.

Pursuant to Regulation (EU) 2019/2088, the funds are required to disclose the manner in which sustainability risks are integrated into the investment process and the results of the assessment of the likely impacts of sustainability risks on the returns of the product. “Sustainability risk” is defined in the SFDR as an environmental, social or governance event or condition which, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

The integration of sustainability risk into the investment decision-making process of the Investment Manager is achieved primarily through the integration of ESG factors, into the investment decision making process which includes but is not limited to the integration of sustainability considerations and the management of sustainability risk. Sustainability risk forms part of the overall investment and risk management processes and is one of many aspects which may, depending on the specific investment opportunity, be relevant to a determination of risk.

Assessment of sustainability risks is complex and requires subjective judgements, which may be based on data which is difficult to obtain, incomplete, estimated, out of date or otherwise materially inaccurate and difficult to quantify in a systematic and consistent manner at a reasonable cost to investors. Even when identified, there can be no guarantee that the Investment Manager will be able to effectively assess the impact of sustainability risks on the internal fund’s investments. Although the ESG practices of an investee company may influence its long-term value, there can be no guarantee regarding the performance of individual investments, nor on the returns of an internal fund as a whole despite the integration of sustainability risks.

The Mediolanum group has implemented an exclusion policy applicable to all group entities and all group assets. This exclusion policy aligns with Italian Law no. 220 of 2021 effective from 1 January 2023, which introduced a total ban on the financing of companies that carry out construction, production, development, assembly, repair, conservation, use, storage, holding, promotion, sale, distribution, import, export, transfer or transport of anti-personnel mines, cluster munitions and sub munitions, of any nature or composition, or parts thereof. In addition to obligating Italian domiciled entities to observe the requirements, the law also stipulates that financing must be understood as any form of financial support, including where that is carried out by subsidiaries of Italian domiciled entities.