

Generali PPF Invest plc

(An open-ended umbrella investment company with variable capital and with segregated liability between Sub-Funds incorporated with limited liability in Ireland under the Companies Acts 1963 to 2009 with registration number 468417)

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

**For the period from 10 March 2009 (Date of Incorporation)
to
15 January 2010**

CONTENTS

	Page
General Information	3
Directors' Report	4-5
Report and Responsibilities of the Custodian	6-7
Independent Auditors' Report	8-9
Statement of Financial Position	10
Statement of Comprehensive Income	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13-20

GENERAL INFORMATION

Directors

Mr. David Hammond (Irish)
Ms. Tara Gordon (Irish)
Ms. Alexandra Talířová (Czech)
Mr. Karel Novák (Czech)
Mr. Radek Moc (Czech)

Registered Office

33 Sir John Rogerson's Quay
Dublin 2
Ireland

Investment Manager

Generali PPF Asset Management a.s.
Evropská 2690/17
P.O. Box 177
160 41 Prague 6
Czech Republic

Secretary

Tudor Trust Limited
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Custodian (with effect from 15 January 2010)

RBC Dexia Investor Services Bank S.A.
Dublin Branch
Georges Quay House
43 Townsend Street
Dublin 2
Ireland

Custodian (with effect from 10 March 2009 to 14 January 2010)

State Street Custodial Services (Ireland) Limited
Guild House
Guild Street
International Financial Services Centre
Dublin 1
Ireland

Auditors and Tax Advisers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Administrator (with effect from 15 January 2010)

RBC Dexia Investor Services Ireland Limited
Georges Quay House
43 Townsend Street
Dublin 2
Ireland

Administrator (with effect from 10 March 2009 to 14 January 2010)

State Street Fund Services (Ireland) Limited
Guild House
Guild Street
International Financial Services Centre
Dublin 1
Ireland

Global Distributor and Promoter

ČP INVEST investiční společnost, a.s.
Na Pankráci 1658/121
140 21 Praha
Czech Republic

Legal Advisors

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

Management Support Services Provider

Bridge Consulting
33 Sir John Rogerson's Quay
Dublin 2
Ireland

DIRECTORS' REPORT

For the period from 10 March 2009 (date of incorporation) to 15 January 2010

The Directors present their report for the period from 10 March 2009 (date of incorporation) to 15 January 2010.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland.

Irish company law requires the Directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of Generali PPF Invest plc ("the Company") and of the profit or loss of the Company for that period.

Under the law, the Directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland. In preparing these financial statements, the Directors are required to:

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

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the provisions of the Companies Acts 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) (the "UCITS Regulations"). The measures taken by the Directors to ensure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and the employment of competent persons. In this regard the Directors have delegated the administration of the Company to RBC Dexia Investor Services Ireland Limited ("the Administrator") which includes the responsibility of maintaining proper books of account.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors have engaged RBC Dexia Investor Services Bank S.A., Dublin Branch, to act as Custodian with a duty to safeguard the assets of the Company.

Date of incorporation

The Company was incorporated on 10 March 2009 and was authorised as an Undertaking for Collective Investment in Transferable Securities ("UCITS") by the Financial Regulator. The Company is organised as an investment company with variable capital pursuant to the UCITS Regulations.

The Company is an umbrella fund incorporated with limited liability, segregated between Sub-Funds.

Principal activities

The Company's principal activity is to provide the Sub-Funds' investors with a return linked to the investment objective of each Sub-Fund as defined in the relevant Sub-Funds' Supplement to the Prospectus. As no Sub-Funds have launched yet, no investment activity has taken place other than the issue of share capital in the Company for the purpose of incorporation as set out in Note 4.



Report of the Custodian to the Shareholders of Generali PPF Invest plc

We have enquired into the conduct of Generali PPF Invest plc ('the Company') for the period from 10 March 2009 (Date of Incorporation) to 14 January 2010, in our capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Financial Regulator's UCITS Notice 4, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Financial Regulator's UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the period, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended ('the Regulations'); and

(ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Regulations.

State Street Custodial Services (Ireland) Limited
Guild House
Guild Street
International Financial Services Centre
Dublin 1
Ireland

Date: 6 May 2010



REPORT AND RESPONSIBILITIES OF THE CUSTODIAN

Custodian's Responsibilities

The Custodian is under a duty to take into custody and to hold the property of Generali PPF Invest plc (the "Company") on behalf of the shareholders. Under the Financial Regulator's UCITS Notices, it is the duty of the Custodian to enquire into the conduct of the Company and report thereon to the shareholders in a report which shall contain the matters prescribed by the Notices.

Report of the Custodian For the 15 January 2010

In our opinion, the Company has been managed on the 15 January 2010:

- (i) In accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association, the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) ("the Regulations") and,
- (ii) Otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Regulations.


RBC DEXIA INVESTORS SERVICES BANK S.A.
DUBLIN BRANCH

Date: 22 April 2010

Independent Auditors' report to the Members of Generali PPF Invest plc (the "Company")

We have audited the Company's financial statements for the period from 10 March 2009 (date of incorporation) to 15 January 2010 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Net Assets Attributable to Equity Holders and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Directors' Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the Company has kept proper books of account; and
- whether the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and where practicable, include such information in our report.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Independent Auditors' report to the Members of Generali PPF Invest plc (the "Company") (continued)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs at 15 January 2010 and of its results for the period then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company's financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

Date 6 May, 2010

STATEMENT OF FINANCIAL POSITION
As at 15 January 2010

	Notes	15 January 2010 EUR
CURRENT ASSETS		
Cash and cash equivalents	2	300,232
Debtors	5	13,457
TOTAL ASSETS		313,689
EQUITY		
Capital and reserves		300,232
Share capital	4	
TOTAL EQUITY		300,232
CURRENT LIABILITIES		
Audit fee payable	6	3,000
Formation expenses payable	6	10,457
TOTAL LIABILITIES		13,457
TOTAL EQUITY AND LIABILITIES		313,689

Signed on behalf of the Board on 6 May 2010 by:


 Director


 Director

STATEMENT OF COMPREHENSIVE INCOME
For the period from 10 March 2009 (date of incorporation) to 15 January 2010

	Notes	Period from 10 March 2009 to 15 January 2010 EUR
INCOME		
Interest Income	2	232
Other income	5	13,457
Total Income		13,689
EXPENSES		
Audit fee	6	3,000
Formation expenses	6	10,457
Total Expenses		13,457
Profit for the period		232

Signed on behalf of the Board on 6 May 2010 by:


 Director


 Director

The Company has no recognised gains or losses other than those recognised for the period in the Statement of Comprehensive Income. All gains and losses were generated by continuing operations.

STATEMENT OF CHANGES IN EQUITY

For the period from 10 March 2009 (date of incorporation) to 15 January 2010

	Period from 10 March 2009 to 15 January 2010 EUR
Balance at beginning of the period	-
Profit for the period	232
<u>Capital Transactions</u>	
Proceeds from issuance of shares	300,000
Payments on redemptions of shares	-
Balance at end of the period	300,232

NOTES TO THE FINANCIAL STATEMENTS

For the period from 10 March 2009 (date of incorporation) to 15 January 2010

1. Establishment and organisation

Generali PPF Invest plc (the "Company") is an open-ended umbrella investment company with variable capital and with segregated liability between Sub-Funds incorporated with limited liability in Ireland under the Companies Acts 1963 to 2009 with registration number 468417 and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (S.I. No. 211 of 2003), as amended.

As at 15 January 2010, the Company has established the following Sub-Funds (each a "Sub-Fund", collectively the "Sub-Funds"):

Generali PPF Cash & Bond Fund
Generali PPF Corporate Bonds Fund
Generali PPF Global Brands Fund
Generali PPF New Economies Fund
Generali PPF Oil Industry & Energy Production Fund
Generali PPF Commodity Fund

Each Sub-Fund has four classes of share namely Class A EUR, Class A HUF, Class A PLN and Class A RON. The base currency of each Sub-Fund is EUR (€).

As at 15 January 2010, none of the Sub-Funds were active, but all have since launched.

The investment objective of each Sub-Fund is detailed below:

Generali PPF Cash & Bond Fund

The investment objective of the Sub-Fund is to achieve appreciation of assets in a short-term and mid-term horizon over the level of short-term European interest rates, with high liquidity and low volatility of assets.

Generali PPF Corporate Bonds Fund

The investment objective of the Sub-Fund is to seek an attractive level of income and to achieve an appreciation of the value of the assets in the medium term time period above the medium term European interest rates together with a medium degree of volatility.

Generali PPF Global Brands Fund

The investment objective of the Sub-Fund is to achieve long term capital appreciation of assets through investment in a diversified portfolio of transferable securities.

Generali PPF New Economies Fund

The investment objective of the Sub-Fund is to achieve long-term capital appreciation through investment in a diversified portfolio of transferable securities.

Generali PPF Oil Industry & Energy Production Fund

The investment objective of the Sub-Fund is to achieve long-term capital appreciation through investment in a diversified portfolio of transferable securities.

Generali PPF Commodity Fund

The aim of the Sub-Fund is to achieve long-term capital appreciation of assets.

2. Principal accounting policies

Basis of accounting

The financial statements are prepared in accordance with accounting standards generally accepted in Ireland and the provisions of the Companies Acts, 1963 to 2009 and the European Union (Undertaking for Collective Investment in Transferable Securities) Regulations, 2003 (as amended). Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Accounting Standards Board (ASB) and promulgated by the Institute of Chartered Accountants in Ireland.

NOTES TO THE FINANCIAL STATEMENTS

**For the period from 10 March 2009 (date of incorporation) to 15 January 2010
(continued)**

2. Principal accounting policies (continued)

Basis of accounting (continued)

The format and certain wordings of the financial statements have been adapted from those contained in the Companies (Amendment) Act 1986 and FRS 3 'Reporting Financial Performance' so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

The Company has availed of the exemption available to open-ended investment funds under FRS1 not to prepare a cash flow statement.

FRS 29 'Financial Instruments; Disclosures', requires further disclosure in relation to Financial Instruments in addition to that currently required under FRS 25. This includes enhanced disclosure regarding exposure to risks arising from Financial Instruments including a sensitivity analysis for each type of market risk.

The information required by Financial Reporting Standard No. 3 (Reporting Financial Performance) to be included in the Statement of Total Recognised Gains and Losses and a Reconciliation of Movement in Shareholders Funds is, in the opinion of the Directors, contained in the Statement of Comprehensive Income and the Statement of Changes in Net Assets Attributable to Equity Holders.

The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities held at fair value through profit or loss and in accordance with the Companies Acts, 1963 to 2009.

Income

Interest income on cash held is accounted for on an accruals basis.

Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The functional and presentation currency for the Company is EUR.

Foreign currency translation

Assets and liabilities denominated in currencies other than functional currency as stated above are translated into the said functional currency at the closing rates of exchange at each period end. Transactions during the period, 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 gains and losses on investment transactions and retranslation of closing investments are included in realised gains and losses on investments and net change in fair value of investments.

Cash and cash equivalents

As at 15 January 2010, cash and cash equivalents comprise issued share capital of €300,000 and interest accrued of €232 deposited with State Street Custodial Services (Ireland) Limited. This was transferred to RBC Dexia Investor Services Bank S.A. ("the Custodian"), on 19 January 2010. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investments or other purposes. Cash and other liquid assets will be valued at their face value with interest accrued, where applicable.

Classification of redeemable participating shares

The Company provides its shareholders with the right to redeem their interest in the Company at any dealing date for cash equal to their proportionate share of the net asset value of the Company. Under FRS 25, this right represents in substance a liability of the Company to shareholders.

NOTES TO THE FINANCIAL STATEMENTS

**For the period from 10 March 2009 (date of incorporation) to 15 January 2010
(continued)**

3. Taxation

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to shareholders, any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of: (a) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company; and (b) certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

4. Share capital and redeemable participating shares

The authorised share capital of the Company is 500,000,000,000 shares of no par value and 300,000 redeemable non-participating shares of no par value. Non-participating shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit. The 300,000 redeemable non-participating shares currently in issue were taken by the subscribers to the Company and are held by the Distributor and a nominee of the Distributor.

The rights attaching to the shares issued in any class or Sub-Fund may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the shareholders of three-quarters of the issued shares of that class or Sub-Fund, or with the sanction of an ordinary resolution passed at a general meeting of the shareholders of that class or Sub-Fund.

A resolution in writing signed by all the shareholders and holders of non-participating shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution shall be deemed to be a special resolution.

The rights attaching to the shares shall not be deemed to be varied by the creation, allotment or issue of any further shares ranking *pari passu* with shares already in issue.

There are no rights of pre-emption upon the issue of shares in the Company.

The following rules relating to voting rights apply:-

- (a) Fractions of Shares do not carry voting rights.
- (b) Every Shareholder or holder of non-participating shares present in person or by proxy who votes on a show of hands shall be entitled to one vote. Each Shareholder shall be entitled to one vote in respect of each Share held and every holder of non-participating shares shall be entitled to one vote in respect of all non-participating shares held.

Each of the established Sub-Funds has four classes of share namely Class A EUR, Class A HUF, Class A PLN and Class A RON.

NOTES TO THE FINANCIAL STATEMENTS

**For the period from 10 March 2009 (date of incorporation) to 15 January 2010
(continued)**

4. Share capital and redeemable participating shares (continued)

Investment in each share class was offered to investors from 9.00a.m. (GMT) on 1 August 2009 until 5.00p.m. (GMT) on 22 January 2010 (the "Initial Offer Period") at the initial price and subject to acceptance of applications for shares by the Company and were issued for the first time on the first Dealing Day after expiry of the initial offer period.

Applications for shares may be made through the Distributor for onward transmission to the Administrator on behalf of the Company or directly to the Administrator. Applications accepted received by the Administrator prior to the 4.00p.m (GMT) on any dealing day will be processed on that dealing day. Any applications received after 4.00p.m (GMT) on any dealing day will be processed on the following dealing day unless the Directors in their absolute discretion otherwise determine(s) to accept one or more applications received after the dealing deadline for processing on that dealing day provided that such application(s) have been received prior to the valuation point for the particular dealing day.

Shareholders may redeem their Shares on and with effect from any dealing day at the Net Asset Value per Share calculated on or with respect to the relevant dealing day in accordance with the procedures specified below (save during any period when the calculation of Net Asset Value is suspended) less any redemption charge that may be payable. If the redemption of part only of a shareholder's shareholding would leave the shareholder holding less than the Minimum Holding for the relevant Sub-Fund, the Company or its delegate may, if it thinks fit, redeem the whole of that shareholder's holding.

5. Debtors

ČP INVEST investiční společnost, a.s. has provided an undertaking to reimburse the Company for audit fees and formation expenses incurred for the period as the Sub-Funds had not yet been launched. Once the Sub-Funds are launched, these expenses will be borne by the Sub-Funds. As at 15 January 2010, these amounted to €13,457.

Other income relates to an amount to be provided to cover these expenses.

6. Fees

Establishment expenses

All fees and expenses relating to the establishment and organisation of the Company and the Sub-Funds will be borne by the Company. Such fees and expenses are estimated to amount to approximately €200,000. Such fees and expenses payable by the Company may be amortised over the first five accounting periods of the Company or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair and shall be subject to such adjustment following the establishment of new Sub-Funds as the Directors may determine, although this does not comply with the applicable accounting standards.

There were fees of €10,457 charged for the period ended 15 January 2010. Fees of €10,457 were outstanding at 15 January 2010.

Auditor's fees

The Auditor's remuneration for the period amounted to €3,000. Fees of €3,000 were outstanding at 15 January 2010.

Directors' fees

The Articles of Association authorise the Directors to charge a fee for their services at a rate determined by the Directors. It is expected that Directors fees will not exceed €100,000 per annum. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

There were no such fees charged for the period ended 15 January 2010 as the Directors have waived their entitlement to remuneration for the period.

NOTES TO THE FINANCIAL STATEMENTS

**For the period from 10 March 2009 (date of incorporation) to 15 January 2010
(continued)**

6. Fees (continued)

Administration fee

The Company shall pay to the Administrator out of the assets of the Company an annual fee, accrued at each valuation point and payable monthly in arrears at a rate which shall not exceed 0.07% of the Net Asset Value of each Sub-Fund subject to a minimum annual fee of €27,000 per Sub-Fund (plus VAT, if any).

The Administrator shall also be entitled to be repaid out of the assets of the Company all of its reasonable out-of-pocket expenses incurred on behalf of the Company.

Each Sub-Fund will bear its proportion of the fees and expenses of the Administrator.

There were no such fees charged for the period ended 15 January 2010, as no Sub-Funds had launched.

Custodian's fees

The Custodian shall be entitled to receive out of the assets of the Company an annual fee, accrued at each valuation point and payable monthly in arrears, which shall not exceed 0.02% per annum of the Net Asset Value of each Sub-Fund subject to a minimum annual fee of €3,500 per Sub-Fund.

The Custodian shall also be entitled to be repaid all of its disbursements out of the assets of the relevant Sub-Fund, including couriers' fees and telecommunication costs and expenses and the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any.

Each Sub-Fund will bear its proportion of the fees and expenses of the Custodian.

There were no such fees charged for the period ended 15 January 2010.

Investment Manager's fees

The Investment Manager is entitled to charge a fee not exceeding 0.50% per annum of the Net Asset Value of each Sub-Fund. The fee payable to the Investment Manager will be calculated and accrued at each valuation point based on the daily Net Asset Value of the shares and will be paid monthly in arrears.

The Investment Manager shall also be entitled to be repaid all of its reasonable out-of-pocket expenses incurred on behalf of each Sub-Fund.

The Investment Manager may waive or reduce the annual management fees charged to certain shareholders at its discretion. Any such waiver may be affected either by way of rebate to the relevant shareholder's account or by the purchase of bonus shares by the Investment Manager for the shareholder.

There were no such fees charged for the period ended 15 January 2010.

7. Related parties

FRS8 'Related Party Transactions' requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity.

Mr. David Hammond and Ms. Tara Gordon are employees of Bridge Consulting, which has been contracted by the Company to provide governance services in connection with the Company's UCITS obligations once the Company begins investment activities.

There were no fees charged by Bridge Consulting during the period ended 15 January 2010.

Generali PPF Asset Management a.s. is deemed to be a related party by virtue of the employment of Director Mr. Karel Novák as Chief Operating Officer

NOTES TO THE FINANCIAL STATEMENTS

For the period from 10 March 2009 (date of incorporation) to 15 January 2010
(continued)

7. Related parties (continued)

Director Mr. Radek Moc is secretary of the Board of Česká pojišťovna, which is a member of Generali PPF Holding B.V.

There were no fees charged by Generali PPF Asset Management a.s. during the period ended 15 January 2010.

ČP INVEST investiční společnost, a.s. is deemed to be a related party by virtue of the employment of Director Ms. Alexandra Talířová as head of product development and manager for foreign expansion.

There were no fees charged by ČP INVEST investiční společnost, a.s. during the period ended 15 January 2010.

ČP INVEST investiční společnost, a.s. has provided an undertaking to reimburse the Company for audit fees and formation expenses incurred for the period as the Sub-Funds had not yet been launched.

8. Financial instrument risk

In accordance with FRS 29 'Financial Instruments: Disclosure' it is the aim of this note to provide clarity on how particular risks, specifically market risk, credit risk and liquidity risk are measured, monitored and managed by the Investment Manager and the Board of Directors with respect to the Sub-Funds' use of financial instruments.

As at 15 January 2010, the Company has no active Sub-Funds and had no investments in financial instruments.

Market price risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate. Market price risk arises mainly from uncertainty about future prices of financial instruments held.

Market risk comprises of currency risk, interest rate risk and equity price risk. Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting equity instruments traded in the market. The Company was not exposed to equity price risk as the Company held no investments during the period.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

During the period, the Company was exposed to interest rate risk on cash balances that earn interest at a floating rate.

The Company's financial assets and liabilities are either non-interest bearing or invested in cash or cash equivalents at short-term market interest rates. As a result, the Company is not subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

During the period ended 15 January 2010 an increase of 100 basis points in interest rates would have increased the shareholders equity by €232. A decrease of 100 basis points would have had an equal but opposite effect.

Currency risk

The Company was not exposed to currency risk during the period as all assets, liabilities, income expenses and capital were denominated in the Company's functional currency (EUR).

NOTES TO THE FINANCIAL STATEMENTS

**For the period from 10 March 2009 (date of incorporation) to 15 January 2010
(continued)**

8. Financial instrument risk (continued)

Credit and counterparty risk

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

During the period, substantially all of the cash and cash equivalents of the Company were held by State Street Bank. Bankruptcy or insolvency of State Street Bank may have caused the Company's rights with respect to cash held to be delayed or limited. On 19 January 2010, cash held was transferred to the Custodian.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The table below analyses the Company's equity and liabilities into relevant maturity groupings based on the remaining period as at 15 January 2010 to the maturity date.

	Less than 1 month	1-3 months	3 months to 1 year	Total
EQUITY				
Share capital	300,232	-	-	300,232
TOTAL EQUITY	300,232	-	-	300,232
LIABILITIES				
Audit fee payable	3,000	-	-	3,000
Formation expenses payable	-	-	10,457	10,457
TOTAL LIABILITIES	3,000	-	10,457	13,457

9. Cash at bank

Cash and other liquid assets will be valued at their face value with interest accrued, where applicable.

10. Post balance sheet event

Since the period end the Company has launched the following Sub-Funds:

Sub-Fund	Launch Date	Initial Subscription
Generali PPF Cash & Bond Fund	3 February 2010	€4,000,000
Generali PPF Corporate Bonds Fund	25 January 2010	€5,000,000
Generali PPF Global Brands Fund	3 February 2010	€2,000,000
Generali PPF New Economies Fund	3 February 2010	€2,000,000
Generali PPF Oil Industry & Energy Production Fund	3 February 2010	€2,000,000
Generali PPF Commodity Fund	3 February 2010	€3,000,000

Each Sub-Fund began trading on the launch dates as detailed above.

During the period between the end of the financial period and the date of this report, there were no other items, transactions or events of a material or unusual nature.

11. Segregated liability

The Company has segregated liability between its Sub-Funds and accordingly any liability incurred on behalf of or attributable to any Sub-Fund shall be discharged solely out of the assets of that Sub-Fund.

NOTES TO THE FINANCIAL STATEMENTS

**For the period from 10 March 2009 (date of incorporation) to 15 January 2010
(continued)**

12. Soft commissions

There were no soft commission arrangements in place during the period.

13. Portfolio purchases and sales

During the period, the Company had no active Sub-Funds and therefore there were no purchases and sales during the period.

14. Significant events during the period

With effect from 15 January 2010, the Company changed its Administrator from State Street Fund Services (Ireland) Limited to RBC Dexia Investor Services Ireland Limited.

With effect from 15 January 2010, the Company changed its Custodian from State Street Custodial Services (Ireland) Limited to RBC Dexia Investor Services Bank S.A., Dublin Branch.

15. Date of approval

The financial statements were approved by the Directors on 6 May 2010.