IDeA FIMIT sgr

FondoMoMa

“MoMa – Closed-Ended Property Speculative Investment Fund

MANAGEMENT REPORT as at 31/12/2015

IDeA FIMIT SGR S.p.A.
www.ideafimit.it

Registered Office
Via Mercadante 18 00198 Rome
T. (+39) 06 681631
F. (+39) 06 68192090

Milan Headquarters Via Brera 21
20121 Milan
T. (+39) 02 725171
F. (+39) 02 72021939

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Banca d’ Italia AIF Managers

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FondoMoMa

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Directors' Report
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1. Performance of the property market

The macroeconomic scenario

The global economy is continuing to expand, but the slowdown in the Chinese economy has had a negative impact on the commodities and business in emerging countries. China's re-entry from high levels of investment and debt constitutes a vulnerable area for the country and a risk for the global economy. The uncertainty of the international macro economic context influenced the Federal Reserve's decision not to raise rates in September.
The recovery of economic activity is continuing in the Euro Zone. The global slowdown has, so far, had limited effects, but constitutes a risk in future that growth and inflation will decline. The latter was slightly negative in September, even following the fall in the price of oil.
In order to support the economy and the credit recovery, the Governing Council of the European Central Bank (ECB) confirmed its intention of continuing with its monetary expansion policy expanding and extending the current bond purchase programme until March 2017. The Council decided to use all available instruments, including the possibility of changing the size, composition and duration of the public and private bond purchase programme, if necessary to combat the risk of decline and ensure that inflation returns to values consistent with the definition of price stability[1].
The table below shows the International Monetary Fund estimates issued in October, for global Gross Domestic Product (GDP) growth for the two-year period 2015-2016, illustrating the differences compared with the estimates of last July.

Global GDP growth
Percentage changes

	Final Data		October 2015 estimates		Difference compared with July 2015 estimates	
	2013	**2014**	**2015**	**2016**	**2015**	**2016**
Global	**3.4**	**3.4**	**3.1**	**3.6**	**-0.2**	**-0.2**
Advanced Countries	**1.4**	**1.8**	**2.0**	**2.2**	**-0.1**	**-0.2**
Japan	1.6	-0.1	0.6	1.0	-0.2	-0.2
United Kingdom	1.7	3.0	2.5	2.2	0.1	0.0
United States	2.2	2.4	2.6	2.8	0.1	-0.2
Euro Zone	-0.4	0.9	1.5	1.6	0.0	-0.1
Italy	-1.7	-0.4	0.8	1.3	0.1	0.1
Emerging Countries	**5.0**	**4.6**	**4.0**	**4.5**	**-0.2**	**-0.2**
Russia	1.3	0.6	-3.8	-0.6	-0.4	-0.8
China	7.7	7.3	6.8	6.3	0.0	0.0
India	6.9	7.3	7.3	7.5	-0.2	0.0
Brazil	2.7	0.1	-3.0	-1.0	-1.5	-1.7

Source: FMI, World Economic Outlook - October 2015 update

1 Banca d'Italia, Economic Bulletin, October 2015

In the third quarter of 2015, the Gross Domestic Product (GDP) of the Euro Zone recorded growth of 1.2% in annualised quarterly terms, a slowdown compared with the previous quarter (1.6%). Within the Euro Zone, Germany and France also recorded GDP growth, in annualised quarterly terms, of 1.3% and 1.4%, respectively (1.8% and 0.2% in the previous quarter).
With reference to Italy, the latest indications from Istat confirm that the Italian economy is coming out of the long recession. In the third quarter of 2015, the Italian GDP grew by 0.2% compared with the previous quarter and by 0.8% compared with the third quarter of 2014.
Business was sustained by domestic demand, specifically consumer spending, inventory building and investment in machinery, equipment and intangible property, which increased again[2].
Consumer and business confidence indices, which measure the expectations of Italian households and businesses surrounding the current status and economic forecasts, posted positive percentage changes as at December 2015 of 20.7% and 13.4%, respectively compared with the same period of the previous year. Specifically, confidence in the manufacturing sector rose by 4.5%, in the construction sector it increased by 15.6%, in the retail trade sector by 7.4% and in the market services sector by 26.0%[3].
The unemployment rate as at October 2015 fell from 11.6% in the previous month to 11.5% (13% twelve months earlier). Youth unemployment (15-24 age group) got worse, rising from 39.4% in September to 39.8% in October. The unemployment rate stood at 56.3% (55.9% one year ago).
At the meeting on 3 December 2015, the ECB left the refinancing rate at 0.05% (the lowest level since the birth of the euro), and the marginal lending rate at 0.3%, while it lowered the rate of overnight bank deposits at the ECB from -0.20% to -0.30%.
The benchmark rate on government bonds maturing in 10 years was, on average, in November, 2.27% in the US (2.06% in the previous month), 0.55% in Germany (0.55% in the previous month too) and 1.58% in Italy (1.70% at October and 2.28% in the previous twelve months). The 10-year BTP-Bund spread therefore went to 103 basis points in mid November (115 basis points in the previous month).
Positive signs emerged for new bank loan transactions: loans to businesses in the first ten months of 2015 recorded an increase of approximately 14% compared with the corresponding period of the previous year (January - October 2014). The trend of total loans to households also increased slightly, up by 0.6%.

2 ABI, Monthly outlook, December 2015
3 ISTAT, Confidence of manufacturing, construction, retail trade and service businesses

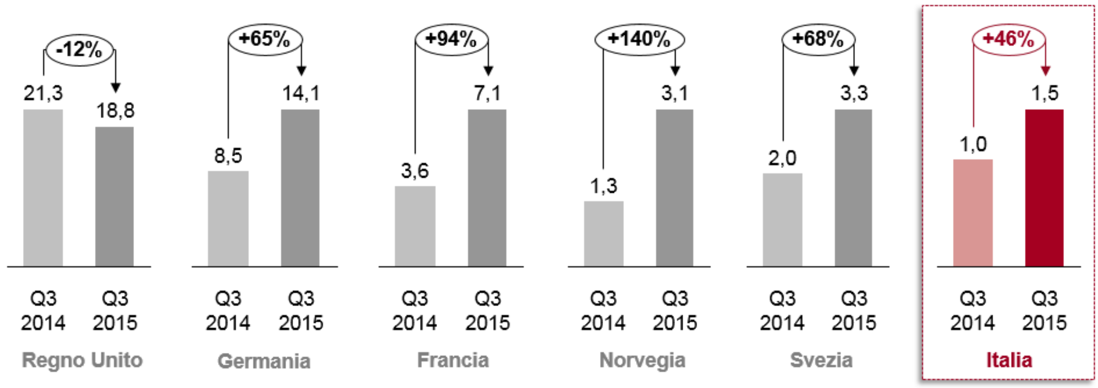
However, following the continuation of the crisis and its effects, the risks associated with loans in Italy remain high even if they fell slightly: to October 2015, gross non-performing loans stood at over €199 billion, €1.4 billion less than compared with September 2015 and around €19.6 billion more than compared with the end of October 2014, marking an annual increase of approximately 11%. The ratio of gross non-performing loans to loans at October 2015 was 10.4% (9.5% one year earlier, 2.8% at the end of 2007), a figure that reached 17.3% for small economic operators (15.8% at October 2014), 17.9% for businesses (15.7% one year earlier) and 7.2% for consumer households (6.8% at October 2014). Net non-performing loans at October 2015 settled down, going from €87.1 billion in September to €87.2 billion in October. The ratio between net non-performing loans and total loans was 4.85% (4.84% at September 2015 and 4.61% one year earlier)[4].

The European property market

In the third quarter of 2015 direct investments in non-residential property in Europe stood at around €61.7 billion, a slight fall compared with the second quarter, but an 18% increase compared with the same period of the previous year where the volume of transactions was around €52.2 billion.
In the first nine months the countries that made the greatest contribution to this growth were Germany and France, respectively, with an increase in investments of €5.6 billion and €3.4 billion, followed by Norway (with an increase of €1.8 billion) and Sweden (with an increase of €1.3 billion). Conversely, investing activity in the United Kingdom fell by around €2.3 billion (Figure 1)[5].

4 ABI, Monthly outlook, December 2015
5 CBRE, European Capital Markets - Market View Q3 2015

Figure 1 - Performance of non-residential sales in some of the major European countries (euro billions)



Source: CBRE

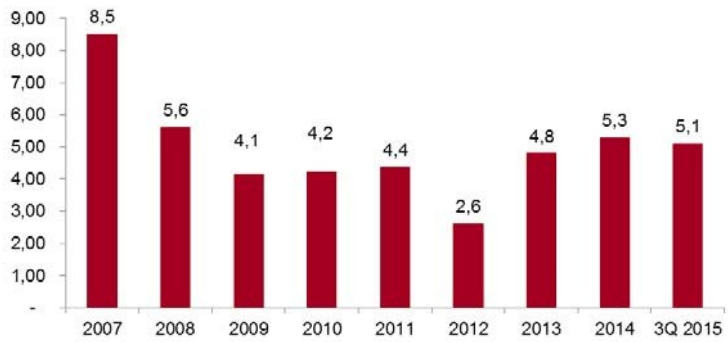
Cross-border transactions, standing at around €14.3 billion, represent 43% of transaction values in the third quarter of 2015, a fall of 15.9% compared with the previous quarter, where investments totalled around €17 billion. Investing activities by the United States, standing at around €8.3 billion, confirm it as the main source of non-European capital.

The Italian property market

The improvement in property investing activities in Italy continued in the third quarter of 2015 as well with a figure of €1.5 billion, up by more than 40% compared with the same period of 2014, bringing the total for the first 9 months to €5.1 billion.
Only 21% of the quarterly volume invested involved property portfolio purchases, bearing witness to the progressive product depletion.
Foreign investments, at around €1.3 billion, up 9% compared with the previous quarter, continued to represent a significant part of investments (85% of the quarterly total invested).
China, with one single transaction worth 27% of the capital invested, was confirmed in the quarter as the top foreign investor, ahead of the United States with 22%. Growth in investments through

German capital, which with 16% represents the main source of European capital invested in Italy[6], continued.

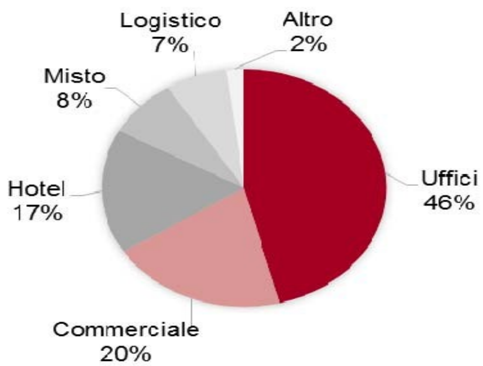
Figure 2 – Performance of sales of institutional investors (euro billions)



Source: CBRE

With reference to the type of property transactions, in the third quarter of 2015, the office sector once again was the main sector with 46% of the amount invested, followed by the retail sector with 20% and hotels with 17%. Logistics, with 7% of the total for the quarter, is currently experiencing great interest from specialist operators (Figure 3).

Figure 3 – Breakdown of non-residential sales by intended use in the third quarter of 2015



Source: CBRE

6 CBRE, Italian Investment Quarterly Q3 2015

Some of the most important transactions recorded in the second part of the year include: the sale of the trophy asset Palazzo Broggi by the Omicron Plus asset management fund managed by IDeA FIMIT SGR to Fosun (the largest Chinese private conglomerate) for around €345 million; the sale by Policlinico di Monza of 8 healthcare facilities in Piedmont and Lombardy for €180 million; the purchase by Thor Equities of a luxury property for retail use located in the Milan Quadrilatero della Moda (high-class fashion district) for €164 million; the sale by the Omega asset management fund managed by IDeA FIMIT SGR of the via Verdi building in Milan for €134 million; the purchase by the Alloro Fund, managed by BNP Paribas REIM SGR, of an Allianz S.p.A. portfolio composed of 141 assets, worth €130 million; the purchase by IGD SIIQ of the entire share capital of Punta di Ferro s.r.l., whose assets mainly comprise the Punta di Ferro Shopping Centre worth €127.9 million; the sale of a portfolio composed of 5 properties and building land belonging to Cassa Depositi e Prestiti Investimenti (CDPI) for €125.5 million; the purchase by ECE Projektmanagement of the "La Cartiera" Shopping Centre in Pompei for €124 million; the sale by UniCredit Leasing of an industrial portfolio of 38 properties (Levia Portfolio) for €108.5 million; the sale by Beni Stabili S.p.A. SIIQ of the Hotel Boscolo Milano for €101.5 million and the purchase of 4 properties by the property fund dedicated to the Fondazione Cassa di risparmio di Lucca, managed by COIMA SGR, for €100 million.
Among the main transactions that took place in January 2016, note the sale by Tecnoholding S.p.A. of Palazzo Turati, a historical building in the centre of Milan, rented to the Milan Chamber of Commerce, purchased by the Azerbaijani sovereign wealth fund the State Oil Fund of the Republic of Azerbaijan for €97 million and the purchase by the Meyer Bergman European Retail Partners II value added fund, managed by Meyer Bergman, of four vacant buildings (26,000 m^2) located in Milan, for €90 million[7].

As far as the retail property market as a whole is concerned, the latest figures from the Osservatorio sul Mercato Immobiliare (OMI) of the Land Agency indicate that in the third quarter of 2015 with the number of normalised transactions standing at 225,257 the Italian property market is clearly recovering. The change referring to total sales in the third quarter of 2015, was actually an increase of 8.8% compared with the same period of 2014.

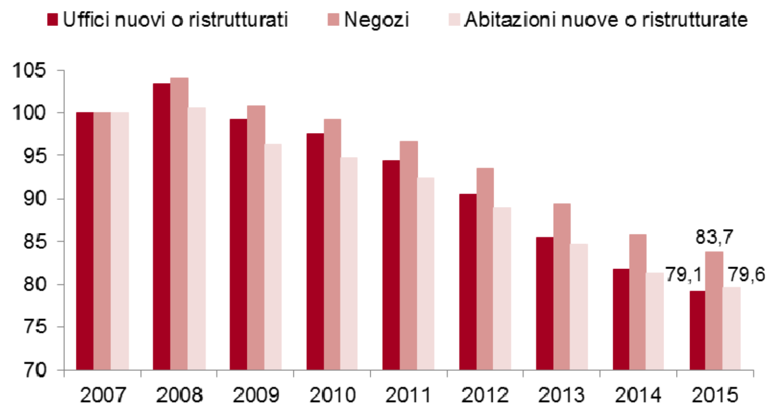
Specifically, the total number of sales recorded in the residential sector and the non-residential sector was, respectively, 105,104 (up 10.8% compared with the third quarter of 2014) and 120,153 (up 7.2% compared with the third quarter of 2014).

[7] Il Quotidiano Immobiliare, Deals

Specifically, compared with the third quarter of 2014, positive changes were recorded in the tertiary, commercial, production sectors and appurtenances (basements, garages, parking spaces, etc.) respectively of 0.9%, 7.4%, 2.2% and 9.0%[8].

Price erosion continued in the Italian property market; since 2008 prices have dropped significantly, in particular with regard to the thirteen major markets, by 23.5% for offices, 19.6% for shops, 21.7% for new homes and 22.6% for existing homes[9].

Figure 4 – Average performance of prices in the 13 main Italian cities (2007=100)



Source: Nomisma

Given the intense activity of institutional and opportunistic investors, and the depletion of prime products, the general squeeze on prime net returns continued in the third quarter of 2015 as well. Specifically, returns on properties intended for office use stood at 4.25% in both Milan and Rome marking a decline, respectively, of 50 basis points and 75 basis points compared with the previous quarter; in contrast, in the retail sector, returns for properties intended for high street, shopping centre and retail park use remained unchanged compared with the previous quarter standing at 4%, 5.5% and 7%, respectively. Lastly, returns in the logistics sector were down slightly, standing at 6.5%, a fall of 50 basis points[10].

8 Land Agency Quarterly Note - Q3 2015
9 Nomisma, Property Market Report III 2015
10 CBRE, Italian Investment Quarterly Q3 2015

Commercial

In the third quarter of 2015 the commercial property market was very buoyant at a European level, with almost record investments for a single quarter of around €17.3 billion, up 45% compared with the same quarter of the previous year[11].

With reference to Italy, investments in the commercial sector by institutional investors stood at around €300 million, a fall of 24% compared with the previous quarter and 21% compared with the same period of the previous year. In the first 9 months of the year, total investments in the sector stood at around €870 million, and today the estimated volume of investments in the last quarter is close to €1 billion. The share invested in the shopping centres sector represented 46% of the volume for the quarter, an improvement compared with previous months.

The attractiveness of Italy in the eyes of the main international investors improved again with them remaining the most active: in the first nine months of 2015, foreign capital invested in the retail sector accounted for 81% of the total. The high street was confirmed as the preferred asset class of core investors, who did not only look at cities like Milan and Rome, but also at cities like Venice, Florence, Padua, Verona and Turin.

The conversion of existing spaces was the sole driver in major Italian cities for the creation of new opportunities in the high street sector.

Business parks are also attracting an ever increasing number of investors, both because they represent a valid alternative to shopping centres, and because they need less intense asset management activity.

The strengthening of domestic demand and the increase in private consumption have contributed to improving the confidence of retailers with plans to expand in Italy[12].

According to the report in “Fashion High-Street 2015/2”, produced by World Capital, the improvement in consumer confidence contributed to growth in rent for properties located on Italian high streets. In Milan via Montenapoleone it is close to €8,000/m2/year, making it still the most prestigious high street in the area, while in via Condotti in Rome, rents reached €7,000/m2/year.

Venice saw a general increase in rents, particularly in Piazza San Marco where the maximum rent was €4,700/m^2/year and the minimum €3,000/m^2/year; Calle Vallaresso and Campo San Bartolomeo became full members of the Venetian high street club with maximum values, respectively of €2,500/m^2/year and €5,000/m^2/year.

The scenario was also positive for Genoa and Bologna, with an overall increase in rents; specifically, in via XX settembre in Genoa the maximum value was €1,000/m^2/year, while in

11 CBRE, European Capital Markets - Market View Q3 2015
12 CBRE, Italy Retail Market View, Q3 2015

Galleria Cavour in Bologna, the highest rent was €2,000/m^2/year. Conversely, in Florence as well as Turin and Verona, the situation was stable, with slight falls alongside slight increases in value.
Moving to southern Italy, Catania and Naples remained stable with very slight growth; the via Scarlatti al Vomero high street in Naples, which was converted into a pedestrian area, and became a commercial location, proved interesting (€1,500/m^2/year).
The signs of improvement that emerged in the last quarter with development activities were confirmed: although completions of projects under construction were not recorded, leaving the new stock completed in the year unchanged at around 25,600 m^2 of GLA (gross leasable areas), the pipeline for the future is growing.
New developments in the process of construction, and interventions like the restyling of existing centres, involve the creation of new concepts and formats which take into account the development of consumer requirements and tastes.
Developers are focusing their attention on the merchandising mix and on the architectural improvement of spaces. The new projects in progress feature a new concept of space. Food Courts, which in Italian shopping malls currently represent less than 10% of the GLA, have great potential for growth in future years. As shown in a study presented by Jones Lang LaSalle, in Europe restaurants in commercial centres currently represent 15% of the total GLA. JLL forecasts that this percentage could increase to up to 20% in the next ten years.
With regard to property values, in the second half of 2015, average prices in the thirteen major Italian cities fell by 1.1% for properties intended for commercial use. Estimates for 2016 project a further fall in prices for shops equal to 0.4%, while in 2017 there will be a reversal of the trend leading to an increase in prices of 0.8%[13].

Property funds

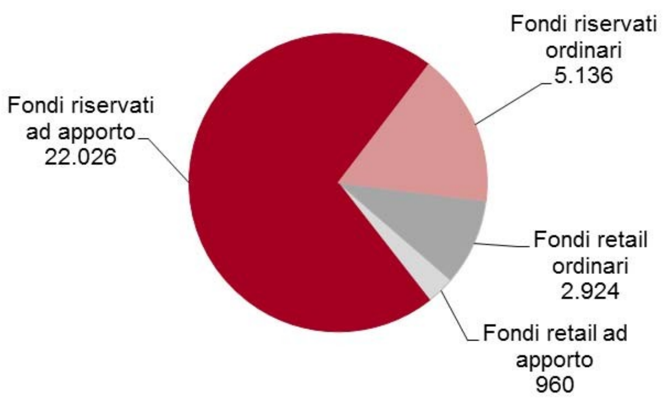
Italian property funds with around an estimated €48 billion at the end of 2015 represented around 10% of European property funds in terms of net equity. The increase in the NAV (Net Asset Value) predicted for 2015 is equal to 11% compared with the previous year, slightly better than the European average (9%)[14].
In the first half of 2015, according to data from Assogestioni, 8 new property funds aimed at qualified or institutional investors became operational. Seven of the eight products involve the distribution

13 Nomisma, Property Market Report III 2015

14 Source: Scenari Immobiliari - I fondi immobiliari in Italia e all’estero (Property Scenario Report - Property funds in Italy and Abroad), 2015 Report

of income and their average duration is 20 years. Seven were established through contributions and one through ordinary methods. Two of the funds are speculative.
Gross collections in the first half of 2015 reached €791 million, a figure 49.5% lower than the one recorded in the same half of the previous year.
With reference to asset allocation, 48.8% of the funds' assets were invested in the office sector, 13.4% in the residential sector, 13% in the sector intended for commercial use, 12.7% in the other sector and the remaining part in properties intended for tourist-recreational use (4.3%), industrial use (3.4%), logistics (2.9%) and residential care homes (1.5%). The most significant changes involve properties for residential care homes and industrial use, up 21% and 12%, respectively, compared with the second half of 2014.
Geographically, the north west (44%) and central Italy (33.8%) are the areas in which the main investments were recorded; the remaining investments were in the north east (12.4%), the south and the islands (7.5%) and lastly abroad (2.4%).
In June 2015 property funds were composed for 91% of reserved funds with assets of approximately €27 billion and the remaining 12% was retail funds responsible for the management of assets of around €4 billion.

Figure 6 – Assets managed for the different types of property funds



The breakdown of assets changed slightly compared with 2014: 88.3% was represented by properties and property rights (up 0.3% compared with December 2014), 7.3% transferable securities and liquid assets (1.7% less compared with December 2014), while the remaining part was controlling interests in property companies and interests representative of securitisation transactions (down 12% compared with December 2014).

At the end of the first quarter of 2014, 69% of funds sought recourse to leverage to increase invested assets. The extent of the use of leverage (or the ratio between how much each fund is indebted and how much it could be indebted) rose by 0.7% compared with the last quarter standing at 55.7%.
Reserved funds, to which the majority of changes in the property portfolio that took part in the period analysed are attributable, purchased or transferred properties for more than €1.4 billion and divestments totalling more than €900 million. Retail funds, on the other hand, purchased or transferred properties of €17 million and sold properties for €145 million.
For the reserved funds the majority of changes in purchases were attributable to products which recalled commitments during the period, to which the majority of divestments, on the other hand, are not attributable. In contrast, the changes in retail funds exclusively involved products for which commitments were not recalled[15].

2. Fund descriptive data

A. A summary of the MoMa Fund

The "MoMa" Fund (hereinafter the “Fund") is an Alternative Investment Fund (AIF) established as a Closed-Ended Property Speculative Investment Fund Reserved to Qualified Investors, pursuant to articles 12-*bis,* 15 and 16 of Ministerial Decree 228/99.
The Board of Directors of IDeA FIMIT SGR S.p.A. (hereinafter the AMC) established the Fund and approved its Management Regulations (the “Regulations”) on 8 July 2014.

The Fund duration is seven years beginning from the closing date of the First Subscription Period, except in the case of early liquidation or extension of the duration of the Fund.

15 Source: “Assogestioni” – Italian property funds half-year report - 2nd half of 2015

The table below contains the main descriptive data of the Fund.

Contribution date	31 July 2014
Expiry of the Fund	31 December 2021
Type of property assets	Property for commercial use
Depositary Bank	Caceis Bank Luxembourg - Milan Branch
Independent Expert	REAG S.p.A.
Independent Auditors	KPMG S.p.A.
Taxation	Taxation planned for these financial instruments, such as by Legislative Decree 351/2001 of 25 September 2001, converted with amendments by Law no. 410/2001, and subsequent amendments, by Legislative Decree 112/2008 converted with amendments by Law no. 133/2008, by Legislative Decree 78/2010 converted with amendments by Law no. 122/2010, by Legislative Decree 70/2011 converted with amendments by Law no. 106/2011. Articles 3 and 4 of Decree Law no. 66 of 24 April 2014 converted, with amendments, by Law no. 89 of 23 June 2014.
Net overall initial nominal value of the Fund	€1,000,000
Number of units issued for the contribution	2
Initial nominal value of the units	€500,000
Total net value of the Fund as at 31 December 2015	€61,085,469
Unit value of the shares as at 31 December 2015	€727,207,964
Market value of the properties as at 31 December 2015	€124,200,000

The MoMa Fund is held in its entirety by Moma Holdco Sarl, a company governed by the laws of Luxembourg and controlled by foreign mutual investment funds which are managed by a subsidiary of the Blackstone Group LP. The Fund has invested in two outlet villages located in the suburbs of Mantua and Molfetta (hereinafter the "Properties") and in two limited liability companies which hold the commercial licenses of the units comprising the outlets, sold by Mittel S.p.A.

The table below illustrates the development of the Fund from the placement date as at 31 December 2015.

		Placement 31.07.2014	31.12.2014	31.12.2015
Total value of the fund (1)	€ million	1.0	57.7	61.1
Number of shares	No.	2	84	84
Unit value of the shares	€	500,000.000	686,598.547	727,207.964
Value of the properties	€ million	-	124.2	124.2
Historical cost and capitalised expenses (2)	€ million	-	105.0	105.1
Property assets	no. of properties	-	2	2
m^2 Gross total	m^2	-	69,698	69,698
Gross profitability (3)	%	-	12.5	8.3
Bank debts	€ million	-	85.0	85.0
Loan to value (LTV) (4)	%	-	68.4	68.4
Loan to cost (LTC) (5)	%	-	80.9	80.8
Main intended use (6)	%	-	100% Commercial	100% Commercial
Main geographical distribution (6)	%	-	63% Lombardy, 37% Apulia	63% Lombardy, 37% Apulia
Total income distribution (7)	€ million	-	0.86	3.21
Income distribution per unit	€	-	10,197.00	38,173.00
Total capital repayment (7)	€ million	-	-	-
Capital repayment per unit	€	-	-	-
Nominal value of the unit (8)	€	500,000.00	500,000.00	500,000.00
Dividend Yield (9)	%	-	15.98	7.63

(1) Book value reported in the Management Report at the reference date
(2) Excluding sales made
(3) Calculated as the ratio between total fees, including ISTAT adjustments, and the historical cost including ancillary purchase costs and capitalised costs.
(4) Ratio between financial payables and market value of the properties
(5) Ratio between financial payables and historical cost of the properties including ancillary purchase costs and capitalised costs
(6) Calculated on the historical cost
(7) Amounts relating to the reference period
(8) Value excluding partial pro rata repayments made between the placement period and the reference period
(9) Ratio between income for the period per unit and average nominal value for the period of the unit

B. Corporate Governance

In the light of the provisions of the Italian Civil Code and Legislative Decree 58 of 24 February 1998 (concerning the Consolidated Finance Act for provisions on the subject of financial intermediation), the AMC adopts a corporate governance system featuring transparent management activities established with regard to the closed-end property funds it manages and the prevention of any potential conflict of interest situations, also through the adoption of dedicated organisational and procedural safeguards. Pursuant to the By-Laws of the AMC, the Board of Directors of IDeA FIMIT is composed of between five and thirteen members, two of whom are Independent Directors.

On the approval of the financial statements for 2013, which took place at the Shareholders' Meeting of 18 April 2014, the mandate of the members of the Board of Directors and the Board of Statutory Auditors came to an end. On the same date, the Shareholders' Meeting appointed the new members of the above-mentioned corporate boards, establishing the number of members of the Board of Directors as eight.

Through the board resolution passed on 28 April 2014, Dr. Emanuele Caniggia was appointed as CEO of the AMC and, at the same time, powers were conferred on him,

revised – most recently – through the board resolution of 26 November 2015 and effective from the date of filing at the Companies Register, which took place on 12 January 2016.
With the approval of the financial statements for 2014, the Shareholders' Meeting held on 16 April 2015 appointed Ms. Stefania Boroli as a new Board Member, in place of Ms. Maria Grazia Uglietti, appointed on 29 May 2014, who will remain in office until the term of office for the current Board of Directors expires, namely on the date set for the shareholders' meeting for the approval of the 2016 financial statements.
Following the resolutions passed, the present composition of the Board of Directors and the Board of Statutory Auditors is given below.

Board of Directors
Gualtiero Tamburini (Chairman and Independent Director) Emanuele Caniggia (CEO)
Stefania Boroli Paolo Ceretti Gianroberto Costa
Francesco Gianni (Independent Director) Amalia Ghisani
Rosa Maria Gulotta

Board of Statutory Auditors
Carlo Conte (Chairman)
Gian Piero Balducci (Statutory Auditor) Annalisa Raffaella Donesana (Statutory Auditor) Paolo Marcarelli (Alternate Auditor) Francesco Martinelli (Alternate Auditor)

Through the board resolution passed on 27 November 2014, Rodolfo Petrosino (Architect) was appointed General Manager of the AMC and, at the same time, the related powers were decided upon. With effect from 1 July 2015, following the conclusion of the employment relationship with Rodolfo Petrosino, the powers assigned to the General Manager were exercised in the interim by the CEO.

The composition and the operation of the Board of Directors are governed by the internal Regulation in the text amended, most recently, at the board meeting of 26 November 2015, which also identifies the requirements of Independent Directors.
Although the AMC no longer belongs to Assogestioni – Associazione italiana del risparmio gestito, the By-Laws of IDeA FIMIT require there to be two Independent Directors on the Board of Directors. A Director is considered independent if they do not have operational responsibilities in the AMC, are in

possession of the requirements laid down by the provisions in force at any given time for asset management companies or, failing that, by the “Autonomy protocol for the management of conflicts of interest” adopted by Assogestioni (the Italian association for asset management) ("Assogestioni Protocol").

Specifically, pursuant to the Assogestioni Protocol and the Internal Regulation of the Board of Directors, Directors are considered independent if they do not have relations, or have recently had relations, including indirectly, with the AMC or with related parties, which could affect their independent judgement. Pursuant to the By-Laws, Independent Directors should also be of good repute, professional and eligible, as required by the legal provisions in force. Additionally, Independent Directors should also possess further professional requirements established in the Board of Directors' Internal Regulation.
The Board of Directors verifies that the Independent Directors are of good repute, professional and independent in accordance with the regulatory provisions in force at any given time, the By-Laws and the above-mentioned Internal Regulation, with greater regard to substance than to form, within thirty days of their appointment. Independent Directors are also required to sign an annual declaration relating to the existence of the requirements of independence and, in any event, they are required to give immediate notification should these requirements cease to exist.
The Internal Regulation of the Board of Directors requires that the AMC cannot have any significant working relations, professional or business, for at least two years after the Independent Directors are no longer in office.
The presence of Independent Directors in the corporate governance structure and their related duties contributes to accentuating the transparency profiles inherent in the management of the AMC and to increasing the objectivity of the decision-making processes.
At the meeting of 8 May 2014 the Board of Directors appointed the new members of the Risk Supervision and Control Committee, which, based on the Internal Regulation (approved by the Board of Directors, most recently, on 26 November 2015) is composed of three Board Directors, two of whom are Independent Directors pursuant to the By-Laws (one of whom acts as the Chairman of the Committee).
Under the scope of its responsibilities and in compliance with the powers of the Board of Statutory Auditors and Control Functions of the AMC, this Committee has the widest-ranging investigative powers and is charged with the task of supporting the evaluations and decisions of the Board of Directors relating to the internal control and risk management system, as well as other subjects pursuant to its Internal Regulation.
In general terms, the Committee: A) without prejudice to the procedural provisions with regard to the specific responsibilities of Independent Directors on the subject of conflicts of interest, expresses an opinion on all transactions where there is a potential conflict of interest resulting from the responsibilities of the Board of Directors, including those which refer to related-party transactions, evaluating the correct application of the safeguards for the

management of these transactions; B) assists the Board of Directors in determining the guidelines for the internal control and corporate risk management system as well as with tasks concerning the verification of their correct implementation and consistency with the development of corporate activity; C) under the scope of the tasks it is responsible for such as the "remuneration committee" pursuant to Article 39 of the Regulation on the subject of organisation and procedures for intermediaries providing investment of asset management services adopted through the joint provision of Banca d'Italia and Consob of 29 October 2007 as amended ("Joint Regulation"), submits proposals to the Board of Directors about remuneration policies and incentive schemes, in order to promote sound and effective risk management; D) assists the Board of Directors with the implementation of corporate guidelines and policies on outsourcing, ensuring that these guidelines and policies, as determined by the Board of Directors, are consistent with the sound and effective management of the AMC; E) evaluates the correct use of accounting principles for the preparation of the draft financial statements, coordinating with the competent corporate functions and with the control body of the AMC for this purpose; F) performs further tasks which are assigned by the Board of Directors.
The opinions given by the Committee are reasoned and are not binding on the Board of Directors, which, in any event, will retain the power to collectively proceed with further investigations and checks, adequately justifying any decisions taken which do not conform, following the opinion of the Board of Statutory Auditors.

The Committee can suggest that the Board of Directors can enlist the help, at the expense of the AMC and within a reasonable limit set at the beginning of each financial year by the Board of Directors, of external consultants with no significant relationship with the AMC and/or controlling companies and/or associated companies or with the Independent Directors for research into and objective evaluation of specific issues, where the Independent Directors do not have the specific professional expertise.
The AMC adopted a Code of Ethics and an Organisational, Management and Control Model pursuant to Legislative Decree 231 of 8 June 2001 – including the "Framework governing the administrative responsibility of legal persons, companies and associations without legal persons, pursuant to Article 11 of Law 300 of 29 September 2000" – aimed at preventing the committing of offences under the aforementioned Decree as well as exempting the AMC from the responsibility resulting from the committing, in its interest or to its advantage, of offences by subjects which are part of the corporate organisation.
The Code of Ethics includes ethical principles such as correctness, fairness, integrity and transparency, which inspire the daily behaviour of all those belonging to the Company when conducting their affairs and, in general, when carrying out corporate activities in all manifestations, for the smooth operation, reliability and positive image of the company. The Code of Ethics is aimed at all senior managers, employees, the Board of Directors, the Board of Statutory Auditors, as well as outside contractors which operate to achieve corporate objectives under the management and supervision of the Company's senior management.

The AMC has also established a Supervisory Body with the requirements of autonomy and independence, professionalism and continuity of action, composed of three members designated by the Board of Directors of the AMC and taken from the members of the Board of Statutory Auditors, entrusted with the task of overseeing compliance with the recommendations of the Model and being responsible for their updating.
The AMC has internal procedures aimed at governing the internal management methods and disclosure to the market of privileged and confidential information in conformity with, among other things, the provisions of the TUF and the related implementation framework pursuant to the CONSOB Issuers' Regulation no. 11971, as amended, of 14 May 1999 ("Issuers' Regulation").
The AMC has also adopted a procedure aimed at providing operating instructions for the creation, maintenance and updating of the Register of persons who have access to privileged information, which includes those who, on account of work or professional activities or because of the functions performed, have access to privileged information, directly or indirectly, concerning the funds managed whose units are traded on regulated markets or for which the AMC has submitted a request for admission to trading on Italian regulated markets, in accordance, among other things, with the requirements of the TUF and the Issuers' Regulation, as well as a management procedure for personal transactions of "significant parties" where the management methods for transactions in financial instruments are governed in the presence of confidential information.
The AMC has also adopted an internal corporate procedure on the issue of personal transactions by significant parties of the AMC pursuant to the Joint Regulation. This procedure, with regard to so-called significant parties (which means shareholders and members of the corporate administrative and control bodies, senior management, executives, employees of the Company, as well as any other physical person whose services are at the disposal of and under the control of the Company and who take part in the asset management activity conducted by the Company, physical or legal persons who take part directly in the provision of asset management services based on a delegation or outsourcing agreement, heads of corporate control functions of the AMC and members of Committees with advisory functions for funds managed by the AMC) involves: (i) certain behavioural obligations on the issues of, among other things, privacy of privileged and confidential information, the prevention of market abuse and conflicts of interest; (ii) specific regulation of personal transactions pursuant to the Joint Regulation as well as (iii) the sanctions applicable in the event of the breach of the provisions contained in the actual procedure. This procedure is conducive to fulfilling the more general obligations of adopting, applying and maintaining procedures suitable to guarantee compliance with the obligations of correctness and transparency in the provision of the activities carried out by the AMC as well as maintaining the confidentiality of information received under the scope of providing the above-mentioned activities, with regard to their nature.
Lastly, in order to minimise the risks associated with the execution of transactions in conflict of interest, the AMC submits the investment opportunities received by the Company or identified on the market for evaluation by the administrative body which decides on the allocation of investments among the

various funds managed in compliance with the regulatory provisions and applying specific allocation criteria.
In order to encourage the involvement of shareholders with regard to decisions of major importance relating to the management of closed-end investment asset management funds, including property funds and related to the asset management company, a Meeting of Fund Unitholders was established which resolves on matters reserved to it by the Management Regulations and on matters indicated, from time to time, by existing legislation.
In addition to the corporate governance structures applicable to AMCs by virtue of the provisions of the codes and the Consolidated Finance Act and those specified above, it should be noted that the Management Regulations of each Fund managed includes the establishment of a Committee with an advisory function competent to analyse, evaluate and express its opinion with regard to the subjects indicated in the fund management regulation and/or in the committee operating regulation.
The Company provides the fund unitholders with all the information required by the management regulations and by existing sector legislation through the required methods.

3. Illustration of the Fund management activities and guidelines followed in the implementation of investment policies

A. Management activity

The Fund assets are essentially composed of two factory outlet centres (hereinafter the "Outlets") and two equity investments in limited liability companies (hereinafter, the "Companies").
Specifically, on 18 November 2014, the Fund acquired:

- - the Outlet located in Mantua (MN) with a Gross Leasable Area (GLA) of 25,067 m²;
- the equity investment in the company Fashion District Mantova S.r.l.;
- the Outlet located in Molfetta (BA) with a Gross Leasable Area (GLA) of 38,205 m²;
- the equity investment in the company Fashion District Molfetta S.r.l.

The structure of the transaction provided for acquisition of equity investments in the companies which hold most of the commercial licenses for the Outlet operations and therefore conclusion of business unit lease agreements with the individual tenants and a master lease agreement (hereinafter the "MLAs"), or a property lease agreement with the Fund.
The Fund strategic management guidelines include increasing the occupancy rate with the goal of keeping it constant for the entire duration of the Fund.
Note that, as at 31 December 2015, the Mantua outlet was leased for 95.4% (94.7% as at 31 December 2014), while the Molfetta outlet was leased for 70.1% (76.7% as at 31 December 2014). These figures have been calculated with regard to the GLA of each outlet. Note that although the occupancy rate for the Mantua outlet increased by 0.7%, the total annual fee fell by around 4% going from

€7,768,33 as at 31 December 2014 to €7,450,456, thereby recording a slight decline in the rental fee per m^2 for the period which went, on average, from €327/m^2 to €311/m^2.
Also, note that although the occupancy rate for the Mantua outlet decreased by 6.6%, the total annual fee rose by around 3.5% going from €5,155,285 as at 31 December 2014 to
€5,333,476, recording a consistent improvement in the rent per m^2 which went, in the same period, on average, from €176/m^2 to €199/m^2.
The Fund uses Kryalos Asset Management S.r.l. for consulting activities in the management of the Fund for the development, updating and monitoring of the business plan forecasts and performance of the Fund, the definition of asset purchase/sales transactions, as well as relating to the supervision of service providers and relations with tenants.
The Fund initially identified Fashion District Group S.p.A. as the servicer specialised in the management of the outlets. The latter, on behalf of the companies wholly-owned by the Fund, carried out leasing activities (lease renewals, management of lease contracts), property management activities, including help with defining budgets, business plans and various reporting activities, as well as the administrative and accounting services of the Companies. Note that, following the receipt of a communication from Fashion District Group S.p.A. on 23 July 2015 relating to the launch of a collective redundancy procedure, in preparation for the liquidation of Fashion District Group S.p.A., in which the continuity of the services contractually rendered by the FD Group S.p.A. until the natural expiry of the contract with the Companies on 17 November 2015 was guaranteed. The Companies launched a process to select a new potential servicer. Following this process, the Companies stipulated a service mandate with Multi Outlet Management Italy S.r.l., with effect from 18 November 2015 for one year, renewable for an additional 12 months.

Lease agreements
The existing Master Lease Agreements between the Fund and the Companies are listed below:

- Mantua lease agreement - Phase 1: this agreement was stipulated on 18 July 2003 for a total gross area of 15,068 m^2 corresponding to the first development of the outlet, running from 1 November 2003 for a period of 8 years, tacitly renewable for a further 8 years years at an annual rental of €3,152,000 plus VAT; following the amendment agreement of 18 November 2014, the expiry of the lease agreement was extended to 30 November 2019;
- Mantua lease agreement:- Phase 2: this agreement was stipulated on 16 June 2005 for a total gross area of 13,041 m^2 corresponding to the second development of the outlet, running from 1 October 2005 for a period of 8 years, tacitly renewed for a further 8 years years at an annual rental of €3,182,250 plus VAT;
- Molfetta lease agreement:- Phase 1: this agreement was stipulated on 16 June 2005 for a total gross area of 18,854 m^2 corresponding to the first development of the outlet, running from 15 December 2005 for a period of 8 years, tacitly renewable for a further 8 years years

and an annual rental - following the amendment agreement of 17 September 2015 - equal to (i) €1,040,192 plus VAT, (ii) with regard to the area vacant on 1 July 2015, €185 plus VAT per m^2 leased to future tenants, from the date of the signing of new multi-year business unit rental agreements for the remaining term of the lease agreement, (iii) 5% of the turnover of Fashion District Molfetta S.r.l..

- Molfetta lease agreement - Phase 2: this agreement was stipulated on 28 March 2008 for a total gross area of 12,106 m^2 corresponding to the second development of the outlet, from 28 May 2008 for a period of 8 years and an annual rental fee - following the amendment agreement of 17 September 2015 - equal to (i) €523,533 plus VAT, (ii) with regard to the area vacant on 1 July 2015, €185 plus VAT for every m^2 leased to future tenants, from the date of the signing of new multi-year business unit rental agreements for the remaining term of the lease agreement, (iii) 5% of the turnover of Fashion District Molfetta S.r.l. following the amendment agreement of 18 November 2014, the expiry of the lease agreement was extended to 30 November 2019;
- Molfetta lease agreement - Multi-room: this agreement was stipulated on 14 May 2007 for a total gross area of 10,629 m^2 intended mainly for a multiplex cinema, from the date the agreement was entered into for a period of 6 years, already renewed for a further 6 years, and an annual rental fee - following the amendment agreement of 17 September 2015 - equal to (i) €736,275 plus VAT, (ii) with regard to the area vacant on 1 July 2015, €185 plus VAT for every m^2 leased to future tenants, from the date of the signing of new multi-year business unit rental agreements for the remaining term of the lease agreement, (iii) 5% of the turnover of Fashion District Molfetta S.r.l.

With reference to the Companies, the business unit rental agreements entered into with *tenants are listed below:*

- referring to Fashion District Mantova S.r.l., as at 31 December 2015 there were 108 active business unit leases (of which 99 carried multiple year contracts and 9 had temporary contracts) and 2 property leases, with annual rental totalling €7,450,457 compared with annual rental totalling €7,768,333 as at 31 December 2014. Note that during the fourth quarter of 2015 1 business unit lease was renewed and 6 new agreements were entered into (2 of which were temporary);
- referring to Fashion District Molfetta S.r.l., as at 31 December 2015 there were 79 active business unit leases (of which 72 carried multiple year contracts and 7 had temporary contracts) and 2 property leases, with annual rental totalling €5,333,476 compared with annual rental totalling €5,155,285 as at 31 December 2014. It is hereby noted that in the fourth quarter of 2015, 2 new contracts were stipulated (1 temporary and 1 multi-year), while 3 business unit leases were terminated.

Receivables from tenants

As at 31 December 2015 the amount of receivables was exclusively from Companies controlled by the Fund for invoices issued relating to rent due totalling €3,083,302 plus VAT as described in more detail below:

- The receivable due from Fashion District Molfetta S.r.l. came to a total of €3,101,735 (of which €237,764 was not past due and €16,515 was due within 60 days). It is hereby noted that on 17 September 2015, the Fund and Fashion District Molfetta S.r.l., stipulated three separate agreements (phase 1, phase 2, multiple room) which provide for the full repayment of the overdue amounts for rents totalling €2,847,456 accrued as at the date that the agreement was signed, in four annual instalments beginning from December 2016 and ending in December 2019.
- The receivable due from Fashion District Mantova S.r.l. came to a total of €659,894 (of which €643,982 was not past due and €15,912 was due within 60 days).

Extraordinary Maintenance (Capex)

By virtue of the leases stipulated with the Fund (MLA), for which it has been agreed that all ordinary and extraordinary maintenance expenses except for structural interventions will be borne by the lessee company, the Fund has carried out no extraordinary maintenance on the properties during that period of reference.

B. Investment and divestment policies

In line with the Fund strategy, outlined in the Business Plan approved by the Board of Directors of the AMC on 29 July 2015, at the moment there are plans to dispose of the entire Fund Assets upon completion of the fifth year of the Fund.
No other actions are currently planned with regard to the other investments.

C. Equity investments

As at the date of this Report, the Fund Management owns the entire shareholdings of Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l. The equity investments were acquired on 18 November 2014 by Fashion District Group S.p.A., a company affiliated with Mittel S.p.A.
Specifically, Fashion District Mantova S.r.l., with a fully paid-up share capital of €100,000, was purchased for a price of €12,408,043 including ancillary

expenses, while Fashion District Molfetta S.r.l., with a fully paid-up share capital of €10,000, was purchased for a price of €6,127,282 including ancillary expenses.
In line with the provisions of the asset and quota purchase agreement of 31 July 2014, on the subject of the adjustment of the purchase price of the equity investments relating to the updates of the financial statements as at 17 November 2014, note that the prices identified above were corrected, respectively, to €13,422,799 for Fashion District Mantova S.r.l. and to €6,900,195 for Fashion District Molfetta S.r.l..

4. *Events of particular importance that occurred during the year*

Regulatory changes

On 21 July 2011 the Directive 2011/61/EU (“AIFMD”) came into force harmonising the framework applicable to managers (“AIFM”) of alternative investment funds (“AIF”) at EU level. Details of the AIFMD rules were given by the execution measures in (EU) Regulation 231/2013 of the Commission (“RD”) - immediately and directly applicable in the legislation of the member states as well as by the guidelines and Q&As issued by ESMA.
In Italy, on 9 April 2014, Legislative Decree no. 44 of 4 March 2014 ("Decree") came into force, containing the amendment provisions of Legislative Decree no. 58 of 24 February 1998 ("TUF") necessary to implement the general application provisions contained in the AIFMD.
With regard to the "secondary" regulation, on 19 March 2015, the following regulatory acts, which came into force from 3 April 2015, were published in the Official Journal;

- decree no. 30 of the Ministry of Economy and Finance ("MEF") of 5 March 2015, concerning the determining of the general criteria with which Italian Undertakings for Collective Investments (UCIs) must comply;
- the Consob resolution of 8 January 2015 containing amendments to (i) the Intermediaries Regulation, pursuant to Consob Resolution no. 16190 of 29 October 2007 and to (ii) the Issuers' Regulation, pursuant to Consob resolution no. 11971 of 14 May 1999;
- the Provision of Banca d’Italia and Consob of 19 January 2015 containing the amendment to the Joint Regulation, pursuant to the Provision of Banca d’Italia and Consob of 29 October 2007 (“Joint Regulation”);
- the Provision of Banca d’Italia of 19 January 2015 containing the "new" Regulation on asset management, pursuant to the Provision of Banca d'Italia which abolishes and replaces the one pursuant to the Provision of Banca d’Italia of 8 May 2012 (“Regulation").

The above-mentioned statutory and regulatory provisions introduced a redefinition of the regulatory framework applicable to the subject of asset management.

In the light of the above, the AMC implemented the necessary activities for the purpose of adapting to the applicable regulations introduced by the AIFMD, appropriately notifying Banca d'Italia promptly through a letter dated 30 April 2015, on the basis of the provisions of Article 15, paragraph 2 of the Decree, with a related request for registration in the Register of asset management companies as an AIF manager pursuant to the AIFMD.

Management activity

On 26 February 2015 the Board of Directors of the AMC approved the Fund Management Statement as at 31 December 2014. Following this approval, there was a resolution for the distribution of income totalling €856,548, corresponding to €10,197 for each of the outstanding 84 units.

On 29 April 2015 the Board of Directors of the AMC approved the Fund Management Report as at 31 March 2015. Following this approval, there was a resolution for the distribution of income totalling €622,272, corresponding to €7,408 for each of the outstanding 84 units.

On 18 June 2015, the AMC received a notice from Banca d'Italia that it was authorised for registration in the Register of AMC, in the section of AIF managers "above the threshold", pursuant to the AIFMD.

On 29 July 2015 the Board of Directors of the AMC approved the Business Plan of the Fund with reference to 2015. This Business Plan updates the Fund preliminary Business Plan approved by the Board of Directors of the AMC on 28 July 2014 and defines the asset allocation, the strategic guidelines and the multi-year plan including the Fund expenditure budget.

On 5 August 2015 the Board of Directors of the AMC approved the Fund Management Report as at 30 June 2015. Following this approval, there was a resolution for the distribution of income totalling €1,499,904, corresponding to €17,856 for each of the outstanding 84 units.

Through a notice dated 9 September 2015, the Chairman of the Unitholders' Meeting requested the calling of the Unitholders' Meeting for a date between 9 December 2015 and 11 December 2015 for the replacement of the AMC pursuant to Article 17.1 (d) of the Fund Management Regulation. Note that this communication was accompanied by a letter from Moma Holdco S.à r.l., which currently owns 100% of the Fund units, informing the Chairman of the Unitholders' Meeting that it wished to replace the AMC with Kryalos SGR S.p.A. as the new manager, with effect from 1 January 2016.

On 17 September 2015, upon conclusion of an in-depth analysis regarding the non-sustainability in financial and economic terms of the rental fee due from Fashion District Molfetta S.r.l. to the Fund, pursuant to the three retail leases for the portions of the properties included in the existing Master Lease Agreement, the Fund signed three amending agreements to the above three leases. Fashion District Molfetta S.r.l. has signed with the Fund three deeds acknowledging the debt and the relative payment extension plans for the debt accrued up to the date of the signature of these agreements, relative to the past due rental amounts.

Note that, with regard to the outlet located in Molfetta, at the beginning of the third quarter of 2015, the space planning review was finalised. This process involves: (i) the partial temporary closure of the area known as "Phase 2" of the Molfetta outlet, (ii) the transfer of the tenants present in it and
(iii) the concentration of the points of sale in the area known as "Phase 1". This strategy outlined in conjunction with Kryalos Asset Management S.r.l., the Fund advisor, made it possible to optimise the spaces within the outlet and to make public accessibility more efficient, at the same time reducing the perception of the current number of vacancies.

Further to what was anticipated previously in paragraph 3.a, taking into consideration (i) the expiry of the Transitional Services Agreement signed on 18 November 2014 with Fashion District Group S.p.A., as the servicer specialised in the management of outlets and (ii) the communication sent by Fashion District Group S.p.A. on 23 July 2015 relating to the launch of a collective redundancy procedure, in preparation for the liquidation of the company, Fashion District Mantova
S.r.l. and Fashion District Molfetta S.r.l., with the support of Kryalos Asset Management S.r.l., carried out a selection process in the market for operators deemed most suitable to perform the services set out in the Transitional Services Agreement, on the basis of experience gained in the reference market, and identified a potential new outsourcer to whom to grant a suitable period of due diligence in order to receive a detailed offer for the administration of the outlet management services following the end of the existing mandate with Fashion District Group S.p.A.. Following the process to select a potential new servicer, the Companies stipulated a service mandate with Multi Outlet Management Italy S.r.l., with effect from 18 November 2015 for one year, renewable for an additional 12 months.

On 29 October 2015 the Board of Directors of the AMC approved the Fund Management Report as at 30 September 2015. Following this approval, the distribution of income totalling €307,860 was approved.

On 26 November 2015 the AMC called a meeting of unitholders for 11 December 2015 so that it could resolve regarding the replacement of the Fund management company. At this meeting the unitholder asked for decisions regarding the replacement of the management company to be deferred, in order to be able to define the text of several documents still in the process of negotiation between the parties as at 16 December 2015.

The Unitholders' Meeting of the Fund and Moma Holdco S.à r.l. was held on 16 December 2015 and the replacement of the AMC with Kryalos SGR S.p.A. was approved with effect from 1 January 2016. Note that in the communication sent to the AMC and to Kryalos SGR S.p.A. on 22 December 2015, the unitholder Moma Holdco S.à r.l. requested that the effective date of the replacement of the manager be postponed until 1 February 2016 in order to be able to receive a notification from the Facility Agent (Mount Street Mortgage Servicing Limited) first relating to the information requirements of the loan agreement signed by the Fund.

Meetings of the Fund Consultation Committee

The Fund Consultation Committee met:

On 26 January 2015, expressing its support with regard to two business unit rental proposals for a total amount of approximately €127,000.
On 26 February 2015, expressing its support with regard to four business unit rental proposals for a total amount of approximately €331,000.
On 8 April 2015, expressing its support with regard to three business unit rental proposals for a total amount of approximately €222,000.
On 30 April 2015, expressing its support with regard to: (i) 3 business unit rental proposals for a total amount of €174,894; (ii) the distribution of Fund management income totalling €622,272.
On 18 May 2015, expressing its support with regard to five business unit rental proposals for a total amount of approximately €304,204.
On 5 August 2015, expressing its support with regard to: (i) the distribution of the profits from the Fund management totalling €1,499,904, (ii) the Fund Business Plan for 2015, and (iii) four proposals for the rental of the business unit totalling €277,955.
On 10 November 2015, expressing its support with regard to: (i) the distribution of income totalling €307,860; (ii) two proposals for the rental of spaces in the outlet located in Mantua totalling €543,950.
On 1 December 2015, expressing its support with regard to a proposal for the rental of spaces in the Molfetta outlet for an amount of €59,100.

5. Strategic guidelines to be adopted in the future

Pursuant to the Management Regulations, the purpose of the Fund consists of the collective investment of the capital collected, aiming, through the professional management of the aforementioned Fund assets, with a view to disposing of it, to create an increase in the value of the investments and the breakdown and distribution of the net profit of operations following the divestment of the investments made. To this end, investments were made in the outlets and in the Mantova and Molfetta companies, which will be disposed of in the fifth year of the Fund after intense asset management activity aimed at consolidating relations with the current tenants, increasing the occupancy rate and improving the profitability of the two outlets.

In compliance with the provisions of the Fund management regulation and in view of the communication received from the Chairman of the Unitholders' Meeting, containing the request to call the Unitholders' Meeting in order to proceed with the replacement of the AMC with Kryalos SGR S.p.A. as the new Fund manager, the AMC implemented everything necessary or helpful to respond to this replacement request.

6. Illustration of relations during the period with other Group companies which the AMC belongs to

IDeA FIMIT is part of the De Agostini Group which, through the AMC strengthens its strategic position in the property sector in Italy, creating the conditions for the future development of activities in foreign markets as well.

The corporate governance of the Group confers management autonomy on the sub-holdings and subsidiaries, which are responsible for their own operational management, and the identification and pursuit of growth opportunities in the respective markets, both through new product/market combinations and through extraordinary transactions consistent with the business strategy.

In consideration of the above, relations between the AMC and the Group to which it belongs are put into practice in the normal information flows within the business Group.

7. Significant events after the year end

Note that on 13 January 2016 the AMC signed a contract with Kryalos SGR S.p.A. in order to regulate the process of replacing the Fund management company and provide certain waivers in favour of Idea Fimit SGR S.p.A.. After receiving a communication from the Facility Agent (Mount Street Mortgage Servicing Limited) relating to information requirements set out in the loan agreement signed by the Fund, the replacement will take effect from 1 February 2016. If this is not the case, the replacement will take effect at a later date to be agreed between the replacing and the replaced party,

but, in any event, it should take place within ten business days of the receipt of the communication from the Facility Agent, unless agreed otherwise in writing by the parties.
Note that on 14 January 2016, the unitholder Moma Holdco S.à r.l. sent the AMC a letter of indemnity issued for the AMC, the Companies wholly-owned by the Fund and the respective directors for management activities performed until the effective date of replacement with Kryalos SGR S.p.A., with the exception of acts committed intentionally or with gross negligence and under condition precedent of the signing of the deed of acknowledgement for the transfer of the management of the Fund under the terms agreed with Kryalos SGR S.p.A..
On 22 January 2016 the Fund Consultation Committee met expressing its support with regard to: (i) the distribution of the Fund management income for a total amount of
€776,496 and (ii) two business unit rental proposals for a total amount of approximately
€101,000.

8. Financial management

A. Loans

At the date of this Report, there is mortgage loan of €85,000,000, entered into on 4 November 2014 with Bank of America Merrill Lynch (in the capacity of mandated lead arranger), and the expiration date is 15 November 2019.
The loan, guaranteed by a first mortgage on the Fund properties, is regulated at the 3-month Euribor rate, plus 270 basis points.
Specifically, the Loan Agreements includes:

- the quarterly payment of interest and principal (where required) on 15 February, 15 May, 15 August and 15 November every year;
- amortisation equal to:
  - 1% annually of the amount supplied to be paid for the third and fourth year (0.25% a quarter);
  - 2% annually of the amount supplied to be paid for the fifth year (0.50% a quarter);

The repayment plan, related to the disposal of the properties, involves the return of 115% of the ALA (Allocated Loan Amount).
The amounts which will be from time to time intended for the mandatory and/or voluntary early repayment of the loan will reduce the repayment instalments outlined above in equal amounts.
As at 31 December 2015, the total residual debt stood at €85,000,000.

Note that, at the closing date of this Management Report, the financial leverage used by the Fund, calculated in accordance with Article 109 of (EU) Regulation 231/2013, was equal to 2.4 according to the gross method and 2.5 according to the commitments method.

At the date of this Management Report, the financial leverage was below the maximum limit allowed by the Fund regulation.

For further details, refer to the description in the explanatory notes Section III.1 - Loans received.

B. Derivative financial instruments

On 21 November 2014 an Interest Rate Cap option was purchased from Bank of America Merrill Lynch regarding a loan granted by the latter to the Fund, effective from 18 November 2014 and expiring on 18 November 2019, against which an upfront premium of €125,700 was paid.
The cap rate is 2% for the first three years of the contract duration, 3% and 4%, respectively in the fourth and fifth years.

At the date of this Report, the market value of the derivative instrument was €10,710.

The notional amount of the hedging instrument is in line with the loan repayment plan.

9. Performance of the Fund, performance of the unit value on the market and profitability and financial indicators

As far as the performance of the Fund and the performance of the unit value on the market are concerned, refer to the Explanatory Notes, more precisely to Part A paragraphs 1 to 3. Some summary information is given here.
From the contribution date, namely 31 July 2014, to the date of this Management Report, the total NAV of the Fund increased going from €1,000,000 to €61,085,469 (€57,674,278 as at 31 December 2014), also as a result of the second recall of commitments which took place on 17 November 2014 for €41,000,000. The unit value of the unit went from €500,000,000 to €727,207,964 (€686,598,547 as at 31 December 2014) an increase of 45.44%. Taking into consideration the income distributions made until 31 December 2015, totalling
€39,126 for each unit the effect was 7.83% compared with the initial value of the unit (€500,000), with an increase in value of 53.27%.

Note several ratios developed on the basis of the Management Report data which express in a summary but significant way the asset structure of the Fund and its economic performance.

Indicator	Description	Value
ROE	Result for the period/average NAV for the period	11.28%
ROA	Property management result/value of properties	8.27%
Leverage	Loans/value of properties	68.44%
Property assets level of utilisation	Value of properties/total assets	81.24%
Average value of immovable property	Value of properties/no. of properties	€62.10 million

10. Income distributed

Article 10 of the Fund Regulation illustrates the distribution methods to holders of shares of income from the Fund.
“Without prejudice to the resolution of the Meeting of Fund Unitholders, the AMC will proceed with the quarterly distribution to Unitholders of all income from the management of the Fund from the latest Interim, Half-Year or Annual Statement. The AMC, even upon request of the Unitholders’ Meeting, always in compliance with the principles of sound and prudent management, may distribute the Proceeds even more frequently than quarterly on the basis of a report prepared for this purpose.
The following are considered Proceeds for the financial year, resulting from the Fund Management Statement calculated as described below:

- net of unrealized gains during the reporting period and increased by an amount equal to the unrealized losses in the same period;
- adding gains unrealized in the previous quarters but realized in the reporting quarter (or in the shorter period in relation to which the distribution of proceeds takes place) and the proceeds from the Fund Management accrued and possibly not distributed in previous years pursuant to the Regulations;
- without taking into account the unrealized gains or losses related to the derivative instruments held by the Fund for hedging risks, including risks arising from fluctuations in interest on borrowings or in foreign exchange rates, and from changes in the inflation rate.

The distribution of the Proceeds should be approved by the Board of Directors of the AMC at the same time as the approval of the Interim, Half-Year or Annual Fund Statement and it will take place within thirty days after the approval date. The Proceeds should be 100% distributed, except for rounding effects, unless there is a reasoned resolution of the Board of Directors of the AMC at the request of a non-binding opinion of the Consultation Committee, in accordance with the discretion of the AMC and taking into account the interest of the Fund Unitholders, compatible with the investment programmes, the existing liquidity, as well as the obligations undertaken by the Fund, including those relating to loan agreements or other circumstances that make it inappropriate to proceed with the 100% distribution of the Proceeds. In this situation the Board of Directors can organise the distribution of Proceeds previously realized and not distributed.

The methods for calculating the distributable amount are given in the table below:

(amounts in euros)

Economic gain	6,697,775
Gains/losses accrued and unrealized in the period	(21,326)
Distributable profit	**6,676,449**
Advance distributed in 2015	(2,430,036)
Profit reserves from previous years	24
Net distributable as at 31 December 2015	4,246,437
No. of shares	84
Rounded off pro rata distribution	**9,244**
Total distribution value as at 31 December 2015	**776,496**

In compliance with the guidelines in the Fund Management Regulation and taking into consideration the available liquidity and spending commitments in coming months, €9,244 gross will be distributed for each of the 84 units that make up the Fund assets, for a total amount of €776,496, following the non-binding request of the Consultation Committee.

11. Other information

Tax regime for unitholders' income

Based on the regulatory framework outlined by Article 32 of Legislative Decree 78 of 31 May 2010, as per the latest amendment of Law no. 106 of 12 July 2011 and the specifications provided through the Provision of the Director of the Revenue Agency of 16 December 2011 ("Provision") and the Revenue Agency Circulars no. 2/E of 15 February 2012 ("Circular") and no. 19/E of 27 June 2014, the taxation regime, for the purpose of direct taxes, for unitholders of property funds changes according to the nature of the investors and the extent of the stakeholding. Specifically, it is possible to differentiate between:

A) Resident subjects

1. Institutional investors

These are the subjects listed by Article 32, paragraph 3 of Decree Law no. 78/2010, namely:

(a) the Italian government and public bodies;

(b) Italian UCIs;

(c) forms of supplementary pensions and mandatory social security institutions;

(d) insurance firms limited to investments intended to hedge technical reserves;
(e) banking and financial intermediaries subject to prudential supervision;

(f) the above subjects and assets established abroad in countries or areas that allow the exchange of information aimed at identifying the effective beneficiaries of the income provided that they are included in the white list (in so far as, for the subjects in letters b), c), d) and e), they are subject to prudential supervision).;
(g) resident private entities which exclusively pursue non-profit activities and resident companies which operate exclusively as mutual organisations;
(h) vehicles (including non-resident provided they have been established in a country or area included in the white list) in a corporate or contractual form where over 50% of the stakeholders are the subjects listed above (by way of example "sovereign funds" come under this category).

For these subjects, regardless of the size of the stakeholding and the intended use of the investment, the ordinary tax regime relating to capital gains governed by Article 7 of Legislative Decree 351/2001 applies. As it is known, this tax regime includes the application of a 26%[16] withholding on the income pursuant to Article 44, paragraph 1, letter g) of the TUIR i.e. on capital gains:

- resulting from stakeholdings in property funds and received during the stakeholding;
- realised during the redemption/liquidation of the fund units (equal to the difference between the redemption/liquidation value of the units and the weighted average cost of subscription or purchase).

This withholding is applied (by the AMC or by the intermediary depositary of the dematerialised units):

- "by way of an advance payment" if the above-mentioned income pertains to units held in a commercial enterprise (by individual entrepreneurs, partnerships, limited companies, etc.);
- "as tax" with regard to all other subjects, including those exempt or excluded from tax on company income.

By way of derogation, this withholding should not be applied to income (resulting from investment in the property fund) received in the form of a supplementary pension pursuant to Legislative Decree no. 252/2005 and from Undertakings for Collective Investment established in Italy and governed by the Consolidated Finance Act (e.g. open and closed-end property funds, SICAVs, property funds).

2. Subjects other than institutional investors

This involves subjects other than those listed in point A)1.

For these subjects it is necessary to differentiate whether or not they hold a significant stake in the assets of the fund.

16 Note that, as a result of the amendments made by Article 3, paragraph 12 of Decree Law 66/2014 converted into Law 89/2014, the rate of 26% applies (in place of the previously in force 20%) from 1 July 2014.

Specifically, as clarified by the Revenue Agency through Circular no. 19/E of 27 June 2014, the new rate applies:

- "on the share of income distributed during participation in the undertakings for investment from 1 July 2014. For this purpose, the payment date of the income applies regardless of the distribution approval date";
- "on income of every type realised from 1 July 2014 during the repayment, sale or liquidation of units or shares. In this sense, this income is considered as realised at the transaction settlement date".

Additionally, based on the transitional regime contained in paragraph 12 of Article 3 of the Decree, on income realised from 1 July 2014, if it refers to amounts accrued until 30 June 2014, the rate of 20 percent continues to apply. The transitional regime applies to both capital gains and income not of a financial nature.

The Circular, however, clarified that the distribution of periodic income does not benefit from the transitional regime (only the payment date applies, so the withholding rate is 26% on the entire amount of the income where the payment takes place after 30 June 2014), which therefore applies if income is realised (capital income or capital gain) during the repayment, sale or liquidation of units or shares.

For the purpose of identifying accrued income as at 30 June 2014, to which the rate applied is 20 percent, it is necessary to verify their attributability to the number of units or shares owned at that date, in accordance with the criteria provided in said Circular.

2.1 Owners of a stakeholding of more than 5% of the Fund assets

The income earned by the Fund and reported in the Management Reports (excluding valuation income and expense) are allocated "for transparency reasons" (proportionally to the share of the stakeholding in the fund recorded at the end of the tax period); this income comes under the category of "capital income". Taking into consideration that the "significant" investment percentage should be verified at the end of the tax period, as clarified by Circular no. 2/E of 15 February 2012, at the time of the distribution of the income earned by the fund the withholding should apply provisionally at a rate of 26% pursuant to Article 7 of Decree Law no. 351 of 2001. Therefore, if at the end of the tax period, the tax payer owns a stake in the fund of more than 5 percent, he/she has the right to deduct the withholdings on the income for transparency purposes from the fund in the same period.
If the investors exercise business activities any losses from the Fund should be reported.

In the withholding tax declaration, the AMC and depositary intermediaries should report the data relating to investors who, as at 31 December of each tax period, own a stakeholding of more than 5% as well as the amount of income allocated for transparency purposes.

2.2 Owners of a stakeholding of no more than 5% of the Fund assets

The same regime as for institutional investors applies, i.e. they are subject to a withholding tax of 26% on the income pursuant to Article 44, paragraph 1, letter g) of the TUIR, i.e. on capital income:

- resulting from stakeholdings in property funds and received during the stakeholding;
- realised during the redemption/liquidation of the fund units (equal to the difference between the redemption/liquidation value of the units and the weighted average cost of subscription or purchase).

B) Non-resident subjects

1. "Exempt" subjects

Article 7, paragraph 3 of Decree Law no. 351 of 2001 includes a non-taxable regime relating to income from investment in property funds received by certain non-resident subjects. Specifically, this involves:

a) foreign pension funds and UCIs, provided that they were established in countries or areas included on the white list, (and provided that the fund or the management body or subject is supervised);
b) international entities or bodies established according to international agreements enforced in Italy;
c) central banks or bodies that also manage official government reserves.

Based on the Provision, this regime does not pertain to investments held by the above-mentioned subjects through a broker, however, with regard to income received by non-resident investors, Circular no. 2/E of 15 February 2012 clarified that the above-mentioned withholding does not apply in relation to (i) sovereign funds provided that they are owned entirely by the state, (ii) special purpose vehicles wholly-owned by the sovereign funds (iii) special purpose vehicles wholly-owned by supervised pension funds and UCIs.

2. Subjects other than "exempt" subjects

Non-resident investors other than exempt subjects are subject to taxation at a rate of 26% at the time of payment, without prejudice to the verification of any reduction applying double taxation agreements.

Stamp duty

In view of the provisions of Article 13, paragraph 2-*ter* of Presidential Decree no. 642/1972 and the Ministerial Decree of 24 May 2012 implementing the reform activated by Decree Law 201/2011 and subsequent amendments and supplements[17], periodic disclosures to customers[18] relating to financial products (including those relating to property fund units) are generally subject to stamp duty of 0.15% for 2013 (with a minimum of €34.20 and a ceiling of €4,500 for unitholders other than physical persons, pursuant to the provisions of Law no. 228 of 24 December 2012 - the "2013 Stability Law").
Paragraph 581, Article 1, of Law 147/2013 (the 2014 Stability Law) established that from 2014 stamp duty on periodic disclosures to customers relating to financial products, including bank and postal deposits, even represented by certificates will rise from 1.5 to 2 per thousand. The minimum duty previously set at €34.20 has been abolished while the maximum duty for unitholders other than physical persons rises from €4,500 to €14,000.

Independent Experts

Under the scope of the process of adjusting to national regulations - primary and secondary source - implementing Directive 2011/61/EU on the subject of alternative investment fund managers (the "Directive") and (EU) Regulation no. 231/2013 (the "Regulation" and, together with the Directive,

17 in Circular no. 48 of 21 December 2012 the Revenue Agency provided several clarifications for the correct application of the new regulatory provisions on the subject of stamp duty.
18 Pursuant to Article 1, paragraph 1, letter b) of the above-mentioned Ministerial Decree of 24 May 2012, for the concept of a "customer" it is necessary to refer to the definition in Provision no. 38 of the Governor of Banca d'Italia of 9 February 2011 (on the subject of "*Transparency of banking and financial services transactions. Correctness of relations between intermediaries and customers")* which was later replaced by a new Provision from the Governor of Banca d'Italia published on 20 June 2012.

“AIFMD”) and pursuant to the provisions of the Decree no. 30 of the Ministry of Economy and Finance of 5 March 2015 ("DM 30/2015") implementing Article 6, paragraph 1, letter c) no. 5 of Legislative Decree no. 58 of 24 February 1998 ("TUF") and the Regulation of 19 January 2015 on asset management ("Regulation on asset management"), which govern the appointment of independent experts ("Independent Experts") in the period after 3 April 2015, the organisational and procedural safeguards adopted by the AMC to ensure, specifically, the compliance of the valuation criteria for assets and the independence of experts appointed with regard to the AMC, as well as in relation to other funds managed by it are described below. The safeguards listed below have been adopted with the approval of the Board of Directors on 29 April 2015 and are described in a dedicated corporate procedure, in force since its date of approval by the Board of Directors.

Organisational and procedural safeguards to ensure the compliance of the Independent Expert valuation criteria for assets

The corporate procedure was updated initially to include the operational process associated with the establishment of the internal function for the valuation of assets, whose characteristics, including in terms of the functional and hierarchical independence of the management function, are outlined in the Regulation on asset management (Title V, Chapter IV), in line with the provisions of the AIFMD implementation measures in the Regulation.
The applicable internal provisions govern, among other things:

- the criteria for selecting Independent Experts and the duration of their appointment;
- the operating methods for the identification and management of any situations of conflict of interests;
- the tasks of the corporate functions, both operational and control, to be carried out under the scope of the valuation process;
- the coordination methods and information flows between the operational and monitoring functions, as well as with regard to the Independent Experts;
- the documentary requirements and certification arrangements for the activities conducted and the collection and archiving of documents sent by and received from the Independent Experts;
- the reporting obligations with regard to company boards;
- the description of the organisational and control safeguards established to continuously monitor the correct application of the asset valuation criteria by the Independent Experts.

The internal arrangements mentioned above also include the following main organisational, procedural and control safeguards in order to guarantee compliance with the asset valuation criteria by the Independent Experts of the funds managed by the AMC and the subsequent analysis and critical evaluation by the Asset Valuation Function:

- definition of the valuation methods used for each type of activity in conformity with the provisions on the Regulation on asset management by the Board of Directors;
- collation, verification and handing over of data relating to the property assets of the Funds managed to the Independent Experts by the Fund Managers, as well as verification of the correct use of the data by the Independent Experts;
- analysis of the Fund Manager's valuation report, aimed at confirming the consistency of the data contained therein with the data sent;
- analysis and critical valuation by the Asset Valuation Function of the adequacy of the valuation process followed by the Independent Experts, the consistency of the valuation criteria used with those laid down by the legislation in force, with those approved by the Board of Directors and defined in the mandate received, the correctness of the processing of the data and the consistency of the estimations;
- confirmation of the adequacy of the valuation process and the methodologies used and approval of the valuation report by the Board of Directors, based on the notes prepared by the Asset Valuation Function and presented by the CEO.

Tasks assigned to the Independent Experts of the Funds Managed

Details of the tasks assigned to the Fund Independent Expert in 2015 are listed below:

a) Fund Independent Expert until 30 June 2017: Reag S.p.A.;

b) further tasks assigned to Reag S.p.A. or associated companies:

1. **independent expert activities:** appointment conferred relating to the Ariete Fund, the Atlantic 8 Fund, the Housing Sociale Liguria Fund and the Trentino R.E. Fund;
2. **activities for issuing fairness opinions:** appointment involving the annual gross rental in the new rental agreement relating to the portion of the tertiary building located in Bologna (BO), via P.N. Costa 30, owned by the Ariete Fund;
3. **other activities:** supporting the construction and land registry regularisation relating to the Omicron Plus Fund; consultancy services relating to the Housing Sociale Liguria Fund; supporting the updating of the calculation of the outstanding amounts relating to the SIPF No.2 Fund; consultancy services relating to the Creative Properties Fund;

c) further tasks assigned to Reag S.p.A. or associated companies at other companies which are part of the significant group the AMC belongs to: there do not appear to be any significant tasks assigned to the Fund Independent Expert in 2015 at other companies which are part of the significant group the AMC belongs to.

* * *

This Management Report as at 31 December 2015 is composed of a total of 69 pages plus the extract of the Independent Expert's Valuation Report.

On behalf of the Board of Directors
The Chairman
Gualtiero Tamburini

MOMA FUND MANAGEMENT REPORT as at 31/12/2015

STATEMENT OF FINANCIAL POSITION

		Position as at 31/12/2015		Position at the previous year-end year-end	
ASSETS		Total value	As a percentage of the assets	Total value	As a percentage of the assets
A.	**FINANCIAL INSTRUMENTS**	**16,101,000**	**10.53%**	**14,185,000**	**9.54%**
Unlisted financial instruments		**16,101,000**	**10.53%**	**14,185,000**	**9.54%**
A1.	Controlling interests	16,101,000	10.53%	14,185,000	9.54%
A2.	Non-controlling interests	-	0.00%	-	0.00%
A3.	Other equity securities	-	0.00%	-	0.00%
A4.	Debt securities	-	0.00%	-	0.00%
A5.	UCI parts	-	0.00%	-	0.00%
Listed financial instruments		**-**	**0.00%**	**-**	**0.00%**
A6.	Equity securities	-	0.00%	-	0.00%
A7.	Debt securities	-	0.00%	-	0.00%
A8.	UCI parts	-	0.00%	-	0.00%
Derivative financial instruments		**-**	**0.00%**	**-**	**0.00%**
A9.	Margins at compensation and guarantee bodies	-	0.00%	-	0.00%
A10.	Options, premiums or other listed derivative financial instruments	-	0.00%	-	0.00%
A11.	Options, premiums or other unlisted derivative financial instruments	-	0.00%	-	0.00%
B.	**PROPERTIES AND REAL ESTATE RIGHTS**	**124,200,000**	**81.24%**	**124,200,000**	**83.55%**
B1.	Leased property	124,200,000	81.24%	124,200,000	83.55%
B2.	Finance leased property	-	0.00%	-	0.00%
B3.	Other properties	-	0.00%	-	0.00%
B4.	Real estate rights	-	0.00%	-	0.00%
C.	**RECEIVABLES**	**-**	**0.00%**	**-**	**0.00%**
C1.	Receivables purchased for securitisation operations	-	0.00%	-	0.00%
C2.	Other	-	0.00%	-	0.00%
D.	**BANK DEPOSITS**	**-**	**0.00%**	**-**	**0.00%**
D1.	Sight	-	0.00%	-	0.00%
D2.	Other	-	0.00%	-	0.00%
E.	**OTHER ASSETS**	**-**	**0.00%**	**-**	**0.00%**
E1.	Other goods	-	0.00%	-	0.00%
F.	**NET LIQUIDITY POSITION**	**7,323,115**	**4.79%**	**6,934,406**	**4.66%**
F1.	Available liquidity	7,323,115	4.79%	6,934,406	4.66%
F2.	Liquidity to be received for transactions to be regulated	-	0.00%	-	0.00%
F3.	Liquidity committed for transactions to be regulated	-	0.00%	-	0.00%
G.	**OTHER ASSETS**	**5,254,377**	**3.44%**	**3,338,037**	**2.25%**
G1.	Receivables for repurchase agreements and similar transactions	-	0.00%	-	0.00%
G2.	Accrued income and deferred charges	1,113,300	0.73%	1,164,302	0.78%
G3.	Tax savings	-	0.00%	-	0.00%
G4.	Other	-	0.00%	233,500	0.16%
G5.	VAT credit	-	0.00%	-	0.00%
G6.	Receivables from tenants	4,141,076	2.71%	1,940,235	1.31%
G6.1	Gross receivables	4,141,076	2.71%	1,940,235	1.31%
G6.2	Bad debt provision	-	0.00%	-	0.00%
TOTAL ASSETS		152,878,492	100.00%	148,657,443	100.00%

MOMA FUND MANAGEMENT REPORT as at 31/12/2015

STATEMENT OF FINANCIAL POSITION

		Position as at 31/12/2015		Position at the previous year-end	
LIABILITIES AND NET		Total value	percentage of the liabilities	Total value	s a percentage of the liabilities
H.	**LOANS RECEIVED**	**85,000,000**	**92.60%**	**85,000,000**	**93.42%**
H1.	Mortgages	85,000,000	92.60%	85,000,000	93.42%
H2.	Repurchase agreements and similar transactions	-	0.00%	-	0.00%
H3.	Other	-	0.00%	-	0.00%
I.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**-**	**0.00%**	**-**	**0.00%**
I1.	Options, premiums or other listed derivative financial instruments	-	0.00%	-	0.00%
I2.	Options, premiums or other unlisted derivative financial instruments	-	0.00%	-	0.00%
L.	**PAYABLES TO INVESTORS**	**-**	**0.00%**	**-**	**0.00%**
L1.	Income to be distributed	-	0.00%	-	0.00%
L2.	Other payables to investors	-	0.00%	-	0.00%
M.	**OTHER LIABILITIES**	**6,793,023**	**7.40%**	**5,983,165**	**6.58%**
M1.	Fees and charges accrued but not paid	- 144,695	0.00%	19,756	0.02%
M2.	Tax payables	286,875	0.16%	159,571	0.18%
M3.	Accrued liabilities and deferred income	6,361,453	0.31%	281,943	0.31%
M4.	Other	-	6.93%	5,521,895	6.07%
M5.	Equity investment write-down provision	-	0.00%	-	0.00%
M6.	Payables for guarantees received		0.00%	-	0.00%
TOTAL LIABILITIES		91,793,023	100.00%	90,983,165	100.00%
TOTAL NET VALUE OF THE FUND		61,085,469		57,674,278	
Number of outstanding shares		84		84	
Unit value of the shares		727,207.964		686,598.547	
Income distributed pro-rata		39,126.000		0.000	
Refunds distributed pro-rata		0.000		0.000	

MOMA FUND MANAGEMENT REPORT as at 31/12/2015

INCOME SECTION

	Report as at 31/12/2015		Report for the previous financial year*	
FINANCIAL INSTRUMENTS Unlisted financial instruments				
A1. INVESTMENTS	128,332		-4,350,325	
A1.1 dividends and other income	-		-	
A1.2 profits/losses to be realised	-		-	
A1.3 capital gains/losses	128,332		-4,350,325	
A2 OTHER UNLISTED FINANCIAL INSTRUMENTS	-		-	
A2.1 interest, dividends and other income	-		-	
A2.2 gains/losses to be realised	-		-	
A2.3 capital gains/losses	-		-	
Listed financial instruments				
A3. LISTED FINANCIAL INSTRUMENTS	-		-	
A3.1 interest, dividends and other income	-		-	
A3.2 gains/losses to be realised	-		-	
A3.3 capital gains/losses	-		-	
Derivative financial instruments				
A4. DERIVATIVE FINANCIAL INSTRUMENTS	-		-	
A4.1 hedging	-		-	
A4.2 non-hedging	-		-	
Financial instruments management result (A)		128,332		-4,350,325
B. PROPERTIES AND REAL ESTATE RIGHTS				
B1. RENTAL AND OTHER INCOME	11,384,001		1,590,356	
B1.1 rental	11,384,001		1,590,356	
B1.2 other income	-		-	
B2. PROFITS/LOSSES TO BE REALISED	-		-	
B3. CAPITAL GAINS/LOSSES	-107,006		19,168,031	
B4. IMMOVABLE PROPERTY MANAGEMENT EXPENSES	-261,617		-35,888	
B4.1 non-repeatable expenses	-261,617		-35,888	
B4.2 repeatable expenses	-		-	
B4.3 interest on guarantee deposits	-		-	
B4.4 other property management expenses	-		-	
B5. DEPRECIATION AND AMORTISATION	-		-	
B6. IMU AND TASI EXPENSES	-743,454		-62,067	
Immovable property management result (B)		10,271,924		20,660,432
C. RECEIVABLES				
C1. Interest and similar income	-		-	
C2 Increases/decreases in value	-		-	
Credit management result (C)		-		-
D. BANK DEPOSITS				
D1. Interest and similar income	-		-	
Bank deposits management result (D)		-		-
E. OTHER ASSETS (to be specified)				
E1. Income	-		-	
E2. Profit/loss to be realised	-		-	
E3. Capital gains/capital losses	-		-	
Other assets management result (E)		-		-
Investments management result (A+B+C+D+E)		**10,400,256**		**16,310,107**

MOMA FUND MANAGEMENT REPORT as at 31/12/2015

INCOME SECTION

		Report as at 31/12/2015		Report for the previous financial year*	
F.	**EXCHANGE RATE MANAGEMENT RESULT**				
F1.	HEDGING OPERATIONS	-		-	
F1.1	Results realised	-		-	
F1.2	Results not realised	-		-	
F2.	NON-HEDGING OPERATIONS	-		-	
F2.1	Results realised	-		-	
F2.2	Results not realised	-		-	
F3.	LIQUIDITY	-		-	
F3.1	Results realised	-		-	
F3.2	Results not realised	-		-	
	Exchange rate management result (F)		-		-
G.	**OTHER MANAGEMENT OPERATIONS**				
G1.	INCOME FROM REPURCHASE AGREEMENTS	-		-	
G2.	INCOME FROM SECURITIES LENDING TRANSACTIONS	-		-	
	Other management operations result (G)		-		-
	Gross result of characteristic management (RGI+F+G)		**10,400,256**		**16,310,107**
H.	**FINANCIAL EXPENSE**				
H1.	INTEREST EXPENSE ON LOANS RECEIVED	- 2,345,393		- 281,943	
H1.1	on mortgages	- 2,345,393		- 281,943	
H1.2	on other loans	-		-	
H2.	OTHER FINANCIAL EXPENSES	- 275,068		- 122,983	
	Financial expenses result (H)		- 2,620,461		- 404,926
	Net result of typical management (RLGC+H)		**7,779,795**		**15,905,181**
I.	**MANAGEMENT EXPENSES**				
I1.	AMC management fees	- 249,677		- 103,637	
I2.	Depositary Bank fees	- 21,500		- 10,833	
I3.	Expenses for independent experts	- 20,000		- 14,000	
I4.	Expenses for publishing prospectus and notices to the public	-		-	
I5.	Other management expenses	- 317,711		- 100,928	
I6.	Listing expenses	-		-	
	Management expenses result (I)		- 608,888		- 229,398
L.	**OTHER REVENUE AND EXPENSE**				
L1.	Interest income on cash and cash equivalents	50		89	
L2.	Other revenues	5,927		-	
L3.	Other expenses	- 479,109		- 1,594	
	Other revenues and expenses (L)		- 473,132		- 1,505
	Pre-tax management result (RNGC+I+L)		**6,697,775**		**15,674,278**
M.	**TAXES**				
M1.	Substitute tax for the financial year	-		-	
M2.	Savings tax	-		-	
M3.	Other taxes	-		-	
	Total taxes (M)		-		-
	Profit/loss for the year (RGPI+M)		**6,697,775**		**15,674,278**

* It is not possible to make a comparison with the financial year as at 31/12/2015 because Fund operations began on 31/07/2014

Explanatory Notes on the Management Report as at 31 December 2015

Part A – Performance of the share value

1. Value of the unit at the end of each financial year and analysis of Fund cash flows

The MoMa Fund (hereinafter the "Fund") began operations on 31 July 2014. The value of the units at the date of this Management Report is given in the table below.

Reference period	alue of the Fund (€)	Number of Shares	alue of the shares (€)
Initial Value of the Fund	1,000,000	2	500,000.000
Management Report as at 31/12/2014	57,674,278	84	686,598.547
Management Report as at 30/06/2015	61,335,863	84	730,188.840
Management Report as at 30/09/2015	61,180,061	84	728,334.055
Management Report as at 31/12/2015	61,085,469	84	727,207.964

The average dividend yield (ratio between profits distributed and the nominal value of the Fund units) highlights a return on investments of 8.58% from the placement date until 31 December 2015. The table below contains the calculations.

Period	erage capital invested (€)	Distribution date	Income distributed (€)	Annualised dividend yield for the period (%)
2nd half of 2014	12,790,850	11/03/2015	856,548	15.98%
2014 Total	**12,790,850**		**856,548**	**15.98%**
1st quarter of 2015	42,000,000	27/05/2015	622,272	6.01%
2nd quarter of 2015	42,000,000	26/08/2015	1,499,904	14.32%
3rd quarter of 2015	42,000,000	25/11/2015	307,860	2.91%
4th quarter of 2015	42,000,000	February 2016	776,496	7.33%
2015 Total	**42,000,000**		**3,206,532**	**7.63%**
Total from the placement	**33,372,587**		**4,063,080**	**8.58%**

Lastly, the summary of the total cash flows for investors from the placement to the date of this Management Report is given below.

Date	Flow (euros)	Description
31/07/2014	(1,000,000)	Recall of commitments
17/11/2014	(41,000,000)	Recall of commitments
11/03/2015	856,548	Gross income distribution
27/05/2015	622,272	Gross income distribution
26/08/2015	1,499,904	Gross income distribution
25/11/2015	307,860	Gross income distribution
Total net flows	**(38,713,416)**	

2. References to the main events which influenced the value of units over the financial year

The Fund Net Asset Value ("NAV") increased over the course of the financial year, compared with the original value of €3,411,191, equal to the profit for the period (€6,697,775) excluding the income distributed on 11 March 2015 (€856,548), 27 May 2015 (€622,272), 26 August 2015 (€1,499,904) and 25 November 2015 (€307,860); as a result, the unit value of the unit amounts to €727,207,964.

The result for the year was affected by the following main factors:

- rental fees of €11,384,001;
- capital gains from the valuation of controlling interests of €128,332;
- financial expenses of €2,620,461;
- property management expenses and IMU/TASI expenses of €1,005,071;
- management expenses of €608,888;
- other expenses excluding other revenue of €473,132;
- capital losses from the valuation of controlling interests of €107,006;

3. Comparison between the changes in the value of the units with the benchmark performance during the year

The management regulations do not have a reference benchmark

4. Illustration of the performance of market prices during the year

The MoMa Fund units are not admitted for trading on a regulated market.

5. The total and unit amount of income distributed

Article 10 of the Fund Regulation illustrates the distribution methods to holders of shares of income from the Fund.
“Without prejudice to the resolution of the Meeting of Fund Unitholders, the AMC will proceed with the quarterly distribution to Unitholders of all income from the management of the Fund from the latest Interim, Half-Year or Annual Statement. The AMC, even upon request of the Unitholders’ Meeting, always in compliance with the principles of sound and prudent management, may distribute the Proceeds even more frequently than quarterly on the basis of a report prepared for this purpose.
The following are considered Proceeds for the financial year, resulting from the Fund Management Statement calculated as described below:

- net of unrealized gains during the reporting period and increased by an amount equal to the unrealized losses in the same period;
- adding gains unrealized in the previous quarters but realized in the reporting quarter (or in the shorter period in relation to which the distribution of proceeds takes place) and the proceeds from the Fund Management accrued and possibly not distributed in previous years pursuant to the Regulations;
- without taking into account the unrealized gains or losses related to the derivative instruments held by the Fund for hedging risks, including risks arising from fluctuations in interest on borrowings or in foreign exchange rates, and from changes in the inflation rate.

The distribution of the Proceeds should be approved by the Board of Directors of the AMC at the same time as the approval of the Interim, Half-Year or Annual Fund Statement and it will take place within thirty days after the approval date. The Proceeds should be 100% distributed, except for rounding effects, unless there is a reasoned resolution of the Board of Directors of the AMC at the request of a non-binding opinion of the Consultation Committee, in accordance with the discretion of the AMC and taking into account the interest of the Fund Unitholders, compatible with the investment programmes, the existing liquidity, as well as the obligations undertaken by the Fund, including those relating to loan agreements or other circumstances that make it inappropriate to proceed with the 100% distribution of the Proceeds. In this situation the Board of Directors can organise the distribution of Proceeds previously realized and not distributed.

In compliance with the recommendations of the Fund Management Regulations and taking into consideration the available liquidity and expenditure commitments in coming months, it is possible to proceed with the distribution of:

€9,244 gross for each of the 84 units that make up the Fund assets, for a total amount equal to €776,496.

6. References of both a qualitative and a quantitative nature with regard to risks taken during the year

In order to implement a risk management system that is suitable for the organisational structure of the AMC which conforms to existing regulations, the Company has prepared and formalised a specific internal Risk Management function.

The Risk Management function has the task of identifying, measuring and controlling all risks of a property, financial and operational nature inherent to both the Funds managed and the AMC.
Specifically, the Risk Manager is responsible for:

- identifying:
  - within the specific risk categories of the property sector and its processes (investment, management, divestment), the risks to which the managed assets are exposed;
  - the risks associated with financial markets;
  - operational risks resulting from the typical activity of the AMC and the Funds managed;
- defining the most suitable methodologies for measuring risks for the property Fund management business;
- proposing the acceptable limits to Senior Management for the risks taken for each portfolio or fund managed;
- controlling the exposure to risk and the trends of the risks taken proposing the following to Senior Management, where necessary:
  - measures for containing and reducing risks;
  - corrective measures if the limits are exceeded. In addition, the Risk Management function:
- prepares the information flows necessary to control the exposure of the funds managed to financial risks and the reporting of any anomalies detected during operations;
- checks, at Fund level, the consistency of the investment decisions and expected results with the risk-return profiles defined by the Board of Directors;
- verifies, at Fund level *i)* any inconsistencies in the methodologies and principles used in the Independent Expert property reports, *ii*) the presence of any elements necessary for the possibility of reconstructing the expert reports in full, *iii)* any calculation errors in the expert reports;
- monitors the Funds managed with regard to compliance to prudential regulations for limiting and breaking down risk;
- prepares the reporting with regard to the Board of Directors, Senior Management and the heads of the operational structures concerning the development of risks, performance analysis and breaches of the operating limits set;

- oversees the operation of the Risk Management process including regular reviews;
- reports to the responsible AMC functions on the issue of risk.

In addition to the activities described above, the following further aspects are highlighted.
As far as monitoring the performance and activities of the Fund is concerned, the Fund business plans, approved annually by the Board of Directors, provide a complete framework of management activities and allow the achievement of short-term goals to be systematically checked as well as enabling more detailed and comprehensive planning. These documents, prepared or reviewed during the year, are submitted to the Risk Manager for review, with the latter formalising a dedicated report containing:

- the main risk factors to which the Fund could be exposed;
- the main changes made compared with the previous version;
- the check on the consistency of the document in relation to the management regulations;
- the check on the consistency of the risk/return profile.

Building risks are hedged by taking out insurance policies with leading companies.
Rent "risk" is measured using vacancy indices monitored constantly by preparing specific reports, while potential tenants are evaluated according to their capital strength and solvency.

Credit risk is monitored by preparing detailed reports which illustrate the judicial and non-judicial means of recovery. At the same time, a report on credit ageing is prepared, which highlights the credits according to the generation date and which makes it possible to control and manage payments in arrears. Positions with the risk of write-off are covered by a bad debt provision in order to prevent any economic repercussions in future years.

The last risk profile of the Fund, calculated in conformity with the Risk Policy approved by the company, is type C.
The AMC manages investment processes relating to the Funds managed in compliance with the internal procedures aimed at preventing potential conflict of interest situations. Specifically, the AMC has, among other things, specific internal procedures dedicated to property investment and divestment strategies and to the allocation and execution of investments.

Lastly, remember that the AMC has Compliance and Internal Audit functions, both within the company, which carry out checks on all the activities of the AMC and the Funds managed following the periodic checks conducted under the scope of the Annual Plans approved by the Board of Directors.

Part B – Assets, liabilities and net asset value

SECTION I – Evaluation criteria

The preparation of the Management Report included the application of generally accepted accounting principles for closed-ended property investment funds, the accounting statements and evaluation criteria laid down by the Banca d'Italia Provision of 19 January 2015 (the "Provision"), published in Official Journal no. 65 of 19 March 2015 Ordinary Supplement no. 11 with special reference to the general principles of prudence and essential constancy over a period of time of the criteria used. The evaluation criteria are summarised below.

Equity Investments

The valuation criteria for investments in closed-end funds in non-listed companies are subject to Title V, Chapter IV, Section II, Paragraph 2.4 of the Provision.

For the purpose of completing item "A1" of the Report, "equity investment" means holding equities with voting rights in the share capital of the relative company, as a stable investment.

Properties

Properties and property rights are valued at the current value, the expression of the likely realisation value at the date on which the valuation is conducted; the current value of the properties is calculated based on their intrinsic and extrinsic characteristics and taking into account their profitability.

The value of the properties reflects the results of the Valuation Report prepared by the Independent Experts pursuant to Article 16, Title VI of Ministerial Decree no. 30 of 5 March 2015, as well as the provisions of Title V, Chapter IV, Section II, Paragraphs 2 ("Valuation criteria") and 4 ("Independent Experts") of the Provision.

When carrying out the valuation the Independent Experts have adopted generally accepted methods and principles, with particular recourse to the valuation criterion illustrated below.

Income approach which takes two different methodological approaches into consideration:

1. Direct capitalisation: based on capitalisation, at a rate taken from the property market for net future income generated by the properties;
2. The Discounted Cash Flow method: the estimate is based on the analysis of positive and negative cash flows, which can be generated by the property over a medium or medium/long-term period (10, 15 or 20 years). The property value is then derived from the actualisation of the costs and revenues, based on an expected return rate, depending on the characteristics of the asset.

The Independent Experts analysed the local property market conditions, taking into consideration the economic data and adapting it to the specific characteristics of the properties through statistical calculations.

The market value of the properties was calculated, on the assumption of their maximum and best usage and taking into consideration under all legally permitted and financially viable possible uses, only those potentially capable of conferring the maximum value on said properties.

Receivables and other assets

Receivables are recorded at their likely realisable value adjusting the nominal value through a bad debt provision deemed sufficient to hedge the risk of write-off.

Accrued income and deferred charges were recorded based on the full accruals principle. Other assets were valued based on their likely realisable value.

Net liquidity position

Available net liquidity is expressed at the nominal value.

Loans received

Loans received are recorded at their nominal value; for loans with repayments in instalments, refer to the principal residual debt.

Other liabilities

Accrued liabilities and deferred income were recorded based on the full accruals principle.

Payables and other liabilities are recorded at their nominal value, representing the presumed settlement value.

Derivative financial instruments

Derivative financial instruments for the purpose of hedging Fund liabilities are valued, consistent with the liability hedged, at the nominal value. The hedging purpose should result from an adequately documented strict correlation between the derivative instrument and the liability hedged.
Any share of the derivative exceeding the nominal value of the liability hedged is valued at the current value (replacement cost) in accordance with prevailing market practices. Where the valuation of the

excess share reveals an asset/liability that is the responsibility of the Fund, it should be taken into account for the purpose of calculating the total net value.

Revenues and costs

Revenues and costs are recorded on an accruals basis and in accordance with the principle of pertinence to the Fund's assets.
The revenues from the property rental are recorded in the accounts when they accrue, based on the full accruals principle, following the contractual instructions; if the agreements include rent-free periods or step-rent, the revenue is recorded in the accounts according to the formal instructions of the agreement.
Revenues from the sale of properties are recorded in the income section at the time of the transfer to the purchaser of the risks and benefits associated with the properties, a transfer that usually takes place on the date the notary's deed is signed.

Note that all amounts in these explanatory notes are expressed in euros, unless stated otherwise.

SECTION II – Assets

The table below gives the structure of Assets.

ASSETS	31/12/2015	31/12/2014
A. Financial instruments in the portfolio	10.53%	9.54%
B. Properties and real estate rights	81.24%	83.55%
F. Net liquidity position	4.79%	4.66%
G. Other Assets	3.44%	2.25%
Total Assets	**100.00%**	**100.00%**

II.1 Unlisted financial instruments

Sub-item A1 “Controlling interests”

Sub-item A1 “Controlling Interests” of €16,101,000 refers to 100% of the share capital that the Fund holds in Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l.

The information required by the Provision is listed below.

A) Securities in the Fund portfolio

Company: Fashion District Mantova S.r.l. with headquarters in Rome - Via Mercadante 18					
Activity exercised: Factory Centre Outlet					
Securities in the Fund portfolio	**Quantity**	**total securities issued**	**Purchase cost**	**Value as at 31/12/2015**	**Value as at 31/12/2014**
1) Equity securities with voting rights	1	100%	13,422,799	10,257,000	8,699,000

Company: Fashion District Molfetta S.r.l. with headquarters in Rome - Via Mercadante 18					
Activity exercised: Factory Centre Outlet					
Securities in the Fund portfolio	**Quantity**	**total securities issued**	**Purchase cost**	**Value as at 31/12/2015**	**Value as at 31/12/2014**
1) Equity securities with voting rights	1	100%	6,900,195	5,844,000	5,486,000

B) Issuer financial statement data

Note that at the date of preparing these Explanatory Notes, the latest approved financial statements were those as at 31 December 2014 containing the following data.

Fashion District Mantova S.r.l.

Balance Sheet Data	Financial statements as at 31/12/2014
1) Total assets	3,907,365
2) Equity investments	-
3) Properties	3,472
4) Short-term debt	2,317,602
5) Medium-/long-term debt	402,833
6) Net equity	1,190,402

Income Data	Financial statements as at 31/12/2014
1) Turnover	2,694,899
2) EBITDA	235,036
3) Operating result	58,310
4) Balance of financial income/expense	-2,131
5) Balance of extraordinary income/expense	-301
6) Pre-tax result	55,878
7) Net profit (loss)	32,536
8) Amortisation and depreciation for the period	-131,756

Fashion District Molfetta S.r.l.

Balance Sheet Data	Financial statements as at 31/12/2014
1) Total assets	4,401,335
2) Equity investments	-
3) Properties	-
4) Short-term debt	2,494,252
5) Medium-/long-term debt	167,091
6) Net equity	1,739,992

Income Data	Financial statements as at 31/12/2014
1) Turnover	2,047,383
2) EBITDA	-706,278
3) Operating result	-842,391
4) Balance of financial income/expense	-11,256
5) Balance of extraordinary income/expense	5,874
6) Pre-tax result	-847,773
7) Net profit (loss)	-847,773
8) Amortisation and depreciation for the period	-105,027

C) Criteria and parameters used for the valuation

In conformity with the appointment conferred by the AMC, REAG – Real Estate Advisory Group S.p.A. (REAG) has prepared a value report on the economic capital of the companies Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l.

The valuation conducted by REAG was used for a capital audit, pursuant to Article 12 *bis* of Ministerial Decree no. 228 of 24 May 1999 and subsequent amendments and supplements and the Banca d'Italia Provision of 19 January 2015, as well as the Assogestioni guideline of May 2010 and the Consob and Banca d'Italia joint communication of July 2010.

In conducting the valuation REAG adopted generally accepted methods and principles, with particular recourse to the valuation criterion known as the "analytical - capital method" based on the expression of the individual tangible and intangible elements that make up the business economic capital at current values, also taking into account any goodwill or badwill. The value of shareholders' equity is calculated as the difference between (tangible and intangible) assets and liabilities, adjusted if necessary to take into account their current value.

The current market value, as at 31 December 2015, was estimated by the Fund Independent Expert as €16,101,000. The revaluation accrued over the course of the year stood at €128,332.

II.2 Listed financial instruments

There were no cases under this category as at 31 December 2015.

II.3 Derivative financial instruments
There were no cases under this category as at 31 December 2015.

II.4 Properties and property rights
The total of the item in question, €124,200,000, is represented by item B.1 "Leased properties".

The change during the year in the size of the property portfolio is given in the table below:

Properties and property rights	Amount
Value of properties in the previous year	124,200,000
Capitalised Costs	107,006
Revaluations/Write-downs	-107,006
Property value as at 31/12/2015	124,200,000

The write-down of the assets is the result of the adjustment of the properties in the portfolio to free market prices.

The valuation of the property portfolio as at 31 December 2015 prepared by the Independent Expert stood at a total of €124,200,000.

The table below illustrates the income of properties by contract expiry bands.

		Rental amount			
Rental agreement expiry bands or rent review date	Value of immovable property	Non-finance lease (a)	Finance lease (b)	Total amount c=(a + b)	%
Up to 1 year					
Between 1 and 3 years					
Between 3 and 5 years	124,200,000	8,672,915		8,672,915	100.0%
Between 5 and 7 years					
Between 7 and 9 years					
More than 9 years					
A) Total real estate leased	**124,200,000**	**8,672,915**		**8,672,915**	**100.0%**
B) Total real estate not leased					
Total	**124,200,000**	**8,672,915**		**8,672,915**	

The average expiry band was defined for each property and classified in the relevant category.
The list of real estate owned by the Fund as at 31 December 2015 is attached to these Explanatory Notes.

II.5 Receivables

There were no cases under this category as at 31 December 2015.

II.6 Bank deposits

There were no cases under this category as at 31 December 2015.

II.7 Other goods

There were no cases under this category as at 31 December 2015.

II.8 Net liquidity position

This item presented in the Management Report with a total of €7,323,115 was allocated in full under the sub-item F1 "Available liquidity" and is the result of the balances as at 31 December 2015, increased, if necessary, for the net accruals in the fourth quarter, escrow and operations accounts classified under the MoMa Fund, opened at the Depositary Bank, Caceis Bank Luxembourg Milan Branch.

Net liquidity position	Amount
Caceis Bank escrow account	5,000,000
Caceis Bank rental income account	897,506
Caceis Bank operations account	1,425,609
Total cash and cash equivalents	**7,323,115**

Note that the amount relating to the escrow account will be released thirty months after the stipulation of the loan agreement, in accordance with the escrow agreement.

II.9 Other assets

This item is €5,254,377 and breaks down as follows:

- sub-item G2. “Accrued income and deferred charges” includes the amounts relating to the temporary adjustment of:
  - arrangement fee, facility agent and onboarding fee and security agent fee and onboarding security fee on the loan of €664,057;
  - substitute tax on the loan of €164,903;
  - option premium cap of €97,545 agreed in order to limit the risk of a rise in interest rates on the existing loan;

- buildings policies of €95,207;
- professional expenses of €62,500;
- registration tax for rental agreements of €29,089.

- sub-item G6 “Receivables from tenants”, of €4,141,076. The breakdown of the sub-item as at 31 December 2015 is as follows:

Receivables from tenants	Amount
Receivables for invoices issued to tenants	3,761,629
Receivables for invoices to be issued for rent	379,447
Total receivables from tenants	**4,141,076**

Note that the above-mentioned receivables from tenants were partly collected by January 2016.

SECTION III – Liabilities

The table below gives the structure of Liabilities:

LIABILITIES	31/12/2015	31/12/2014
H. Loans received	92.60%	93.42%
M. Other liabilities	7.40%	6.58%
Total Liabilities	**100.00%**	**100.00%**

III.1. Loans received

The breakdown of "Loans received" is given below:

Loans received	31/12/2015
H1. Mortgages	85,000,000
Total loans received	**85,000,000**

This items includes the €85,000,000 loan granted by Bank of America Merrill Lynch International Limited on 18 November 2014 through a mortgage on properties owned by the Fund. At the closing date of the Management Report the residual debt still stood at €85,000,000.
For more details, refer to section 8 of the Directors' Report.

At this date of this Management Report, the financial leverage used by the Fund, expressed as the ratio between the exposure[1] and the net asset value of the Fund, was calculated according to Article 109 of the (EU) Regulation 231/2013, by applying the gross method and the commitments method.

The gross method, regulated by Article 7 of (EU) Regulation 231/2013, establishes that for the calculation of the Fund exposure, the GEFIA should:

a) exclude the value of the cash and cash equivalents which are highly liquid investments, readily convertible into cash at a known amount, subject to an insignificant risk of changes in value and which provide a return which is not higher than the rate of a high-quality 3-month government bond;
b) convert the derivative instruments into the equivalent position in their underlying assets;
c) exclude cash loans which remain in cash or cash equivalents pursuant to letter a), when the amounts to pay are known;
d) include the exposure resulting from the reinvestment of cash loans;
e) include positions in sales transactions with a buyback agreement or purchase transactions with a resale agreement and in transactions for granting loans or borrowing or other transactions indicated in annex I, point 3 and points 10 to 13 of the (EU) Regulation 231/2013.

The financial leverage used by the Fund calculated according to the gross method is 2.4.

The commitments method, regulated by Article 8 of (EU) Regulation 231/2013, establishes that for the calculation of the Fund exposure, the GEFIA should:

a) convert each position in derivative instruments into the equivalent position in their underlying assets;
b) carry out the pertinent compensation and hedging transactions;
c) calculate the exposure created through the reinvestment of the loans where this reinvestment increases the exposure of the Fund pursuant to annex I, points 1 and 2;
d) include other transactions indicated in annex I, point 3 and points 10 to 13 of (EU) Regulation 231/2013 in the calculation.

The financial leverage used by the Fund calculated according to the commitments method is 2.5.

At the date of this Management Report, the financial leverage was below the maximum limit allowed by the Fund regulation.

[1] Sum of the absolute values of all positions valued in conformity with the legal provisions in force (Article 19 of directive 2011/61/EU).

III.2. Derivative financial instruments

There were no cases under this category as at 31 December 2015.

III.3. Payables to investors

There were no cases under this category as at 31 December 2015.

III.4. Other liabilities

Item M "Other liabilities" stood at €6,793,023 as at 31 December 2015. The item breaks down into the following sub-items:

- sub-item M2 "Tax payables", composed as follows:

Tax payables	Amount
VAT from tax authorities	143,944
Withholding tax	751
Total tax payables	**144,695**

- sub-item M3 "Accrued liabilities and deferred income", represented by:

Accrued liabilities and deferred income	Amount
Accrued expenses on loans	286,875
Total accrued liabilities and deferred income	286,875

The item accrued expenses on loans refers to the provision for interest expense on the loan accrued as at 31 December 2015 to be paid in February 2016.

- sub-item M4 "Other", composed as follows:

Other	Amount
Payables to suppliers	5,096,908
Invoices to be received	1,262,044
Payables to AMC	2,501
Total other	**6,361,453**

Payables to suppliers and invoices to be received relate to the provision of services (maintenance, planning, utilities, etc.) and capitalised costs relating to property assets, as well as expenses for consultancy or professional services (legal, notary, audit costs, independent experts, etc.).

Specifically, payables to suppliers includes the amount of €5,000,000 in favour of Fashion District Group S.p.A., from which the Fund properties and equity investments were purchased, temporarily placed in the escrow account at the Depositary Bank.

SECTION IV – Net asset value

The items that have caused the change in the overall net value of the Fund, between the launch of operations and the date of this Management Report, are detailed in the table below.

TABLE OF CHANGES IN THE VALUE OF THE FUND FROM THE LAUNCH OF OPERATIONS (31/07/2014) UNTIL 31/12/2015

	Amount	**As a percentage of payments made**
ORIGINAL AMOUNT OF THE FUND (units issued x issue price)	**42,000,000**	100.00%
TOTAL PAYMENTS MADE	42,000,000	100.00%
A1. Investment management overall result	-4,221,993	-10.05%
A2. Other financial instruments management overall result		
B. Immovable property management overall result	30,932,356	73.65%
C. Credit management overall result		
D. Overall interest and similar income from bank deposits		
E. Overall result from the management of other assets		
F. Exchange rate management overall result		
G. Other management operations overall result		
H. Overall financial expenses	-3,025,387	-7.20%
I. Overall management expenses	-838,286	-2.00%
L. Overall other revenues and expenses	-474,637	-1.13%
M. Overall taxes		
SHARE PAYMENTS MADE		
TOTAL INCOME DISTRIBUTED	-3,286,584	-7.83%
TOTAL VALUE PRODUCED FROM MANAGEMENT GROSS OF TAXES	19,085,469	45.44%
TOTAL NET VALUE AS AT 31/12/2015	**61,085,469**	**145.44%**
TOTAL AMOUNTS TO BE RECALLED	9,000,000	21.43%
INTERNAL RATE OF RETURN AT THE REPORT DATE	**47.43%**	

The Fund internal return rate was calculated, based on the value of the Fund at the date of the Management Report, at the initial one and at the cash flows until the date of the Management Report.

SECTION V – Other balance sheet data

The Fund does not own assets and/or liabilities in currencies other than the euro or property located in countries other than those belonging to the European Monetary Union.

In view of the rate risk relating to loans granted by Bank of America Merrill Lynch International Limited the Fund currently has an Interest Rate Cap agreement where the baseline notional amount as at 31 December 2015 was €80,750,000 as reported in the table below.

	Amount of the commitment	
	Absolute value	**% of Total Net Value**
Transactions on interest rates: - futures on debt securities, rates and other similar contracts options on rate and other similar contracts - swap contracts and other similar contracts	80,750,000	132.19%
Transactions on exchange rates: - futures on currencies and other similar contracts - options on exchange rates and other similar contracts - swap contracts and other similar contracts		
Transactions on equity securities: - futures on equity, share indices and other similar contracts options on equity securities and other similar contracts - swap contracts and other similar contracts		
Other transactions - futures and similar contracts - options and similar contracts - swap contracts and similar contracts		

Part C – Net profit for the financial year

SECTION I – Result of operations in equity investments and other financial instruments

Item A.1.3 records the capital gain of €128,332 relating to the valuation of the equity investments in Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l..

SECTION II – Property

The table below reports the net profit of property asset management broken down by type of property. The result of €10,271,924 results from rental of €11,384,001, capital losses for the adjustment of the asset value to the free market value for an amount of

€107,006, expenses for IMU and TASI of €743,454 and expenses for property management totalling €261,617.

Net profit for the period for real estate

	Residential property	Commercial property	Industrial property	Land	Other
1. INCOME		**11,384,001**			
1.1 non-finance rental fees		11,384,001			
1.2 finance rental fees					
1.3 other income					
2. PROFIT/LOSS TO REALISE					
2.1 real estate					
2.2 real estate rights					
3. CAPITAL GAINS/CAPITAL LOSSES		**-107,006**			
3.1 real estate		-107,006			
3.2 real estate rights					
4. IMMOVABLE PROPERTY MANAGEMENT EXPENSES		**-261,617**			
5. DEPRECIATION AND AMORTISATION					
6. IMU AND TASI EXPENSES		**-743,454**			

Property management expenses, totalling €261,617, break down as follows:

Immovable property management expenses	Amount
Expenses for which the owner is responsible	261,617
Total immovable property management expenses	**261,617**

The expenses for which the owner is responsible were incurred for registration duty expenses and for insurance of properties.

Item B.6, of €743,454 includes the IMU and TASI paid in the year on properties owned.

SECTION III – Receivables

There were no cases under this category as at 31 December 2015.

SECTION IV – Bank deposits

There were no cases under this category as at 31 December 2015.

SECTION V – Other goods

There were no cases under this category as at 31 December 2015.

SECTION VI – Other management operations and financial expenses

The breakdown of Item H. “Financial Expense” is given in the table below:

Financial expense	Amount
H1. Interest expense on loans received	2,345,393
H2. Other financial expenses	275,068
Total financial expenses	**2,620,461**

Item H1 includes the interest on mortgage loans of €2,345,393 while item H2 includes the arrangement fee of €169,907, the facility agent and onboarding fee of
€32,078, substitute tax of €42,477, the premium paid for the cap option agreed in order to limit the risk of a rise in interest rates on loans (see section 8 of the Directors' Report "Financial management") of €25,126 and the security agent and onboarding security fee of €5,480.

SECTION VII – Management expenses

The section of the Management Report relating to "Management expenses" totalling €608,888 breaks down as follows:

Management Expenses	Amount
I1 - AMC management fees	249,677
Fixed fee	249,677
I2 - Depositary fees	21,500
I3 -Expenses for independent experts	20,000
I5 - Other management expenses	317,711
Professional expenses	298,231
Auditing expenses	16,700
Expenses for Monte Titoli, intermediaries	2,307
Miscellaneous management expenses	473
Total management expenses	**608,888**

- sub-item I1 “AMC management fees”, totalling €249,677, includes the cost the Fund is responsible for from management fees for the AMC. Paragraph 1 of Article 11 of the Fund Regulations includes an annual management fixed fee, of not less than €200,000 per year, equal to 0.2% of the total value of the Fund assets, excluding receivables and cash and cash equivalents, from the Half-Year Report or from the Fund

Management Report, calculated excluding any capital losses/capital gains not realised on immovable property, property rights and equity investments held in relation to their purchase value or contribution of immovable property, property rights or equity investments held by the Fund at the reference date of the Report. If the properties are sold in the reference period, the management fee, equal to 0.2%, will be calculated on the larger out of the revenue generated by the sale, excluding the costs incurred for the actual sale, and the purchase price of the property, plus any expenses incurred for the development, transfer duties and notary expenses.

- as far as the fees to be paid to the depositary bank are concerned, the consideration to be paid is calculated as follows:

- 0.018%, with an annual minimum of €20,000, of the net asset value of the Fund from the Management Report, excluding capital gains not realised on property assets, property rights and equity investments held compared with their purchase price.

- the expenses for the Independent Experts, pursuant to sub-item I3, constitute the consideration due to REAG S.p.A. for the valuations carried out on the equity investments and property assets during the year.

SECTION VII.1 – Costs incurred during the year

	Total amounts paid				Amounts paid to subjects of the group to which the AMC belongs (**)			
MANAGEMENT EXPENSES	**unt (euro thousands)**	**% of total net value (*)**	**% of total assets**	**% of loan value**	**Amount (euro thousands)**	**% of total net value (*)**	**of total assets**	**% of loan value**
1) Management fees	250	0.42%	0.16%					
basic fees	250	0.42%	0.16%					
2) Recurring costs of UCIs in which the fund								
3) Depositary Bank remuneration	22	0.04%	0.01%					
4) Fund audit expenses	17	0.03%						
5) Expenses for the valuation of the equity investments, property assets and property rights which are part of the fund								
6) Remuneration due to the independent experts	20	0.03%	0.01%					
7) Property management expenses	1,005	1.69%	0.66%					
8) Legal and judiciary expenses								
9) Publication expenses of the value of the unit and any publication of a prospectus								
10) Other expenses affecting the fund	301	0.51%						
TOTAL EXPENSE RATIO (TER)	1,615	2.72%						
(SUM FROM 1 TO 10)								
11) Incentive fees								
12) Financial instrument negotiation expenses								
of which: - shares								
- debt securities								
- derivatives								
- others (specify)								
13) Financial expense for debts taken on by the fund	2,620							
14) Tax expenses attributable to the fund								
TOTAL EXPENSES	**4,235**	7.13%						
(SUM FROM 1 TO 14)								
(*) Calculated as the average for the period								
(**) The group means the group of which De Agostini is the parent company and to which the AMC belongs								

SECTION VII.2 - Incentive fees

There were no cases under this category as at 31 December 2015.

SECTION VII.3 – Remuneration

Note that as at 31 December 2015 the headcount of the AMC was 122 with a total gross annual remuneration of €7,373,371.91.
The total gross annual fixed remuneration of personnel whose performance significantly impacts the risk profile of the Funds managed by the AMC as at 31 December 2015 was €815,000, of which €500,000 relates to the CEO, €115,000 to the Chairman and €200,000 to the Asset Management Director, while the total gross annual remuneration of the other personnel directly involved in the management of Fund assets was €2,731,110.
Note that the MoMa Fund is managed directly by a team of three people, whose total remuneration can be allocated to the Fund to the extent of 24%.

SECTION VIII – Other revenue and expenses

Item L of the Management Report breaks down as follows:

Other revenue and income	Amount
L1. Interest income on cash and cash equivalents	**50**
L2. Other revenues	**5,927**
- Miscellaneous income	5,927
L3. Other expenses	**-479,109**
- Contingent liabilities and rate subsidies	-464,628
- Other expenses	-14,481
Total other revenue and expenses	**-473,132**

Contingent liabilities of €464,627 refer to professional expenses pertaining to the previous year recorded in the year in progress.

SECTION IX – Taxes

This item did not change.

Note that Article 6 of Decree Law no. 351 of 25 September 2001, converted with amendments into Law no. 410 of 23 November 2001 and subsequent amendments, governs the Fund taxation regime for the purpose of income tax. This provision does not require property funds to be subject to income taxes (IRPEF and IRES) and to the regional production tax (IRAP).

Part D – Other information

1. There were no utilisations in favour of the AMC in addition to those relating to management fees (e.g. soft commission).

2. No loans for early repayment were taken out.

3. No property transactions with shareholders of the AMC were carried out, or with subjects belonging the group of the latter or companies which are part of the AMC group.

On behalf of the Board of Directors
The Chairman
Gualtiero Tamburini

LIST OF REAL ESTATE AND REAL ESTATE RIGHTS HELD BY THE FUND

No.	Description and location	Main intended use	ear/Period of construction	oss area (m^2)	Leased area (m^2)	Annual rent/compensation as at 31/12/2015	t/Annual rent compensation average accruals per m^2	Type of agreement/ Main occupancy	Contract expiry range	Type of tenant	Historical cost (*)	Mortgages (**)
	LOMBARDY											
1	Entire property MANTUA - VIA MARCO BIAGI	Outlet Centre	2003 - 2007	28,109	28,109	6,334,250	6,334,250225	Lease agreement	Between 3 and 5 years	Commercial Companies	65,999,903	53,000,000
	APULIA											
2	Entire property MOLFETTA - VIA DEI PORTUALI	Outlet Centre	2005 - 2008	41,589	41,589	2,338,665	5,049,75156	Lease agreement	Between 3 and 5 years	Commercial Companies	39,139,072	32,000,000
				69,698	**69,698**	**8,672,91511,384,001**					**105,138,975**	**85,000,000**

(*) The historical value also includes any capital expenditure costs and expenses;
(**) The amounts refer to the residual debt on the loan agreement, allocated to the individual properties

IDeA FIMITsgr

CLOSED-ENDED PROPERTY FUND
"MOMA"

COMPANY ECONOMIC CAPITAL VALUATION REPORT

"MANTOVA S.R.L."

"MOLFETTA S.R.L"

31 DECEMBER 2015

REAG Real Estate Advisory Group SpA with a sole shareholder
General Management
Colleoni Central Management
Palazzo Cassiopea 3
20864 Agrate Brianza MB – Italy

Tel. +39 039 6423.1

Fax +39 039 6058427

Registered Office
Via Monte Rosa, 91 20149 Milan - Italy
Share Capital €1,000,000.00 fully paid-up
R.E.A. (Economic and Administrative Index) Milan 1047058.
Tax Code / Companies Register/ VAT Registration No. 05881660152
italy@reag-dp.com

Agrate Brianza, 19 January 2016
Pos. n° 9388.04

To
IDeA FIMIT SGR S.p.A.
Via Brera, 21
20121 - MILAN

For the kind attention of Dr. Giovanni Negri

SUBJECT: Company Economic Capital Valuation Report "Mantova S.r.l." and "Molfetta S.r.l." belonging to the "MoMa" Property Investment Fund, as at 31 December 2015.

Dear Sirs,
in conformity with the appointment you made, REAG - Real Estate Advisory Group S.p.A. has prepared the Company Economic Capital Valuation Report for "MANTOVA S.R.L." AND "MOLFETTA S.R.L." belonging to the "MoMa" Closed-Ended Property Investment Fund as at 31 December 2015.

The valuation conducted by REAG in the capacity of Independent Expert will be used for a capital audit, pursuant to Article 12 of Ministerial Decree no. 30 of 5 March 2015 and Banca d'Italia Provision of 19 January 2015, Title V, Chapter IV, Section II, as well as the Assogestioni guidelines of May 2010 and the Consob and Banca d'Italia joint communication of July 2010.

Definitions

In this Report the terms listed below should have the corresponding definition, unless stated otherwise in the actual Report:

"Valuation" indicates both the investigation, analysis and data processing activity conducted by REAG into the Ownership, and the conclusions and results reached by REAG at the end of the these activities.

"Economic Capital": indicates the shareholders' equity, made up of share capital and reserves.

"Market Value" indicates the likely transfer price of all the shares, from the transferor to the acquirer, both without constraint and in full knowledge of all the factors concerning the transaction, fairly for both parties.

Evaluation criteria

When carrying out the Valuation REAG have adopted generally accepted methods and principles, with particular recourse to the valuation criterion illustrated below.

"Analytical - capital method": based on the expression of the individual elements, tangible and intangible that make up the economic capital of the company at current values, also taking into account any goodwill or badwill. The value of shareholders' equity is calculated as the difference between (tangible and intangible) assets and liabilities, adjusted if necessary to take into account their current value.

The adjustment of the historical values of the fixed assets was carried out based on their Market Value determined by REAG. The above-mentioned market value was quantified taking into account the implicit illiquidity of property investments.

Any physical consequences connected with the emergence of capital gains, but not contingent liabilities, specifically those resulting from any tax disputes were taken into consideration under the scope of this valuation.

The technical and capital data taken from the Company financial statements were used under the scope of this valuation. This process does not include auditing procedures or inspections or assessments surrounding the possible existence of liabilities of a tax, contractual or social security nature or associated with legal type problems not reported in the financial statements for the valuation.

Conclusions

The conclusions concerning the Valuation were drawn by REAG on the basis of the results obtained at the end of the following operations:

– collection, selection, analysis and evaluation of the data and documents relating to the Company;
– technical-financial calculations;

as well as on the basis of the valuation methods and principles indicated earlier.

In light of the _above_

it is our opinion that, as at 31 December 2015, the **Market Value** of the Economic Capital of the Companies in question should be expressed as follows:

- _“MANTOVA S.r.l. ”_

_€ 10,257,000.00_
(Ten million two hundred and fifty seven thousand/00 euros)

- _“MOLFETTA S.r.l.”_

_€ 5,844,000.00_
(Five million eight hundred and forty four thousand/00 euros)

Agrate Brianza, 19 January 2016
Pos. n° 9388.04

REAG - Real Estate Advisory Group S.p.A.

[Signature]
Paola Ricciardi
Managing Director

[Signature]
Osvaldo Rigamonti
Senior Director

[Signature]
Leopoldo Civelli
Chief Executive Officer

IDeA FIMITsgr

CLOSED-ENDED PROPERTY SPECULATIVE
INVESTMENT FUND

"MoMA"

*PROPERTY FUND PROPERTY ASSETS
VALUATION REPORT*

VOLUME 0

31 DECEMBER 2015

REAG Real Estate Advisory Group SpA with a sole shareholder
General Management
Colleoni Central Management
Palazzo Cassiopea 3
20864 Agrate Brianza MB – Italy
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italy@reag-aa.com

Agrate Brianza, 26 January 2016
Pos. N° 9388.04

To
IDeA FIMIT SGR S.p.A.
Via Brera, 21
20121 MILAN

For the kind attention of Dr. Thomas Rivolta

Subject: **Valuation report on the properties which constitute the assets of the "MoMa" Closed-Ended Property Speculative Investment Fund as at 31 December 2015.**

Dear Sirs,

in conformity with the appointment conferred by yourselves, REAG – Real Estate Advisory Group S.p.A. (hereinafter REAG) produced a valuation report as at 31 December 2015 for the property assets of the "MoMa" Closed-Ended Property Speculative Investment Fund, located in:

ID	NAME	CITY	ADDRESS
1	*MANTOVA OUTLET VILLAGE*	BAGNOLO SAN VITO (MN)	Via M. Biagi
2	*PUGLIA OUTLET VILLAGE*	MOLFETTA (BA)	Via Dei Portuali, 12

The valuation conducted by REAG in the capacity of Independent Expert will be used for a capital audit, pursuant to Article 12 of Ministerial Decree no. 30 of 5 March 2015 and Banca d'Italia Provision of 19 January 2015, Title V, Chapter IV, Section II, as well as the Assogestioni guidelines of May 2010 and the Consob and Banca d'Italia joint communication of July 2010.

In this Report the terms listed below should have the corresponding definition, unless stated otherwise in the actual Report:

"Property Portfolio" (hereinafter the **"Portfolio")** indicates the collection of property assets (land, buildings, fixed installations and external building works) which are the subject of the Valuation, expressly excluding any other, different asset, including movable property and intangible assets, namely the collection of "Owned Assets" subject to analysis. Immovable property intended for commercial use, where the retail sales activity at a fixed location is subject to the existence of Commercial Authorisation, the definition of immovable property includes the tangible asset relating to said authorisation.

"Property" or "Property Complex" or "Property Unit" (hereinafter the "owned asset") indicates the asset, or where appropriate the assets (land, buildings, fixed installations and external building works) which are the subject of the valuation, expressly excluding any other, different asset, including movable property and intangible assets (RICS Valuation Standards, Italian version 1 March 2009).

"Valuation" indicates the calculation of the "(....) value at the date of the valuation of a property. Apart from the limits established in the terms of the appointment, the opinion is provided after a site inspection and after all the suitable and appropriate surveys and detailed investigations necessary, taking into consideration the type of property and the purpose of the valuation" (RICS Valuation Standards, Italian version 1 March 2009) .

"Market Value" indicates "(...) the estimated amount for which a property or a liability could be sold and purchased, at the Valuation date, by a vendor and by an acquirer without special links, both interested in buying and selling, at competitive conditions, after an adequate marketing process in which the parties have both acted in an informed way, aware and without coercion" (RICS Red Book, Italian version, January 2014).

“Market Rent” indicates “(...) the estimated amount for which a property should be leased, at the valuation date, by a lessor to a tenant, without special links, both interested in the transaction, based on appropriate contractual terms and at competitive conditions, after an adequate marketing process in which the parties have both acted in an informed way, aware and without coercion" (RICS Red Book, Italian version, January 2014).

“Commercial Authorisation” represents the intangible asset relating to the Property subject to the Valuation, consisting of the collection of authorisation permits necessary for exercising the commercial activity.

Evaluation criteria

The valuation was carried out based on the following theories:

- sale and purchase of individual Property Complex (property components + commercial authorisation) en bloc (not split up), taking into consideration the existing rental situation at the valuation date.

When carrying out the valuation REAG have adopted generally accepted principles, with particular recourse to the "evaluation criteria" illustrated below.

- **Comparative or Market Method,** based on the comparison between the Property and other assets comparable to it, recently bought or sold or offered on the market or competitive markets.

- **Income Approach:** takes two different methodological approaches into consideration:
  1. Direct Capitalisation: (*for calculating the Market Value of Commercial Authorisations)* is based on the capitalisation, at a rate obtained from the property market, of the net future income generated by the Property.
  2. Discounted Cash-Flow (DCF), based on:
     a) the calculation for a period of "n" years, of the net future income resulting from the rental of the Property:
     b) the calculation of the Market Value of the Property through the capitalisation in perpetuity, at the end of this period, of the net income;
     c) the discounting, at the valuation date, of the net income (cash flows).

The valuation, taking into consideration the current rental situation, is based on the Income Approach supplemented by the Comparative or Market Method for calculating the gross annual market rent (ERV, Estimated Rental Value).

REAG, also:

- in agreement with **IDeA FIMIT SGR S.p.A.** (hereinafter the client), has not carried out any site inspection at the Property; the last site inspection was conducted during the valuation in September 2015;
- analysed the local property market conditions, taking into consideration the economic data and adapting it to the specific characteristics of the properties through statistical calculations.
- calculated the market value of the properties, on the assumption of their maximum and best usage and taking into consideration under all technically possible, legally permitted and financially viable uses, only those potentially capable of conferring the maximum value on said properties.
- considered the existing rental situation at the valuation date, as notified by the client.

Contents of the Report

This Report, which contains the final report on the conclusions reached by REAG, includes:

- a general letter of introduction to the report, which describes the type of investigation carried out and gives the conclusions of the valuations, with certification;
- valuation summary table;
- descriptive reports for each Property;
- assumptions and limits of the valuation;
- general service conditions.

Conclusions

The conclusions concerning the Valuation Report were drawn by REAG on the basis of the results obtained at the end of all of the following operations:

- site inspections of the properties;
- collection, selection, analysis and evaluation of the data and documents relating to the Properties;
- carrying out suitable market research;
- technical-financial calculations;

as well as on the basis of the valuation methods and principles indicated earlier.

<u>*In light of the above*</u>

it is our opinion that, as at 31 December 2015, the **Market Value** of the Properties in question should be expressed as follows:

N°	Asset	Market Value Property Component	Market Value Commercial Authorisations	Total Market Value
1	*Mantova Outlet Village*	*78,200,000*	*11,200,000*	*89,400,000*
2	*Puglia Outlet Village*	*46,000,000*	*7,300,000*	*53,300,000*
	Total	***124,200,000***	***18,500,000***	***142,700,000***

<u>*From the above it follows that:*</u>

The Market Value **"asset by asset"** (including both the property component and commercial authorisations) of the portfolio in question, as at 31 December 2015, is:

€142,700,000.00
(One hundred and forty two million seven hundred thousand/00 euros)

REAG - Real Estate Advisory Group S.p.A.

[Signature]
Prepared by:
Gianluca Molli
Project Manager

[Signature]
Supervised and checked by:
Savino Natalicchio
Director Retail, Advisory & Valuation Dept.

[Signature]
Simone Spreafico
Managing Director Advisory & Valuation Dept.

[Signature]
Paola Ricciardi
Managing Director

[Signature]
Leopoldo Civelli
Chief Executive Officer

KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILAN MI

Telephone +39 02 6763.1
Fax +39 02 67632445
email it-fmaudltaly@kpmg.it
certified email kpmgspa@pec.kpmg.it

Independent Auditors' Report pursuant to Article 14 of Legislative Decree no. 39 of 27 January 2010 and Article 9 of Legislative Decree no. 58 of 24 February 1998

To the unitholders of the
“MoMa" Closed-Ended Reserved Speculative Property Investment Fund

Management Report

We have conducted an audit of the attached management report for the "MoMa" Closed-Ended Reserved Speculative Property Investment Fund (hereinafter known as the "Fund"), which is composed of the statement of financial position, the income section and the explanatory notes, for the financial year ended 31 December 2015.

Responsibility of the directors for the management report

The directors of IDeA FIMIT SGR S.p.A., the Fund Management Company, are responsible for the management report which gives a true and fair representation in conformity with the Provision issued by Banca d’Italia on 19 January 2015 (hereinafter also the "Provision").

Responsibility of the independent auditors

It is our responsibility to express an opinion on the Fund management report based on the audit. We have carried out the audit in conformity with the international standards on auditing (ISA Italy) drawn up pursuant to Article 11, paragraph 3 of Legislative Decree 39/2010. These principles require compliance with ethical principles as well as the planning and execution of the audit in order for there to be no reasonable doubt that the management report does not contain significant errors.

The audit involves carrying out procedures aimed at acquiring evidence to support the amounts and information contained in the management report. The procedures chosen depend on the professional judgement of the auditor, including the assessment of the risk of significant errors in the management report due to fraud or unintentional behaviour or events. When carrying out these risk assessments, the auditor should take into consideration the internal control system with regard to the preparation of the Fund management report, which provides a true and fair representation in conformity with the Provision in order to define auditing procedures that are appropriate for the circumstances and not to express an opinion on the effectiveness of the internal control system of the Fund Management Company. The auditing also includes an evaluation of the appropriateness of the evaluation criteria and methods adopted, the reasonableness of the accounting estimates made by the directors, as well as the evaluation of the presentation of the management report in its entirety.

We believe that we found sufficient and appropriate evidence on which to base our opinion.

Opinion

In our opinion, the management report provides a true and fair representation of the statement of financial position of the "MoMa" Closed-Ended Reserved Speculative Property Investment Fund as at 31 December 2015 and the net result for the financial year ended on that date, in conformity with the Provision issued by Banca d’Italia on 19 January 2015.

Report on other legal and regulatory provisions

Opinion on the consistency of the directors' report with the management report

We have carried out the procedures indicated by auditing standard (SA Italy) no. 720B in order to express, as required by law, an opinion on the consistency of the directors' report, who are responsible as directors of the Fund Management Company, with the management report of the "MoMa" Closed-Ended Reserved Speculative Property Investment Fund for the financial year ended 31 December 2015. In our opinion the directors' report is consistent with the "MoMa" Closed-Ended Reserved Speculative Property Investment Fund for the financial year ended 31 December 2015.

Milan, 19 February 2016

KPMG S.p.A.

Alberto Andreini
Partner