

MEDIOLANUM FUND OF HEDGE FUNDS
INTERIM REPORT
&
UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2023

MEDIOLANUM FUND OF HEDGE FUNDS

TABLE OF CONTENTS

Table of Contents	1
Trust Information	2
Schedule of Investments	3
Statement of Net Assets	6
Income Statement	7
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Fund of Funds Disclosure	19

MEDIOLANUM FUND OF HEDGE FUNDS

TRUST INFORMATION

MANAGER, AIFM and GLOBAL DISTRIBUTOR

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

DEPOSITARY and TRUSTEE

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

DIRECTORS of THE MANAGER

Karen Zachary (Irish) (Chairperson)³
Furio Pietribiasi (Italian) (Managing Director)²
Corrado Bocca (Italian)¹
Paul O'Faherty (Irish) (until July 20, 2023)³
Martin Nolan (Irish)³
Christophe Jaubert (French)²
John Corrigan (Irish)^{3*}
Michael Hodson (Irish)³
Edoardo Fontana Rava (Italian)¹
Carin Bryans (Irish) (effective May 24, 2023)³

ADMINISTRATOR, REGISTRAR and TRANSFER AGENT

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

DELEGATE INVESTMENT MANAGER

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

IRISH LEGAL ADVISORS

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

INDEPENDENT AUDITORS

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

REGISTERED OFFICE

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

The Trust is constituted in the Republic of Ireland.

¹Non-Executive Directors

²Executive Directors

³Independent Non-Executive Directors

*See Note 19 for further details

MEDIOLANUM FUND OF HEDGE FUNDS

ALTERNATIVE STRATEGY COLLECTION

SCHEDULE OF INVESTMENTS

As at 30 June 2023

Financial assets at fair value through Profit or Loss	Holdings	Currency	Fair Value EUR	% of Net Assets
Collective Investment Schemes: 94.64% (31 Dec 2022: 93.24%)				
British Virgin Islands: 0.00% (31 Dec 2022: 0.00%)				
Kingate Global Fund - Vi*	10,750	USD	–	–
Total British Virgin Islands			–	–
Cayman Islands: 74.35% (31 Dec 2022: 64.54%)				
AlphaQuest Original Class F EUR Series 070118	780	EUR	818,833	2.26
Am Asia Strategies Fund Class C EUR	3,038	EUR	3,237,080	8.93
Am Asia Strategies Fund Class C SDR Series 02/2022	2	EUR	294	0.00
BlackRock Emerging Frontiers Fund Class I	8,976	EUR	2,305,606	6.36
Broad Reach Explorer Class A KYD Series 02/2021	799	EUR	1,016,536	2.81
Broad Reach Explorer Class A KYD Series 10/2022	150	EUR	145,402	0.40
EDL Global Opportunities ALROSA Fund**	33,884	RUB	–	–
EDL Global Opportunities VTB Fund**	201,828,698	RUB	–	–
EDL Go Liquidation SPV Class A EUR Series 001	386	EUR	389,006	1.07
Greenvale Capital Fund Sub Class A EUR 07/2022	1,000	EUR	1,023,843	2.83
Greenvale Capital Fund Sub Class F EUR 07/2022	200	EUR	207,889	0.57
Greenvale Capital Fund Sub Class G EUR 02/2023	1,000	EUR	1,024,157	2.83
Massar Macro Commodity Fund 01/2023	2,125	USD	2,082,235	5.75
Massar Macro Commodity Fund 05/2023	500	USD	468,079	1.29
Palmerston Credit Feeder Fund Class A EUR Series 07/2016	8,558	EUR	1,084,847	2.99
Palmerston Credit Feeder Fund EUR Series 02/2021	10,000	EUR	966,994	2.67
PinnBrook Offshore Class 5 09/2022	1,898	EUR	1,769,219	4.88
PinnBrook Offshore Class 5 10/2022	1,200	EUR	1,084,479	2.99
PinnBrook Offshore Class 5 11/2022	500	EUR	456,310	1.26
Selwood Asset Management Class A EUR	14,176	EUR	2,363,527	6.52
Selwood Equity Absolute Return UCITS Fund EUR 03/2023	1,751	EUR	2,218	0.01
Selwood Equity Absolute Return UCITS Fund EUR 10/2022	21,163	EUR	18,373	0.05
TCIM Offshore Fund Series 05/2023	1,500	USD	1,375,534	3.80
TT Mid-Cap Europe Long/Short Fund Class A EUR	4,116	EUR	2,244,999	6.20
Willing Partners Fund Class I 05/2023	879	USD	776,896	2.14
Willing Partners Fund Class I 06/2023	500	USD	465,968	1.29
Wolf Hill Offshore Fund Class A Series 04/2023	1,625	USD	1,612,165	4.45
Total Cayman Islands			26,940,489	74.35
Ireland: 14.98% (31 Dec 2022: 13.38%)				
BlackRock ICS Euro Liquidity Fund	10,081	EUR	1,000,540	2.76
Melqart Event Driven UCITS Fund EUR 03/2023	(12,630)	EUR	–	–
Melqart Event Driven UCITS Fund EUR 04/2023	(7,327)	EUR	–	–

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

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

The accompanying notes form an integral part of the financial statements

MEDIOLANUM FUND OF HEDGE FUNDS**ALTERNATIVE STRATEGY COLLECTION****SCHEDULE OF INVESTMENTS (continued)**

As at 30 June 2023

Financial assets at fair value through Profit or Loss	Holdings	Currency	Fair Value EUR	% of Net Assets				
Collective Investment Schemes: 94.64% (31 Dec 2022: 93.24%) (continued)								
Ireland: 14.98% (31 Dec 2022: 13.38%) (continued)								
Tages International Funds ICAV - Melqart Event Driven UCITS Fund	19,957	EUR	1,875,968	5.18				
Tages International Funds ICAV - Selwood Equity Absolute Return UCITS Fund	22,914	EUR	2,552,623	7.04				
Total Ireland			5,429,131	14.98				
Luxembourg: 5.31% (31 Dec 2022: 15.32%)								
Hellebore Credit Arbitrage Class B EUR	226	EUR	1,923,312	5.31				
Total Luxembourg			1,923,312	5.31				
Total Collective Investment Schemes			34,292,932	94.64				
Warrants: 3.45% (31 Dec 2022: 3.39%)								
Germany: 3.45% (31 Dec 2022: 3.39%)								
Deutsche Bank	130	EUR	1,251,130	3.45				
Total Germany			1,251,130	3.45				
Total Warrants			1,251,130	3.45				
Total Financial Assets at fair value through Profit or Loss			35,544,062	98.09				
Financial liabilities at fair value through profit or loss								
Forward Foreign Exchange Contracts: (0.02%) (31 Dec 2022: 0.00%)								
Counterparty	Currency Buys	Currency Amount	Currency Sells	Currency Amount	Currency Rate	Maturity Date	Unrealised Gain EUR	% of Net Assets
Northern Trust	EUR	7,043,394	USD	(7,700,550)	1.0933	31/07/2023	(4,931)	(0.02)
Total Fair Value Losses on Forward Foreign Exchange Contracts							(4,931)	(0.02)
Total Financial Liabilities at fair value through Profit or Loss							(4,931)	(0.02)

The accompanying notes form an integral part of the financial statements

MEDIOLANUM FUND OF HEDGE FUNDS

ALTERNATIVE STRATEGY COLLECTION

SCHEDULE OF INVESTMENTS (continued)

As at 30 June 2023

	Fair Value EUR	% of Net Assets
Total Net Assets at fair value through Profit or Loss	35,539,131	98.07
Cash (31 Dec 2022: 4.00%)	375,275	1.04
Other Net Assets (31 Dec 2022: (0.63%))	322,651	0.89
Net Assets Attributable to Holders of Redeemable Participating Units	<u>36,237,057</u>	<u>100.00</u>

The accompanying notes form an integral part of the financial statements

MEDIOLANUM FUND OF HEDGE FUNDS

STATEMENT OF NET ASSETS As at 30 June 2023

		Alternative Strategy Collection 30 Jun 2023	Alternative Strategy Collection 31 Dec 2022
	Note	EUR	EUR
Assets			
Cash at bank	4	375,275	1,498,923
Financial assets at fair value through profit or loss	9	35,544,062	34,184,710
Accrued interest receivable		1,786	606
Investments receivable		458,295	1,990,911
Sundry receivables and prepayments	6	78,902	2,574
Total assets		<u>36,458,320</u>	<u>37,677,724</u>
Liabilities			
Financial liabilities at fair value through profit or loss	9	4,931	–
Administration expense payable	3	9,000	11,994
Management fee payable	3	96,750	99,406
Investment manager fee payable	3	18,786	19,302
Depositary fee payable	3	5,591	10,065
Auditors remuneration payable		29,875	39,593
Accrued interest payable		179	284
Sundry payables and accrued expenses	7	56,151	61,448
Total liabilities		<u>221,263</u>	<u>242,092</u>
Net assets attributable to holders of redeemable participating units		<u>36,237,057</u>	<u>37,435,632</u>

The accompanying notes form an integral part of the financial statements

MEDIOLANUM FUND OF HEDGE FUNDS

INCOME STATEMENT

For the six months ended 30 June 2023

		Alternative Strategy Collection 30 Jun 2023	Alternative Strategy Collection 30 Jun 2022
	Note	EUR	EUR
Income			
Interest income		10,201	–
Other income		6,796	18,267
Net realised (loss)/gain on financial assets and liabilities at fair value through profit or loss and foreign exchange	17	(575,612)	453,492
Net realised gain on forward foreign exchange contracts and currency exchange	17	8,390	23,801
Net change in unrealised gain/(loss):			
- financial assets and liabilities at fair value through profit or loss and foreign exchange	17	460,642	(3,023,725)
- open forward foreign exchange contracts	17	(6,358)	–
Total investment expense		<u>(95,941)</u>	<u>(2,528,165)</u>
Expenses			
Management fee	3	287,329	296,614
Investment management fee	3	55,792	57,595
Administration expense	3	18,017	18,012
Depositary fee	3	12,753	12,044
Interest expenses		1,535	8,472
Auditors remuneration		9,972	9,918
Other expenses		17,236	9,329
Total expenses		<u>402,634</u>	<u>411,984</u>
Decrease in net assets from operations attributable to holders of redeemable participating units		<u>(498,575)</u>	<u>(2,940,149)</u>

All profit and loss account items arose from continuing operations for Alternative Strategy Collection during the period.

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

The accompanying notes form an integral part of the financial statements

MEDIOLANUM FUND OF HEDGE FUNDS

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

For the six months ended 30 June 2023

	Alternative Strategy Collection 30 Jun 2023 EUR	Alternative Strategy Collection 30 Jun 2022 EUR
Net assets attributable to holders of redeemable participating units at start of period	37,435,632	40,499,262
Decrease in net assets from operations attributable to holders of redeemable participating units	(498,575)	(2,940,149)
Payments on the redemption of units	<u>(700,000)</u>	<u>(975,000)</u>
Net assets attributable to holders of redeemable participating units at end of period	<u>36,237,057</u>	<u>36,584,113</u>

The accompanying notes form an integral part of the financial statements

MEDIOLANUM FUND OF HEDGE FUNDS

STATEMENT OF CASH FLOWS For the six months ended 30 June 2023

	Alternative Strategy Collection 30 Jun 2023 EUR	Alternative Strategy Collection 30 Jun 2022 EUR
Cash flows from operating activities		
Change in net assets attributable to holders of redeemable participating units from operations	(498,575)	(2,940,149)
Adjustments to reconcile net cash generated by operating activities:		
Movement in financial assets and liabilities at fair value through profit or loss	(1,354,421)	7,126,519
Movement in receivables and prepaid investments	1,455,108	(2,999,850)
Movement in payables and accrued expenses	(25,760)	(12,612)
Net cash (used in)/generated by operating activities	<u>(423,648)</u>	<u>1,173,908</u>
Cash flow from financing activities		
Payments on redemption of redeemable participating units	(700,000)	(975,000)
Net cash used in financing activities	<u>(700,000)</u>	<u>(975,000)</u>
Net (decrease)/increase in cash and cash equivalents	(1,123,648)	198,908
Opening cash and cash equivalents	1,498,923	1,574,126
Ending cash and cash equivalents	<u>375,275</u>	<u>1,773,034</u>
Supplementary information		
Interest received/(paid)	7,381	(7,462)

The accompanying notes form an integral part of the financial statements

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS For the six months ended 30 June 2023

1. General

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

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

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

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

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

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

2. Basis of Accounting

Accounting Convention

The financial statements are prepared in accordance with Financial Reporting Standard 104 ‘Interim Financial Reporting’ (‘FRS 104’), Unit Trust Act, 1990, AIFM Regulations – European Union (Alternative Investment Fund Managers) Regulations 2013 (SI No 257 of 2013) and the Trust Deed.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those financial statements.

3. Fees and Expenses

(a) Management Fees

Mediolanum International Funds Limited (the “Manager”) is entitled to an annual fee accrued and payable monthly in arrears of 1.50% of the Net Asset Value the Sub-Fund. The Manager is also entitled to be paid all of its administration fee out of the assets of the Sub-Fund, which include an annual fee accrued at each valuation point and payable monthly in arrears of 0.045% of the Net Asset Value of the Sub-Fund. A fee of EUR 10 is charged (gross of any relevant taxes) per Class in which a Unitholder holds less than 25 Units. The appropriate number of Units of each such Unitholder will be automatically redeemed to pay these administrative charges. If a Unitholder holds a number of Units in any Class with a value of less than EUR 10 (gross of any relevant taxes), then his/her entire holding shall be automatically redeemed and paid to the Manager. This administrative charge shall be adjusted periodically in accordance with the Eurostat All Items Harmonised Index of Consumer Prices (HICP). This administrative charge is chargeable on the first Dealing Day in December of each year. The Manager earned management fees of EUR 287,329 (30 June 2022: EUR 296,614) for the six months ended 30 June 2023, EUR 96,750 was payable at 30 June 2023 (31 December 2022: EUR 99,406).

(b) Investment Manager Fees

Mediolanum International Funds Limited (the “Manager”) is entitled to receive out of the assets the Sub-Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears of 0.30% of the Net Asset Value of the Sub-Fund (plus VAT, if any), subject to a minimum annual fee of EUR 75,000 per Sub-Fund. The Investment Manager earned investment management fees of EUR 55,792 (30 June 2022: EUR 57,595) for the six months ended 30 June 2023, EUR 18,786 was payable at 30 June 2023 (31 December 2022: EUR 19,302).

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

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

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) For the six months ended 30 June 2023

3. Fees and Expenses (continued)

(c) Performance Fees

The Manager is also entitled to performance fee of up to 10% of the increase in the Net Asset Value of the Sub-Fund, calculated on a monthly basis. The calculation of the performance fee will be verified by the Depositary. No performance fees were earned for the six months ended 30 June 2023 and 30 June 2022 in relation to the Alternative Strategy Collection.

(d) Administration Expense

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

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

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

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

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

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

The Administrator is entitled to be repaid out of the assets of the Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Sub-Fund which shall include legal fees, couriers' fees and telecommunications costs and expenses. The Sub-Fund will bear its proportion of the fees and expenses of the Administrator. The Administrator expenses charged were EUR 18,017 (30 June 2022: EUR 18,012) for the six months ended 30 June 2023, EUR 9,000 was payable at 30 June 2023 (31 December 2022: EUR 11,994) and Administrator expense paid for six months ended 30 June 2023 was EUR 21,010 (30 June 2022: EUR 18,012).

(e) Depositary Fee

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

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

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

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

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

The Depositary expenses charged were EUR 12,753 (30 June 2022: EUR 12,044) for the six months ended 30 June 2023, EUR 5,591 was payable at 30 June 2023 (31 December 2022: EUR 10,065).

(f) Underlying Fund Fees

The Alternative Strategy Collection invests in underlying funds which incur their own fees. The details of the fees charged by the underlying funds are detailed in the Fund of Funds Disclosure on page 19. Where the Manager has negotiated a rebate on the management fee charged on its investment into other funds, this rebate is paid directly to the Sub-Fund.

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) For the six months ended 30 June 2023

4. Cash at Bank

The Depositary to the Trust is Northern Trust Fiduciary Services (Ireland) Limited, an indirect wholly-owned subsidiary of Northern Trust Corporation (“NTC”). NTC is publicly traded and a constituent of the S&P 500. NTC has a credit rating of A+ (31 December 2022: A+) from Standard & Poor’s. The Northern Trust Company (“TNTC”) is also wholly owned by NTC. TNTC has a credit rating of AA- (31 December 2022: AA-) from Standard & Poor’s and A2 (31 December 2022: A2) from Moody’s.

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

As at 30 June 2023 and 31 December 2022, the Alternative Strategy Collection had a cash balance representing less than 10% of the Net Assets of the Sub-Fund.

5. Redeemable Participating Units

	Alternative Strategy Collection 30 Jun 2023	Alternative Strategy Collection 30 Jun 2022
<i>Participating units in issue</i>		
<u>Class S Unit A</u>		
At the beginning of the period	3,925,282	4,026,376
Units redeemed	(74,037)	(101,094)
Units at the end of the period	<u>3,851,245</u>	<u>3,925,282</u>

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

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

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

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

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

6. Sundry Receivables and Prepayments

	Alternative Strategy Collection 30 Jun 2023 EUR	Alternative Strategy Collection 31 Dec 2022 EUR
Management fee rebate from investments	3,929	2,574
Receivable for sale of investments	74,973	–
	<u>78,902</u>	<u>2,574</u>

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) For the six months ended 30 June 2023

7. Sundry Payables and Accrued Expenses

	Alternative Strategy Collection 30 Jun 2023 EUR	Alternative Strategy Collection 31 Dec 2022 EUR
Legal fees payable	7,781	19,079
Other payables	48,370	42,369
	<u>56,151</u>	<u>61,448</u>

8. Distributions

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

9. Derivatives and Other Financial Instruments

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

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

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

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

(a) Market Price Risk

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

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

(b) Credit Risk

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

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

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) For the six months ended 30 June 2023

9. Derivatives and Other Financial Instruments (continued)

(b) Credit Risk (continued)

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

Northern Trust Fiduciary Services (Ireland) Limited (“NTFSIL”) is the appointed Depository of the Trust, responsible for the safe-keeping of assets. NTFSIL has appointed The Northern Trust Company (“TNTC”) as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation (“NTC”). As at period end date 30 June 2023, NTC had a long term credit rating from Standard & Poor’s of A+ (31 December 2022: A+).

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

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

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

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

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

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

(c) Foreign Currency Risk

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

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

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

(d) Foreign Currency Forward Exchange Contracts

As at 30 June 2023, the Alternative Strategy Collection Fund held 1 (31 December 2022: 1) forward foreign exchange contract detailed in the Schedule of Investments page 4.

(e) Liquidity Risk

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

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

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) For the six months ended 30 June 2023

9. Derivatives and Other Financial Instruments (continued)

(e) Liquidity Risk (continued)

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

There were no suspended/gated redemptions or investments in side pockets in the Alternative Strategy Collection as at 30 June 2023 or 31 December 2022, except for Kingate Global Fund – Vi which was written down to zero on 30 November 2009, EDL Global Opportunities VTB Fund and EDL Global Opportunities ALROSA Fund which both were written down to zero on 6 July 2022 (please see the Schedule of Investments on pages 3 to 5).

(f) Interest Rate Risk

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

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

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

(g) Layering of Fees

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

(h) Fair Value Hierarchy

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

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

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

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

The following is a summary of the inputs used to value the assets and liabilities carried at fair value as at 30 June 2023 and 31 December 2022:

Alternative Strategy Collection As at 30 June 2023	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Financial Assets at fair value through Profit or Loss				
Collective Investment Schemes	–	34,292,932	–	34,292,932
Warrants	1,251,130	–	–	1,251,130
	<u>1,251,130</u>	<u>34,292,932</u>	<u>–</u>	<u>35,544,062</u>
Financial Liabilities at fair value through Profit or Loss				
Open forward currency forward exchange contracts	–	(4,931)	–	(4,931)
	<u>–</u>	<u>(4,931)</u>	<u>–</u>	<u>(4,931)</u>

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) For the six months ended 30 June 2023

9. Derivatives and Other Financial Instruments (continued)

(h) Fair Value Hierarchy (continued)

Alternative Strategy Collection As at 31 December 2022	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Financial Assets at fair value through Profit or Loss				
Collective Investment Schemes	–	34,906,739	–	34,906,739
Open forward currency forward exchange contracts	–	1,427	–	1,427
Warrants	1,267,455	–	–	1,267,455
	<u>1,267,455</u>	<u>34,908,166</u>	<u>–</u>	<u>36,175,621</u>

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

10. Related Party Transactions

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

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

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

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

The underlying Unitholder in the Sub-Fund, Mediolanum International Life DAC, is connected to the Manager. As at 30 June 2023, Mediolanum International Life DAC holds 100% (31 December 2022: 100%) of the Class S Unit A in the Alternative Strategy Collection.

As at 30 June 2023, Alternative Strategy Collection did not invest into funds managed by Tages Capital LLP, the Delegate Investment Manager (31 December 2022: Nil).

11. Connected Party Transactions

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

12. Soft Commission Arrangements

For the period ended 30 June 2023, there were no investment research fees paid by the Sub-Fund.

13. Exchange Rates

The following exchange rates were used to translate assets and liabilities into the reporting currency (EUR €) at 30 June 2023 and 31 December 2022:

Currency	EUR Rate 30 Jun 2023	EUR Rate 31 Dec 2022
USD	0.9166	0.9370

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) For the six months ended 30 June 2023

14. Changes in the Portfolio

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

15. Contingent Liabilities

There were no significant contingent liabilities at the Statement of Net Assets as at 30 June 2023.

16. Net Asset Value

	Alternative Strategy Collection 30 Jun 2023 EUR	Alternative Strategy Collection 31 Dec 2022 EUR	Alternative Strategy Collection 31 Dec 2021 EUR
Net assets attributable to holders of redeemable participating units:			
Class S Unit A Euro (EUR)	36,237,057	37,435,632	40,499,262
Number of redeemable participating units outstanding:			
Class S Unit A Euro (EUR)	3,851,245	3,925,282	4,026,376
Net asset value per redeemable participating unit:			
Class S Unit A Euro (EUR)	9.41	9.54	10.06

17. Realised and Unrealised Gains in Investments

	Alternative Strategy Collection 30 Jun 2023 EUR	Alternative Strategy Collection 30 Jun 2022 EUR
Realised gain/(loss) on investments		
Realised gain on investments	487,042	1,151,030
Realised loss on investments	(1,062,654)	(697,538)
Realised gain on forward foreign exchange contracts	8,390	23,801
Total realised (loss)/gain on investments	<u>(567,222)</u>	<u>477,293</u>
Unrealised gain/(loss) on investments		
Movement in unrealised gain on investments	1,941,157	793,871
Movement in unrealised loss on investments	(1,480,519)	(3,823,615)
Unrealised (loss)/gain on forward foreign exchange contracts	(6,354)	6,019
Total unrealised gain/(loss) on investments	<u>454,284</u>	<u>(3,023,725)</u>

18. Efficient Portfolio Management Techniques

The Sub-Fund may employ investment techniques and instruments relating to its investments for the purpose of efficient portfolio management under the conditions and within the limits stipulated from time to time by the Central Bank. The Sub-Fund may use the various investment techniques and instruments for efficient portfolio management such as taking long or short positions in derivative instruments including forward foreign contracts so as to alter the interest rates, credit and or currency exposure of the portfolio. Derivative instruments may be purchased for the purpose of efficient portfolio management only and in accordance with the Central Bank's guidelines. As at 30 June 2023, the Sub-Fund held 1 forward foreign exchange contract detailed in the Schedule of Investments page 4. The realised and unrealised gain/(loss) on forward foreign exchange contracts are disclosed in the Income Statement on page 7 and on note 17.

MEDIOLANUM FUND OF HEDGE FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) For the six months ended 30 June 2023

19. Significant Events During the Period

(a) Ukraine War Impact

Inflation remains the key focus of investors as central banks try to deal with the high levels that emerged post COVID-19 and was amplified by the war in Ukraine. This, of course resulted in central banks raising interest rates aggressively and caused significant volatility in equity and bond markets last year due to concerns that higher rates may result in an economic downturn.

Today inflation is on a downward trajectory, but the direction of the global economy is still largely dependent on successfully reducing inflation. Despite significant interest rate hikes over the past two years, inflation rates remain above central banks' target of 2%, and some additional monetary policy tightening is expected in the US, Eurozone, and the UK.

Central banks have a difficult task of trying to prevent inflation from becoming entrenched, while avoiding economic stress. The longer high inflation persists, the more likely that households adjust to it and the stickier it becomes.

In a worst-case scenario, another inflation surge could lead to a contraction of the global economy and further market losses. Therefore, it is important for policymakers to closely monitor the situation and, if required, take action to ensure stability and prevent another economic downturn. This could include measures to safeguard the stability of the financial system, support businesses and workers, and promote sustainable growth.

Encouragingly the global economy has weathered the surge in inflation relatively well so far, as high household savings from the pandemic and strong pent-up demand have maintained economic growth.

The Board of Directors of the Manager regards these events for the Fund and its Sub-Funds as non-adjusting events after the reporting period. Although neither the Fund's nor its Sub-Funds' going concern status, nor operations, at the date of this report, have been significantly impacted by the above, the Board of Directors of the Manager continues to monitor the evolving situation and its impact on the financial position of the Fund and of their Sub-Funds.

In this environment there could potentially be an adverse impact on the value of the Fund's investments and the ability of the Manager to access markets or implement the Fund's investment policy in the manner originally contemplated. Government interventions or other limitations or bans introduced by regulatory authorities or exchanges and trading venues as temporary measures in light of significant market volatility, may also negatively impact on the Manager's ability to implement the Fund's investment policy. Russian securities under sanction which have been marked down by the Manager are identified within the "Schedule of Investments" section related to each Sub-Fund. The Fund's access to liquidity could also be impaired in circumstances where the need for liquidity to meet redemption requests may rise significantly.

(b) Appointment/Resignation of Directors and Chairperson

It is with much regret that we must inform you of the untimely passing of our Non-Executive Director Mr John Corrigan on 30 March 2023. Mr Corrigan was a valued member of the Manager's Board having served from 24 February 2020. His contribution, skill and expertise are greatly missed by the Board of Directors.

Carin Bryans was appointed as Non-Executive Director effective May 24th, 2023.

No other events have occurred during the period which impact on the financial statements for the six months ended 30 June 2023.

20. Post Balance Sheet Events

Non-Executive Director Paul O'Faherty retired from the Board of Directors effective July 20th, 2023.

No other events have occurred subsequent to the period end which impact on the financial statements for the six months ended 30 June 2023.

21. Approval of the Financial Statements

The financial statements were approved by the Directors of the Manager on 30 August 2023.

MEDIOLANUM FUND OF HEDGE FUNDS

FUND OF FUNDS DISCLOSURE

1. Alternative Strategy Collection

Fund Name	Domicile	Management Fee %	Incentive Fee %
Kingate Global Fund – Vi*	British Virgin Islands	1.50%	0.00%
AlphaQuest Original Class F EUR Series 070118	Cayman Islands	1.50%	20.00%
Am Asia Strategies Fund Class C EUR	Cayman Islands	1.50%	20.00%
Am Asia Strategies Fund Class C SDR Series 02/2022	Cayman Islands	1.50%	20.00%
BlackRock Emerging Frontiers Fund Class I	Cayman Islands	1.00%	20.00%
Broad Reach Explorer Class A KYD Series 02/2021	Cayman Islands	1.00%	15.00%
Broad Reach Explorer Class A KYD Series 10/2022	Cayman Islands	1.00%	15.00%
EDL Global Opportunities ALROSA Fund**	Cayman Islands	15.00%	0.00%
EDL Global Opportunities VTB Fund**	Cayman Islands	15.00%	0.00%
EDL Go Liquidation SPV Class A EUR Series 001	Cayman Islands	15.00%	0.00%
Greenvale Capital Fund Sub Class A EUR 07/2022	Cayman Islands	1.75%	20.00%
Greenvale Capital Fund Sub Class F EUR 07/2022	Cayman Islands	1.00%	15.00%
Greenvale Capital Fund Sub Class G EUR 02/2023	Cayman Islands	1.25%	30.00%
Massar Macro Commodity Fund 01/2023	Cayman Islands	2.00%	20.00%
Massar Macro Commodity Fund 05/2023	Cayman Islands	2.00%	20.00%
Palmerston Credit Feeder Fund Class A EUR Series 07/2016	Cayman Islands	1.50%	20.00%
Palmerston Credit Feeder Fund EUR Series 02/2021	Cayman Islands	1.00%	15.00%
PinnBrook Offshore Class 5 09/2022	Cayman Islands	1.50%	17.50%
PinnBrook Offshore Class 5 10/2022	Cayman Islands	1.50%	17.50%
PinnBrook Offshore Class 5 11/2022	Cayman Islands	1.50%	17.50%
Selwood Asset Management Class A EUR	Cayman Islands	1.00%	15.00%
Selwood Equity Absolute Return UCITS Fund EUR 03/2022	Cayman Islands	1.00%	10.00%
Selwood Equity Absolute Return UCITS Fund EUR 10/2022	Cayman Islands	1.00%	10.00%
TCIM Offshore Fund Series 05/2023	Cayman Islands	1.50%	20.00%
TT Mid-Cap Europe Long/Short Fund Class A EUR	Cayman Islands	1.50%	20.00%
Willing Partners Fund Class I 05/2023	Cayman Islands	1.50%	20.00%
Willing Partners Fund Class I 06/2023	Cayman Islands	1.50%	20.00%
Wolf Hill Offshore Fund Class A Series 04/2023	Cayman Islands	1.50%	20.00%
Deutsche Bank	Germany	0.50%	10.00%
BlackRock ICS Euro Liquidity Fund	Ireland	0.20%	0.00%
Melqart Event Driven UCITS Fund EUR 03/2023	Ireland	1.00%	15.00%
Melqart Event Driven UCITS Fund EUR 04/2023	Ireland	1.00%	15.00%
Tages International Funds ICAV - Melqart Event Driven UCITS Fund	Ireland	1.00%	15.00%
Tages International Funds ICAV - Selwood Equity Absolute Return UCITS Fund	Ireland	1.00%	10.00%
Hellebore Credit Arbitrage Class B EUR	Luxembourg	2.00%	20.00%

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

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

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