

**YELLOW FUNDS SICAV**

Société d'Investissement à Capital Variable

R.C.S. Luxembourg N° B 175.534

Annual Report and audited financial statements

as at June 30, 2019

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## Organisation

### Registered Office:

60, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand-Duchy of Luxembourg

### Board of Directors

#### Chairman:

Mr. Stefano Radice  
CheBanca! S.p.A.  
Deputy General Manager & Chief Financial Officer  
Viale Bodio 37  
Palazzo 4  
I-20158 Milano  
Italy

#### Members:

Mr. Marco Parini  
CheBanca! S.p.A.  
Chief Investment Officer  
Viale Bodio 37  
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Mr. Mario Seghelini  
Mediobanca - Banca di Credito Finanziario S.p.A.  
Risk Management  
Piazzetta Enrico Cuccia 1  
I-20121 Milano  
Italy

### Management Company:

Mediobanca Management Company S.A.  
2, boulevard de la Foire  
L-1528 Luxembourg  
Grand-Duchy of Luxembourg

### Depository Bank and Principal Paying Agent,

#### Domiciliary and Listing Agent:

BNP Paribas Securities Services  
Luxembourg Branch  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand-Duchy of Luxembourg

### Administrative Agent, Registrar and Transfer Agent:

BNP Paribas Securities Services  
Luxembourg Branch  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand-Duchy of Luxembourg

### Delegated Investment Managers:

Blackrock Investment Management (UK) Limited  
*(until November 5, 2018)*  
33 King William Street  
London EC4R 9AS  
United Kingdom

Mediobanca SGR S.p.A.  
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I-20121 Milano  
Italy

### Distributors:

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Spain

### Auditor:

Ernst & Young S.A.  
35E, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand-Duchy of Luxembourg

### Legal Advisors:

Arendt & Medernach S.A.  
41A, avenue J.F. Kennedy  
L-2082 Luxembourg  
Grand-Duchy of Luxembourg

## General Information

### Constitution

YELLOW FUNDS SICAV (the "Fund") was incorporated for an unlimited period of time on February 21, 2013 and is governed by the law of August 10, 1915 on commercial companies, as amended, and by Part I of the Luxembourg law of December 17, 2010 on Undertakings for Collective Investment, as amended.

The registered office of the Fund is established, at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg. The Fund is registered at the "Registre de Commerce et des Sociétés" with the District Court of Luxembourg under the number B 175.534.

The articles of incorporation were published in the "Mémorial, Recueil des Sociétés et Associations" (the "Mémorial") of March 1, 2013 and have been filed with the Chancery of the District Court of Luxembourg together with the "Notice légale" on the issue and sale of shares. Any interested person may inspect these documents at the Chancery of the District Court of Luxembourg; copies are available on request at the registered office of the Fund.

The minimum capital of the Fund, as provided by the law, is EUR 1,250,000. The capital of the Fund is represented by fully paid-up shares of no par value.

### Shareholders' General Meeting

#### 1. Periodic reports

The Fund publishes annually a detailed annual report on its activities and on the management of its assets; such report includes, inter alia, the combined accounts relating to all the sub-funds, a detailed description of the assets of each sub-fund and a report from the Auditor.

The Fund further publishes semi-annual reports, including, inter alia, a description of the investments portfolio of each sub-fund and the number of shares issued and redeemed since the last publication.

The above mentioned documents are available within four months for the annual reports and two months for the semi-annual reports of the date thereof and copies may be obtained free of charge by any person at the registered office of the Fund, as well as the Fund's Prospectus.

The accounting year of the Fund starts on July 1 and terminates on June 30.

The combined accounts of the Fund are maintained in EUR being the currency of the share capital. The financial statements relating to the various separate sub-funds are expressed in the reference currency of each sub-fund.

#### 2. Shareholders' information

##### a) Net asset value

The net asset value per share of each sub-fund is available at the registered office of the Fund and is published in "Il sole 24 Ore".

##### b) Subscription and redemption prices

The subscription and redemption prices of the shares of each sub-fund are rendered public each day at the counters of the Depositary Bank and in banks offering financial services.

##### c) Notification to the shareholders

The other information addressed to the shareholders is published at the "Registre de Commerces et des Sociétés" in Luxembourg if this publication is prescribed by the statutes or the prospectus. Moreover, they might be published in any newspaper published in the Grand-Duchy of Luxembourg and other newspaper(s) that the Board of Directors may determine.

d) The list of changes in the portfolio of each sub-fund is available free of charge upon request at the registered office of the Fund.

## General Information (continued)

### Risk Measurement and Global Exposure

The Management Company uses a risk management process that enables it to monitor and measure at any time the risk of the portfolio positions and their contribution of the overall risk profile of the sub-funds. In accordance with the law of December 17, 2010, as amended, and the applicable regulatory requirements of the Commission de Surveillance du Secteur Financier "CSSF", the Management Company reports to the CSSF on a regular basis on the risk management process. The Management Company ensures, based on appropriate and reasonable methods, that the overall risk associated with financial derivative instruments does not exceed the net asset value of the portfolio.

This means that the global exposure relating to the use of financial derivative instruments may not exceed 100% of the net asset value of the sub-fund and, therefore, the overall risk exposure of the sub-fund may not exceed 200% of its net asset value on a permanent basis.

All sub-funds use the commitment approach in order to monitor and measure the global exposure. The global exposure of the sub-funds is calculated based on the commitment approach in accordance with the methodology described in the ESMA guidelines 10-788.

### Remuneration

YELLOW FUNDS SICAV adopted the Remuneration Policy of the Mediobanca Management Company S.A. (the "Management Company").

The Remuneration Policy is aimed at ensuring that any relevant conflicts of interest can be managed appropriately at all times and sets out practices for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profile of the sub-funds, that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of those sub-funds.

This Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Funds under management and the investors in those Funds and includes measures to avoid conflicts of interest. In addition, the remuneration policy adopted applies the principles laid out under the UCITS Directive.

#### *Identified staff*

The UCITS Directive requires the Management Company to identify the categories of staff whose professional activities have a material impact on the risk profiles of the sub-funds.

The identified staff for the purpose of this Remuneration Policy are Mr. Fabio Gabriele and Mr. Fabio Ventola as Conducting Officers of Mediobanca Management Company S.A., Mr. Stefano Biondi as Board Member of Mediobanca Management Company S.A., Mr. Giovanni Mancuso and Mr. Giovanni Lainati as Independent Members of the Board of Mediobanca Management Company S.A.

#### *Structure of remuneration*

1. Fixed remuneration
2. Variable remuneration

The Management Company dedicates itself to collective asset management by managing a fund portfolio. Therefore, the variable component is predominantly established on a quantitative basis according to the actual profitability of the Management Company, taking into account any risk alignments.

The amount of individual bonuses may vary at the discretion of the management, according to assessments made regarding compliance with the business model, the attainment of targets and the absence of any critical situations or other prejudicial factors (i.e. in relation to Risks, Compliance and Anti-Money Laundering and Human Resources).

To measure performance, this discretion will be accompanied by a performance measurement system introduced at the start of each financial year in line with the allocated budget. The system will be quantitative and qualitative in nature and will consider corrective elements linked to the areas of compliance referred to above. The guidelines for the incentive scheme are determined in accordance with the policies of Mediobanca S.p.A. and the Mediobanca Group.

## General Information (continued)

### Remuneration (continued)

During its last accounting year ended June 30, 2019, the Management Company remunerated staff members as follows:

Total fixed remuneration\*: EUR 704,112.49

Total variable remuneration\*\*: EUR 144,683.12

Total remuneration: EUR 848,795.61

Number of beneficiaries 9 (this number includes employees who left the company during the accounting year), out of which 2 are "identified staff".

Aggregate amount for senior management, fund managers, control functions and other risk takers whose professional activities have a material impact on the risk profiles of the Management Company and identified in the remuneration policy as "identified staff":

Total fixed remuneration\*: EUR 351,000.00

Total variable remuneration\*\*: EUR 96,000.00

Total remuneration of identified staff: EUR 447,000.00

Aggregated amount of remuneration for other members of staff EUR 401,795.61.

\* Benefit in Kind are excluded

\*\* This amount is the variable remuneration paid to the different staff members for the year ended June 30, 2019, in compliance with the remuneration policy.

### *EU delegates*

For the management of the sub-funds YELLOW FUNDS SICAV - DIFESA BY MEDIOBANCA SGR, YELLOW FUNDS SICAV - CENTROCAMPO BY MEDIOBANCA SGR, YELLOW FUNDS SICAV - ATTACCO BY MEDIOBANCA SGR, YELLOW FUNDS SICAV - CEDOLA BY MEDIOBANCA SGR and YELLOW FUNDS SICAV - DIVIDENDO BY MEDIOBANCA SGR the gross total remuneration paid during the period July 1, 2018 - June 30, 2019 by Mediobanca SGR S.p.A. to the personnel (8 units) is equal to EUR 88,359.06, split into the fixed component equal to EUR 59,609.06 and into the estimated variable component equal to EUR 28,750.00.

## Directors' Report

### INTRODUCTION

Assets under management decreased during the year from EUR 64.2 million as of June 30, 2018 to approximately EUR 48.5 million as of June 30, 2019. The above mentioned decrease is mainly due to negative cash flows resulting from net redemptions.

### MACROECONOMIC SCENARIO

In the last 12 months (June 2018 - June 2019), global economy has experienced a slowdown, even though it has continued to grow. After a strong recovery that pushed global growth beyond the 2017 forecasts, growth progressively slowed down, exhibiting diverging trends in the various geographical areas.

In 2018, the concurrence of less expansive monetary policies and the slowdown in international trade reduced both economic growth and the related synchronization level, allowing fragile elements to be highlighted in individual economies. The continuing strengthening of the US dollar, deriving from the reformulation of monetary policy expectations and from the strength of the US economy, translated into an uneven tightening of financial conditions at global level. This particularly affected emerging economies, translating also into volatility periods in their financial markets (with particularly serious outcomes in Argentina and in Turkey).

The desynchronization of economic growth started to be noted as early as the mid-2018. In the United States growth reached its maximum level in several years, supported by the fiscal stimulus, in a context of strength in the labour market and inflation within the central bank's target. In consequence the Federal Reserve, fearing an overheating of the economy, continued to increase the objective intervals of the Fed Funds until December 2018 and to pursue the reduction of its budget at the anticipated pace. On the other hand, since mid-2018 the Eurozone experienced a loss of momentum, even though its growth rate remained above forecasts. The improvement in the labour market sustained wages, even though the ECB's target for core inflation was not achieved. The ECB continued to pursue its monetary accommodation policies until December 2018: in June 2018, it started to prepare the markets for the end of quantitative easing (QE) (having announced already in June that it would reduce the monthly volume of asset purchases from EUR 30 to EUR 15 billion starting from October, and that it would have stopped in December 2018), having however reiterated its overall forecast regarding the short term trend in official interest rates and in the reinvestment policy at the end of the program of purchases of net assets. In Asia, since the beginning of 2018, the Chinese economy experienced several signs of a slowdown, following the decision by the authorities to pursue a financial leverage reduction policy aimed at keeping fears related to financial stability under control. The marked drop in equity prices, which intensified in October, then had tightened financial conditions through its impact on loans secured by pledges over shares. In this context, the depreciation of the Renminbi, significant also with respect to the currencies of other emerging economies, exercised further pressure on other Asian currencies and on those of producers of raw materials. Consequently, there was a change in the tone of the country's monetary policy, which became more expansive in response to the worsening of economic prospects, in a context of internal imbalances and growing trading tensions.

In the last quarter of 2018, the tightening of the US monetary policy combined with the slowdown of the Chinese economy and the exacerbation of trading tensions progressively weakened manufacturing companies' confidence and gave rise to a tightening of enterprises' forecasts and a worsening of the global economic context, generating a cyclic deterioration in many advanced and emerging economies and a generalised worsening of financial conditions. In fact, global economic growth was significantly weakened and new export orders continued to fall. The purchasing managers' indices (PMI) for the manufacturing sector continued to slow down for all of the 12 months being considered. Investments in operating assets were disappointing, especially in Europe, China and in the other Asian emerging economies. There was also a slowdown in consumers' expenditure but generally this proved to be more resistant, helping to support services.

With the slowdown in the growth of the global economy and the growth in downside risks, share markets and corporate bonds experienced significant losses, first in October and then again in December. In response, the Federal Reserve paused its gradual and anticipated tightening of monetary policy: on January 4, 2019, in a conference of the American Economic Association in Atlanta, J. Powell announced a pause in his process of raising interest rates, a decision that was defined as a game changer. This greater flexibility reduced fears that the Fed would continue on "autopilot" (with regard to interest rates and its budget) and consequently the perception that it might make a monetary policy error with regard to the global economy which was starting to show signs of a slowdown.

## Directors' Report (continued)

A further positive sign was given by the significant progress in the trade negotiations between the United States and China and the expectations that the loosening of monetary and fiscal policies put in place by the Chinese monetary and fiscal authorities would lead to an improvement in growth in the second part of 2019.

Therefore, at the start of 2019 there was a renewed appetite for risk on the financial markets, which recovered quickly and was supported by subsequent signs of recovery in the economic activity. At the start of the second quarter of 2019, in particular, signs became apparent of a certain stability in the activities of advanced economies and of a fiscal relaxation and other measures put in place by the Chinese authorities.

However, in May, after relatively positive months of negotiations between the United States and China, the US administration accused China of having unilaterally redefined the terms of the agreement, pushing back on already agreed issues. The US administration then imposed a further 25% increase on tariffs on USD 200 billion of imports from China, threatening to further extend tariffs by 25% on all imported goods. China reacted with tariffs of USD 60 billion on its imports from the United States. So, the prospect of a rapidly reached agreement between the two economies receded. In addition to the tension with China, the United States experienced another tension front with respect to Mexico when President D. Trump declared that tariffs of 5% would be applied to all imports from the country as of June 10, which would rise to 10% in July, 15% in August, 20% in September and 25% in October, if the Mexico did not effectively intervene to alleviate the presumed migration crisis. Later Trump decided to suspend these tariffs against Mexico, offering new relief to the markets in particular in relation to risky assets.

The G20 Osaka summit finally prevented the tightening of the trade war between the United States and China: a truce was agreed and negotiations reopened without, however, achieving a final resolution. Therefore, significant geopolitical tensions remain at global level (Brexit, Iran, US-China tariffs). Political uncertainty continues to affect the confidence of businesses and consumers, with repercussions on global investments which translate into weak international manufacturing activity. To offset the growing risks of a slowdown in economic growth, from June the main central banks assumed a more accommodating stance, contributing to the relaxation of financial conditions and stabilising risky assets: while the bond markets price in the slowdown of economic growth and therefore a cut in the cost of money, share markets are embracing the theory that central banks can successfully manage a boost to the economic cycle. In the June monetary policy meeting, the Federal Reserve signalled the start of a "preventive cut" to the cost of money. The underlying idea is that of underwriting, at a relatively modest cost in terms of risk, an insurance policy for the risk of recession, even in the absence of imminent contractions in growth, but in the presence of downwards risks. The position was supported by governor J. Powell in his speech to Congress in mid-July. Similarly, in the attempt to prevent a strengthening of the Euro, the ECB anticipated the message from governor E. Powell and in Sintra, on occasion of the annual meeting, the ECB President, Mario Draghi, expanded on the message already delivered during the meeting of 6 June, stating that "in the absence of improvements, further stimuli will be necessary" and that therefore "in the next few weeks the Governing Council must deliberate on how to adjust instruments in relation to the severity of the risk for the stability of prices". Among the instruments available "further cuts to the official interest rates and measures to contain any negative collateral effects" were mentioned, as well as QE. The ECB, in fact, fears that the second half of 2019 might not see a new acceleration. In the meeting of 25 July, the ECB changed its own forward guidance, stating in its initial declaration that it expected that "interest rates will remain on the same or on lower levels than current ones, at least until the second half of 2020 and, in any case, until it is necessary to ensure that inflation continues to converge steadily with the mid-term target" and postponed operational decisions to September, when it will have at its disposal the new growth and inflation forecasts and the preparatory studies for the new QE programme and the implementation of the tearing system, alongside the cut to the cost of money.

Short-term risks remain. The negative consequences of the political uncertainty are apparent in the divergent trends between the manufacturing and the service sectors and in the significant weakness in world trade. The manufacturing sector PMI continue to decline in line with the decline in the business environment as companies pull back from investments at a time of great uncertainty. The growth in global trading, which is strictly related to investments, has suffered a significant slowdown, and stood at 0.5% (year on year) in the first quarter of 2019, the slowest rate since 2012. On the other hand, the services sector is holding up and consumer spending is high, with unemployment rates at record lows and income from employment increasing in many countries.

## **Directors' Report (continued)**

### **THE MARKETS PERFORMANCE**

After ending 2018 in negative territory, penalised in particular by the share markets performance in the second half of the year, the main share markets experienced a marked reversal in performance in the first half of 2019, again supported by the accommodating actions of the main central banks, mainly led by the Fed. This element constituted a veritable game changer for the market which allowed share listings to completely recover the heavy losses suffered in December. We recall here that in 2018, in fact, after a few moments characterised by sudden peaks of volatility, it was in last few months of the year that financial markets reported a phase of turbulence. Also, in October, the markets to be most affected were the US markets, in fact those markets that had acted as a driving force in the previous quarters, while the markets of other advanced economies faltered and those of emerging economies slowed down or experienced greater difficulties. After a relatively quiet November, disruption again returned at the start of December. Analysing the two phases, the drops in October had all the characteristics of a sudden adjustment in the bond yields sector. So, as it often happens in these cases, in a highly volatile environment, stock markets lost all the gains accumulated at the beginning of the year, with the decompression of term premiums and the increase in nominal and real interest rates (in those days the US 10-year bond returned to offer a yield at maturity of over 3%). The credit spread of corporate bonds widened, with the more speculative sector particularly affected. The drops in December, however, had the characteristics of an escape towards safer investments. The stock market crashed again both in the United States and at world level, credit spreads continued to widen, but this time bond yields dropped (with the US 10-year bond again falling under 3%). On the basis of these dynamics, the prevailing factors seemed to have been the conflicting signals from the economy and the changes in the perception of the orientation of the Federal Reserve. In 2018 investors had been prepared to a gradual and progressive tightening of the monetary policy but in December these expectations were redefined downwards, partly following official declarations, and partly because of new fears regarding growth prospects, fears further supported by the flattening of the yield curve and the reversal of the short-term segment, often viewed as a sign of recession. These elements had a relevant impact also because they were compounded by the concerns raised during the year by trade tensions and political uncertainties, the latter proving to have had a deterrent effect in particular on the European markets. With this backstory, the subsequent positive reaction of the markets to the new monetary accommodation declarations and initiatives by the central banks, which are set to characterise also the second part of 2019, is less surprising.

In this context the Morgan Stanley All Country World index measured in Euro showed a positive total return of 8.7% in the 12-months period (June 2018 - June 2019), thanks to the +17.2% gained in the first six months of the new year. This result derives from an essentially homogenous performance of all the main geographical areas with the exception of Japan, both at the downward stage at the end of 2018 and in the recovery in the subsequent half-year, with a marginally positive contribution to be attributed to the effect of the exchange rate with the US dollar, which rose in comparison to the Euro by 2.7% in the 12 months analysed (0.8% for the performance in the first half of 2019). In detail, the US S&P500 index rose by 10.4% in USD (total return) over the 12 months analysed, with a progression of +18.5% in the first half of 2019, remaining one of the best performing indices also in an environment of growing geopolitical risks. The technology sector also confirms its leadership, with NASDAQ 100 up 22% in USD since the start of 2019. The Japanese Topix underperformed US indices, finding its place among the most negative indices for developed markets, with a recovery of only +6.8% in JPY in the first part of 2019, improved for the European investor by the appreciation of the Yen of 2.5% in the first part of 2019 and of 5.5% in the June 2018 - June 2019 12-month period. The European listings reflected the illustrated dynamics with the Eurostoxx50 up by 17.3% (total return) in the first half of 2019 and by 6.1% in the 12-month period. At national level, the Italian FTSEMIB, after experiencing weakness in 2018 also because of political speculations, benefited from the recovery period in 2019, showing a rise of 19.9% (total return) and an overall rise for the 12-month period of +2.4%. Slightly lower performances were recorded by the German DAX index, which had been more heavily influenced by the difficulties in the manufacturing sector, while the French CAC 40 proved to be one of the best performing stock markets in Europe, with an overall progression of 21.7% (total return) in the first six months of 2019.

The stock markets of emerging countries did not perform as well in the period in question, with the MSCI Emerging Markets index in USD closing the 12-month period up by 1.55% (total return), particularly affected by the Chinese stock exchange in 2018 and in spite of the recovery of the first six months of 2019 when the aggregate index recovered by 11% in USD and the Shanghai index recovered by 28.5% in CNY. In terms of investment style, it was again "value" shares to underperform compared to "growth" stock both in the positive phases and when the markets were falling while in terms of capitalisation the market offered a reduced level of diversification in the period analysed (MSCI World Large Caps 9.31% compared to MSCI World Small Caps 0.01%, both in terms of total returns expressed in Euro measured in the last 12 months).

## Directors' Report (continued)

Moving to the bond sector, in the period analysed performances were consistent with the illustrated macroeconomic and market scenario. In particular, the dynamics of the last few months determined their decline, with the consequent positive effect on prices. Higher rated government bonds, typically those from the US and Germany, therefore recorded positive performances reaching new minimums in terms of yield for the period and even in historical terms in the case of German bonds. For example, after seeing yield rise from 1.8% at the start of 2018 to the 2.9% recorded in November, the US Treasury 2-year bond again fell to near 2.4% at the end of the year and to around 1.8% at the end of June 2019, so totally offsetting the movement of the last 18 months. Similar performance was recorded by the 10-year bond which started 2018 with a yield of 2.4% and rose to 3.23% in November, to then close at the end of the first half of 2019 at around 2.0%. The Treasury index representative of all US maturities, measured in USD, therefore recorded a positive result of 5.3% in the first half of 2019 and of 7.3% for the last 12 months. European government bonds (analysed in aggregate form) also recorded a positive 6% in the first half of 2019, thanks to the positive result of all bonds, both "core" and "peripheral" ones. So, while the German Bund recorded new absolute yield minimums, returning to negative territory with -0.35% at the end of June, with a drop of around 1 percentage point compared to the maximum levels recorded in 2018, the 10-year BTP returned to the values recorded before the political crisis in spring 2018, seeing the yield offered drop again from a maximum of 3.7% in October to 2.0%, while the 2-year bond saw the yield offered drop again to around 0%.

The corporate bond sector was affected by the same drivers that influenced the performance of stock markets. As it often happens in risk-off market phases, it was mainly the most speculative bonds to record the worst performance, in particular European ones, to then experience the greatest recoveries in the risk-on phases. The main corporate indices so recorded results between 4% in Euro for the European Investment Grade bonds and 10.5% in USD for the US sector in the 12-month period in question. A good performance in the 12-month period also for the high yield sector with +5.6% in Europe and +7.6% in USD in the United States, while emerging debt issuances in hard currency, measured in USD, reached +11.5%. The positive dynamics of the first half of 2019 were on par with what was observed in the stock market, and were determinant in reaching these results.

The exchange market has not recorded particularly significant changes in 2019, thanks to the equilibrium that the central banks have managed to guarantee in the important stage of adjustment in the market expectations of their future policies. Compared to the values at the start of the year, the single currency depreciated by only a few percentage points compared to the main currencies (-0.8% compared to the USD and -2.5% compared to the Yen).

Lastly, it is necessary to highlight the high volatility in the price of crude oil on the commodities market. Oil, measured according to the WTI contract, after experiencing a practically uninterrupted positive trend from June 2017 to September 2018, which had seen prices range from 45 USD/barrel up to 75 USD/barrel (around +80%). During the following three months after September 2018, mainly due to the fears of a slowdown in the economy, the dynamics of the offer and the effect of speculative positions, the price experienced a correction that was as sudden as it was unexpected, returning to its levels of 15 months earlier, and closing 2018 with a negative -25% in USD, to then significantly recover in 2019. Among the reasons to support this recovery, which saw prices reach over 65 USD/barrel to then settle at around 55 USD/barrel, one of the main ones was attributable to the intensification of geopolitical tensions in the Middle East and in particular the relationships between Iran and the United States. Lastly, the significant rise in the price of gold is to be noted. Supported by increasing risks associated with the global growth scenario and the newly accommodative decisions of the central banks, gold saw its price exceed 1,400 USD/once (a level not reached since 2013), with an increase of 10% just in the first six months of 2019.

## Independent Auditor's Report

To the Shareholders of  
YELLOW FUNDS SICAV  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand-Duchy of Luxembourg

### **Opinion**

We have audited the financial statements of YELLOW FUNDS SICAV (the "Fund") and of each of its sub-funds, which comprise the statement of net assets and the securities portfolio as at June 30, 2019, and the statement of operations and changes in net assets for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund and of each of its sub-funds as at June 30, 2019, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### **Basis for Opinion**

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (the "Law of July 23, 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of July 23, 2016 and ISAs are further described in the « responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements » section of our report. We are also independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other information**

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

### **Responsibilities of the Board of Directors of the Fund for the financial statements**

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

## Independent Auditor's Report (continued)

### *Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé



Bernard Lhoest  
Luxembourg, October 9, 2019

# YELLOW FUNDS SICAV

## Combined Statement of Net Assets as at June 30, 2019

	Notes	Combined EUR
<b>Assets</b>		
Investments in securities at cost		47,353,733.56
Unrealised gain / (loss) on securities		463,323.08
Investments in securities at market value		47,817,056.64
Cash at bank		935,622.25
Receivable on subscriptions		20,603.03
Receivable on investment sold		55,703.84
Receivable on withholding tax reclaim		9,827.76
Interests and dividends receivable		53,730.94
Formation expenses		3,416.55
Net unrealised gain on financial future contracts	7	15,701.97
<b>Total assets</b>		<b>48,911,662.98</b>
<b>Liabilities</b>		
Bank overdraft		1.98
Accrued expenses		293,207.61
Payable on redemptions		107,998.75
Net unrealised loss on financial future contracts	7	11,000.00
<b>Total liabilities</b>		<b>412,208.34</b>
<b>Net assets at the end of the year</b>		<b>48,499,454.64</b>

The accompanying notes form an integral part of the financial statements.

# YELLOW FUNDS SICAV

## Statement of Net Assets as at June 30, 2019

	Notes	YELLOW FUNDS SICAV - DIFESA BY MEDIOBANCA SGR EUR	YELLOW FUNDS SICAV - CENTROCAMPO BY MEDIOBANCA SGR EUR	YELLOW FUNDS SICAV - ATTACCO BY MEDIOBANCA SGR EUR
<b>Assets</b>				
Investments in securities at cost		13,674,654.13	20,127,603.18	4,944,624.87
Unrealised gain / (loss) on securities		148,056.09	319,277.95	102,009.94
Investments in securities at market value		13,822,710.22	20,446,881.13	5,046,634.81
Cash at bank		152,314.07	138,214.12	3,458.80
Receivable on subscriptions		5,336.99	12,028.98	3,138.04
Receivable on investment sold		-	-	55,703.84
Receivable on withholding tax reclaim		-	-	-
Interests and dividends receivable		-	-	-
Formation expenses		683.31	683.31	683.31
Net unrealised gain on financial future contracts	7	-	-	-
<b>Total assets</b>		<b>13,981,044.59</b>	<b>20,597,807.54</b>	<b>5,109,618.80</b>
<b>Liabilities</b>				
Bank overdraft		-	0.97	1.01
Accrued expenses		80,014.69	111,687.94	39,042.23
Payable on redemptions		9,894.61	61,110.16	25,019.96
Net unrealised loss on financial future contracts	7	-	-	-
<b>Total liabilities</b>		<b>89,909.30</b>	<b>172,799.07</b>	<b>64,063.20</b>
<b>Net assets at the end of the year</b>		<b>13,891,135.29</b>	<b>20,425,008.47</b>	<b>5,045,555.60</b>

The accompanying notes form an integral part of the financial statements.

# YELLOW FUNDS SICAV

## Statement of Net Assets as at June 30, 2019 (continued)

	Notes	EUR	EUR
<b>Assets</b>			
Investments in securities at cost		5,434,618.22	3,172,233.16
Unrealised gain / (loss) on securities		90,372.10	(196,393.00)
Investments in securities at market value		5,524,990.32	2,975,840.16
Cash at bank		349,182.04	292,453.22
Receivable on subscriptions		99.02	-
Receivable on investment sold		-	-
Receivable on withholding tax reclaim		-	9,827.76
Interests and dividends receivable		45,423.38	8,307.56
Formation expenses		683.31	683.31
Net unrealised gain on financial future contracts	7	15,701.97	-
<b>Total assets</b>		<b>5,936,080.04</b>	<b>3,287,112.01</b>
<b>Liabilities</b>			
Bank overdraft		-	-
Accrued expenses		31,112.68	31,350.07
Payable on redemptions		-	11,974.02
Net unrealised loss on financial future contracts	7	-	11,000.00
<b>Total liabilities</b>		<b>31,112.68</b>	<b>54,324.09</b>
<b>Net assets at the end of the year</b>		<b>5,904,967.36</b>	<b>3,232,787.92</b>

The accompanying notes form an integral part of the financial statements.

# YELLOW FUNDS SICAV

## Combined Statement of Operations and Changes in Net Assets for the year ended June 30, 2019

	Notes	EUR
<b>Income</b>		
Dividends (net of withholding taxes)		408,554.35
Interests on bonds (net of withholding taxes)		202,942.75
Bank interests		3,528.05
Other income		23,998.79
<b>Total income</b>		<b>639,023.94</b>
<b>Expenses</b>		
Investment management fees	4	888,395.28
Management company fees	5	28,432.80
Depository bank fees	5	39,988.68
Administration fees	5	130,057.92
Professional fees		153,658.39
Transactions costs	8	25,683.16
Subscription tax	6	15,118.43
Amortization of formation expenses		3,988.35
Bank interests and charges		73,006.21
Printing & publication fees		12,339.58
Other expenses		189,172.75
<b>Total expenses</b>		<b>1,559,841.55</b>
<b>Net investment income / (loss)</b>		<b>(920,817.61)</b>
Net realised gain / (loss) on:		
Investments		1,697,269.35
Forward foreign exchange contracts		(482,325.61)
Financial future contracts		(263,544.88)
Foreign exchange translations		13,773.69
<b>Net realised gain / (loss) for the year</b>		<b>44,354.94</b>
Net change in unrealised gain / (loss) on:		
Investments		(2,225,358.77)
Forward foreign exchange contracts		291,812.58
Financial future contracts		5,736.83
<b>Increase / (Decrease) in net assets as a result of operations</b>		<b>(1,883,454.42)</b>
Dividend distribution	9	(168,800.07)
Subscriptions		3,421,429.26
Redemptions		(17,079,817.01)
Net assets at the beginning of the year		64,210,096.88
<b>Net assets at the end of the year</b>		<b>48,499,454.64</b>

The accompanying notes form an integral part of the financial statements.

# YELLOW FUNDS SICAV

## Statement of Operations and Changes in Net Assets for the year ended June 30, 2019

Notes	EUR	EUR	EUR
	<b>YELLOW FUNDS SICAV - DIFESA BY MEDIOBANCA SGR</b>	<b>YELLOW FUNDS SICAV - CENTROCAMPO BY MEDIOBANCA SGR</b>	<b>YELLOW FUNDS SICAV - ATTACCO BY MEDIOBANCA SGR</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>Income</b>			
Dividends (net of withholding taxes)	81,216.95	139,535.56	35,565.42
Interests on bonds (net of withholding taxes)	-	-	-
Bank interests	203.42	351.92	145.19
Other income	8,723.40	12,254.02	3,021.16
<b>Total income</b>	<b>90,143.77</b>	<b>152,141.50</b>	<b>38,731.77</b>
<b>Expenses</b>			
Investment management fees	4 262,137.24	389,595.84	93,217.11
Management company fees	5 7,825.00	11,629.72	2,782.60
Depository bank fees	5 11,542.66	12,766.24	7,277.91
Administration fees	5 27,185.34	30,024.94	26,129.77
Professional fees	40,466.77	40,992.01	24,069.00
Transactions costs	8 8,387.42	11,661.01	2,805.09
Subscription tax	6 3,229.18	4,786.14	1,241.68
Amortization of formation expenses	797.67	797.67	797.67
Bank interests and charges	11,568.42	12,737.33	12,448.92
Printing & publication fees	3,509.60	4,890.61	1,564.30
Other expenses	44,467.57	60,888.38	32,535.62
<b>Total expenses</b>	<b>421,116.87</b>	<b>580,769.89</b>	<b>204,869.67</b>
<b>Net investment income / (loss)</b>	<b>(330,973.10)</b>	<b>(428,628.39)</b>	<b>(166,137.90)</b>
Net realised gain / (loss) on:			
Investments	382,520.30	980,728.42	435,409.06
Forward foreign exchange contracts	(102,787.25)	(280,632.61)	(98,905.75)
Financial future contracts	12,617.15	3,316.92	(38,256.87)
Foreign exchange translations	1,733.19	4,396.11	1,445.26
<b>Net realised gain / (loss) for the year</b>	<b>(36,889.71)</b>	<b>279,180.45</b>	<b>133,553.80</b>
Net change in unrealised gain / (loss) on:			
Investments	(530,007.84)	(1,290,354.03)	(512,500.85)
Forward foreign exchange contracts	57,614.76	172,509.62	61,688.20
Financial future contracts	-	-	14,436.37
<b>Increase / (Decrease) in net assets as a result of operations</b>	<b>(509,282.79)</b>	<b>(838,663.96)</b>	<b>(302,822.48)</b>
Dividend distribution	9 (12,682.14)	(24,881.03)	(2,117.52)
Subscriptions	836,688.64	1,573,934.52	496,966.48
Redemptions	(3,993,813.62)	(6,496,547.54)	(1,750,718.79)
Net assets at the beginning of the year	17,570,225.20	26,211,166.48	6,604,247.91
<b>Net assets at the end of the year</b>	<b>13,891,135.29</b>	<b>20,425,008.47</b>	<b>5,045,555.60</b>

The accompanying notes form an integral part of the financial statements.

## YELLOW FUNDS SICAV

### Statement of Operations and Changes in Net Assets for the year ended June 30, 2019 (continued)

	Notes	EUR	EUR
<b>Income</b>			
Dividends (net of withholding taxes)		-	152,236.42
Interests on bonds (net of withholding taxes)		173,088.30	29,854.45
Bank interests		2,822.89	4.63
Other income		-	0.21
<b>Total income</b>		<b>175,911.19</b>	<b>182,095.71</b>
<b>Expenses</b>			
Investment management fees	4	75,604.28	67,840.81
Management company fees	5	4,200.19	1,995.29
Depositary bank fees	5	4,610.25	3,791.62
Administration fees	5	22,845.91	23,871.96
Professional fees		25,803.00	22,327.61
Transactions costs	8	411.25	2,418.39
Subscription tax	6	3,959.97	1,901.46
Amortization of formation expenses		797.67	797.67
Bank interests and charges		17,648.00	18,603.54
Printing & publication fees		1,618.09	756.98
Other expenses		28,055.65	23,225.53
<b>Total expenses</b>		<b>185,554.26</b>	<b>167,530.86</b>
<b>Net investment income / (loss)</b>		<b>(9,643.07)</b>	<b>14,564.85</b>
Net realised gain / (loss) on:			
Investments		(81,080.79)	(20,307.64)
Forward foreign exchange contracts		-	-
Financial future contracts		(190,527.38)	(50,694.70)
Foreign exchange translations		6,198.12	1.01
<b>Net realised gain / (loss) for the year</b>		<b>(275,053.12)</b>	<b>(56,436.48)</b>
Net change in unrealised gain / (loss) on:			
Investments		412,757.54	(305,253.59)
Forward foreign exchange contracts		-	-
Financial future contracts		47,152.54	(55,852.08)
<b>Increase / (Decrease) in net assets as a result of operations</b>		<b>184,856.96</b>	<b>(417,542.15)</b>
Dividend distribution	9	(47,803.77)	(81,315.61)
Subscriptions		353,996.68	159,842.94
Redemptions		(3,894,199.51)	(944,537.55)
Net assets at the beginning of the year		9,308,117.00	4,516,340.29
<b>Net assets at the end of the year</b>		<b>5,904,967.36</b>	<b>3,232,787.92</b>

The accompanying notes form an integral part of the financial statements.

## YELLOW FUNDS SICAV

### Statement of Changes in the Number of Shares for the year ended June 30, 2019

	Number of shares at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares at the end of the year
<b>YELLOW FUNDS SICAV - DIFESA BY MEDIOBANCA SGR</b>				
<i>Classic C</i>	167,220.04	6,706.18	37,788.57	136,137.65
<i>Classic D</i>	13,683.85	2,096.62	4,498.55	11,281.92
<b>YELLOW FUNDS SICAV - CENTROCAMPO BY MEDIOBANCA SGR</b>				
<i>Classic C</i>	238,322.32	14,047.61	59,962.01	192,407.92
<i>Classic D</i>	27,534.88	2,306.74	7,978.63	21,862.99
<b>YELLOW FUNDS SICAV - ATTACCO BY MEDIOBANCA SGR</b>				
<i>Classic C</i>	66,502.80	4,558.83	17,811.29	53,250.34
<i>Classic D</i>	1,902.52	788.93	771.77	1,919.68
<b>YELLOW FUNDS SICAV - CEDOLA BY MEDIOBANCA SGR</b>				
<i>Classic D</i>	98,733.47	3,762.54	41,118.66	61,377.35
<b>YELLOW FUNDS SICAV - DIVIDENDO BY MEDIOBANCA SGR</b>				
<i>Classic D</i>	46,253.78	1,711.30	10,227.66	37,737.42

The accompanying notes form an integral part of the financial statements.

# YELLOW FUNDS SICAV

## Statistics

Sub-fund	Date	Number of Outstanding Shares		Total Net Assets (in EUR)	Net Asset Value per Share (in EUR)	
YELLOW FUNDS SICAV - DIFESA BY MEDIOBANCA SGR	June 30, 2017	204,210.80	Classic C	20,919,063.26	98.37	Classic C
		8,342.53	Classic D		99.58	Classic D
	June 30, 2018	167,220.04	Classic C	17,570,225.20	97.11	Classic C
		13,683.85	Classic D		97.32	Classic D
	June 30, 2019	136,137.65	Classic C	13,891,135.29	94.29	Classic C
		11,281.92	Classic D		93.49	Classic D
YELLOW FUNDS SICAV - CENTROCAMPO BY MEDIOBANCA SGR	June 30, 2017	284,759.99	Classic C	29,983,987.30	98.12	Classic C
		20,384.00	Classic D		100.22	Classic D
	June 30, 2018	238,322.32	Classic C	26,211,166.48	98.54	Classic C
		27,534.88	Classic D		99.08	Classic D
	June 30, 2019	192,407.92	Classic C	20,425,008.47	95.37	Classic C
		21,862.99	Classic D		94.88	Classic D
YELLOW FUNDS SICAV - ATTACCO BY MEDIOBANCA SGR	June 30, 2017	84,112.88	Classic C	8,186,488.95	95.68	Classic C
		1,384.56	Classic D		100.24	Classic D
	June 30, 2018	66,502.80	Classic C	6,604,247.91	96.47	Classic C
		1,902.52	Classic D		99.12	Classic D
	June 30, 2019	53,250.34	Classic C	5,045,555.60	91.40	Classic C
		1,919.68	Classic D		92.89	Classic D
YELLOW FUNDS SICAV - CEDOLA BY MEDIOBANCA SGR	June 30, 2017	91,796.78	Classic D	9,102,083.97	99.15	Classic D
	June 30, 2018	98,733.47	Classic D	9,308,117.00	94.28	Classic D
	June 30, 2019	61,377.35	Classic D	5,904,967.36	96.21	Classic D
YELLOW FUNDS SICAV - DIVIDENDO BY MEDIOBANCA SGR	June 30, 2017	66,780.86	Classic D	6,787,985.47	101.65	Classic D
	June 30, 2018	46,253.78	Classic D	4,516,340.29	97.64	Classic D
	June 30, 2019	37,737.42	Classic D	3,232,787.92	85.67	Classic D

The accompanying notes form an integral part of the financial statements.

# YELLOW FUNDS SICAV

## YELLOW FUNDS SICAV - DIFESA BY MEDIOBANCA SGR (in EUR)

### Securities Portfolio as at June 30, 2019

Name	Currency	Quantity/Nominal	Market Value in EUR	% NAV
<b>Funds</b>				
<b>Undertakings for collective investment</b>				
<b>Open-ended funds</b>				
ESPERIA FUNDS SICAV DUEMME BETA NEUTRAL IEC	EUR	15,607.10	1,343,927.12	9.67
ESPERIA FUNDS SICAV SYSTEMATIC DIVERSIFICATION INC	EUR	11,884.53	1,447,060.62	10.42
ISHARES CORE EM IMI ACC	EUR	22,794.00	566,316.93	4.08
ISHARES GLOBAL HY CORP-DISTR	EUR	5,154.00	439,172.34	3.16
ISHARES ITALY GOVERNMENT BD EUR SHS	EUR	5,400.00	857,250.00	6.17
ISHARES JP MORGAN USD EM BON	EUR	1,513.00	149,862.65	1.08
ISHARES NIKKEI 225 JPY ACC	EUR	2,216.00	362,094.40	2.61
ISHS CO EUR COR EUR SHS EUR ETF	EUR	15,940.00	2,134,366.00	15.36
JPM BETAB USTRE13YR UCIT ETF	EUR	13,800.00	1,250,073.00	9.00
LYXOR ETF S&P 500-A	EUR	27,734.00	733,980.31	5.28
LYXOR SMART CASH	EUR	1,921.00	1,840,516.35	13.25
MEDIOBANCA DEFENSIVE PTF-IE	EUR	426,700.70	2,129,236.50	15.33
X MSCI EMU	EUR	14,300.00	568,854.00	4.10
			<b>13,822,710.22</b>	<b>99.51</b>
<b>Total Undertakings for collective investment</b>			<b>13,822,710.22</b>	<b>99.51</b>
<b>Total Funds</b>			<b>13,822,710.22</b>	<b>99.51</b>
<b>Total Securities Portfolio as at June 30, 2019</b>			<b>13,822,710.22</b>	<b>99.51</b>

The accompanying notes form an integral part of the financial statements.

# YELLOW FUNDS SICAV

## YELLOW FUNDS SICAV - DIFESA BY MEDIOBANCA SGR (in EUR)

### Portfolio Breakdowns

Country allocation	% of portfolio	% of net assets
Luxembourg	42.94	42.72
Ireland	41.66	41.46
Italy	15.40	15.33
<b>Grand Total</b>	<b>100.00</b>	<b>99.51</b>

Sector allocation	% of portfolio	% of net assets
Open-ended funds	100.00	99.51
<b>Grand Total</b>	<b>100.00</b>	<b>99.51</b>

### Top Ten Holdings

Top Ten Holdings	Sector	Market value in EUR	% of net assets
ISHS CO EUR COR EUR SHS EUR ETF	Open-ended funds	2,134,366.00	15.36
MEDIOBANCA DEFENSIVE PTF-IE	Open-ended funds	2,129,236.50	15.33
LYXOR SMART CASH	Open-ended funds	1,840,516.35	13.25
ESPERIA FUNDS SICAV SYSTEMATIC DIVERSIFICATION INC	Open-ended funds	1,447,060.62	10.42
ESPERIA FUNDS SICAV DUEMME BETA NEUTRAL IEC	Open-ended funds	1,343,927.12	9.67
JPM BETAB USTRE13YR UCIT ETF	Open-ended funds	1,250,073.00	9.00
ISHARES ITALY GOVERNMENT BD EUR SHS	Open-ended funds	857,250.00	6.17
LYXOR ETF S&P 500-A	Open-ended funds	733,980.31	5.28
X MSCI EMU	Open-ended funds	568,854.00	4.10
ISHARES CORE EM IMI ACC	Open-ended funds	566,316.93	4.08

The accompanying notes form an integral part of the financial statements.

# YELLOW FUNDS SICAV

## YELLOW FUNDS SICAV - CENTROCAMPO BY MEDIOBANCA SGR (in EUR)

### Securities Portfolio as at June 30, 2019

Name	Currency	Quantity/Nominal	Market Value in EUR	% NAV
<b>Funds</b>				
<b>Undertakings for collective investment</b>				
<b>Open-ended funds</b>				
DUEMME GLOBAL FINANCIAL-I	EUR	108,838.81	547,568.07	2.68
ESPERIA FUNDS SICAV DUEMME BETA NEUTRAL IEC	EUR	23,573.32	2,029,898.67	9.94
ESPERIA FUNDS SICAV SYSTEMATIC DIVERSIFICATION INC	EUR	22,435.54	2,731,750.99	13.38
ISHARES CORE EM IMI ACC	EUR	91,400.00	2,270,833.00	11.13
ISHARES CORE S&P 500 UCITS ETF	EUR	4,800.00	1,219,968.00	5.97
ISHARES GLOBAL HY CORP-DISTR	EUR	16,900.00	1,440,049.00	7.05
ISHARES ITALY GOVERNMENT BD EUR SHS	EUR	2,836.00	450,215.00	2.20
ISHARES JP MORGAN USD EM BON	EUR	9,390.00	930,079.50	4.55
ISHARES NIKKEI 225 JPY ACC	EUR	10,750.00	1,756,550.00	8.60
JPM BETAB USTRE13YR UCIT ETF	EUR	11,200.00	1,014,552.00	4.97
LYXOR ETF S&P 500-A	EUR	39,240.00	1,038,486.60	5.08
LYXOR SMART CASH	EUR	1,100.00	1,024,087.90	5.01
MEDIOBANCA DEFENSIVE PTF-IE	EUR	417,116.91	2,081,413.40	10.19
X MSCI EMU	EUR	48,050.00	1,911,429.00	9.36
			<b>20,446,881.13</b>	<b>100.11</b>
<b>Total Undertakings for collective investment</b>			<b>20,446,881.13</b>	<b>100.11</b>
<b>Total Funds</b>			<b>20,446,881.13</b>	<b>100.11</b>
<b>Total Securities Portfolio as at June 30, 2019</b>			<b>20,446,881.13</b>	<b>100.11</b>

The accompanying notes form an integral part of the financial statements.

# YELLOW FUNDS SICAV

## YELLOW FUNDS SICAV - CENTROCAMPO BY MEDIOBANCA SGR (in EUR)

### Portfolio breakdowns

Country allocation	% of portfolio	% of net assets
Ireland	44.42	44.47
Luxembourg	42.72	42.77
Italy	12.86	12.87
<b>Grand Total</b>	<b>100.00</b>	<b>100.11</b>

Sector allocation	% of portfolio	% of net assets
Open-ended funds	100.00	100.11
<b>Grand Total</b>	<b>100.00</b>	<b>100.11</b>

### Top Ten Holdings

Top Ten Holdings	Sector	Market value in EUR	% of net assets
ESPERIA FUNDS SICAV SYSTEMATIC DIVERSIFICATION INC	Open-ended funds	2,731,750.99	13.38
ISHARES CORE EM IMI ACC	Open-ended funds	2,270,833.00	11.13
MEDIOBANCA DEFENSIVE PTF-IE	Open-ended funds	2,081,413.40	10.19
ESPERIA FUNDS SICAV DUEMME BETA NEUTRAL IEC	Open-ended funds	2,029,898.67	9.94
X MSCI EMU	Open-ended funds	1,911,429.00	9.36
ISHARES NIKKEI 225 JPY ACC	Open-ended funds	1,756,550.00	8.60
ISHARES GLOBAL HY CORP-DISTR	Open-ended funds	1,440,049.00	7.05
ISHARES CORE S&P 500 UCITS ETF	Open-ended funds	1,219,968.00	5.97
LYXOR ETF S&P 500-A	Open-ended funds	1,038,486.60	5.08
LYXOR SMART CASH	Open-ended funds	1,024,087.90	5.01

The accompanying notes form an integral part of the financial statements.

# YELLOW FUNDS SICAV

## YELLOW FUNDS SICAV - ATTACCO BY MEDIOBANCA SGR (in EUR)

### Securities Portfolio as at June 30, 2019

Name	Currency	Quantity/Nominal	Market Value in EUR	% NAV
<b>Funds</b>				
<b>Undertakings for collective investment</b>				
<b>Open-ended funds</b>				
DUEMME GLOBAL FINANCIAL-I	EUR	53,138.52	267,339.88	5.30
ESPERIA FUNDS SICAV DUEMME BETA NEUTRAL IEC	EUR	8,629.37	743,074.79	14.73
ESPERIA FUNDS SICAV SYSTEMATIC DIVERSIFICATION INC	EUR	6,260.48	762,276.29	15.11
ISHARES CORE EM IMI ACC	EUR	26,640.00	661,870.80	13.12
ISHARES CORE S&P 500 UCITS ETF	EUR	2,000.00	508,320.00	10.07
ISHARES GLOBAL HY CORP-DISTR	EUR	5,440.00	463,542.40	9.19
ISHARES JP MORGAN USD EM BON	EUR	2,600.00	257,530.00	5.10
ISHARES NIKKEI 225 JPY ACC	EUR	2,500.00	408,500.00	8.10
LYXOR ETF S&P 500-A	EUR	17,450.00	461,814.25	9.15
X MSCI EMU	EUR	12,880.00	512,366.40	10.15
			<b>5,046,634.81</b>	<b>100.02</b>
<b>Total Undertakings for collective investment</b>			<b>5,046,634.81</b>	<b>100.02</b>
<b>Total Funds</b>			<b>5,046,634.81</b>	<b>100.02</b>
<b>Total Securities Portfolio as at June 30, 2019</b>			<b>5,046,634.81</b>	<b>100.02</b>

The accompanying notes form an integral part of the financial statements.

# YELLOW FUNDS SICAV

## YELLOW FUNDS SICAV - ATTACCO BY MEDIOBANCA SGR (in EUR)

### Portfolio breakdowns

Country allocation	% of portfolio	% of net assets
Luxembourg	49.13	49.14
Ireland	45.57	45.58
Italy	5.30	5.30
<b>Grand Total</b>	<b>100.00</b>	<b>100.02</b>

Sector allocation	% of portfolio	% of net assets
Open-ended funds	100.00	100.02
<b>Grand Total</b>	<b>100.00</b>	<b>100.02</b>

### Top Ten Holdings

Top Ten Holdings	Sector	Market value in EUR	% of net assets
ESPERIA FUNDS SICAV SYSTEMATIC DIVERSIFICATION INC	Open-ended funds	762,276.29	15.11
ESPERIA FUNDS SICAV DUEMME BETA NEUTRAL IEC	Open-ended funds	743,074.79	14.73
ISHARES CORE EM IMI ACC	Open-ended funds	661,870.80	13.12
X MSCI EMU	Open-ended funds	512,366.40	10.15
ISHARES CORE S&P 500 UCITS ETF	Open-ended funds	508,320.00	10.07
ISHARES GLOBAL HY CORP-DISTR	Open-ended funds	463,542.40	9.19
LYXOR ETF S&P 500-A	Open-ended funds	461,814.25	9.15
ISHARES NIKKEI 225 JPY ACC	Open-ended funds	408,500.00	8.10
DUEMME GLOBAL FINANCIAL-I	Open-ended funds	267,339.88	5.30
ISHARES JP MORGAN USD EM BON	Open-ended funds	257,530.00	5.10

The accompanying notes form an integral part of the financial statements.

YELLOW FUNDS SICAV - CEDOLA BY MEDIOBANCA SGR (in EUR)

Securities Portfolio as at June 30, 2019

Name	Currency	Quantity/Nominal	Market Value in EUR	% NAV
<b>Transferable securities admitted to an official exchange listing</b>				
<b>Bonds and other debt instruments</b>				
<b>Bonds states, federal states</b>				
ITALY BTPS 0.2% 17-15/10/2020	EUR	300,000.00	300,753.00	5.09
ITALY BTPS 1.35% 15-15/04/2022	EUR	400,000.00	406,804.00	6.89
ITALY BTPS 2.15% 14-15/12/2021	EUR	300,000.00	311,526.00	5.28
US TREASURY N/B 1.625% 16-15/05/2026	USD	550,000.00	475,725.45	8.07
US TREASURY N/B 2.25% 17-15/02/2027	USD	500,000.00	450,414.54	7.63
US TREASURY N/B 2.25% 17-15/08/2027	USD	500,000.00	450,208.37	7.62
WI TREASURY SEC. 2.25% 15-15/11/2025	USD	200,000.00	180,028.37	3.05
			<b>2,575,459.73</b>	<b>43.63</b>
<b>Banks</b>				
ABN AMRO BANK NV 2.875% 15-30/06/2025	EUR	200,000.00	205,306.00	3.48
BARCLAYS PLC 15-11/11/2025 FRN	EUR	200,000.00	202,542.00	3.43
BK NED GEMEENTEN 1.125% 14-04/09/2024	EUR	100,000.00	107,610.00	1.82
CRED AGRICOLE SA 4.375% 15-17/03/2025	USD	200,000.00	184,051.72	3.12
HSBC HOLDINGS 14-29/12/2049 FRN	USD	200,000.00	176,301.90	2.99
KFW 1.875% 15-30/06/2020	USD	100,000.00	87,805.24	1.49
UBS AG 14-12/02/2026 FRN	EUR	200,000.00	213,204.00	3.61
UNIONE DI BANCHE 4.25% 16-05/05/2026	EUR	200,000.00	204,440.00	3.45
			<b>1,381,260.86</b>	<b>23.39</b>
<b>Holdings</b>				
CDP RETI SRL 1.875% 15-29/05/2022	EUR	400,000.00	406,100.00	6.88
			<b>406,100.00</b>	<b>6.88</b>
<b>Other credit institutions</b>				
SACE SPA 15-10/02/2049 FRN	EUR	200,000.00	201,582.00	3.41
			<b>201,582.00</b>	<b>3.41</b>
<b>Distribution water, gas, electricity, energy</b>				
ELEC DE FRANCE 13-29/12/2049 FRN	USD	100,000.00	89,916.43	1.52
			<b>89,916.43</b>	<b>1.52</b>
<b>Total Bonds and other debt instruments</b>			<b>4,654,319.02</b>	<b>78.83</b>
<b>Total Transferable securities admitted to an official exchange listing</b>			<b>4,654,319.02</b>	<b>78.83</b>
<b>Transferable securities dealt in on another regulated market</b>				
<b>Bonds and other debt instruments</b>				
<b>Bonds states, federal states</b>				
SPAIN I/L BOND 0.55% 14-30/11/2019	EUR	200,000.00	210,521.30	3.56
SPANISH GOVT 2.15% 15-31/10/2025	EUR	200,000.00	227,072.00	3.85
			<b>437,593.30</b>	<b>7.41</b>
<b>Insurances</b>				
ASSICURAZIONI 4.125% 14-04/05/2026	EUR	200,000.00	223,128.00	3.78
			<b>223,128.00</b>	<b>3.78</b>
<b>Banks</b>				
UNICREDIT SPA 3.25% 14-14/01/2021	EUR	200,000.00	209,950.00	3.55
			<b>209,950.00</b>	<b>3.55</b>
<b>Total Bonds and other debt instruments</b>			<b>870,671.30</b>	<b>14.74</b>
<b>Total Transferable securities dealt in on another regulated market</b>			<b>870,671.30</b>	<b>14.74</b>
<b>Total Securities Portfolio as at June 30, 2019</b>			<b>5,524,990.32</b>	<b>93.57</b>

The accompanying notes form an integral part of the financial statements.

# YELLOW FUNDS SICAV

## YELLOW FUNDS SICAV - CEDOLA BY MEDIOBANCA SGR (in EUR)

### Portfolio breakdowns

Country allocation	% of portfolio	% of net assets
Italy	40.98	38.33
United-States (U.S.A)	28.17	26.37
Spain	7.92	7.41
Great-Britain	6.86	6.42
Netherlands	5.66	5.30
France	4.96	4.64
Switzerland	3.86	3.61
Germany	1.59	1.49
<b>Grand Total</b>	<b>100.00</b>	<b>93.57</b>

Sector allocation	% of portfolio	% of net assets
Bonds states, federal states	54.53	51.04
Banks	28.80	26.94
Holdings	7.35	6.88
Insurances	4.04	3.78
Other credit institutions	3.65	3.41
Distribution water, gas, electricity, energy	1.63	1.52
<b>Grand Total</b>	<b>100.00</b>	<b>93.57</b>

### Top Ten Holdings

Top Ten Holdings	Sector	Market value in EUR	% of net assets
US TREASURY N/B 1.625% 16-15/05/2026	Bonds states, federal states	475,725.45	8.07
US TREASURY N/B 2.25% 17-15/02/2027	Bonds states, federal states	450,414.54	7.63
US TREASURY N/B 2.25% 17-15/08/2027	Bonds states, federal states	450,208.37	7.62
ITALY BTPS 1.35% 15-15/04/2022	Bonds states, federal states	406,804.00	6.89
CDP RETI SRL 1.875% 15-29/05/2022	Holdings	406,100.00	6.88
ITALY BTPS 2.15% 14-15/12/2021	Bonds states, federal states	311,526.00	5.28
ITALY BTPS 0.2% 17-15/10/2020	Bonds states, federal states	300,753.00	5.09
SPANISH GOVT 2.15% 15-31/10/2025	Bonds states, federal states	227,072.00	3.85
ASSICURAZIONI 4.125% 14-04/05/2026	Insurances	223,128.00	3.78
UBS AG 14-12/02/2026 FRN	Banks	213,204.00	3.61

The accompanying notes form an integral part of the financial statements.

## YELLOW FUNDS SICAV - DIVIDENDO BY MEDIOBANCA SGR (in EUR)

### Securities Portfolio as at June 30, 2019

Name	Currency	Quantity/Nominal	Market Value in EUR	% NAV
<b>Transferable securities admitted to an official exchange listing</b>				
<b>Shares</b>				
<b>Banks</b>				
ING GROEP NV	EUR	17,400.00	177,410.40	5.49
INTESA SANPAOLO	EUR	75,000.00	141,150.00	4.37
NATIXIS	EUR	19,600.00	69,364.40	2.15
NORDEA BANK ABP	EUR	22,600.00	144,368.80	4.47
UNICREDIT SPA	EUR	6,150.00	66,579.90	2.05
			<b>598,873.50</b>	<b>18.53</b>
<b>Distribution water, gas, electricity, energy</b>				
ENDESA SA	EUR	2,700.00	61,047.00	1.89
ENGIE	EUR	5,330.00	71,102.20	2.20
ENI SPA	EUR	6,900.00	100,781.40	3.12
FORTUM OYJ	EUR	2,900.00	56,361.50	1.74
REPSOL SA	EUR	4,747.00	65,437.40	2.02
ROYAL DUTCH SHELL PLC-A SHS	EUR	4,400.00	126,324.00	3.91
			<b>481,053.50</b>	<b>14.88</b>
<b>Insurances</b>				
ALLIANZ SE-REG	EUR	350.00	74,200.00	2.30
ASSICURAZIONI GENERALI	EUR	4,400.00	72,864.00	2.25
AXA SA	EUR	4,200.00	97,020.00	3.00
SAMPO OYJ-A SHS	EUR	3,900.00	161,850.00	5.01
			<b>405,934.00</b>	<b>12.56</b>
<b>Construction of machinery and vehicles</b>				
DAIMLER AG-REGISTERED SHARES	EUR	1,400.00	68,495.00	2.12
FIAT CHRYSLER AUTOMOBILES NV	EUR	8,150.00	99,967.90	3.09
NOKIAN RENKAAT OYJ	EUR	4,500.00	123,570.00	3.82
			<b>292,032.90</b>	<b>9.03</b>
<b>Pharmaceuticals, cosmetics, biotechnology</b>				
BAYER AG-REG	EUR	1,908.00	116,273.52	3.60
KONINKLIJKE PHILIPS NV	EUR	1,750.00	66,823.75	2.07
SANOFI	EUR	1,200.00	91,092.00	2.81
			<b>274,189.27</b>	<b>8.48</b>
<b>Distribution, retail trade</b>				
ONTEX GROUP NV - W/I	EUR	5,700.00	80,826.00	2.50
UNIEURO SPA	EUR	4,250.00	59,840.00	1.85
			<b>140,666.00</b>	<b>4.35</b>
<b>Miscellaneous services</b>				
APPLUS SERVICES SA	EUR	8,550.00	102,172.50	3.16
			<b>102,172.50</b>	<b>3.16</b>
<b>Audiovisual</b>				
PROSIEBENSAT.1 MEDIA SE	EUR	3,600.00	49,734.00	1.54
RTL GROUP	EUR	1,100.00	49,544.00	1.53
			<b>99,278.00</b>	<b>3.07</b>
<b>Telecommunications</b>				
FREENET AG	EUR	2,700.00	47,506.50	1.47
TELEFONICA DEUTSCHLAND HOLDI	EUR	18,500.00	45,454.50	1.41
			<b>92,961.00</b>	<b>2.88</b>
<b>Transportation and transportation materials</b>				
INTL CONSOLIDATED AIRLINE-DI	EUR	15,000.00	79,740.00	2.47
			<b>79,740.00</b>	<b>2.47</b>
<b>Chemical products</b>				
BASF SE	EUR	1,120.00	71,590.40	2.21
			<b>71,590.40</b>	<b>2.21</b>

The accompanying notes form an integral part of the financial statements.

# YELLOW FUNDS SICAV

## YELLOW FUNDS SICAV - DIVIDENDO BY MEDIOBANCA SGR (in EUR)

### Securities Portfolio as at June 30, 2019 (continued)

Name	Currency	Quantity/Nominal	Market Value in EUR	% NAV
<b>Advertising, communication</b>				
PUBLICIS GROUPE	EUR	750.00	34,822.50	1.08
			<b>34,822.50</b>	<b>1.08</b>
<b>Electrics, electronics</b>				
SILTRONIC AG	EUR	500.00	32,120.00	0.99
			<b>32,120.00</b>	<b>0.99</b>
<b>Total Shares</b>			<b>2,705,433.57</b>	<b>83.69</b>
<b>Bonds and other debt instruments</b>				
<b>Banks</b>				
UNICREDIT SPA 14-29/12/2049 FRN	EUR	200,000.00	200,088.00	6.19
			<b>200,088.00</b>	<b>6.19</b>
<b>Building and building materials</b>				
OBRASCON HUARTE 5.5% 15-15/03/2023	EUR	100,000.00	68,003.00	2.10
			<b>68,003.00</b>	<b>2.10</b>
<b>Total Bonds and other debt instruments</b>			<b>268,091.00</b>	<b>8.29</b>
<b>Right</b>				
<b>Distribution water, gas, electricity, energy</b>				
REPSOL SA RTS 04/07/2019	EUR	4,747.00	2,315.59	0.07
			<b>2,315.59</b>	<b>0.07</b>
<b>Total Right</b>			<b>2,315.59</b>	<b>0.07</b>
<b>Total Transferable securities admitted to an official exchange listing</b>			<b>2,975,840.16</b>	<b>92.05</b>
<b>Total Securities Portfolio as at June 30, 2019</b>			<b>2,975,840.16</b>	<b>92.05</b>

The accompanying notes form an integral part of the financial statements.

# YELLOW FUNDS SICAV

## YELLOW FUNDS SICAV - DIVIDENDO BY MEDIOBANCA SGR (in EUR)

### Portfolio breakdowns

Country allocation	% of portfolio	% of net assets
Italy	21.55	19.85
Germany	16.98	15.63
Finland	16.34	15.04
Netherlands	15.81	14.55
Spain	12.73	11.71
France	12.21	11.24
Belgium	2.72	2.50
Luxembourg	1.66	1.53
<b>Grand Total</b>	<b>100.00</b>	<b>92.05</b>

Sector allocation	% of portfolio	% of net assets
Banks	26.85	24.72
Distribution water, gas, electricity, energy	16.24	14.95
Insurances	13.64	12.56
Construction of machinery and vehicles	9.81	9.03
Pharmaceutics, cosmetics, biotechnology	9.21	8.48
Distribution, retail trade	4.73	4.35
Miscellaneous services	3.43	3.16
Audiovisual	3.34	3.07
Telecommunications	3.12	2.88
Transportation and transportation materials	2.68	2.47
Chemical products	2.41	2.21
Building and building materials	2.29	2.10
Advertising, communication	1.17	1.08
Electrics, electronics	1.08	0.99
<b>Grand Total</b>	<b>100.00</b>	<b>92.05</b>

### Top Ten Holdings

Top Ten Holdings	Sector	Market value in EUR	% of net assets
UNICREDIT SPA 14-29/12/2049 FRN	Banks	200,088.00	6.19
ING GROEP NV	Banks	177,410.40	5.49
SAMPO OYJ-A SHS	Insurances	161,850.00	5.01
NORDEA BANK ABP	Banks	144,368.80	4.47
INTESA SANPAOLO	Banks	141,150.00	4.37
ROYAL DUTCH SHELL PLC-A SHS	Distribution water, gas, electricity, energy	126,324.00	3.91
NOKIAN RENKAAT OYJ	Construction of machinery and vehicles	123,570.00	3.82
BAYER AG-REG	Pharmaceutics, cosmetics, biotechnology	116,273.52	3.60
APPLUS SERVICES SA	Miscellaneous services	102,172.50	3.16
ENI SPA	Distribution water, gas, electricity, energy	100,781.40	3.12

The accompanying notes form an integral part of the financial statements.

## Notes to the Financial Statements as at June 30, 2019

### Note 1. General Information

YELLOW FUNDS SICAV (the "SICAV", the "Fund" or the "Company") was incorporated for an unlimited period of time on February 21, 2013 and is governed by the law of August 10, 1915 on commercial companies, as amended, and by the law of December 17, 2010 on Undertakings for Collective Investment, as amended (the "2010 Law").

As at June 30, 2019, the Fund offered the following sub-funds:

- YELLOW FUNDS SICAV - DIFESA BY MEDIOBANCA SGR
- YELLOW FUNDS SICAV - CENTROCAMPO BY MEDIOBANCA SGR
- YELLOW FUNDS SICAV - ATTACCO BY MEDIOBANCA SGR
- YELLOW FUNDS SICAV - CEDOLA BY MEDIOBANCA SGR
- YELLOW FUNDS SICAV - DIVIDENDO BY MEDIOBANCA SGR

The Company may issue capitalisation and distribution shares.

For the time being the Company may offer the following classes of shares within the sub-funds:

- Classic Class (hereafter "C"): offered to individuals or corporate entities or professional asset managers or institutional investors, holding the shares as part of their own assets or acting on behalf of individuals or corporate entities.
- Institutional Class (hereafter "I"): offered only to institutional investors according to provision 174 (2) of the 2010 Law.

#### Changes during the period :

Change of the name of the sub-funds with effective date November 5, 2018:

- YELLOW FUNDS SICAV - DIFESA BY BLACKROCK was renamed YELLOW FUNDS SICAV - DIFESA BY MEDIOBANCA SGR;
- YELLOW FUNDS SICAV - CENTROCAMPO BY BLACKROCK was renamed YELLOW FUNDS SICAV - CENTROCAMPO BY MEDIOBANCA SGR;
- YELLOW FUNDS SICAV - ATTACCO BY BLACKROCK was renamed YELLOW FUNDS SICAV - ATTACCO BY MEDIOBANCA SGR
- YELLOW FUNDS SICAV - CEDOLA BY MEDIOBANCA was renamed YELLOW FUNDS SICAV - CEDOLA BY MEDIOBANCA SGR
- YELLOW FUNDS SICAV - DIVIDENDO BY MEDIOBANCA was renamed YELLOW FUNDS SICAV - DIVIDENDO BY MEDIOBANCA SGR

### Note 2. Exchange rate as at June 30, 2019

The exchange rate used for the translation of the sub-funds' assets and liabilities not denominated in the reference currency of the various sub-funds is as follows:

1 EURO (EUR) = 1.136800 US Dollar (USD)

### Note 3. Significant accounting policies

The financial statements are presented in accordance with Luxembourg regulations relating to Undertakings for Collective Investment in transferable securities.

#### 3.1. Combined financial statements

The various items in the combined financial statements correspond to the sum of the corresponding items in the financial statements of each sub-fund, converted if necessary into EUR at the exchange rates prevailing on the closing date.

#### 3.2. Foreign exchange translation

The accounts of each sub-fund are denominated in the currency in which its net asset value is calculated.

The financial statements have been drawn up in the accounting currency of each sub-fund. Assets and liabilities expressed in currencies other than the accounting currency of the sub-fund are converted into that currency at the exchange rates prevailing on the closing date.

Income and expenses expressed in currencies other than the accounting currency of the sub-fund are converted into that currency at the exchange rates prevailing on the transaction date.

## Notes to the Financial Statements as at June 30, 2019 (continued)

### Note 3. Significant accounting policies (continued)

#### 3.3. Presentation of the financial statements

The financial statements are presented on the basis of the latest net asset value calculated during the financial year. In accordance with the prospectus, the net asset values were calculated using the stock market prices and the latest exchange rates known at the time of calculation.

#### 3.4. Valuation of investment portfolio

The Net Asset Value per each class of shares is determined on the day specified for each sub-fund (the "Valuation Day") on the basis of the value of the underlying investments of the relevant sub-fund, determined as follows:

(a) The value of each security, financial derivative instrument and/or money market instrument which is quoted or dealt in on any stock exchange is based on its last closing price on the stock exchange which is normally the principal market for such security and/or financial derivative instrument and/or money market instrument known at the end of the day preceding the relevant Valuation Day.

(b) The value of each security, financial derivative instrument and/or money market instrument dealt in on any other Regulated Market is based on its last known closing price which is normally available at the end of the day preceding the relevant Valuation Day.

(c) Shares or units in open-ended investment funds shall be valued at their last available calculated net asset value.

(d) In the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (a) to (c) is not representative of the fair market value of the relevant assets, the value of such assets is based on the reasonably foreseeable sale price determined prudently and in good faith.

(e) All other securities and other assets are valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

The Annual Report is presented on the basis of the latest NAV calculated during the financial year (i.e. June 28, 2019 for all active sub-funds).

In accordance with the prospectus, the NAVs were calculated using the latest market values and exchange rates known at the time of calculation.

#### 3.5. Valuation of financial future contracts

The valuation of a financial future contract which is quoted or dealt in on any stock exchange is based on its last closing price on the stock exchange which is normally the principal market for such financial derivative instrument known at the end of the day preceding the relevant Valuation Day. The value of each future contract dealt in on any other Regulated Market is based on its last known closing price which is normally available at the end of the day preceding the relevant Valuation Day.

Resulting realised and net change in unrealised gains or losses are included in the statement of operations and changes in net assets. Unrealised gains and losses are included in the statement of net assets. The results on closed positions for which final payment has not yet been made are considered as unrealised.

#### 3.6. Valuation of forward foreign exchange contracts

The forward foreign exchange contracts opened at year-end are valued at the forward exchange rate corresponding to the termination date of the contract. Realised gains and losses and net change in unrealised gain and loss are included in the statement of operations and changes in net assets. Unrealised gain and loss are included in the statement of net assets.

#### 3.7. Income

Bank interests are accounted for on a day-to-day basis. Dividends are taken into income on the date upon which the relevant securities are first listed as "ex-dividends". The interests on bonds and money market instruments are accrued on a daily basis.

## Notes to the Financial Statements as at June 30, 2019 (continued)

### Note 3. Significant accounting policies (continued)

#### 3.8. Formation expenses

Formation expenses are amortised on a straight line basis over a period of 5 years.

### Note 4. Investment management fees

The investment management fees are payable to the Management Company, quarterly for each sub-fund and are calculated on the basis of the average net asset value of each class of shares for the relevant quarter.

As at June 30, 2019, the annual management fees rates per share class are as follows:

SUB-FUND NAME	C-class
YELLOW FUNDS SICAV - DIFESA BY MEDIOBANCA SGR	1.675%
YELLOW FUNDS SICAV - CENTROCAMPO BY MEDIOBANCA SGR	1.675%
YELLOW FUNDS SICAV - ATTACCO BY MEDIOBANCA SGR	1.675%
YELLOW FUNDS SICAV - CEDOLA BY MEDIOBANCA SGR	0.90%
YELLOW FUNDS SICAV - DIVIDENDO BY MEDIOBANCA SGR	1.70%

The maximum level of total management fee that may be charged to both the sub-fund and to the UCITS and / or UCI in which the sub-fund intends to invest is 3.00% per annum calculated on the Net Asset Value, applicable for the following sub-funds:

YELLOW FUNDS SICAV - DIFESA BY MEDIOBANCA SGR  
 YELLOW FUNDS SICAV - CENTROCAMPO BY MEDIOBANCA SGR  
 YELLOW FUNDS SICAV - ATTACCO BY MEDIOBANCA SGR  
 YELLOW FUNDS SICAV - CEDOLA BY MEDIOBANCA SGR  
 YELLOW FUNDS SICAV - DIVIDENDO BY MEDIOBANCA SGR

### Note 5. Depositary bank, Management Company, domiciliation and administration fees

The Management Company is entitled to receive from the Fund a fee based on the net assets of the SICAV. The Management Company fee is as follows:

- 5bps per annum for assets under management up to 100 Mio EURO included,
- 3bps per annum for assets under management between 100 Mio and 200 Mio EURO included,
- 1bp per annum for assets under management above 200 Mio EURO.

The fee is calculated on the quarterly average of the total assets under management and is payable quarterly in arrears. Moreover, for its risk management activities, the Management Company is entitled to receive from the Company a fee of 0.025% per annum, payable quarterly and calculated on the average quarterly net asset value of the Company.

As remuneration for services rendered to the Fund in their respective capacities, the Depositary Bank and Paying Agent receive from the Fund, a fee of a maximum of 0.75% per annum. Depositary Bank fees are payable quarterly and are calculated on the basis of the average net asset value of each sub-fund for the relevant quarter.

A fee of a maximum of 0.80% per annum calculated on the average quarterly net asset value of each sub-fund is charged to the Fund for central administration services.

### Note 6. Subscription Tax

The Fund is not liable to any Luxembourg tax on profits or income, nor are distributions paid by the Fund liable to any Luxembourg withholding tax. The Fund is, however, liable in Luxembourg to a tax of 0.05% per annum of its net asset value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the sub-funds at the end of the relevant calendar quarter. The Fund is liable to a tax of 0.01% per annum of the net asset value on Institutional Classes of all sub-funds. No such tax is payable in respect of the portion of the assets of each Fund invested in other Luxembourg collective investment undertakings which are subject to this tax. No stamp duty or other tax is payable in Luxembourg on the issue of shares. No Luxembourg tax is payable on the realised capital appreciation of the assets of the Fund.

**Notes to the Financial Statements as at June 30, 2019 (continued)**

**Note 7. Financial derivative instruments**

**Financial future contracts**

As at June 30, 2019, the sub-funds listed below were engaged in financial future contracts with JP Morgan.

**YELLOW FUNDS SICAV - CEDOLA BY MEDIOBANCA SGR**

Quantity	Name	Currency	Commitment in EUR	Unrealised gain /(loss) in EUR
17	EURO FX CURR FUT(CME) 16/09/2019	USD	2,139,673.80	15,701.97
				<b>15,701.97</b>

**YELLOW FUNDS SICAV - DIVIDENDO BY MEDIOBANCA SGR**

Quantity	Name	Currency	Commitment in EUR	Unrealised gain /(loss) in EUR
(50)	EURO STOXX 50 - FUTURE 20/09/2019	EUR	1,733,000.00	(11,000.00)
				<b>(11,000.00)</b>

**Note 8. Transaction costs**

The Company incurred transaction costs which have been defined as the brokerage fees, certain taxes and certain depositary fees relating to the purchase and sale of transferable securities, money market instruments or other eligible assets. Transaction costs are included in the statement of operations and changes in net assets.

There are no brokerage fees charged separately for transaction on fixed income instruments. The transaction costs are included in the transaction price, which is known as "marked up".

**Note 9. Dividend distribution**

In its Circular Resolution dated December 11, 2018, the Board of Directors decided to pay dividends with an ex-dividend date on December 18, 2018 and a payment date on December 21, 2018. The amounts were as follows:

YELLOW FUNDS SICAV	Currency	Unitary dividend	Share-Class
DIFESA BY MEDIOBANCA SGR	EUR	0.50	Classic D
CENTROCAMPO BY MEDIOBANCA SGR	EUR	0.50	Classic D
ATTACCO BY MEDIOBANCA SGR	EUR	0.50	Classic D
CEDOLA BY MEDIOBANCA SGR	EUR	0.50	Classic D
DIVIDENDO BY MEDIOBANCA SGR	EUR	1.00	Classic D

In its Circular Resolution dated June 11, 2019, the Board of Directors decided to pay dividends with an ex-dividend date on June 18, 2018 and a payment date on June 21, 2019. The amounts were as follows:

YELLOW FUNDS SICAV	Currency	Unitary dividend	Share-Class
DIFESA BY MEDIOBANCA SGR	EUR	0.50	Classic D
CENTROCAMPO BY MEDIOBANCA SGR	EUR	0.50	Classic D
ATTACCO BY MEDIOBANCA SGR	EUR	0.50	Classic D
DIVIDENDO BY MEDIOBANCA SGR	EUR	1.00	Classic D

**Note 10. Subsequent events**

There were no material events which occurred after the end of the financial year, which would have a bearing on the understanding of the financial statements.

## **Additional information regarding the Transparency of Securities Financing Transactions (Unaudited)**

The Fund is subject to the Regulation (EU) 2015/2365 on Transparency of Securities Financing Transactions and of Reuse and Amending Regulation (EU) No 648/2012 of the European Parliament (“SFTR”).

A Securities Financing Transaction (“SFT”) is defined per Article 3(11) of the SFTR as:

- a repurchase transaction or a reverse repurchase transaction;
- a securities or commodities lending and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction;
- a margin lending transaction.

As at June 30, 2019, the Fund does not hold any of the above SFTs. Furthermore, no corresponding transactions were carried out during the period referring to the financial statements. Consequently, there's no information to disclose on Transparency of Securities Financing Transactions and of Reuse.