

EFFEPILUX ALTERNATIVE

**Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé
R.C.S. Luxembourg B 150.495**

**Annual report, including audited Financial Statements
as at December 31, 2014**

No subscription can be received on the basis of this annual report. Subscriptions may only be accepted on the basis of the current prospectus accompanied by an application form, and the latest available annual report of the fund.

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

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EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Management and Administration

Board of Directors

Chairman:

Mr Luciano ORIFIAMMI	Former Chairman of the Board of Directors and of the Investment Committee of the Fondo Pensione per il personale delle Aziende del Gruppo Unicredito Italiano, Milan, Italy
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Members:

Mr Pier Candido VAISITTI	General Manager and Member of the Investment Committee of the Fondo Pensione per il personale delle Aziende del Gruppo Unicredito Italiano, Milan, Italy
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Mr Fabrizio MONTELATICI	Chairman of the Board of Directors and Member of the Investment Committee of the Fondo Pensione per il personale delle Aziende del Gruppo Unicredito Italiano, Milan, Italy
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Mr Luciano PALMESI	Former Member of the Board of Directors and of the Investment Committee of the Fondo Pensione per il personale delle Aziende del Gruppo Unicredito Italiano, Milan, Italy
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Mr Robert DENORMANDIE	Associate of The Directors Office, Luxembourg
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Registered Office

28-32, Place de la gare, L-1616 Luxembourg

Investment Manager

Board of Directors of the Company

Sub-Investment Managers

Edmond de Rothschild Investment Advisors (for the Sub-Fund EFFEPILUX ALTERNATIVE - Alternativo) 16, boulevard Emmanuel Servais, L-2535 Luxembourg

Partners Group (Italy) SGR S.p.A. (for the Sub-Fund EFFEPILUX ALTERNATIVE - R.E.) Via Pontaccio, 10, 20121 Milan, Italy

Investment Adviser

Cambridge Associates Limited (for the Sub-Fund EFFEPILUX ALTERNATIVE - Alternativo) 80 Victoria Street, Cardinal Place, SW1E 5JL, London, United Kingdom

Custodian and Paying Agent

Société Générale Bank & Trust, 11, avenue Emile Reuter, L-2420 Luxembourg

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Management and Administration (cont.)

Administrative, Corporate and Domiciliary Agent

Until July 31, 2014

Société Générale Securities Services Luxembourg, 28-32, Place de la gare, L-1616 Luxembourg

From August 1, 2014

Société Générale Bank & Trust (operational center), 28-32, Place de la gare, L-1616 Luxembourg

Registrar Agent

European Fund Services S.A., 28-32, Place de la gare, L-1616 Luxembourg

Cabinet de révision agréé

Deloitte Audit, Société à responsabilité limitée, 560, rue de Neudorf, L-2220 Luxembourg

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

General information on the Company

EFFEPILUX ALTERNATIVE, is an open-ended investment company organised as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a "Société d'Investissement à Capital Variable" ("SICAV" or the "Company") and a "Fonds d'Investissement Spécialisé" under the Law of 13 February 2007 relating to Specialised Investment Funds (the "SIF Law") as amended, with several separate Sub-Funds (individually a "Sub-Fund" and collectively the "Sub-Funds") pursuant to article 71 of the SIF law.

The Company was incorporated on December 31, 2009 with a Share capital of 31 000 EUR divided into 31 shares of no par value of the EFFEPILUX ALTERNATIVE - Alternativo Sub-Fund.

The articles of incorporation of the Company were published in the "Mémorial C, Recueil Spécial des Sociétés et Associations du Grand-Duché de Luxembourg" (hereinafter the "Mémorial") on 15 January 2010, after having been registered with the District Clerk of the Court of Luxembourg, where they can be consulted and where copies can be obtained against payment of the Court fees.

The Board of Directors may issue Shares of different classes (individually a "Class" and collectively the "Classes") in each Sub-Fund. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. As a result, the Company is an "umbrella Fund" enabling investors to choose between one or more investment objective(s) by investing in one or more Sub-Fund(s).

At December 31, 2014 two Sub-Funds are in activity:

EFFEPILUX ALTERNATIVE - Alternativo

EFFEPILUX ALTERNATIVE - R.E.

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Information to the Shareholders

The annual general meeting of Shareholders of the Company is held in Luxembourg on the 2nd Monday of June of each year at 10.00 a.m. or, if such day is not a business day in Luxembourg, on the next business day. For all general meetings of Shareholders notices are sent to registered Shareholders by post at least 8 days prior to the meeting. Notices, if required, will be published in the Mémorial and in a Luxembourg newspaper (if legally required) and in such other newspapers as the Board of Directors may decide. Such notices will include the agenda and specify the place of the meeting. The legal requirements as to notice, quorum and voting at all general and Sub-Fund or Class Meetings are included in the Articles. Meetings of Shareholders of any given Sub-Fund or Class shall decide upon matters relating to that Fund or Class only.

Annual reports, including audited financial statements are sent to the registered Shareholders and are made available for public inspection at each of the registered offices of the Company and the Domiciliary Agent.

The financial year of the Company ends on 31st December each year.

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Report of the Board of Directors

EFFEPILUX ALTERNATIVE - Alternativo

The Sub-Fund Effepilux Alternative - Alternativo closed 2014 with a +5.45% return: +3,02% delivered by the Private Equity products, +2,31% delivered by the Hedge Funds and the lasting +0,12% delivered mainly by products based on the private debt.

With the contribution of the Investment Advisor, Cambridge Associates limited, the Private Equity portfolio is on review and 2 new investments in Venture Capital and Distressed funds were approved; the legacy portfolio is receiving final reimbursement for 2004 and 2005 investments with positive return.

The year-end Assets under Management (AUM) totaled 214 mln euros.

EFFEPILUX ALTERNATIVE - R.E.

Total commitments of Effepilux Alternative - R.E. Sub-Fund amounted to approximately 169M Euros at year end, while total drawdowns on the portfolio approximated 132M Euros. Investments have been mainly focused in primary investments for 35% of total commitment, 17% in secondary, 16% in direct investment and 3% in debt-focused investments.

A direct fund focused on Asian investment weights for 19M euros.

The remarkable return of +12.80% was partially driven by currency USD exposure, but portfolio's performance definitively offset the j curve effect. Investments remain well diversified among residential, retail, office and logistic properties.

The year-end AUM totaled 153 mln euros.

Luxembourg, May 20, 2015

The Board of Directors

To the Shareholders of

**EFFEPILUX ALTERNATIVE,
Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé**

28-32, Place de la gare
L-1616 LUXEMBOURG

REPORT OF THE *REVISEUR D'ENTREPRISES AGREE*

We have audited the accompanying financial statements of EFFEPILUX ALTERNATIVE (the «Company») and of each of its Sub-Funds, which comprise the statement of net assets and the schedule of investments as at December 31, 2014 and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other notes to the financial statements.

Responsibility of the Board of Directors of the Company for the financial statements

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

Responsibility of the *réviseur d'entreprises agréé*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the *réviseur d'entreprises agréé*'s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of EFFEPILUX ALTERNATIVE and of each of its Sub-Funds as at December 31, 2014, and of the results of their operations and changes in their net assets for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

For Deloitte Audit, *Cabinet de révision agréé*

Laurent Fedrigo, *Réviseur d'entreprises agréé*
Partner

Luxembourg, May 20, 2015
560, rue de Neudorf
L-2220 Luxembourg

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Statement of Net Assets as at December 31, 2014

(expressed in the Sub-Fund's currency)

Sub-Funds	Notes	EFFEPILUX	EFFEPILUX	Combined
		ALTERNATIVE - Alternativo	ALTERNATIVE - R.E.	
		EUR	EUR	EUR
Assets				
Securities portfolio at cost		192 998 401	112 901 514	305 899 915
Net unrealised profit/(loss)		14 660 120	4 507 204	19 167 324
Securities portfolio at market value	2.2	207 658 521	117 408 718	325 067 239
Cash at bank		5 130 469	35 910 110	41 040 579
Time deposits		2 773 097	-	2 773 097
Receivable for securities sold		-	141 288	141 288
Formation expenses, net	2.6	-	3 026	3 026
Other assets		-	13 708	13 708
		<u>215 562 087</u>	<u>153 476 850</u>	<u>369 038 937</u>
Liabilities				
Management fees payable	3	-	422 445	422 445
Investment advisory fees payable	3	-	30 246	30 246
Custodian fees payable	4	25 172	8 615	33 787
Administration fees payable	4	12 343	8 592	20 935
Registrar Agent fees payable	4	1 425	1 425	2 850
Professional fees payable		23 170	17 723	40 893
Interest and bank charges payable		-	16 711	16 711
Unrealised depreciation on forward foreign exchange contracts	2.7, 6	<u>1 497 004</u>	<u>-</u>	<u>1 497 004</u>
		<u>1 559 114</u>	<u>505 757</u>	<u>2 064 871</u>
Total Net Assets		<u>214 002 973</u>	<u>152 971 093</u>	<u>366 974 066</u>

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

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Statement of Operations and Changes in Net Assets

for the year ended December 31, 2014

(expressed in the Sub-Fund's currency)

Sub-Funds	Notes	EFFEPILUX	EFFEPILUX	Combined
		ALTERNATIVE - Alternativo	ALTERNATIVE - R.E.	
		EUR	EUR	EUR
Net assets at the beginning of the year		185 299 014	105 839 788	291 138 802
Income				
Dividends, net	2.5	16 351 721	16 670 155	33 021 876
Bank interest	2.5	-	1 231	1 231
Other income		-	301 233	301 233
		16 351 721	16 972 619	33 324 340
Expenses				
Management fees	3	26 617	1 382 986	1 409 603
Investment advisory fees	3	193 329	164 630	357 959
Custodian fees	4	62 688	36 183	98 871
Administration fees	4	51 950	33 685	85 635
Registrar Agent fees	4	5 925	5 892	11 817
Professional fees		85 070	90 156	175 226
Interest and bank charges		57 706	79 722	137 428
Amortisation of formation expenses	2.6	2 815	2 200	5 015
Other expenses		179	178	357
		486 279	1 795 632	2 281 911
Net Investment Income/(Loss)		15 865 442	15 176 987	31 042 429

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

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Statement of Operations and Changes in Net Assets for the year ended December 31, 2014 (cont.)

(expressed in the Sub-Fund's currency)

Sub-Funds	Notes	EFFEPILUX	EFFEPILUX	Combined
		ALTERNATIVE - Alternativo	ALTERNATIVE - R.E.	
		EUR	EUR	EUR
Net Investment Income/(Loss)		15 865 442	15 176 987	31 042 429
Net realised gains / (losses) on				
- securities sold	2.3	(624 697)	44 141	(580 556)
- currencies	2.4	(223 818)	165 186	(58 632)
- forward foreign exchange contracts		<u>(4 607 031)</u>	<u>-</u>	<u>(4 607 031)</u>
		<u>(5 455 546)</u>	<u>209 327</u>	<u>(5 246 219)</u>
Net realised result for the year		10 409 896	15 386 314	25 796 210
Change in net unrealised profit/(loss) on				
- securities		1 925 580	1 144 991	3 070 571
- forward foreign exchange contracts	2.7	<u>(2 131 517)</u>	<u>-</u>	<u>(2 131 517)</u>
		<u>(205 937)</u>	1 144 991	939 054
RESULT OF OPERATIONS		10 203 959	16 531 305	26 735 264
Movements in capital				
Subscriptions		<u>18 500 000</u>	<u>30 600 000</u>	<u>49 100 000</u>
		18 500 000	30 600 000	49 100 000
Net assets at the end of the year		214 002 973	152 971 093	366 974 066

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

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Statistical information

(expressed in the Sub-Fund's currency)

Sub-Funds	EFFEPILUX ALTERNATIVE - Alternativo	EFFEPILUX ALTERNATIVE - R.E.
	EUR	EUR
Number of shares outstanding as at December 31, 2012		
Class C	29 093 787.243	4 326 473.002
Number of shares outstanding as at December 31, 2013		
Class C	29 809 318.222	14 692 458.564
Number of shares outstanding as at December 31, 2014		
Class C	32 648 439.908	18 825 653.741
Total Net Asset Value at December 31, 2012	179 438 128	30 363 175
Total Net Asset Value at December 31, 2013	185 299 014	105 839 788
Total Net Asset Value at December 31, 2014	214 002 973	152 971 093
Net asset value per share as at December 31, 2012		
Class C	6.168	7.018
Net asset value per share as at December 31, 2013		
Class C	6.216	7.204
Net asset value per share as at December 31, 2014		
Class C	6.555	8.126

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

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Notes to the financial statements as at December 31, 2014

Note 1 - General

The investment objective of the EFFEPILUX ALTERNATIVE - Alternativo Sub-Fund is to obtain an uncorrelated return from the main financial markets (equities and bonds), with the growth of the invested capital in the long term.

The investment objective of the EFFEPILUX ALTERNATIVE - R.E. is to invest mainly in core plus, value added and opportunistic real estate assets and strategies and will not be subject to any sector limitation.

Note 2 - Principal accounting policies

2.1 Presentation of financial statements

The financial statements are presented in accordance with legal and regulatory requirements and generally accepted accounting principles in Luxembourg, relating to undertakings for collective investment.

The valuation of the portfolio securities of the Sub-Fund EFFEPILUX ALTERNATIVE - R.E. is based upon available information, documentation and reporting with regard to the respective securities at the valuation date. As the process for the preparation of the financial statements of the Company takes place subsequently to this date, it is possible new information may become available that indicates such valuations might be lower or higher in light of subsequent circumstances. Such changes are reflected in the NAV calculation following the receipt of such information. For the year ended December 31, 2014, net changes amounting to EUR 6 514 000 (4.26% of total net assets) were received and have been reflected in the next NAV calculation.

2.2 Valuation of investment in securities

2.2.1 The value of any securities, money market instruments and derivative instruments is determined on the basis of the last available price on the stock exchange or any other regulated market on which these securities, money market instruments or derivative instruments are traded or admitted for trading unless otherwise mentioned in the Prospectus. Where such securities, money market instruments or derivative instruments are quoted or dealt in one or by more than one stock exchange or any other regulated market, the Board of Directors makes regulations for the order of priority in which stock exchanges or other Regulated Markets are used for the provision of prices of securities, assets or derivative instruments.

2.2.2 If a security, money market instrument or derivative instrument is not traded or admitted on any official stock exchange or any regulated market, or in the case of securities, money market instruments and derivative instruments so traded or admitted, the last available price of which does not reflect their true value, the Board of Directors requires to proceed on the basis of their expected sales price, which shall be valued with prudence and in good faith.

2.2.3 Swaps contracts are valued at the market value fixed in good faith by the Board of Directors and according to generally accepted valuation rules. Asset based swap contracts are valued by reference to the market value of the underlying assets. Cash flow based swap contracts are valued by reference to the net present value of the underlying future cash flows.

2.2.4 Each share or unit in an open-ended investment fund are valued at the last available net asset value (or bid price for dual priced investment funds) whether estimated or final, which is computed for such unit or shares on the same calculation day, failing which, it shall be the last net asset value (or bid price for dual priced investment funds) computed prior to the calculation day on which the Net Asset Value of the shares in the SICAV is determined.

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Notes to the financial statements as at December 31, 2014 (cont.)

Note 2 - Principal accounting policies (cont.)

2.2 Valuation of investment in securities (cont.)

2.2.5 In respect of shares or units of an investment fund held by the SICAV, for which issues and redemptions are restricted and a secondary market trading is effected between dealers who, as main market makers, offer prices in response to market conditions, the Board of Directors may decide to value such shares or units in line with the prices so established.

2.2.6 If, since the day on which the latest net asset value was calculated, events have occurred which may have resulted in a material change of the net asset value of shares or units in other investment funds held by the SICAV-FIS, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Directors, such change of value.

2.2.7 The value of any security which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price.

2.2.8 Direct investment in real estate property will be valued on basis of the latest valuation made by independent valuers or on the basis of the transactions price.

If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the Directors may fix different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.

2.3 Net realised gains or losses resulting from investments

The realised gain or loss resulting from the sales of investments is calculated on the basis of average cost of the investment sold.

2.4 Foreign exchange translation

The accounts are maintained in euro ("EUR") and the financial statements are expressed in that currency.

Cost of investment securities in currencies other than the EUR is translated in EUR at the exchange rates prevailing on the date of purchase.

Income or expenses expressed in currencies other than the EUR are converted at exchange rates ruling at the transaction date.

Assets and liabilities expressed in other currencies than the EUR are converted using the relevant spot rate quoted by a bank or other responsible financial institution. The realised or unrealised gains or losses on foreign exchange are recognised in the Statement of Operations and Changes in net assets in determining the increase or decrease in net assets.

2.5 Income

Dividends are credited to income on the date upon which the relevant securities are first listed as "ex-dividend". Interest income is accrued on a daily basis.

2.6 Formation expenses

Formation expenses are amortised over a maximum period of five years.

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Notes to the financial statements as at December 31, 2014 (cont.)

Note 2 - Principal accounting policies (cont.)

2.7 Forward foreign exchange contracts

Forward foreign exchange contracts are valued at the forward rate applicable at the statement of net assets date for the remaining period until maturity. Unrealised gains or losses resulting from outstanding forward foreign exchange contracts, if any, are recorded in the Statement of Net Assets.

Note 3 - Management fees, Sub-Management fees and Performance fee

The Company will pay out of the assets of the relevant Sub-Fund all expenses payable by the Company which shall include but not be limited to the fees payable to the Sub-Investment Managers including performance fees.

In its capacity as Sub-Investment Manager of the Sub-Fund EFFEPILUX ALTERNATIVE - Alternativo, Edmond de Rothschild Investment Advisors is entitled to receive fees, payable at the end of each calendar quarter, which will depend on assets under management and will amount to not more than 1% per annum of the average NAV of the relevant Sub-Fund pursuant to an agreement with the Company.

In its capacity as Investment Adviser of the Sub-Fund EFFEPILUX ALTERNATIVE - Alternativo, Cambridge Associates Limited is entitled to receive an Investment Advisory fee out of the assets of the Sub-Fund and as specified in the Investment Advisory Agreement.

In its capacity as Sub-Investment Manager of the Sub-Fund EFFEPILUX ALTERNATIVE - R.E., Partners Group (Italy) SGR SpA will be entitled to receive the fees described below (together the "Sub Investment Management Fees") and to the reimbursement of its reasonable out-of-pocket expenses and disbursements.

The Board of Directors has decided to increase the amount of commitment in the Investment Program. Therefore, as from July 1, 2014 the amount of Investment Management Fee, Mandate Management Fee and Transaction Fee have been increased. The original amount of each of these fees is organized as Tranche I and the increase amount is organized as Tranche II.

Investment Management Fee: payable at the beginning of each quarter, and calculated, in respect of each Real Estate Investment, on the basis of the applicable Reference Commitment and percentage rates (which in each case shall be reduced annually by 10% of the rate prevailing immediately prior to such reduction, starting from the 1st of January of the year following the fifth anniversary of the relevant Transaction Date) indicated below:

Tranche I until June 30, 2014:

- Primary Financial Real Estate Investments: 0.225% per quarter calculated on each relevant Reference Commitment
- Secondary Financial Real Estate Investments: 0.3125% per quarter calculated on each relevant Reference Commitment
- Direct Real Estate Investments: 0.375% per quarter calculated on each relevant Reference Commitment

Tranche I and Tranche II as of July 1, 2014:

- Primary Financial Real Estate Investments: 0.1750% per quarter on the Investments transaction value
- Secondary Financial Real Estate Investments: 0.3125% per quarter on the Investments transaction value
- Direct Real Estate Investments: 0.3750% per quarter on the Investments transaction value.

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Notes to the financial statements as at December 31, 2014 (cont.)

Note 3 - Management fees, Sub-Management fees and Performance fee (cont.)

Mandate Management Fee: calculated on the basis of the Mandate Amount, outstanding from time to time and payable at the beginning of each quarter.

Tranche I until June 30, 2014: 0.0375% per quarter

Tranche I and Tranche II as from July 1, 2014: 0.0125% per quarter

For the sole purposes of calculation of the Mandate Management Fee, the Mandate Amount may not be less than the sum of the Reference Commitments outstanding from time to time.

The Mandate Management Fee are recorded in the Statement of Operations and Changes in Net Assets under the caption "Investment advisory fees".

Transaction Fee: 0.0125% per quarter on the transaction value, payable at the beginning of each quarter, and calculated, in respect of each Real Estate Investment, on each relevant Reference Commitment.

Such fees are recorded in the Statement of Operations and Changes in Net Assets under the caption "Interest and bank charges".

Performance Fee: with respect to the Real Estate Investments committed to from the date of the Effepilux Alternative - R.E. Sub-Investment Management Agreement up to December 31, 2014 and thereafter, in any single calendar year, once the Sub-Fund has received cumulative distributions equal to the cumulative Real Estate Investment drawdowns and a rate of return of 8% per annum calculated on the cumulative Real Estate Investment drawdowns, compounded annually (the "Preferred Return"), Partners Group (Italy) SGR SpA shall be entitled to receive an amount equal to 10% of the Preferred Return.

Thereafter, out of the balance of the additional monies distributed by the Real Estate Investments (the "Incremental Amount"), 90% shall remain in the Sub-Fund, while the remaining 10% shall be paid to Partners Group (Italy) SGR SpA.

No Performance Fee was accrued during the year 2014 in the Sub-Fund Effepilux Alternative -R.E.

Note 4 - Custodian and Paying Agent, Administrative Corporate and Domiciliary Agent, Registrar Agent fees

The Custodian and Paying Agent is entitled to receive out of the assets of each Sub-Fund fees calculated in accordance with customary banking practice in Luxembourg and payable quarterly in arrears. In addition, the Custodian is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and disbursements and for the charges of any correspondents.

The Administrative, Corporate and Domiciliary Agent is entitled to receive out of the assets of each Sub-Fund a fee in compliance with Luxembourg business practice and payable quarterly in arrears. In addition, the Administrative, Corporate and Domiciliary Agent is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses.

The Registrar Agent is entitled to receive out of the assets of each Sub-Fund a fee in compliance with Luxembourg business practice and payable quarterly in arrears. In addition, the Registrar Agent is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses.

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Notes to the financial statements as at December 31, 2014 (cont.)

Note 5 - Taxation

The Company is not subject to any taxes in Luxembourg on income or capital gains. The Company is subject to a fixed registration duty on capital of EUR 1 250 at the time of its incorporation. Pursuant to Article 68 of the modified Law of February 13, 2007, the Company is subject in Luxembourg to the "taxe d'abonnement" at a rate of 0,01%.

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the countries of origin. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin.

Note 6 - Unrealised appreciation on forward foreign exchange contracts

EFFEPILUX ALTERNATIVE - Alternativo

Purchase	Sale	Maturity date	Unrealised gain/(loss) EUR
EUR 55 102 890	USD 68 500 000	20-Jan-15	(1 497 004)
			<u>(1 497 004)</u>

At December 31, 2014, the EFFEPILUX ALTERNATIVE - Alternativo Sub-Fund has outstanding forward foreign exchange contracts resulting in a net unrealised loss of EUR 1 497 004.

The counterparty of the forward foreign exchange contract is EDMOND DE ROTHSCHILD (EUROPE).

Note 7 - Exchange rates

The following exchange rates have been used as of December 31, 2014:

1 EUR = 1.47865	AUD	1 EUR = 0.77605	GBP
1 EUR = 9.0724	NOK	1 EUR = 1.21005	USD

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Notes to the financial statements as at December 31, 2014 (cont.)

Note 8 - Capital Commitments and Contributions

As at December 31, 2014, the Sub-Fund EFFEPILUX ALTERNATIVE - Alternativo had entered into the following capital commitments and made the following capital contributions:

		Total Capital Commitments	Capital Contributions
ENERGHEIA - A	EUR	5 000 000	5 000 000
F2I QUOTA DI PARTECIPAZIONE - B	EUR	15 000 000	13 407 657
MH REAL ESTATE CRESCITA	EUR	10 000 000	8 712 000
MICROFINANZA	EUR	5 000 000	3 633 748
OPTIMUM EVOLUTION FUND SIF	EUR	3 000 000	3 000 000
PALL MALL TEC. VENT. - V	EUR	5 000 000	5 000 000
PALL MALL TEC. VENT. - VII	EUR	2 000 000	2 000 000
PANTHEON EUROPE FUND VI LIMITED	EUR	5 000 000	4 500 000
PERENNIUS GLOBAL VALUE 2008	EUR	10 000 000	8 435 809
PERENNIUS GLOBAL VALUE 2010	EUR	10 000 000	7 148 103
RIVERROCK EUROPEAN CAPITAL MASTER FUND			
PUBLIC LTD COMPANY	EUR	3 000 000	1 746 660
SATOR PRIVATE EQUITY FUND	EUR	10 000 000	6 843 786
SINERGIA II FUND	EUR	15 000 000	5 694 397
	TOTAL in EUR	98 000 000	75 122 160
INVESCO PRIVATE CAPITAL	USD	10 000 000	7 582 565
JPM INDIA PROPERTY	USD	5 394 000	5 009 806
PANTHEON USA FUND - VI	USD	5 100 000	4 740 450
PERENNIUS ASIA PACIFIC	USD	7 000 000	6 191 725
PINEBRIDGE INVESTMENTS	USD	11 300 000	10 265 058
	TOTAL in USD	38 794 000	33 789 604

EFFEPILUX ALTERNATIVE

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé

Notes to the financial statements as at December 31, 2014 (cont.)

Note 8 - Capital Commitments and Contributions (cont.)

As at December 31, 2014, the Sub-Fund EFFEPILUX ALTERNATIVE - R.E. had entered into the following capital commitments and made the following capital contributions:

		Total Capital Commitments	Capital Contributions
ALTIS REAL ESTATE EQUITY PGA 561	AUD	3 800 000	3 336 209
	TOTAL in AUD	3 800 000	3 336 209
EUROPEAN HIND INCOME FUND PGA 489	EUR	6 151 843	6 151 843
EUROPEAN PROPERTY INVS SPECIAL OPPTS III PGA 487	EUR	5 000 000	1 895 671
NORDIC STRATEGIES FUND PGA 635	EUR	9 500 000	1 319 989
NORDIC TOWER PROPERTIES PGA 634	EUR	8 793 691	8 793 691
SEB ASIAN PROPERTY II	EUR	20 000 000	19 481 454
	TOTAL in EUR	49 445 534	37 642 648
COLUMBUS UK REAL ESTATE FUND II, L.P. PGA 643	GBP	10 000 000	8 585 859
FENCHURCH ST PGA 700	GBP	8 000 000	614 096
INFRARED ACTIVE REAL ESTATE FUND III PGA 641	GBP	10 000 000	3 431 603
	TOTAL in GBP	28 000 000	12 631 558
PG NORWAY RETAIL 1 (LUX) SARL / EQUITY PGA 548	NOK	48 500 000	44 716 164
	TOTAL in NOK	48 500 000	44 716 164
BELLEMEAD - PARTNERS GROUP ACCESS 551 LP	USD	1 880 400	1 880 400
BLACKSTONE REAL ESTATE PARTNERS VII, USD PGA 439	USD	15 000 000	11 776 614
CYPRESS ACQUISITION PARTNERS PGA 559	USD	10 000 000	3 320 807
NORMANDY REAL ESTATE FUND III S 22	USD	9 381 187	5 781 518
NORMANDY REAL ESTATE FUND III S 27	USD	5 000 000	2 934 713
PROJECT 200 NORTH MICHIGAN PGA 602	USD	3 541 969	2 425 587
PROJECT AVENTINE PGA 498	USD	3 967 622	3 967 622
PROJECT BRIDGE USD PRIVATE EQUITY PGA 494	USD	4 158 047	3 850 235
PROJECT LLOYD CENTER PGA 603	USD	4 575 196	3 481 827
PROJECT RESIDENCE RITZ CARLTON PGA 461	USD	4 200 000	4 167 692
PROJECT 200 NORTH MICHIGAN PGA S26	USD	3 109 616	2 129 506
SULLIVAN DEBT FUND PGA 556	USD	8 000 000	7 769 995
SULLIVAN DEBT FUND PGA 567	USD	7 500 000	7 280 739
WM INDUSTRIAL PORTFOLIO 1 PG SERIES 28	USD	5 491 368	2 990 094
	TOTAL in USD	85 805 405	63 757 349

Note 9 - Transactions with related parties

The Sub-Fund Effepilux Alternative - R.E. invests in a variety of vehicles underwritten by Partners Group (Italy) SGR SpA, the sub advisor selected to manage the Portfolio of the Sub-Fund. The portfolio selections are reviewed by the Board of Directors of the Sub-Fund to ensure full compliance with the strategic direction of the portfolio as presented in the prospectus.