

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, 2013**

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

Table of contents	Page(s)
Management and Administration	1
General information on the Company	3
Information to the Shareholders	4
Report of the Board of Directors	5
Report of the réviseur d'entreprises agréé	7
Statement of Net Assets as at December 31, 2013	9
Statements of Operations and Changes in Net Assets for the year ended December 31, 2013	10
Statistical Information	12
Notes to the financial statements as at December 31, 2013	13
EFFEPILUX ALTERNATIVE - Alternativo	
Schedule of Investments as at December 31, 2013	19
Economic classification of investments	21
Geographical classification of investments	22
EFFEPILUX ALTERNATIVE - R.E.	
Schedule of Investments as at December 31, 2013	23
Economic classification of investments	25
Geographical classification of investments	26

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 of the Fondo Pensione per il personale delle Aziende del Gruppo Unicredit, Milan, Italy
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Members:

Until February 3, 2014

Mr Dario CARDILLI	Former Chief Executive Officer of the Fondo Pensione per il personale delle Aziende del Gruppo Unicredit, Milan, Italy
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Mr Fabrizio MONTELATICI	Chairman of the Board of Directors of the Fondo Pensione per il personale delle Aziende del Gruppo Unicredit, Milan, Italy
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Mr Luciano PALMESI	Former Member of the Board of Directors of the Fondo Pensione per il personale delle Aziende del Gruppo Unicredit, Milan, Italy
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Mr Robert DENORMANDIE	Associate of The Directors Office, an affiliate of MDO Services, Luxembourg
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As from February 4, 2014

Mr Piercandido VAISITTI	General Manager of the Fondo Pensione per il personale delle Aziende del Gruppo Unicredit, Milan, Italy
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Registered Office

Until July 14, 2013

16, boulevard Royal, L-2449 Luxembourg

From July 15, 2013

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

EFFEPILUX ALTERNATIVE

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

Management and Administration (cont.)

Investment Adviser

Cambridge Associates Limited (since September 1, 2013 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 S.A., 11, avenue Emile Reuter, L-2420 Luxembourg

Administrative, Corporate and Domiciliary Agent

Société Générale Securities Services Luxembourg,

Until July 7, 2013

16, boulevard Royal, L-2449 Luxembourg

From July 8, 2013

28-32, place de la Gare, L-1616 Luxembourg

Registrar Agent

European Fund Services S.A.,

Until June 28, 2013

18, boulevard Royal, L-2449 Luxembourg

From June 29, 2013

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, 2013 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 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.

Audited annual reports 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

2013 was a flat year for the Sub-Fund Effepilux Alternative - Alternativo. This result reflects the underperformance of the hedge fund against its benchmarks; the portion using the “Risk Parity” approach, approximately 19,3% of the total portfolio, performed negatively reducing the overall performance of the portfolio. In terms of volumes the Private Equity portfolio is invested for 72M Euros or 60% of a total commitment of 121M Euros. The oldest investments, dating back to 2003-2004, started distributing and show a positive performance.

The total net asset at year end amounted to 185,30M Euros with an annual return of +0,78%.

During 2013 Cambridge Associates Limited, was appointed Investment Advisor for the private equity portfolio.

EFFEPILUX ALTERNATIVE - R.E.

Total commitments of Effepilux Alternative - R.E. Sub-Fund amounted to approximately 105M Euros at December 31, 2013, while total drawdowns on the portfolio approximated 65M Euros. Investments have been mainly focused in North America (48%) and in Western Europe – mainly in the UK (34%) – where the market presented the best opportunities in terms of expected risk/return. Investments are well diversified among residential, retail, office and logistic properties. Given the increasing pricing and competition in the secondary market during the year, most of the capital was allocated to primary and direct investments, which altogether account for the 93% of the portfolio (70% primary, 23% direct). Overall, the positive return of the portfolio is linked to the already positive evolution of both direct and secondary investments, which mitigated the J-curve effect that is typical of this class of investments in its early stage.

The total net assets at year end amounted to 106M Euros with an annual return of +2,65%.

EFFEPILUX ALTERNATIVE

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

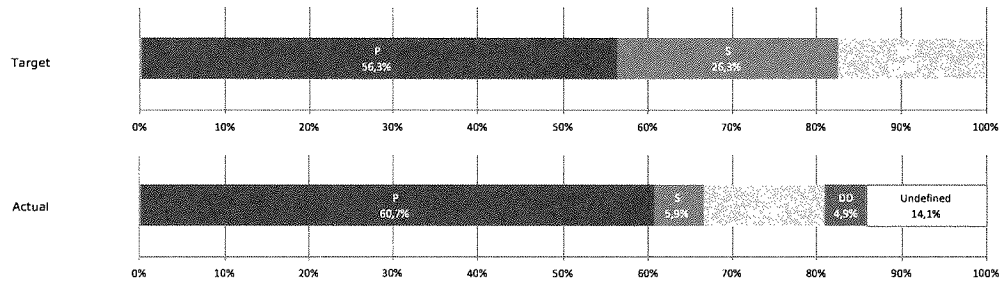
Report of the Board of Directors (cont.)

PG RE Effepilux Alternative R.E.

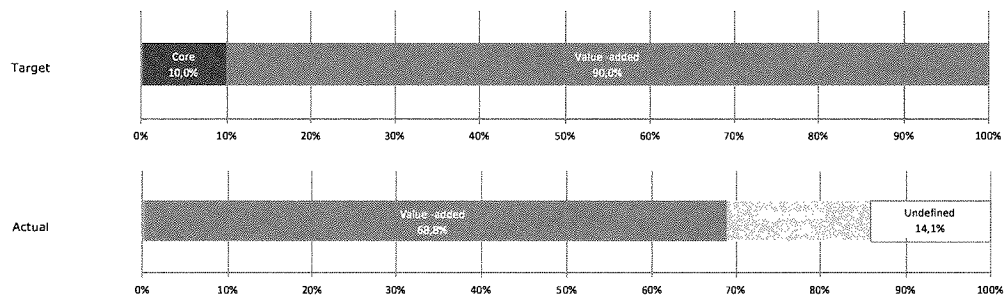
Portfolio allocation

Target Fund Size (EUR) 160.000.000

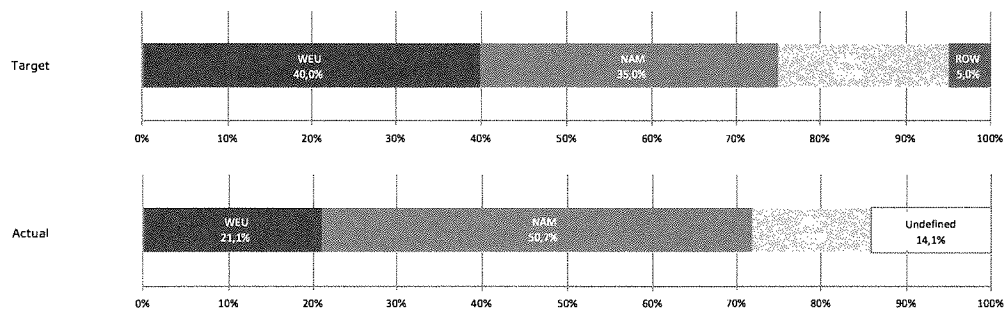
Type



Stage



Region



Legenda

- P = Primary
- S = Secondary
- DE = Direct Investment Equity
- DD = Direct Investment Debt
- WEU = Western Europe
- NAM = North America
- APC = Asia Pacific
- ROW = Rest Of World

Luxembourg, May 27, 2014

[Signature]
The Board of Directors

[Signature]

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

Following our appointment by the annual general meeting of the Shareholders dated June 10, 2013 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, 2013 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.

Deloitte.

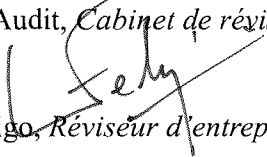
Opinion

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 of December 31, 2013, 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 27, 2014

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, 2013

(expressed in the Sub-Fund's currency)

Sub-Funds	Notes	Effepilux Alternative - Alternativo EUR	Effepilux Alternative - R.E. EUR	Combined EUR
Assets				
Securities portfolio at cost		158 007 076	82 040 968	240 048 044
Net unrealised profit/(loss)		12 734 541	3 362 212	16 096 753
Securities portfolio at market value	2.2	170 741 617	85 403 180	256 144 797
Cash at bank		11 817 842	20 471 910	32 289 752
Time deposits		2 323 703	-	2 323 703
Bank interest receivable		57 063	-	57 063
Unrealised appreciation on forward foreign exchange contracts	2.7, 6	634 513	-	634 513
Formation expenses, net	2.6	2 814	5 226	8 040
Other assets		<u>-</u>	<u>2 811</u>	<u>2 811</u>
		185 577 552	105 883 127	291 460 679
Liabilities				
Payable for securities purchased		220 000	-	220 000
Management fees payable	3	-	16 458	16 458
Custodian fees payable	4	22 000	5 218	27 218
Administration fees payable	4	13 843	7 371	21 214
Registrar Agent fees payable	4	1 500	1 533	3 033
Professional fees payable		21 195	12 010	33 205
Interest and bank charges payable		<u>-</u>	<u>749</u>	<u>749</u>
		278 538	43 339	321 877
Total Net Assets		<u>185 299 014</u>	<u>105 839 788</u>	<u>291 138 802</u>

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

EFFEPILUX ALTERNATIVE

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

Statements of Operations and Changes in Net Assets for the year ended December 31, 2013

(expressed in the Sub-Fund's currency)

Sub-Funds		Effepilux Alternative - Alternativo	Effepilux Alternative - R.E.	Combined
	Notes	EUR	EUR	EUR
Net assets at the beginning of the year		179 438 128	30 363 175	209 801 303
Income				
Dividends, net		219 935	1 437 052	1 656 987
Bank interest		41 429	7 619	49 048
Other income		<u>57 938</u>	<u>-</u>	<u>57 938</u>
		319 302	1 444 671	1 763 973
Expenses				
Management fees	3	62 588	702 879	765 467
Investment advisory fees		-	210 000	210 000
Custodian fees	4	52 469	15 485	67 954
Administration fees	4	54 466	28 975	83 441
Registrar Agent fees	4	6 789	6 002	12 791
Professional fees		115 272	30 903	146 175
Interest and bank charges		5 541	97 368	102 909
Amortisation of formation expenses	2.6	3 706	2 200	5 906
Other expenses		<u>-</u>	<u>487 338</u>	<u>487 338</u>
		300 831	1 581 150	1 881 981
Net Investment Income/(Loss)		18 471	(136 479)	(118 008)

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

EFFEPILUX ALTERNATIVE

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

Statements of Operations and Changes in Net Assets for the year ended December 31, 2013 (cont.)

(expressed in the Sub-Fund's currency)

Sub-Funds	Notes	Effepilux Alternative - Alternativo EUR	Effepilux Alternative - R.E. EUR	Combined EUR
Net Investment Income/(Loss)		18 471	(136 479)	(118 008)
Net realised gains / (losses) on				
- securities sold		(17 583 693)	(211 764)	(17 795 457)
- currencies		(462 477)	757	(461 720)
- forward foreign exchange contracts		<u>1 546 087</u>	<u>-</u>	<u>1 546 087</u>
		(16 500 083)	(211 007)	(16 711 090)
Net realised result for the year		(16 481 612)	(347 486)	(16 829 098)
Change in net unrealised profit/(loss) on				
- securities		17 515 776	3 736 099	21 251 875
- forward foreign exchange contracts		<u>386 722</u>	<u>-</u>	<u>386 722</u>
		17 902 498	3 736 099	21 638 597
RESULT OF OPERATIONS		1 420 886	3 388 613	4 809 499
Movements in capital				
Subscriptions		<u>4 440 000</u>	<u>72 088 000</u>	<u>76 528 000</u>
		4 440 000	72 088 000	76 528 000
Net assets at the end of the year		185 299 014	105 839 788	291 138 802

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, 2011		
Class C	25 790 772.980	4 326 473.002
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
Total Net Asset Value at December 31, 2011	167 877 742	30 793 973
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
Net asset value per share as at December 31, 2011		
Class C	6.509	7.118
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

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, 2013

Note 1 - General

The Board of Directors has decided by a circular resolution dated June 29, 2012 to delegate under its responsibility and control the day-to-day management of the real estate investments of the Sub-Fund EFFEPILUX ALTERNATIVE - R.E. to Perennius Capital Partners SGR SpA.

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.

Note 2 - Principal accounting policies

2.1 Presentation of financial statements

The financial statements are presented in accordance with legal reporting requirements in Luxembourg, relating to undertakings for collective investment.

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 Directors make 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 Directors are required 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 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-FIS is determined.

2.2.5 In respect of shares or units of an investment fund held by the SICAV-FIS, 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 Directors may decide to value such shares or units in line with the prices so established.

EFFEPILUX ALTERNATIVE

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

Notes to the financial statements as at December 31, 2013 (cont.)

Note 2 - Principal accounting policies (cont.)

2.2 Valuation of investment in securities (cont.)

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 values 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.

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.

EFFEPILUX ALTERNATIVE

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

Notes to the financial statements as at December 31, 2013 (cont.)

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 Sub-Investment Manager of the Sub-Fund EFFEPILUX ALTERNATIVE – R.E., Perennius Capital Partners SGR 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.

Mandate Management Fee: 0.15% p.a. calculated on the basis of the Mandate Amount, outstanding from time to time and payable at the beginning of each 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.

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:

- 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

Investment Adviser Fee: The Investment Adviser is entitled to receive an Investment Advisory Fee out of the assets of the Sub-Fund EFFEPILUX ALTERNATIVE - Alternativo and as specified in the Investment Advisory Agreement.

Transaction Fee: 0.05% p.a. payable at the beginning of each quarter, and calculated, in respect of each Real Estate Investment, on each relevant Reference Commitment.

Performance Fee : With respect to the Real Estate Investments committed to from the date of the R.E. Sub Investment Management Agreement up to December 31, 2013 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”), Perennius Capital Partners SGR 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 Perennius Capital Partners SGR.

EFFEPILUX ALTERNATIVE

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

Notes to the financial statements as at December 31, 2013 (cont.)

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 Administrator, 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.

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 not 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 45 774 337	USD 62 200 000	08-Jan-14	634 513
			<u>634 513</u>

At December 31, 2013, the EFFEPILUX ALTERNATIVE - Alternativo Sub-Fund has outstanding forward foreign exchange contracts resulting in a net unrealised gain of EUR 634 513.

The counterparty of the forward foreign exchange contract is BANQUE PRIVEE EDMOND DE ROTHSCHILD.

Note 7 - Exchange rates

The following exchange rates have been used as of December 31, 2013:

1 EUR = 1.5402	AUD	1 EUR = 0.832	GBP
1 EUR = 8.35985	NOK	1 EUR = 1.37795	USD

EFFEPILUX ALTERNATIVE

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

Notes to the financial statements as at December 31, 2013 (cont.)

Note 8 - Capital Commitments and Contributions

As at December 31, 2013, the Sub-Fund EFFEPILUX ALTERNATIVE - Alternativo had entered into the following capital commitments and made the following capital contributions:

		Total Capital Commitments	Capital Contributions
F2I QUOTA DI PARTECIPAZIONE - B	EUR	15 000 000	13 316 977
ENERGHEIA - A	EUR	5 000 000	3 451 220
MH REAL ESTATE CRESCITA	EUR	10 000 000	8 712 000
MICROFINANZA	EUR	5 000 000	3 365 883
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	4 475 000
PERENNIUS GLOBAL VALUE 2008	EUR	10 000 000	7 542 104
PERENNIUS GLOBAL VALUE 2010	EUR	10 000 000	5 475 610
RIVERROCK EUROPEAN CAPITAL MASTER FUND			
PUBLIC LTD COMPANY	EUR	3 000 000	859 551
SATOR PRIVATE EQUITY FUND	EUR	10 000 000	6 573 240
SINERGIA II FUND	EUR	15 000 000	2 568 866
TOTAL in EUR		98 000 000	66 340 451
INVESCO PRIVATE CAPITAL	USD	10 000 000	7 582 564
JPM INDIA PROPERTY	USD	5 394 000	4 984 413
PANTHEON USA FUND - VI	USD	5 100 000	4 663 950
PERENNIUS ASIA PACIFIC	USD	7 000 000	5 924 024
PINEBRIDGE INVESTMENTS	USD	11 300 000	10 221 166
TOTAL in USD		38 794 000	33 376 117

EFFEPILUX ALTERNATIVE

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

Notes to the financial statements as at December 31, 2013 (cont.)

Note 8 - Capital Commitments and Contributions (cont.)

As at December 31, 2013, 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 PARTNERSHIP - VINTAGE 2 PGA 561	AUD	3 800 000	1 795 905
	TOTAL in AUD	3 800 000	1 795 905
EUROPEAN HIND INCOME FUND ONE C.V. PGA 489	EUR	6 151 843	6 153 047
EUROPEAN PROPERTY INVS SPECIAL OPPTS III, L.P. PGA 487	EUR	5 000 000	298 024
SEB ASIAN PROPERTY II	EUR	20 000 000	4 940 152
	TOTAL in EUR	31 151 843	11 391 223
COLUMBUS UK REAL ESTATE FUND II, L.P. PGA 643	GBP	10 000 000	2 307 692
INFRARED ACTIVE REAL ESTATE FUND III PGA 641	GBP	10 000 000	2 974 095
	TOTAL in GBP	20 000 000	5 281 787
PG NORWAY RETAIL I (LUX) SARL / EQUITY PGA 548	NOK	48 500 000	41 705 819
	TOTAL in NOK	48 500 000	41 705 819
200 NM / SHARES PGA 602	USD	3 541 969	530 606
AVENTINE LLC / SHARES PGA 498	USD	3 967 622	3 967 622
BELLEMEAD / EQUITY PGA 551	USD	1 794 000	1 794 000
BLACKSTONE REAL ESTATE PARTNERS VII, L.P. PGA 439	USD	15 000 000	7 774 804
CYPRESS ACQUISITION PARTNERS RETAIL FUND, L.P. PGA 559	USD	10 000 000	2 638 148
LLOYD CENTER PGA 603	USD	4 575 196	2 988 957
NORMANDY REAL ESTATE FUND III, L.P. S 22	USD	9 380 952	3 995 323
NORMANDY REAL ESTATE FUND III, L.P. S 27	USD	5 000 000	2 129 459
PROTECT BRIDGE US PRIVATE EQUITY PGA 494	USD	4 158 047	3 268 395
PROJECT 200 NORTH MICHIGAN PGA S26	USD	3 109 616	465 837
PROJECT RESIDENCE RITZ CARLTON PGA 461	USD	4 200 000	4 167 692
SULLIVAN DEBT FUND L.P. PGA 556	USD	8 000 000	7 769 995
SULLIVAN DEBT FUND L.P. PGA 567	USD	7 500 000	7 280 748
WM INDUSTRIAL / COMMON EQUITY PG SERIES 28	USD	5 500 000	765 329
	TOTAL in USD	85 727 402	49 536 915

Note 9 - Transactions with related parties

The Sub-Fund Real Estate invests in a variety of vehicles underwritten by Partners Group which integrated during 2013 the activities of Perennius Capital Partners, the sub advisor selected to manage the Portfolio of the Sub-Fund. The portfolio selections are reviewed by the Board of Directors of the Fund to ensure full compliance with the strategic direction of the portfolio as presented in the prospectus.

EFFEPILUX ALTERNATIVE

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

EFFEPILUX ALTERNATIVE - ALTERNATIVO

Schedule of Investments as at December 31, 2013

(expressed in EUR)

<u>Description</u>	<u>Quotation Currency</u>	<u>Market value</u>	<u>% of net assets</u>
		EUR	%
Investment funds			
AC - RISK PARITY 7 FUND - A	EUR	24 091 324	13.01
EDEN ROCK STRUCT. FIN. INST. - C	USD	-	0.00
ENERGHEIA - A	EUR	3 451 220	1.86
F2I QUOTA DI PARTECIPAZIONE - B	EUR	12 617 214	6.81
INVESCO PRIVATE CAPITAL	USD	4 699 735	2.54
JPM INDIA PROPERTY	USD	2 916 434	1.57
LANSDOWNE EUR FUND - B	EUR	6 036 167	3.26
LEE ENHANCED OFFSHORE FUND - B	EUR	773 364	0.42
LIONGATE SPC - LIONGATE MULTI-STRATEGY FUND SEGREGATED PORTFOLIO - B	EUR	10 290 820	5.55
MH REAL ESTATE CRESCITA	EUR	8 286 253	4.47
MICROFINANZA	EUR	3 365 883	1.82
NEXTAM PARTNERS - VER CAPITAL CREDIT FUND	EUR	5 341 752	2.88
OBSIDIAN FUND LLC CLASS C	USD	20 112 752	10.86
OPTIMUM EVOLUTION FUND SIF	EUR	3 671 460	1.98
PALLMALL TEC. VENT. - V	EUR	1	0.00
PALLMALL TEC. VENT. - VII	EUR	1	0.00
PANTHEON EUROPE FUND IV LIMITED	EUR	3 227 407	1.74
PANTHEON USA FUND - VI	USD	2 748 126	1.48
PELAGUS CAPITAL - B	EUR	5 463 704	2.95
PERENNIUS ASIA PACIFIC	USD	3 392 964	1.83
PERENNIUS GLOBAL VALUE 2008	EUR	6 580 675	3.55
PERENNIUS GLOBAL VALUE 2010	EUR	5 431 594	2.93
PINEBRIDGE INVESTMENTS	USD	2 899 140	1.56
RIVERROCK EUROPEAN CAPITAL MASTER FUND PUBLIC LTD COMPANY	EUR	889 568	0.48
SATOR PRIVATE EQUITY FUND	EUR	5 391 759	2.91
SILVER CREEK LOW VOL CONTINUATION FUND CAYMAN LP - AR	USD	7 744 915	4.18
SILVER CREEK LOW VOL FUND CAYMAN LP SIDE POCKET	USD	60 297	0.03
SILVER CREEK LOW VOL FUND CAYMAN LP SIDE POCKET - A	USD	251 286	0.14
SILVER CREEK LOW VOL FUND CAYMAN LP SIDE POCKET - B	USD	26 095	0.01
SILVER CREEK LOW VOL FUND CAYMAN LP SIDE POCKET - C	USD	482 771	0.26
SINERGIA II FUND	EUR	2 568 866	1.39

EFFEPILUX ALTERNATIVE

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

EFFEPILUX ALTERNATIVE - ALTERNATIVO

Schedule of Investments as at December 31, 2013 (cont.)

(expressed in EUR)

<u>Description</u>	<u>Quotation Currency</u>	<u>Market value</u>	<u>% of net assets</u>
		EUR	%
Investment funds (cont.)			
SWISSCANTO BOND INVEST SHORT TERM GLOBAL HIGH YIELD - JHC	EUR	6 227 152	3.36
WEGELIN LUX GLOBAL DIVERSIFICATION	EUR	11 700 918	6.31
Total Investment funds		<u>170 741 617</u>	<u>92.14</u>
Total investments		<u>170 741 617</u>	<u>92.14</u>

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

EFFEPILUX ALTERNATIVE

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

EFFEPILUX ALTERNATIVE - ALTERNATIVO

Economic classification of investments

(as a percentage of net assets at December 31, 2013)

	%
Investment Fund	92.14
	<hr/>
	<u>92.14</u>

EFFEPILUX ALTERNATIVE

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

EFFEPILUX ALTERNATIVE - ALTERNATIVO

Geographical classification of investments

(as a percentage of net assets at December 31, 2013)

	%
Luxembourg	28.10
Cayman Islands	26.68
Italy	16.35
United States of America	10.85
Switzerland	4.47
British Virgin Islands	3.22
United Kingdom	1.57
Ireland	0.48
France	0.42
	<hr/>
	<u>92.14</u>

EFFEPILUX ALTERNATIVE

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

EFFEPILUX ALTERNATIVE - R.E.

Schedule of Investments as at December 31, 2013

(expressed in EUR)

<u>Description</u>	<u>Quotation Currency</u>	<u>Market value</u>	<u>% of net assets</u>
		EUR	%
Other transferable securities			
Bonds			
PADUBA INDUSTRIES LIMITED SERIES 137 D FRN 18/02/2015	GBP	5 148 677	4.86
Total Bonds		<u>5 148 677</u>	<u>4.86</u>
BELLEMEAD PARTNERS GROUP ACCESS 551 LP	USD	1 301 934	1.23
PADUBA WARRANT	GBP	338 599	0.32
PROJECT AVENTINE PGA 498	USD	2 989 589	2.82
PROJECT BRIDGE USD PRIVATE EQUITY PGA 494	USD	3 241 319	3.07
PROJECT RESIDENCES RITZ CARLTON PGA 461	USD	3 423 236	3.24
Total Shares		<u>11 294 677</u>	<u>10.68</u>
ALTIS REAL ESTATE EQUITY PGA 561	AUD	1 166 356	1.10
BLACKSTONE REAL ESTATE PARTNERS VII USD PGA 439	USD	6 299 505	5.95
COLUMBUS UK REAL ESTATE FUND II LP PGA 643	GBP	2 773 669	2.62
CYPRESS ACQUISITION PARTNERS PGA 559	USD	1 362 305	1.29
EFFEPILUX SICAV - INVESTIMENTI A BREVE TERMINE - C	EUR	15 013 568	14.18
EUROHIND HIGH INCOME FUND PGA 489	EUR	9 872 400	9.33
EUROPEAN PROPERTY INV SPECIAL OPPTS PGA 487	EUR	236 663	0.22
INFRARED ACTIVE REAL ESTATE FUND III PGA 641	GBP	3 588 897	3.39
NORMANDY REAL ESTATE III S 27	USD	1 712 644	1.62
NORMANDY REAL ESTATE III S 22	USD	3 011 097	2.84
PG NORWAY RETAIL I (LUX) / EQUITY PGA 548	NOK	5 002 327	4.73
PROJECT LLOYD CENTER PGA 603	USD	2 169 133	2.05
PROJECT 200 NORTH MICHIGAN PGA S26	USD	349 690	0.33
PROJECT 200 NORTH MICHIGAN PGA 602	USD	398 310	0.38
SEB ASIAN PROPERTY II	EUR	4 843 101	4.58
SULLIVAN DEBT FUND PGA 556	USD	5 417 883	5.12

EFFEPILUX ALTERNATIVE

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

EFFEPILUX ALTERNATIVE - R.E.

Schedule of Investments as at December 31, 2013 (cont.)

(expressed in EUR)

<u>Description</u>	<u>Quotation Currency</u>	<u>Market value</u>	<u>% of net assets</u>
		EUR	%
Investment funds (cont.)			
SULLIVAN DEBT FUND PGA 567	USD	5 170 014	4.88
WM INDUSTRIAL PORTFOLIO 1 PG SERIES 28	USD	572 264	0.54
Total Investment funds		<u>68 959 826</u>	<u>65.15</u>
Total investments		<u>85 403 180</u>	<u>80.69</u>

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

EFFEPILUX ALTERNATIVE

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

EFFEPILUX ALTERNATIVE - R.E.

Economic classification of investments

(as a percentage of net assets at December 31, 2013)

	%
Investment Fund	65.15
Financial Services	11.99
Travel, Leisure and Catering	3.55
	<hr/>
	<u>80.69</u>

EFFEPILUX ALTERNATIVE

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

EFFEPILUX ALTERNATIVE - R.E.

Geographical classification of investments

(as a percentage of net assets at December 31, 2013)

	%
United States of America	33.53
Luxembourg	24.89
United Kingdom	11.97
Ireland	10.30
	<hr/>
	<u>80.69</u>