

NEW MILLENNIUM SIF - SICAV



Specialised Investment Fund - Investment Fund with variable
share capital
(SIF - SICAV)

R.C.S. Luxembourg B132 131

Audited annual report as at 31 December 2017

Subscriptions may not be received on the basis of financial reports. Subscriptions are valid only if made on the basis of the current prospectus, supplemented by the last annual report.

NEW MILLENNIUM SIF - SICAV

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NEW MILLENNIUM SIF - SICAV

Directors and Administration

REGISTERED OFFICE	5, Allée Scheffer L - 2520 Luxembourg
PROMOTER	Banca Finnat Euramerica S.p.A. Piazza del Gesù, 49 I - 00186 Roma
CUSTODIAN, CENTRAL ADMINISTRATION, REGISTRAR AND TRANSFER AGENT	CACEIS Bank, Luxembourg Branch 5, Allée Scheffer L - 2520 Luxembourg
AUDITOR	PricewaterhouseCoopers, Société coopérative 2, rue Gerhard Mercator L - 2182 Luxembourg
GENERAL COORDINATOR	Banca Finnat Euramerica S.p.A. Piazza del Gesù, 49 I - 00186 Roma
AIFM	NATAM MANAGEMENT COMPANY S.A. (since 1 March 2017) 32-36, boulevard d'Avranches L - 1160 Luxembourg
INVESTMENT MANAGERS	<i>For NEW MILLENNIUM SIF – SICAV Total FlexFund and for NEW MILLENNIUM SIF – SICAV AIM SISTEMA Italia - PIR</i> Banca Finnat Euramerica S.p.A. Piazza del Gesù, 49 I - 00186 Roma <i>For NEW MILLENNIUM SIF – SICAV Flexible Credit Opportunities December 2020</i> AZ SWISS & Partners S.A. Via Carlo Frasca 5 CH - 6900 Lugano
LEGAL ADVISOR	Bonn & Schmitt Avocats 148, Avenue de la Faïencerie L - 1511 Luxembourg

Board of Directors

CHAIRMAN	Mr. Alberto ALFIERO (until 1 March 2017) <i>Deputy General Manager</i> Banca Finnat Euramerica S.p.A. Piazza del Gesù, 49 I - 00186 Roma Mr. Sante JANNONI (since 1 January 2017) NATAM Management Company S.A. 32-36, boulevard d'Avranches L - 1160 Luxembourg
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Board of Directors (continued)

DIRECTORS

Mr. Gianluca COSTANTINI
Banca Finnat Euramerica S.p.A.
Piazza del Gesù, 49
I - 00186 Roma

Ms. Antonella MUSCO
Banca Finnat Euramerica S.p.A.
Piazza del Gesù, 49
I - 00186 Roma

Mr. Emanuele BONABELLO
Banca Finnat Euramerica S.p.A.
Piazza del Gesù, 49
I - 00186 Roma

NEW MILLENNIUM SIF - SICAV

Board of Directors' report

NEW MILLENNIUM SIF - SICAV - Total FlexFund

The sub-fund recorded a negative performance of -2.07%.

The sub-fund invests in European Government bonds and Corporate bonds almost in equal part. Regarding the Governative component, during the year, the exposure was mainly on periphery countries like Spain and Italy; while on the corporate side, it has been given preference to bonds issued by Financial Institutions (such as Intesa San Paolo and Merrill Lynch) and Automotive-related Company (FCA).

NEW MILLENNIUM SIF - SICAV - Flexible Credit Opportunities December 2020

The sub-fund recorded an absolute performance of 9.41%.

The European Central Bank continued its accommodative monetary policy throughout 2017 by injecting liquidity into the European financial system through quantitative easing. The entire financial system benefited from the large amount of liquidity made available on the market at negative rates. Some events, such as the general elections in France, England and Germany, generated peaks in market volatility. These periods of uncertainty were suitably managed by adjusting the duration, which was maintained in the 2.5 and 3.5 years range, with the use of hedging derivatives. As at the 2017 year-end, the duration was 2.7 years. In October, the sub-fund benefited from S&P's upgrading of Italy's credit rating (from BBB- to BBB), due to an overweight position in Italian government securities. Sub-fund performance in October was not affected by the consequences of the volatility arising from the independence movement in Catalonia.

The start of November was, on the other hand, marked by an overall increase in credit risk for all sectors, and the banking sector in particular. The dollar-denominated non-investment grade issues and euro-denominated bank issues held in the bond portfolio were affected by this increase. In terms of currencies, 2017 saw continued depreciation of the U.S. dollar against the euro. This had no impact on fund performance as the exchange rate risk was always fully hedged by currency forwards.

NEW MILLENNIUM SIF - SICAV - AIM SISTEMA Italia - PIR

The sub-fund recorded a negative performance of -0.93%.

The sub-fund invests in small and medium Italian enterprises listed on the FTSE AIM Index. Since inception date, 1 December 2017, the sub-fund shall invest around 70% of the TNA in replicating the benchmark (90% FTSE AIM and 10% Euribor 3m); the remaining 30% of the total net assets shall be invested in high growth potential equities, according to a quality criteria investment approach. Given the recent inception date the fund still in a portfolio building phase. The performance as of the 29 December 2017 is -0.83%.

Luxembourg, 4 April 2018

Note: the information in this report represents historical data and is not an indication of future results.



Audit report

To the Shareholders of
NEW MILLENNIUM SIF - SICAV

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of NEW MILLENNIUM SIF - SICAV and of each of its sub-funds (the “Fund”) as at 31 December 2017, 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.

What we have audited

The Fund’s financial statements comprise:

- the statement of net assets as at 31 December 2017;
- the securities portfolio as at 31 December 2017;
- the statement of operations and changes in net assets for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under those Law and standards are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

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

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Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518



We are 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. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report 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 identified above 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 that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund and those charged with governance for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the 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 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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.



Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements

The objectives of our audit 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 an audit report 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 23 July 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 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report 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 audit report. However, future events or conditions may cause the Fund 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.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 9 April 2018

A handwritten signature in black ink, consisting of a large, sweeping loop followed by a smaller, more intricate flourish.

Marc Schernberg de Plata Acevedo

NEW MILLENNIUM SIF - SICAV

Combined

NEW MILLENNIUM SIF - SICAV
Combined
Financial Statements as at 31 December 2017

Statement of net assets as at 31 December 2017

Expressed in EUR

Assets		21,453,539.50
Investments in securities at market value	Note 2	19,954,633.47
Cash		969,238.87
Interests receivable		310,226.03
Formation expenses	Note 2	8,607.76
Receivable on sales of securities		186,673.37
Unrealised net appreciation on financial futures	Note 2	24,160.00
Liabilities		426,084.39
Payable on purchases of securities		157,487.53
Accrued performance fees	Note 3	174,651.13
Unrealised net depreciation on forward foreign exchange contracts	Note 2	10,510.53
Accrued management fees	Note 3	46,684.95
Expenses payable		36,750.25
Net asset value		21,027,455.11

NEW MILLENNIUM SIF - SICAV

Combined

Statement of operations and changes in net assets from 1 January 2017 to 31 December 2017

Expressed in EUR

Income		786,251.61
Net dividends		4,084.80
Net interest on bonds		780,960.53
Bank interest on cash account		1,184.91
Other financial income		21.37
Expenses		484,443.42
Amortisation of formation expenses	Note 2	3,224.43
Management fees	Note 3	185,753.61
Custodian fees		7,872.13
Subscription tax	Note 4	1,648.21
Central administration fees		13,150.27
Performance fees	Note 3	174,651.13
Domiciliation and Administrative Agent fees		4,500.00
Professional fees		49,930.47
Bank interest on overdrafts		5,533.41
Other charges	Note 5	38,179.76
Net income from investments		301,808.19
Net realised profit / (loss) on:		
- Realised profit on sales of investment securities		1,026,117.05
- Realised loss on sales of investment securities		(171,797.86)
- Realised profit on forward foreign exchange contracts		446,051.59
- Realised loss on forward foreign exchange contracts		(260,323.31)
- Realised profit on financial futures		7,670.00
- Realised loss on financial futures		(101,770.00)
- Realised profit on foreign exchange		791,593.52
- Realised loss on foreign exchange		(756,687.73)
Net realised profit		1,282,661.45
Change in net unrealised appreciation / (depreciation) on:		
- Movement in unrealised appreciation on investments		(3,025.72)
- Movement in unrealised depreciation on investments		(455,228.09)
- Movement in unrealised appreciation on forward foreign exchange contracts		(14,189.31)
- Movement in unrealised depreciation on forward foreign exchange contracts		234,570.98
- Movement in unrealised appreciation on financial futures		24,160.00
- Movement in unrealised depreciation on financial futures		9,700.00
Increase in net assets as a result of operations		1,078,649.31
Dividends paid	Note 6	(529,001.05)
Subscription capitalisation shares		3,330,000.00
Subscription distribution shares		4,205,489.66
Redemption distribution shares		(153,821.95)
Increase in net assets		7,931,315.97
Net assets at the beginning of the year		13,096,139.14
Net assets at the end of the year		21,027,455.11

NEW MILLENNIUM SIF - SICAV
- Total FlexFund

NEW MILLENNIUM SIF - SICAV - Total FlexFund
Financial Statements as at 31 December 2017

Statement of net assets as at 31 December 2017

Expressed in EUR

Assets		1,280,517.28
Investments in securities at market value	Note 2	1,260,768.62
Cash		9,455.76
Interests receivable		6,929.45
Formation expenses	Note 2	3,363.45
Liabilities		3,567.86
Expenses payable		3,567.86
Net asset value		1,276,949.42

Key figures

	<i>Year ending as at:</i>	31 December 2017	31 December 2016	31 December 2015
Total Net Assets	EUR	1,276,949.42	1,303,980.35	1,342,098.57
	EUR		EUR	EUR
Capitalisation shares				
Number of shares		14,950.831	14,950.831	14,950.831
Net asset value per share		85.41	87.22	89.77

NEW MILLENNIUM SIF - SICAV - Total FlexFund

Securities portfolio as at 31 December 2017

Expressed in EUR

Quantity / Nominal	Description	Currency	Acquisition cost	Market value	% of net assets
Transferable securities admitted to official stock exchange listing and/or dealt in on another regulated market			1,105,873.92	1,087,567.94	85.17
Bonds			735,398.42	712,311.84	55.78
<i>Italy</i>			<i>374,723.22</i>	<i>367,230.24</i>	<i>28.76</i>
260,000.00	ITALIE 0.30 15-18 15/10S	EUR	261,656.50	261,528.80	20.48
104,000.00	ITALY BTP 3.50 13-18 01/06S	EUR	113,066.72	105,701.44	8.28
<i>Spain</i>			<i>360,675.20</i>	<i>345,081.60</i>	<i>27.02</i>
320,000.00	SPAIN 4.60 09-19 30/07A	EUR	360,675.20	345,081.60	27.02
Floating rate bonds			370,475.50	375,256.10	29.39
<i>Italy</i>			<i>252,125.50</i>	<i>255,012.50</i>	<i>19.97</i>
250,000.00	INTESA SANPAOLO FL.R 15-20 15/06Q	EUR	252,125.50	255,012.50	19.97
<i>United States of America</i>			<i>118,350.00</i>	<i>120,243.60</i>	<i>9.42</i>
120,000.00	MERRILL LYNCH EMTN FL.R 06-18 14/09Q	EUR	118,350.00	120,243.60	9.42
Other transferable securities			173,091.88	173,200.68	13.56
Bonds			173,091.88	173,200.68	13.56
<i>Ireland</i>			<i>173,091.88</i>	<i>173,200.68</i>	<i>13.56</i>
173,000.00	FCA BANK SPA IRL 0.25 17-20 12/10A	EUR	173,091.88	173,200.68	13.56
Total securities portfolio			1,278,965.80	1,260,768.62	98.73
Cash at bank/(bank liabilities)				9,455.76	0.74
Other net assets				6,725.04	0.53
Total net assets				1,276,949.42	100.00

NEW MILLENNIUM SIF - SICAV - Total FlexFund

Statement of operations and changes in net assets from 1 January 2017 to 31 December 2017

Expressed in EUR

Income		27,635.06
Net interest on bonds		27,635.06
Expenses		34,012.15
Amortisation of formation expenses	Note 2	1,377.63
Management fees	Note 3	4,855.40
Custodian fees		683.20
Subscription tax	Note 4	128.77
Central administration fees		6,000.00
Domiciliation and Administrative Agent fees		3,750.00
Professional fees		9,029.66
Bank interest on overdrafts		65.36
Other charges	Note 5	8,122.13
Net loss from investments		(6,377.09)
Net realised profit / (loss) on:		
- Realised loss on sales of investment securities		(20,538.42)
- Realised loss on foreign exchange		(0.04)
Net realised loss		(26,915.55)
Change in net unrealised appreciation / (depreciation) on:		
- Movement in unrealised appreciation on investments		2,778.00
- Movement in unrealised depreciation on investments		(2,893.38)
Decrease in net assets as a result of operations		(27,030.93)
Decrease in net assets		(27,030.93)
Net assets at the beginning of the year		1,303,980.35
Net assets at the end of the year		1,276,949.42

NEW MILLENNIUM SIF - SICAV
- Flexible Credit Opportunities December 2020

Financial Statements as at 31 December 2017

Statement of net assets as at 31 December 2017

Expressed in EUR

Assets		16,709,438.87
Investments in securities at market value	Note 2	15,478,821.22
Cash		897,916.76
Interests receivable		303,296.58
Formation expenses	Note 2	5,244.31
Unrealised net appreciation on financial futures	Note 2	24,160.00
Liabilities		258,055.54
Accrued performance fees	Note 3	174,651.13
Unrealised net depreciation on forward foreign exchange contracts	Note 2	10,510.53
Accrued management fees	Note 3	46,359.50
Expenses payable		26,534.38
Net asset value		16,451,383.33

Key figures

	<i>Year ending as at:</i>	31 December 2017	31 December 2016
Total Net Assets	EUR	16,451,383.33	11,792,158.79
	EUR		EUR
Distribution shares			
Number of shares		143,784.180	108,157.180
Net asset value per share		114.42	109.03

NEW MILLENNIUM SIF - SICAV - Flexible Credit Opportunities December 2020

Securities portfolio as at 31 December 2017

Expressed in EUR

Quantity / Nominal	Description	Currency	Acquisition cost	Market value	% of net assets
Transferable securities admitted to official stock exchange listing and/or dealt in on another regulated market			13,768,716.33	14,115,217.86	85.80
Bonds			7,587,009.25	7,562,387.22	45.97
<i>Italy</i>			<i>2,424,466.80</i>	<i>2,489,662.17</i>	<i>15.14</i>
200,000.00	BANCA MONTE PASCHI 2.00 15-19 16/02S	EUR	179,800.00	201,311.00	1.22
400,000.00	BANCO POPOLARE SC 6.375 11-21 31/05A	EUR	431,800.00	432,800.00	2.63
477,000.00	CREDITO VALTELLINESE 2.20 15-18 30/11S	EUR	470,035.80	471,542.17	2.87
200,000.00	MANUTENCOOP FM REGS 9.00 17-22 15/06S	EUR	200,200.00	202,554.00	1.23
450,000.00	MONTE PASCHI SIENA 3.625 14-19 01/04A	EUR	439,815.00	463,779.00	2.82
200,000.00	NET INSURANCE SPA 7.00 16-26 30/09A	EUR	200,040.00	200,040.00	1.22
200,000.00	SNAI SPA REGS 6.375 16-21 07/11S	EUR	203,100.00	215,278.00	1.31
300,000.00	UNIPOL GRUPPO FI 3.50 17-27 29/11A	EUR	299,676.00	302,358.00	1.84
<i>United States of America</i>			<i>1,607,859.71</i>	<i>1,561,998.76</i>	<i>9.50</i>
200,000.00	CENTURY LINK 7.50 16-24 01/04S	USD	188,755.81	166,932.38	1.01
195,000.00	DELL COMPUTER 7.10 98-28 15/04S	USD	157,470.90	182,164.77	1.11
200,000.00	DPL INC 7.25 12-21 15/10S	USD	189,748.69	185,524.89	1.13
100,000.00	FRONTIER COMM 8.50 10-20 15/04S	USD	95,009.94	71,291.59	0.43
220,000.00	GENWORTH FINANCIAL 7.625 11-21 24/09S	USD	175,054.69	179,555.07	1.09
200,000.00	MICHAEL KORS US INC 4.00 17-24 01/11S	USD	173,856.77	168,274.82	1.02
100,000.00	NABORS INDUSTRIES INC 4.625 12-21 15/09S	USD	85,853.18	79,757.36	0.48
130,000.00	PPL ENERGY SUPPLY LLC 4.60 11-21 15/12S	USD	95,425.78	99,686.90	0.61
100,000.00	SPRINT 7.25 14-21 15/09S	USD	93,744.35	88,200.62	0.54
150,000.00	SUPERIOR IND INTL 6.00 17-25 15/06S	EUR	151,350.00	147,127.50	0.89
200,000.00	WESTERN DIGITAL CORP 10.50 16-24 01/04S	USD	201,589.60	193,482.86	1.19
<i>Luxembourg</i>			<i>932,265.16</i>	<i>981,924.95</i>	<i>5.97</i>
500,000.00	INTRALOT CAPITAL LUX 5.25 17-24 15/09S	EUR	504,500.00	509,170.00	3.10
200,000.00	STENA INTL REGS 5.75 14-24 01/03S	USD	152,417.19	156,569.67	0.95
200,000.00	TELECOM ITALIA CAPITAL 7.20 06-18 18/07S	USD	181,721.95	207,954.64	1.26
100,000.00	TI CAPITAL 7.721 08-38 04/06S	USD	93,626.02	108,230.64	0.66
<i>The Netherlands</i>			<i>733,159.11</i>	<i>798,363.49</i>	<i>4.85</i>
200,000.00	FIAT CHRYSLER AUTO 5.25 15-23 15/04S	USD	191,395.22	174,825.32	1.06
200,000.00	GTH FINANCE 7.25 16-23 26/04S	USD	176,113.89	187,706.17	1.14
200,000.00	PETROBRAS INTL FIN 5.875 11-22 07/03A	EUR	177,000.00	232,426.00	1.41
200,000.00	SELECTA GR REGS 6.50 14-20 15/06S	EUR	188,650.00	203,406.00	1.24
<i>United Kingdom</i>			<i>570,120.82</i>	<i>458,111.76</i>	<i>2.78</i>
130,000.00	AIR BERLIN DEF 8.25 11-18 19/04Q	EUR	126,550.00	2,125.50	0.01
120,000.00	ENSCO PLC 4.70 11-21 15/03S	USD	97,197.61	98,398.40	0.60
200,000.00	INTL PERS FIN 5.75 14-21 07/04A	EUR	182,750.00	189,258.00	1.15
200,000.00	TULLOW OIL PLC REGS 6.00 13-20 01/11S	USD	163,623.21	168,329.86	1.02
<i>Spain</i>			<i>365,600.00</i>	<i>396,044.00</i>	<i>2.41</i>
400,000.00	G CATALUNYA 4.22 05-35 26/04A	EUR	365,600.00	396,044.00	2.41
<i>Ireland</i>			<i>412,533.61</i>	<i>391,402.91</i>	<i>2.38</i>
250,000.00	DME AIRPORT 5.875 16-21 11/11S	USD	226,184.02	220,868.43	1.34
200,000.00	RUSAL CAPITAL DAC 5.125 17-22 02/02S	USD	186,349.59	170,534.48	1.04
<i>Bermuda</i>			<i>338,228.73</i>	<i>286,904.02</i>	<i>1.74</i>
400,000.00	GCX REGS 7.00 14-19 01/08S	USD	338,228.73	286,904.02	1.74
<i>Canada</i>			<i>193,628.94</i>	<i>188,222.97</i>	<i>1.14</i>
230,000.00	BOMBARDIER INC REGS 6.125 13-23 15/01S	USD	193,628.94	188,222.97	1.14
<i>Cayman Islands</i>			<i>9,146.37</i>	<i>9,752.19</i>	<i>0.06</i>
12,000.00	NOBLE HOLDING INTL 4.90 10-20 01/08S	USD	9,146.37	9,752.19	0.06
Convertible bonds			300,900.00	300,885.00	1.83
<i>Italy</i>			<i>300,900.00</i>	<i>300,885.00</i>	<i>1.83</i>
300,000.00	TELECOM ITALIA CV 1.125 15-22 26/03S	EUR	300,900.00	300,885.00	1.83
Floating rate bonds			5,380,057.08	5,751,195.64	34.96
<i>Italy</i>			<i>4,266,557.08</i>	<i>4,458,220.64</i>	<i>27.10</i>
500,000.00	ASSICURAZ GENERALI FL.R 06-XX 16/06A	GBP	567,283.76	629,042.07	3.82
250,000.00	ASSICURAZIONI GEN. FL.R 07-XX 08/02A	GBP	312,593.47	312,652.87	1.90
400,000.00	BANCA POP MILANO SUB FL.R 08-XX 25/06A	EUR	415,550.00	409,860.00	2.49
50,000.00	BANCA POP VERONA NOV FL.R 07-XX 21/06A	EUR	46,375.00	42,422.00	0.26
500,000.00	BANCA SELLA SPA FL.R 17-27 22/09A	EUR	511,750.00	529,280.00	3.22
300,000.00	BPER BANCA FL.R 17-27 31/05A	EUR	303,960.00	309,015.00	1.88
600,000.00	CR.VATELLINESE SUB FL.R 17-27 12/04A	EUR	602,300.00	501,780.00	3.05
200,000.00	ENEL 144A SUB FL.R 13-73 24/09S	USD	199,364.85	207,482.70	1.26
600,000.00	INTESA SANPAOLO SUB FL.R 16-XX 19/01S	EUR	585,100.00	665,178.00	4.05

The accompanying notes form an integral part of these financial statements

NEW MILLENNIUM SIF - SICAV - Flexible Credit Opportunities December 2020

Securities portfolio as at 31 December 2017

Expressed in EUR

Quantity / Nominal	Description	Currency	Acquisition cost	Market value	% of net assets
200,000.00	SCHUMANN REGS FL.R 16-22 31/07Q	EUR	201,380.00	202,782.00	1.23
600,000.00	UNICREDIT FL.R 14-XX 10/09S	EUR	520,900.00	648,726.00	3.94
	<i>France</i>		520,500.00	561,605.00	3.41
500,000.00	SOCIETE GENERALE REGS FL.R 14-XX 07/04S	EUR	520,500.00	561,605.00	3.41
	<i>Luxembourg</i>		282,200.00	417,378.00	2.54
600,000.00	MITSUBISHI UFJ INV FL.R 09-50 15/12Q	EUR	282,200.00	417,378.00	2.54
	<i>Spain</i>		310,800.00	313,992.00	1.91
300,000.00	BANCO SANTANDER SA FL.R 14-XX 12/03A	EUR	310,800.00	313,992.00	1.91
	Mortgage and asset backed securities		500,750.00	500,750.00	3.04
	<i>Italy</i>		500,750.00	500,750.00	3.04
500,000.00	SPV PROJ 1612 7.00 17-37 15/11S	EUR	500,750.00	500,750.00	3.04
Other transferable securities			1,472,174.88	1,363,603.36	8.29
	Bonds		1,042,208.82	1,028,890.21	6.26
	<i>Jersey Island</i>		358,022.52	356,518.60	2.17
300,000.00	ASTON MARTIN CAP 5.75 17-22 15/04S	GBP	358,022.52	356,518.60	2.17
	<i>Italy</i>		299,508.00	299,940.00	1.82
300,000.00	BANCA SISTEMA SPA 1.75 17-20 13/10A	EUR	299,508.00	299,940.00	1.82
	<i>United States of America</i>		206,660.00	201,672.00	1.23
200,000.00	NETFLIX INC 3.625 17-27 15/05S	EUR	206,660.00	201,672.00	1.23
	<i>France</i>		178,018.30	170,759.61	1.04
200,000.00	NUMERICABLE-SFR SA 7.375 16-26 01/05S	USD	178,018.30	170,759.61	1.04
	Convertible bonds		200,100.00	107,302.00	0.65
	<i>Italy</i>		200,100.00	107,302.00	0.65
200,000.00	ASTALDI SPA 4.875 17-24 21/06Q	EUR	200,100.00	107,302.00	0.65
	Floating rate bonds		229,866.06	227,411.15	1.38
	<i>United Kingdom</i>		229,866.06	227,411.15	1.38
200,000.00	DIRECT LINE INSUR SUB FL.R 17-XX 07/12S	GBP	229,866.06	227,411.15	1.38
Total securities portfolio			15,240,891.21	15,478,821.22	94.09
Cash at bank/(bank liabilities)				897,916.76	5.46
Other net assets				74,645.35	0.45
Total net assets				16,451,383.33	100.00

NEW MILLENNIUM SIF - SICAV - Flexible Credit Opportunities December 2020

Statement of operations and changes in net assets from 1 January 2017 to 31 December 2017

Expressed in EUR

Income		754,531.75
Net interest on bonds		753,325.47
Bank interest on cash account		1,184.91
Other financial income		21.37
Expenses		438,312.55
Amortisation of formation expenses	Note 2	1,846.80
Management fees	Note 3	179,656.09
Custodian fees		7,107.57
Subscription tax	Note 4	1,436.96
Central administration fees		7,028.23
Performance fees	Note 3	174,651.13
Domiciliation and Administrative Agent fees		625.00
Professional fees		40,900.81
Bank interest on overdrafts		5,468.05
Other charges	Note 5	19,591.91
Net income from investments		316,219.20
Net realised profit / (loss) on:		
- Realised profit on sales of investment securities		1,025,110.80
- Realised loss on sales of investment securities		(144,308.36)
- Realised profit on forward foreign exchange contracts		446,051.59
- Realised loss on forward foreign exchange contracts		(260,323.31)
- Realised profit on financial futures		7,670.00
- Realised loss on financial futures		(101,770.00)
- Realised profit on foreign exchange		791,593.52
- Realised loss on foreign exchange		(756,687.69)
Net realised profit		1,323,555.75
Change in net unrealised appreciation / (depreciation) on:		
- Movement in unrealised appreciation on investments		(49,985.59)
- Movement in unrealised depreciation on investments		(391,253.95)
- Movement in unrealised appreciation on forward foreign exchange contracts		(14,189.31)
- Movement in unrealised depreciation on forward foreign exchange contracts		234,570.98
- Movement in unrealised appreciation on financial futures		24,160.00
- Movement in unrealised depreciation on financial futures		9,700.00
Increase in net assets as a result of operations		1,136,557.88
Dividends paid	Note 6	(529,001.05)
Subscription distribution shares		4,205,489.66
Redemption distribution shares		(153,821.95)
Increase in net assets		4,659,224.54
Net assets at the beginning of the year		11,792,158.79
Net assets at the end of the year		16,451,383.33

NEW MILLENNIUM SIF - SICAV
- AIM SISTEMA Italia - PIR

Financial Statements as at 31 December 2017

Statement of net assets as at 31 December 2017

Expressed in EUR

Assets		3,463,583.35
Investments in securities at market value	Note 2	3,215,043.63
Cash		61,866.35
Receivable on sales of securities		186,673.37
Liabilities		164,460.99
Payable on purchases of securities		157,487.53
Accrued management fees	Note 3	325.45
Expenses payable		6,648.01
Net asset value		3,299,122.36

Key figures

Period ending as at: **31 December 2017**

Total Net Assets	EUR	3,299,122.36
	EUR	
Capitalisation shares		
Number of shares		33,300.000
Net asset value per share		99.07

NEW MILLENNIUM SIF - SICAV - AIM SISTEMA Italia - PIR

Securities portfolio as at 31 December 2017

Expressed in EUR

Quantity / Nominal	Description	Currency	Acquisition cost	Market value	% of net assets
Transferable securities admitted to official stock exchange listing and/or dealt in on another regulated market			3,196,355.02	3,179,781.13	96.38
Shares			3,190,066.75	3,172,710.64	96.17
<i>Italy</i>			<i>2,979,176.02</i>	<i>2,968,330.64</i>	<i>89.98</i>
91.00	ABITARE IN SPA	EUR	30,128.00	30,849.00	0.94
31,000.00	AGATOS SPA	EUR	8,830.50	9,749.50	0.30
700.00	ALFIO BARDOLLA TRAINING GROUP SPA	EUR	5,222.00	4,886.00	0.15
2,800.00	ALKEMY SPA	EUR	35,294.00	34,776.00	1.05
7,500.00	AXELERO SPA	EUR	23,511.50	22,890.00	0.69
9,500.00	BIO-ON	EUR	264,860.00	275,595.00	8.34
18,000.00	BOMI ITALIA	EUR	52,361.11	49,428.00	1.50
6,500.00	CASA CASTRA GROUP	EUR	10,051.51	9,347.00	0.28
4,500.00	CLABO	EUR	13,354.00	13,365.00	0.41
2,400.00	COVER 50	EUR	26,115.00	24,960.00	0.76
6,900.00	DBA GROUP	EUR	27,600.00	27,793.20	0.84
3,600.00	DIGITAL MAGICS SPA	EUR	26,814.00	28,404.00	0.86
8,500.00	DIGITAL 360 SPA REGISTERED	EUR	10,242.50	10,769.50	0.33
24,500.00	DIGITOUCH S.P.A.	EUR	36,832.00	37,387.00	1.13
560.00	ECOSUNTEK SPA	EUR	4,611.82	4,370.80	0.13
8,500.00	ELETTRA INVEST	EUR	85,413.18	84,065.00	2.55
7,000.00	ENERGICA MOTOR COMPANY	EUR	21,756.90	21,630.00	0.66
27,500.00	EQUITA GROUP - BEARER REGISTERED	EUR	85,401.25	83,160.00	2.52
15,000.00	EXPERT SYSTEM SPA	EUR	21,435.00	21,465.00	0.65
1,000.00	FEDON	EUR	12,000.00	11,460.00	0.35
8,000.00	FINLOGIC - REGISTERED	EUR	41,555.00	42,080.00	1.28
14,400.00	FINTEL ENERGIA GROUP SPA	EUR	51,242.40	52,358.40	1.59
1,560.00	FIRST CAPITAL - REGISTERED	EUR	15,600.00	15,600.00	0.47
2,000.00	FOPE S.P.A.	EUR	12,387.50	12,540.00	0.38
29,160.00	FRENDY ENERGY S.P.A.	EUR	9,917.64	9,888.16	0.30
8,000.00	GAMBERO ROSSO S.P.A.	EUR	8,902.70	8,912.00	0.27
3,750.00	GEL SPA	EUR	9,602.50	9,360.00	0.28
9,000.00	GIGLIO GROUP	EUR	66,600.00	62,190.00	1.89
5,500.00	GO INTERNET SPA	EUR	8,756.00	7,892.50	0.24
11,800.00	GPI SPA	EUR	128,620.00	124,136.00	3.76
1,650.00	GRUPPO GREEN POWER SPA	EUR	11,694.00	11,038.50	0.33
16,800.00	HEALTH ITALIA SPA	EUR	81,228.00	87,360.00	2.65
42,000.00	H-FARM VENT	EUR	32,177.25	31,857.00	0.97
25,200.00	IMVEST SPA	EUR	50,131.20	52,668.00	1.60
2,100.00	INIZIATIVE BRESCIANE SPA	EUR	41,998.00	42,000.00	1.27
2,950.00	ITALIA INDEPENDENT GROUP SA	EUR	13,532.20	14,112.80	0.43
5,400.00	ITALIAN WINE BRANDS SPA	EUR	68,682.00	67,932.00	2.06
7,800.00	LEONE FILM GROUP SPA	EUR	36,988.20	35,880.00	1.09
8,000.00	LUCISANO MEDIA GROUP SPA	EUR	23,130.40	19,296.00	0.58
33,540.00	MAILUP S.P.A.	EUR	85,035.61	84,587.88	2.56
18,000.00	MASI AGRICOLA	EUR	79,100.00	79,740.00	2.42
7,000.00	NEODECORTECH SPA	EUR	27,230.00	26,950.00	0.82
3,750.00	NET INSURANCE SPA	EUR	22,875.00	21,731.25	0.66
82,800.00	NOTORIOUS PICTURES SPA	EUR	116,394.40	112,856.40	3.42
9,000.00	ORSERO NM AZ. NOMINATIVA	EUR	90,883.47	83,250.00	2.52
10,600.00	PHARMANUTRA SPA	EUR	134,978.00	134,620.00	4.08
29,500.00	PITECO	EUR	150,450.00	151,925.00	4.61
13,000.00	PLT ENERGIA SPA	EUR	31,350.00	32,266.00	0.98
12,000.00	POLIGRAFICI PRINTING SPA	EUR	8,168.00	8,364.00	0.25
17,000.00	SAFE BAG SPA	EUR	86,591.50	90,100.00	2.73
1,080.00	SCM SIM SPA	EUR	11,355.60	11,448.00	0.35
6,400.00	SITI B T GROUP SPA	EUR	56,398.30	53,984.00	1.64
27,000.00	SMRE SPA	EUR	155,250.00	162,540.00	4.92
3,500.00	TECHNICAL PUBLICATIONS SERVICES SPA-REG	EUR	17,790.00	16,555.00	0.50
53,500.00	TRIBOO	EUR	141,102.00	133,536.00	4.05
3,675.00	VETRYA SPA	EUR	27,139.88	28,995.75	0.88
1,800.00	WIIT REGISTERED	EUR	105,972.00	105,930.00	3.21
15,400.00	ZEPHYRO	EUR	116,533.00	115,500.00	3.50
<i>Luxembourg</i>			<i>192,076.77</i>	<i>185,480.00</i>	<i>5.62</i>
18,000.00	ASSITECA SPA INTERNAZIONALE	EUR	48,571.50	45,180.00	1.37
12,200.00	SIT SPA	EUR	143,505.27	140,300.00	4.25

NEW MILLENNIUM SIF - SICAV - AIM SISTEMA Italia - PIR

Securities portfolio as at 31 December 2017

Expressed in EUR

Quantity / Nominal	Description	Currency	Acquisition cost	Market value	% of net assets
	<i>Greece</i>		<i>18,813.96</i>	<i>18,900.00</i>	<i>0.57</i>
9,000.00	NEUROSOFT S.A.	EUR	18,813.96	18,900.00	0.57
	Warrants, Rights		6,288.27	7,070.49	0.21
	<i>Italy</i>		<i>6,288.27</i>	<i>7,070.49</i>	<i>0.21</i>
2,100.00	ALFIO BARDOLLA TRAINING GRP 29.07.22 WAR	EUR	6,288.04	5,283.60	0.16
2,300.00	DBA GROUP SPA 18.01.21 WAR	EUR	0.23	1,028.79	0.03
2,166.00	ILLA SPA 15.10.20 WAR	EUR	0.00	758.10	0.02
Other transferable securities			35,587.50	35,262.50	1.07
	Shares		35,587.50	35,262.50	1.07
	<i>Luxembourg</i>		<i>35,587.50</i>	<i>35,262.50</i>	<i>1.07</i>
6,500.00	BIODUE SPA	EUR	35,587.50	35,262.50	1.07
Total securities portfolio			3,231,942.52	3,215,043.63	97.45
Cash at bank/(bank liabilities)				61,866.35	1.88
Other net assets				22,212.38	0.67
Total net assets				3,299,122.36	100.00

NEW MILLENNIUM SIF - SICAV - AIM SISTEMA Italia - PIR

Statement of operations and changes in net assets from 1 December 2017 to 31 December 2017

Expressed in EUR

Income		4,084.80
Net dividends		4,084.80
Expenses		12,118.72
Management fees	Note 3	1,242.12
Custodian fees		81.36
Subscription tax	Note 4	82.48
Central administration fees		122.04
Domiciliation and Administrative Agent fees		125.00
Other charges	Note 5	10,465.72
Net loss from investments		(8,033.92)
Net realised profit / (loss) on:		
- Realised profit on sales of investment securities		1,006.25
- Realised loss on sales of investment securities		(6,951.08)
Net realised loss		(13,978.75)
Change in net unrealised appreciation / (depreciation) on:		
- Movement in unrealised appreciation on investments		44,181.87
- Movement in unrealised depreciation on investments		(61,080.76)
Decrease in net assets as a result of operations		(30,877.64)
Subscription capitalisation shares		3,330,000.00
Increase in net assets		3,299,122.36
Net assets at the beginning of the period		0.00
Net assets at the end of the period		3,299,122.36

NEW MILLENNIUM SIF - SICAV

Notes to the financial statements - Schedule of derivative instruments

NEW MILLENNIUM SIF - SICAV

FORWARD FOREIGN EXCHANGE CONTRACTS

As at 31 December 2017, the following forward foreign exchange contracts were outstanding :

NEW MILLENNIUM SIF - SICAV - Flexible Credit Opportunities December 2020

Currency purchased	Quantity purchased	Currency sale	Quantity sale	Maturity date	Unrealised (in EUR)	Counterparty
EUR	3,672,602.80	USD	4,430,000.00	25 January 2018	(16,359.77)	Banca Finnat, Roma
EUR	1,541,275.70	GBP	1,365,000.00	15 March 2018	5,849.24	Nomura Securities, London
					(10,510.53)	

NEW MILLENNIUM SIF - SICAV

FINANCIAL FUTURES

As at 31 December 2017, the following financial future contracts were outstanding :

NEW MILLENNIUM SIF - SICAV - Flexible Credit Opportunities December 2020

Quantity (purchase/(sale))	Description	Currency	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)	Broker
Futures on interest rates					
(15)	BTP03YR ITALY 03/18	EUR	1,695,600.00	7,950.00	Banca IMI SPA Milano
				7,950.00	
Futures on bonds					
(3)	EURO BTP FUTURE -EUX 03/18	EUR	408,420.00	9,810.00	Banca IMI SPA Milano
(5)	EURO BUND FUTURE 03/18	EUR	808,400.00	6,400.00	Banca IMI SPA Milano
				16,210.00	

NEW MILLENNIUM SIF - SICAV

Other notes to the financial statements

Other notes to the financial statements as at 31 December 2017

1. General Information

NEW MILLENNIUM SIF - SICAV (the “Fund”) has been created on 12 September 2007, as a specialised investment fund (“SIF”) under the Luxembourg Law of 13 February 2007 as amended relating to Specialised Investment Funds (the “SIF Law”) and has adopted the form of Société d’Investissement à Capital Variable (“SICAV”). The share capital of the Fund will be equal, at any time, to the total value of the net assets of the Fund.

The Fund has performed a self-assessment and has determined that it qualifies as an Alternative Investment Fund (“AIF”) in accordance with the meaning of the law of the Grand Duchy of Luxembourg dated 12 July 2013 on Alternative Investment Funds Managers, as may be amended from time to time and as supplemented by the EU Commission Delegated Regulation of 19 December 2012 (the “AIFM Law”).

The Fund was an internally managed AIF benefiting from the de minimis rule as per article 3 (2) of the AIFM. For the purpose of the AIFM Law the Fund has nominated NATAM MANAGEMENT COMPANY S.A. to act as the Fund’s alternative investment fund manager (“AIFM”).

The investment objective of the sub-fund NEW MILLENNIUM SIF - SICAV - Total FlexFund is to achieve medium/long-term capital appreciation through a flexible allocation between the various asset classes.

The investment objective of the sub-fund NEW MILLENNIUM SIF - SICAV - Flexible Credit Opportunities December 2020 is to achieve capital appreciation through a flexible allocation among the various fixed income instruments with an average duration in line with the target date of the sub-fund (31 December 2020).

A new sub-fund namely NEW MILLENNIUM SIF - SICAV - AIM SISTEMA Italia - PIR has been launched on 1 December 2017. Its investment objective is to achieve medium/long-term capital appreciation through the investment in companies listed, or in the process of being listed, on the AIM Italia which is the market of the Italian Stock Exchange reserved to the Italian small and medium enterprises, with high growth potential.

The initial share capital of the Fund is EUR 31,000.00 and has reached an amount of EUR 1,250,000.00.

The Fund has been created for an unlimited period of time and may be dissolved at any time by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements set in the Articles of Incorporation of the Fund (the “Articles”). The Articles are published in the “Mémorial C, Recueil des Sociétés et Associations” (the “Mémorial”) of 12 October 2007 and have been filed with the Luxembourg Register of Commerce.

The Fund has been set up as a “multiple compartment investment company” and its Board of Directors (the “Board of Directors”) will have the possibility to create additional sub-funds, in accordance with the provisions of the Law and the Articles.

As of 31 December 2017, the following sub-funds are active: NEW MILLENNIUM SIF - SICAV - Total FlexFund, NEW MILLENNIUM SIF - SICAV - Flexible Credit Opportunities December 2020 and NEW MILLENNIUM SIF - SICAV - AIM SISTEMA Italia - PIR.

The Board of Directors has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein.

The registration of the Fund as a SIF does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the offering memorandum or the assets held in the Fund. Any representations to the contrary are unauthorised and unlawful.

The distribution of the offering memorandum and the offering of the shares of the Fund (the “shares”) may be restricted in certain jurisdictions. The offering memorandum does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of the offering memorandum and of any person wishing to apply for shares to inform himself of and to observe all applicable laws and regulations of relevant jurisdictions.

The shares have not been registered under the United States Securities Act of 1933 as amended nor has the Fund been registered under the Investment Fund Act of 1940, as amended.

Consequently, shares of the Fund may not be publicly offered or sold in the United States of America or in any of its territories subject to its jurisdiction and may not be offered to or for the benefit of, or purchased by, U.S. Persons (as defined in Article 10 of the Fund's Articles).

Applicants may be required to declare that they are not U.S. Persons and are not applying for shares on behalf of any U.S. Person.

Other notes to the financial statements as at 31 December 2017 (continued)

1. General Information (continued)

The value of the shares may fall as well as rise and a Shareholder, upon redemption of shares may not get back the amount he initially invested. Income from the shares may fluctuate in money terms and changes in rates of exchange may cause the value of the shares to go up or down. The levels and basis of, and relief from, taxation may change. There can be no assurance that the investment objectives of the Fund will be achieved.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, if applicable, or disposal of the shares of the Fund.

All references in the offering memorandum to “EUR” are to the legal currency of the European Monetary Union (reference currency of the Fund).

The offering memorandum will be updated in the event of creation of new sub-funds.

The Fund is self-managed and it does not exceed the threshold necessary to appoint a Manager (NATAM MANAGEMENT COMPANY S.A. since 01/03/2017), as per AIFM directive.

2 . Summary of main accounting principles

The annual report is prepared in accordance with Luxembourg legal and regulatory requirements relating to investment funds.

a) Valuation of investments in transferable securities

- investment securities, including zero-coupon bonds and money market instruments, quoted on an official stock exchange or on another regulated market are valued according to the last known price and, in the event of being quoted on several markets, according to the last known price of the principal market;
- valuation of investment securities, including zero-coupon bonds and money market instruments, not quoted on an official stock exchange or on another regulated market is fixed in a reasonable way on the basis of the sale prices anticipated cautiously, determined prudently and in good faith;
- gains or losses realised on investment securities are calculated on the basis of the average purchase price of the securities sold;
- shares or units in open-ended investment funds are valued at their last available calculated Net Asset Value.

b) Formation expenses

- the subfunds' formation expenses are written off over a period of 5 years.

c) Foreign exchange transactions

- the Fund's financial statements are expressed in EUR.
- the accounting records of the sub-funds are kept in the corresponding valuation currency. The “Statements of net assets” is established in the reference currency of the sub-funds. Bank balances, other net assets, as well as the valuation of securities in the portfolio expressed in any currency other than that of the sub-funds, are converted into the reference currency of the sub-funds at the exchange rate used on the valuation day. Income and expenses expressed in a currency other than the reference currency of the sub-funds are converted into the relevant reference currency on the basis of the exchange rate in use on the valuation day. Profits or losses, realised and unrealised on foreign exchange transactions are included in the “Statement of operations and changes in net assets”.

The exchange rates used as at 31 December 2017 were the following:

1 EUR = 1.19930 USD

1 EUR = 0.88723 GBP

d) Income

- dividends are due on stocks held at ex-date;
- the interests are accrued on a daily basis. The incomes are recorded net.

Other notes to the financial statements as at 31 December 2017 (continued)

2 . Summary of main accounting principles (continued)

e) Valuation of forward foreign exchange contracts

▪ The profits or losses resulting from outstanding forward foreign exchange contracts are determined on the closing date on the basis of the exchange rate for the remaining term of the contract applicable at this date, and are recorded in the “Statement of operations and changes in net assets”.

For the details of outstanding forward foreign exchange contracts, please refer to section “Notes to the financial statements - Schedule of derivative instruments”.

f) Valuation of financial futures contracts

▪ Futures contracts are posted off-balance sheet and valued at the last settlement or close price on the stock exchanges or regulated markets. The profits or losses resulting from outstanding futures contracts are recorded in the “Statement of operations and changes in net assets”.

For the details of outstanding financial future contracts, please refer to section “Notes to the financial statements - Schedule of derivative instruments”.

3 . Management and Performance fees

▪ Management fees:

Management fees are payable to the sub-funds’ Co Managers and to the General Coordinator.

In order to put into practice the investment policy of the sub-funds, the Board of Directors can delegate part or all of the investment management process to another company, the “sub-fund Co-Manager”.

NEW MILLENNIUM SIF - SICAV - Total FlexFund:

- annual rate: 0.80% per year, payable monthly and based on the average net assets of the month.

Banca Finnat Euramerica S.p.A. renounced to the management fees from 3 February 2015.

NEW MILLENNIUM SIF - SICAV - Flexible Credit Opportunities December 2020:

- annual rate: 1.15% per year, payable quarterly and based on the average net assets of the month.

NEW MILLENNIUM SIF - SICAV - AIM SISTEMA Italia - PIR:

- annual rate: 1.10% per year, payable quarterly and based on the average net assets of the month.

▪ Performance fees:

The reference period starts on 1 January of each year and ends the 31 December of the same year. More details are disclosed in the offering memorandum of the Fund.

NEW MILLENNIUM SIF - SICAV - Total FlexFund:

- paid to the sub-fund Co-Manager and representing 15% of the excess return over the 3 month Euribor + 200 b.p.s..

No performance fees were payable as at 31 December 2017.

NEW MILLENNIUM SIF - SICAV - Flexible Credit Opportunities December 2020:

- paid to the sub-fund Co-Manager and representing 15% of the excess return over the yearly return of the Benchmark (5 year BTP) with High Water Mark.

EUR 174,651.13 were payable as at 31 December 2017.

NEW MILLENNIUM SIF - SICAV - AIM SISTEMA Italia - PIR:

- paid to the sub-fund Co-Manager and representing 10% of the excess return over the Benchmark (90% AIM Index + 10% Euribor 3 months) with HWM.

No performance fees were payable as at 31 December 2017.

Other fees (Custodian, Paying Agent and the Administration fees, Registrar and Transfer Agent) are paid to CACEIS Bank, Luxembourg Branch.

Other notes to the financial statements as at 31 December 2017**3 . Management and Performance fees (continued)**▪ AIFM fees:

The AIFM is entitled to receive from each sub-fund a remuneration consisting of the following components:

- a fixed annual fee up to EUR 11.000 (excluding any applicable taxes), payable by the fund on a quarterly basis in arrears;
- a fee as a portion of the Management fee. The Management fees are detailed on previous page and besides being the remuneration of the AIFM, they include also the remuneration of the Investment Managers, the Investment Advisors (if any), and any other financial agent acting with the placing of the Fund's Shares (if any).

Such fee shall be payable in arrears at the end of each quarter and based on the value of the average net assets during the relevant quarter.

4 . Subscription tax « taxe d'abonnement »

The Fund is liable in Luxembourg to a "taxe d'abonnement" of 0.01% per annum of its net assets, such tax being payable quarterly and calculated on the total Net Asset Value of each sub-fund at the end of the relevant quarter.

5 . Other charges

This account includes mainly general ongoing charges. The caption "Other charges" consists mainly of transaction and compliance fees.

6. Dividends

The Board of Directors of the Fund has decided on 19 January 2017 the payment of a dividend with Ex-Date on 27 January 2017 and Payable Date on 1 February 2017 as per below details:

Sub-Fund	ISIN	Currency	Dividend Per share
NEW MILLENNIUM SIF - SICAV - Flexible Credit Opportunities December 2020	LU1350668775	EUR	2.19

The Board of Directors of the Fund has decided on 17 July 2017 the payment of a dividend with Ex-Date on 31 July 2017 and Payable Date on 1 August 2017 as per below details:

Sub-Fund	ISIN	Currency	Dividend Per share
NEW MILLENNIUM SIF - SICAV - Flexible Credit Opportunities December 2020	LU1350668775	EUR	2.28

7. Securities Financing Transactions and of Reuse Regulation ("SFTR")

The Fund does not use any instruments falling into the scope of SFTR.

8. Changes in the Securities portfolio

A copy of the list of changes in the portfolio of each sub-fund may be obtained free of charge at the registered office of the Fund for the year ended December 31, 2017.

NEW MILLENNIUM SIF - SICAV

Unaudited information

Remuneration Policy (AIFM Information)

NATAM MANAGEMENT COMPANY S.A.			
	Total Remuneration	Fixed Remuneration	Variable Remuneration
Board of Directors	52.000	52.000	0
Staff	262.125	262.125	0
# components	6		
BANCA FINNAT EURAMERICA S.p.A. (as portfolio manager)			
Senior Managers	243.083	243.083	0
Staff	203.485	203.485	0
# components	6		
AZ Swiss & Partners S.A. (as portfolio manager)			
Senior Managers	353.741	210.723	143.018
Staff	226.205	141.173	85.032
# components	4		

The above information represents a proportion of the total staff remuneration of the relevant persons involved at NATAM MANAGEMENT COMPANY and at Banca Finnat Euramerica S.p.A. and AZ Swiss & Partners S.A. as attributable to all the funds under management, taking into account non-UCITS and UCITS under management.

Global exposure and expected level of leverage

As part of the Risk Management Process, the global exposure is measured and controlled by the VAR approach. Absolute VAR was identified as the best methodology for the three sub-funds.

The VAR is determined on the basis of 99% confidence interval and a holding period of 1 month by the Montecarlo method.

Fund	Absolute VaR			
	VaR limit (%)	Min (%)	Avg (%)	Max (%)
TOTAL FLEX FUND	20	0,17	0,25	0,33
FLEXIBLE CREDIT OPPORTUNITIES DECEMBER 2020	20	1,65	2,11	2,48
AIM SISTEMA ITALIA - PIR*	20	5,46	5,48	5,50

* First NAV 01.12.2017

NEW MILLENNIUM SIF - SICAV

Unaudited information (continued)

The leverage is calculated on the basis of both, the Sum of Notional and the Commitment approach, following a UCITS criteria, considered more conservative than the AIFMD criteria and as mentioned in the Offering Memorandum”.

Fund	Leverage					
	Sum of Notionals			Commitment		
	Min	Avg	Max	Min	Avg	Max
TOTAL FLEX FUND	0,00	0,00	0,00	0,00	0,00	0,00
FLEXIBLE CREDIT OPPORTUNITIES DECEMBER 2020	52,07	67,72	89,38	45,28	61,23	83,57
AIM SISTEMA ITALIA - PIR*	0,70	0,80	0,89	0,66	0,72	0,78

* First NAV 01.12.2017