PANCURRI INVESTMENTS LIMITED

FINANCIAL STATEMENTS

(AND INDEPENDENT AUDITORS' REPORT THEREON)

FOR THE YEAR ENDED

MARCH 31, 2016

PANCURRI INVESTMENTS LIMITED
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FOR THE YEAR ENDED MARCH 31, 2016

MAZARS

INDEPENDENT AUDITORS' REPORT

To the Shareholders
Pancurri Investments Limited,

We have audited the accompanying financial statements of Pancurri Investments Limited (the "Fund"), which comprise the statement of financial position as at March 31, 2016, and the related statements of comprehensive income, changes in net assets attributable to holders of redeemable shares, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund'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 Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pancurri Investments Limited as of March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Mazars Limited

Chartered Professional Accountants
Hamilton, Bermuda
August 15, 2016

Victoria Hall, 7th Floor, 11 Victoria Street, Hamilton HM11, Bermuda
P.O. Box HM 471, Hamilton, HM BX, Bermuda
Tel: 441 292 3862 - Fax: 441 295 1349 Email: info@mazars.bm

PANCURRI INVESTMENTS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016
(Expressed in United States dollars)

	Note	March 31 2016 $	March 31 2015 $
ASSETS:			
Current assets			
Financial assets at fair value through profit or loss	6, 9	2,802,002	4,429,546
Due from brokers	3	58,418,100	65,769,251
Other assets		33,033	39,000
Margin accounts	10	11,176,659	11,367,887
Cash and cash equivalents	11	2,090,590	2,391,630
Total assets		74,520,384	83,997,314
LIABILITIES:			
Financial liabilities at fair value through profit or loss	7, 9	366,118	692,578
Accrued expenses	13	160,395	173,392
Total liabilities		526,513	865,970
Net assets attributable to holders of redeemable shares		73,993,871	83,131,344
Net Asset Value per Redeemable Share		$1,076.75	$1,164.78

The accompanying notes should be read in conjunction with these financial statements

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

DIRECTOR

DIRECTOR

PANCURRI INVESTMENTS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2016
(Expressed in United States dollars)

	Note	March 31 2016 $	March 31 2015 $
Income			
Interest income	5	290	1,830
Dividend income		22,760	13,633
Redemption fee income		9,977	90,171
Net foreign currency gains on cash and cash equivalents		2,202	-
Other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss	6, 7	-	13,456,682
Total income		35,229	13,562,316
Expenses			
Other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss	6, 7	4,465,329	-
Management fee	13	1,538,008	1,756,770
Net foreign currency gains losses on cash and cash equivalents		-	188,205
Directors' fees	13	35,759	37,384
Secretarial and administration fees	13	74,500	59,110
Other operating expenses		140,797	136,474
Total expenses		6,254,393	2,177,943
Comprehensive (loss) income		(6,219,164)	11,384,373

The accompanying notes should be read in conjunction with these financial statements

PANCURRI INVESTMENTS LIMITED
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2016
(Expressed in United States dollars)

	March 31 2016 $	March 31 2015 $
Net assets attributable to holders of redeemable shares, at beginning of year	83,131,344	92,388,394
Proceeds from redeemable shares issued	-	147,524
Redemption of redeemable shares	(2,918,309)	(20,788,947)
Net decrease in capital from share transactions	(2,918,309)	(20,641,423)
Comprehensive (loss) income	(6,219,164)	11,384,373
Decrease in net assets attributable to holders of redeemable shares from operations and capital transactions	(9,137,473)	(9,257,050)
Net assets attributable to holders of redeemable shares, at end of year	73,993,871	83,131,344

The accompanying notes should be read in conjunction with these financial statements

PANCURRI INVESTMENTS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016
(Expressed in United States dollars)

	March 31 2016 $	March 31 2015 $
OPERATING ACTIVITIES		
Comprehensive (loss) income for the year	(6,219,164)	11,384,373
Changes in non-cash working capital items:		
Financial assets at fair value through profit or loss	1,627,544	(868,078)
Due from brokers	7,351,151	10,194,866
Other assets	5,967	(6,884)
Margin accounts	191,228	(322,276)
Financial liabilities at fair value through profit or loss	(326,460)	107,254
Accrued expenses	(12,997)	(12,088)
Net cash and cash equivalents provided by operating activities	2,617,269	20,477,167
FINANCING ACTIVITIES		
Proceeds from redeemable shares issued	-	147,524
Redemptions of redeemable shares	(2,918,309)	(20,788,947)
Net cash and cash equivalents used in financing activities	(2,918,309)	(20,641,423)
Net decrease in cash and cash equivalents	(301,040)	(164,256)
Cash and cash equivalents, at beginning of the year	2,391,630	2,555,886
Cash and cash equivalents, at end of the year	2,090,590	2,391,630

The accompanying notes should be read in conjunction with these financial statements

1. General information

Pancurri Investments Limited (the "Fund") is a mutual fund established and discontinued under the laws of Panama and continued under the laws of Bermuda on December 22, 2004 and was classified on that date as an Institutional Fund under the Investment Funds Act. The Fund is primarily engaged in transactions on bonds, shares, foreign currencies and commodity future contracts and is listed on the Bermuda Stock Exchange. The investment objective of the Fund is to achieve capital appreciation through investment in an actively managed portfolio.

The Fund's investment activities are managed by MUGC Lux Management S.A. (the "Investment Manager") who has delegated the portfolio management under a Portfolio Management Agreement to Smith & Williamson Investment Management Limited (the "Portfolio Manager"), with investor services and corporate secretarial work delegated MUFG Fund Services Limited (formerly Fulcrum Limited).

The registered office of the Fund at the date these financial statements were authorized is The Belvedere Building, 69 Pitts Bay Road, Pembroke HM 08, Bermuda.

Certain prior period balances have been reclassified to conform to the presentation adopted in the current year.

These financial statements were authorized for issue by management on August 15, 2016.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss ("FVTPL").

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also required the Board of Directors to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

From incorporation of the Fund up until March 31, 2013, the Fund's financial statements had been prepared in conformity with Luxembourg generally accepted accounting principles ("Luxembourg GAAP").

The Fund's financial statements for the year ended March 31, 2014 were the first annual financial statements that had been prepared in conformity and compliance with IFRS. The Fund applied IFRS 1 'First-time adoption of International Financial Reporting Standards' ("IFRS 1") in preparing the financial statements for the year ended March 31, 2014. The Fund's transition date was April 1, 2012 and the Fund prepared its opening IFRS statement of financial position as at that date.

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

In preparing the financial statements in accordance with IFRS 1 for the year ended March 31, 2014, the Fund applied the relevant mandatory exceptions and none of the optional exemptions from the full retrospective application of IFRS. The sole mandatory exception from retrospective application is that estimates under IFRS at April 1, 2012 are consistent with estimates made for the same date under Luxembourg GAAP. All other mandatory exceptions in IFRS 1 were not applicable because there were no significant differences in the Fund's application of Luxembourg GAAP in these areas.

(a) Standards and amendments to existing standards effective April 1, 2015

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning April 1, 2015 that would be expected to have a material impact on the Fund

(b) New standards, amendments and interpretations effective after April 1, 2015

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after April 1, 2015, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

2.2 Foreign currency translation

(a) Functional and presentation of currency

The Fund's investors are mainly from the United Kingdom, with the subscriptions and redemptions of the redeemable shares denominated in US dollars. The primary activity of the Fund is to invest in positions in the foreign exchange markets. The Fund may invest in foreign exchange instruments and take open positions in foreign exchange markets of up to five times its net worth. Asset allocation in foreign exchange markets is driven mainly by technical analysis supported by purchasing power parity considerations. The performance of the Fund is measured and reported to the investors in US dollars. The Board of Directors considers the US dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in US dollars, which is the Fund's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income with 'net foreign currency gains or losses on cash and cash equivalents'.

2. Summary of significant accounting policies (continued)

2.2 Foreign currency translation (continued)

(b) Transactions and balances (continued)

Foreign exchange gains and losses relating to the financial assets and liabilities carried at FVTPL are presented in the statement of comprehensive income within 'other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss'.

2.3 Financial assets and financial liabilities at fair value through profit or loss

(a) Classification

The Fund classifies its investments in debt and equity securities, and derivatives, as financial assets or financial liabilities at FVTPL.

This category has two sub-categories:

(i) Financial assets and liabilities held for trading:
A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading. The Fund does not classify any derivatives as hedges in a hedging relationship.

(ii) Financial assets and liabilities designated at FVTPL at inception:
Financial assets and financial liabilities designated at FVTPL at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy.

The Fund's policy requires the Investment Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at FVTPL.

(b) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets and financial liabilities at FVTPL are initially recognised at fair value.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

2. Summary of significant accounting policies (continued)

2.3 Financial assets and financial liabilities at fair value through profit or loss (continued)

(b) Recognition, derecognition, and measurement (continued)

When the Fund purchases an option, an amount equal to fair value which is based on the premium paid is recorded as an asset. When options are closed, the difference between the premium and the amount paid or received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is recognized as a gain or loss and is presented in the statement of comprehensive income within 'other net changes in fair value of financial assets and liabilities at fair value through profit or loss'.

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within 'other net changes in fair value of financial assets and liabilities at fair value through profit or loss' in the period in which they arise.

(c) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Fund adopted IFRS 13, 'Fair value measurement', from April 1, 2013 and utilises the last traded market price for both financial assets and financial liabilities where the last traded market price falls within the bid-ask spread. In circumstances where the last traded market price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

If a significant movement in fair value occurs subsequent to the close of business on a stock exchange up to midnight on the year end date, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Fund's valuation time that materially affects the integrity of the closing prices for any security, instrument, currency or securities affected by that event so that they cannot be considered 'readily available' market quotations.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

2.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Fund currently has a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2. Summary of significant accounting policies (continued)

2.5 Due from broker

Amounts due from broker represent cash balances and receivables for securities sold that have been contracted for but not yet settled or delivered, on the statement of financial position date, respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from brokers. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held with banks and other short-term investments in an active market with original maturities of three months or less, and bank overdrafts. Bank overdrafts (if any) are shown in liabilities in the statement of financial position.

2.7 Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.8 Redeemable shares

Since inception, the Fund has issued one class of redeemable share(s) and as at March 31, 2014 presented these shares as financial liabilities principally because of the redeemable feature ('puttable feature') of each share. After a more detailed review of the accounting standards and the features and contractually terms of the shares, the Fund have reclassified these shares to equity and presented these shares as such in the financial statements. The change did not affect Net Asset Value of the Fund or Net Asset Value per redeemable share.

Management believes that the bifurcation of the redeemable shares into its component parts such as share capital, share premium and retained earnings would be misleading and would not provide the financial statement users with relevant information; accordingly, this has not been disclosed.

2. Summary of significant accounting policies (continued)

2.9 Interest income and dividend income

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents and on debt securities at fair value though profit or loss.

Dividend income is recognised when the right to receive payment is established.

2.10 Transactions costs

Transaction costs are costs incurred to acquire financial assets or liabilities at FVTPL. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

2.11 Taxation

The Fund is domiciled in Bermuda. Under current Bermuda law, no income, profits or capital gains taxes are levied in Bermuda, and accordingly, no provision for income taxes has been made in the financial statements. The Fund has received an undertaking from the Bermuda government that, in the event of income or capital gains taxes being imposed, it will be exempted from such taxes until March 31, 2035.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded net of withholding taxes in the statement of comprehensive income.

2.12 Collateral

Cash collateral provided by the Fund is identified in the statement of financial position as margin cash and is not included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Fund classifies that asset in its statement of financial position separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the financial statements.

3. Financial risks

3.1 Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

3. Financial risks (continued)

3.1 Financial risk factors (continued)

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments to both moderate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on purchased options, long equity, and debt securities is limited to the fair value of those positions.

The management of these risks is carried out by the Investment Manager under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity.

The Fund's use of leverage and borrowings can increase the Fund's exposure to these risks, which in turn can also increase the potential returns the Fund can achieve. The Investment Manager manages these exposures on an individual securities level. The Fund has specific limits on these instruments to manage the overall potential exposure. These limits include the ability to borrow against the assets of the Fund up to a maximum 100% of net assets.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed, as explained below.

3.1.1 Market risk

(a) Price risk

The Fund is exposed to equity securities price risk and derivative price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than US dollars, the price initially expressed in foreign currency and then converted into US dollars will also fluctuate because of changes in foreign exchange rates. Paragraph (b) 'Foreign exchange risk' below sets out how this component of price risk is managed and measured.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Board of Directors. No more than 10% of the value of the gross assets of the Fund may be lent to or invested in the securities of any issuer, and the Fund may not invest more than 15% of its total assets in collectives or funds at any time. The Fund may from time to time invest in any fund managed by the Investment Advisor. Any fees levied by the Investment Advisor in relation to investments made by the Fund in such funds will not be payable by the Fund or will be refunded to the Fund or offset against sums due from the Fund.

(All amounts in United States dollars unless otherwise stated)

3. Financial risks (continued)

3.1 Financial risk factors (continued)

3.1.1 Market risk (continued)

(a) Price risk (continued)

The majority of the Fund's equity investments are publicly traded. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund's Investment Manager and is reviewed on a quarterly basis by the Board of Directors. Compliance with the Fund's investment policies are reported to the Board on a monthly basis.

The fair value of equities and related derivatives exposed to price risk were as follows:

	March 31 2016	March 31 2015
Equity securities held for trading	2,198,529	3,363,704
Equity related derivative assets held for trading	63,709	34,275
	2,262,238	3,397,979

The Fund's overall exposure to price risk including the notional exposure on derivative contracts were as follows:

	March 31 2016	March 31 2015
Net equity securities	2,198,529	3,363,704
Net notional exposure from futures contracts	50,547,898	58,537,708
Net notional exposure from options	9,875,000	20,000
Net notional exposure from other equity related derivatives	-	33,000
	62,621,427	61,954,412

(All amounts in United States dollars unless otherwise stated)

3. Financial risks (continued)

3.1 Financial risk factors (continued)

3.1.1 Market risk (continued)

(a) Price risk (continued)

The following table sets out the diversification of the Fund's equity and exchange traded fund securities ("ETFs") held along the Standard Industrial Classification as widely used by investment practitioners.

	March 31, 2016		March 31, 2015	
	Fair value	**% of Net Assets**	**Fair value**	**% of Net Assets**
Equities:				
Basic materials	166,962	0.23%	77,315	0.09%
Consumer, non-cyclical	-	0.00%	130,928	0.16%
Industrial	21,831	0.03%	46,463	0.05%
Energy	85,115	0.12%	87,416	0.11%
Financial	258	0.00%	2,634,314	3.17%
Consumer, cyclical	119,673	0.16%	104,895	0.13%
Communications	27,752	0.04%	21,309	0.02%
Healthcare	66,292	0.09%	-	-
Utilities	45,935	0.06%	-	-
	533,818	0.73%	3,102,640	3.73%
ETFs:				
Equity Index	1,664,711	5.06%	261,063	0.31%
	1,664,711	5.06%	261,063	0.31%

(b) Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than US dollars, the functional currency. Foreign currency risk, as defined in IFRS 7 *"Financial instruments: Disclosures"* ("IFRS 7"), arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities. The table below provides analysis between monetary and non-monetary items to meet the requirements of IFRS 7.

The Fund's policy is not to manage the Fund's exposure to foreign exchange movements (both monetary and non-monetary) by entering into any foreign exchange hedging transactions.

3. Financial risks (continued)

3.1 Financial risk factors (continued)

3.1.1 Market risk (continued)

(b) Foreign exchange risk (continued)

When the Investment Manager formulates a view on the future direction of foreign exchange rates and the potential impact on the Fund, the Investment Manager factors that into its portfolio allocation decisions. While the Fund has direct exposure to foreign exchange rate changes on the price of non-US dollars - denominated securities, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which the Fund invests, even if those companies' securities are denominated in US dollar. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the Fund's net assets attributable to holders of redeemable shares of future movements in foreign exchange rates.

The tables below summarises the Fund's exposure to currency risks by monetary and non-monetary, assets and liabilities:

March 31, 2016	US dollars for 1 unit of currency	**Assets**		**Liabilities**	
		Monetary	**Non-monetary**	**Monetary**	**Non-monetary**
Australian Dollar (AUD)	0.76710	39,424	173,652	-	-
Canadian Dollar (CAD)	0.77065	90	8,711	-	-
Chinese Renminbi (CNH)	0.15468	-	-	-	68,971
Euro (EUR)	1.13810	50,590	146,857	-	46,683
British Pound Sterling (GBP)	1.43940	72,135	350,976	-	81,460
Hong Kong Dollar (HKD)	0.15497	-	258	-	2,156
Japanese Yen (JPY)	0.00889	142	42,538	-	52,174
South Korean Won (KRW)	0.00088	460	27,752	-	-
Mexican Peso (MXN)	0.05788	-	284,264	-	-
Malaysian Ringgit (MYR)	0.25816	-	-	-	65,521
Norwegian Krone (NOK)	0.12090	-	-	-	-
Singapore Dollar (SGD)	0.74245	-	-	-	-
United States Dollar (USD)	1.00000	71,523,109	1,762,964	-	209,548
South African Rand (ZAR)	0.06807	-	36,462	-	-
		71,685,950	2,834,434	-	526,513

(All amounts in United States dollars unless otherwise stated)

3. Financial risks (continued)

3.1 Financial risk factors (continued)

3.1.1 Market risk (continued)

(b) Foreign exchange risk (continued)

March 31, 2015	US dollars for 1 unit of currency	Assets		Liabilities	
		Monetary	Non-monetary	Monetary	Non-monetary
Australian Dollar (AUD)	0.76070	3,243	35,836	-	-
Canadian Dollar (CAD)	0.78827	76	25,622	-	-
Euro (EUR)	1.07310	88,029	-	-	111,245
British Pound Sterling (GBP)	1.48175	59,202	488,453	-	-
Hong Kong Dollar (HKD)	0.12899	-	24,384	-	-
Japanese Yen (JPY)	0.00832	-	21,600	-	-
South Korean Won (KRW)	0.00090	(19)	40,629	-	-
Norwegian Krone (NOK)	0.12404	152	-	-	-
Swedish Krona (SEK)	0.11593	(8,082)	3,150	-	-
Singapore Dollar (SGD)	0.72862	1,252	236,964	-	-
Taiwan Dollar (TWD)	0.03199	-	25,678	-	-
United States Dollar (USD)	1.00000	79,384,916	3,566,229	-	754,725
		79,528,769	4,468,545	-	865,970

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is primarily exposed to interest rate risk to the extent that it receives interest income on its cash balances and the fair value of its debt securities will fluctuate as a result of changes in market interest rates.

Further to the Fund's own direct holdings, the Fund is exposed to interest rate risk by virtue of its holdings in the securities of companies who, in varying degrees, have outstanding long and short-term debt obligations. Thus, indirectly, a rise in interest rates would have a material effect on such companies' profitability, liquidity and fair value. This is important to understand even as the Fund itself may not carry any exposure to such risk.

(All amounts in United States dollars unless otherwise stated)

3. Financial risks (continued)

3.1 Financial risk factors (continued)

3.1.1 Market risk (continued)

(c) Interest rate risk (continued)

The tables below summarize the Fund's exposure to interest rate risks.

March 31, 2016	Floating rate	Fixed rate	Non-interest bearing	Total
Assets				
Financial assets at FVTPL	-	-	2,802,002	2,802,002
Due from brokers	58,418,100	-	-	58,418,100
Other assets	-	-	33,033	33,033
Margin accounts	-	-	11,176,659	11,176,659
Cash and cash equivalents	2,090,590	-	-	2,090,590
	60,508,690	-	14,011,694	74,520,384
Liabilities				
Financial liabilities at FVTPL	-	-	366,118	366,118
Accrued expenses	-	-	160,395	160,395
	-	-	526,513	526,513

March 31, 2015	Floating rate	Fixed rate	Non-interest bearing	Total
Assets				
Financial assets at FVTPL	-	-	4,429,546	4,429,546
Due from brokers	65,769,251	-	-	65,769,251
Other assets	-	-	39,000	39,000
Margin accounts	-	-	11,367,887	11,367,887
Cash and cash equivalents	2,391,630	-	-	2,391,630
	68,160,881	-	15,836,433	83,997,314
Liabilities				
Financial liabilities at FVTPL	-	-	692,578	692,578
Accrued expenses	-	-	173,392	173,392
	-	-	865,970	865,970

3. Financial risks (continued)

3.1 Financial risk factors (continued)

3.1.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to the daily settlement of margin calls on derivatives and to monthly cash redemptions of redeemable shares. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets in investments are not actively traded on a stock exchange.

The Fund's listed securities are considered readily realisable, as the majority is listed on internationally recognised stock exchanges.

The Fund may periodically invest in derivative contracts and debt securities that are traded over the counter and unlisted equity investments that are not traded in an active market. As a result, the Fund may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The Fund has the ability to establish a borrowing facility to ensure settlement of liabilities. The maximum amount available to the Fund from such borrowing facility is limited to 100% of the net assets and would be secured by the assets of the Fund. No such borrowings have arisen during the year.

In order to manage the Fund's overall liquidity, the Fund is not bound to redeem on any one Dealing Day more than 20% of the total number of redeemable shares then in issue. If the Fund receives requests for the redemption at any one Dealing Day of a greater number of redeemable shares, it has the right to scale down the number to be redeemed to ensure that the foregoing limit is not exceeded and the balance will be carried forward for redemption at the next available Dealing Day. This procedure will be continued until all requests for redemption have been satisfied. The Fund did not withhold any redemptions or implement any suspensions during 2016 and 2015.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's liquidity position on a daily basis; the Board of Directors reviews it on a quarterly basis.

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows and are based on the assumption that the Fund exercises its ability to not redeem on any one Dealing Day more than 20% of the total number of Shares then in issue.

(All amounts in United States dollars unless otherwise stated)

3. Financial risks (continued)

3.1 Financial risk factors (continued)

3.1.2 Liquidity risk (continued)

March 31, 2016	Less than 1 month	1 – 3 months	3 months to 1 year	Total
Liabilities				
Accrued expenses	139,395	-	21,000	160,395
	139,395	-	21,000	160,395

March 31, 2015	Less than 1 month	1 – 3 months	3 months to 1 year	Total
Liabilities				
Accrued expenses	152,392	-	21,000	173,392
	152,392	-	21,000	173,392

The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

March 31, 2016	Less than 7 days	7 days to 1 month	1 – 12 months	More than 12 months
Total assets	73,444,392	460	1,075,532	-

March 31, 2015	Less than 7 days	7 days to 1 month	1 – 12 months	More than 12 months
Total assets	82,318,518	1,318,476	350,297	10,023

3. Financial risks (continued)

3.1 Financial risk factors (continued)

3.1.3 Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on trading derivative products, cash and cash equivalents, amounts due from brokers and other receivable balances.

The Fund has the ability to invest in any debt securities that the Investment Manager deems appropriate for the Fund's investment objective and there is no required minimum credit rating.

All amounts held with brokers are held through custodian accounts of the Investment Manager. The Investment Manager, through choice, does not have a credit rating. Amounts held in margin, cash and short-term deposits are held by parties with a credit rating of BBB+ or higher.

The Fund also restricts its exposure to credit losses on the trading derivative instruments it holds by entering into master netting arrangements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions. Master netting arrangements do not result in an offset of statement of financial position assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Fund's overall exposure to credit risk on derivative instruments subject to a master netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

All transactions in listed securities are settled / paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's credit position on a daily basis; the Board of Directors reviews it on a quarterly basis.

The maximum exposure to credit risk before any credit enhancements is the carrying amount of the financial assets as set out below:

(All amounts in United States dollars unless otherwise stated)

3. Financial risks (continued)

3.1 Financial risk factors (continued)

3.1.3 Credit risk (continued)

	March 31, 2016	March 31, 2015
Derivative assets	603,474	1,065,842
Cash and cash equivalents	2,090,590	2,391,630
Due from brokers	58,418,100	65,769,251
Margin accounts	11,176,659	11,367,887
Other assets	33,033	39,000
Total	72,321,856	80,633,610

The clearing and depository operations for the Fund's security transactions are mainly concentrated with Smith & Williamson Investment Services Limited ("SWISL"). SWISL is a member of a major securities exchange. At March 31, 2016 and March 31, 2015 substantially all cash and cash equivalents, balances due from broker and securities are placed in custody with SWISL.

The Fund has provided SWISL with a general lien over all assets (excluding cash) held in custody in return for services including derivatives trading. SWISL has the right to sell collateral received to the extent of equity securities sold short and the fair value of derivatives in a loss position. The Fund is therefore also exposed to credit risk to SWISL to the extent that collateral provided has been sold. There are also risks involved in dealing with custodians or brokers who settle trades with regard to the segregation of assets. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Fund; the Fund should not therefore be exposed to a credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, so the portfolio of the Fund may experience increased exposure to credit risk associated with the applicable custodians or brokers.

3.2 Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable shares. The amount of net assets attributable to holders of redeemable shares can change significantly on a monthly basis, as the Fund is subject to monthly subscriptions and redemptions at the discretion of shareholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to achieve capital appreciation through investment in an actively managed portfolio.

In order to maintain the capital structure, the Fund's policy is to perform the following:

- Monitor the level of monthly subscriptions and redemptions relative to the assets it expects to be able to liquidate within 7 days and adjust the amount of distributions the Fund pays to redeemable shareholders.
- Redeem and issue new shares in accordance with the constitutional documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

3. Financial risks (continued)

3.2 Capital risk management (continued)

The Board of Directors and Investment Manager monitor capital on the basis of the value of net assets attributable to redeemable shareholders.

3.3 Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading at the year-end date. The quoted market price used for financial assets held by the Fund was the last traded market price; the quoted market price for financial liabilities was also the last traded market price.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year-end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

The fair value hierarchy has the following levels:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

(All amounts in United States dollars unless otherwise stated)

3. Financial risks (continued)

3.3 Fair value estimation (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) measured at fair value at March 31, 2016:

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets held for trading:				
Equity securities	1,122,996	911,505	164,027	2,198,528
Derivatives	71,889	531,585	-	603,474
Total assets at fair value through profit or loss	1,194,885	1,443,090	164,027	2,802,002
Liabilities				
Financial liabilities held for trading:				
Derivatives	49,153	316,965	-	366,118
Total liabilities at fair value through profit or loss	49,153	316,965	-	366,118

(All amounts in United States dollars unless otherwise stated)

3. Financial risks (continued)

3.3 Fair value estimation (continued)

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) measured at fair value at March 31, 2015:

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets held for trading:				
Equity securities	1,684,908	1,318,476	360,320	3,363,704
Derivatives	22,905	1,009,937	33,000	1,065,842
Total assets at fair value through profit or loss	1,707,813	2,328,413	393,320	4,429,546
Liabilities				
Financial liabilities held for trading:				
Derivatives	469	692,109	-	692,578
Total liabilities at fair value through profit or loss	469	692,109	-	692,578

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities, exchange traded derivatives, US government treasury bills and certain non-US sovereign obligations. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include investment-grade corporate bonds and certain non-US sovereign obligations, listed equities and over the-counter derivatives. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

(All amounts in United States dollars unless otherwise stated)

3. Financial risks (continued)

3.3 Fair value estimation (continued)

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include private equity and corporate debt securities. As observable prices are not available for these securities, the Fund has used valuation techniques to derive the fair value.

Level 3 valuations are reviewed on a weekly basis by the Fund's valuation committee who report to the Board of Directors on a monthly basis. The committee considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. In selecting the most appropriate valuation model the committee performs back testing and considers which model's results have historically aligned most closely to actual market transactions.

During the years ended March 31, 2016 and 2015 no investments were transferred between the different levels in the fair value hierarchy.

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) not measured at fair value at March 31, 2016 but for which fair value is disclosed:

	Level 1	Level 2	Level 3	Total Balance
Assets				
Due from brokers	-	58,418,100	-	58,418,100
Other assets	-	33,033	-	33,033
Margin accounts	11,176,659	-	-	11,176,659
Cash and cash equivalents	2,090,590	-	-	2,090,590
Total	13,267,249	58,451,133	-	71,718,382
Liabilities				
Accrued expenses	-	160,395	-	160,395
Total	-	160,395	-	160,395

(All amounts in United States dollars unless otherwise stated)

3. Financial risks (continued)

3.3 Fair value estimation (continued)

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) not measured at fair value at March 31, 2015 but for which fair value is disclosed:

	Level 1	Level 2	Level 3	Total Balance
Assets				
Due from brokers	-	65,769,251	-	65,769,251
Other assets	-	39,000	-	39,000
Margin accounts	11,367,887	-	-	11,367,887
Cash and cash equivalents	2,391,630	-	-	2,391,630
Total	13,759,517	65,808,251	-	79,567,768
Liabilities				
Accrued expenses	-	173,392	-	173,392
Total	-	173,392	-	173,392

The assets and liabilities included in the above tables above are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

Margin accounts, and cash and cash equivalents include cash in hand, deposits held with banks and other short-term investments in an active market.

Amounts due from brokers and other assets include the contractual amounts for settlement of trades and other obligations due to the Fund. Accrued expenses represent the contractual amounts and obligations due by the Fund for settlement of expenses.

4. Critical accounting estimates and judgements

4.1 Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

(a) Fair value of derivative financial instruments

The Fund may, from time to time, hold financial instruments that are not quoted in active markets, such as over-the counter derivatives. Fair values of such instruments are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel at Pancurri Investments Limited, independent of the party that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

(b) Fair value of securities not quoted in an active market

The fair value of such securities not quoted in an active market may be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The inputs into these models are primarily earnings multiples and discounted cash flows. The models used to determine fair values are validated and periodically reviewed by the Directors, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples (based on the historical earnings of the issuer over the past decade), adjusted for lack of marketability and control premiums. The models used for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

(All amounts in United States dollars unless otherwise stated)

4. Critical accounting estimates and judgements (continued)

4.2 Critical judgements

Functional currency

The Board of Directors considers US dollars the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The US dollar is the currency in which the Fund measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors. This determination also considers the competitive environment in which the Fund is compared to other investment products.

5. Interest income

	Year ended March 31, 2016	Year ended March 31, 2015
Cash and cash equivalents	290	1,549
Debt securities at FVTPL:		
– Held for trading	-	281
Total	290	1,830

6. Financial assets at fair value through profit or loss

	March 31, 2016	March 31, 2015
Financial assets held for trading:		
– Equity securities	533,817	3,102,641
– Exchange traded funds	1,664,711	261,063
– Derivatives	603,474	1,065,842
Total financial assets at FVTPL	2,802,002	4,429,546
Other net changes in fair value on financial assets at FVTPL:		
– Realised (losses) gains and foreign currency	(1,872,940)	54,737,115
– Change in unrealized gains / (losses) and foreign currency	5,615,235	1,945,852
Total gain	3,742,295	56,682,967

The Fund has provided the Co-Custodian with a general lien over all assets (excluding cash) held in custody. The Co-Custodian has the right to sell the collateral received to the extent of listed equity securities sold short and the fair value of derivatives in a loss position.

The Fund has not sold or re-pledged any collateral during the period.

The terms and conditions associated with collateral have no significant unusual requirements from the usual practice of recourse when a default occurs.

(All amounts in United States dollars unless otherwise stated)

7. Financial liabilities at fair value through profit or loss

	March 31, 2016	March 31, 2015
Financial liabilities held for trading:		
– Derivatives	366,118	692,578
Total financial liabilities at FVTPL	366,118	692,578
Other net changes in fair value on financial liabilities at FVTPL:		
– Realised losses and foreign currency	(2,546,171)	(43,119,031)
– Change in unrealized (losses) / gains and foreign currency	(5,661,453)	(107,254)
Total loss	(8,207,624)	(43,226,285)

8. Financial instruments by category

March 31, 2016 **Assets as per statement of financial position**	Amortised cost	Assets at FVTPL	Total
Financial assets at FVTPL	-	2,802,002	2,802,002
Due from brokers	58,418,100	-	58,418,100
Other assets	33,033	-	33,033
Margin accounts	11,176,659	-	11,176,659
Cash and cash equivalents	2,090,590	-	2,090,590
	71,718,382	2,802,002	74,520,384

March 31, 2015 **Assets as per statement of financial position**	Amortised cost	Assets at FVTPL	Total
Financial assets at FVTPL	-	4,429,546	4,429,546
Due from brokers	65,769,251	-	65,769,251
Other assets	39,000	-	39,000
Margin accounts	11,367,887	-	11,367,887
Cash and cash equivalents	2,391,630	-	2,391,630
	79,567,768	4,429,546	83,997,314

(All amounts in United States dollars unless otherwise stated)

8. Financial instruments by category (continued)

March 31, 2016 **Liabilities as per statement of financial position**	**Amortised cost**	**Liabilities at FVTPL**	**Total**
Financial liabilities at FVTPL	-	366,118	366,118
Accrued expenses	160,395	-	160,395
	160,395	366,118	526,513

March 31, 2015 **Liabilities as per statement of financial position**	**Amortised cost**	**Liabilities at FVTPL**	**Total**
Financial liabilities at FVTPL	-	692,578	692,578
Accrued expenses	173,392	-	173,392
	173,392	692,578	865,970

9. Derivative financial instruments

The Fund holds the following derivative instruments:

(a) Futures and forwards

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities.

Forwards are contractual obligations to buy or sell currencies on a future date at a specified price established in an organised market. The forward contracts are collaterialised by cash or marketable securities.

The notional value of exchange traded futures held by the Fund split between standard industrial classifications as widely used by investment practitioners are:

	March 31, 2016	**March 31, 2015**
Metals	4,240,990	248,970
Foreign exchange	46,101,758	53,651,938
Indices	205,150	4,636,800
	50,547,898	58,537,708

(All amounts in United States dollars unless otherwise stated)

9. Derivative financial instruments (continued)

(b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price. Options held by the Fund are exchange traded. The Fund is exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value.

At March 31, 2016, the Fund had purchased call options with a notional value of $300,000 (March 31, 2015: $20,000) and purchased put options with a notional value of $9,575,000 (March 31, 2015: $Nil).

The notional amounts of certain types of financial instrument provide a basis for comparison with instruments recognised on the statement of financial position, but they do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and do not therefore indicate the Fund's exposure to credit or market price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

10. Margin accounts

Margin accounts represent margin deposits held in respect of open exchange-traded futures and foreign exchange contracts.

11. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances with original maturity of less than 90 days:

	March 31, 2016	March 31, 2015
Short-term deposits	2,090,590	2,391,630
Total	2,090,590	2,391,630

(All amounts in United States dollars unless otherwise stated)

12. Redeemable shares

The Fund's authorised redeemable share capital is US$1,200,000 divided into 1,200,000 Shares of a par value of US$1.00 per share. The holders of Shares are: (a) entitled (on a vote on a show of hands) to one vote and (on a vote on a poll) to one vote per Share; (b) entitled to such dividends as the Directors may from time to time declare; (c) in the event of a winding up or dissolution of the Fund, whether voluntary or involuntary or for the reorganization or otherwise or upon distribution of capital, entitled to all the surplus assets of the Fund; (d) be entitled, and subject to redemption or repurchase of such Shares as provided in the Bye-Laws.

Shares of the Fund are offered for sale on the first business day of each month ("Dealing Day") at the net asset value per share and may only be purchased by or transferred on the Bermuda Stock Exchange ("BSX") to Qualified Investors. Shares can be redeemed on the Dealing Day as long as the redemption notice is received by the Administrator not later than 12 noon, Bermuda time. The Fund is not bound to redeem on any one Dealing Day more than 20% of the total number of Shares then in issue. If the Fund receives requests for the redemption at any one Dealing Day of a greater number of Shares, it has the right to scale down the number to be redeemed to ensure that the foregoing limit is not exceeded and the balance will be carried forward for redemption at the next available Dealing Day.

During the years ended March 31, 2016 and 2015 the number of shares issued, redeemed, and outstanding were as follows:

	March 31, 2016	March 31, 2015
At April 1	71,370.882	90,736.665
Redeemable shares issued	-	141.382
Redeemable shares redeemed	(2,651.000)	(19,507.165)
At March 31	68,719.882	71,370.882

13. Related-party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

(a) Management fee

The Fund is managed by SWISL, an investment management company incorporated in the United Kingdom. Under the terms of the management agreement dated April 1, 2011, the Fund appointed SWISL as an Investment Manager to provide management services to the Fund. SWISL receives in return a fee based on the net asset value of the Fund, payable monthly in arrears using the annual rate of 2.0%. Total management fees for the year ended March 31, 2016 amounted to $1,538,008 (2015: $1,756,770), with $123,529 (March 31, 2015: $138,783) in outstanding accrued fees due to SWISL at the end of the year.

(b) Custodian fee

The Fund has engaged the services of Butterfield Trust (Bermuda) Limited, to provide custodian services, with SWISL as co-custodian. No direct fees are charged by either the custodian or co-custodian but the co-custodian does charge commission to the Fund for executing trades.

(All amounts in United States dollars unless otherwise stated)

13. Related-party transactions (continued)

(c) Secretarial and administration fee

The Fund has engaged the services of MUFG Fund Services Limited (formerly Fulcrum Limited) to provide secretarial and administrative services for a fee. The fees are charged in accordance with an agreement that was in force during the year.

Total fees for secretarial and administrative services for the year amounted to $74,500 (2015: $59,110), with $6,208 (March 31, 2015: $6,208) due to MUFG Fund Services Limited at the end of each year, respectively.

(d) Board of Directors' remuneration

The total remuneration paid to directors for the year ended March 31, 2016 was $35,759 (2015: $37,384).

(e) Related party share holdings

The Directors of the Fund held redeemable shares in the Fund as detailed below:

For the year-ended March 31, 2016 Shareholder	Number of Shares at the start of year	Number of Shares Acquired in the year	Number of Shares Redeemed in the year	Number of Shares at year end	Distribution received
Directors	42.366	-	-	42.366	-

For the year-ended March 31, 2015 Shareholder	Number of Shares at the start of year	Number of Shares Acquired in the year	Number of Shares Redeemed in the year	Number of Shares at year end	Distribution received
Directors	42.366	-	-	42.366	-

14. Subsequent events

There have been no significant subsequent events identified up to the date of approval of the financial statements.