FMG INDIA FUND LTD.

Financial Statements
(With Auditors' Report Thereon)

March 31, 2009 and 2008

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AUDITORS' REPORT

To the Directors and Shareholders of
FMG India Fund Ltd.

We have audited the accompanying statement of assets and liabilities, including the schedule of investments of FMG India Fund Ltd. as at March 31, 2009 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Bermuda and Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FMG India Fund Ltd. as at March 31, 2009, and the results of its operations and changes in its net assets for the year then ended in conformity with accounting principles generally accepted in Bermuda and Canada.

KPMG

Chartered Accountants
Hamilton, Bermuda
September 23, 2009

FMG INDIA FUND LTD.

Statement of Assets and Liabilities

March 31, 2009
(Expressed in United States Dollars)

	2009	2008
Assets		
Investments in other investment companies (cost $24,740,639; 2008 - $39,002,106) (See Schedule of Investments)	$ 13,415,567	$ 54,277,768
Cash and cash equivalents	3,114,717	881,919
Receivable for investment sold	130,562	–
Other assets	4,969	46,411
Total assets	16,665,815	55,206,098
Liabilities		
Subscriptions received in advance	15,151	732,832
Redemption payable	114,020	–
Unrealized losses on forward foreign exchange contracts (Note 9)	36,656	–
Management and incentive fees payable (Note 3)	66,941	275,686
Administration fees payable (Note 4)	12,390	28,021
Audit fees payable	22,000	20,000
Accounts payable and accrued expenses (Note 3)	10,549	35,668
Total liabilities	277,707	1,092,207
Net assets	16,388,108	54,113,891
Less: attributable to 100 common shares (Note 6)	(100)	(100)
Net assets attributable to redeemable preference shares (Note 6)	$ 16,388,008	$ 54,113,791
Net assets attributable to 22,566 (2008 - 26,073) US Dollar Class A redeemable preference shares	$ 1,669,563	$ 4,312,139
Net asset value per US Dollar Class A redeemable preference share	$ 73.98	$ 165.39
Net assets attributable to 1,553,773 (2008 - 2,579,680) US Dollar Class B redeemable preference shares	$ 13,501,748	$ 49,801,652
Net asset value per US Dollar Class B redeemable preference share	$ 8.68	$ 19.31

FMG INDIA FUND LTD.

Statement of Assets and Liabilities

March 31, 2009
(Expressed in United States Dollars)

	2009	2008
Net assets of $1,216,697 (2008 - $nil) attributable to 100,000 (2008 - nil) Euro Class B redeemable preference shares	€ 915,774	€ –
Net asset value per Euro Class B redeemable preference share	€ 9.15	€ –

See accompanying notes to financial statements

____Director

____ Director

FMG INDIA FUND LTD.

Schedule of Investments

March 31, 2009
(Expressed in United States Dollars)

Other investment companies	Cost	Fair Value	% of Net Assets	Redemption Frequency
Emerging India Focus Funds FMG India Fund Ltd 1	$ 2,000,000	$ 1,643,042	10.03%	Monthly
Emerging India Focus Funds FMG India Fund Ltd 2	1,000,000	511,163	3.12%	Monthly
Global Investment Opportunities Fund Limited - Class A	8,367,448	4,024,168	24.56%	Daily
India Advantage Fund Ltd Class C USD	2,882,597	2,803,844	17.11%	Daily
Unifi India Fund Class A	5,159,630	2,541,428	15.51%	Monthly
FMG (EU) India Opportunity B Shares EUR	5,330,964	1,891,922	11.54%	Monthly
Total investments in other investment companies	$ 24,740,639	$ 13,415,567	81.87%	

See accompanying notes to financial statements

FMG INDIA FUND LTD.

Statement of Operations

Year Ended March 31, 2009
(Expressed in United States Dollars)

	2009	2008
Investment income		
Dividends	$ 50,190	$ –
Rebate income (Notes 2(g) and 10)	76,041	1,411,825
Total income	126,231	1,411,825
Expenses		
Management fees (Note 3)	548,078	998,069
Incentive fees (Note 3)	–	3,547,780
Administration fees (Note 4)	64,742	103,543
Custodian fees (Note 5)	19,272	33,620
Audit fees	30,586	27,575
Directors' and secretarial fees	20,447	20,000
Bank charges	2,441	3,798
Bermuda company fees	3,152	3,071
Miscellaneous	16,467	19,121
Total expenses	705,185	4,756,577
Net investment loss	(578,954)	(3,344,752)
Realized and unrealized gains and losses on investments		
Net realized gains and losses on sale of investments	(1,354,778)	8,102,571
Net realized gains on forward foreign exchange contracts	227,300	–
Net change in unrealized gain and losses on investments	(26,600,742)	2,281,051
Net change in unrealized losses on forward foreign exchange contracts	(36,656)	–
Net realized and unrealized gains and losses on investments	(27,764,876)	10,383,622
Net (decrease) increase in net assets from operations	$ (28,343,830)	$ 7,038,870

See accompanying notes to financial statements

FMG INDIA FUND LTD.

Statement of Changes in Net Assets

Year Ended March 31, 2009
(Expressed in United States Dollars)

	2009	2008
From operations		
Net investment loss	$ (578,954)	$ (3,344,752)
Net realized gains and losses on sale of investments	(1,354,778)	8,102,571
Net realized gains on forward foreign exchange contracts	227,300	–
Net change in unrealized gains and losses on investments	(26,600,742)	2,281,051
Net change in unrealized losses on forward foreign exchange contracts	(36,656)	–
Net (decrease) increase in net assets from operations	(28,343,830)	7,038,870
From capital share transactions		
Proceeds from sale of 6,217 (2008 – 7,868) US dollar Class A redeemable preference shares	817,998	1,545,593
Proceeds from sale of 317,303 (2008 – 171,970) US dollar Class B redeemable preference shares	5,224,595	3,176,325
Proceeds from sale of 100,000 (2008 – nil) Euro Class B redeemable preference shares	1,396,900	–
Payment on redemption of 9,724 (2008 – 8,229) US dollar Class A redeemable preference shares	(1,013,032)	(1,495,055)
Payment on redemption of 1,343,210 (2008 – 362,688) US dollar Class B redeemable preference shares	(15,808,414)	(7,600,094)
Net decrease in net assets from capital share transactions	(9,381,953)	(4,373,231)
Net (decrease) increase in net assets attributable to redeemable preference shares	(37,725,783)	2,665,639
Net assets attributable to redeemable preference shares at beginning of year	54,113,791	51,448,152
Net assets attributable to redeemable preference shares at end of year	$ 16,388,008	$ 54,113,791

See accompanying notes to financial statements

1. **Operations**

The FMG India Fund Ltd. was incorporated in Bermuda on February 17, 2004 as an open ended investment fund, empowered by its bye-laws to issue, redeem and reissue its own shares at prices based on their net asset value.

The Fund invests in other open or closed-ended investment companies, limited partnerships and managed accounts managed by fund managers with the objective of earning a return in excess of that earned on the MSCI India Index.

2. **Significant accounting policies**

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in Bermuda and Canada. The following are the significant accounting policies adopted by the Fund:

(a) Investment transactions and valuation

Investments are categorized as held for trading in accordance with CICA Section 3855, *Financial Instruments – Recognition and Measurement* ("Section 3855") and therefore are recorded at fair value. The adoption of Section 3855 does not impact the manner in which the investments in other investment companies and limited partnerships are valued since bid prices are not available. Investments in other investment companies and limited partnerships are recorded on the effective date of the subscription or contribution, respectively, and are valued at their net asset value as reported by the administrators of the other investment companies and limited partnerships. Where net asset values are not reported on a timely basis, the Manager (Note 3) may estimate the net asset value based on information provided by the other investment companies and limited partnerships. The other investment companies and limited partnerships in which the Fund invests generally value securities traded on a national securities exchange or reported on a national market and securities traded in the over-the-counter market at the last reported bid price if held long and the last reported ask price if sold short on the valuation day. Realized gains or losses on sale of investments are determined on an average cost basis. Realized gains and losses and the net change in unrealized gains and losses are included in the Statement of Operations.

(b) Forward foreign exchange contracts

The Fund purchases forward foreign exchange contracts in amounts approximating the net assets attributable to the Euro classes of redeemable preference shares to manage the Fund's exposure to changes in the US Dollar/Euro exchange rates. The Fund also purchases such forward exchange contracts in amounts approximating the value of any assets denominated in a currency other than the base currency of the Fund to manage the Fund's exposure to changes in the exchange rates between the currency of such assets and the base currency of the Fund. Such contracts are recorded at their fair value at the reporting date. The unrealized gain or loss on open forward foreign exchange contracts on each valuation date is the difference between the contract exchange rate and the forward exchange rate at the valuation date, as reported by published sources, applied to the face amount of the contract. The unrealized gain or loss at the reporting date is included in the Statement of Assets and Liabilities. Realized and unrealized changes in the fair value of the forward foreign exchange contracts are included in the Statement of Operations in the period in which the change occurs, and are attributed entirely to the classes of redeemable preference shares to which the individual contract relates (Notes 2(c) and 9).

2. **Significant accounting policies** (continued)

(c) Allocation of profits and losses

The profit or loss of the Fund for each month before management and incentive fees is allocated at the end of each month between the US Dollar and Euro classes of redeemable preference shares (Note 6). The amount is allocated in proportion to the relative net assets of each class of redeemable preference shares on the first day of the month after adding subscriptions and deducting redemptions effective that day. Management and incentive fees are calculated separately for each class of redeemable preference shares (Note 3). Realized and unrealized gains or losses on forward foreign exchange contracts entered into for the purpose of hedging currency exposure on non US Dollar denominated Share class are allocated to the appropriate class of redeemable preference shares.

(d) Statement of cash flows

A statement of cash flows has not been included in these financial statements as the Board of Directors believes the required information is readily apparent from the information presented.

(e) Foreign currency transactions

Foreign currency investments and balances that are monetary items are translated into US Dollars at the rate of exchange prevailing on the valuation date. Foreign currency transactions are translated at the rate in effect at the date of the transaction. Any realized or unrealized exchange adjustments are included in the related caption in the statement of operations.

(f) Interest income and expense

Interest income and expense is recognized on an accrual basis of accounting.

(g) Rebate income

The Fund receives rebates of part of the management and incentive fees charged on those investments in other investment companies that are also managed by the manager (Notes 3 and 10). If the amount and timing of such receipts can be estimated, they are accrued, otherwise rebate income is recorded on a cash basis.

(h) Cash and cash equivalents

Cash and cash equivalents include cash and money market funds held on a short term basis.

(i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

2. **Significant accounting policies** (continued)

(j) Changes in accounting policies

On April 1, 2008, the Fund adopted CICA Section 3862, *Financial Instruments – Disclosures* ("Section 3862") and CICA Section 3863, *Financial Instruments – Presentation* ("Section 3863"), replacing Section 3861. Section 3862 requires enhanced disclosure of the nature and extent of the risks arising from financial instruments and how the Fund manages those risks. Section 3863 carries forward unchanged the presentation requirements of Section 3861 with respect of financial instruments.

3. **Management, incentive and load fees**

Management fees

The Fund pays FMG Fund Managers Limited (the "Manager") a management fee at the rate of 2.0% per annum of the net assets attributable to the Class A and Class A09 redeemable preference shares of the Fund and 1.5% per annum of the net assets attributable to the Class B and Class B09 redeemable preference shares of the Fund, calculated on a monthly basis and payable quarterly. For the year ended March 31, 2009, this management fee was $548,078 (2008 - $998,069), of which $66,941 (2008 - $275,686) was payable at March 31, 2009.

Incentive fees

The Class A and Class A09 redeemable preference shares also incur a quarterly incentive fee equal to 20% of the Net Profits of the Fund, if any, during each calendar quarter (each a "Performance Period"), accrued with respect to each Class A and Class A09 redeemable preference share of the Fund. The Net Profits are computed in a manner consistent with the principles applicable to the computation of the net assets of the Fund. If a Class A or Class A09 redeemable preference share has a loss chargeable to it during any Performance Period, and during a subsequent Performance Period, there is a profit allocable to it, there will be no incentive fee payable with respect to such redeemable preference share until the amount of the net loss previously allocated has been recouped. Incentive fees are only paid when the net asset value of the redeemable preference shares increase above a previously established "high water mark" net asset value for that class of redeemable preference shares. In the event of either a redemption being made at a date other than the end of a Performance Period or if the Management Agreement is terminated at any time prior to the last day of a Performance Period, the incentive fee will be computed as though the termination date or the Redemption Date, as applicable, was the last day of such Performance Period. Once earned, the incentive fee will be retained by the Manager regardless of the Fund's future results.

The Class B and Class B09 redeemable preference shares also pay to the Manager an incentive fee of 10% of the net profits attributable to the Class B and Class B09 redeemable preference shares, calculated monthly and payable quarterly. Net profits are defined as the amount by which cumulative profits attributable to the Class B and Class B09 redeemable preference shares, before the incentive fee but after deduction of all transaction costs, management fees and expenses, exceeds a hurdle rate equal to the amount that would have been earned in that fiscal period had the assets of the Fund been invested at the USD 12-month LIBOR rate at the beginning of the fiscal period. Net profits include both realized and unrealized gains less losses on investments. If the net profit for a month is negative, it will be carried forward ("carry forward losses"). No incentive fee will be payable until the net profits in subsequent month(s) exceed carry forward losses, and the hurdle as discussed above, together with any cumulative actual losses incurred in previous fiscal years, adjusted for redemptions. However, the net profit amount, upon which performance fees are calculated, is not offset by actual losses incurred in previous fiscal years at the time the performance fee is calculated. Once earned, the incentive fee will be retained by the Manager regardless of the Fund's future results.

For the year ended March 31, 2009, the incentive fee was $Nil (2008 - $3,547,780), of which $Nil (2008 - $Nil) was payable at March 31, 2009.

3. **Management, incentive and load fees** (continued)

Incentive fees (continued)

The Fund is charged management and incentive fees by the Manager as described above on its net assets. However some of the other investments companies in which the Fund invests are also managed by the Manager. To ensure that the Fund is not double charged for such management and incentive fees, the Manager rebates to the Fund its proportionate share of such fees.

Load fees

The Manager may charge load fees of up to 5% of the amount subscribed. When charged, these load fees will reduce the amount available to shareholders for the purchase of shares in the Fund. As at March 31, 2009, $Nil (2008 - $16,655) of load fees payable were included within accounts payable and accrued expenses.

One of the directors of the Fund is also a director of the Manager.

4. **Administration fees**

Apex Fund Services Limited (the "Administrator") acts as the administrator, registrar and transfer agent for the Fund. For services provided, the Fund pays fees at the higher of $2,000 per month for net assets up to $10 million and $3,000 per month for net assets exceeding $10 million, or fifteen basis points of the Fund's net assets per annum. Effective December 1, 2008, the minimum fee was increased to $3,000 per month for net assets up to $10 million and $4,000 per month for net assets exceeding $10 million. For the year ended March 31, 2009, administration fees were $64,742 (2008 - $103,543), of which $12,390 (2008 - $28,021) was payable at March 31, 2009.

One of the directors of the Fund is also the Managing Director of the Administrator.

5. **Custodian fees**

Effective October 16, 2006, HSBC Institutional Trust Services (Bermuda) Limited (the "Custodian") acts as custodian to the Fund. Previously, custodial services were provided by The Bank of Bermuda Limited, the parent company of HSBC Institutional Trust Services (Bermuda) Limited. Fees for custody services are charged at the higher of $3,000 per annum or five basis points of the gross asset value of custody investments (calculated monthly). In addition, custody transaction fees are chargeable on individual transactions on a sliding scale depending on the market and type of security.

6. **Share capital**

The authorized share capital of the Fund is $11,000, which is divided into 100 common shares of par value $1 each and 10,900,000 redeemable preference (the "Shares"), issued in US Dollar and Euro with a par value $0.001 each. Redeemable preference shares are issued in Class A and Class B shares. Effective March 2, 2009, the existing Class A and Class B shares were closed for new subscriptions. Two new share classes; Class A09 and Class B09, are issued from February 2, 2009.

The holder of the common shares is not entitled to receive dividends, may not redeem their holding and is only entitled to be repaid the par value of the common shares upon a winding-up or distribution of capital. The common shares are entitled to one vote per share at a general meeting. All the common shares are held by the Manager (Note 3).

6. **Share capital** (continued)

Each of the redeemable preference share carries no preferential or pre-emptive rights upon the issue of new shares and has no voting rights at general meetings of the Fund.

Redeemable preference shares may be purchased and redeemed on a Dealing Day, which is generally the first business day of each calendar month. Shares may be purchased at the net asset value per share calculated at the immediately preceding Valuation Day, generally the last business day of the preceding month. Class A and B Shares may be redeemed with 10 and 20 business day's written notice, respectively, at their net asset value per Share, subject to certain restrictions.

At March 31, 2009, FMG Rising 3 Fund Ltd., a fund with the same Manager as the Fund, held 88.10% (2008 - 93.55%) of the outstanding US Dollar Class B redeemable preference shares of the Fund. FMG (EU) India Fund, which is also managed by the Fund's Manager, held 100% (2008 - nil) of the outstanding Euro Class B redeemable preference shares of the Fund.

7. **Fair value of financial instruments**

The methods used to determine the fair value of investments in other investment companies and the unrealized gains or losses on forward foreign exchange contracts are described in Notes 2(a) and 2(e). The fair value of the Fund's other principal assets and principal liabilities approximate their carrying amount due to their short term nature.

8. **Taxation**

Under current Bermuda laws, the Fund is not required to pay any taxes in Bermuda on either income or capital gains. The Fund has received an undertaking from the Minister of Finance in Bermuda exempting it from any such taxes at least until the year 2016.

It is management's belief that the Fund is not engaged in a United States trade or business and will not be subject to United States income or withholding taxes in respect of the profits and losses of the Fund other than the 30% withholding tax on U.S. source dividends.

As a result, management has made no provision for income taxes in these financial statements.

9. **Financial instruments and risk management**

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investments presents the investments held by the Fund as at the end of the year.

The Fund invests in other investment companies, limited partnerships and managed accounts that are invested in companies located in India. This emerging market is experiencing significant economic growth and change. Consequently, operations in India involve risks, which do not typically exist in other markets. Such risks include, but are not limited to, the Fund's investments in companies in India which may prove difficult to sell in times of forced liquidity, risks involved estimating the valuation of the underlying businesses, potential adverse changes to the legal, regulatory and taxation environments that could adversely affect the underlying businesses, currency fluctuations, changes in interest rates, institutional, settlement and custodial risks, and other risks generally associated with investing in immature emerging markets.

(a) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's investments in other investment companies and limited partnerships are not traded in an organized public market. As a result, the Fund may not be able to quickly liquidate its investments at their stated fair value in order to meet its liquidity requirements, including redemption requests from its shareholders. The Fund's exposure to liquidity risk is managed by the Manager.

9. **Financial instruments and risk management** (continued)

(a) Liquidity risk (continued)

Some of the other investment companies and limited partnerships in which the Fund invests may deal or trade in derivative financial instruments as their principal investment activity or use these instruments as part of their investment strategy. This may result in market and credit risks to those other investment companies in excess of the amount invested in these instruments. However, the Fund's risk is limited to the net asset value of its investments in those other investment companies and limited partnerships.

The Schedule of Investments summarizes the redemption frequencies of the Fund's investments in other investment companies and limited partnership at March 31, 2009. This information has been obtained by the Manager from the offering memoranda or similar information provided by the manager of the underlying investment fund or partnership at the time of the Fund's original investment.

At March 31, 2009, investments funds held by the Fund had not implemented any redemption restrictions.

The liabilities of the Fund are comprised of accrued expenses and these fall due within 3 months of the balance sheet date.

(b) Interest rate risk

Interest rate risk arises when a fund invests in interest-bearing financial instruments. The Fund does not hold investments which are sensitive to interest rates but is indirectly exposed to the interest rate risk of the investments held by the investment companies and limited partnerships in which the Fund invests.

(c) Credit risk

Credit risk arises from the potential inability of counterparties to perform under the terms of the contract. The Fund has cash and cash equivalents, derivative financial instruments and investments held in the custody of a major bank with a long term credit rating of Aa3 issued by Moody's. As the Fund invests in other investment companies and limited partnerships, the Fund is exposed to the credit risk of each of those underlying funds. The amount of credit exposure is represented by the carrying amounts of the investments listed on the Schedule of Investments.

Bankruptcy or insolvency of the bank may cause the Fund's rights to be delayed with respect to the cash and cash equivalents and investments held in the custodial relationship. The Manager monitors the credit quality and financial position of the bank and should it decline significantly, the manager will move cash holdings and custodial relationships to another institution.

(d) Market risk

Market risk is the risk that the changes in interest rates, foreign exchange rates or securities prices will affect the fair value of the financial instruments held by the Fund.

The Fund is indirectly exposed to the market risk of the investments held by the other investment companies and limited partnerships in which the Fund invests. Some of those other investment companies and limited partnerships may deal or trade derivative financial instruments as their principal investment activity or use these instruments as part of their investment strategy. This may result in market risk to those other investments companies and limited partnerships in excess of the amount invested in these securities. However, the Fund's risk is limited to the net asset value of its investments in those other investment companies and limited partnerships.

9. **Financial instruments and risk management** (continued)

(d) Market risk (continued)

At March 31, 2009, if the price of the investments increased by 5%, this would have increased the net assets resulting from operations and the net assets attributable to holders of redeemable preference shares by $670,778 (2008 -$2,713,888); an equal change in the opposite direction would have decreased the net assets resulting from operations and the net assets attributable to holders of redeemable preference shares by an equal amount. Actual results will differ from this sensitivity analysis and the differences could be material.

(e) Currency risk

The Fund may invest in other investment companies and limited partnerships and enter into transactions denominated in currencies other than the US dollar. Consequently, the Fund is exposed to risks that the exchange rate of the US dollar relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Fund's assets or liabilities denominated in currencies other than the US dollar.

The following table sets out the Fund's total exposure to foreign currency risk split between monetary assets and liabilities, net assets attributable to non-USD denominated share classes, forward foreign exchange contracts and the resulting net exposure to foreign currencies:

	Monetary Assets	Monetary Liabilities	Net assets attributable to Non-USD denominated Share Classes	Forward FX Contracts	Net Exposure
March 31, 2009					
EUR	$ 1,891,922	$ –	$ –	$ (1,736,106)	$ 155,816
EUR	$ –	–	(1,216,697)	1,118,177	(98,520)
	$ 1,891,922	$ –	$ (1,216,697)	$ (617,929)	$ 57,296
March 31, 2008					
EUR	$ 1,202,969	$ –	$ –	$ –	$ 1,202,969
	$ 1,202,969	$ –	$ –	$ –	$ 1,202,969

The amounts in the above table are based on the carrying value of monetary assets and liabilities, net assets attributable to non-USD denominated share classes and the underlying notional amounts of forward foreign exchange contracts.

Forward foreign exchange contracts are entered in to by the Fund to hedge exposure to monetary assets and liabilities denominated in currencies other than USD and to hedge the exposure of certain share classes denominated in currencies other than USD.

The gains and losses on forward foreign exchange contracts entered into for the purpose of hedging the exposure to monetary assets and liabilities are recorded in gains and losses on forward foreign exchange contracts in the statement of operations. The gains and losses on contracts entered into for the purpose of hedging the exposure of share classes denominated in currencies other than USD are also recorded in gains and losses on forward foreign exchange contracts in the statement of operations, but are allocated specifically to the non-USD denominated share classes to which the hedging activities, and resultant gains and losses, relate.

9. **Financial instruments and risk management** (continued)

(e) *Currency risk* (continued)

At March 31, 2009, had the US Dollar strengthened by 5% in relation to the Euro, there would be an approximate net impact of $(7,790) (2008: $(60,148)) on the statement of operations and net assets of the Fund arising from the change in the carrying value of monetary assets, net of the effect of hedging instruments. There would also be an approximate net impact of $4,926 (2008: $nil) on the statement of operations and on the net assets attributable to the hedged non-USD denominated share classes. A 5% weakening of the US Dollar against the Euro would have resulted in an approximate equal but opposite effect. Actual results will differ from this sensitivity analysis and the difference could be material to the financial statements.

At March 31, 2009, the Fund had the following open forward foreign exchange contracts:

Currency to be sold		Currency to be bought		Contract due date		Fair Value
USD	1,118,177	EUR	891,546	April 2nd, 2009		66,331
EUR	1,384,234	USD	1,736,106	April 2nd, 2009		(102,987)
					$	(36,656)

At March 31, 2008, the Fund had no open forward foreign exchange contracts.

10. **Related party transactions**

At March 31, 2009, the Fund held investments with a fair value of $1,891,922 (2008 - $nil) in FMG (EU) India Opportunity Fund Ltd., another investment company that is managed by the Manager. In 2008, the Fund held investments with a fair value of $7,685,483 in FMG India Opportunity Fund Ltd. The Fund has received management and incentive fee rebates from the manager during the year of $76,041 (2008 - $1,411,825) of which $2,306 (2008 - $39,617) is outstanding at March 31, 2009.

11. **Subsequent events**

As of August 31, 2009, the custody agreement between the Fund and HSBC Institutional Trust Services was terminated by the Fund. A new custody agreement was entered into effective September 1, 2009 with Credit Suisse who took over the custodial responsibilities of the Fund’s assets as of that date.