Global Specialised Opportunities 1 Limited

(Registration Number: 48779)

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2010

Contents

Company Information

Investment Manager:	Investec Bank (Switzerland) AG Lowenstrasse 29 8001 Zurich Switzerland
Administrator, Registrar and Secretary:	Legis Fund Services Limited 1 Le Marchant Street St Peter Port Guernsey, GY1 4HP
Directors of the Company:	Mr Stephen Henry Mr Oliver Betz-Fletcher Mr Martin Tolcher
Auditor:	Saffery Champness La Tonnelle House Les Banques St Sampson Guernsey, GY1 3HS
Legal Advisers in Guernsey:	Mourant Ozannes 1 Le Marchant Street St Peter Port Guernsey, GY1 4HP
Legal Advisers in Bermuda:	Appleby Canon's Court 22 Victoria Street Hamilton, HM12 Bermuda
Legal Advisers in South Africa:	Deneys Reitz Inc 8th Floor, Southern Life Centre 8 Riebeek Street Cape Town, 8001 South Africa
Listing Sponsor:	Appleby Securities (Bermuda) Limited Argyle House 41 a Cedar Avenue Hamilton HM12 Bermuda

Investment Manager Commentary

Performance

Global Specialised Opportunities 1 Limited's ("GSO1" or "the Company") net asset value was up 11.34% over the financial year and down 6.65% since the inception of the Company on 27 June 2008, after fees and expenses.

The positive performance over the financial year was a result of mark-ups across both the Investment Portfolio and the Specialised Opportunities Portfolio as global markets rallied from their March 2009 lows. Markets generally remain down since the inception of the Company with the S&P 500 equity index and iBoxx $ High Yield debt index down 9% and 6% respectively. Further details on the performance of the Company's individual investments can be found in the quarterly reports sent to shareholders. Post the financial year end, in general, the Investment Portfolio has retained its value, whilst the Specialised Opportunities Portfolio continues to see positive mark-to-market adjustments in many of the vehicles.

The Investment Manager, believes the Company's capital has been deployed at a very opportunistic time, largely in the wake of the Lehman Brothers bankruptcy, and believes the Company is well positioned to benefit from a gradual economic recovery. Several of the Company's private equity holdings are held at or near cost despite strong performance of the underlying investment, representing unrealised value. Investors are reminded that short-term mark-to-market valuations in the early stage of a private equity vehicle's investment life do not have high indicative value in terms of the vehicle's final investment performance.

Asset allocation

At the end of the financial year, the Company's assets were held as follows: 32.1% in the Investment Portfolio (held 17.3% in cash and 14.8% in investments) and 67.9% in the Specialised Opportunities Portfolio, which is the mark-to-market value of the investments made to date by the private equity vehicles.

At the end of the financial year, GSO1 had made commitments totalling USD62.2m in 16 private equity vehicles across the 4 targeted strategies as follows: Distressed Opportunities USD19.8m; Special Situations USD12.4m; Niche Private Equity USD11.1m; Niche Property USD19.0m. Further information on each of the managers and strategies, based on the quarterly updates received from the managers, is provided in the Company's quarterly reports.

Investec Bank (Switzerland) AG
29 September 2010

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for year ended 31 March 2010.

Results
The results for the year are shown in the statement of total return on page 6.

Dividends
The directors do not recommend the payment of a dividend.

Directors
The directors of the Company during the year and to the date of this report were as follows:

Mr Stephen Henry
Mr Oliver Betz-Fletcher
Mr Martin Tolcher

Directors' responsibilities
The Companies (Guernsey) Law, 2008 requires the Directors to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the company and the revenue or deficit of the company for that period and are in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") and applicable laws. In preparing these statements the directors are required to:

- select suitable accounting standards and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE DIRECTORS (continued)

Auditor:

Each of the Directors at the date of approval of the financial statements, confirms that, to the best of his knowledge and belief:

1. There is no relevant audit information of which the Company's auditor is unaware; and
2. He has taken all steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of The Companies (Guernsey) Law, 2008.

A resolution for re-appointment of Saffery Champness as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

S Henry	M Tolcher
Director	Director

Date: 29 September 2010

Independent Auditor's Report to the Shareholders of Global Specialised Opportunities 1 Limited

We have audited the financial statements of Global Specialised Opportunities 1 Limited for the year ended 31 March 2010 which comprise the statement of total return, the statement of changes in shareholders' net assets, the portfolio statement, the summary of significant portfolio changes, the statement of assets and liabilities, the cash flow statement and the related notes.

This report is made solely to the company's shareholders, as a body, in accordance with section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

As described on page 3, the Company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with The Companies (Guernsey) Law, 2008. We also report to you if in our opinion the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Manager's Report and the Report of the Directors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2010 and of its net profit for the year then ended; and
- the financial statements have been properly prepared in accordance with The Companies (Guernsey) Law, 2008.

SAFFERY CHAMPNESS
CHARTERED ACCOUNTANTS
La Tonnelle House
Les Banques
St Sampson
Guernsey

Statement of Total Return for the year ended 31 March 2010

		1 April 2009 to 31 March 2010	**16 April 2008 to 31 March 2009**
Revenue	Notes	**USD**	**USD**
Net gain / (loss) on investments during the period	5	5,532,191	(8,279,083)
Other income	6	951,110	449,197
Expenses	7	(1,211,318)	(1,082,319)
Other gains	10	18,569	-
Increase /(decrease) in net assets attributable to Participating Redeemable Preference shares		5,290,552	(8,912,205)

In arriving at the results for the financial period, all amounts above relate to continuing operations.

There are no recognised gains or losses for the year/period other than those disclosed above.

Statement of Changes in Net Assets Attributable to Participating Redeemable Preference Shares for the year ended 31 March 2010

Increase / (decrease) in net assets attributable to Participating Redeemable Preference shares		5,290,552	(8,914,164)
Movement due to issue of shares			
Amounts received on issue of shares	13	-	55,164,907
Net assets at beginning of the year/period		46,250,743	-
Net assets at end of the year / period	11	51,541,295	46,250,743

Under Financial Reporting Standard 25, the Participating Redeemable Preference shares are classified as debt and the Management shares are classified as equity.

The notes on pages 11 to 18 form an integral part of these financial statements.

Portfolio Statement at 31 March 2010

Investments at Market Value	Nominal	2010 Valuation USD
Equity		
Apollo European Principal Finance - Project Spring	45.00	1,231,268
Apollo European Principal Finance	959,649.18	1,446,277
Apollo Investment VII	778,165.67	949,240
Ashmore Global Special Situations IV	5,204,875.34	4,436,233
Carlyle Asia Growth IV	503,755.50	831,117
Carlyle Brazilian Tourism Co-Investment	1,950,000.00	1,994,327
Carlyle Asia Partners III	947,383.00	823,071
Carlyle RMBS III	4,341,308.00	4,484,949
Mount Kellett Capital	3,421,417.49	3,479,913
Oaktree PPIP Private	169,233.74	162,487
Oaktree European Principal Opportunites II	2,667,500.00	3,076,644
Oaktree Opportunities VII (b)	4,972,938.75	7,093,413
Riverstone Global Energy and Power IV	1,222,357.61	1,367,867
Riverstone Renewable and Alternative Energy II	1,465,172.04	1,372,514
Tishman Speyer Brazil II	1,488,718.00	1,411,088
Tishman Speyer China I	913,411.68	795,805
		34,956,213
Managed Funds		
Fairfield Sentry Limited	2,060.8465	-
GEMS Low Volatility Portfolio	179.3557	545,197
Permal Fixed Income Holdings	2,478.7500	3,041,054
Permal Fixed Income Special Opportunities	11.7430	55,294
Permal Macro Holdings	988.7080	3,974,033
		7,615,578
	Total Portfolio	42,571,791

Summary of Significant Portfolio Changes for the year ended 31 March 2010

Sales (including distributions)	Nominal	2010 Proceeds USD
Apollo European Principal Finance - Project Spring	793,713.7500	1,078,388
Apollo European Principal Finance	3.0000	57,081
Apollo Investment VII	391,596.9600	391,597
Ashmore Global Special Situations IV	645,124.6600	645,125
Carlyle RMBS III	38,981.7700	38,982
GEMS Low Volatility Portfolio	224.3799	642,734
Mount Kellett Capital	79,456.8600	79,457
Permal Fixed Income Special Opportunities	498.1780	2,378,377
Riverstone Global Energy and Power IV	1,007,485.8600	993,972
Riverstone Renewable and Alternative Energy II	19,638.0000	19,638
Tishman Speyer Brazil II	221,639.0000	221,639
		6,546,990
	Cost of Investments sold	7,067,610
	Loss on Investments	(520,620)

Purchases (including capital calls)	Nominal	2010 Cost USD
Apollo European Principal Finance - Project Spring	48.00	2,050,357
Apollo European Principal Finance	1,699,362.9300	2,463,175
Apollo Investment VII	345,649.6300	345,650
Carlyle Asia Growth IV	288,051.5000	288,052
Carlyle Brazilian Tourism Co-Investment	1,950,000.0000	1,950,000
Carlyle Asia Partners III	947,383.0000	947,383
Carlyle RMBS III	4,550,000.0000	4,553,412
Mount Kellett Capital	3,500,874.3500	3,500,874
Oaktree PPIP Private	169,233.7400	169,234
Oaktree European Principal Opportunites II	970,000.0000	970,000
Oaktree Opportunities VII (b)	877,938.7500	877,939
Riverstone Global Energy and Power IV	1,275,009.4700	1,264,373
Riverstone Renewable and Alternative Energy II	885,794.2700	885,794
Tishman Speyer Brazil II	192,142.0000	192,142
Tishman Speyer China I	110,435.6800	110,436
		20,568,821

Statement of Assets and Liabilities as at 31 March 2010

Assets	Notes	**31 March 2010 USD**	**31 March 2009 USD**
Fixed assets			
Investments		34,956,213	13,754,497
		34,956,213	13,754,497
Current assets			
Sundry debtors	8	51,476	2
Investments		7,615,578	9,263,272
Cash and bank balances		9,824,313	23,939,760
		17,491,367	33,203,034
Current liabilities			
Other payables	9	(906,285)	(706,788)
Net current Assets		16,585,082	32,496,247
Net assets attributable to holders of Participating Redeemable Preference shares		51,541,295	46,250,744
Participating Redeemable Preference shares in issue	13	55,164.907	55,164.907
Net asset value per share	11	934.3131	838.4088

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2010.

S Henry
Director

M Tolcher
Director

The notes on pages 11 to 18 form an integral part of these financial statements.

Cash Flow Statement for the year ended 31 March 2010

	1 April 2009 to 31 March 2010	16 April 2008 to 31 March 2009
	USD	**USD**
Reconciliation of increase/(decrease) in Net Assets attributable to participating redeemable preference shares		
Increase/(decrease) in Net Assets attributable to particiating redeemable preference shares	5,290,552	(8,914,164)
Net unrealised movement in net assets	(6,052,811)	6,975,077
Losses realised on investments sold during the year	520,620	1,304,006
Increase in debtors	(51,474)	(2)
Increase in creditors	199,497	706,788
	(93,616)	71,705
Net cash (outflow)/inflow from operating activities	**(93,616)**	**71,705**
Cash flows from capital expenditure and financial investment		
Purchase of investments	(20,568,821)	(47,333,761)
Sale of investments	6,546,990	16,036,909
	(14,021,831)	(31,296,852)
Cash flows from financing		
Issue of shares	-	55,164,907
Net (decrease)/increase in cash and cash equivalents	**(14,115,447)**	**23,939,760**
Cash at the beginning of the year/period	**23,939,760**	**-**
Cash at the end of the year/period	**9,824,313**	**23,939,760**

Notes to the audited Financial Statements for the year ended 31 March 2010

1. General Information

Global Specialised Opportunities 1 Limited is a closed-ended investment fund established under the laws of Guernsey with limited liability on 16 April 2008.

The Company's main objective is to invest in a diversified portfolio of private equity, distressed debt and other specialised opportunities. The Company will capitalise on the expertise of some of the leading global specialised advisors and managers and will focus on key themes identified by the Investment Manager as areas of potential out performance over the next 3-5 years.

The Company will target investment opportunities in four key investment strategies which are collectively defined as the "Specialised Opportunities Portfolio". The targeted Investment Strategies are as follows:

(a) Distressed opportunities
(b) Special situations and sector specific opportunities
(c) Niche private equity
(d) Niche property

Surplus liquidity within the Company will be managed in an Investment Portfolio pending draw down by or commitment to the Specialised Opportunities Portfolio. The investment Portfolio will be managed under a discretionary mandate by the Investment Manager. The Investment Portfolio will benefit from the input, expertise and monitoring of the Investment Manager's investment forum made up of several experienced investment practitioners and led by the Chief Investment Officer and will utilise a broad range of investment products aimed at delivering an optimal strategic solution for achieving cash plus returns with carefully managed risk.

The company's participating redeemable preference shares are listed on the Bermuda Stock Exchange.

2. Accounting Policies

(a) Basis of preparation

These financial statements are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with United Kingdom Accounting Standards, the Statement of Recommended Practice Financial Statements of Authorised Funds issued in November 2008 and applicable Guernsey Law. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently during the period unless otherwise stated.

(b) Foreign exchange

Foreign currency assets and liabilities are translated into US dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate of exchange ruling at the date of transaction. Foreign exchange gains and losses are included in the statement of total return.

(c) Investments

Listed investments that are regularly traded shall be valued at their last traded price on the relevant business day. Unlisted investments and those in investment vehicles will generally have independent valuers and administrators and report quarterly to their investors. The Directors shall use their discretion to determine which of those prices shall apply.

The difference between cost and valuation, being an unrealised surplus/deficit on investments, is recognised in the statement of total return. Realised surpluses and deficits on part sales of investments are arrived at by deducting the average costs of such investments from their sale proceeds and are recognised in the statement of total return.

Notes to the audited Financial Statements for the year ended 31 March 2010 (continued)

2. Accounting Policies (continued)

(d) Income recognition

Interest on bonds, deposits and other money market instruments is accounted for on an accruals basis. Dividend income arising on the Company's investments is recognised as the underlying investments become ex-dividend.

(e) Going concern

These financial statements have been prepared on a going concern basis.

3. Taxation

With effect from 1 January 2008, Guernsey abolished the exempt company regime and the standard rate of income tax for companies has moved from 20% to 0%. To the extent that the Company meets certain conditions it is able to continue to apply exempt status after 1 January 2008 upon payment of an annual fee. The Company has taken this option. Therefore, in the current period the Company is exempt from taxation under the terms of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and is liable to an annual fee of £600.

4. Fees

The Investment Management fee is to equal 1.35% per annum of the Net Asset Value of the Company calculated quarterly and payable annually in arrears. The Investment Manager is also entitled to a Performance Incentive Fee which is calculated at 15% on the Company's performance over and above the Hurdle rate, which amount (whether positive or negative) shall be accrued quarterly and paid out on the Termination date. The Company's performance shall be calculated as the Internal Rate of Return of the Company's quarterly NAV plus any amounts paid out as distributions, share purchases and redemptions.

The Administrator is entitled to a fixed annual fee of USD67,500 for providing administration, valuation, compliance and accounting functions and an additional USD5,000 per Board meeting and USD2,500 per additional *ad hoc* meeting.

The director's fees are equal to USD13,000 per annum per Director. Stephen Henry and Oliver Betz-Fletcher have agreed to waive their fee.

The Distributors shall be entitled to an annual fee of 0.4% of the NAV of the Company payable annually in arrears.

5. Net gain/(loss) on Investments

	2010 USD	2009 USD
The net gain/(loss) on investments during the year/period comprises:		
Proceeds from sales of investments during the year/period	6,546,990	16,036,909
Original cost of investments sold during the year/period	(7,067,610)	(17,340,915)
Losses realised on investments sold during the year/period	(520,620)	(1,304,006)
Net unrealised movement in appreciation/(depreciation) in value of investments for the year/period	6,052,811	(6,975,077)
Total	5,532,191	(8,279,083)

Notes to the audited Financial Statements for the year ended 31 March 2010 (continued)

6. Other income

	2010	2009
	USD	USD
Interest receivable	346,238	381,775
Bond interest received	81,717	757
Dividend received	523,155	66,235
Other income	-	430
	951,110	449,197

7. Expenses

Administration and secretarial fees	79,910	59,462
Audit fees	23,937	21,449
Bank charges	1,630	1,614
Carry cost expense	116,668	112,885
Directors' remuneration	13,037	9,866
Formation expenses	-	98,730
Intermediaries' distribution fee	201,807	148,664
Investment management fee	681,100	501,742
Legal expenses	59,473	7,931
Listing sponsor fees	3,993	5,550
Other fees	27,716	96,070
Regulatory fees	2,047	18,356
	1,211,318	1,082,319

8. Other receivables

	2010	2009
	USD	USD
Sundry debtors	51,476	2
	51,476	2

9. Other payables

	2010	2009
	USD	USD
Investment management fee	680,829	650,406
Administration and secretarial fee	-	25,067
Audit fee	20,389	21,449
Director's fee	3,260	9,866
Distributor fee	201,807	-
	906,285	706,788

Notes to the audited Financial Statements for the year ended 31 March 2010 (continued)

10. **Other (losses)**	**2010 USD**	**2009 USD**
Currency gain/(loss)	18,569	(1,959)

11. **Net Asset Value per share**	**2010 USD**	**2009 USD**
Traded Net Asset Value at 31 March	51,494,264	46,241,077
Differences between Valuation and Financial Statements due to consolidation	47,031	9,666
Reported Net Assets Value at 31 March	51,541,295	46,250,743
Traded Net Assets per share	933.4605	838.1680
Reported Net Assets per share	934.3131	838.4088

12. Financial Instruments

The Company, during the normal course of business, enters into investment transactions in financial instruments, the holding of which gives exposure to the following risks:

(a) Interest rate risk

The Company is exposed to interest rate risk associated with the effects of fluctuations in the prevailing levels of market interest rates on cash balances. All of these cash balances receive interest at a floating rate. This interest rate risk is not considered to be significant.

(b) Liquidity risk

The Company is likely to be committing the company's funds to investments of a long-term and illiquid nature whose shares are not listed on any stock exchange. Such investments are likely to involve a relatively high degree of risk, and the timing of cash distributions to investors is uncertain and unpredictable. Liquidity risk is mitigated by the fact that prior to the Redemption date, investors have no right to have their shares redeemed by the Company.

(c) Foreign currency risk

Foreign currency risk is the risk that the value of the financial instrument or cash will fluctuate because of changes in foreign currency rates. Investments may be in currencies other than United States Dollars and unfavourable exchange rates between those currencies and United States Dollars will affect the fair market value per share of the Company. To mitigate the risk the Company may seek to hedge any exposure to fluctuations in currency exchange rates.

Notes to the audited Financial Statements for the year ended 31 March 2010 (continued)

12. Financial risk management objectives (continued)

(d) Market risk

Market risk arises because the Company's investments are exposed to market price fluctuations and these are monitored by the Company's investment manager. The investment manager has a team dedicated to sourcing and carrying out the diligence necessary to select Investments aimed at delivering consistent and outstanding performance.

The Company has adopted the following investment restrictions to manage its risk:

i) No single investment may exceed 20% of the aggregate subscription proceeds received by the Company (and including any returns on such proceeds while in the Investment portfolio).

ii) No single investment strategy may exceed 20% of the aggregate subscription proceeds received by the Company (and including any returns on such proceeds while in the Investment portfolio).

iii) Investments within the Specialised Opportunities Portfolio will be implemented or committed to within the Investment Period, as defined in the prospectus, thereafter Specialised Opportunities Investments shall only be made if they do not potentially extend the life of the Company past the 20 June 2019.

iv) The investment portfolio may only invest in investments which can under normal circumstances be liquidated within a six month period.

(e) Capital management

The Company may be geared through borrowings of up to 30% of the Company's assets, which borrowings may be secured by the Company's assets. The Company is likely to borrow money through a credit facility to fund investments as well as to bridge drawdowns. The cost of this borrowing is linked to interest rates which may fluctuate, and, as such, impact returns. In the event that the cost of borrowings exceeds the return on investments, the borrowings will have a negative effect on the Company's performance. In the event that the Company enters into a banking facility agreement or funding agreement, such agreement may contain financial covenants. Should any such covenants be breached the Company may be required to repay the borrowings in whole, or in part, together with any attendant costs.

In order to manage such risk the Investment manager will source investments aimed at delivering consistent and outstanding performance and as such the likelihood of borrowing having a negative effect on the Company will have been reduced.

13. Analysis of Shares

Management shares

	2009 & 2010 No. of shares	2009 & 2010 USD
Authorised		
Management shares of USD1 each	10	10

	2009 & 2010 No. of shares	2009 & 2010 USD
Issued		
Management shares of USD1 each	2	2

Management shares are not redeemable, do not carry any right to dividends and in a winding up rank only for a return of the amount of paid up capital after return of capital on participating redeemable preference shares.

Notes to the audited Financial Statements for the year ended 31 March 2010 (continued)

13. Analysis of Shares (continued)

Participating redeemable preference shares

	No. of Shares	2010 USD
Balance brought forward	55,164.907	55,164,907
Shares issued	-	-
Balance at 31 March 2010	55,164.907	55,164,907

The participating shares have no par value.

Participating redeemable preference shares are redeemable on the 11th anniversary of the initial closing date (20 June 2008), unless the board of directors chooses to extend the duration of the company for up to two years. The Company is closed-ended and therefore shareholders have no right to redeem the shares or request that the company repurchase them prior to the redemption date. However, the Directors have discretion to accept redemptions if certain criteria are met:

a) redemptions are effected pro rata to all investors, for part of their shares, at the audited fair market value per share less costs associated with redemption.

b) there is sufficient cash or gearing available to fund such redemptions; and

c) the number of shares to be redeemed shall be proportionate to the value that the realisation proceeds received by the Company (less any disposal costs and performance incentive, if applicable) represents to the NAV of the Company as a whole prior to such redemption.

Dividends may be paid on the shares at a level recommended by the directors and provided that they are covered by funds that may be lawfully distributed as dividends.

14. Interest in shares

The directors have no direct interests in the participating redeemable preference shares of the Company, although Oliver Betz-Fletcher is also a director of Investec Bank (Switzerland) AG, which holds 23.428% of the redeemable preference shares.

The shareholders listed below have interests in the participating redeemable preference shares of the Company greater than 10% as follows:

Investec Securities Asset Swap	14.666%
Mine Employees Pension Fund	16.315%
Sentinel Mining Ind Ret Fund	29.004%
Investec Bank (Switzerland) AG	23.428%

Due to the number of shareholders and the size of their holdings the directors do not believe that there is a single ultimate controlling party.

15. Related party transactions

During the year under review accruals have been made for the director's fees as follows:

	USD	
Martin Tolcher	13,037	(2009: USD 9,866)

The related party transactions with the Investment Manager and Administrator are detailed in Notes 4 and 7.

16. Commitments

At the year end the Company had committed to invest USD60,855,462, of which USD27,582,290 was outstanding. The amounts remaining on commitments are broken down as follows:

Apollo European Principal Finance
The Company has made a commitment to invest EUR 2,775,000, at the year end EUR 1,750,588 was outstanding.

Apollo European Principal Finance - Project Spring
The Company has made a commitment to invest GBP1,230,462, at the year end this had been fully called.

Apollo Investment VII
The Company has made a commitment to invest USD3,250,000, at the year end USD2,485,764 was outstanding. In June 2010 a further net amount of USD398,885 was contributed leaving an outstanding commitment of USD2,086,879.

Ashmore Global Special Situations IV
The Company has made a commitment to invest USD5,850,000, at the year end this had been fully called.

Carlyle Asia Growth IV
The Company has made a commitment to invest USD4,550,000, at the year end USD 4,046,245 was outstanding.

Carlyle Asia Partners III
The Company has made a commitment to invest USD4,550,000, at the year end USD 3,602,617 was outstanding. In June 2010 a further USD 376,909 was contributed leaving an outstanding commitment of USD3,225,708.

Carlyle Brazilian Tourism Co-investment
The Company has made a commitment to invest USD1,950,000, at the year end this has been fully called.

Carlyle RMBS Partners III
The Company has made a commitment to invest USD4,550,000, at the year end USD220,921 was outstanding.

Oaktree European Principal Opportunities II
The Company has made a commitment to invest USD 4,850,000, at the year end USD2,182,500 was outstanding.

Oaktree Opportunities Vll (b)
The Company has made a commitment to invest USD5,850,000, at the year end USD877,061 was outstanding. In June 2010 a further USD292,500 was contributed leaving an outstanding commitment at the date of signing the accounts of USD584,561.

Oaktree PPIP Private
The Company has made a commitment to invest USD2,600,000, at the year end USD2,430,766 was outstanding. In June 2010 a further USD130,000 was contributed leaving an outstanding commitment at the date of signing the accounts of USD2,300,766.

Riverstone Global Energy and Power IV
The Company has made a commitment to invest USD3,250,000, at the year end USD2,027,781 was outstanding. In June 2010 a further USD 130,194 was contributed leaving an outstanding commitment of USD1,897,587 at the date of signing the accounts.

Riverstone Renewable and Alternative Energy II
The Company has made a commitment to invest USD3,250,000, at the year end USD1,784,893 was outstanding.

Tishman Speyer Brazil II
The Company has made a commitment to invest USD3,250,000, at the year end USD1,761,282 was outstanding.

Tishman Speyer China I
The Company has made a commitment to invest USD3,250,000, at the year end USD2,336,754 was outstanding. In June 2010 a further USD716,757 was called leaving an oustanding commitment of USD1,630,003.

Mount Kellet Capital
The Company has made a commitment to invest USD5,850,000 at the year end USD2,432,908 was outstanding. In June 2010 a further USD614,250 was contributed leaving an outstanding commitment of USD1,818,658 at the date of signing the accounts.

17. Post Balance Sheet Events

After the year end the Company approved investments into two further funds. The Directors approved commitments of USD4.55m each into both Loan Star VII and Loan Star Real Estate II.

The decision was also taken to recommend an increase in commitments to USD75m. In order to accommodate this a credit facility for USD24m was negotiated with Investec Bank (Switzerland) AG; the facility letter was executed on 4th May.