

Global Specialised Opportunities 1 Limited

(Registration Number: 48779)

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2012

Global Specialised Opportunities 1 Limited

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Global Specialised Opportunities 1 Limited

Company Information

Investment Manager:	Investec Bank (Switzerland) AG (resigned 31 March 2012) Lowenstrasse 29 8001 Zurich Switzerland
	Grovepoint Capital LLP (appointed 1 April 2012) Heron House 4 Bentinck Street W1U 2EF
Administrator, Registrar and Secretary:	Legis Fund Services Limited PO Box 91 11 New Street St Peter Port Guernsey, GY1 3EG
Directors of the Company:	Mr Stephen Henry Mr Oliver Betz-Fletcher (resigned 20 January 2012) Mr Brian O'Mahoney (appointed 19 October 2011) Mr Martin Tolcher (resigned 19 October 2011) Mr David Fitch (appointed 20 January 2012)
Auditor:	Saffery Champness La Tonnelle House Les Banques St Sampson Guernsey, GY1 3HS
Legal Adviser in Guernsey:	Mourant Ozannes 1 Le Marchant Street St Peter Port Guernsey, GY1 4HP
Legal Adviser in Bermuda:	Appleby Canon's Court 22 Victoria Street Hamilton, HM12 Bermuda
Legal Adviser 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
Annual Sponsor:	Capital G BSX Services Limited 25 Reid Street Hamilton, HM 11 Bermuda

Global Specialised Opportunities 1 Limited

Investment Manager's Commentary

General

Investec Bank (Switzerland) AG served as Investment Manager from the Company's inception to the end of the financial year, 31 March 2012. Further to the Letter to Shareholders dated 20 April 2012, the Company appointed Grovepoint Investment Management, a division of Grovepoint Capital LLP, as Investment Manager with effect from 1 April 2012.

Performance

Global Specialised Opportunities 1 Limited's ("GSO1" or "the Company") net asset value ("NAV") was down 2.64% over the financial year and up 13.96% since the inception of the Company on 27 June 2008 to 31 March 2012. On 30 June 2011, Global Specialised Opportunities 1 Charitable Trust purchased 6.5% of the Company's outstanding shares at a price of USD 1,106.49 per share.

The financial year was highly volatile for global markets, with the MSCI World global equity index suffering a peak-to-trough decline of 22.80% between April and October 2011. The MSCI World global equity index was down 1.72% over the financial year, and down 6.12% since the inception of the Company.

In terms of attribution of the Company's performance over the year, moderately positive performance in the Distressed Opportunities strategy was offset by negative mark-to-market adjustments across the balance of the portfolio. As at 31 March 2012, the Specialised Opportunities Portfolio was largely invested, with 10 of the Company's 19 investments having called more than 90% of the initial commitment, while only 4 investments had called less than 50%.

Overall, we remain pleased with the performance of GSO1. We expect increased exit activity from GSO1's maturing portfolio over the coming financial year, while the Company's less mature investments are well positioned to deploy capital into any market weakness.

Further information and commentary on the performance of GSO1 can be found in the Company's Quarterly Reports sent to shareholders.

Asset allocation

At the end of the financial year, GSO1's assets were held as follows: 9.9% in the Investment Portfolio (held 6.0% in cash and 3.9% in investments) and 90.1% in the Specialised Opportunities Portfolio. The Specialised Opportunities Portfolio was fully committed with approximately USD 75m of commitments to 19 investment vehicles across the 4 targeted strategies as follows: Distressed Opportunities USD 24.4m; Special Situations USD 15.6m; Niche Private Equity USD 11.1m; Niche Property USD 24.15m.

Further information on the underlying investments, based on the quarterly updates received from sponsors, is provided in the Company's Quarterly Reports.

Investec Bank (Switzerland) AG

REPORT OF THE DIRECTORS

The Directors present their annual report and the audited financial statements for year ended 31 March 2012.

Principal Activities

The Company's principal activity is to carry on the business of an investment holding company investing in a diversified portfolio of private equity, property, distressed debt and other specialised opportunities.

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 (2011:USD nil)

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 (resigned 20 January 2012)

Mr Martin Tolcher (resigned 19 October 2011)

Mr Brian O'Mahoney (appointed 19 October 2011)

Mr David Fitch (appointed 20 January 2012)

Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They, therefore, continue to adopt the going concern basis in preparing the financial statements.

Statement of Disclosure of Information to Auditor

Each of the Directors at the date of approval of the financial statements, confirms that:

- 1 . So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- 2 . They have taken all steps they ought to have taken as Directors to make themselves 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.

Independent Auditor

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

True and Fair View Statement

The Financial Statements give a true and fair view and have been prepared in accordance with The Companies (Guernsey) Law, 2008.

REPORT OF THE DIRECTORS (continued)

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Principles (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting standards and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008 and The Protection of Investors (Bailiwick of Guernsey) Law, 1987. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

David Fitch
Director

Stephen Henry
Director

Date: 25 September 2012

Global Specialised Opportunities 1 Limited

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 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Ordinary Shares, the Statement of Assets and Liabilities, the Statement of Cash Flow and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (Generally Accepted Accounting Principles).

This report is made solely to the Company's members, 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 members 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the United Kingdom Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Audited Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view;
- are in accordance with Generally Accepted Accounting Principles; and
- comply with The Companies (Guernsey) Law, 2008.

Matters on Which We Are Required to Report by Exception

We have nothing to report in respect of the following matters where The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company;
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

SAFFERY CHAMPNESS
CHARTERED ACCOUNTANTS
Guernsey
25 September 2012

Global Specialised Opportunities 1 Limited

Statement of Total Return for the year ended 31 March 2012

		31 March 2012	31 March 2011
Revenue	Notes	USD	USD
Net (loss)/gain on investments during the year	5	(2,199,133)	13,346,067
Other income	6	1,699,167	893,060
Expenses	7	(1,158,286)	(1,175,484)
Other losses	10	(162,462)	(34,064)
(Decrease)/increase in net assets attributable to Ordinary shares		(1,820,714)	13,029,579

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 other than those disclosed above.

Statement of Changes in Net Assets Attributable to Ordinary Shares for the year ended 31 March 2012

(Decrease)/increase in net assets attributable to Ordinary shares		(1,820,714)	13,029,579
Net assets at the beginning of the year		64,570,874	51,541,295
Redemptions during the year		(3,969,569)	-
Net assets at the end of the year	11	58,780,591	64,570,874

The notes on pages 11 to 16 form an integral part of these financial statements.

Global Specialised Opportunities 1 Limited

Statement of Assets and Liabilities as at 31 March 2012

Assets	Notes	31 March 2012 USD	31 March 2011 USD
Fixed assets			
Investments		<u>52,929,933</u>	<u>55,610,313</u>
		<u>52,929,933</u>	<u>55,610,313</u>
Current assets			
Sundry debtors	8	228,972	17,863
Investments		2,317,270	6,523,340
Cash and bank balances		<u>4,344,142</u>	<u>3,477,539</u>
		6,890,384	10,018,742
Current liabilities			
Other payables	9	<u>(1,039,726)</u>	<u>(1,058,181)</u>
Net current assets		5,850,658	8,960,561
Net assets attributable to holders of Ordinary shares			
	11	<u><u>58,780,591</u></u>	<u><u>64,570,874</u></u>
Ordinary shares in issue	13	<u><u>51,579,189</u></u>	<u><u>55,164,907</u></u>
Net asset value per share	11	1,139.6186	1,170.5064

The financial statements were approved by the Board of Directors and authorised for issue on 25 September 2012.

David Fitch
Director

Stephen Henry
Director

The notes on pages 11 to 16 form an integral part of these financial statements.

Global Specialised Opportunities 1 Limited

Statement of Cash Flow for the year ended 31 March 2012

	31 March 2012	31 March 2011
	USD	USD
Reconciliation of increase in net assets attributable to ordinary shares to net cash flows from operating activities.		
(Decrease)/increase in net assets attributable to ordinary shares	(1,820,714)	13,029,579
Net unrealised movement in net assets	2,575,600	(13,416,414)
(Losses)/gains realised on investments sold during the year	(376,467)	70,347
Unrealised exchange movement on investments	153,904	34,712
Decrease in debtors	10,605	33,613
(Decrease)/increase in creditors	(18,455)	151,896
Net cash inflow/(outflow) from operating activities	<u>524,473</u>	<u>(96,267)</u>
Cash flows from capital expenditure and financial investment		
Purchase of investments	(10,991,593)	(13,858,832)
Sale of investments	15,303,292	7,608,325
	<u>4,311,699</u>	<u>(6,250,507)</u>
Cash flows from financing activity		
Redemption of shares	(3,969,569)	-
	<u>(3,969,569)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	866,603	(6,346,774)
Cash at the beginning of the year	<u>3,477,539</u>	<u>9,824,313</u>
Cash at the end of the year	<u><u>4,344,142</u></u>	<u><u>3,477,539</u></u>

The notes on pages 11 to 16 form an integral part of these financial statements.

Global Specialised Opportunities 1 Limited

Notes to the Financial Statements for the year ended 31 March 2012

1. General Information

Global Specialised Opportunities 1 Limited is a closed-ended investment Company 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 ordinary 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 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 year 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 are 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 reports to investors will generally be used as the basis for valuation but the Directors do have discretion to determine which of those prices shall apply. If listed/unlisted investment are traded but not settled during the accounting period these will be shown as payables or receivables.

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.

Global Specialised Opportunities 1 Limited

Notes to the Financial Statements for the year ended 31 March 2012 (continued)

2. Accounting Policies (continued)

(d) Revenue and expenses

Revenue including 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. Expenses are service charges and investment related fees which are recognised on an accruals basis.

(e) Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

3. Taxation

The Company is taxable in Guernsey at the company standard rate of 0%.

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 (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, David Fitch 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 on Investments

	2012	2011
	USD	USD
The net gain/(loss) on investments during the year comprises:		
Proceeds from sale of investments during the year	15,303,292	7,608,325
Original cost of investments sold during the year	14,926,825	7,678,672
Gains/(losses) realised on investments sold during the year	376,467	(70,347)
Net unrealised (losses)/gains in appreciation in value of investments for the year	(2,575,600)	13,416,414
Total	(2,199,133)	13,346,067

6. Other income

	2012	2011
	USD	USD
Interest receivable	359,823	669,409
Bond interest received	-	5,517
Dividends received	1,339,344	218,134
	1,699,167	893,060

Global Specialised Opportunities 1 Limited

Notes to the Financial Statements for the year ended 31 March 2012 (continued)

7. <u>Expenses</u>	2012	2011
	USD	USD
Administration and secretarial fees	89,735	83,080
Audit fee	23,705	27,318
Bank charges	925	1,361
Directors' remuneration	13,000	13,000
Distributor fee	230,331	235,722
Investment management fee	777,369	795,566
Legal expenses	2,295	-
Listing sponsor fees	5,000	5,007
Other fees	10,940	8,157
Regulatory fees	4,986	6,273
	1,158,286	1,175,484
	1,158,286	1,175,484
8. <u>Other receivables</u>	2012	2011
	USD	USD
Proceeds due from investment sale	221,714	-
Sundry debtors	7,258	17,863
	228,972	17,863
	228,972	17,863
9. <u>Other payables</u>	2012	2011
	USD	USD
Investment management fee	777,369	795,566
Income distribution payable	4,209	-
Audit fee	23,718	23,632
Director's fee	3,261	3,261
Distributor fee	231,169	235,722
	1,039,726	1,058,181
	1,039,726	1,058,181
10. <u>Other losses</u>	2012	2011
	USD	USD
Net currency loss	(162,462)	(34,064)
	(162,462)	(34,064)
	(162,462)	(34,064)
11. <u>Net Asset Value per share</u>	2012	2011
	USD	USD
Traded Net Asset Value at 31 March	58,783,851	64,570,874
Differences between Valuation and Financial Statements due to consolidation	(3,260)	-
	58,780,591	64,570,874
Reported Net Assets Value at 31 March	58,780,591	64,570,874
	1,139.6818	1,170.5064
Traded Net Asset Value per share	1,139.6818	1,170.5064
	1,139.6186	1,170.5064
Reported Net Asset Value per share	1,139.6186	1,170.5064
	1,139.6186	1,170.5064

Notes to the Financial Statements for the year ended 31 March 2012 (continued)

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 their funds to investments of a long-term and illiquid nature the shares of which 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.

The Company maintains surplus cash of both US dollars and Euro's in two day notice fiduciary call accounts. These fund are made available as and when required to meet ongoing investment requirements. The risk is not material due to that low rates of interest received on these shares.

The Company's main financial commitments are its ongoing annual operating expenses.

	Less than 1 Month USD	1 - 3 Months USD	3 months to 1 year USD	1 to 5 years USD	Total USD
2012					
Investment management fee	777,369	-	-	-	777,369
Income distribution payable	4,209	-	-	-	4,209
Audit fee	23,718	-	-	-	23,718
Director's fee	3,261	-	-	-	3,261
Distributor fee	231,169	-	-	-	231,169
	1,039,726	-	-	-	1,039,726

	Less than 1 Month	1 - 3 Months	3 months to 1 year	1 to 5 years	Total
2011					
Investment management fee	795,566	-	-	-	795,566
Audit fee	23,632	-	-	-	23,632
Director's fee	3,261	-	-	-	3,261
Distributor fee	235,722	-	-	-	235,722
	1,058,181	-	-	-	1,058,181

(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. This risk is not material as at the year end only 7.6% of the portfolio was not in US Dollars. To mitigate the risk the Company may seek to hedge any exposure to fluctuations in currency exchange rates.

Notes to the Financial Statements for the year ended 31 March 2012 (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 50% 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 27 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. These 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. At the year end the Company had no borrowing.

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

	No. of shares	2011 & 2012 USD
Authorised		
Management shares of USD1 each	10	10

	No. of shares	2011 & 2012 USD
Issued		
Management shares of USD1 each	2	2

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

	No. of Shares	2012 USD
Balance brought forward	55,164.907	55,164,907
Redemptions	(3,585.718)	(3,969,569)
Balance at 31 March 2012	51,579.189	51,195,338

Global Specialised Opportunities 1 Limited

Notes to the Financial Statements for the year ended 31 March 2012 (continued)

13. Analysis of Shares (continued)

Ordinary shares

	No. of Shares	2011 USD
Balance brought forward	55,164.907	55,164,907
Balance at 31 March 2011	<u>55,164.907</u>	<u>55,164,907</u>

The Ordinary shares have no par value.

Ordinary shares are redeemable on the 11th anniversary of the initial closing date (27 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 Ordinary shares of the Company although, Oliver Betz-Fletcher is also a Director of Investec Bank (Switzerland) AG which holds 23.973% of the Ordinary shares.

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

Sentinel Mining Ind Ret Fund	29.004%
Investec Bank (Switzerland) AG	23.973%
Mine Employees Pension Fund	16.315%
Investec Securities Asset Swap	14.121%

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 Directors' fees as follows:

	USD	
Brian O'Mahoney	13,000	(2011: USD13,000)

Mr O'Mahoney is a Director of Legis Group Limited, of which the administrator, Legis Fund Services Limited is a subsidiary.

The related party transactions with the Manager, Administrator and Investment Manager are detailed in Notes 4, 7 and 9.

Notes to the Financial Statements for the year ended 31 March 2012 (continued)

15. Related party transactions (continued)

Mr Fitch a Director of the company is a Director of Investec Bank (Channel Islands) Limited with which the company undertakes banking transactions. Mr Fitch has waived his entitlement to receive a Director's fee.

16. Commitments

At the year end the Company had committed to invest USD74,659,363 of which USD17,872,667 was outstanding. The amounts remaining on commitments are broken down as follows:

Apollo European Principal Finance

The Company has made a commitment to invest EUR2,775,000, at the year end EUR1,211,978 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 USD1,193,982 was outstanding.

Ashmore Global Special Situations IV

The Company has made a commitment to invest USD5,850,000, at the year this had been fully called.

Carlyle Asia Growth IV

The Company has made a commitment to invest USD4,550,000, at the year end USD2,445,699 was outstanding.

Carlyle Asia Partners III

The Company has made a commitment to invest USD4,550,000, at the year end USD1,828,818 was outstanding.

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 was fully called.

Lone Star VII

The Company has made a commitment to invest USD4,550,000, at the year end USD2,746,779 was outstanding.

Lone Star Real Estate II

The Company has made a commitment to invest USD4,550,000, at the year end USD2,834,958 was outstanding.

Oaktree European Principal Opportunities II

The Company has made a commitment to invest USD4,850,000, at the year end USD242,500 was outstanding.

Oaktree Opportunities VII (b)

The Company has made a commitment to invest USD5,850,000, at the year end was fully called.

Oaktree PPIP Private

The Company has made a commitment to invest USD2,600,000, at the year end USD1,851,200 was outstanding.

Mount Kellet Capital

The Company has made a commitment to invest USD5,850,000 at the year end this has been fully called.

Notes to the Financial Statements for the year ended 31 March 2012 (continued)

16. Commitments (continued)

Paulson Recovery A

The Company has made a commitment to invest USD3,250,000 at the year end this has been fully called.

Riverstone Global Energy and Power IV

The Company has made a commitment to invest USD3,250,000, at the year end USD751,982 was outstanding.

Riverstone Renewable and Alternative Energy II

The Company has made a commitment to invest USD3,250,000, at the year end USD1,021,601 was outstanding.

Tishman Speyer Brazil II

The Company has made a commitment to invest USD3,250,000, at the year end USD114,419 was outstanding.

Tishman Speyer China I

The Company has made a commitment to invest USD3,250,000, at the year end USD1,224,543 was outstanding.

Global Specialised Opportunities 1 Limited

Portfolio Statement as at 31 March 2012 (unaudited)

Investments at Market Value	<u>Nominal/Cost</u>	<u>31 March 2012 Valuation USD</u>
Equity		
Apollo European Principal Finance - Project Spring	45.00	650,160
Apollo European Principal Finance	1,195,222.11	2,129,763
Apollo Investment VII	1,644,298.34	2,568,438
Ashmore Global Special Situations IV	4,940,701.62	3,582,651
Carlyle Asia Partners III	3,158,225.86	2,285,606
Carlyle Brazilian Tourism Co-Investment	1,950,000.00	7,294,767
Carlyle Asia Growth IV	1,502,715.09	2,061,671
Carlyle RMBS III	1,188,149.46	1,947,483
Lone Star Fund VII	1,703,506.68	1,932,649
Lone Star Real Estate II Fund LP	868,430.61	843,369
Mount Kellett Capital	5,351,677.44	6,428,761
Oaktree PPIP Private	637,040.34	770,231
Oaktree European Principal Opportunities II	3,959,547.00	4,540,183
Oaktree Opportunities VII (b)	791,813.57	4,041,629
Paulson Recovery A	3,251,500.00	3,064,981
Riverstone Global Energy and Power IV	1,857,871.29	3,235,236
Riverstone Renewable and Alternative Energy II	1,911,687.04	2,541,542
Tishman Speyer Brazil II	389,782.00	841,896
Tishman Speyer China I	1,948,783.99	2,168,917
		<hr style="border-top: 1px solid black;"/>
		52,929,933
Managed		
Fairfield Sentry Limited	2,060.8465	-
GEMS Low Volatility Portfolio	22.7519	37,568
Permal Fixed Income Holdings	939.8730	1,207,267
Permal Macro Holdings	260.1640	1,072,435
		<hr style="border-top: 1px solid black;"/>
		2,317,270
		<hr style="border-top: 1px solid black;"/>
Total Portfolio		<u>55,247,203</u>

This schedule does not form part of the audited financial statements.

Global Specialised Opportunities 1 Limited

Summary of Significant Portfolio Changes for the year ended 31 March 2012 (unaudited)

Sales	<u>Nominal/Cost</u>	<u>31 March 2012 Proceeds USD</u>
Apollo European Principal Finance	1,342,868.2100	1,844,343
Apollo Investment VII	359,872.0000	359,871
Carlyle RMBS III	1,502,127.0000	1,502,127
Carlyle Asia Partners III	573,568.0000	573,568
Carlyle Asia Growth IV	78,999.0000	78,999
GEMS Low Volatility Portfolio	19.7350	37,523
Lone Star Fund VII	261,928.0000	261,928
Lone Star Real Estate II Fund LP	228,273.0000	228,273
Mount Kellett Capital	259,701.0000	259,701
Oaktree European Principal Opportunities II	111,993.0000	111,993
Oaktree Opportunities VII (b)	2,870,654.0000	2,870,654
Permal Fixed Income Holdings	1,538.8770	2,000,000
Permal Macro Holdings	479.6840	2,000,000
Riverstone Global Energy and Power IV	380,630.0000	380,630
Riverstone Renewable and Alternative Energy II	356,031.0000	356,031
Tishman Speyer Brazil II	2,215,942.0000	221,709
Tishman Speyer China I	221,708.7900	2,215,942
		<u>15,303,292</u>
	Cost of Investments sold	<u>14,926,825</u>
	Gain on Investments	<u><u>376,467</u></u>

Purchases	<u>Nominal Cost</u>	<u>31 March 2012 Cost USD</u>
Apollo European Principal Finance	1,056,511.0000	1,502,745
Apollo Investment VII	731,349.0000	731,349
Carlyle Asia Growth IV	863,880.0000	863,880
Carlyle Asia Partners III	944,651.0000	944,651
Carlyle RMBS III	32,457.4300	32,457
Lone Star Fund VII	1,965,434.7700	1,965,435
Lone Star Real Estate II Fund LP	1,096,703.8100	1,096,704
Mount Kellett Capital	552,201.0000	552,201
Oaktree PPIP Private	449,800.0000	449,800
Oaktree European Principal Opportunities II	727,500.0000	727,500
Oaktree Opportunities VII (b)	1,562.7200	1,563
Riverstone Global Energy and Power IV	437,959.0000	437,959
Riverstone Renewable and Alternative Energy II	661,266.0000	661,266
Tishman Speyer Brazil II	576,151.0000	814,569
Tishman Speyer China I	209,513.5200	209,514
		<u>10,991,593</u>

This schedule does not form part of the audited financial statements.