

***MID OCEAN WORLD INVESTMENTS
LIMITED***

Annual Report and Financial Statements

For the year ended March 31, 2013

MID OCEAN WORLD INVESTMENTS LIMITED

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MID OCEAN WORLD INVESTMENTS LIMITED

Key Information

DIRECTORS

Paul Stevenson

James Keyes

Clarendon (Hal) Masters

Administrator	Butterfield Fulcrum Group (Bermuda) Limited 26 Burnaby Street Hamilton, HM11 Bermuda
Auditors	Deloitte & Touche Ltd. Corner House 20 Parliament Street Hamilton, Bermuda
Custodian	Butterfield Trust (Bermuda) Limited 65 Front Street Hamilton, Bermuda
Co-Custodian	Smith & Williamson Investment Services Limited 25 Moorgate London, EC2R 6AY, England
Investment Advisor	Smith & Williamson Investment Management LLP. 25 Moorgate London, EC2R 6AY, England
Legal Advisors	Appleby 22 Victoria Street Canon's Court Hamilton, Bermuda

MID OCEAN WORLD INVESTMENTS LIMITED

NOTICE

YOU ARE HEREBY NOTIFIED that the Annual General Meeting of the Company will be held at the Registered Office of the Company, 26 Burnaby Street, Hamilton HM 11, Bermuda on Monday, 21st October, 2013 at 10:15 a.m.

MID OCEAN WORLD INVESTMENTS LIMITED

AGENDA

1. To elect a Chairman, if necessary.
2. The Secretary to confirm that Notice of the Meeting has been given in accordance with the Bye-Laws of the Company.
3. To approve the Minutes of the Annual General Meeting of the Members held on 29th October, 2012.
4. To adopt the Auditors' Report and Financial Statements for the year ended 31st March, 2013.
5. To appoint Auditors until the close of the next Annual General Meeting and either determine their remuneration or refer such determination to the Board of Directors.
6.
 - a) Determine the number of Directors;
 - b) Elect Directors for the ensuing year;
 - c) Authorise the Directors to appoint Alternate Directors as and when they deem fit; and
 - d) Consider fees payable to Directors.
7. To approve new Bye-laws for the Company.
8. Consider any other business, which may properly come before the Meeting

BY ORDER OF THE BOARD OF DIRECTORS

Donna Phillips

Donna Phillips
Secretary

Dated: 13th May, 2013

TO: All Members
cc: Deloitte & Touche Ltd, Chartered Accountants, Hamilton, Bermuda
All Directors and Alternate Directors

MID OCEAN WORLD INVESTMENTS LIMITED

Investment Manager's Report (Unaudited)

In the past 12 months to March 2013 world markets have made modest progress in US \$ terms as measured by the MSCI (+9.3%) and the FTSE world (+8.5%) indices. Over the same period Mid Ocean rose 8.8%.

Given the moribund state of the world we have found it difficult to come to terms with rising markets in both the U.S. and Europe from an investment point of view. We have generally maintained a cash balance between 10-20% and have therefore missed out on some of the rise.

Gold has also had a poor time as investors have left the 'safe haven' for more exciting equity markets. We still have faith in Gold long term as the only way by which the QE debts will be repaid is by inflating them away.

The U.S. is certainly getting a boost from the boom in shale extraction which has dramatically increased its oil and gas production. Lower gas prices are giving a boost to the chemical industry in particular and the fact that wholesale electricity prices are down by 25% over the last 5 years (while the rest of the world are up about 10%) is a big boost to the U.S.

However, U.S. unemployment has not fallen significantly remaining stubbornly between 7.5% and 8.25%. This figure does not account for those who have fallen off the rolls as they are no longer entitled to benefits. The number of families receiving aid from the food stamp system is at a record high.

Although the rate at which the U.S. Government is increasing its debt is falling there is no sign that they are actually going to start paying it down.

Japan has been one of the bright spots where the Nikkei rose 21% in ¥ terms. Although yen depreciation persuaded Japanese investors to buy equities expressed in dollars the rise has not been so dramatic at 6.5%. Thus we have substantially hedged our Japanese equities by shorting the Yen against the Dollar and have had reasonable success in this market.

The Chinese Sovereign Wealth fund now owns 1.9% of the Topix Index.

South East Asian economies have continued to prosper and we have managed to find some good consumer related stocks selling at reasonable valuations offering strong growth. The rapidly expanding middle class should enable this trend to continue.

Switzerland has been the best performer in our list and we suspect this has something to do with the Central Bank buying equities with some of the Euros accumulated from stopping the SW Franc from appreciating above Sfr 120 to the Euro. The Swiss National Bank has not been alone in buying equities and if one accepts that most central banks are printing bonds which will never be repaid, it makes sense as good 'blue chips' have a better record of maintaining value than currencies. The purchasing powers of the U.S. and U.K. currencies have depreciated by factors of 5.8 and 12.2 times respectively since the U.S. came off the Gold standard in 1971.

In spite of the problems we expect that opportunities will arise and we will be doing our best to identify them.

Your directors have declared a dividend of \$1.91 per share payable to shareholders on its equities at the close of business on July 30, 2013. The payment date will be August 4, 2013.

MID OCEAN WORLD INVESTMENTS LIMITED

Investment Manager's Report (Unaudited)

The Company is listed on the Bermuda Stock Stock Exchange. The schedule of current investments is available from the offices of the Administrator upon request.

	31-Mar-12	31-Mar-13	% in local fx	% in US\$
UK FT All share	3,002.8	3,380.6	12.6%	6.9%
S&P Composite	1,408.5	1,569.2	11.4%	11.4%
Canada (TSE300)	12,392.2	12,749.9	2.9%	1.0%
Australia (All Ord)	4,420.0	4,979.9	12.7%	13.5%
Japan (Topix)	854.4	1,034.7	21.1%	6.5%
Hong Kong	20,555.6	22,299.6	8.5%	8.5%
India (SENSEX)	17,404.2	18,835.8	8.2%	1.4%
S. Korea (KOSPI)	2,014.2	2,004.9	-0.5%	1.3%
Singapore (STII)	3,010.5	3,308.1	9.9%	11.4%
Brazil (BOVESPA)	64,511.0	56,352.1	-12.6%	-21.1%
Mexico (BOLSA)	39,521.2	44,077.1	11.5%	15.6%
France (CAC)	3,423.8	3,731.4	9.0%	4.7%
Germany (DAX)	6,946.8	7,795.3	12.2%	7.8%
Holland (AEX)	323.5	348.1	7.6%	3.4%
Italy (FTSEMIB40)	15,980.1	15,388.7	-3.7%	-7.5%
Switzerland (SMI)	6,235.5	7,813.7	25.3%	19.1%
FT World	383.1	415.7	8.5%	8.5%
MSCI World	1,312.0	1,434.6	9.3%	9.3%
MOWI	444.3	483.5	8.8%	8.8%

David Hunter

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors
of Mid Ocean World Investments Limited.

We have audited the accompanying financial statements of Mid Ocean World Investments Limited (the "Company"), which comprise the statement of net assets, including the schedule of investments, as at March 31, 2013, and the related statements of operations and changes in net assets for the year then ended.

Management responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Bermuda and Canada, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2013 and the results of its operations and changes in its net assets for the year then ended in accordance with accounting principles generally accepted in Bermuda and Canada.

Deloitte & Touche Ltd.

August 2, 2013

MID OCEAN WORLD INVESTMENTS LIMITED

STATEMENT OF NET ASSETS

As at March 31, 2013 (Expressed in U.S. dollars)

	2013	2012
ASSETS		
Investments - at fair value (cost 2013: \$31,214,736 2012: \$31,001,660) (see schedule of investments)	\$ 34,471,394	\$ 31,571,145
Derivatives at fair value	14,282	0
Cash	26,757	26,124
Due from broker	5,597,723	8,728,106
Interest and dividends receivable	103,891	94,728
Prepaid expenses	27,462	29,024
Total assets	<u>40,241,509</u>	<u>40,449,127</u>
LIABILITIES		
Derivatives at fair value	83,982	12,081
Due to broker	523,835	417,533
Investment management fees payable (Note 4)	94,969	96,454
Redemptions payable	65,224	-
Accrued liabilities (Note 6)	33,342	61,549
Total Liabilities	<u>801,352</u>	<u>587,617</u>
NET ASSETS	<u>\$ 39,440,157</u>	<u>\$ 39,861,510</u>
SHARES OUTSTANDING	<u>81,573</u>	<u>89,714</u>
NET ASSET VALUE PER SHARE	<u>\$ 483.50</u>	<u>\$ 444.32</u>

Signed on behalf of the Board

Hal Masters
Director

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

STATEMENT OF OPERATIONS

For the year ended March 31, 2013 (Expressed in U.S. dollars)

	2013	2012
INCOME		
Interest income	\$ 90,344	\$ 200,763
Dividend income - net of withholding tax of \$64,545 (2012: \$85,733)	639,307	512,046
Total Income	<u>729,651</u>	<u>712,809</u>
EXPENSES		
Investment management fee (Note 4)	375,253	426,453
Administration fees (Note 5)	98,073	98,073
Directors' fees	27,157	35,692
Audit fees	31,670	33,660
Custodian, registrar and transfer agent's fee (Note 6)	16,550	16,553
Secretarial fees	11,283	10,146
Bermuda company fee	5,354	5,578
Stock exchange fee	2,448	2,950
Miscellaneous expenses	26,357	11,492
Total Expenses	<u>594,145</u>	<u>640,597</u>
NET INVESTMENT INCOME	135,506	72,212
NET REALISED GAIN/(LOSS) ON:		
Investments	170,714	3,008,135
Forward foreign exchange contracts, futures contracts and foreign currencies	220,886	(878,896)
NET CHANGE IN UNREALISED GAIN/(LOSS) ON:		
Investments and foreign currencies	<u>2,629,554</u>	<u>(8,464,743)</u>
NET INCREASE/(DECREASE) IN NET ASSETS FROM OPERATIONS	<u>\$ 3,156,660</u>	<u>\$ (6,263,292)</u>

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2013 (Expressed in U.S. dollars)

	2013	2012
NET ASSETS - BEGINNING OF YEAR	\$ 39,861,510	\$ 47,037,252
INVESTMENT ACTIVITIES		
Net investment income	135,506	72,212
NET REALISED GAIN/(LOSS) ON:		
Investments	170,714	3,008,135
Forward foreign exchange contracts, futures contracts and foreign currencies	220,886	(878,896)
NET CHANGE IN UNREALISED GAIN/(LOSS) ON:		
Investments and foreign currencies	2,629,554	(8,464,743)
	<u>3,156,660</u>	<u>(6,263,292)</u>
CAPITAL TRANSACTIONS		
Proceeds on issuance of shares	-	354,734
Payment on redemption of shares	(3,501,974)	(1,267,184)
Dividends paid	(76,039)	-
	<u>(3,578,013)</u>	<u>(912,450)</u>
NET ASSETS - END OF YEAR	<u>\$ 39,440,157</u>	<u>\$ 39,861,510</u>
Number of shares - beginning of year	89,714	91,955
Number of shares issued	-	705
Number of shares redeemed	(8,141)	(2,946)
Number of shares - end of year	<u>81,573</u>	<u>89,714</u>

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

SCHEDULE OF INVESTMENTS

For the year ended March 31, 2013 (Expressed in U.S. dollars)

No. of shares	COMMON AND PREFERRED SHARES	Cost \$	Fair Value \$	Percentage of Net Assets %
AUSTRALIA				
682,000	Armour Energy	355,998	191,837	0.49%
250,000	Kingsrose Mining	294,321	167,990	0.43%
100,000	Sirius Resources	342,588	390,675	0.99%
216,666	St Barbara	571,859	270,867	0.69%
76,500	Telstra Corp	308,352	359,437	0.90%
		1,873,118	1,380,806	3.50%
CANADA				
20,682	Bellatrix Exploration	134,595	132,985	0.34%
40,000	Birchcliff Energy	313,013	336,871	0.85%
10,600	Canadian Natural Resources	291,343	339,271	0.86%
27,750	Central Fund Canada	582,572	537,518	1.36%
65,518	Condor Petroleum	95,045	36,056	0.09%
72,500	Parex Resources	440,889	329,869	0.84%
11,850	Peyto Exploration & Development Corporation	207,426	313,718	0.80%
35,000	Precision Drilling	463,057	322,966	0.82%
9,500	Tourmaline Oil	364,415	366,706	0.93%
		2,892,355	2,715,960	6.89%
CHINA/HONG KONG				
800,000	Beijing Enterprises Water	203,189	238,028	0.60%
437,000	Chaoda Modern Agriculture	326,954	-	0.00%
24,500	Cheung Kong Holdings	375,019	361,640	0.92%
90,000	China Life Insurance	266,193	233,004	0.59%
425,000	China Medical System Holding	298,437	431,361	1.09%
650,000	Emperor International	215,723	176,653	0.45%
248,300	Fortune Reit	93,797	220,994	0.56%
700,000	HKR International	369,339	376,877	0.96%
440,000	Hui Xian Reit	343,532	289,045	0.73%
1,948,320	Hua Han Bio-Pharmaceutical	412,915	562,126	1.43%
231,000	Lenovo Group	170,404	229,399	0.58%
856,000	Prince Frog International	313,855	441,021	1.12%
370,000	Sihuan Pharmaceutical	172,413	183,003	0.47%
242,500	Zhongsheng Group	446,945	293,606	0.74%
		4,008,715	4,036,757	10.24%

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

SCHEDULE OF INVESTMENTS (Continued)

As at March 31, 2013 (Expressed in U.S. dollars)

No. of shares	COMMON AND PREFERRED SHARES (continued)	Cost \$	Fair Value \$	Percentage of Net Assets %
FRANCE				
3,600	Gemalto	318,809	314,064	0.80%
1,600	Virbac	342,908	368,601	0.93%
		661,717	682,665	1.73%
GERMANY				
6,000	BMW - Pref	310,840	382,877	0.97%
18,500	Freenet	308,859	448,251	1.14%
2,750	Fresenius SE & Co	105,582	339,329	0.86%
8,199	Gildemeister	202,223	172,803	0.44%
11,250	Rhoen-Klinikum	233,910	238,837	0.60%
6,005	SAP	355,600	482,275	1.22%
78,800	Sky Deutschland	412,663	434,494	1.10%
32,000	VIB Vermoegen	302,674	393,830	1.00%
		2,232,351	2,892,696	7.33%
GREAT BRITAIN				
2,200,000	Bahamas Petroleum	529,520	180,564	0.46%
205,000	Central Asia Metals	305,199	389,474	0.99%
15,307	Intercontinental Hotels Group	351,542	466,921	1.18%
25,000	Monterrico Metals	147,336	-	0.00%
5,530	Reckitt Benckiser Group	299,519	396,550	1.01%
11,775	Unilever	398,980	498,248	1.26%
26,600	Xstrata	513,937	431,785	1.09%
		2,546,033	2,363,542	5.99%
INDONESIA				
1,200,000	Global Mediacom	222,897	287,037	0.73%
47,000	Gudang Garam	261,500	236,692	0.60%
107,991	Matahari Department Store	122,422	122,212	0.31%
		606,819	645,941	1.64%

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

SCHEDULE OF INVESTMENTS (Continued)

As at March 31, 2013 (Expressed in U.S. dollars)

No. of shares	COMMON AND PREFERRED SHARES (continued)	Cost \$	Fair Value \$	Percentage of Net Assets %
JAPAN				
53,000	Asunaro Aoki Construction	295,223	275,661	0.70%
10,000	Benesse Holdings	408,100	429,360	1.09%
14,700	Bridgestone Corp	389,907	494,629	1.25%
10,787	Dydo Drinco	426,239	499,790	1.27%
8,200	Hitachi High-Technologies	194,372	172,338	0.44%
12,270	Hitachi Medical Corporation	155,512	192,887	0.49%
47,720	Hitachi Metals	361,307	446,251	1.13%
1,400	Keyence	348,449	425,454	1.08%
3,510	Kyocera	298,772	328,236	0.83%
30,900	Matsuda Sangyo	513,973	473,619	1.20%
100	Message Co	292,101	269,610	0.68%
3,500	NEC Mobiling	156,748	231,080	0.59%
5,300	Nihon M&A Center	216,372	233,187	0.59%
2,750	Nintendo Co	305,880	295,112	0.75%
7,100	Nippon Telegraph & Telephone	310,038	309,367	0.78%
41	Premier Investment	174,700	222,386	0.56%
11,800	Sumitomo Mitsui Financial	476,114	472,827	1.20%
		5,323,807	5,771,794	14.63%
JERSEY				
6,000	Gold Bullion Securities	773,387	923,280	2.34%
		773,387	923,280	2.34%
MALAYSIA				
195,000	KPJ Healthcare	340,593	375,085	0.95%
		340,593	375,085	0.95%
NORWAY				
30,000	Prosafe	297,812	289,867	0.73%
		297,812	289,867	0.73%
PHILIPPINES				
2,190,000	Metro Pacific Investments	262,249	299,346	0.76%
130,000	Universal Robina	186,570	359,846	0.91%
		448,819	659,192	1.67%

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

SCHEDULE OF INVESTMENTS (Continued)

As at March 31, 2013 (Expressed in U.S. dollars)

No. of shares	COMMON AND PREFERRED SHARES (continued)	Cost \$	Fair Value \$	Percentage of Net Assets %
SINGAPORE				
235,600	AIMS Amp Capital REIT	247,177	299,154	0.76%
15,000	Jardine Strategic Holdings	198,120	593,700	1.51%
200,000	Suntec Reit	248,142	290,229	0.74%
1,000,000	Thai Beverage	286,833	491,777	1.24%
		980,272	1,674,860	4.25%
SOUTH KOREA				
500	Samsung Electronics – Pref	324,911	393,425	1.00%
		324,911	393,425	1.00%
SWITZERLAND				
8,550	Nestle	293,215	618,306	1.57%
		293,215	618,306	1.57%
THAILAND				
52,000	Airports of Thailand	105,599	215,852	0.55%
80,000	Robinson Department Store	176,213	206,355	0.52%
2,645,589	Sansiri Public	308,327	432,044	1.10%
		590,139	854,251	2.17%
UNITED STATES OF AMERICA				
4,925	3D Systems	160,951	158,782	0.40%
18,000	Aegion	325,245	416,700	1.06%
10,000	American International Group	350,652	388,200	0.99%
12,000	American Water Works	253,959	497,280	1.26%
3,925	Berkshire Hathaway	401,083	408,985	1.04%
12,950	C&J Energy Services	284,112	296,555	0.75%
9,500	Chesapeake Energy	192,125	193,895	0.49%
14,030	Clean Energy Fuels	196,829	182,390	0.46%
12,000	Dow Chemical	392,178	382,080	0.97%
8,000	Energy Transfer Equity LP	153,187	467,840	1.19%
15,240	FX Energy	99,031	51,206	0.13%
240,000	Genagro	189,200	176,400	0.45%
4,800	Honeywell International	339,041	361,680	0.92%

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

SCHEDULE OF INVESTMENTS (Continued)

As at March 31, 2013 (Expressed in U.S. dollars)

No. of shares	COMMON AND PREFERRED SHARES (continued)	Cost \$	Fair Value \$	Percentage of Net Assets %
	UNITED STATES OF AMERICA (continued)			
20,000	Huntsman	372,169	371,800	0.94%
11,400	Linn Co LLC	432,855	445,170	1.13%
7,370	Pentair	305,321	388,768	0.99%
6,000	Range Resources	327,892	486,240	1.23%
5,800	Tetra Tech	171,404	176,842	0.45%
4,725	Toyota Motor	401,509	484,974	1.22%
3,000	Wabtec	302,316	306,329	0.77%
		<hr/>	<hr/>	<hr/>
		5,651,059	6,642,116	16.84%
		<hr/>	<hr/>	<hr/>
	TOTAL COMMON AND PREFERRED SHARES	29,845,122	32,920,543	83.47%
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

SCHEDULE OF INVESTMENTS (Continued)

As at March 31, 2013 (Expressed in U.S. dollars)

Currency	Nominal	BONDS AND NOTES			Cost \$	Fair Value \$	Percentage of Net Assets %
ARGENTINA							
USD	450,000	Argentina (Republic of) GDP Linked	0.00%	15-Dec-35	29,023	24,876	0.06%
ARS	1,853,937	Argentina (Republic of) GDP Linked	0.00%	15-Dec-35	-	24,615	0.06%
EUR	2,000,000	Argentina (Republic of) GDP Linked	0.00%	15-Dec-35	119,677	137,174	0.35%
					148,700	186,665	0.47%
AUSTRALIA							
AUD	470,994	Australian Index Linked	1.25%	21-Feb-22	502,211	526,246	1.34%
					502,211	526,246	1.34%
CHINA							
CNY	2,400,000	Zhongsheng Group	4.75%	21-Apr-14	372,635	384,283	0.97%
					372,635	384,283	0.97%
ITALY							
EUR	50,000	Seat Pagine	10.5%	01-Jan-2017	132,860	13,782	0.03%
					132,860	13,782	0.03%
UNITED STATES OF AMERICA							
USD	425,000	Catlin Insurance	7.25%	31-Dec-49	213,208	439,875	1.12%
					213,208	439,875	1.12%
TOTAL BONDS AND NOTES					1,369,614	1,550,851	3.93%
TOTAL INVESTMENTS					31,214,736	34,471,394	87.40%

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

SCHEDULE OF INVESTMENTS (Continued)

As at March 31, 2013 (Expressed in U.S. dollars)

No. of contracts			Cost \$	Fair Value \$	Percentage of Net Assets %
	FORWARD FOREIGN EXCHANGE CONTRACTS				
1,550,000	Forward USD/EUR	18-Apr-13	-	14,282	0.04%
	TOTAL DERIVATIVES (Assets)		-	14,282	0.04%
	FORWARD FOREIGN EXCHANGE CONTRACTS				
1,687,500	Forward USD/GBP	18-Apr-13	-	10,874	0.03%
480,000,000	Forward USD/JPY	18-Apr-13	-	73,108	0.18%
	TOTAL DERIVATIVES (Liability)		-	83,982	0.21%

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

SCHEDULE OF INVESTMENTS

As at March 31, 2012 (Expressed in U.S. dollars)

No. of shares	COMMON AND PREFERRED SHARES	Cost \$	Fair Value \$	Percentage of Net Assets %
AUSTRALIA				
83,333	Allied Gold Mining	383,624	155,159	0.39%
100,000	Cudeco	383,064	358,937	0.90%
150,000	Hastings Diversified Utilities	320,025	327,388	0.82%
250,000	Kingsrose Mining	294,321	351,696	0.88%
45,387	Manhattan Corp	63,884	13,146	0.03%
5,500	Woodside Petroleum	235,199	198,041	0.50%
		1,680,117	1,404,367	3.52%
BRAZIL				
240,000	Genagro	200,600	196,800	0.49%
		200,600	196,800	0.49%
CANADA				
11,300	Alliance Grain Traders	327,527	173,376	0.43%
45,000	Augusta Resource	221,275	123,035	0.31%
9,550	Bonavista Energy Trust	178,682	193,200	0.48%
7,200	Calfrac Well Services	188,095	201,182	0.50%
7,500	Canadian Natural Resources	182,949	248,322	0.62%
200,000	Condor Petroleum Inc	290,134	102,153	0.26%
8,000	Fortress Paper	296,383	229,785	0.58%
30,350	Midas Gold	106,403	107,296	0.27%
5,000	Niko Resources	322,930	175,714	0.44%
21,000	Painted Pony Petroleum	278,464	176,875	0.44%
72,500	Parex Resources Inc	440,889	511,167	1.28%
35,000	Precision Drilling	463,057	355,784	0.89%
30,039	Sherritt International	247,226	163,658	0.41%
5,060	Silver Wheaton	199,881	167,636	0.42%
5,068	Canadian Income Management Trust	10,318	8,375	0.02%
		3,754,213	2,937,558	7.35%
CHINA/HONG KONG				
243,000	Beijing Jingkelong	233,445	217,464	0.55%
437,000	Chaoda Modern Agriculture	326,954	-	0.00%
1,050,000	China All Access Holdings	291,415	214,973	0.54%
420,800	Fortune Reit	158,959	224,323	0.56%
80,000	Galaxy Entertainment Group	202,964	220,960	0.55%
500,000	Gome Electrical Appliances	167,532	103,656	0.26%
1,623,600	Hua Han Bio-Pharmaceutical	412,915	326,137	0.82%

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

SCHEDULE OF INVESTMENTS (Continued)

As at March 31, 2012 (Expressed in U.S. dollars)

No. of shares	COMMON AND PREFERRED SHARES (continued)	Cost \$	Fair Value \$	Percentage of Net Assets %
	CHINA/HONG KONG (continued)			
440,000	Hui Xian Reit	343,532	272,619	0.68%
346,500	Lenovo Group	255,606	311,873	0.78%
196,000	Melco International Development	195,843	187,265	0.47%
843,750	Mie Holdings Corporation	241,769	274,873	0.69%
535,000	Prince Frog Intl Hldgs	193,586	197,712	0.50%
554,000	Shenzhen Expressway	201,933	228,274	0.57%
1,200,000	Sino Biopharmaceutical	113,409	321,397	0.81%
279,000	Tong Ren Tang Technologies	239,669	370,031	0.93%
500,000	Xinhua Winshare Publishing	271,104	263,968	0.66%
242,500	Zhongsheng Group	446,945	480,872	1.21%
540,000	Zijin Mining Group	286,876	214,162	0.54%
		4,584,456	4,430,559	11.12%
	FRANCE			
4,900	Michelin	317,447	365,048	0.92%
5,825	Nexity	167,000	184,373	0.46%
		484,447	549,421	1.38%
	GERMANY			
4,200	Bayer	283,683	295,928	0.74%
5,499	Fresenius Medical	211,125	564,282	1.42%
21,625	Gildemeister	478,683	423,468	1.06%
8,000	K&S	472,647	420,016	1.05%
6,550	Porsche	365,587	387,458	0.97%
7,205	SAP	426,661	503,984	1.26%
3,935	Siemens	381,751	397,490	1.00%
50,000	Sky Deutschland	261,727	139,111	0.35%
42,600	VIB Vermoegen	402,935	432,878	1.09%
		3,284,799	3,564,615	8.94%

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

SCHEDULE OF INVESTMENTS (Continued)

As at March 31, 2012 (Expressed in U.S. dollars)

No. of shares	COMMON AND PREFERRED SHARES (continued)	Cost \$	Fair Value \$	Percentage of Net Assets %
GREAT BRITAIN				
2,043,227	Bahamas Petroleum	518,310	351,655	0.88%
177,318	Central Asia Metals	269,683	303,758	0.76%
160,000	Coal Of Africa	226,333	157,538	0.40%
16,400	Intercontinental Hotels Group	351,542	381,505	0.96%
440,000	Kenmare Resources	90,141	353,277	0.89%
25,000	Monterrico Metals	147,336	-	0.00%
5,530	Reckitt Benckiser Group	299,519	312,795	0.78%
11,775	Unilever	398,980	389,101	0.98%
23,500	Xstrata	460,279	401,819	1.01%
		2,762,123	2,651,448	6.66%
INDONESIA				
1,063,000	Citra Marga Nusaphala	232,558	241,247	0.61%
		232,558	241,247	0.61%
JAPAN				
9,450	Dydo Drinco	371,532	376,312	0.94%
8,200	Hitachi High-Technologies	194,372	195,427	0.49%
7,000	Hitachi Medical	86,591	92,748	0.23%
1,760	Keyence	438,050	413,293	1.04%
23,900	Matsuda Sangyo	419,477	391,652	0.98%
120	Message Co	350,521	358,682	0.90%
95	Mid REIT	271,989	258,507	0.65%
130	NTT Docomo	224,407	215,542	0.54%
17,500	Toshiba Plant Systems and Services	206,453	201,038	0.50%
		2,563,392	2,503,201	6.27%
JERSEY				
9,095	Gold Bullion Securities	1,172,326	1,463,658	3.67%
		1,172,326	1,463,658	3.67%
MALAYSIA				
737,268	Eastern & Oriental	237,240	361,193	0.91%
250,000	KPJ Healthcare	422,295	420,504	1.05%
62,500	Sime Darby	201,537	198,821	0.50%
		861,072	980,518	2.46%

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

SCHEDULE OF INVESTMENTS (Continued)

As at March 31, 2012 (Expressed in U.S. dollars)

No. of shares	COMMON AND PREFERRED SHARES (continued)	Cost \$	Fair Value \$	Percentage of Net Assets %
SINGAPORE				
440,000	Cache Logistics Trust	322,223	349,817	0.88%
15,000	Jardine Strategic Holdings	198,120	457,650	1.15%
237,600	Mapletree Industrial Trust	230,469	207,791	0.52%
		750,812	1,015,258	2.55%
SOUTH AFRICA				
26,487	Witwatersrand	285,150	139,883	0.35%
		285,150	139,883	0.35%
SOUTH KOREA				
620	Samsung Electronics – Pref	402,890	435,570	1.09%
		402,890	435,570	1.09%
SWITZERLAND				
8,550	Nestle	293,215	538,165	1.35%
		293,215	538,165	1.35%
UNITED STATES OF AMERICA				
3,125	Agrium	165,926	269,906	0.68%
18,000	American Water Works	380,938	612,540	1.54%
4,900	Berkshire Hathaway	400,609	397,635	1.00%
12,950	C&J Energy Services	284,112	230,381	0.58%
40,000	Ceragon Networks	364,751	379,600	0.95%
9,500	Clean Energy Fuels	190,337	202,160	0.51%
15,150	Energy Transfer Equity LP	290,098	610,545	1.53%
3,300	Fedex	315,193	303,468	0.76%
600	Google	389,857	384,744	0.97%
37,500	Huntsman	507,658	525,375	1.32%
15,375	Intel	392,138	432,268	1.08%
10,000	Range Resources	546,487	581,400	1.46%
9,800	Superior Energy Services	292,035	258,328	0.65%
14,929	Taiwan Fund	181,527	251,255	0.63%
4,725	Toyota Motor	401,509	410,225	1.03%
		5,103,175	5,849,830	14.69%
	TOTAL COMMON AND PREFERRED SHARES	28,415,345	28,902,098	72.50%

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

SCHEDULE OF INVESTMENTS (Continued)

As at March 31, 2012 (Expressed in U.S. dollars)

Currency	Nominal	BONDS AND NOTES			Cost \$	Fair Value \$	Percentage of Net Assets %
ARGENTINA							
USD	450,000	Argentina (Republic of) GDP Linked	0.00%	15-Dec-35	29,024	58,500	0.15%
ARS	1,853,937	Argentina (Republic of) GDP Linked	0.00%	15-Dec-35	-	57,954	0.15%
EUR	2,000,000	Argentina (Republic of) GDP Linked	0.00%	15-Dec-35	119,677	311,929	0.78%
					148,701	428,383	1.08%
AUSTRALIA							
AUD	460,000	Australian Index Linked	1.25%	21-Feb-22	492,212	480,564	1.21%
					492,212	480,564	1.21%
CHINA							
CNY	2,150,000	Evergrande Real Estate Group	7.50%	19-Jan-14	332,981	359,441	0.90%
CNY	2,400,000	Zhongsheng Group	4.75%	21-Apr-14	372,635	353,981	0.89%
					705,616	713,422	1.79%
ITALY							
EUR	1,000,000	Lighthouse International	8.00%	30-Apr-14	603,910	234,187	0.59%
					603,910	234,187	0.59%
MEXICO							
MXN	10,750,000	Mexican Index Linked	4.00%	15-Nov-40	422,668	420,428	1.05%
					422,668	420,428	1.05%
UNITED STATES OF AMERICA							
USD	425,000	Catlin Insurance	7.25%	31-Dec-49	213,208	392,063	0.98%
					213,208	392,063	0.98%
TOTAL BONDS AND NOTES					2,586,315	2,669,047	6.70%
TOTAL INVESTMENTS (Asset)					31,001,660	31,571,145	79.20%

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

SCHEDULE OF INVESTMENTS (Continued)

As at March 31, 2012 (Expressed in U.S. dollars)

No. of contracts			Cost \$	Fair Value \$	Percentage of Net Assets %
	FORWARD FOREIGN EXCHANGE CONTRACTS				
1,932,437	Forward USD/JPY	19-Apr-12	-	12,081	0.03%
	TOTAL DERIVATIVES (Liability)		-	12,081	0.03%

The accompanying notes are an integral part of these financial statements.

MID OCEAN WORLD INVESTMENTS LIMITED

NOTES OF FINANCIAL STATEMENTS

1. INCORPORATION

The Mid Ocean World Investments Limited (the "Company") was incorporated under the laws of Bermuda on July 18, 1997 and has its main place of business in Bermuda. The investment objective of the Company is to achieve superior capital appreciation through investment in an actively managed portfolio consisting, under normal market conditions, primarily of global equities, bonds, securities, derivative instruments, funds and currencies.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with accounting principles generally accepted in Bermuda and Canada. The significant accounting policies are as follows:

a) Basis of presentation

The preparation of financial statements in accordance with generally accepted accounting principles in Canada and Bermuda requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements. Estimates also affect the reported amounts of income and expenses for the reporting period. Actual results could differ significantly from these estimates.

b) Investments

Marketable securities, including quoted derivative instruments such as options, forward foreign exchange contracts, futures contracts and warrants are carried at their traded price as at the date of these financial statements. If the security did not trade, it is valued at the average of the bid and the ask price. Purchases and sales of securities are accounted for on the transaction date at the transaction price. The computation of the cost of sales of securities is made on the basis of average cost. Gains and losses are considered realised on sale of the security; in the case of options and warrants, not sold or exercised, on expiry of the exercise date; and, in the case of futures, on the closing of the position or the maturity of the contract, measured gains and losses are calculated on a First In First Out ("FIFO") basis. Net realised and unrealised gains and losses on investments are reflected in the statement of operations.

Unquoted, restricted and difficult to price securities are carried at fair value as determined by the Directors. The Directors may rely upon confirmation from the clearing broker and its affiliates in determining the value of assets held for the Company. As at March 31, 2013 the fair value of unquoted, restricted, and difficult to price securities amounts was \$201,015 (2012: \$196,800).

MID OCEAN WORLD INVESTMENTS LIMITED

NOTES OF FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Forward foreign exchange contracts

Forward foreign exchange contracts are recorded on the trade date and are reflected in the statement of net assets at the difference between the original contract amount and the market value on the last business day of the reporting period. Realised and unrealised gains or losses on forward foreign exchange contracts are reflected in the statement of operations. During the year the Company made a realized gain of \$488,971 (2012: \$261,371 loss) and change in unrealized loss of \$57,619 (2012: \$12,081). The Company during the year entered into 84 forward exchange contracts (2012: 30).

d) Cash and cash equivalents

Cash and cash equivalents include cash and short term investments with a term to maturity of three months or less at the date of acquisition.

e) Futures contracts

Futures are contractual arrangements to either buy or sell a specified currency or financial instrument at a specified price and date in the future. The notional amount of the future reflects the Company's extent of involvement in the financial instrument and does not represent the Company's risk of loss due to counterparty non-performance. The market value of futures is dependent on the terms of the contract and the value of the underlying financial instrument and is reflected in the statement of net assets. Realised and unrealised gains and losses on futures contracts are reflected in the statement of operations.

f) Due from/to broker

Due from broker represents cash and deposits held with Smith & Williamson Investment Services Ltd. These deposits earn interest at a negotiated rate and may be used as collateral for futures, forward and option contracts. Amounts due from/to broker include receivables/payables for pending trades.

g) Dividends and interest

Dividends are recorded on an accrual basis net of any applicable withholding taxes. Interest income is recorded on an accrual basis.

h) Translation of foreign currencies

Balances recorded and maintained in foreign currencies have been translated into U.S. dollars at the rates of exchange prevailing on the date of the statement of net assets. Foreign currency transactions are translated at the rate of exchange prevailing at the date of the transaction. Any foreign exchange gains or losses are included in the statement of operations.

MID OCEAN WORLD INVESTMENTS LIMITED

NOTES OF FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Mandatorily redeemable financial instruments

Financial instruments mandatorily redeemable at the option of the holder are classified as liabilities when a redemption request has been received and the redemption amount has been determined in accordance with guidelines provided by the Emerging Issues Committee (“EIC”), specifically 149, *Accounting for Retractable or Mandatorily Redeemable Shares* and Section 3861, *Financial Instruments Disclosure and Presentation*. As such, at March 31, 2013, the net assets of the Company have to be reduced by mandatorily redeemable redemptions which are reflected as redemptions payable on the statement of assets and liabilities. The Company’s net asset value per share is unchanged as a result of this reclassification. There is no redemption payable as of March 31, 2013.

j) New accounting framework

In January 2011, the Canadian Accounting Standards Board approved a one year extension to the optional one year deferral from International Financial Reporting Standards (IFRSs) adoption for investment companies applying Accounting Guideline AcG-18, Investment Companies. Investment companies and segregated funds will now be required to mandatorily adopt IFRS for interim and annual financial statements relating to annual periods beginning on or after January 1, 2013.

The Accounting Standards Board (AcSB) has extended again the mandatory changeover date to International Financial Reporting Standards (IFRSs) for investment companies and segregated accounts of insurance enterprises. The new date of January 1, 2014 reflects the likelihood that the International Accounting Standards Board (IASB) will not issue the proposed guidance on investment entities before January 1, 2013. The deferred changeover prevents Canadian investment companies and segregated accounts of life insurance enterprises having to change their current accounting treatment for controlled investees.

3. SHARE CAPITAL

The authorised share capital of the Company is \$112,000 divided into 1,000,000 shares of \$0.10 par value each and 12,000 founders shares of \$1 each.

Each of the non-founder shares is equal as to dividends, assets and voting privileges. There is no conversion, pre-emptive or other subscription rights. Shareholders of these shares are entitled to one vote per share.

Shareholders of the founder shares are not entitled to receive dividends, may not redeem their holding, are entitled only to be repaid the par value of such founder shares upon liquidation of the Company and are entitled to one vote each when, and only when, no shares other than founder shares are outstanding. These shares are unpaid and the shareholders are required to pay up the shares whenever a call is made for payment by the Company.

A sales charge of up to 1% of the total dollar amount (which accrues to the Company) subscribed or redeemed may be imposed on any subscription or redemption at the Company’s discretion. The minimum initial subscription by any one investor is \$25,000.

MID OCEAN WORLD INVESTMENTS LIMITED

NOTES OF FINANCIAL STATEMENTS

4. INVESTMENT MANAGEMENT FEE AND PERFORMANCE FEE

The Investment Management fee is calculated at 1% per annum of the average net assets of the Company calculated on a weekly basis and payable quarterly. The Investment Advisor is also entitled to receive a performance fee which is accrued monthly and payable quarterly. It is equal to 15% of the net profits of the Company, if any, during each quarter period after deducting a hurdle rate equivalent to the three months U.S. Treasury Bill Rate. The performance fee is only paid out in quarters in which the Company's Net Asset Value ("NAV") per share exceeds the highest previous quarter end NAV per share. These fees are described in the Company's Prospectus. The most recent copy is dated November 2009. The Investment Advisor also acts as the Company's principal broker and as sub-custodian of substantially all of the Company's investments.

The statement of operations includes \$375,253 (2012: \$426,453) that consists of \$Nil (2012: \$Nil) for performance fees and \$375,253 (2012: \$426,453) for Investment Management fees. The amounts accrued but not paid to the Investment Advisor at March 31, 2013 were \$Nil (2012: \$Nil) for performance fees and \$94,969 (2012: \$96,454) for Investment Management fees.

5. ADMINISTRATION FEES

The Administration fees are based on a time-spent basis, subject to a weekly minimum fee of \$1,923.

6. CUSTODIAN, REGISTRAR AND TRANSFER AGENT'S FEE

The custodian fee is based on a time-spent basis subject to an annual minimum fee of \$1,250. The registrar and transfer agent's fee is based on a time-spent basis with a weekly minimum of \$300.

The amount due to the custodian at March 31, 2013 was \$107 (2012: \$107). The amount due to the transfer agent at March 31, 2013 was \$1,500 (2012: \$1,500). Both amounts are included in accrued liabilities on the statement of net assets.

7. DISTRIBUTOR STATUS

The Company was formally certified as a distributing company and was required to pay a dividend equal to 85% of U.K. Equivalent Profits on an annual basis.

From April 1, 2012 the Company will adopt "Reporting Fund Regime" under which the UK investors are taxed on 100% of the income as calculated under Reporting Fund Regime, whether distributed or not. The dividend paid during the year amounted to \$0.87 per share (2011 U.K Equivalent Profits: \$Nil) based on the 100% income calculated under "Reporting Fund Regime" for the year ended March 31, 2012.

The Company will pay a dividend of \$1.91 per share subsequent to March 31, 2013.

MID OCEAN WORLD INVESTMENTS LIMITED

NOTES OF FINANCIAL STATEMENTS

8. FINANCIAL INSTRUMENTS

During the year, the Company entered into transactions in financial instruments, including investments, the holding of which gives exposure to market risk which arises from changes in the market value of these instruments. Additionally, the Company is exposed to currency risk arising from changes in the value of the base currency in which certain of the financial instruments are valued. The Company also invests in financial instruments that are exposed to interest rate risk. Interest rate risk is the risk that the value of the financial instrument will fluctuate with changes in market interest rates.

The Company, as part of its overall investment strategy, purchases exchange-traded options. Options are contracts that allow the holder of the option to purchase or sell a financial instrument at a specified price and within a specified period of time. The notional amount, the purchase cost and the market value of each contract is shown in the schedule of investments. The notional amount of each option reflects the Company's exposure to the underlying instrument at year-end and does not represent the Company's risk of loss due to counterparty non-performance. The market value of options is dependent on the terms of the option and the value of the underlying financial instrument.

The Company, as part of its overall investment strategy, purchases futures. Futures are contractual arrangements to either buy or sell a specified currency or financial instrument at a specified price and date in the future. Futures are transacted in standardised amounts in regulated exchanges and are subject to daily cash margining which require the Company to deposit cash with its broker as "initial margin". Subsequent fluctuations in the value of the futures contract results in the Company paying or recovering cash (variation margin) equal to the change in value. The notional amount of the future reflects the Company's extent of involvement in the financial instrument and does not represent the Company's risk of loss due to counterparty non-performance. The market value of futures is dependent on the terms of the contract and the value of the underlying financial instrument.

The Company, as part of its overall investment strategy, purchases forward foreign exchange contracts. Forward foreign exchange contracts are contractual agreements to either buy or sell a specified currency at a specific price and date in the future. Unrealised gains and losses on open forward foreign currency contracts are calculated as the difference between the contract rate and the forward rate, based on the applicable exchange rates reported in published sources on the valuation date, applied to the face amount of the contract. The Company recognises a realised gain or loss when the contract is closed or it matures, which is included in the statement of operations.

By purchasing financial instruments, the Company incurs credit risk. Credit risk is the risk that, due to adverse conditions, counterparty may be unable to perform on its obligations under the contract. The Company's exposure to credit risk is limited to the market value of the financial instrument which is the value recognized in the Company's statement of net assets. As at March 31, 2013, the Company had all its individual counterparty concentration with the Investment Advisor.

MID OCEAN WORLD INVESTMENTS LIMITED

NOTES OF FINANCIAL STATEMENTS

8. FINANCIAL INSTRUMENTS (continued)

The Company is potentially subject to liquidity risk with its traded securities and warrant investments. As a result, the Company may be unable to realise the recorded values of its investments in the event that these financial assets were to be sold quickly.

The Company's participating shares are redeemable at the shareholder's option on each dealing date. Notice for redemptions must be received no later than noon Bermuda time on valuation day. The Company is therefore potentially exposed to weekly redemptions by its shareholders.

The Company is subject to market risk with its marketable securities. As a result, the values of these financial instruments will fluctuate as a result of changes in market prices or factors affecting the net asset values of the underlying investments. Market risk is the potential adverse change in value caused by unfavorable movements in prices, foreign exchange rates or interest rates. In certain cases, the Company may use derivative financial instruments to hedge the market value of other positions. The notional or contractual amount of derivative financial instruments provides only a measure of the involvement in these types of transactions and do not represent the amounts subject to market risk.

9. TAXATION

Under current Bermuda law, the Company is not required to pay any taxes in Bermuda on either income or capital gains. The Company has received an undertaking from the Minister of Finance in Bermuda that in the event of any such taxes being imposed, the Company will be exempted from taxation until the year 2035.

