

**BIAS GLOBAL PORTFOLIOS, SPC
BIAS GLOBAL DIVIDEND INCOME FUND –
US\$ SEGREGATED PORTFOLIO**

Financial Statements and Independent Auditors' Report

December 31, 2015

BIAS GLOBAL PORTFOLIOS, SPC
BIAS GLOBAL DIVIDEND INCOME FUND - US\$ SEGREGATED PORTFOLIO

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KPMG

PO Box 493
Century Yard
Grand Cayman KY1-1106
CAYMAN ISLANDS

Telephone: +1 345 949-4800
Fax: +1 345 949-7164
Internet: www.kpmg.ky

Independent Auditors' Report

To the Board of Directors and Shareholders of:

BIAS Global Portfolios, SPC – BIAS Global Dividend Income Fund – US\$ Segregated Portfolio

We have audited the accompanying financial statements of BIAS Global Dividend Income Fund – US\$ Segregated Portfolio (the "Fund"), which comprise the statement of financial position as at December 31, 2015, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

May 4, 2016

BIAS GLOBAL PORTFOLIOS, SPC
BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Statement of Financial Position

December 31, 2015

(Expressed in United States dollars)

	Note	<u>2015</u>	<u>2014</u>
Assets			
Cash and cash equivalents	3, 6	\$ 3,301,061	\$ 1,653,205
Financial assets at fair value through profit or loss	5, 6, 11	30,423,042	33,518,750
Dividends receivable		18,506	44,516
Other assets		<u>5,692</u>	<u>5,685</u>
Total assets		\$ 33,748,301	\$ 35,222,156
Equity			
Redeemable share capital	8	\$ 3,464	\$ 3,285
Share premium		34,302,211	33,203,821
Retained (deficit) / earnings		<u>(620,447)</u>	<u>1,955,232</u>
Total equity (net assets)		\$ 33,685,228	\$ 35,162,338
Liabilities			
Accounts payable and accrued expenses	7	\$ 61,798	59,385
Redemptions payable		<u>1,275</u>	<u>433</u>
Total liabilities		\$ 63,073	\$ 59,818
Total equity and liabilities		\$ 33,748,301	\$ 35,222,156
Class I Shares outstanding	8	<u>346,434</u>	<u>328,512</u>
Net asset value per share		\$ 97.23	\$ 107.04

See accompanying notes to the financial statements

Authorised for issue on behalf of the Board of Directors on May 4, 2016 :

ROBERT PIRES
 Director

MARTIN ZOLNAI
 Director

BIAS GLOBAL PORTFOLIOS, SPC
BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Statement of Comprehensive Income

Year Ended December 31, 2015
(Expressed in United States dollars)

	Note	<u>2015</u>	<u>2014</u>
Investment income			
Dividends		\$ 1,298,922	\$ 1,106,865
Interest income	4	377	759
Miscellaneous income		21,229	18,323
Net realised (loss)/gain on sale of financial assets			
at fair value through profit or loss	5, 13	(650,244)	265,948
Change in net unrealised (loss)/gain on financial assets			
at fair value through profit or loss	5	(2,268,221)	941,194
Net foreign exchange loss		<u>(64,534)</u>	<u>(87,101)</u>
 Total investment (loss)/income		 <u>(1,662,471)</u>	 <u>2,245,988</u>
Expenses			
Management fees	7	(534,365)	(501,285)
Withholding tax expense	10	(238,920)	(243,609)
Custody and administration fees	7	(73,241)	(68,823)
Other general expenses		(61,681)	(53,680)
Directors' fees	7	<u>(5,001)</u>	<u>(4,844)</u>
 Total expenses		 <u>(913,208)</u>	 <u>(872,241)</u>
 (Loss)/Profit for the year		 <u>\$ (2,575,679)</u>	 <u>\$ 1,373,747</u>

See accompanying notes to the financial statements

BIAS GLOBAL PORTFOLIOS, SPC
BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Statement of Changes in Equity

Year Ended December 31, 2015
(Expressed in United States dollars)

	Redeemable Share Capital	Share Premium	Retained (Deficit)/ Earnings	Total
Balance as at December 31, 2013	\$ 3,106	31,275,144	1,428,312	\$ 32,706,562
Total comprehensive income for the year				
Profit for the year	-	-	1,373,747	1,373,747
Transactions with owners, recognised directly in equity				
Contributions, redemptions and distributions to shareholders				
Issue of Class I Shares	461	4,901,685	-	4,902,146
Redemption of Class I Shares	(282)	(2,973,008)	-	(2,973,290)
Dividends paid to shareholders	-	-	(846,827)	(846,827)
Total transactions with owners	179	1,928,677	(846,827)	1,082,029
Balance as at December 31, 2014	\$ 3,285	33,203,821	1,955,232	\$ 35,162,338
Total comprehensive loss for the year				
Loss for the year	-	-	(2,575,679)	(2,575,679)
Transactions with owners, recognised directly in equity				
Contributions, redemptions and distributions to shareholders				
Issue of Class I Shares	702	7,328,601	-	7,329,303
Redemption of Class I Shares	(523)	(5,384,808)	-	(5,385,331)
Dividends paid to shareholders	-	(845,403)	-	(845,403)
Total transactions with owners	179	1,098,390	-	1,098,569
Balance as at December 31, 2015	\$ 3,464	34,302,211	(620,447)	\$ 33,685,228

See accompanying notes to the financial statements

BIAS GLOBAL PORTFOLIOS, SPC
BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Statement of Cash Flows

Year Ended December 31, 2015
(Expressed in United States dollars)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
(Loss) profit for the year	\$ (2,575,679)	\$ 1,373,747
Adjustments to reconcile (loss)/profit to net cash provided by / (used in) operating activities:		
Purchase of investments	(22,035,902)	(15,970,456)
Proceeds from sale of investments	22,057,890	14,977,407
Net realised gain (loss) on financial assets at fair value through profit or loss	805,499	(265,948)
Change in net unrealised gain on financial assets at fair value through profit or loss	2,268,221	(941,194)
Change in operating assets and liabilities:		
Dividends receivable	26,010	2,658
Other assets	(7)	(357)
Accounts payable and accrued expenses	2,413	(8,914)
Due to broker	-	(608,473)
	<u>548,445</u>	<u>(1,441,530)</u>
Cash flows from financing activities		
Proceeds from subscriptions of Class I Shares	6,483,900	4,055,319
Payments on redemptions of Class I Shares	<u>(5,384,489)</u>	<u>(2,972,922)</u>
Net cash provided by financing activities	<u>1,099,411</u>	<u>1,082,397</u>
Net increase/(decrease) in cash and cash equivalents	1,647,856	(359,133)
Cash and cash equivalents, beginning of year	<u>1,653,205</u>	<u>2,012,338</u>
Cash and cash equivalents, end of year	<u>\$ 3,301,061</u>	<u>\$ 1,653,205</u>
Supplemental information		
Interest received	\$ 377	\$ 759
Dividends received	\$ 1,320,151	\$ 1,127,846
Taxes paid	\$ 238,920	\$ 243,609
Non cash transactions		
Deemed dividends	\$ (845,403)	\$ (846,827)
Deemed subscriptions	\$ 845,403	\$ 846,827

See accompanying notes to the financial statements

BIAS GLOBAL PORTFOLIOS, SPC
BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Notes to the Financial Statements

December 31, 2015

(Expressed in United States dollars)

1. Incorporation and principal activity

BIAS Global Portfolios, SPC (the “Company”) was incorporated as a Cayman Islands exempted company and registered as a segregated portfolio company under the Companies Law of the Cayman Islands on July 11, 2006. The Company registered under the Mutual Funds Law of the Cayman Islands on November 21, 2006. The address of its registered office is Appleby Trust (Cayman) Ltd., Clifton House, 75 Fort Street, P.O. Box 1350, George Town, Grand Cayman KY1-1108, Cayman Islands.

The Company established BIAS Global Dividend Income Fund – US\$ Segregated Portfolio (the “Fund”), a segregated portfolio of assets, on September 28, 2012. The Fund commenced operations on September 28, 2012.

At December 31, 2015, the Company has four segregated portfolios, namely, the Fund, BIAS Global Balanced Fund – US\$ Segregated Portfolio, BIAS Short Duration Income Fund – US\$ Segregated Portfolio and BIAS Global Equities Fund – US\$ Segregated Portfolio. Additional segregated portfolios may be established by the Company in the future at the sole discretion of the Board of Directors. As a matter of Cayman Islands law, the assets of one segregated portfolio will not be available to meet the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation.

The Fund’s Class I shares are listed on the Cayman Islands Stock Exchange and the Bermuda Stock Exchange.

The Fund is a segregated portfolio and a separate individually managed pool of assets constituting, in effect, a separate fund with its own investment objective. The assets, liabilities, and results of operations of the Company or other segregated portfolios are not included in these financial statements. BIAS Asset Management Ltd. (the “Investment Manager”), a related party through common directors, acts as the Fund’s Investment Manager under the Investment Management Agreement. The Investment Manager has entered into an agreement to delegate its duties to Bermuda Investment Advisory Services Limited (the “Sub-Manager”). BIAS (Cayman) Ltd. and Comerica Bank (the “Custodians”) act as the Fund’s custodians, and Cayman National Trust Co. Ltd. (the “Administrator”) acts as the Fund’s administrator.

Assets are identified as either general Company or Segregated Portfolio assets. Those attributable to a segregated portfolio comprise assets representing the total equity attributable to the segregated portfolio and other assets attributable to or held within that segregated portfolio. They are held separately from, and are not comingled with, assets of the other segregated portfolios noted above. The general assets of the Company comprise a cash balance of \$1, representing the amount received upon issuance of the Ordinary Shares (see Note 8). As at December 31, 2015 and 2014, the general assets are not presented separately on the statement of financial position due to immateriality. No income or expenses have been attributed to the general assets to date.

The objective of the Fund is to invest in a wide variety of global equity securities issued throughout the world. The Fund may invest in “growth” or “value” securities, securities that are considered to pay dividends on a consistent basis in excess of the average dividend paid by companies within the index which the Fund’s target investments are situated.

2. Significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. The accounting policies have been applied consistently throughout the period and are consistent with prior year.

BIAS GLOBAL PORTFOLIOS, SPC
BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

2. Significant accounting policies (continued)

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The financial statements are presented in United States (“US”) dollars, which is also the Fund’s functional currency, and not the local currency of the Cayman Islands reflecting the fact that the Fund’s Class I Shares are issued in US dollars, and assets and liabilities are denominated in US dollars.

The statement of financial position presents assets and liabilities in decreasing order of liquidity and do not distinguish between current and non-current items. All the Fund’s assets and liabilities are held for the purpose of being traded or are expected to be realised within one year.

These financial statements are prepared on a fair value basis for financial assets and liabilities held at fair value through profit or loss. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised cost which is considered to approximate fair value due to the short-term nature of these assets and liabilities.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. The only new standard relevant to the Fund is IFRS 9 Financial Instruments, which is discussed below. The Fund does not plan to adopt IFRS 9 early.

(i) IFRS 9 Financial Instruments

IFRS 9, published in July 2014, will replace the existing guidance in IAS 39. It includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. Based on the initial assessment, this standard is not expected to have a material impact on the Fund.

(b) Investment income and expense

Dividend income is recorded on the ex-dividend date and is reported gross of withholding tax and the corresponding withholding tax is recognised as a tax expense. Bank interest income and expense is accounted for on the accrual basis.

(c) Financial assets and liabilities

(i) Classification

In accordance with IAS 39, Financial Instruments: Recognition and Measurement, all investments are classified as financial assets and liabilities at fair value through profit or loss, under the sub-category of financial assets and liabilities held for trading.

BIAS GLOBAL PORTFOLIOS, SPC
BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

2. Significant accounting policies (continued)

(i) Classification (continued)

Financial assets that are classified as loans and receivables are carried at amortized cost which includes cash and cash equivalents, dividends receivable and other assets. Financial liabilities that are not at fair value through profit or loss are carried at amortized cost and include accounts payable and redemptions payable.

(ii) Recognition/derecognition

Purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. Other financial assets and liabilities are recognised on the date they are originated.

Investments and other financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred all risk and rewards of ownership. The Fund derecognises a financial liability when its contracted obligations are discharged, cancelled or expired.

Gains and losses on the disposal of financial assets and liabilities are computed on a first-in, first-out basis (“FIFO”) and are included in the statement of comprehensive income in the period in which they arise within net realised (loss)/gain on sale of financial assets and liabilities at fair value through profit or loss. Movements in unrealised gains and losses on financial assets and liabilities are recognised in the statement of comprehensive income within change in net unrealized (loss)/gain on financial assets at fair value through profit or loss.

(iii) Measurement

Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in profit or loss. Other financial assets and financial liabilities are recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue. ‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date.

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

Financial assets classified as loans and receivables are carried at amortised cost, less impairment losses, if any.

(iv) Fair value measurement principles

The Fund’s investments are valued on the Friday of each week and at month-end (the “Valuation Date”). In accordance with IFRS 13, for those financial assets and liabilities, at fair value through profit and loss, which have a quoted price in an active market, the Fund uses the last traded price in cases where the last traded price falls within the bid-ask spread. Where the last traded price falls outside the bid-ask spread, the bid price is used for long securities and the ask price for securities held short. There were no listed financial equity instruments for which quotations were not readily available in active markets on a recognised public stock exchange during any of the periods presented.

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BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

2. Significant accounting policies (continued)

(v) *Identification and measurement of impairment*

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in the statement of comprehensive income when incurred. Interest on impaired assets continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income. There are no impairments for the year ended December 31, 2015.

(d) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses. There is no offsetting in the statement of financial position at December 31, 2015.

(e) *Operating expenses*

The Fund is responsible for all normal operating expenses including audit fees, stamp and other duties and charges incurred on the acquisition and realisation of investments. All expenses are recognised in the statement of comprehensive income on the accruals basis.

(f) *Cash and cash equivalents*

Cash and cash equivalents include money market investments, and balances held with the investment broker with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value.

(g) *Share capital*

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

Ordinary Shares are classified as share capital of the Company. The Class I Shares are the most subordinate class of financial instruments in the Fund. The Class I Shares provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each weekly redemption date and also in the event of the Fund's liquidation.

A puttable financial instrument that includes a contractual obligation for the Fund to repurchase or redeem that instrument for cash or another financial asset is classified as equity, if it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;

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BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

2. Significant accounting policies (continued)

(g) Share capital (continued)

- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

The Fund's Class I Shares meet these conditions and are classified as equity.

When Class I Shares recognised as equity are redeemed, the par value of the shares is presented as a deduction from redeemable share capital. Any premium or discount to par value is recognised as an adjustment to shares premium, or if insufficient to retained earnings. Redemptions payable are classified as financial liabilities and are measured at the present value of the redemption amounts.

(h) Foreign currency

Assets and liabilities denominated in currencies other than US dollars are translated at exchange rates prevailing at the reporting date. Transactions in other currencies during the period are translated to US dollars at the rate prevailing at the date of the transaction. The resulting profits or losses are disclosed in the statement of comprehensive income.

Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange loss, except for those arising on financial instruments at fair value through profit or loss, which are recognised as a component of net realised (loss)/gain on sale or change in net unrealised (loss)/gain on assets at fair value through profit or loss.

(i) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Management does not believe that the estimates and assumptions have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Cash and cash equivalents

	<u>2015</u>	<u>2014</u>
Cash at broker	\$ 21,826	\$ 1,301,215
Money market funds held at broker	<u>3,279,235</u>	<u>351,990</u>
Total	<u>\$ 3,301,061</u>	<u>\$ 1,653,205</u>

BIAS GLOBAL PORTFOLIOS, SPC
BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

4. Interest income

	<u>2015</u>	<u>2014</u>
Interest Income on financial assets carried at amortised cost:		
Cash and Cash Equivalents	377	759
	<u>\$ 377</u>	<u>\$ 759</u>

5. Financial assets at fair value through profit or loss

The following tables summarise financial assets classified at fair value through profit or loss as at December 31, 2015 and 2014 and the related changes as presented in the statements of financial position and comprehensive income:

2015

	<u>Cost</u>	<u>Fair value</u>
Financial assets held for trading:		
Equity securities	\$ 30,047,650	\$ 30,423,042
Net realised (loss)/gain on sale of financial assets at fair value through profit or loss:		
Equity securities	\$ (805,499)	
Forward foreign currency contracts	<u>155,255</u>	
Total	<u>\$ 650,244</u>	
Change in net unrealised (loss) on financial assets at fair value through profit or loss:		
Equity securities	\$ (2,268,221)	

2014

	<u>Cost</u>	<u>Fair value</u>
Financial assets held for trading:		
Equity securities	\$ 30,875,137	\$ 33,518,750
Net realised gain on sale of financial assets at fair value through profit or loss:		
Equity securities	\$ 265,948	
Change in net unrealised gain on financial assets at fair value through profit or loss:		
Equity securities	\$ 941,194	

The net realised (loss)/gain on sale of financial assets at fair value through profit or loss represents the difference between the acquisition price, or the carrying amount of a financial instrument and its sale/settlement price. The change in net unrealised (loss)/gain on financial assets at fair value through profit and loss represents the difference between the acquisition price, or carrying amount of the respective financial instrument at the beginning of the period, and its carrying amount at the end of the period.

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BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

6. Fair value measurements

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in measuring fair value:

Level 1: Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities that the Fund has the ability to access at the valuation date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Fair value is determined through the use of models or other valuation methodologies. Level 2 inputs include the following:

- a) Quoted prices for similar assets or liabilities in active markets.
- b) Quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
- c) Inputs other than quoted prices that are observable for the asset or liability (e.g. interest rate and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks and default rates).
- d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs are unobservable for the asset or liability. Unobservable inputs reflect the Fund's own assumptions about how market participants would be expected to value the asset or liability. Unobservable inputs are developed based on the best information available in the circumstances, other than market data obtained from sources independent of the Fund and might include the Fund's own data.

An investment is always categorised as Level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and is specific to the investment.

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BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

6. Fair value measurements (continued)

The following table analyses, within the fair value hierarchy, the Fund's financial assets measured at fair value at December 31, 2015 and 2014.

<u>2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 3,279,235	\$ –	\$ –	\$ 3,279,235
Equity securities:				
United States	25,930,359	–	–	25,930,359
Canada	616,089	–	–	616,089
Ireland	2,951,664	–	–	2,951,664
Switzerland	<u>924,930</u>	<u>–</u>	<u>–</u>	<u>924,930</u>
Total equity securities	<u>30,423,042</u>	<u>–</u>	<u>–</u>	<u>30,423,042</u>
Total	<u>\$ 33,702,277</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 33,702,277</u>

There were no transfers between Levels 1, 2 and 3 during the year ended December 31, 2015.

<u>2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 351,990	\$ –	\$ –	\$ 351,990
Equity securities:				
United States	21,650,473	–	–	21,650,473
United Kingdom	2,548,039	–	–	2,548,039
Australia	726,696	–	–	726,696
Canada	1,713,833	–	–	1,713,833
Spain	333,934	–	–	333,934
Ireland	4,711,831	–	–	4,711,831
Italy	202,475	–	–	202,475
Switzerland	1,322,545	–	–	1,322,545
Bermuda	<u>308,924</u>	<u>–</u>	<u>–</u>	<u>308,924</u>
Total equity securities	<u>33,518,750</u>	<u>–</u>	<u>–</u>	<u>33,518,750</u>
Total	<u>\$ 33,870,740</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 33,870,740</u>

BIAS GLOBAL PORTFOLIOS, SPC
BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

6. Fair value measurements (continued)

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) not classified as at fair value through profit or loss at December 31, 2015 and 2014 but for which fair value is disclosed.

<u>2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Cash	\$ 21,826	\$ –	\$ –	\$ 21,826
Dividends receivable	–	18,506	–	18,506
Other Assets	–	5,692	–	5,692
Total	\$ 21,826	\$ 24,198	\$ –	\$ 46,024
Liabilities				
Redemption payable	\$ –	\$ 1,275	\$ –	\$ 1,275
Accounts payable and accrued expenses	–	61,798	–	61,798
Total	\$ –	\$ 63,073	\$ –	\$ 63,073
<u>2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Cash	\$ 1,301,215	\$ –	\$ –	\$ 1,301,215
Dividends receivable	–	44,516	–	44,516
Other Assets	–	5,685	–	5,685
Total	\$ 1,301,215	\$ 50,201	\$ –	\$ 1,351,416
Liabilities				
Redemption payable	\$ –	\$ 433	\$ –	\$ 433
Accounts payable and accrued expenses	–	59,385	–	59,385
Total	\$ –	\$ 59,818	\$ –	\$ 59,818

The assets and liabilities in the table above are carried at amortised cost; their carrying values are a reasonable approximation of fair value, due to their short term nature.

Dividends receivable and other assets classified in Level 2 include the contracted amounts for obligations due to the Fund. Accounts payable and accrued expenses and redemption payable represent the contractual amounts and obligations due by the Fund.

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BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

7. Fees and expenses

Management fees

The Investment Manager of the Fund is responsible for the day-to-day operations of the Fund, including managing the investment portfolio, providing investment analysis and making decisions relating to the investment of assets of the Fund. The Fund is responsible for the payment of a management fee to the Investment Manager for its services to the Fund equal to 1.5% per annum of the Net Asset Value (“NAV”) of the Fund, calculated weekly and payable monthly in arrears. During the year ended December 31, 2015, management fees totalled \$534,365 (2014: \$501,285). As at December 31, 2015, management fees payable totalled \$42,934 (2014: \$44,681) and were included within accounts payable and accrued expenses on the statement of financial position. The Investment Manager compensates the Sub-Manager for performing its delegated duties.

Administration fees

The Administrator is entitled to receive fees amounting to 0.10% per annum based on the weekly NAV of the Fund, and subject to an annual minimum fee of \$30,000. The administration fee is calculated weekly and is payable monthly in arrears. Administration fees for the year ended December 31, 2015 totalled \$37,621 (2014: \$35,412).

The Administrator and the Investment Manager are reimbursed by the Fund for other fees and expenses that are identifiable with the Fund.

Custody fees

BIAS (Cayman) Ltd. is entitled to receive fees amounting to 0.10% per annum based on the average weekly NAV of the Fund. The custody fee is calculated weekly and payable monthly in arrears. Custody fees for the year ended December 31, 2015 totalled \$35,620 (2014: \$33,411).

Directors’ fees

Each Director who is not an officer or employee of the Investment Manager or Sub-Manager receives a flat annual fee for serving in such capacity. The fee will be in accordance with reasonable and customary Directors’ fees. The Directors are entitled to reimbursement from the Fund for all reasonable out-of-pocket expenses incurred by them on behalf of the Fund.

8. Share capital

The Company has an authorised share capital as at December 31, 2015 and 2014 of \$50,001 divided into 100 Ordinary Shares of \$0.01 par value each and 5,000,000 non-voting, Redeemable Participating Shares of \$0.01 par value each divided upon issue into Classes for each of the segregated portfolio funds. The Ordinary Shares of the Company are owned by the Investment Manager, and are the only shares of the Company with voting rights. The Company has authorised the issuance of up to 1,000,000 Class I Shares in the Fund.

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BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

8. Share capital (continued)

The issued share capital of the Company and Fund is as follows:

	2015		2014	
	Number	Par Value (US\$)	Number	Par Value (US\$)
Issued and fully paid:				
<i>Company</i>				
Ordinary Shares	100	1	100	1
<i>Fund</i>				
Class I Shares				
Balance at beginning of year	328,512	3,285	310,657	3,106
Issued during the year	70,222	702	46,060	461
Redeemed during the year	(52,300)	(523)	(28,205)	(282)
Balance at end of year	346,434	3,464	328,512	3,285

Each Class I Share represents a beneficial interest in the Fund ranking equally in all distributions when and as declared payable. An unlimited number of the Fund's shares may be issued which are redeemable each Monday and at such other times as the Directors may determine in their discretion at the shareholders' option at the then current NAV per share, in accordance with the terms of the Information Memorandum.

Notwithstanding the redeemable shareholders' rights to redemptions above, the Fund has the right, as set out in its Information Memorandum, to impose a redemption gate limit of 5% of the Class I Shares of the Fund or \$100,000 in any redemption period in order to manage redemption levels and maintain the strength of the Fund's capital base.

In addition, no sales will be permitted within the first 90 days from initial purchase and a redemption fee of 2% will be assessed on Class I Shares redeemed within 12 months after their date of purchase and 1% on Class I Shares redeemed beyond 12 months, subject to a minimum fee of \$25 per redemption request. The redemption fee will be shared equally between the Investment Manager and the Fund, and may be waived at the discretion of the Directors.

The holders of the Ordinary Shares have a right to receive notice of, attend and vote as members at any general meeting of the Company. The Ordinary Shares are not entitled to dividends nor do they participate in the profits of neither the Company nor the Fund. On a liquidation of the Company, the general assets of the Company, being the assets of the Company which are not assets of the Segregated Portfolios, shall be available for distribution to the holders of the Ordinary Shares pro rata according to the number of Ordinary Shares held by them. The Ordinary Shares are held by the Investment Manager.

The holders of the Class I Shares are not entitled to receive notice of, attend and vote as members at any general meeting of the Company. Holders of the Class I Shares are entitled to receive dividends and participate in the profits of the Fund. On a liquidation of the Fund, the holders of the Class I Shares have a right to participate in the surplus assets of the Fund after the payment of all creditors.

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BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

9. Distributions

The Fund intends to make quarterly distributions of substantially all or a portion of its dividend income earned to investors. The Fund at its discretion may pay out less than the entire amount of net investment income earned in a particular period and may at times pay out such accumulated undistributed income earned in other periods in order to permit the Fund to maintain a more stable level of distributions. The Fund may also make additional distributions of capital gains at the Board of Directors' discretion.

Distributions may be payable in cash or in additional Class I Shares at each investor's election.

During the year ended December 31, 2015 distributions totalling \$845,403 (2014: \$846,827) were paid in additional Class I shares at the investors' election.

10. Income taxes

The Cayman Islands at present impose no taxes on profit, income, capital gains or appreciation in value of the Fund. In the event that such taxes are levied, the Company has received an undertaking from the Governor-in-Cabinet of the Cayman Islands exempting it from all such taxes until July 25, 2026. As such, no provision for such taxes is included in the accompanying financial statements.

The Fund may, however, be subject to foreign withholding tax and capital gains tax in certain jurisdictions in respect of income derived from its investments.

11. Financial instruments and associated risks

The Fund is exposed to a variety of financial risks in pursuing its stated investment objective and policy. These risks are defined in IFRS 7 as including market risk (which in turn includes price, interest rate and currency risk), liquidity risk and credit risk. The Fund takes exposure to certain of these risks to generate investment returns on its portfolio, although these risks can also potentially result in a reduction in the Fund's net assets. The Investment Manager will use its best endeavours to minimise the potential adverse effects of these risks on the Fund's performance where it can do so while still managing the investments of the Fund in a way that is consistent with the Fund's investment objective and policy.

The risks, and the measures adopted by the Fund for managing these risks, are detailed below.

(a) Price risk

Market price risk is defined in IFRS 7 as the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices.

The Fund's financial assets at fair value through profit or loss consist of equity securities, the values of which are determined by market forces and there is accordingly a risk that market prices can change in a way that is adverse to the Fund's performance. An increase or decrease of 100 basis points in the prices of equity securities, with all other variables remaining constant, as at the reporting date would have increased or decreased net assets by \$304,230 (2014: \$335,188).

In accordance with the Fund's policy, the Investment Manager monitors the Fund's positions on a daily basis and reports regularly to the Board of Directors, which reviews the information on the Fund's overall market exposures provided by the Investment Manager at its periodic meetings.

As at December 31, 2015, the overall market exposures and concentration of risk are limited to the amounts presented in the statement of financial position.

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BIAS GLOBAL DIVIDEND INCOME FUND – US\$ SEGREGATED PORTFOLIO

Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

11. Financial instruments and associated risks (continued)

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's only interest-bearing financial asset or liability is cash and cash equivalents of \$3,301,061 (2014: \$1,653,205). Should the year end cash and cash equivalents be held for a period of 12 months, an increase or decrease of 100 basis points in interest rates, with all other variables remaining constant, as at the reporting date would have increased or decreased net assets by \$33,011 (2014: \$16,532).

(c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund holds assets denominated in currencies other than US dollars, the functional currency of the Fund. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The Fund's Investment Manager and the Sub-Manager meet on a bi-weekly basis in order to manage all relevant risks to the Fund's investments, including currency risk.

The fair values of the Fund's total exposure to foreign currency and securities denominated in foreign currencies at December 31, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Australian Dollar	\$ 156	\$ 740,434
Canadian Dollar	616,862	1,739,384
Swiss Franc	91	488,605
Euro	1,976,588	3,053,360
British Pound	<u>311,262</u>	<u>3,552,878</u>
Total	<u>\$ 2,904,959</u>	<u>\$ 9,578,661</u>

The Fund's net assets would increase or decrease by \$29,050 (2014: \$95,787) if the US dollar weakened or strengthened, respectively, by 100 basis points against the other currencies with all other variables remaining constant.

(d) Other price risk

The investment manager monitors the concentration of risk for equity securities based on counterparties and industries [and geographic location as discussed in Note 6]. The Fund's equity investments are concentrated in the following industries.

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Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

11. Financial instruments and associated risks (continued)

(d) *Other price risk (continued)*

The following table shows investments analyzed by industry:

Investments in securities by industry	Year Ended December 31			
	2015	%	2014	%
Basic Materials	1,002,647	3.3	2,267,050	6.8
Consumer, Cyclical	4,094,107	13.5	3,301,374	9.8
Consumer, Non-cyclical	7,243,312	23.8	5,858,598	17.5
Energy	1,102,213	3.6	2,306,745	6.9
Financial	3,678,909	12.1	3,844,299	11.5
Funds	8,228,795	27.0	10,822,678	32.3
Industrial	2,704,256	8.9	3,786,919	11.3
Technology	2,368,804	7.8	627,447	1.9
Utilities	-	-	703,640	2.1
	<u>\$ 30,423,042</u>	<u>100.0</u>	<u>\$ 33,518,750</u>	<u>100.0</u>

(e) *Liquidity risk*

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities as they fall due.

As at December 31, 2015 and 2014, the Fund's financial assets are greater than the financial liabilities and investments held are liquid in nature. All liabilities are expected to mature within twelve months of the statement of financial position date. As such, the Fund's management does not anticipate any material losses as a result of liquidity risk.

<u>2015</u>	<u>Less than one month</u>	<u>One to three months</u>	<u>Total</u>
Redemption payable	\$ 1,275	\$ -	\$ 1,275
Accounts payable and accrued expenses	<u>-</u>	<u>61,798</u>	<u>61,798</u>
Total liabilities	<u>\$ 1,275</u>	<u>\$ 61,798</u>	<u>\$ 63,073</u>
<u>2014</u>	<u>Less than one month</u>	<u>One to three months</u>	<u>Total</u>
Redemption payable	\$ 433	\$ -	\$ 433
Accounts payable and accrued expenses	<u>-</u>	<u>59,385</u>	<u>59,385</u>
Total liabilities	<u>\$ 433</u>	<u>\$ 59,385</u>	<u>\$ 59,818</u>

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Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

11. Financial instruments and associated risks (continued)

(e) Liquidity risk (continued)

As described in Note 8 to the financial statements, the Fund's Class I Shares are redeemable at the shareholder's option on a weekly basis, and therefore the Fund is potentially exposed to weekly redemptions by its shareholders.

(f) Credit risk

Credit risk is defined in IFRS 7 as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The majority of the Fund's financial assets are held with Comerica Bank, which is rated "A3" (2014: "A2") based on rating agency Moody's ratings. Management regularly monitors the institution's credit risk and does not anticipate any significant losses from this concentration.

The Fund's maximum credit exposure at the reporting date is \$3,325,259 (2014: \$1,703,406) which is the sum of the non-equity financial assets reported in the statement of financial position.

(g) Regulatory environment risk

A changing regulatory environment, including, but not limited to, changes in relevant tax laws, securities laws, bankruptcy laws or accounting standards, may make the business of the Fund less profitable or unprofitable. The ability of the Fund to carry on business from the Cayman Islands or as a Cayman Islands Fund will depend upon its initial and continuing compliance with the relevant provisions of Cayman Islands law and, in particular, the Mutual Funds Law. Management regularly monitors the institution's regulatory environment risk and does not anticipate any significant changes to the Fund.

(h) Dependence on the Investment Manager risk

The Investment Manager is responsible for investing the assets of the Fund. The success of the Fund depends upon the ability of the Investment Manager to develop and implement investment strategies that achieve the Fund's investment objectives.

12. Capital risk management

At December 31, 2015 the Fund had \$33,685,228 (2014: 35,162,338) of redeemable share capital classified as equity. The capital of the Fund is represented by the net assets of the Fund. The amount of net assets can change significantly on a weekly basis as the Fund is subject to weekly subscriptions and redemptions at the discretion of the Directors. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for holders of Class I Shares and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund. The Fund's policies with respect to managing its capital risk are discussed in Note 8 above. There were no changes in the policies and procedures during the year with respect to the Fund's approach to its redeemable share capital management.

The Board of Directors and Investment Manager monitor capital on the basis of the value of the net assets of the Fund.

The Fund is not subject to externally imposed capital requirements.

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Notes to the Financial Statements (continued)

December 31, 2015

(Expressed in United States dollars)

13. Related party transactions

As at December 31, 2015, the Directors of the Fund held 2,573 (2014: 3,143) Class I Shares in the Fund. As at December 31, 2015, persons or entities related to the Directors, the Investment Manager, or the Sub-Manager held 9.52% (2014: 9.64%) of the Class I Shares in the Fund.

BIAS (Cayman) Ltd. earns trade commission revenue based on trades executed within the Fund's normal course of business. Commissions are calculated by BIAS (Cayman) Ltd. based on the gross trade amount and security type. BIAS (Cayman) Ltd. Also earns custody fees as previously described in Note 7.

BIAS (Cayman) Ltd. and the Sub-Manager are related to the Fund by virtue of common control.

Management fees, custody fees and Directors fees are considered related party transactions and are discussed in Note 7 above.

14. Subsequent events

From January 1, 2016 through May 4, 2016, the Fund received approved subscriptions of \$846,359 and paid approved redemptions of \$3,199,191.