

FMG RISING 3 FUND LTD.

Financial Statements
(With Auditors' Report Thereon)

March 31, 2010 and 2009

FMG RISING 3 FUND LTD.

ANNUAL REPORT

March 31, 2010

Dear Shareholders:

We are pleased to send you the annual report and audited financial statements of FMG Rising 3 Fund Ltd. (the "Fund") for the year ending March 31, 2010. The Fund began operations on November 1, 2003 with a view to investing equally in the markets of China, India and Russia. These are areas which FMG Fund Managers Limited (the "Manager") views as having the greatest economic growth potential over the next decade. The Fund aims to reduce its volatility by diversifying its asset allocation among different managers in each country.

During the period, the Net Asset Value ("NAV") per US Dollar Class A Redeemable Preference Share increased by 62.6% to \$154.48; and the NAV per US Dollar Class B Redeemable Preference Share increased by 63.5% to \$18.03. The Fund also has Euro, GBP and NOK classes with performance ranging from gains of 58% to 62% depending on the hedging of the currency exposure and the fee schedule. More 09 shares classes were started during the fiscal year in USD, EUR, NOK, GBP and performance ranged from up 5% to up 54% depending on the starting point of the 09 classes. The performance of the Fund during the year reflected investors return to the capital markets after the dramatic sell-offs that took place in the latter part of 2008 and early part of 2009. As blue-chip stocks sold for as low as P/E of 2, bargain investors stepped in and helped reverse the dramatic drawdown and investor's misfortune that had taken place during most of 2008. Emerging markets gained the most as a result of having corrected the most during the financial crisis. The Fund was well exposed to take advantage of the return of equity investors and the consequent sharp rally in the markets.

The portfolio changes during the fiscal year reflect the sale of less liquid holdings and favored new liquid mandates. As we wrote in last year's report; "the sentiment of the majority of our managers is improving and the belief is that the Rising 3 economies will lead the recovery ahead." Emerging markets did indeed materially outperform the developed markets like Japan, Europe and the US whose performance ranged in the 30s to 40s percent for the same period. The Fund will adjust its exposure to the different markets should the markets look more favorable but the exposure will aim to achieve a fairly equal allocation.

Yours sincerely,

FMG Fund Managers Limited

As Manager for

FMG Rising 3 Fund Ltd.



KPMG

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AUDITORS' REPORT

To the Directors and Shareholders of
FMG Rising 3 Fund Ltd.

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of FMG Rising 3 Fund Ltd. (the "Fund") as at March 31, 2010, and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly in all material respects the financial position of FMG Rising 3 Fund Ltd. as at March 31, 2010 and the results of its operations, changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in Bermuda and Canada.

As explained in note 7 to the financial statements, the Fund held investments in FMG Russia Fund Ltd. and FMG China Fund Ltd. as at March 31, 2010. These funds held investments in underlying investment companies and an unquoted equity security whose fair values were estimated by the manager of FMG Russia Fund Ltd. and FMG China Fund Ltd. in the absence of readily ascertainable fair values. The fair value of the Fund's indirect exposure to these underlying investments at March 31, 2009 was \$4,356,602 (7.57% of net assets). The audit reports of the financial statements of FMG Russia Fund Ltd. and FMG China Fund Ltd. for the year ended March 31, 2009 included a qualification regarding the explanations and information provided by the manager of FMG Russia Fund Ltd. and FMG China Fund Ltd. which was not considered to be sufficient to provide a reliable estimate of the fair values of the underlying investment companies and unquoted equity security held at March 31, 2009. Accordingly, we were not able to determine whether any adjustments were necessary to the fair values of the Fund's investment in FMG Russia Fund Ltd. and FMG China Fund Ltd. at March 31, 2009, or to the net decrease in net assets from operations, or to the net decrease in net assets from capital share transactions during the year then ended.

Chartered Accountants
Hamilton, Bermuda
September 27, 2010

FMG RISING 3 FUND LTD.

Statement of Assets and Liabilities

March 31, 2010

(Expressed in United States Dollars)

	<u>2010</u>	<u>2009</u>
Assets		
Investments in other investment companies (cost - \$80,521,638; 2009 - \$86,938,845) (See Schedule of Investments) (Notes 5, 7, 10 and 11)	\$ 83,530,963	\$ 51,377,148
Unrealized gain on forward foreign exchange contracts (Notes 7 and 11(e))	182,406	470,123
Cash and cash equivalents (Notes 5 and 11(e))	4,887,166	7,087,345
Rebate income receivable (Note 3)	391,246	196,595
Other assets	<u>4,997</u>	<u>81,471</u>
Total assets	<u>88,996,778</u>	<u>59,212,682</u>
Liabilities		
Unrealized loss on forward foreign exchange contracts (Notes 7 and 11(e))	188,684	-
Subscriptions received in advance	263,767	41,286
Redemption payable	8,017,042	1,341,286
Management and incentive fees payable (Note 3)	391,412	251,964
Administration fees payable (Note 4)	43,090	27,719
Accounts payable and accrued expenses (Note 3)	<u>84,939</u>	<u>71,870</u>
Total liabilities	<u>8,988,934</u>	<u>1,734,125</u>
Net assets	\$ 80,007,844	\$ 57,478,557
Less: attributable to 100 common shares (Note 6)	<u>(100)</u>	<u>(100)</u>
Net assets attributable to redeemable preference shares (Note 6)	<u>\$ 80,007,744</u>	<u>\$ 57,478,457</u>
Net assets attributable to 179,590 (2009 - 224,603) US Dollar Class A redeemable preference shares	<u>\$ 27,743,919</u>	<u>\$ 21,333,471</u>
Net asset value per US Dollar Class A redeemable preference share	<u>\$ 154.48</u>	<u>\$ 94.98</u>
Net assets attributable to 17,241 (2009 - 96) US Dollar Class A 09 redeemable preference shares	<u>\$ 2,639,838</u>	<u>\$ 9,955</u>
Net asset value per US Dollar Class A 09 redeemable preference share	<u>\$ 153.11</u>	<u>\$ 103.69</u>
Net assets attributable to 1,335,890 (2009 - 1,897,877) US Dollar Class B redeemable preference shares	<u>\$ 24,091,199</u>	<u>\$ 20,940,720</u>
Net asset value per US Dollar Class B redeemable preference share	<u>\$ 18.03</u>	<u>\$ 11.03</u>

See accompanying notes to financial statements

FMG RISING 3 FUND LTD.

Statement of Assets and Liabilities (continued)

March 31, 2010

(Expressed in United States Dollars)

	<u>2010</u>	<u>2009</u>
Net assets attributable to 198,383 (2009 – nil) US Dollar Class B 09 redeemable preference shares	\$ 2,888,730	\$ –
Net asset value per US Dollar Class B 09 redeemable preference share	\$ 14.56	\$ –
Net assets of \$6,157,433 (2009 - \$4,691,689) attributable to 40,636 (2009 – 50,247) Euro Class A redeemable preference shares issued and outstanding	€ 4,558,022	€ 3,531,302
Net asset value per Euro Class A redeemable preference share	€ 112.17	€ 70.27
Net assets of \$1,289,366 (2009 - \$ 19,830) attributable to 6,300 (2009 - 144) Euro Class A 09 redeemable preference shares issued and outstanding	€ 954,450	€ 14,925
Net asset value per Euro Class A 09 redeemable preference share	€ 151.50	€ 103.64
Net assets of \$4,331,332 (2009 - \$4,606,097) attributable to 249,768 (2009 - 433,351) Euro Class B redeemable preference shares issued and outstanding	€ 3,206,256	€ 3,466,880
Net asset value per Euro Class B redeemable preference share	€ 12.84	€ 8.00
Net assets of \$684,086 (2009 - \$nil) attributable to 32,742 (2009 -nil) Euro Class B 09 redeemable preference shares issued and outstanding	€ 506,395	€ –
Net asset value per Euro Class B 09 redeemable preference share	€ 15.47	€ –
Net assets of \$4,673,174 (2009 - \$3,004,108) attributable to 26,347 (2009 - 28,261) GBP Class A redeemable preference shares issued and outstanding	£ 3,079,928	£ 2,093,892
Net asset value per GBP Class A redeemable preference share	£ 116.90	£ 74.08
Net assets of \$990,585 (2009 - \$43,207) attributable to 4,355 (2009 – 290) GBP Class A 09 redeemable preference shares issued and outstanding	£ 652,860	£ 30,116
Net asset value per GBP Class A 09 redeemable preference share	£ 149.90	£ 103.69

See accompanying notes to financial statements

FMG RISING 3 FUND LTD.

Statement of Assets and Liabilities (continued)

March 31, 2010

(Expressed in United States Dollars)

	<u>2010</u>	<u>2009</u>
Net assets of \$219,091 (2009 - \$143,682) attributable to 2,730 (2009 - 2,989) GBP Class B redeemable preference shares issued and outstanding	£ 144,396	£ 100,148
Net Asset Value per GBP Class B redeemable preference share	<u>£ 52.89</u>	<u>£ 33.50</u>
Net assets of \$308,119 (2009 - \$nil) attributable to 17,877 (2009 - nil) GBP Class B 09 redeemable preference shares issued and outstanding	£ 203,070	£ -
Net Asset Value per GBP Class B 09 redeemable preference share	<u>£ 11.36</u>	<u>£ -</u>
Net assets of \$2,236,108 (2009 - \$1,674,115) attributable to 11,274 (2009 - 15,377) NOK Class A redeemable preference shares issued and outstanding	NOK 13,286,510	NOK 11,250,773
Net Asset Value per NOK Class A redeemable preference share	<u>NOK 1,178.40</u>	<u>NOK 731.63</u>
Net assets of \$77,327 (2009 - \$nil) attributable to 317 (2009 - nil) NOK Class A 09 redeemable preference shares issued and outstanding	NOK 459,464	NOK -
Net Asset Value per NOK Class A 09 redeemable preference share	<u>NOK 1,452.78</u>	<u>NOK -</u>
Net assets of \$1,663,756 (2009 - 1,011,583) attributable to 7,027 (2009 - 7,822) NOK Class B redeemable preference shares issued and outstanding	NOK 9,885,705	NOK 6,798,265
Net Asset Value per NOK Class B redeemable preference share	<u>NOK 1,406.84</u>	<u>NOK 869.27</u>
Net assets of \$13,681 (2009 - nil) attributable to 77 (2009 - nil) NOK Class B 09 redeemable preference shares issued and outstanding	NOK 81,287	NOK -
Net Asset Value per NOK Class B 09 redeemable preference share	<u>NOK 1,055.34</u>	<u>NOK -</u>

See accompanying notes to financial statements

Signed on behalf of the Board

Director_____
Director

FMG RISING 3 FUND LTD.

Schedule of Investments

March 31, 2010

(Expressed in United States Dollars)

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Net Assets</u>	<u>Redemption Frequency</u>
<u>Other Investment Companies</u>				
FMG China Fund Class B	\$ 20,265,884	\$ 25,190,478	31.49%	Monthly
FMG (EU) China Fund Ltd. - Class B09 EUR	1,396,900	2,277,617	2.85%	Monthly
FMG India Fund Ltd. - Class B	14,292,693	18,930,184	23.66%	Monthly
FMG India Fund Ltd. - Class B 09	2,479,167	4,103,021	5.13%	Monthly
FMG (EU) India Fund Ltd. - Class B 09 EUR	1,396,900	2,184,405	2.73%	Monthly
FMG Russia Fund Class B	32,441,881	20,741,026	25.92%	Monthly
FMG Russia Fund Class B 09	1,700,000	2,043,400	2.55%	Monthly
FMG Russia Fund Class B Eur	1,000,000	306,104	0.38%	Monthly
FMG (EU) Russia Fund Class B09 EUR	3,396,900	4,185,778	5.23%	Monthly
FMG IOF (EU) Fund Class B EUR	1,551,313	2,971,037	3.71%	Monthly
FMG IOF (EU) Fund Class B 09 EUR	<u>600,000</u>	<u>597,913</u>	<u>0.75%</u>	Monthly
Total investments in other investment companies	\$ <u>80,521,638</u>	\$ <u>83,530,963</u>	<u>104.40%</u>	

See accompanying notes to financial statements

FMG RISING 3 FUND LTD.

Schedule of Investments

March 31, 2009

(Expressed in United States Dollars)

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Net Assets</u>	<u>Redemption Frequency</u>
<u>Other Investment Companies</u>				
FMG China Fund Ltd. – Class B	\$ 23,182,049	\$ 17,551,445	30.53%	Monthly
FMG (EU) China Fund Ltd. – Class B09 EUR	1,396,900	1,434,888	2.50%	Monthly
FMG India Fund Ltd. – Class B	17,643,101	11,903,257	20.70%	Monthly
FMG (EU) India Fund Ltd. – Class B EUR	1,396,900	1,205,039	2.10%	Monthly
FMG Russia Fund Ltd. – Class B	39,371,682	16,390,709	28.51%	Monthly
FMG Russia Fund Ltd. – Class B Eur	1,000,000	200,390	0.35%	Monthly
FMG (EU) Russia Fund Ltd. – Class B09 Eur	1,396,900	1,336,572	2.33%	Monthly
FMG India Opportunity Fund (EU) Ltd. – Class B EUR	<u>1,551,313</u>	<u>1,354,848</u>	<u>2.36%</u>	Monthly
Total investments in other investment companies	<u>\$ 86,938,845</u>	<u>\$ 51,377,148</u>	<u>89.38%</u>	

See accompanying notes to financial statements

FMG RISING 3 FUND LTD.

Statement of Operations

Year ended March 31, 2010

(Expressed in United States Dollars)

	<u>2010</u>	<u>2009</u>
Investment income		
Rebate income (Note 3)	\$ 1,687,723	\$ 2,378,163
Dividends	—	1,207
Interest income	—	998
	<hr/>	<hr/>
Total income	1,687,723	2,380,368
	<hr/>	<hr/>
Expenses		
Incentive fees (Note 3)	212,007	581
Management fees (Note 3)	1,398,866	2,161,662
Administration fees (Note 4)	156,623	231,296
Custodian fees (Note 5)	42,049	62,649
Interest on overdraft facility and bank charges (Note 8)	6,404	66,949
Amortization of deferred formation costs	—	5,250
Audit fees	25,050	50,162
Directors' and secretarial fees	20,583	27,948
Bermuda company fees	4,448	3,619
Miscellaneous	23,711	29,985
	<hr/>	<hr/>
Total expenses	1,889,741	2,640,101
	<hr/>	<hr/>
Net investment loss	(202,018)	(259,733)
	<hr/>	<hr/>
Realized and unrealized gains and losses on investments		
Net realized losses on sale of investments	(2,417,475)	(13,229,282)
Net realized gains and losses on forward foreign exchange contracts	204,148	(7,171,909)
Net change in unrealized gains and losses on investments	38,571,022	(86,289,700)
Net change in unrealized gains and losses on forward foreign exchange contracts	(476,401)	(1,031,755)
	<hr/>	<hr/>
Net realized and unrealized gains and losses on investments	35,881,294	(107,722,646)
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Net increase (decrease) in net assets from operations	\$ 35,679,276	\$ (107,982,379)
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See accompanying notes to financial statements

FMG RISING 3 FUND LTD.

Statement of Changes in Net Assets

Year ended March 31, 2010

(Expressed in United States Dollars)

	<u>2010</u>	<u>2009</u>
From operations		
Net investment loss	\$ (202,018)	\$ (259,733)
Net realized losses on sale of investments	(2,417,475)	(13,229,282)
Net realized gains and losses on forward foreign exchange contracts	204,148	(7,171,909)
Net change in unrealized gains and losses on investments	38,571,022	(86,289,700)
Net change in unrealized gains and losses on forward foreign exchange contracts	<u>(476,401)</u>	<u>(1,031,755)</u>
Net increase (decrease) in net assets from operations	<u>35,679,276</u>	<u>(107,982,379)</u>
From capital share transactions		
Proceeds from sale of 479 (2009 - 36,446) US Dollar Class A redeemable preference shares	68,660	6,312,335
Proceeds from sale of 20,055 (2009 - 96) US Dollar Class A 09 redeemable preference shares	2,729,677	9,600
Proceeds from sale of 367 (2009 - 627,040) US Dollar Class B redeemable preference shares	5,533	5,645,273
Proceeds from sale of 198,383 (2009 - nil) US Dollar Class B 09 redeemable preference shares	2,735,079	-
Proceeds from sale of 216 (2009 - 13,645) Euro Class A redeemable preference shares	22,812	2,522,063
Proceeds from sale of 7,294 (2009 - 144) Euro Class A 09 redeemable preference shares	1,426,331	18,439
Proceeds from sale of nil (2009 - 308,867) Euro Class B redeemable preference shares	-	8,816,279
Proceeds from sale of 332,598 (2009 - nil) Euro Class B 09 redeemable preference shares	6,449,591	-
Proceeds from sale of 449 (2009 - 9,450) GBP Class A redeemable preference shares	66,363	1,883,452
Proceeds from sale of 4,501 (2009 - 290) GBP Class A 09 redeemable preference shares	980,265	41,569
Proceeds from sale of 249 (2009 - 2,002) GBP Class B redeemable preference shares	21,245	340,460
Proceeds from sale of 32,232 (2009 - nil) GBP Class B 09 redeemable preference shares	566,849	-
Proceeds from sale of nil (2009 - 2,374) NOK Class A redeemable preference shares	-	538,864
Proceeds from sale of 474 (2009 - nil) NOK Class A 09 redeemable preference shares	102,685	-
Proceeds from sale of nil (2009 - 1,260) NOK Class B redeemable preference shares	-	604,474
Proceeds from sale of 110 (2009 - nil) NOK Class B 09 redeemable preference shares	19,275	-
Payment on redemption of 45,492 (2009 - 87,516) US Dollar Class A redeemable preference shares	(6,182,539)	(12,431,396)
Payment on redemption of 2,910 (2009 - nil) US Dollar Class A 09 redeemable preference shares	(404,469)	-
Payment on redemption of 562,354 (2009 - 1,786,256) US Dollar Class B redeemable preference shares	(9,324,694)	(27,952,131)

FMG RISING 3 FUND LTD.

Statement of Changes in Net Assets (continued)

Year ended March 31, 2010

(Expressed in United States Dollars)

	<u>2010</u>	<u>2009</u>
From capital share transactions (continued)		
Payment on redemption of 9,827 (2009 - 36,070) Euro Class A redeemable preference shares	(1,400,695)	(5,958,148)
Payment on redemption of 1,138 (2009 - nil) Euro Class A 09 redeemable preference shares	(227,372)	-
Payment on redemption of 183,583 (2009 - 241,084) Euro Class B redeemable preference shares	(3,178,756)	(5,482,829)
Payment on redemption of 299,856 (2009 - nil) Euro Class B 09 redeemable preference shares	(5,840,880)	-
Payment on redemption of 2,363 (2009 - 10,247) GBP Class A redeemable preference shares	(369,291)	(1,637,393)
Payment on redemption of 436 (2009 - nil) GBP Class A 09 redeemable preference shares	(102,402)	-
Payment on redemption of 508 (2009 - nil) GBP Class B redeemable preference shares	(40,259)	-
Payment on redemption of 14,355 (2009 - nil) GBP Class B 09 redeemable preference shares	(262,013)	-
Payment on redemption of 4,103 (2009 - 4,821) NOK Class A redeemable preference shares	(777,327)	(1,228,501)
Payment on redemption of 157 (2009 - nil) NOK Class A 09 redeemable preference shares	(38,403)	-
Payment on redemption of 795 (2009 - 1,525) NOK Class B redeemable preference shares	(189,480)	(245,293)
Payment on redemption of 33 (2009 - nil) NOK Class B 09 redeemable preference shares	<u>(5,774)</u>	<u>-</u>
Net decrease in net assets from capital share transactions	(13,149,989)	(28,202,883)
Net increase (decrease) in net assets attributable to redeemable preference shares	<u>22,529,287</u>	<u>(136,185,262)</u>
Net assets attributable to redeemable preference shares at beginning of year	57,478,457	193,663,719
Net assets attributable to redeemable preference shares at end of year	<u>\$ 80,007,744</u>	<u>\$ 57,478,457</u>

See accompanying notes to financial statements

FMG RISING 3 FUND LTD.

Statement of Cash Flows

Year ended March 31, 2010

(Expressed in United States Dollars)

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Net increase (decrease) in net assets from operations	\$ 35,679,276	\$ (107,982,379)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by operating activities:		
Change in assets and liabilities:		
Net change in investments and derivatives	(31,677,414)	138,370,183
Receivable for investment sold	—	1,500,000
Rebate income receivable	(194,651)	636,026
Unamortized formation costs	—	5,250
Other assets	76,474	(71,344)
Management and incentive fees payable	139,448	(726,777)
Administration fees payable	15,371	(73,876)
Accounts payable and accrued expenses	<u>13,069</u>	<u>(379,773)</u>
Net cash provided by operating activities	<u>4,051,573</u>	<u>31,277,310</u>
Cash flows from financing activities		
Proceeds from issue of redeemable preference shares	15,416,846	24,142,299
Payments on redemptions of redeemable preference shares	<u>(21,668,598)</u>	<u>(53,594,405)</u>
Net cash used in financing activities	<u>(6,251,752)</u>	<u>(29,452,106)</u>
Net (decrease) increase in cash and cash equivalents	<u>(2,200,179)</u>	<u>1,825,204</u>
Cash and cash equivalents at beginning of year	<u>7,087,345</u>	<u>5,262,141</u>
Cash and cash equivalents at end of year	<u>\$ 4,887,166</u>	<u>\$ 7,087,345</u>
Supplementary cash flow information		
Interest paid	<u>\$ 4,303</u>	<u>\$ 53,671</u>

See accompanying notes to financial statements

1. Operations

FMG Rising 3 Fund Ltd. (the “Fund”) was incorporated in Bermuda on February 23, 2001 as an open-ended investment fund, empowered by its by-laws to issue, redeem and reissue its own shares at prices based on their net asset value. The Fund was initially called FMG Diversified Technology Hedge Fund Ltd. and changed its name to FMG Rising 3 Fund Ltd. on November 5, 2003. The Fund changed its investment strategy with effect from November 1, 2003 and the capital invested through FMG Diversified Technology Fund Ltd. was returned to investors at that date.

The Fund invests with independent investment managers in countries outside of North America and Western Europe. The Fund’s assets are invested in other investment companies which have holdings in securities which may be listed or unlisted, rated or unrated, in China, India and Russia.

2. Significant accounting policies

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

(a) Investment transactions and valuation

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

(b) Forward foreign exchange contracts

The Fund purchases forward foreign exchange contracts in amounts approximating the net assets attributable to the Euro, GBP and NOK classes of redeemable preference shares to manage its exposure against changes in the US Dollar/Euro, US Dollar/GBP and US Dollar/NOK exchange rates. Forward foreign exchange contracts are recorded at fair value at the reporting date. The unrealized gain or loss on open forward foreign exchange contracts on each valuation date is the difference between the contract exchange rate and the forward exchange rate at the valuation date, as reported by published sources, applied to the face amount of the contract. The unrealized gain or loss at the reporting date is included in the statement of assets and liabilities. Realized and unrealized changes in the fair value of the contracts are included in the statement of operations in the period in which the change occurs and are attributed entirely to the classes of redeemable preference shares to which the individual contracts relate (Notes 2(c) and 11(e)).

FMG RISING 3 FUND LTD.

Notes to Financial Statements

March 31, 2010

2. Significant accounting policies (continued)

(c) Allocation of profits and losses

The profit or loss of the Fund for each month, excluding realized and unrealized gains and losses on forward foreign exchange contracts used for hedging (Notes 2(b) and 11(e)) and before management and incentive fees, is allocated at the end of each month between the US Dollar, Euro, GBP and NOK classes of redeemable preference shares (Note 6). The amount is allocated in proportion to the relative net assets of each class of redeemable preference shares on the first day of the month after adding subscriptions and deducting redemptions effective that day. All of the realized and unrealized gains and losses on forward foreign exchange contracts used for hedging are allocated to the appropriate class of redeemable preference shares. Management and incentive fees are calculated separately for each class of redeemable preference shares (Note 3).

(d) Foreign currency transactions

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

(e) Interest income and expense

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

(f) Rebate income

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

(g) Formation costs

Formation costs are deferred and amortized over a sixty-month period.

(h) Cash and cash equivalents

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

(i) Use of estimates

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

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

(j) *Changes in accounting policies*

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

3. **Management and incentive fees**

Management fees

The Fund pays FMG Fund Managers Limited (the “Manager”) a management fee at a rate of 2.0% per annum of the net assets attributable to the Class A redeemable preference shares of the Fund and 1.5% per annum of the net assets attributable to the Class B redeemable preference shares of the Fund, calculated on a monthly basis and payable quarterly. For the year ended March 31, 2010, this management fee was \$1,398,866 (2009 - \$2,161,662), of which \$380,820 (2009 - \$251,383) was payable at March 31, 2010.

Incentive fees

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

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

FMG RISING 3 FUND LTD.

Notes to Financial Statements

March 31, 2010

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

Incentive fees (continued)

For the year ended March 31, 2010 the incentive fee was \$212,007 (2009 - \$581), of which \$10,592 (2009 - \$581) was payable at March 31, 2010.

The Fund is charged management and incentive fees by the Manager as described above on its net assets. However, some of the other investment companies and limited partnerships in which the Fund invests are also managed by the Manager. To ensure that the Fund is not double charged for such management and incentive fees, the Manager rebates to the Fund its proportionate share of such fees. Management and incentive fees rebated to the Fund during the year amounted to \$1,687,723 (2009 - \$2,378,163) of which \$391,246 (2009 - \$196,595) is receivable at March 31, 2010.

Load fees

The Manager may charge load fees of up to 5% of the amount subscribed. When charged, these load fees will reduce the amount available to shareholders for the purchase of redeemable preference shares in the Fund. At March 31, 2010, \$47,200 (2009 - \$22,914) of load fees payable were included within accounts payable and accrued expenses.

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

4. **Administration fees**

Apex Fund Services Limited (the "Administrator") acts as the administrator, registrar and transfer agent for the Fund. For services provided, the Fund pays fees at the higher of \$2,000 per month for net assets up to \$10 million and \$3,000 per month for net assets exceeding \$10 million, or fifteen basis points of the Fund's net assets per annum. Effective December 1, 2008, the minimum fee was increased to \$3,000 per month for net assets up to \$10 million and \$4,000 per month for net assets exceeding \$10 million. For the year ended March 31, 2010, administration fees were \$156,623 (2009 - \$231,296) of which \$43,090 (2009 - \$27,719) was payable at March 31, 2010.

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

5. **Custodian fees**

Effective August 14, 2009, Credit Suisse AG (the "Custodian") was appointed as custodian to the Fund. Previously, custodial services were provided by HSBC Institutional Trust Services (Bermuda) Limited. Fees for custody services are charged a fee of 7 basis points per annum of the value of the net assets of the Fund under custody subject to an annual minimum of CHF 5,500. In addition, a set up fee of US\$1,500 will be payable together with all responsible disbursement and out-of-pocket expenses. Fees for custody services provided prior to August 14, 2009 were charged at the higher of \$3,000 per annum or five basis points of the gross asset value of custodied investments (calculated monthly). In addition, custody transaction fees were chargeable on individual transactions on a sliding scale, depending on the market and type of security.

Effective August 26, 2009 the Fund granted the Custodian a right of lien against all currency accounts and investments in other investment companies held by the Custodian on the Fund's behalf. The purpose of the right of lien is to secure any and all claims of the Custodian against the Fund arising from any current or future agreement or contracts as well as claims on other legal grounds resulting from business operations with the Fund.

6. Share capital

The authorized share capital of the Fund is \$11,000, which is divided into 100 common shares of par value \$1 each and 10,900,000 redeemable preference shares (the “Shares”), issued in US dollars, Euro, British Pounds and Norwegian Kroner as Class A and Class B shares with a par value \$0.001 each.

The holder of the common shares is not entitled to receive dividends, may not redeem their holding and is only entitled to be repaid the par value of the common shares upon a winding up or distribution of capital.

The common shares are entitled to one vote per share at a general meeting. All the common shares are held by the Manager (Note 3).

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

Effective February 1, 2009 Class A 09, Class A EUR 09 and Class A GBP 09 Shares were offered for sale. Effective March 1, 2009, Class A, Class A EUR and Class A GBP Shares were closed to additional subscriptions. Class A 09, Class A EUR 09 and Class A GBP 09 Shares have identical rights to the Class A, Class A EUR and Class A GBP Shares.

Shares may be purchased and redeemed on a Dealing Day, which is generally the first business day of each calendar month. Shares may be purchased at the net asset value per share calculated at the immediately preceding Valuation Day, generally the last business day of the preceding month. Class A and B Shares may be redeemed provided the Administrator receives written notice by at least the 20th day of the month prior to the Dealing Day.

If on any Valuation Day, any shareholder wishes to redeem Shares totaling more than 5% of the issued capital of the Fund or several shareholders wish to redeem Shares totaling more than 15% of the issued capital of the Fund, the Directors may defer redemption of such Shares, and the calculation of the redemption price, to a subsequent Dealing Day being not later than the fifth Dealing Day following receipt of the application for redemption. In such cases, suspended subscription and redemption requests shall be carried out on the basis of the next net asset value.

At March 31, 2010, redemptions payable include \$6,310,051 payable to FMG (EU) Rising 3, a fund managed by the same Manager as the Fund. At March 31, 2009, FMG (EU) Rising 3 held 169,886 shares or 39.20% of the outstanding Euro Class B Shares.

7. Fair value of financial instruments

The methods used to determine the fair value of investments in other investment companies, managed accounts and unrealized gains and losses on forward foreign exchange contracts are described in Note 2(a) and Note 2(b). The fair value of the Fund’s other financial assets and financial liabilities approximate their carrying amount due to their short term nature.

CICA 3862 establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund’s investments. The hierarchy of inputs is summarized below:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
 - Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).
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FMG RISING 3 FUND LTD.

Notes to Financial Statements

March 31, 2010

7. Fair value of financial instruments (continued)

Changes in valuation methods may result in transfers into or out of an investment's assigned level.

The following is a summary of the inputs used as of March 31, 2010 in valuing the Fund's investments and derivatives carried at fair values:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in other investment companies	\$ —	\$ 83,530,963	\$ —	\$ 83,530,963
Total investments	\$ —	\$ 83,530,963	\$ —	\$ 83,530,963
Derivative assets		\$ 182,406		\$ 182,406
Derivative liabilities		\$ (188,684)		\$ (188,684)

Investment in FMG Russia Fund Ltd.

The Fund had an investment in FMG Russia Fund Ltd. ("FMG Russia") with a fair value of \$16,591,099 at March 31, 2009, representing 28.86% of the net asset value of the Fund at that date. At March 31, 2009 FMG Russia held two investments in other investment companies with a total estimated fair value of \$3,020,363, representing 15.19% of the net asset value of FMG Russia. Since October 2008 there had been a suspension in dealing in the shares of these two funds and the calculation of their net asset value, due to adverse market conditions and the illiquidity of investments held in their portfolios. The fair value of these investments at March 31, 2009 were estimated by the Manager of FMG Russia based upon available information regarding the overall movements in the markets in which those funds are invested and the Manager's knowledge of the underlying portfolios.

Investment in FMG China Fund Ltd.

The Fund had an investment in FMG China Fund Ltd. ("FMG China") which at March 31, 2009 had a fair value of \$17,551,445, representing 30.53% of the net asset value of the Fund at that date. At March 31, 2009 FMG China held an investment in another investment company and an investment in an unquoted equity security. Together these two investments had an estimated fair value of \$2,061,215, representing 8.57% of the net asset value of FMG China. Since October 2008 there had been a suspension in dealing in the shares of the other investment company and the calculation of its net asset value, due to adverse market conditions and the illiquidity of investments held in its portfolio. The unquoted equity security had no ready market.

The fair value of the Fund's investment in the other investment company at March 31, 2009 had been estimated by the Manager of FMG China based upon available information regarding the overall movements in the markets in which the fund is invested and the Manager's knowledge of the underlying portfolio. The fair value of the unquoted equity security had been estimated by the Manager as being approximate to its original cost, in the absence of observable transactions in the marketplace.

There was a significant amount of uncertainty as to the fair value of these investments at March 31, 2009 due to the inability of FMG Russia and FMG China to redeem their investments and due to the illiquid nature of the underlying investments held. There could be significant differences between the realizable values of the investments upon their eventual sale by FMG Russia and FMG China and the fair value amounts estimated by the Manager at March 31, 2009, and such differences could be material to the Fund's financial statements.

8. Overdraft facility

During the year the Fund had an overdraft facility in the amount of \$20,000,000 with The Bank of Bermuda Limited. Collateral for the overdraft facility is a fixed and floating charge over the investment portfolio and deposits held in the Fund's restricted account with the Bank. Aggregate drawings on the facility are limited to the lesser of \$20,000,000 or 15% of the net asset value of the Fund. Borrowings bear interest at LIBOR plus 1.5% per annum which is payable monthly. On August 31, 2009 the Fund closed its custody account with the Bank which resulted in the termination of this facility.

9. Taxation

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

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

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

10. Related party transactions

At March 31, 2010, the Fund's investments with a total value of \$83,530,963 (2009 - \$51,377,148) are in other investment companies which are also managed by the Manager.

11. Financial instruments and risk management

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

The other investment companies in which the Fund invests hold investments in companies that are mainly focused on investments located in Russia, China and India. These countries are experiencing significant political and economic change which has affected, and may continue to affect, the activities of enterprises operating in those environments. The prospects for future economic stability in these countries are largely dependent upon the effectiveness of economic measures undertaken by their governments, together with legal, regulatory and political developments, which are beyond the Fund's control. Consequently, operations in these emerging markets involve risks which do not typically exist in other markets. Such risks include, but are not limited to, holding investments which may prove difficult to sell in times of forced liquidity, risks involved in estimating the value of the underlying businesses, potential adverse changes to the legal, regulatory and taxation environments that could adversely affect the underlying business, currency fluctuations, change in interest rates, institutional, settlement and custodial risks, and other risks generally associated with investing in emerging markets.

(a) Liquidity risk

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

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

(a) *Liquidity risk* (continued)

The Schedule of Investments summarizes the redemption frequencies of the Fund's investments in other investment companies at March 31, 2010.

At March 31, 2010, there was no redemption restriction for any of the investment funds held by the Fund.

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

(b) *Interest rate risk*

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

(c) *Credit risk*

Credit risk arises from the potential inability of counterparties to perform under the terms of the contract. The Fund has cash and cash equivalents, derivative financial instruments and investments held in the custody of a major bank with a long term credit rating of Aa2 issued by Moody's. As the Fund invests in other investment companies and limited partnerships, the Fund is exposed to the credit risk of each of those underlying funds. The amount of credit exposure is represented by the carrying amounts of the investments listed on the schedule of investments.

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

(d) *Market risk*

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

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

At March 31, 2010, if the price of the investments increased by 5%, this would have increased the net assets resulting from operations and the net assets attributable to holders of redeemable preference shares by \$4,176,548 (2009 - \$2,568,857); an equal change in the opposite direction would have decreased the net assets resulting from operations and the net assets attributable to holders of redeemable preference shares by an equal amount. Actual results will differ from this sensitivity analysis and the differences could be material.

FMG RISING 3 FUND LTD.

Notes to Financial Statements

March 31, 2010

11. Financial instruments and risk management (continued)

(e) Currency risk

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

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

	<u>Monetary Assets</u>	<u>Monetary Liabilities</u>	<u>Net assets attributable to non-USD denominated share classes</u>	<u>Forward FX Contracts</u>	<u>Net Exposure</u>
March 31, 2010					
GBP	\$ –	\$ (33,673)	\$ (6,190,969)	\$ 5,728,077	\$ (496,565)
EUR	12,522,854	–	–	(11,988,315)	534,539
EUR	–	(7,195,068)	(12,462,217)	18,810,885	(846,400)
NOK	–	(133,721)	(3,990,872)	3,538,460	(586,133)
	<u>\$ 12,522,854</u>	<u>\$ (7,342,462)</u>	<u>\$ (22,644,058)</u>	<u>\$ 16,089,107</u>	<u>\$ (1,394,559)</u>
	<u>Monetary Assets</u>	<u>Monetary Liabilities</u>	<u>Net assets attributable to non-USD denominated share classes</u>	<u>Forward FX Contracts</u>	<u>Net Exposure</u>
March 31, 2009					
GBP	\$ –	\$ (109,222)	\$ (3,190,997)	\$ 3,057,268	\$ (242,451)
EUR	5,531,737	–	–	(4,696,044)	835,693
EUR	–	(51,919)	(9,317,616)	8,731,210	(638,325)
NOK	–	(5,387)	(2,685,698)	2,387,700	(303,385)
	<u>\$ 5,531,737</u>	<u>\$ (166,528)</u>	<u>\$ (15,194,311)</u>	<u>\$ 9,480,134</u>	<u>\$ (348,968)</u>

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

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

FMG RISING 3 FUND LTD.

Notes to Financial Statements

March 31, 2010

11. Financial instruments and risk management (continued)*(e) Currency risk* (continued)

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

At March 31, 2010, had the US Dollar strengthened by 5% in relation to the above currencies, there would be an approximate net impact of \$(26,727) (2009: \$(41,785)) on the statement of operations and net assets of the Fund arising from the change in the carrying value of monetary assets, net of the effect of hedging instruments. There would also be an approximate net impact of \$96,455 (2009: 59,208) on the statement of operations and on the net assets attributable to the hedged non-USD denominated share classes. A 5% weakening of the US Dollar against the above currencies would have resulted in an approximate equal but opposite effect. Actual results will differ from this sensitivity analysis and the difference could be material to the financial statements.

At March 31, 2010, the Fund had the following open forward foreign exchange contracts:

Currency to be <u>bought</u>	Currency to be <u>sold</u>	Contract due <u>date</u>	<u>Fair value</u>
EUR 13,786,928	USD 18,810,885	7 April, 2010	\$ (186,123)
USD 11,988,315	EUR 8,776,219	7 April, 2010	132,520
NOK 21,009,603	USD 3,538,460	7 April, 2010	(2,561)
GBP 3,808,056	USD 5,728,077	7 April, 2010	<u>49,886</u>
Net unrealized loss on open forward foreign exchange contracts			\$ <u>(6,278)</u>

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

Currency to be <u>bought</u>	Currency to be <u>sold</u>	Contract due <u>date</u>	<u>Fair value</u>
EUR 6,674,542	USD 8,371,210	2 April, 2009	\$ 496,586
USD 4,969,044	EUR 3,961,923	2 April, 2009	(294,767)
NOK 17,359,770	USD 2,387,700	2 April, 2009	195,434
GBP 2,181,737	USD 3,057,268	2 April, 2009	<u>72,870</u>
Net unrealized gain on open forward foreign exchange contracts			\$ <u>470,123</u>

(f) Capital management

The Fund's objectives in managing the redeemable preference shares are to ensure a stable base to maximize returns to all investors, and to manage liquidity risk arising from redemptions. The Fund's management of the liquidity risk arising from redeemable preference shares is discussed in note 11(a).

The Fund is not subject to any externally imposed capital requirements.

FMG RISING 3 FUND LTD.

Notes to Financial Statements

March 31, 2010

12. Subsequent events

On April 1, 2010 the investments of the Fund were transferred to FMG Rising 3 EU Fund Ltd., a sub-fund of FMG Funds SICAV Ltd which is a regulated Malta entity managed by FMG Malta Ltd. and the Fund effectively became a feeder fund. In exchange for these assets the Fund received shares in FMG Rising 3 EU Fund Ltd. for the same value. For the period from March 31, 2010 to August 31, 2010 there have been net redemptions in the US Dollar Class A Shares of \$1,906,322 the US Dollar Class B Shares of \$3,882,070 the US Dollar Class B 09 of \$16,397, the Euro Class A Shares of \$258,748, the EUR Class A 09 Shares of \$112,713, the EUR Class B Shares of \$851,009, the NOK Class A Shares of \$174,843, the NOK Class A 09 Shares of \$5,629, the NOK Class B Shares of \$10,952 the GBP Class A Shares of \$600,385, the GBP Class B Shares of \$39,068 and GBP Class B 09 Shares \$272,769. Also for the same period there have been net subscriptions in the US Dollar Class A 09 Shares of \$331,155 and the GBP Class A 09 Shares of \$108,496.

BOARD OF DIRECTORS

James Keyes*
William Woods*
Peter Hughes*

*These Directors are independent
non-executive directors as defined
under ISE Listing Requirement
and Procedure 2.20
