

NDC UNICORN FUND
(A Sub-Fund of NDC Umbrella Fund)

Audited Financial Statements

10 March 2009 with Independent Auditors' Report

 **ERNST & YOUNG**

NDC Unicorn Fund
Audited Financial Statements

10 March 2009

Contents

Market Conditions and Investment Report.....	1
Independent Auditors' Report	2
 Audited Financial Statements	
Statement of Assets and Liabilities	3
Statement of Operations	4
Statement of Changes in Net Assets Attributable to Unitholders.....	5
Statement of Cash Flows	6
Notes to Financial Statements	7

NDC Unicorn Fund

NDC Unicorn Fund Market Conditions and Investment Report Year ended 10 March 2009

The financial crisis spread from United States has created significant impact on global financial market. Followed by the Lehman Brothers' filing for Chapter 11, the rapid deteriorating in credit market all over the world and the tight credit as well as weak consumer demand in US weakened market sentiment, which resulted in huge drop in equity market and Nikkei 225 index dropped from 13,603.02 to 7,568.42.

Throughout the year, our focus in management of NDC Unicorn Fund was risk and liquidity management. The assets of NDC Unicorn Fund was invested substantially in the Derivative Arbitrage Fund L.P., a Bermuda exempted limited partnership.

Facing potential volatility in the market, we, also retained as the manager of Derivative Arbitrage Fund decided to lever the portfolio much less than the otherwise we would from the very beginning of this year. We shifted significant portion of our capital from equity long-short position to convertible arbitrage and OTC corporate finance transactions as the latter requires relatively small amount of capital yet potential return was quite large in consequent of tight credit market. We foresee greater opportunity in this kind of strategy in the coming year.

Despite of the extremely severe condition, we have managed to preserve the capital of the Fund nevertheless we have ended up with positive return of 0.53%.

We will continue to strive to maintain rigorous risk management as well as to enhance the return by identify anomalies in the market.

For and on behalf of the Manager
N.D.C. Investment Pte. Ltd.


Akira Sunaga
Director


Hiroshi Matsubara
Director

Singapore
15 May 2009

NDC Unicorn Fund
Independent Auditors' Report

To the Unitholders
NDC Unicorn Fund

We have audited the accompanying financial statements of NDC Unicorn Fund (the "Sub-Fund") set out on pages 3 to 10, which comprise the statement of assets and liabilities as at 10 March 2009 and the statements of operations, changes in net assets attributable to unitholders and cash flows for the year ended 10 March 2009, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the stated accounting policies and notes. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity'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 entity'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, financial position of NDC Unicorn Fund as of 10 March 2009, and the results of its operations, changes in net assets attributable to unitholders and cash flows for the year then ended in accordance with the stated accounting policies and notes.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
Singapore
15 May 2009

NDC Unicorn Fund
Statements of Assets and Liabilities

As at March 10, 2009

(Stated in Japanese Yen)

	Note	2009 ¥	2008 ¥
Assets			
Cash at bank		27,309	3,075,922
Investment in Derivative Arbitrage Fund L.P., at fair value (cost: ¥896,160,695; 2008: ¥896,160,695)	3	951,582,749	942,754,530
Other assets		159,766	8,400
Total assets		<u>951,769,824</u>	<u>945,838,852</u>
Liabilities			
Accrued expenses		2,804,579	694,719
Total liabilities		<u>2,804,579</u>	<u>694,719</u>
Net assets attributable to unitholders		<u>948,965,245</u>	<u>945,144,133</u>
Net asset value per unit (based on 95,455; 2008: 95,455 units outstanding)		<u>9,941.49</u>	<u>9,901.46</u>

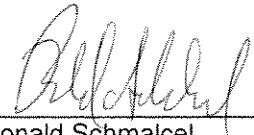
For and on behalf of the Manager
N.D.C. Investment Pte. Ltd.


Akira Sunaga
Director

For and on behalf of the Trustee
Butterfield Trust (Bermuda) Limited


As Trustee of NDC Unicorn Fund
(a Sub-Fund of NDC Umbrella Fund)
Wendy Tucker-Adams
Authorised signatory


Hiroshi Matsubara
Director


Ronald Schmalzel
Authorised signatory

Singapore
15 May 2009

See accompanying notes.

NDC Unicorn Fund
Statements of Operations

Year ended March 10, 2009

(Stated in Japanese Yen)

	2009 ¥	2008 ¥
Investment income		
Other income	1,898,629	49,609
Expenses		
Administration fee	840,000	840,000
Listing fee	403,019	472,400
Professional fee	4,514,752	-
Trustee fee	857,866	335,355
Other expenses	220,952	341,203
Total expenses	<hr/> 6,836,589	<hr/> 1,988,958
Net investment expense	(4,937,960)	(1,939,349)
Gain/(loss) on investments and foreign currency transactions		
Net change in unrealised gain from investments	8,828,219	40,931,223
Net (loss)/gain on foreign currency transactions	(69,147)	49,296
Net gain on investments and foreign currency transactions	<hr/> 8,759,072	<hr/> 40,980,519
Net change in net assets attributable to unitholders resulting from operations	<hr/> 3,821,112	<hr/> 39,041,170

See accompanying notes.

NDC Unicorn Fund
 Statements of Changes in Net Assets
 Attributable to Unitholders

Year ended March 10, 2009

(Stated in Japanese Yen)

	2009 ¥	2008 ¥
Operations		
Net investment expense	(4,937,960)	(1,939,349)
Net gain on investments and foreign currency transactions	8,759,072	40,980,519
Net change in net assets attributable to unitholders resulting from operations	<u>3,821,112</u>	<u>39,041,170</u>
Net increase in net assets attributable to unitholders for the year	3,821,112	39,041,170
Net assets attributable to unitholders at beginning of year	945,144,133	906,102,963
Net assets attributable to unitholders at end of year	<u>948,965,245</u>	<u>945,144,133</u>

See accompanying notes.

NDC Unicorn Fund
Statements of Cash Flows

Year ended March 10, 2009

(Stated in Japanese Yen)

	2009 ¥	2008 ¥
Cash flows from operating activities		
Net change in net assets attributable to unitholders resulting from operations	3,821,112	39,041,170
Adjustments to reconcile net change in net assets attributable to unitholders resulting from operations to net cash (used in)/provided by operating activities :		
Change in operating assets and liabilities:		
Due from brokers	-	914,264,951
Investments in Derivative Arbitrage Fund, L.P., at fair value	(8,828,219)	(40,931,223)
Other assets	(151,366)	(6,783)
Accrued expenses	2,109,860	(297,998)
Net cash (used in)/provided by operating activities	<u>(3,048,613)</u>	<u>912,070,117</u>
Cash flows from financing activity		
Distributions	-	(915,347,737)
Net cash used in financing activity	<u>-</u>	<u>(915,347,737)</u>
Net change in cash and cash equivalents		
Cash and cash equivalents at beginning of year	3,075,922	6,353,542
Cash and cash equivalents at bank at end of year	<u>27,309</u>	<u>3,075,922</u>

See accompanying notes.

NDC Unicorn Fund

Notes to Financial Statements

10 March 2009

1. Organisation

NDC Umbrella Fund (the "Fund") is a unit trust established in Bermuda and constituted by a trust deed (the "Trust Deed") dated 21 December 1999 made between the Fund's manager, N.D.C. Investment Pte. Ltd. (the "Manager"), a company incorporated in Singapore, and the trustee, Bermuda Trust Company Limited (the "Trustee"). The Manager is responsible for the management and investment of assets of the Fund.

The Fund was established to offer a series of sub-funds which invest directly into securities and/or invest in other funds. The principal activities of the sub-funds are those of making investment in stocks, notes, bonds, debentures, convertible bonds, warrants, foreign exchange contracts, investment funds and derivatives in connection therewith, traded in various parts of the world (including emerging markets), but predominantly in Japan.

The existing sub-fund offered under the Fund is NDC Unicorn Fund (the "Sub-Fund").

The registered office of the Fund is located at Cedar House, 41A Cedar Avenue, Hamilton HM 12, Bermuda.

The Fund had retained The Bank of Bermuda Limited as Trustee and registrar of the Fund, and HSBC Institutional Trust Services (Singapore) Limited as the administrator (the "Administrator") of the Fund for the year ended 10 March 2009. On 11 March 2009, the Fund terminated the services of The Bank of Bermuda Limited and HSBC Institutional Trust Services (Singapore) Limited, and appointed Butterfield Trust (Bermuda) Limited as the new Trustee and registrar to the Fund, and Portcullis Fund Administration (S) Pte Ltd as the new administrator of the Fund.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements of the Fund have been prepared in accordance with the historical cost convention, modified to include investments at market values and are stated in Japanese Yen ("JPY" or "¥"). The following is a summary of the significant accounting and reporting policies used in preparing the financial statements :

Investment Transactions and Related Investment Income

Investment transactions are accounted for on a trade date basis. Realised gains or losses from investment transactions are recorded on the basis of the difference between weighted average cost and selling price. Interest is recorded on a time proportion basis and dividends are recorded on the ex-dividend date.

Cash and Cash Equivalents

Cash and cash equivalents include amounts due from banks and financial institutions on demand and interest bearing deposits with original maturities of three months or less. All cash and cash equivalents are held with an affiliate of the Administrator at balance sheet date.

Investment in Derivative Arbitrage Fund L.P.

The Sub-Fund's investment in Derivative Arbitrage Fund L.P. (the "DAF Fund") is valued at the Sub-Fund's proportionate partnership interest in the DAF Fund. The Sub-Fund is allocated profits and losses from the DAF Fund in proportion to the Sub-Fund's ownership percentage, which are included in the statement of operations.

NDC Unicorn Fund

Notes to Financial Statements (continued)

10 March 2009

2. Summary of Significant Accounting Policies (continued)

Foreign Currency Translation

The books and records of the Sub-Fund are maintained in JPY. Assets and liabilities denominated in foreign currencies other than the functional currency, JPY, are translated at the rates of exchange prevailing at the date of the financial statements. Transactions in foreign currencies are translated at the rates of exchange prevailing at the time of the transaction. Exchange gains or losses are included in the statement of operations.

The Sub-Fund does not isolate the portion of gains or losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations are included with the net realised and unrealised gains or losses from investments.

Taxation

The Fund has received an undertaking from the Minister of Finance in Bermuda pursuant to the Exempted Undertakings Tax Protection Act 1966 that in the event of any taxes being imposed on profits or income or capital gains, the Fund will be exempted from taxation until 28 March 2016. The only taxes payable by the Fund are withholding taxes applicable to certain investment income. As a result, no tax liability or expense has been recorded in the Sub-Fund's financial statements.

3. Investment in Derivative Arbitrage Fund L.P.

The Sub-Fund invests substantially all of its assets in the DAF Fund, a Bermuda exempted limited partnership. The DAF Fund invests in stocks, notes, bonds, debentures, convertible bonds, warrants, foreign exchange contracts, investment funds and derivatives in connection therewith, traded in various parts of the world (including emerging markets), but predominantly in Japan. At 10 March 2009, the Sub-Fund owned 48.25% (2008: 35.08%) of the DAF Fund's partners' capital.

4. Due from Brokers

Due from brokers includes cash and other balances, margin deposits on derivative contracts and cash collateral with the Sub-Fund's Prime Brokers and other clearing brokers and net amounts receivable for securities transactions that have not settled at the date of the financial statements. The Sub-Fund continuously monitors the credit standing of each broker with whom it conducts business.

NDC Unicorn Fund
Notes to Financial Statements (continued)

10 March 2009

5. Trust Capital

In accordance with the Prospectus, the Sub-Fund is able to issue up to 1,000,000 units to unitholders, and the initial units are issued at ¥10,000 per unit. Additional units may be subscribed on the last business day of February in each year, or at such other time as determined by the discretion of the Manager with the approval of the Trustee at a price equal to the net asset value per unit of the Sub-Fund as of the close of the business day on the subscription date.

The units are redeemable at the end of each month, on 30 days' prior written notice, or at such other time as determined by the discretion of the Manager with the approval of the Trustee at the net asset value per unit as of the close of the business day on the redemption date.

The Trust Deed allows the Manager to propose distributions of the annual income (if any) of the Sub-Fund to the unitholders at its discretion and to the extent permitted by the Bermuda law. There were no distributions proposed by the Manager for the year ended 10 March 2009 and 10 March 2008, respectively.

The unit transactions for the year ended 10 March were as follows :

	2009	2008
Units outstanding at beginning and end of year	<u>95,455</u>	<u>95,455</u>

6. Related Party Transactions

Pursuant to the prospectus dated December 1999, the Manager is entitled to impose a preliminary charge of up to 3% of the amount invested in order to compensate persons involved in the placement of NDC Unicorn Fund units. The Manager is not otherwise entitled to receive any other fees and expenses.

7. Risk Management

In the ordinary course of business, the Sub-Fund manages a variety of risks including market risk, credit risk, liquidity risk and foreign currency risk. The Sub-Fund identifies, measures and monitors risk through various control mechanisms, including trading limits and diversifying exposures and activities across a variety of instruments, markets and counterparties.

Market risk is the risk of potential adverse changes to the value of financial instruments and their derivatives because of changes in market conditions like interest and currency rate movements and volatility in security prices. The Sub-Fund manages its exposure to market risk through the use of risk management strategies and various analytical monitoring techniques.

NDC Unicorn Fund
Notes to Financial Statements (continued)

10 March 2009

7. Risk Management (continued)

Credit risk is the risk that any counterparty may fail to fulfil their obligations or that the collateral value becomes inadequate. The Sub-Fund attempts to minimise its credit risk by monitoring the credit exposure with and the creditworthiness of counterparties, and using master netting agreements whenever possible. The extent of the Sub-Fund's exposure to credit risk in respect of these financial assets approximates their carrying value as recorded in the Sub-Fund's statement of assets and liabilities.

Liquidity risk arises in the general funding of the Sub-Fund's trading activities. It includes the risks of not being able to fund trading activities at settlement dates and liquidate positions in a timely manner at a reasonable price. The Sub-Fund manages its liquidity risk by investing primarily in marketable securities and financing its trading activities on a short-term basis through the use of short-term security financing transactions when necessary.

The Sub-Fund may invest in assets denominated in currencies other than its reporting and functional currency, the JPY. Consequently, the Sub-Fund is exposed to risks that the exchange rate of the JPY relative to other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Sub-Fund's assets which is denominated in currencies other than the JPY.

8. Comparatives

Certain comparative figures in the statement of assets and liabilities and statement of operations have been reclassified to conform with current year's presentation.

9. Approval of the Financial Statements

The financial statements of the Sub-Fund for the year ended 10 March 2009 were authorised for issue by the Trustee on 15 May 2009.