

**INTERNATIONAL PRIVATE CAPITAL SPC LTD**

**FINANCIAL STATEMENTS - YEAR ENDED**

**JUNE 30, 2011**

TABLE OF CONTENTS

---

CONTENTS	PAGES
CORPORATE INFORMATION	2
INDEPENDENT AUDITORS' REPORT	3
DIRECTORS' RESPONSIBILITIES AND APPROVAL OF THE FINANCIAL STATEMENTS	4
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF COMPREHENSIVE INCOME	6
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES	7
STATEMENT OF CASH FLOWS	8
NOTES TO THE FINANCIAL STATEMENTS	9 - 29

CORPORATE INFORMATION

---

**REGISTERED OFFICE**

Geneva Management Group (BVI) Ltd  
Coastal Building  
Wickhams Cay II  
Road Town, Tortola  
British Virgin Islands

**MANAGER**

GMG Fund Services Ltd  
19<sup>th</sup> Floor, Newton Tower  
Sir William Newton Street  
Port Louis  
Republic of Mauritius

**PAYING AGENT**

GMG Trust Ltd  
19<sup>th</sup> Floor, Newton Tower  
Sir William Newton Street  
Port Louis  
Republic of Mauritius

**COMPANY SECRETARY**

Geneva Management Group (BVI) Ltd  
Coastal Building, 2<sup>nd</sup> Floor  
Wickham's Cay II  
Road Town, Tortola  
British Virgin Islands

**AUDITORS**

BDO & Co  
10, Frère Felix de Valois Street  
Port Louis  
Republic of Mauritius

**BANKERS**

Barclays Bank Guernsey  
6/8 High Street  
St Peter Port  
Guernsey  
GY1 3BE



Tel: +230 202 3000  
Fax: +230 202 9993  
www.bdo.mu

DCDM Building  
10, Frère Félix de Valois Street  
Port Louis, Mauritius  
P.O. Box 799

## INTERNATIONAL PRIVATE CAPITAL SPC LTD

3

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of INTERNATIONAL PRIVATE CAPITAL SPC LTD (the "Company"), as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Report on the Financial Statements

We have audited the financial statements of INTERNATIONAL PRIVATE CAPITAL SPC LTD on pages 5 to 29 which comprise the statement of financial position at June 30, 2011, and the statement of comprehensive income, statement of changes in net assets attributable to holders of redeemable shares and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

#### *Directors' Responsibility for the Financial Statements*

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. 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 International 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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.



INTERNATIONAL PRIVATE CAPITAL SPC LTD

3(a)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

**Report on the Financial Statements (Continued)**

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 on pages 5 to 29 give a true and fair view of the financial position of the Company at June 30, 2011, and of its financial performance and its cash flows for the year ended June 30, 2011 in accordance with International Financial Reporting Standards.

*BDO & Co*  
**BDO & Co**  
*Chartered Accountants*

*Azize Rajabalee*

**Azize Rajabalee, FCCA**  
Licensed by FRC

Port Louis,  
Mauritius.

09 DEC 2011

**DIRECTORS' RESPONSIBILITIES FOR THE APPROVAL OF THE FINANCIAL STATEMENTS**

---

The financial statements for the period ended June 30, 2011 set out on pages 5 to 29 are the responsibility of the Directors. The Directors are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records, for the safeguarding of assets, and for developing and maintaining a system of internal control that, amongst other things, will ensure the preparation of financial statements that achieve fair presentation. After conducting appropriate procedures, the Directors are satisfied that the company will be a going concern for the foreseeable future and have adopted the going concern basis in preparing the financial statements.

The financial statements for the period ended June 30, 2011 were approved by the Directors on 09 DEC 2011 and are signed by:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

## STATEMENT OF FINANCIAL POSITION - JUNE 30, 2011

	Notes	2011			2010	
		Class A*	Class B*	Ax Futures*	Class A*	Class B*
ASSETS		EUR	EUR	USD	EUR	EUR
<b>Current assets</b>						
Financial assets at fair value						
through profit or loss	5	-	10,147,495	4,420,624	-	9,988,999
Cash and cash equivalents		-	-	13	-	-
Other receivables	6	1,000	-	3,761	1,000	232
<b>Total assets</b>		<b>1,000</b>	<b>10,147,495</b>	<b>4,424,398</b>	<b>1,000</b>	<b>9,989,231</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
Non-participating management shares	10	1,000	-	-	1,000	-
<b>Total equity</b>		<b>1,000</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Financial liabilities at fair value						
through profit or loss	7	-	9,123,151	-	-	8,972,561
<b>Current liabilities</b>						
Other payables	9	-	24,697	1,294,952	-	17,023
Total liabilities (excluding net assets attributable to holders of redeemable shares)		-	9,147,848	1,294,952	-	8,989,584
Net assets attributable to holders of redeemable shares	11	-	999,647	3,129,446	-	999,647
<b>Total equity and liabilities</b>		<b>1,000</b>	<b>10,147,495</b>	<b>4,424,398</b>	<b>1,000</b>	<b>9,989,231</b>

\* Refers to a segregated portfolio of International Private Capital SPC Ltd. Class A shares are designated as non-participating management shares of the Company as a whole.

The notes on pages 9 to 29 form an integral part of these financial statements.

Auditors' report on pages 3 and 3(a).

## STATEMENT OF COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2011

	Notes	Year ended June 30, 2011			From August 6, 2009 to June 30, 2010	
		Class A*	Class B*	Ax Futures*	Class A*	Class B*
		EUR	EUR	USD	EUR	EUR
<b>Income</b>						
Net foreign exchange gain		-	-	-	-	4,539
Net unrealised gain from financial instruments at fair value through profit or loss	8		152,209	737,285		
Net realised gain from disposal of financial instruments at fair value through profit or loss		-	-	33,662	-	193,672
Interest income		-	-	53	-	-
Dividend income		-	-	51,746	-	-
<b>Total net income</b>		-	152,209	822,746	-	198,211
<b>Expenses</b>						
Net unrealised loss from financial instruments at fair value through profit or loss	8	-	-	-	-	139,720
Net foreign exchange loss		-	2,800	7,926	-	-
Net realised loss from disposal of financial instruments at fair value through profit or loss		-	72,812	-	-	-
Management fee	12	-	62,325	14,630	-	36,092
Investment management fees		-	-	7,886	-	-
Performance fees		-	-	111,442	-	-
Advisory fee		-	13,961	-	-	13,970
Paying agent fees	12	-	-	-	-	2,000
Audit fees provision		-	72	5,000	-	5,001
Other operating fees		-	239	45,662	-	1,428
<b>Total expenses</b>		-	152,209	192,546	-	198,211
<b>Increase in net assets attributable to holders of redeemable shares</b>			-	630,200		-
<b>Increase in net assets attributable to non-participating management shares</b>			-			-

\* Refers to a segregated portfolio of International Private Capital SPC Ltd. Class A shares are designated as non-participating management shares of the Company as a whole.

The notes on pages 9 to 29 form an integral part of these financial statements.

Auditors' report on pages 3 and 3(a).



**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FOR THE YEAR ENDED JUNE 30, 2011**

	Note	Class B* EUR	Ax Futures * USD
At August 6, 2009		-	-
Increase/(decrease) in net assets attributable to holders of redeemable shares		-	-
Contributions and redemptions by holders of redeemable shares:			
Issue of redeemable shares during the period	11	999,647	-
<b>Transactions with holder of redeemable shares</b>		999,647	-
<b>At June 30, 2010</b>		<u>999,647</u>	<u>-</u>
At July 01, 2010		999,647	-
Increase in net assets attributable to holders of redeemable shares		-	630,200
Contributions and redemptions by holders of redeemable shares:			
Issue of redeemable shares during the period	11	-	2,499,246
<b>Transactions with holder of redeemable shares</b>		-	2,499,246
<b>At June 30, 2011</b>		<u>999,647</u>	<u>3,129,446</u>

\* Refers to a segregated portfolio of International Private Capital SPC Ltd. Class A shares are designated as non-participating management shares of the Company as a whole.

The notes on pages 9 to 29 form an integral part of these financial statements.

Auditors' report on pages 3 and 3(a).

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2011

	Year ended June 30, 2011			From August 6, 2009 to June 30, 2010	
	Class A*	Class B*	Ax Futures*	Class A*	Class B*
	EUR	EUR	USD	EUR	EUR
<b>Cash flows from investing activities</b>					
Purchase of investments in financial assets	-	(603,801)	(3,879,970)	-	(10,492,001)
Proceeds from sale of investments	-	675,292	1,645,057	-	1,776,685
Interest received		-	53	-	-
Dividend received		-	48,653	-	-
Operating expenses paid	-	(71,491)	(64,106)	-	(37,161)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>	<b>(2,250,313)</b>	<b>-</b>	<b>(8,752,477)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of redeemable shares	-	-	1,084,482	-	999,647
Proceeds from issue of debt notes	-	-	-	-	7,752,830
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>1,084,482</b>	<b>-</b>	<b>8,752,477</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>(1,165,831)</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at July 01, 2010	-	-	-	-	-
<b>Cash and cash equivalents at June 30, 2011</b>	<b>-</b>	<b>-</b>	<b>(1,165,831)</b>	<b>-</b>	<b>-</b>

Cash and cash equivalents include the following for the purpose of the statement of cash flows:

	Year ended June 30, 2011			From August 6, 2009 to June 30, 2010	
	Class A*	Class B*	Ax Futures*	Class A*	Class B*
	EUR	EUR	USD	EUR	EUR
Cash at bank	-	-	13	-	-
Cash due to broker	-	-	(1,165,844)	-	-
	-	-	(1,165,831)	-	-

\* Refers to a segregated portfolio of International Private Capital SPC Ltd. Class A shares are designated as non-participating management shares of the Company as a whole.

The notes on pages 9 to 29 form an integral part of these financial statements.

Auditors' report on pages 3 and 3(a).

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

---

**1. GENERAL INFORMATION****(a) International Private Capital SPC Ltd (the "Company")**

International Private Capital SPC Ltd was incorporated in the British Virgin Islands on 6 August 2009 as a BVI Business Company, designated as a segregated portfolio company under the provisions of the Segregated Portfolio Companies Regulations 2005 of the British Virgin Islands (the "Segregated Portfolio Regulations") and is recognised as a professional mutual fund under the Securities and Investment Business Act 2010 as amended (the "Act") since 6 August 2009. The company changed its name to International Private Capital SPC Ltd on April 8, 2010. (Previously Clear Concept Global Opportunity Fund SPC Ltd).

Shares of the Company may only be made available to persons who are "Professional Investors" within the meaning of the Act and on the basis that the initial investment in the shares of the Company by all its shareholders must, on the date of purchase, not be less than US\$100,000. As a professional mutual fund, the Company is required to be and is recognised under the Act to pay an annual recognition fee. In addition, an annual fee for each Segregated Portfolio is payable.

**(b) Nature of a Segregated Portfolio Company ("SPC")**

A Segregated Portfolio Company is a unique entity which has differentiated features to that of a normal company. A Segregated Portfolio Company (or "SPC"), is a legal structure made up of portfolio assets and general account assets. It provides for the legal segregation and protection of assets attributable to each Segregated Portfolio of the SPC whether owned by individuals or corporate bodies. A SPC is required to keep segregated assets, and investments registered in the name of a particular and distinct Segregated Portfolio. Each Segregated Portfolio operates independently so that in the event that one Segregated Portfolio becomes insolvent, only the assets of that Segregated Portfolio can be offered to creditors of that Segregated Portfolio.

General account assets comprise the assets which are not attributable to any Segregated Portfolio but are held for the benefit of all Segregated Portfolios. It is not anticipated that the Company will hold any general account assets. Investors in the Shares of any Segregated Portfolio should be aware that no other assets, other than the assets of the Segregated Portfolio, will be available to meet the obligations of that Segregated Portfolio.

Segregated Portfolio shares are the shares issued or to be issued in respect of a Segregated Portfolio in accordance with the Segregated Portfolio Companies Regulations, 2005.

As at June 30, 2011, the Company consisted of four segregated portfolios Class B Segregated Portfolio, Class C Segregated Portfolio, Class D Segregated Portfolio and Ax Futures Fund (each a "Fund"). In addition, the company has issued non-participating management shares (Segregated Portfolio Class A) to the value of Eur 1,000.

**2. SEGREGATED PORTFOLIO****(a) Class B Segregated Portfolio**

The directors resolved to form Class B Segregated Portfolio on August 6, 2009. Class B Segregated Portfolio is primarily involved in investing in a globally balanced diversified funds of funds consisting of collective investment schemes targeting global equities, global bonds, hedged equity funds and money market investments and real estate assets. The Fund aims to provide long term capital growth with reduced volatility.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

---

**2. SEGREGATED PORTFOLIO (CONT'D)****(b) Class C Segregated Portfolio and Class D Segregated Portfolio**

At the end of the reporting period, authorised participating shares remained unissued and no assets and liabilities were attributed to these segregated portfolios.

**(c) Ax Futures Fund Segregated Portfolio**

The objective of the Fund is to achieve long term capital appreciation through trading in futures and options on regulated markets and through the investment in a diverse portfolio of listed global equities.

The Fund follows a "dual portfolio" approach consisting of two portfolios, the Equity Portfolio and the Derivatives Portfolio

Equity portfolio

The equity portfolio consists of selected equity investments in companies listed on regulated global stock exchanges. The investments are spread across different economic sectors, industries, geographical regions and currencies.

The objective of the equity portfolio is to achieve above average market returns and provide a stable investment base. The returns and excess capital achieved by the equity portfolio will be applied to the derivatives portfolio either to increase or decrease the investment exposure of the equity portfolio.

Derivatives portfolio

The derivatives portfolio comprises of long (buy) and short (sell) positions in futures and options traded on regulated global futures and options exchanges. All contracts entered into by the Fund will be liquidated and/or rolled over before delivery date.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies in the preparation of these financial statements are set out below.

**(a) Basis of preparation**

The financial statements of International Private Capital SPC Ltd have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared under the historical cost convention except that financial assets and liabilities at fair value through profit or loss (including derivative financial instruments) are measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

---

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (a) Basis of preparation (cont'd)

*Standards, Amendments to published Standards and Interpretations effective in the reporting period*

Amendments to IFRS 1, 'Additional Exemptions for First-time Adopters' exempt entities that use the full cost method for oil and gas properties from retrospective application of IFRSs. It also exempts entities with existing leasing contracts from reassessing the classification of those contracts in accordance with IFRIC 4, 'Determining whether an arrangement contains a lease'. The amendment is not expected to have any impact on the Company's financial statements.

Amendments to IFRS 2, 'Group Cash-settled Share-based Payment Transactions'. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation. This amendment is not expected to have any impact on the Company's financial statements.

Amendment to IAS 32, 'Classification of rights issues', addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. This amendment is not expected to have any impact on the Company's financial statements.

Amendment to IFRS 1 'Limited Exemption from Comparatives IFRS 7 Disclosures for First-time Adopters' provides first-time adopters relief from presenting comparative information for the new disclosures required by the March 2009 amendments to IFRS 7 'Financial Instruments: Disclosures'. This amendment is not expected to have any impact on the Company's financial statements.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments', clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. This IFRIC will not have any impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

---

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (a) Basis of preparation (cont'd)

*Improvements to IFRSs (issued 16 April 2009)*

IAS 1 (Amendment), 'Presentation of Financial Statements'. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. This amendment is not expected to have any impact on the Company's financial statements.

IAS 7 (Amendment), 'Statement of Cash Flows', clarifies that only expenditure that results in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities. This amendment is unlikely to have an impact on the Company's financial statements.

IAS 17 (Amendment) 'Leases', clarifies that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with IAS 17's general principles. Prior to the amendment, IAS 17 generally required a lease of land with an indefinite useful life to be classified as an operating lease, unless title passed at the end of the lease term. A lease newly classified as a finance lease should be recognised retrospectively. The amendment will not have an impact on the Company's operations.

IAS 18 (Amendment), 'Revenue'. An additional paragraph has been added to the appendix to IAS 18, providing guidance on whether an entity is acting as principal or agent.

IAS 36 (Amendment), 'Impairment of Assets', clarifies that for the purpose of impairment testing, the cash-generating unit or groups of cash-generating units to which goodwill is allocated should not be larger than an operating segment (as defined by IFRS 8, 'Operating segments') before aggregation. The amendment will not have an impact on the Company's operations.

IAS 38 (Amendment), 'Intangible Assets', clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment removes the exceptions from recognising intangible assets on the basis that their fair values cannot be reliably measured. Intangible assets acquired in a business combination that are separable or arise from contractual or other legal rights should be recognised. The amendment specifies different valuation techniques that may be used to value intangible assets where there is no active market. The amendment is unlikely to have an impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

---

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) Basis of preparation (cont'd)**

IAS 39 (Amendment), 'Financial Instruments: Recognition and Measurement' clarifies that the scope exemption within IAS 39 only applies to forward contracts that will result in a business combination at a future date, as long as the term of the forward contract does 'not exceed a reasonable period normally necessary to obtain any required approvals and to complete the transaction'. The amendment removes reference to transactions between segments as being hedgeable transactions in individual or separate financial statements and clarifies that amounts deferred in equity are only reclassified to profit or loss when the underlying hedged cash flows affect profit or loss. The amendment is not expected to have an impact on the Company's income statement/statement of comprehensive income.

IFRS 5 (Amendment), 'Non-current Assets Held for Sale and Discontinued Operations'. The amendment clarifies that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. The amendment will not have an impact on the Company's operations.

IFRS 8 (Amendment), 'Operating Segments', clarifies that the requirement for disclosing a measure of segment assets is only required when the Chief Operating Decision Maker reviews that information. This amendment is unlikely to have an impact on the Company's financial statements.

***Improvements to IFRSs (issued 6 May 2010)***

IFRS 3 (Amendment), 'Business Combinations', clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by IFRS. The application guidance in IFRS 3 applies to all share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards. This amendment is unlikely to have an impact on the Company's financial statements.

IAS 27 (Amendment), 'Consolidated and Separate Financial Statements', clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively. This amendment is unlikely to have an impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

---

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) Basis of preparation (cont'd)***Standards, Amendments to published Standards and Interpretations issued but not yet effective*

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2011 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement

IAS 24 Related Party Disclosures (Revised 2009)

Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS1)

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)

Disclosures – Transfers of Financial Assets (Amendments to IFRS 7)

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

IFRS 9 Financial Instruments

IAS 27 Separate Financial Statements

IAS 28 Investments in Associates and Joint Ventures

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of Interests in Other Entities

IFRS 13 Fair Value Measurement

IAS 19 Employee Benefits (Revised 2011)

*Improvements to IFRSs (issued 6 May 2010)*

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRS 7 Financial Instruments: Disclosures

IAS 1 Presentation of Financial Statements

IAS 34 Interim Financial Reporting

IFRIC 13 Customer Loyalty Programmes

Where relevant, the Company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.



NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

---

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) Basis of preparation (cont'd)**

The preparation of financial statements in conformity with IFRSs 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 revenues and expenses for the period. Actual results could 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.

**(b) Financial instruments****(i) Financial assets**

The Company classifies its financial assets as financial assets at fair value through profit or loss.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition.

**(a) *Financial assets at fair value through profit or loss (FVTPL):***

Financial assets are classified at FVTPL when the financial assets are either held for trading or are designated at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis; or
- it forms part of a contract containing one or more embedded derivatives.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

---

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets carried at fair value through profit or loss are initially recognised at fair value.

The fair values of quoted investments are based on current bid prices.

*(b) Financial liabilities at fair value through profit or loss:*

Financial liabilities are classified at FVTPL when the financial liability is either held for trading or it is designated at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis; or
- it forms part of a contract containing one or more embedded derivatives.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the statement of comprehensive income.

The Company derecognises the financial liabilities when, and only when, its obligations are discharged, cancelled or they expire.

*(c) Management shares are classified as equity.*

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

---

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(b) Financial instruments (cont'd)****(ii) Redeemable shares**

The Company issues different classes of redeemable shares which are redeemable at the holder's option. Redeemable shares can be put back to the Fund, subject to the terms of the class of shares, for a cash amount equal to a proportionate share of the Fund's net asset value attributable to the share class. For reporting purposes, redeemable shares have been classified as financial liabilities. Each class of share may have different rights attached.

Redeemable shares are issued and redeemed at the holder's option at prices based on the Fund's net asset value per share at the time of issue or redemption. The net asset value per share is calculated by dividing the net assets attributable to the holders of each class of redeemable shares with the total number of outstanding redeemable shares for each respective class. In accordance with the provisions of the Segregated Portfolio's regulations, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per share for subscriptions and redemptions.

**(iii) Other receivables**

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

**(iv) Other payables**

Other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

**(v) Derivative financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value.

Derivative instruments are accounted for at fair value through profit or loss. Changes in fair value of these derivative instruments are recognised immediately in the statement of comprehensive income.

**(vi) Cash and cash equivalent**

Cash and cash equivalents include cash held at bank and broker account deposits.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

---

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(c) Foreign Currency**

Transactions in foreign currencies are translated at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the reporting currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are retranslated into Eur at the spot exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income in the "net foreign exchange loss" line, except for those arising on financial instruments at fair value through profit or loss which are recognised in the Statement of Comprehensive Income in the "net gain from financial instruments at fair value through profit or loss" line.

The financial statements are presented in Euro for Class B and in USD for Ax Futures, which most faithfully represents the economic effects of the underlying transactions, events and conditions. Each segregated portfolio may have a different functional and presentation currency.

**(d) Net gain from financial instruments at fair value through profit or loss**

Net gain from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences, but excludes interest and dividend income.

**(e) Fees, commission and other expenses**

Fees, commission and other expenses are recognised in the statement of comprehensive income on an accrual basis.

**(f) Dividends to holders of redeemable shares**

Dividends to holders of redeemable shares are recognised in the statement of comprehensive income as finance costs when they are authorised and no longer at the discretion of the Company.

**(g) Impairment of assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

---

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Taxation**

The Company is domiciled in the British Virgin Islands. Under the current laws of British Virgin Islands, there are no income, estate, corporation, capital gains or other taxes payable by the Company.

**(i) Offsetting**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**(j) Revenue recognition**

- Interest income is recognised on a time proportion basis using the effective interest method.
- Dividend income is recognised when the right to receive payment is established.

**(k) Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

**4. FINANCIAL RISK MANAGEMENT**

The Company has exposure to the following risks from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

This note presents information about the Company's exposure to each of the above risks. The Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

---

**4. FINANCIAL RISK MANAGEMENT (CONT'D)****Risk management framework**

The Company maintains positions in a variety of financial instruments in accordance with the investment management strategy of each Segregated Portfolio.

The principal advisor to each Segregated Portfolio will provide advice on the investments to be made by the Segment or manage the assets of each Segregated Portfolio on a discretionary basis, as described in the Prospectus to each Segregated Portfolio. Advice and/or management is provided on an ongoing basis and is primarily focused on ensuring that the Segregated Portfolio's investment strategy is correctly executed.

Asset purchase and sales are determined by each Segregated Portfolio's Investment Manager, who has been given discretionary authority to manage the distribution of the assets to achieve the Company's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored on a quarterly basis.

**(i) Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the company, resulting in a financial loss to the company. Credit risk is generally higher when a non exchange-traded financial instrument is involved, because the counterparty is not backed by an exchange clearing house.

***Management of credit risk***

Credit risk is managed by the manager together with the appointed sub-investment manager/advisor. All transactions in listed securities are settled/paid for upon delivery using appropriate brokers. The risk of default is considered minimal, as delivery of the securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

At the end of the reporting date, the credit risk is considered minimal.

**(ii) Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the company.

***Management of liquidity risk***

The company's policy and the Investment Manager's approach to managing liquidity risk is to have sufficient liquidity to meet its liabilities, including estimated redemptions of shares, as and when due, without incurring undue losses or reducing the potential returns of the investment portfolio.

## NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

## 4. FINANCIAL RISK MANAGEMENT (CONT'D)

## (ii) Liquidity risk (cont'd)

Class B Segregated Portfolio

The Funds prospectus limits the redemption of Class B shares to only after the redemption of the Series B1 linked loan notes ("loan notes").

Loan notes are only repayable at the expiration of the investment term being a period greater than 1 year but less than 5 years. The Funds' financial assets include open-ended investment funds, which are exposed to the risk of side pockets or redemption restrictions being imposed. As a result, the Company may not be able to liquidate quickly some of its investments in these instruments in order to meet its liquidity requirements.

Ax Futures Fund Segregated Portfolio

The Fund is exposed to the daily settlement of margin calls. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily liquidated.

**Maturity analysis for financial liabilities****Non-derivative liabilities****2011****Ax Futures Fund Segregated Portfolio**

- Cash held with broker
- Other payables
- Redeemable shares

Carrying Amount	Less than 1 year	1 to 5 years
USD	USD	USD
1,165,844	1,165,844	-
129,108	129,108	-
3,129,446	3,129,446	-
<b>4,424,398</b>	<b>4,424,398</b>	<b>-</b>

**Class B Segregated Portfolio**

- Linked loans notes
- Other payables
- Redeemable shares

Carrying Amount	Less than 1 year	1 to 5 years
EUR	EUR	EUR
9,123,151	-	9,123,151
24,697	24,697	-
999,647	-	999,647
<b>10,147,495</b>	<b>24,697</b>	<b>10,122,798</b>

**2010****Class B Segregated Portfolio**

- Linked loans notes
- Other payables
- Redeemable shares

Carrying Amount	Less than 1 year	1 to 5 years
Eur	Eur	Eur
8,972,561	-	8,972,561
17,023	17,023	-
999,647	-	999,647
<b>9,989,231</b>	<b>17,023</b>	<b>9,972,208</b>

## NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

## 4. FINANCIAL RISK MANAGEMENT (CONT'D)

## (iii) Market risk

Market risk is the risk that changes in the market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standard) will affect the Company's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposures with acceptable parameters while optimizing the return on risk.

*Management of market risk*

The Company's investments are exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies applicable to each segregated portfolio.

*Price risk*

The Company is exposed to equity securities price risk and derivative price risk. This arises from investments held by the Fund for which prices in the future are uncertain.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits

At June 30, 2011, if market prices moved by +/- 20% with all the other variables remaining constant (being the Directors' assessment of a reasonably possible change), the change in total return and net assets attributable to holders of redeemable preference shares for the period would have been as follows:

	2011		2010
	Class B (EUR)	Ax Futures (USD)	Class B (EUR)
Notional value of futures portfolio	-	(2,358,179)	-
Investment portfolio	10,147,495	4,420,624	9,988,999
Total market exposure	10,147,495	2,062,445	9,988,999
+20%	2,029,499	412,489	1,997,800
-20%	(2,029,499)	(412,489)	(1,997,800)

*Interest rate risk*

The price of securities tends to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of a position to move in directions that were not initially anticipated.

Interest receivable on bank deposits and payable on bank overdraft positions will be affected by fluctuations in interest rates.



## NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

## 4. FINANCIAL RISK MANAGEMENT (CONT'D)

## (iii) Market risk (cont'd)

*Interest rate risk (cont'd)*

At June 30, 2011, if interest rates moved by +/- 1% with all the other variables remaining constant (being the Directors' assessment of a reasonably possible change), the change in total return and net assets attributable to holders of redeemable preference shares for the period would have been as follows:

	2011		2010
	Class B (EUR)	Ax Futures (USD)	Class B (EUR)
Interest bearing cash and cash equivalents	-	(1,165,844)	-
+1% change in interest rates	-	(11,658)	-
-1% change in interest rates	-	11,658	-

*Foreign currency risk*

A segregated portfolio may invest in assets that are denominated in currencies that are different from its base currency.

**Exposure to foreign currency risk**

The following table sets out the exposure of each segregated portfolio to foreign currency risk as at the period end. Interest receivable or expense payable in currencies other than the base currency on or near the date of the transaction.

Ax Futures Fund	CAD	EUR	GBP	Other currencies
<u>2011</u>	(USD)	(USD)	(USD)	(USD)
Equity investments	232,763	151,067	1,013,927	-
Derivative financial instruments	-	-	1,420	-
Cash due to broker	(478,310)	60,358	(194,690)	1,118,696
	<u>(245,547)</u>	<u>211,425</u>	<u>820,657</u>	<u>1,118,696</u>
<b>Class B Segregated Portfolio</b>			<b>USD</b>	<b>GBP</b>
<u>2011</u>			(EUR)	(EUR)
Investment Funds			4,566,346	592,404
			<u>4,566,346</u>	<u>592,404</u>
<u>2010</u>				
Investment Funds			4,753,850	673,969
			<u>4,753,850</u>	<u>673,969</u>

IFRS 7 considers the foreign currency exposure relating to non-monetary assets and liabilities to be a component of market price risk and not currency risk.

**4. FINANCIAL RISK MANAGEMENT (CONT'D)****Fair value estimation**

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Capital risk management**

The Company is not subject to any externally imposed capital requirements. The redeemable shares issued by the Company provide an investor with the right to require redemption for cash at a value proportionate to the investor's share in the Company's net assets at each redemption date. Certain class of shares may be subject to an initial lock-in period during which no redemptions may be made. The redeemable shares are classified as liabilities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the investment activities of the Company.

In order to maintain or adjust the capital structure, the Fund's policy is to perform the following:

- Monitor the level of subscriptions and redemptions and adjust the amount of distributions the Company pays to redeemable shareholders.
- Redeem and issue new shares in accordance with the constitutional documents of the Company.

The Investment Manager monitor capital on the basis of the value of net assets attributable to redeemable shareholders.

## NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

## 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The carrying amounts of the financial assets are classified as follows:

## (a) Class B Segregated Portfolio

	2011	2010
	Designated at fair value through profit or loss	Designated at fair value through profit or loss
	EUR	EUR
At July 01, 2010/August 6, 2009	9,988,999	-
Additions	603,801	10,492,001
Disposal	(748,104)	(1,583,013)
Increase in fair value (note 8)	302,799	1,080,011
<b>At June 30,</b>	<b>10,147,495</b>	<b>9,988,999</b>
Denominated in the following currencies:		
US Dollar	4,566,346	4,753,850
UK Pound	592,404	673,969
Euro	4,988,745	4,561,180
	<b>10,147,495</b>	<b>9,988,999</b>
Analysed as:		
Level 1	<b>10,147,495</b>	<b>9,988,999</b>

Changes in fair value of financial assets at fair value through profit or loss are recorded in the statement of comprehensive income.

## (b) Ax Futures Fund Segregated Portfolio

	2011		
	Held-for trading	Designated at fair value through profit or loss	Total
	USD	USD	USD
At July 1, 2010 / August 6, 2009	-	-	-
Transfer of securities (Note (i))	-	1,414,764	1,414,764
Additions	64,733	4,177,494	4,242,227
Securities sold short	-	(362,257)	(362,257)
Disposal	(15,943)	(1,226,838)	(1,242,781)
Cash settlement	(368,614)	-	(368,614)
Increase in fair value	373,581	363,704	737,285
	<b>53,757</b>	<b>4,366,867</b>	<b>4,420,624</b>

Note (i): Transfer of securities relates to securities obtained by the Fund as consideration for the issue of redeemable participating shares to an investor.

## NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

## 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

	2011		
	Held-for trading	Designated at fair value through profit or loss	
		USD	USD
Denominated in the following currencies:			
US Dollar	52,337	2,969,110	3,021,447
UK Pound	1,420	1,013,927	1,015,347
Euro	-	151,067	151,067
CAD	-	232,763	232,763
	<u>53,757</u>	<u>4,366,867</u>	<u>4,420,624</u>
Analysed as:			
Level 1	<u>53,757</u>	<u>4,366,867</u>	<u>4,420,624</u>

Financial assets held-for-trading include trading derivatives (options and futures) and financial assets designated at fair value through profit or loss include equity securities.

Options

The Company purchases or sells put and call options through listed exchanges. Options purchased by the Company provide the Company with the opportunity to purchase (call options) or the obligation to deliver (put options) the underlying asset at an agreed-upon value either on or before the expiration of the option.

Futures

A futures contract is an agreement between two parties to buy or sell a security, index or currency at a specific price or rate at a future date. The daily changes in contract value are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed. Unrealised gains and losses on futures contracts are recognised in the Statement of Comprehensive Income. All futures contracts are cash settled on a daily basis.

## 6. OTHER RECEIVABLES

	2011			2010	
	Class A	Class B	Ax Futures	Class A	Class B
	EUR	EUR	USD	EUR	EUR
Prepayments	-	-	668	-	232
Other receivables	1,000	-	3,093	1,000	-
	<u>1,000</u>	<u>-</u>	<u>3,761</u>	<u>1,000</u>	<u>232</u>

The carrying amounts of other receivables approximate their fair values.

## NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

## 7. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2011	2010
	Class B	Class B
	EUR	EUR
At July 01, 2010/August 6, 2009	8,972,561	-
Issue of loan notes	-	7,752,830
Increase in fair value (note 8)	150,590	1,219,731
<b>At June 30,</b>	<b>9,123,151</b>	<b>8,972,561</b>

The Company designates all debt and equity securities at fair value through profit or loss upon initial recognition as it manages these securities on a fair value basis.

The Company has issued linked loan notes ("Notes") under a debt issuance program from Class B Segregated Portfolio. Series B1 Notes ranks above all other financial instruments issued by Class B Segregated Portfolio and are linked to the performance of a specific group of reference assets. The Notes are due in 2014 and carry no coupon rate. Notes are redeemable for cash at the expiry of the term of issue or at the discretion of the directors.

## 8. NET UNREALISED GAIN/(LOSS) FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2011		2010
	Class B	Ax Futures	Class B
	EUR	USD	EUR
Increase in fair value of financial assets at fair value through profit or loss (note 5)			
- Designated at fair value through profit or loss	302,799	363,704	1,080,011
- Held-for-trading	-	373,581	-
Increase in fair value of financial liabilities at fair value through profit or loss (note 7)	(150,590)	-	(1,219,731)
	<b>152,209</b>	<b>737,285</b>	<b>(139,720)</b>

## 9. OTHER PAYABLES

	2011		2010
	Class B	Ax Futures	Class B
	EUR	USD	EUR
Cash due to broker	-	1,165,844	-
Accruals	24,697	129,108	17,023
	<b>24,697</b>	<b>1,294,952</b>	<b>17,023</b>

The carrying amounts of other payables approximate their fair values.

## NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

## 10. NON-PARTICIPATING MANAGEMENT SHARES

	2011		2010	
	Class A		Class A	
	No of shares	EUR	No of shares	EUR
At July 01, 2010/August 6, 2009	1,000	1,000	-	-
Issued during the period	-	-	1,000	1,000
<b>At June 30,</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

Class A Shares

Class A shares are designated as management shares and confer no right to participate in the profits of the Company or any Segregated Portfolio.

## 11. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

	2011		2010
	Class B	Ax Futures	Class B
	EUR	USD	EUR
At July 01, 2010/August 6, 2009	999,647	-	-
Issue of redeemable shares during the period	-	2,499,246	999,647
Increase in net assets attributable to holders of redeemable shares	-	630,200	-
<b>At June 30,</b>	<b>999,647</b>	<b>3,129,446</b>	<b>999,647</b>

General

The holders of the redeemable shares are entitled to receive all dividends declared and paid in respect to each of that class of shares and the Segregated Portfolio to which they refer. Upon winding up, the holders are entitled to a return of capital based on the net asset value per share of their respective share classes.

Notwithstanding the redeemable shareholders' rights to redemptions as above, the Company has the right, as set out in the prospectus to each Segregated Portfolio, to impose a redemption gate limit, specific to each Segregated Portfolio in any redemption period in order to manage the redemption levels and the orderly liquidation of the assets of the Segregated Portfolio under such circumstances.

## NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2011

## 11. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (CONT'D)

Class B Shares

The authorised share capital available for issue under the terms of the Prospectus and the Supplement amount to 1,000 Class B non-voting participating shares. Class B shares participate in the residual interest of Class B Segregated Portfolio assets. Class B Shareholders rank sub-ordinate to investors of Linked Notes and are redeemable only after expiry and repayment of the Linked Notes. Thereafter Class B Shares are redeemable on a quarterly basis for cash.

Ax Futures Fund Class E shares

The authorised share capital available for issue under the terms of the Prospectus and the Supplement amount to 10,000 Class E non-voting participating shares. Participation shares issued during the Initial Offer Period have been designated as the "Lead Series". Participation shares issued subsequent to the Lead Series are issued in separate series. Subsequent Series Shares are consolidated into Lead Series Shares on the Fund's annual reporting date (June 30).

All holders of Shares, whether Lead Series or Subsequent Series Shares, are entitled to receive and participate in any distribution.

## 12. RELATED PARTIES AND OTHER KEY CONTRACTS

Related parties where control existed during the period are as follows :

Directors: Elzas Dave John  
Barnhoorn Hendrik Petrus  
Irons James Reinhardt

All directors of the Company are also directors of the Manager, GMG Fund Services Ltd.

Manager: GMG Fund Services Ltd

Paying Agent: GMG Trust Ltd

The following payments were made to related parties during the course of the financial year:

	2011		2010
	Ax Futures	Class B	Class B
	USD	EUR	EUR
GMG Fund Services Ltd	14,630	62,325	36,092
GMG Trust Ltd	-	-	2,000
	<u>14,630</u>	<u>62,325</u>	<u>38,092</u>