Global Specialised Opportunities 1 Limited

(Registration Number: 48779)

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2016

Contents

Company Information

Investment Manager:	Grovepoint Capital LLP 8-12 York Gate London NW1 4QG
Administrator, Registrar and Secretary:	Vistra Fund Services (Guernsey) Limited (formerly Orangefield Legis Fund Services Limited) PO Box 91 11 New Street St Peter Port Guernsey, GY1 3EG
Directors of the Company:	Mr Stephen Henry Mr Martin Tolcher
Auditor:	Saffery Champness La Tonnelle House Les Banques St Sampson Guernsey, GY1 3HS
Legal Advisers in Guernsey:	Mourant Ozannes 1 Le Marchant Street St Peter Port Guernsey, GY1 4HP
Legal Advisers in Bermuda:	Appleby Canon's Court 22 Victoria Street Hamilton, HM12 Bermuda
Legal Advisers in South Africa:	Norton Rose Fullbright 10th Floor Norton Rose Fullbright House Cape Town 8001 South Africa
Listing Sponsor:	Appleby Securities (Bermuda) Limited Argyle House 41a Cedar Avenue Hamilton, HM12 Bermuda
Annual Sponsor:	Clarien BSX Services Ltd 21-25 Reid Street Hamilton, HM 11 Bermuda
Custodian:	Investec Bank (Switzerland) AG Lowenstrasse 29 Zurich CH-8001 Switzerland
Structural Facilitator:	Investec Bank Limited 36 Hans Strijdom Avenue Foreshore Cape Town, 8001 PO Box 1826 Cape Town, 8000 South Africa

Investment Manager's Commentary

Performance

Global Specialised Opportunities 1 Limited ("GSO1" or the "Company") has generated a cumulative return for shareholders of 21.95% since inception on 27 June 2008 to date.

The Niche Private Equity strategy was the strongest performer for the year followed by the Property strategy, whilst the other two strategies offset the gains, resulting in mark down of the NAV by 4.9% over the financial year. The period saw significant volatility, most notably the sharp sell-offs in August and September 2015 and the collapsing oil price at the start of 2016. These factors impacted valuations of the underlying investments, particularly those with exposure to emerging markets and energy. Adverse exchange rate movements also affected the performance. Since 31 March 2016, capital markets have posted strong gains and we would expect the NAV to be marked up as at 30 June 2016.

The Company's underlying investment vehicles continued to sell holdings and distribute proceeds. Of the 19 investments in GSO1's portfolio, 4 are now fully liquidated, 6 are substantially liquidated and 9 continue to actively exit their portfolios. All 4 strategies received net distributions over the financial year, with investments in the Property strategy liquidating at the fastest pace. As the Company drew on the loan facility from Investec Bank (Channel Islands) Ltd to partially fund the compulsory redemption in February 2015, the majority of distributions received from underlying investments during the financial year were used to fully repay the loan facility in January 2016. The Company has since been building up its cash position with a view to making another distribution towards the end of 2016.

As discussed previously, as GSO1 has returned c. 80% of cost basis in USD to investors, the remaining portfolio is becoming more concentrated and the NAV represents a smaller USD value. As a result, valuation changes for the remaining underlying investments have a greater impact on the Company's NAV, making quarterly mark-to-market movements in the NAV more pronounced.

We remain pleased with the Company's performance and the pace of distributions to shareholders. GSO1 has generated a cumulative net gain of 21.95% from inception to date from a highly diversified portfolio and with relatively low volatility over a period which has been impacted by the global financial crisis and significant market volatility.

Asset Allocation

At the financial year end, GSO1's portfolio consisted of investments with a total market value of USD 22.4m and cash of USD 1.0m. The Specialised Opportunities Portfolio was fully committed with approximately USD 75.3m of commitments to 19 investment vehicles across the 4 targeted strategies as follows: Distressed Opportunities USD 24.4m; Special Situations USD 15.6m; Niche Private Equity USD 11.1m; Niche Property USD 24.2m.

Further information and commentary on the performance of GSO1 can be found in the Company's Quarterly Report sent to shareholders.

Grovepoint Investment Management

September 2016

Report of the Directors

The Directors present their annual report and the audited financial statements of Global Specialised Opportunities 1 Limited (the "Company" or the "Fund") for the year ended 31 March 2016.

Principal Activities

The Company's principal activity is to carry on the business of an investment holding company investing in a diversified portfolio of private equity, property, distressed debt and other specialised opportunities.

Results

The results for the year are shown in the Statement of Total Return on page 6.

Dividends

No dividend was declared during the year (2015: USDNil).

Directors

The Directors of the Company who served throughout the year and to the date of this report were as follows:

Mr Stephen Henry
Mr Brian O'Mahoney (resigned 29 April 2015)
Mr Martin Tolcher (appointed 29 April 2015)

Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Statement of Disclosure of Information to Auditor

Each of the Directors at the date of approval of the financial statements, confirms that:

1. So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
2. He has taken all steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of The Companies (Guernsey) Law, 2008, as amended.

Independent Auditor

A resolution for re-appointment of Saffery Champness as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Report of the Directors (continued)

Statement of Directors' Responsibilities
The Directors are responsible for preparing the Annual Report and the audited financial statements in accordance with applicable law and regulations.

The Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Principles (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting standards and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

S Henry	M Tolcher
Director	Director

Date: 23 September 2016

Independent Auditor's Report to the Shareholders of Global Specialised Opportunities 1 Limited

We have audited the financial statements of Global Specialised Opportunities 1 Limited (the "Company") for the year ended 31 March 2016 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Ordinary Shares, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles) and the principal documents.

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008, as amended. 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 auditor's 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.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the United Kingdom Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Investment Manager's and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its return for the year then ended;
- are in accordance with United Kingdom Generally Accepted Accounting Principles; and
- comply with The Companies (Guernsey) Law, 2008, as amended.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Companies (Guernsey) Law, 2008 as amended, requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company;
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

SAFFERY CHAMPNESS
CHARTERED ACCOUNTANTS
Guernsey

Date: 23 September 2016

Statement of Total Return
for the year ended 31 March 2016

	Notes	31 March 2016 USD	31 March 2016 USD	31 March 2015 USD	31 March 2015 USD
Income					
Net capital loss	5		(655,757)		(1,038,461)
Revenue	6	82,617		123,920	
Expenses	7	(551,505)		(760,392)	
Interest payable and similar charges	11	(49,681)		(84,960)	
Net expense before taxation		(518,569)		(721,432)	
Withholding tax		-		(100,473)	
Currency (loss)/gain		(2,568)		44,955	
Net expense after taxation			(521,137)		(776,950)
Change in net assets attributable to Ordinary shares			(1,176,894)		(1,815,411)
Basic and diluted loss per Ordinary share	15		(50.09)		(53.63)

In arriving at the results for the financial period, all amounts above relate to continuing operations.

There are no recognised gains or losses for the year other than those disclosed above.

Statement of Changes in Net Assets Attributable to Ordinary Shares
for the year ended 31 March 2016

		31 March 2016 USD	31 March 2015 USD
Net assets attributable to ordinary shares at the beginning of the year		24,284,515	46,449,926
Movement due to issues and redemptions of ordinary shares:			
Amounts payable on redemption of ordinary shares	13	-	(20,350,000)
Changes in net assets attributable to Ordinary shares		(1,176,894)	(1,815,411)
Net assets attributable to ordinary shares at the end of the year		23,107,621	24,284,515

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

Balance Sheet as at 31 March 2016

Assets	Notes	31 March 2016 USD	31 March 2015 USD
Fixed assets			
Investments	5	22,438,137	28,397,654
Current assets			
Debtors		7,707	11,469
Cash at bank and in hand		950,255	1,186,891
		957,962	1,198,360
Total assets		23,396,099	29,596,014
Liabilities			
Creditors: Amounts falling within one year			
Bank loans	11	-	(4,900,000)
Loan interest due		-	(17,563)
Other payables	10	(288,476)	(393,934)
Total Liabilities		(288,476)	(5,311,497)
TOTAL NET ASSETS		23,107,623	24,284,517
Net assets attributable to holders of Ordinary shares	14	23,107,621	24,284,515
Net assets attributable to holders of Management shares	14	2	2
Ordinary shares in issue	14	23,497.487	23,497.487
Net asset value per Ordinary share	14	983.408	1033.494

The financial statements were approved and authorised for issue by the Board of Directors on 23 September 2016.

S Henry
Director

M Tolcher
Director

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

Statement of Cash Flows for the year ended 31 March 2016

	Note	31 March 2016 USD	31 March 2015 USD
Reconciliation of decrease in Net Assets attributable to Ordinary shares to net cash flows from operating activities			
(Decrease) in Net Assets attributable to Ordinary shares		(1,176,894)	(1,815,411)
Gain realised on investments sold during the year	5	(2,755,921)	(5,336,656)
Net unrealised loss on investments for the year	5	3,411,678	6,366,992
Net unrealised currency exchange loss on investments	5	-	8,125
Decrease/(increase) in debtors		3,762	(1,403)
Decrease in creditors	10	(105,458)	(189,870)
Finance costs	11	49,681	84,960
Net cash outflow from operating activities		(573,152)	(883,263)
Net cash flows from investing activities			
Purchase of investments	5	(1,639,057)	(1,358,565)
Sale of investments	5	6,942,817	15,739,033
Net cash inflows from investing activities		5,303,760	14,380,468
Net cash flows from financing activities			
Redemption of shares	13	-	(20,350,000)
Loan received	11	350,000	9,450,000
Loan repaid	11	(5,250,000)	(4,550,000)
Finance costs paid		(67,244)	(67,397)
Net cash outflows from financing activities		(4,967,244)	(15,517,397)
Net decrease in cash and cash equivalents		(236,636)	(2,020,192)
Cash at the beginning of the year		1,186,891	3,207,083
Cash at the end of the year		950,255	1,186,891

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

Notes to the Financial Statements for the year ended 31 March 2016

1. General Information

Global Specialised Opportunities 1 Limited is a closed-ended investment company established under the laws of Guernsey with limited liability on 16 April 2008. The address of its registered office is 11 New Street, St Peter Port, Guernsey, GY1 3EG.

The Company's main objective is to invest in a diversified portfolio of private equity, distressed debt and other specialised opportunities. The Company capitalises on the expertise of some of the leading global specialised advisors and managers and focuses on key themes identified by the Investment Manager as areas of potential out performance over the next 3-5 years.

The Company targets investment opportunities in four key investment strategies which are collectively defined as the "Specialised Opportunities Portfolio". The targeted investment strategies are as follows:

(a) Distressed opportunities
(b) Special situations and sector specific opportunities
(c) Niche private equity
(d) Niche property

The investment portfolio is managed under a discretionary mandate by the Investment Manager. The investment portfolio benefits from the input, expertise and monitoring of the Investment Manager's investment forum made up of several experienced investment practitioners and led by the Chief Investment Officer and utilises a broad range of investment products aimed at delivering an optimal strategic solution for achieving cash plus returns with carefully managed risk.

The Company's ordinary shares are listed on the Bermuda Stock Exchange.

2. Statement of Compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102").

3. Accounting Policies

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with United Kingdom Accounting Standards, including FRS 102, the Statement of Recommended Practice ("SORP") for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014, and with The Companies (Guernsey) Law, 2008 to present a true and fair view. The Company has early adopted the amendments to the fair value hierarchy disclosures contained within section 34 of FRS 102 issued in March 2016.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(b) Foreign exchange

Items included in the Company's financial statements are measured using the functional currency - which is the US Dollar. The Company has also adopted the US Dollar as its presentational currency.

Foreign currency assets and liabilities are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate of exchange ruling at the date of transaction. Foreign exchange gains and losses are included in the Statement of Total Return.

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

3. Accounting Policies (continued)

(c) Investments

All investments of the Company are unlisted and generally have independent valuers and administrators that report quarterly to their investors. The reports to investors will generally be used as the basis for valuation but the Directors do have discretion to determine which of these prices in the reports shall apply. In the opinion of the Directors, the prices used equate to the fair value.

The difference between cost and valuation, being an unrealised gain/loss on investments, is recognised in the Statement of Total Return. Realised gain/loss on part sales of investments is arrived at by deducting the pro-rata carrying amount of such investments from their sale proceeds and are recognised in the Statement of Total Return.

Capital and income distributions are allocated to income, realised movement, or a return of capital, based on confirmations received from the general partners of the underlying funds.

Fair Value

The fair value is the amount for which the investment could be exchanged between knowledgeable, willing parties in an arms length transaction at the measurement date. Where available fair value is based on observable market prices or parameters, or derived from such prices or parameters. Where observable prices or inputs are not available, valuation techniques are applied. These valuation techniques involve varying levels of management estimation and judgement, the degree of which is dependent on a variety of factors. Hierarchical levels, as defined by FRS 102, are directly related to the amount of subjectivity associated with the inputs to the valuation of these investments. See note 20 for further details.

(d) Revenue and expenses

Revenue includes interest on deposits and other money market instruments and is accounted for on an accruals basis. Dividend income arising on the Company's investments is recognised when the underlying investments become ex-dividend or when the Company's right to dividend in its underlying investments is established. Dividends are recognised gross of any withholding tax, with the effect of withholding tax suffered taken into account as part of the tax charge and recognised separately in the Statement of Total Return. Expenses are service charges and investment related fees which are recognised on an accrual basis.

(e) Going concern

As noted in the Investment Manager’s Commentary, a number of the Company’s investment vehicles are substantially or fully liquidated with the remainder actively exiting their investments. The Company regularly reviews the pace of these exits and, currently, envisages that all investments will be exited within 5 years. Therefore the Directors continue to adopt the going concern basis in preparing these financial statements.

(f) Cash at bank and in hand

Cash and bank balances comprise cash in hand, held with Investec Bank (Channel Islands) Limited and cash held with Investec Bank (Switzerland) AG.

(g) Loans and borrowings

All loans and borrowings are recognised initially at fair value less directly attributable transaction costs. After initial recognition interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(h) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all liabilities.

Financial assets

All financial assets are initially measured at cost, except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally cost as at the transaction date).

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

3. Accounting Policies (continued)

(h) Financial instruments (continued)

Financial assets (continued)

Investments, futures and forward currency contracts are subsequently held at fair value through profit or loss, and are actively traded on an open market. Debtors and prepayments, as well as cash at bank and in hand, that are receivable within one year are measured at the undiscounted amount receivable. There are no debtors or prepayments due in more than one year.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Financial liabilities include creditors and accrued expenses. All financial liabilities are due within 1 year at recognition and are measured at the undiscounted amount payable.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

4. Significant Judgements and Estimates

In the application of the Company's accounting policies, which are disclosed above the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant judgements in applying the Company's accounting policies.

The Manager believes that the underlying investments are reasonably valued based on their knowledge of the investments and the information provided from the underlying investment managers and administrators. All investment valuations are reviewed on a regular basis based on information provided by the underlying administrators. Where, based on the knowledge of the Manager, there are doubts as to the basis of valuation provided, the Manager can recommend to the Directors that they feel it is appropriate that discounts to the value provided are applied. Further details of considerations are disclosed in note 20. It is the judgement of the directors that these valuations represent fair value of these instruments.

5. Investments

The net loss on investments during the year comprises:

	2016	**2015**
	USD	**USD**
Proceeds from sale of investments\return of capital during the year	6,942,817	15,739,033
Original cost of investments sold during the year	(4,186,896)	(10,402,377)
Realised gain on investments sold during the year	2,755,921	5,336,656
Net unrealised loss in value of investments for the year	(3,411,678)	(6,375,117)
Total net loss for the year	(655,757)	(1,038,461)

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

5. Investments (continued)

	2016	2015
	USD	USD
Opening portfolio cost	22,726,939	31,770,751
Additions at cost	1,639,057	1,358,565
Disposals proceeds\return of capital	(6,942,817)	(15,739,033)
Realised gain on disposal of investments	2,755,921	5,336,656
Closing portfolio cost	**20,179,100**	**22,726,939**
Accumulated unrealised gain on investments	2,259,037	5,670,715
Closing valuation	**22,438,137**	**28,397,654**
Net unrealised loss in value of investments for the year	(3,411,678)	(6,375,117)
Realised gain on disposal of investments	2,755,921	5,336,656
Change in fair value of financial assets designated at fair value through profit or loss	**(655,757)**	**(1,038,461)**

6. Revenue

	2016	2015
	USD	USD
Investment income*	82,617	123,920

*Investment income consists of dividend income and other income received by the Company from its interest in underlying investments net of management fees contributed to these investments.

7. Operating Expenses

	2016	2015
	USD	USD
Administration and secretarial fees	77,500	97,612
Audit fee	25,217	28,731
Bank charges	1,403	2,577
Custodian fee	47,594	72,798
Director's remuneration	13,000	13,000
Distributors' fee	95,187	137,668
Investment management fee	249,867	361,379
Legal expenses	-	58
Listing sponsor fee	5,317	4,653
Other fees	5,537	231
Regulatory fee	7,086	7,268
Structuring fee	23,797	34,417
	551,505	760,392

8. Taxation

The Company is exempt from Income Tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989. The Company pays an annual fee to the States of Guernsey Income Tax Office, presently set at £1,200.

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

9. Fees

The Investment Management fee is based on 1.05% of the Net Asset Value and accrued quarterly. Fees charged by the Investment Manager during the year were USD249,838 (2015: USD361,379), of which USD121,835 (2015: USD160,880) remained unpaid at 31 March 2016. The Investment Manager is also entitled to a Performance Incentive Fee which is calculated at 15% on the Company's performance over and above the Hurdle rate, which amount (whether positive or negative) shall be accrued quarterly and paid out on the Termination date. The Company's performance shall be calculated as the Internal Rate of Return of the Company's quarterly NAV plus any amounts paid out as distributions, share purchases and redemptions. Performance fees for the year were USDNil (2015: USDNil).

The Company pays a fee of 0.1% per annum of the Company's Net Asset Value to the Structural Facilitator which is accrued at the end of each quarter. Fees charged by the Structural Facilitator during the year were USD23,797 (2015: USD34,417), of which USD23,796 (2015: USD34,417) remained unpaid at 31 March 2016.

The Company pays a fee of 0.2% per annum of the Company's Net Asset Value to Investec Bank (Switzerland) AG as a custody fee which is accrued at the end of each quarter. Fees charged by the Custodian during the year were USD47,594 (2015: USD72,798), of which USD23,207 (2015: USD30,644) remained unpaid at 31 March 2016.

The Administrator is entitled to a fixed annual fee of USD67,500 for providing administration, valuation, compliance and accounting functions and an additional USD5,000 per Board meeting and USD2,500 per additional ad hoc meeting. Fees charged by the Administrator during the year were USD77,500 (2015: USD97,612), of which USDNil (2015: USD5,000) remained unpaid at 31 March 2016.

Directors' fees are equal to USD13,000 per annum per Director. Stephen Henry has agreed to waive his fees. The Directors, only, are considered to be key management.

The Distributors shall be entitled to an annual fee of 0.4% of the NAV of the Company for acting as independent introducers of underlying investors to the Company. The Distributors' fee is payable annually in arrears. The expense charged to the Statement of Total Return in the year ending 31 March 2016 was USD95,187 (2015: USD137,668), of which USD95,187 (2015 USD138,505) remained unpaid at 31 March 2016.

10. Other Payables

	2016 USD	2015 USD
Administration fee	-	5,000
Audit fee	24,451	24,488
Custodian fee	23,207	30,644
Distributors' fee	95,187	138,505
Investment management fee	121,835	160,880
Structural facilitator's fee	23,796	34,417
	288,476	393,934

11. Bank Loans

Investec Bank (Channel Islands) Limited facility - 29 May 2013

	2016 USD	2015 USD
Opening balance	-	-
Drawdown	-	4,550,000
Repayment for the year	-	(4,550,000)
Closing balance	-	-

On 29 May 2013, Investec Bank (Channel Islands) Limited agreed to make available to the Company an uncommitted and on-demand loan facility up to USD12,000,000 (the "Facility") available for 364 days from the initial drawdown date of 8 November 2013.

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

11. Bank Loans (continued)

Investec Bank (Channel Islands) Limited facility - 15 August 2014

	2016 USD	2015 USD
Opening balance	4,900,000	-
Drawdown	350,000	4,900,000
Repayment for the year	(5,250,000)	-
Closing balance	-	4,900,000

On 15 August 2014, Investec Bank (Channel Islands) Limited (the "Bank") agreed to make available to the Company a further uncommitted and on-demand loan facility up to USD12,000,000 (the "Facility") available for drawdown until 1 May 2017. On 20 February 2015, an initial drawdown of USD4,900,000 was made against the Facility. The loan was repaid in full during the year. The Facility is secured against the Investment Portfolio of the Company.

Financial covenants and interest margin in relation to the Facility are as follows:-
The maximum Loan to Value Ratio is 30% as determined by the Bank on the basis that the Secured Property Basis (by reference to all of the Secured Property) applies.

There have been no breaches of these covenants during the year.

Interest payable and similar charges	2016 USD	2015 USD
Finance interest	49,681	59,960
Loan arrangement fee	-	25,000
	49,681	84,960

Interest is charged on each outstanding Loan Facility at the aggregate of the Margin, set at 3%, plus 3M USD LIBOR and is payable quarterly in arrears at dates corresponding with the drawdown date for the Loan. At year end the aggregate interest rate was 3.62910%. The loan facility is due to be repaid on or before 1 August 2017.

12. Reconciliation of net cash flow to movement in net debt

	2016 USD	2015 USD
(Decrease) in cash for the year	(236,636)	(2,020,192)
Decrease/(Increase) in debt in the year	4,900,000	(4,900,000)
	4,663,364	(6,920,192)
Net debt at beginning of the year	(3,713,109)	3,207,083
Net debt at end of the year	950,255	(3,713,109)

	As at 31 March 2016	Movement	As at 1 April 2015
Cash at bank	950,255	(236,636)	1,186,891
Bank debt due	-	4,900,000	(4,900,000)
Net debt	950,255	4,663,364	(3,713,109)

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

13. Analysis of Shares

Management shares	**No. of shares**	**2015 & 2016 USD**
Authorised		
Management shares of USD1 each	10	10

	No. of shares	**2015 & 2016 USD**
Issued and unpaid		
Management shares of USD1 each	2	2

Management shares are not redeemable, do not carry any right to dividends and in a winding up rank only for a return of the amount of paid up capital after return of capital on Ordinary shares.

Ordinary shares

	No. of Shares	**USD**
Allotted and fully paid		
Balance brought forward as at 1 April 2014	41,877.405	41,445,334
Redemptions	(18,379.918)	(20,350,000)
Balance at 31 March 2015	23,497.487	21,095,334
Redemptions	-	-
Balance at 31 March 2016	23,497.487	21,095,334

The Ordinary shares have a par value of USD0.01 each in the share capital of the Company, as well as fractions of such Ordinary shares, as the context requires.

Ordinary shares are redeemable on the 11th anniversary of the initial closing date (27 June 2008), unless the Board of Directors chooses to extend the duration of the Company for up to two years. The Company is closed-ended and therefore shareholders have no right to redeem the shares or request that the Company repurchase them prior to the redemption date. However, the Directors have discretion to accept redemptions if certain criteria are met:

a) redemptions are effected pro rata to all investors, for part of their shares, at the audited fair market value per share less costs associated with redemption;

b) there is sufficient cash or gearing available to fund such redemptions; and

c) the number of shares to be redeemed shall be proportionate to the value that the realisation proceeds received by the Company (less any disposal costs and performance incentive, if applicable) represents to the NAV of the Company as a whole prior to such redemption.

Dividends may be paid on the shares at a level recommended by the Directors and provided that they are covered by funds that may be lawfully distributed as dividends.

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

14. Net Asset Value per Ordinary Share

	2016 USD	2015 USD
Traded Net Asset Value at 31 March	23,106,788	24,288,389
Adjustments to year end accruals	833	(3,874)
Reported Net Assets Value at 31 March	23,107,621	24,284,515
Ordinary shares in issue	23,497.487	23,497.487
Traded Net Asset value per share	983.3727	1,033.6590
Reported Net Asset value per share	983.4082	1,033.4941

15. Basic and Diluted Earnings per share

	2016 USD	2015 USD
Loss attributable to ordinary shares	(1,176,894)	(1,815,411)
Weighted average number of shares in issue	23,497.487	33,852.827
Loss per ordinary share	(50.09)	(53.63)

The weighted average number of shares was calculated with reference to the number of days units have actually been in issue and hence their ability to influence income generated.

The ordinary shares had no dilutive potential as at 31 March 2016. Therefore, basic and diluted earnings per share are equal.

16. Financial Instruments - financial risk

The Company, during the normal course of business, enters into investment transactions in financial instruments, the holding of which gives exposure to the following risks:

(a) Interest rate risk

The Company is exposed to interest rate risk associated with the effects of fluctuations in the prevailing levels of market interest rates on loan balances. All of these loan balances incur interest at a floating rate.

The interest rate profile of the financial liabilities as at the Balance Sheet date is as follows:

	2016 USD	2015 USD
Variable rate financial liabilities	-	(4,900,000)

The variable rate financial liabilities comprise the loan with Investec Bank (Channel Islands) Limited on which interest is paid in accordance with the Facility Agreement dated 15 August 2014.

The following sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting period. As at 31 March 2016 the impact on the result of a 100 basis points increase of the interest rates (all other factors remaining equal) would be USDnil increase (2015: USD49,000). Similarly a 100 basis points decrease in interest rates would result in USDnil decrease in interest bearing cash balance (2015:(USD49,000)).

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

16. Financial Instruments - financial risks (continued)

(b) Liquidity risk

The Company is likely to be committing the Company's funds to investments of a long-term and illiquid nature whose shares are not listed on any stock exchange. Such investments are likely to involve a relatively high degree of risk, and the timing of cash distributions to investors is uncertain and unpredictable. Liquidity risk is mitigated by the fact that prior to the Redemption date, investors have no right to have their shares redeemed by the Company.

The Company maintains surplus cash of both United States Dollars and Euros in current accounts. These funds are made available as and when required to meet ongoing investment requirements.

In August 2014, the Company entered into a USD12 million facility with Investec Bank (Channel Islands) Limited. This further reduces the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's main financial commitments are its ongoing annual operating expenses.

The table below analyses the Company's main financial commitments by their expected due dates.

2016	Less than 1 month USD	1 - 3 months USD	3 months to 1 year USD	1 to 5 years USD	Total USD
Investment management fee	-	-	121,835	-	121,835
Administration fee	-	-	-	-	-
Audit fee	-	-	24,451	-	24,451
Custodian fee	-	-	23,201	-	23,201
Distributors' fee	-	-	95,176	-	95,176
Structural facilitator's fee	-	-	23,794	-	23,794
Loan interest	-	-	-	-	-
Loan	-	-	-	-	-
	-	-	288,457	-	288,457

2015	Less than 1 month USD	1 - 3 months USD	3 months to 1 year USD	1 to 5 years USD	Total USD
Investment management fee	97,723	-	63,157	-	160,880
Administration fee	5,000	-	-	-	5,000
Audit fee	-	-	24,488	-	24,488
Custodian fee	-	-	30,644	-	30,644
Distributors' fee	-	-	138,505	-	138,505
Structural facilitator's fee	-	-	34,417	-	34,417
Loan interest	17,563	-	-	-	17,563
Loan	4,900,000	-	-	-	4,900,000
	5,020,286	-	291,211	-	5,311,497

(c) Foreign currency risk

Foreign currency risk is the risk that the value of the financial instrument or cash will fluctuate because of changes in foreign currency exchange rates. Investments may be based in currencies other than United States Dollars and unfavourable exchange rates between those currencies and United States Dollars will affect the fair market value per share of the Company. The Company's portfolio is diversified across global currencies but primarily in United States Dollars and Euros.

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

16. Financial Instruments - financial risks (continued)

(d) Market risk

Market risk arises because the Company's investments are exposed to market price fluctuations and these are monitored by the Company's investment manager. The investment manager has a team dedicated to sourcing and carrying out the diligence necessary to select investments aimed at delivering consistent and outstanding performance.

The Company has adopted the following investment restrictions to manage its risk:

i) No single investment may exceed 20% of the aggregate subscription proceeds received by the Company (and including any returns on such proceeds while in the investment portfolio);

ii) No single investment strategy may exceed 50% of the aggregate subscription proceeds received by the Company (and including any returns on such proceeds while in the investment portfolio);

iii) Investments within the Specialised Opportunities Portfolio will be implemented or committed to within the Investment Period, as defined in the prospectus, thereafter Specialised Opportunities Investments shall only be made if they do not potentially extend the life of the Company past 27 June 2019; and

iv) The investment portfolio may only invest in investments which can, under normal circumstances, be liquidated within a six month period.

At 31 March 2016, had the market price of the investments susceptible to market risk increased or decreased by 20% with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of participating shares would be USD4,487,627 (2015: USD5,679,351).

(e) Credit risk

Credit risk is the risk that a counterparty to a financial instrument transaction will fail to discharge an obligation or commitment that it has entered into with the Company. The following carrying amount of financial assets best reflects the maximum credit risk exposure at the year end:

	2016	2015
Assets	**USD**	**USD**
Cash and bank balances	950,255	1,186,891
Debtors	7,707	11,469
Financial assets at fair value through profit or loss	22,438,137	28,397,654
Total assets	**23,396,099**	**29,596,014**

The Company's cash balances are held with Investec Bank (Switzerland) AG and bankruptcy or insolvency of the bank may cause the Company's rights with respect to the cash held by them to be delayed or limited and in the worst case scenario, could be subject to total loss. The Company aims to manage credit risk by holding its securities and cash assets with reputable banking institutions with adequate credit quality, the Company monitors credit quality on a regular basis. The current Moody's Long-Term and Short-term deposit rating of Investec Bank Limited, the parent of Investec Bank (Switzerland) AG, is A2/Prime-1).

The Company is exposed to credit risk arising from the withdrawal of the investments in the underlying funds. This risk is managed by the thorough due-diligence process before an investment is made and monitoring the investment throughout its life.

(f) Capital management

The Company's objectives when managing capital are to safeguard the ability to continue as a going concern, so that they can continue to provide returns for shareholders.

The Company may be geared through borrowings of up to 30% of the Company's assets. Presently, the Company has no borrowings but has a loan facility under which it can draw borrowings. Any borrowings are secured by the Company's assets. The cost of this borrowing is linked to interest rates which may fluctuate, and, as such, impact returns. In the event that the cost of borrowing exceeds the return on investments, the borrowing will have a negative effect on the Company's performance.

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

16. Financial Instruments - financial risks (continued)

(f) Capital management (continued)

The Company entered into a banking facility agreement containing financial covenants. Should any such covenants be breached the Company may be required to repay the borrowings in whole, or in part, together with any attendant costs. There were no breaches of bank covenants during the year.

In order to manage such risk the investment manager will source investments aimed at delivering consistent and outstanding performance and as such the likelihood of cost of borrowing having a negative effect on the Company will have been reduced.

17. Interest in Shares

The Directors have no direct interests in the Ordinary shares of the Company.

The shareholders listed below have interests in the Ordinary shares of the Company greater than 10%:

Sentinel Mining Industry Retirement Fund	45.3187%
Investec Bank (Switzerland) AG	12.1456%
Investec Securities Limited - Asset Swap Account	13.6674%
Torch Nominees Ltd	11.7887%

Due to the number of shareholders and the size of their holdings the directors do not believe that there is a single ultimate controlling party.

18. Related Party Transactions

Stephen Henry, is employed by Investec Bank (Channel Islands) Limited (IBCI) and waived his director's fees.

In August 2014, the Company entered into a USD12m facility with IBCI in an arm's length transaction. IBCI, the Structural Facilitator (Investec Bank Limited) and the Custodian (Investec Bank (Switzerland) AG) are under common ownership. Details of transactions with these parties are disclosed in Notes 6, 9, 10 and 11.

Grovepoint Capital LLP, the Investment Manager, holds all of the management shares of the Company.

The administrator is a related party as Brian O'Mahoney was a Director of the Company until 29 April 2015 and a Director of Legis Group until 5 December 2014.

The related party transactions with the Administrator and Investment Manager are detailed in Notes 6, 9 and 10.

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

19. Commitments

At the year end the Company had committed to invest USD74,915,082 of which USD5,704,142 was outstanding at the year end. The amounts remaining on commitments are broken down as follows:

Investments	Currency	Initial commitment	Funded to date	Outstanding commitment (USD)
Apollo European Principal Finance	EUR	2,775,000	2,284,844	490,156
Apollo European Principal Finance - Project Spring	GBP	1,238,400	1,238,400	-
Apollo Overseas Partners VII	USD	3,250,000	2,705,586	544,414
Ashmore Global Special Situations 4	USD	5,850,000	5,629,848	220,152
Carlyle Asia Growth Partners IV	USD	4,550,000	3,679,250	870,750
Carlyle Asia Partners III	USD	4,550,000	4,071,779	478,221
Carlyle Brazilian Tourism Co-Investment	USD	1,950,000	1,950,000	-
Carlyle RMBS Partners III	USD	4,550,000	4,550,000	-
Lone Star Fund VII	USD	4,550,000	4,269,558	280,442
Lone Star Real Estate II Fund LP	USD	4,550,000	3,915,396	634,604
Oaktree European Principal Opportunities II	USD	4,850,000	4,845,150	4,850
Oaktree Opportunities Vll (b)	USD	5,850,000	5,850,000	-
Oaktree PPIP Private	USD	2,600,000	2,600,000	-
Mount Kellett Capital	USD	5,850,000	5,850,000	-
Paulson Recovery Fund Ltd. - Class A	USD	3,250,000	3,250,000	-
Riverstone Global Energy and Power IV	USD	3,250,000	3,250,000	-
Riverstone Renewable and Alternative Energy II	USD	3,250,000	2,467,020	782,980
Tishman Speyer Brazil II	USD	3,250,000	3,028,561	221,439
Tishman Speyer China I	USD	3,250,000	2,073,866	1,176,134
				5,704,142

20. Financial Instruments

The carrying values of the Company's financial assets and liabilities as at 31 March 2016 are summarised by category below:

	31 March 2016	**31 March 2015**
	USD	**USD**
Financial assets		
Measured at fair value through profit or loss:		
Investments at fair value	22,438,137	28,397,654
Measured at undiscounted amount receivable:		
Debtors	7,707	11,469
Cash and bank balances	950,255	1,186,891
Total financial assets	23,396,099	29,596,014
Financial liabilities		
Measured at amortised cost:		
Bank loans	-	(4,900,000)
Measured at undiscounted amount payable:		
Creditors and payables	(288,476)	(411,497)
Total financial liabilities	(288,476)	(5,311,497)

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

20. Financial Instruments (continued)

The Company early adopted "Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland - Fair value hierarchy disclosures", issued during March 2016, requiring it to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) for identical instruments in active markets

Level 2 - Prices of recent transactions for identical instruments

Level 3 - Valuation techniques using unobservable market data

There have been no movements between levels during the year.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level of input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

Level 3 is comprised of Investee Funds held by the Company that are not quoted in active markets. In determining the fair value of its Investee Funds, the Company relies on the valuation as reported in the latest available financial statements and /or capital account statements provided by the Investee Fund's general partner, unless the Company, or the Investment Manager, is aware of reasons that such a valuation may not be the best approximation of fair value. In such cases, the Company reserves the right to assign a fair value to such investments which differs from the one reported by the Investee Fund's general partner. These differences may arise because a number of reasons including but not limited to:

a) The report received from the Investee Fund's general partner may be non-coterminous with the Company's reporting date;

b) The report received from the Investee Fund's general partner may be based on principles that are not aligned with the fair value principles set out in FRS 102 or that of the Company; and

c) The Investment Manager or the Company may have other observable or unobservable data that would indicate that amendments are required to a particular portfolio company at fair values presented in the report from Investee Fund's general partner.

The following table analyses within the fair value hierarchy the Company's financial assets and financial liabilities measured at fair value as at 31 March 2016:

	2016 USD	2015 USD
Level 3	22,438,137	28,397,654

21. Explanation of the transition to FRS 102

This is the first year that the Company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014. Changes to accounting policies, as a consequence of adopting FRS 102, have been of a narrative nature only. There have been no changes to the recognition or measurement bases of transactions and balances and, therefore, there have been no changes to the results or total equity of prior periods.

22. Subsequent events

There have been no events after the reporting date that require disclosure.

Portfolio Statement as at 31 March 2016

Investments at Market Value	31 March 2016 Valuation USD
Strategy/Investment vehicle	
Distressed Opportunities	*5,646,056*
Apollo Overseas Partners VII	969,325
Lone Star Fund VII	837,155
Mount Kellett Capital	1,551,794
Oaktree European Principal Opportunities II	1,759,146
Oaktree Opportunities VII (b)	528,636
Special Situations	*3,843,839*
Ashmore Global Special Situations IV	438,680
Riverstone Global Energy and Power IV	1,565,156
Riverstone Renewable and Alternative Energy II	1,840,003
Niche Private Equity	*8,586,168*
Carlyle Asia Growth Partners IV	3,673,458
Carlyle Asia Partners III	2,609,881
Carlyle Brazilian Tourism Co-Investment	2,302,829
Niche Property	*4,362,074*
Apollo European Principal Finance	351,886
Lone Star Real Estate II Fund LP	863,873
Tishman Speyer Brazil II	549,278
Tishman Speyer China I	2,597,037
	22,438,137
Managed	
Fairfield Sentry Limited	-
	22,438,137

This schedule does not form part of the audited financial statements.

Summary of Portfolio Changes for the year ended 31 March 2016

Sales		31 March 2016 Proceeds USD
Apollo European Principal Finance		484,211
Apollo Overseas Partners VII		381,184
Ashmore Global Special Situations IV		327,688
Carlyle Asia Partners III		2,483,327
Carlyle Asia Growth Partners IV		520,080
Carlyle Brazilian Tourism Co-Investment		122,718
Lone Star Fund VII		380,488
Lone Star Real Estate II Fund		924,707
Mount Kellett Capital		622,775
Oaktree European Principal Opportunities II		193,812
Oaktree Opportunities VII (b)		128,363
Riverstone Global Energy & Power IV LP		5,556
Riverstone R & A Energy Fund II		184,880
Tishman Speyer China Feeder (B) LP		183,028
		6,942,817
	Cost of Investments sold	4,186,896
	Gain on Sale of Investments	2,755,921

Purchases	31 March 2016 Cost USD
Apollo European Principal Finance	8,378
Apollo Overseas Partners VII	177,684
Carlyle Asia Partners III	266,677
Carlyle Asia Growth Partners IV	681,170
Carlyle Brazilian Tourism Co-Investment	1,922
Lone Star Fund VII	13,245
Lone Star Real Estate II Fund	19,663
Oaktree European Principal Opportunities II	116,400
Oaktree Opportunities VII (b)	13,637
Riverstone Global Energy and Power IV	171,924
Riverstone Renewable and Alternative Energy II	102,195
Tishman Speyer China I	66,162
	1,639,057

This schedule does not form part of the audited financial statements.

GLOBAL SPECIALISED OPPORTUNITIES 1 LIMITED ("the Company")
Registered Office Address: 11 New Street, St. Peter Port, Guernsey, GY1 2PF
Registration Number: 48779

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the seventh Annual General Meeting of the Members of the Company will be held at the Company's registered office on 28 October 2016 at 11:00 a.m.

ORDINARY RESOLUTIONS

1. That the Company receive and adopt the Audited Report and Financial Statements for the year ended 31 March 2016.

2. That the Company re-appoint Saffery Champness as Auditor of the Company until the conclusion of the next general meeting at which accounts are laid before the Company.

3. That the Company authorise the Directors of the Company to determine the remuneration of the Auditor.

SPECIAL RESOLUTION (See Note 4 below).

4. That the Memorandum and Articles of the Company be amended by replacement in their entirety in the form presented to the meeting (the New M&A).

By Order of the Board

Vistra Fund Services (Guernsey) Limited
Corporate Secretary
11 New Street
St. Peter Port, Guernsey, GY1 2PF

29 September 2016

NOTES

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote in his stead. Such proxy need not be a member of the Company.

2. A form of proxy is enclosed and to be valid must be lodged with the Secretary at the Company's registered office, c/o Vistra Fund Services (Guernsey) Limited, PO Box 91, 11 New Street, St Peter Port, Guernsey, GY1 3EG, Channel Islands not less than 48 hours before the time fixed for the meeting.

3. If you do not intend to attend the meeting please complete and return the form of proxy as soon as possible.

4. Please refer to the Note of principle changes required to the Memorandum and Articles of Association of the Company (the M&A) pursuant to the Companies (Guernsey) Law 2008, as amended (the Companies Law), a copy of which is attached to and forms part of this Notice. A copy of the New M&A is available on request from the Secretary.

GLOBAL SPECIALISED OPPORTUNITIES 1 LIMITED (the Company)

Registered Number: 48779

NOTE OF PRINCIPAL CHANGES REQUIRED TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY (THE M&A) PURSUANT TO THE COMPANIES (GUERNSEY) LAW 2008, AS AMENDED (THE COMPANIES LAW)

Shareholders are advised not to rely on this Note alone but to review the proposed M&A in their entirety.

1. Adoption of new Memorandum of Incorporation

The Companies Law requires a statement as to the status of a company in its memorandum of incorporation. It is proposed that the memorandum of incorporation of the Company be replaced with a new memorandum of incorporation which includes a statement that the Company is a non-cellular company as such term is defined in the Companies Law and which removes any restrictions on the objects of the Company so that the objects of the Company will be unrestricted.

2. Adoption of new Articles of Incorporation

The amendments replace the articles of association with new articles of incorporation in light of the changes introduced by the Companies Law (the **Articles**). The principal proposed amendments to the Articles are summarised below. The changes made are those required by the Companies Law or that the board believes the Company may benefit from as a result of the Companies Law.

Non-material changes and/or changes of a minor, technical or clarifying nature have not been set out in this Note.

(a) Variation of Class Rights

The proposed Articles have been revised to reflect the relevant sections of the Companies Law in connection with the variation of class rights.

(b) Register of Members

Certain amendments have been made in order to conform the provisions in the Articles to the Companies Law in respect of the maintenance of a register of members.

(c) Untraceable Shareholders

A new section regarding untraceable shareholders to be added in respect of the shares of a member who is untraceable for reasons of death or insolvency or otherwise by operation of law.

(d) General Meetings and Resolutions

The provisions in relation to general meetings have been modified and a new section relating to written resolutions has been included to comply with new statutory provisions. It should be noted that the quorum and notice period provisions will remain as currently drafted in the existing Articles. The amendments relate primarily to the method of giving notice and the contents of such notice. Amendments have also been made relating to the rights of shareholders to appoint proxies. A proxy will have all the rights of the shareholder who appointed him to attend, speak and vote at a meeting of the Company.

(e) Directors

There are provisions under the Companies Law that require the directors to make disclosures to the board in respect of transactions in which they have an interest. The Company can void a transaction if such disclosure is not made unless:

(i) there was no requirement to make the disclosure;

(ii) the transaction is ratified; or

(iii) the Company receives fair value in respect of the transaction.

The proposed Articles reflect the Companies Law in this regard.

(f) Secretary

Under the Companies Law, a company may, but need not have, a company secretary. Unless the duties of the secretary are specifically assigned and set out in the articles of incorporation of a company, the functions of the secretary are those set out in the Companies Law and include:

(a) that all registers and indexes are maintained in accordance with the provisions of the Companies Law;

(b) that all notices and documents required to be filed or served upon the Registrar of Companies or other persons are duly so filed or served;

(c) that all resolutions, records (other than records of beneficial owners) and minutes of the company are properly kept;

(d) that copies of the memorandum and articles of incorporation are kept fully up to date; and

(e) that the board of directors is aware of any obligations imposed by:

(i) the memorandum and articles of incorporation; and

(ii) the rules of any stock exchange the company is listed on.

(g) Dividends

The proposed Articles have been amended to remove the old requirement that dividends can only be paid out of the profits of the Company. The new statutory provisions in relation to distributions and reserves generally have been incorporated such that distributions to shareholders may be made in any amount and from any account as long as the board considers that, following the making of any such distribution, the Company will be able to pass a statutory solvency test (meaning that it can pay its debts as they fall due and that its assets are greater than its liabilities).

(h) Auditors

The provisions dealing with the appointment of Auditors have been modified and a reference to the appointment provisions under the Companies Law has been incorporated.

(i) Accounts

Amendments are suggested to be made to provide for more extensive requirements in respect of what must be contained in the Company's accounts. In particular, this will include a requirement that the accounts shall:

- give (and state that they give) a true and fair view;
- be in accordance (and state that they are in accordance) with generally accepted accounting principles and state which principles have been adopted; and
- comply (and state that they comply) with any relevant enactment for the time being in force.

(j) Notices

The provisions dealing with notices issued by the Company have been amended to reflect the timing provisions in respect of the Companies Law and to clarify the use of electronic communications with shareholders.

(k) Directors' Indemnities

The Companies Law has introduced provisions which limit the validity of indemnities granted by a Company to its directors. The directors' indemnity provisions contained in the Articles have been modified to limit the remit of any indemnity granted to the directors to the extent permitted under the Companies Law.

3. Documents available for inspection

Copies of the following documents will be available for inspection at (i) the registered office of the Company's administrator, Vistra Fund Services (Guernsey) Limited, PO Box 91, 11 New Street, St Peter Port, Guernsey, GY1 3EG, during normal business hours on any business day, from the date of the notice of the annual general meeting of the Company to be held on 28 October 2016 until the conclusion of such annual general meeting; and (ii) the place of the annual general meeting for at least 15 minutes prior to, and during, the annual general meeting. Copies of the documents can also be requested by emailing: corporate.secretarial.gg@vistra.com.

(a) the Company's memorandum and articles of association;

(b) a draft of the proposed new amended and restated memorandum and articles of incorporation (showing the full terms of the amendments proposed to be made); and

(c) this Note.

GLOBAL SPECIALISED OPPORTUNITIES 1 LIMITED
(the "Company")
Registered Office: 11 New Street, St Peter Port, Guernsey, GY1 2PF
Company Reference: 48779

FORM OF PROXY

FOR USE AT THE ANNUAL GENERAL MEETING TO BE HELD AT THE REGISTERED OFFICE OF THE COMPANY ON 28 OCTOBER 2016

I/We (registered name) ____

Of (address) ____

being (a) member(s) of the Company appoint the Chairman of the meeting or *(see note 2)*

____

as my/our proxy and, on a poll, to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11 New Street, St Peter Port, Guernsey on 28 October 2016 at 11:00 GMT and any adjournment thereof.

Please indicate with an 'X' in the spaces provided how you wish your votes to be cast on the resolutions specified.

Ordinary Resolutions:	**For**	**Against**	**Abstain**
1. That the Company receive and adopt the Audited Report and Financial Statements for the year ended 31 March 2016			
2. That the Company re-appoint Saffery Champness as Auditor of the Company until the conclusion of the next general meeting at which accounts are laid before the Company.			
3. That the Company authorise the Directors of the Company to determine the remuneration of the Auditor.			
Special Resolution:			
4. That the Memorandum and Articles of the Company be amended by replacement in their entirety in the form presented to the meeting (the New M&A).			

Subject to any voting instructions so given the proxy will vote, or may abstain from voting, on any resolution as he/she may think fit.

Signature ____

Dated this __________________________ day of ________________________________ 2016

PROXY NOTES

1. Please complete the proxy form in block capitals.

2. If you so desire you may delete the words "Chairman of the meeting" and insert the name of your own choice of proxy, who need not be a member of the Company. Please initial such alteration.

3. In order to be valid, the proxy form must be lodged at the Company's registered office, 11 New Street, St Peter Port, Guernsey GY1 2PF not less than 48 hours before the time fixed for the meeting.

4. A corporation must execute the proxy under its common seal or under the hand of an officer or attorney duly authorised.

5. In the case of joint holders the vote of the senior shall be accepted to the exclusion of other joint holders, seniority being determined by the order in which the names stands in the register in respect of the joint holding.