Global Specialised Opportunities 1 Limited

(Registration Number: 48779)

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2013

Contents

Company Information

Investment Manager:	Grovepoint Capital LLP (appointed 1 April 2012) Heron House 4 Bentinck Street London W1U 2EF
Administrator, Registrar and Secretary:	Legis Fund Services Limited PO Box 91 11 New Street St Peter Port Guernsey, GY1 3EG
Directors of the Company:	Mr Stephen Henry Mr Brian O'Mahoney Mr David Fitch
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 41 a Cedar Avenue Hamilton HM12 Bermuda
Annual Sponsor:	Capital G BSX Services Limited 25 Reid Street Hamilton HM 11 Bermuda
Custodian and Structural Facilitator:	Investec Bank (Switzerland) AG Lowenstrasse 29 CH-8001 Zurich Switzerland

Investment Manager's Commentary

Performance

Global Specialised Opportunities 1 Limited's ("GSO1" or "the Company") net asset value ("NAV") increased 3.68% over the financial year bringing the cumulative return since the inception of the Company on 27 June 2008 to 17.66%. On 7 March 2013, GSO1 declared a dividend of USD195.82 per share, which was paid on 8 March 2013, decreasing the Company's liquidity position at the end of the first quarter to 1.7% of NAV. In total, the Company has returned 25.5% of shareholders' initial cost basis.

The financial year was volatile for global markets, with the MSCI World global equity index suffering a peak-to-trough decline of 11.75% between April and June 2012, but recovered in the fourth quarter to post an increase of 10% over the financial year. The MSCI Emerging Market equity index did not recover from declines in May and June, ending the financial year down 0.6%.

In terms of attribution of the Company's performance over the year, positive performance in the Distressed Opportunities strategy was partially offset by negative mark-to-market adjustments in the Niche Private Equity strategy which is focussed on Emerging Markets. As at 31 March 2013, the Specialised Opportunities Portfolio was fully invested, with the majority of the Company's 19 investments now in the liquidation phase.

Overall, we remain pleased with the performance of GSO1 and expect increased exit activity from GSO1's maturing portfolio over the coming financial year.

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

Asset allocation

At the end of the financial year, GSO1's assets were held as follows: 1.7% in the Investment Portfolio and 98.3% in the Specialised Opportunities Portfolio. The Specialised Opportunities Portfolio was fully committed with approximately USD75m of commitments to 19 investment vehicles across the 4 targeted strategies as follows: Distressed Opportunities USD24.4m; Special Situations USD15.6m; Niche Private Equity USD11.1m; Niche Property USD24.2m.

Further information on the underlying investments, based on the quarterly updates received from sponsors, is provided in the Company's Quarterly Reports.

Grovepoint Investment Management

REPORT OF THE DIRECTORS

The Directors present their annual report and the audited financial statements for the year ended 31 March 2013.

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

The Directors declared an interim dividend of US$10,100,000 (2012: US$nil) which was paid on on 8 March 2013.

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
Mr David Fitch

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.

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 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 Generally Accepted Accounting Principles (United Kingdom Accounting Standards and applicable law). 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

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
Director

Date: 12 September 2013

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 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Ordinary Shares, the Statement of Assets and Liabilities, the Statement of Cash Flow and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (Generally Accepted Accounting Principles).

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. 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 Annual Report and Audited Financial Statements to identify material inconsistencies with the audited financial statements. 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:

Th give a true and fair view;
- are in accordance with Generally Accepted Accounting Principles; and
- comply with The Companies (Guernsey) Law, 2008.

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 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: 12 September 2013

Statement of Total Return for the year ended 31 March 2013

	Notes	31 March 2013 USD	31 March 2012 USD
Revenue			
Net gain/(loss) on investments during the year	5	30,838,650	(2,199,133)
Other income	6	2,319,596	1,699,167
Expenses	7	(1,122,922)	(1,158,286)
Net currency loss		(19,460)	(162,462)
Increase/(decrease) in net asers attributable to ordinary shares		32,015,864	(1,820,714)

In arriving at the results for the financial period, all amounts above relate to the 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 2013

Increase/(decrease) in net asers attributable to Ordinary shares		32,015,864	(1,820,714)
Net assets at the beginning of the year		58,780,591	64,570,874
Redemptions during the year		-	(3,969,569)
Dividends paid		(10,100,000)	-
Net assets at the end of the year	10	80,696,455	58,780,591

The notes on pages 9 to 16 form an integral part of these financial statements.

Statement of Assets and Liabilities as at 31 March 2013

		31 March 2013	31 March 2012
Assets	Notes	**USD**	**USD**
Fixed assets			
Investments	5	50,955,292	52,929,933
		50,955,292	52,929,933
Current assets			
Other receivables	8	6,872	228,974
Investments		-	2,317,270
Cash and bank balances		537,116	4,344,142
		543,988	6,890,384
Liabilities			
Current liabilities			
Other payables	9	(665,651)	(1,039,726)
Net current (liabilities)/assets		(121,663)	5,850,658
TOTAL NET ASSETS		50,833,629	58,780,593
Net assets attributable to holders of Ordinary shares	10	50,833,627	58,780,591
Net assets attributable to holders of Management shares	12	2	2
Ordinary shares in issue	12	51,579.189	51,579.189
Net asset value per Ordinary share	10	985.5453	1,139.6184

The financial statements were approved by the Board of Directors and authorised for issue on 12 September 2013.

S Henry
Director

D Fitch
Director

The notes on pages 9 to 16 form an integral part of these financial statements.

Statement of Cash Flow for the year ended 31 March 2013

	31 March 2013 USD	31 March 2012 USD
Reconciliation of increase in Net Assets attributable to Ordinary shares to net cash flows from operating activities.		
Increase/(decrease) in Net Assets attributable to Ordinary shares	32,015,864	(1,820,714)
Gains realised on investments sold during the year	(346,916)	(376,467)
Net unrealised market appreciation of net assets	(715,823)	2,575,600
Net unrealised currency exchange loss	86,914	153,904
Decrease in debtors	222,102	10,605
Decrease in creditors	(374,075)	(18,455)
Net cash inflow from operating activities	**30,888,066**	**524,473**
Net cash flows from investing activities		
Purchase of investments	(10,010,594)	(10,991,593)
Sale of investments	15,278,330	15,303,292
Net cash inflows from investing activities	5,267,736	4,311,699
Net cash flows from financing activities		
Redemption of shares	-	(3,969,569)
Dividends paid	(10,100,000)	-
Net cash outflows from financing activities	(10,100,000)	(3,969,569)
Net (decrease)/increase in cash and cash equivalents	**26,055,802**	**866,603**
Cash at the beginning of the year	**4,344,142**	**3,477,539**
Cash at the end of the year	**30,399,944**	**4,344,142**

The notes on pages 9 to 16 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2013

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

The Company will target 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

Surplus liquidity within the Company will be managed in an investment portfolio pending draw down by or commitment to the Specialised Opportunities Portfolio. The investment portfolio will be managed under a discretionary mandate by the Investment Manager. The investment portfolio will benefit 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 will utilise 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. Accounting Policies

(a) Basis of preparation

These financial statements are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with United Kingdom Accounting Standards and applicable Guernsey Law and give a true and fair view. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently during the year unless otherwise stated.

(b) Foreign exchange

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.

(c) Investments

Listed investments that are regularly traded are valued at their last traded price on the relevant business day. Unlisted investments and those in investment vehicles will generally have independent valuers and administrators and 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 those prices shall apply.

The difference between cost and valuation, being an unrealised surplus/deficit on investments, is recognised in the Statement of Total Return. Realised surpluses and deficits on part sales of investments are arrived at by deducting the average costs of such investments from their sale proceeds and are recognised in the Statement of Total Return.

(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 as the underlying investments become ex-dividend. Expenses are service charges and investment related fees which are recognised on an accrual basis.

(e) Going concern

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

3. 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 £600.

Notes to the Financial Statements for the year ended 31 March 2013 (continued)

4. **Fees**

Until 31 March 2012, the Investment Management fee was based on 1.35% per annum of the Net Asset Value of the Company at the end of each quarter and payable annually in arrears. Further to the termination of the Investment Management Agreement with Investec Bank (Switzerland) AG on 31 March 2012 and appointment of Grovepoint Capital LLP, 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 USD595,394 (2012: USD777,369), of which USD293,439 (2012: USD777,369) remained unpaid at 31 March 2013. 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 (2012: 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 USD56,704 (2012: USDnil), of which USD56,704 (2012: USDnil) remained unpaid at 31 March 2013.

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 USD113,408 (2012: USDnil), of which USD51,946 (2012: USDnil) remained unpaid at 31 March 2013.

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 USD72,307 (2012: USD89,735), of which USDnil (2012: USDnil) remained unpaid at 31 March 2013.

The Director's fees are equal to USD13,000 per annum per Director. Stephen Henry and David Fitch have agreed to waive their fee. Director's fees payable to Brian O'Mahoney during the year were USD13,000 (2012: USD13,000), of which USD6,511 (2012: USD3,261) remained unpaid at 31 March 2013.

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 account in the year ending 31 March 2013 was USD227,026 (2012: USD230,331).

5. **Net gain/(loss) on investments**

	2013 USD	**2012 USD**
The net gain/(loss) on investments during the year comprises:		
Proceeds from sale of investments during the year	15,278,330	15,303,292
Original cost of investments sold during the year	(14,931,414)	(14,926,825)
Gains realised on investments sold during the year	30,209,744	376,467
Net unrealised gains/(losses) in value of investments for the year	628,906	(2,575,600)
Total	30,838,650	(2,199,133)

Financial assets designated at fair value through profit or loss

	Level 3 **USD**	Total **USD**
Opening portfolio cost	45,525,230	45,525,230
Additions at cost	10,010,595	10,010,595
Disposals proceeds	(15,278,330)	(15,278,330)
Realised gain on disposal of investments	346,916	346,916
Closing portfolio cost	**40,604,411**	**40,604,411**
Accumulated unrealised gain on investments	10,350,881	10,350,881
Closing valuation	**50,955,292**	**50,955,292**
Net unrealised gains/(losses) in value of investments for the year	628,906	628,906
Realised gain on disposal of investments	346,916	346,916
Change in fair value of financial assets designated at fair value through profit or loss	**975,822**	**975,822**

Notes to the Financial Statements for the year ended 31 March 2013 (continued)

6. Other income

	2013 USD	2012 USD
Interest receivable	26,144	359,823
Dividends received	2,293,452	1,339,344
	2,319,596	1,699,167

7. Expenses

	2013 USD	2012 USD
Administration and secretarial fees	72,307	89,735
Audit fee	25,091	23,705
Bank charges	2,151	925
Custodian fee	113,408	-
Director's remuneration	13,000	13,000
Distributor fee	227,026	230,331
Investment management fee	595,394	777,369
Legal expenses	147	2,295
Listing sponsor fees	6,000	5,000
Other fees	4,727	10,940
Regulatory fees	6,967	4,986
Structuring fee	56,704	-
	1,122,922	1,158,286

8. Other receivables

	2013 USD	2012 USD
Proceeds due from sale of investments	-	221,714
Sundry debtors	6,872	7,260
	6,872	228,974

9. Other payables

	2013 USD	2012 USD
Investment management fee	293,439	777,369
Income distribution payable	4,209	4,209
Audit fee	23,932	23,718
Custodian fee	51,946	-
Director's fee	6,511	3,261
Distributor fee	228,910	231,169
Stuctural facilitator's fee	56,704	-
	665,651	1,039,726

10. Net Asset Value per share

	2013 USD	2012 USD
Traded Net Asset Value at 31 March	50,840,563	58,783,851
Adjustments to year end accruals	(6,936)	(3,260)
Reported Net Assets Value at 31 March	50,833,627	58,780,591
Traded Net Asset value per share	985.6798	1,139.6818
Reported Net Asset value per share	985.5453	1,139.6184

Notes to the Financial Statements for the year ended 31 March 2013 (continued)

11. Financial Instruments

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 cash balances. All of these cash balances receive interest at a floating rate. This interest rate risk is not considered to be significant.

(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 US dollars and Euros in two day notice fiduciary call accounts. These funds are made available as and when required to meet ongoing investment requirements.

In June 2013, the Company entered into a US$12 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.

2013	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	293,439	-	-	-	293,439
Income distribution payable	4,209	-	-	-	4,209
Audit fee	23,932	-	-	-	23,932
Director's fee	6,511	-	-	-	6,511
Distributor fee	228,910	-	-	-	228,910
Custodian fee	51,946	-	-	-	51,946
Structural facilitator's fee	56,704	-	-	-	56,704
	665,651	-	-	-	665,651

2012	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	777,369	-	-	-	777,369
Income distribution payable	4,209	-	-	-	4,209
Audit fee	23,718	-	-	-	23,718
Director's fee	3,261	-	-	-	3,261
Distributor fee	231,169	-	-	-	231,169
	1,039,726	-	-	-	1,039,726

(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.

Notes to the Financial Statements for the year ended 31 March 2013 (continued)

11. Financial risk management objectives (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.

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

(e) Capital management

The Company may be geared through borrowings of up to 30% of the Company's assets. These borrowings may be secured by the Company's assets. The Company is likely to borrow money through a credit facility to fund investments as well as to bridge drawdowns. 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 borrowings exceeds the return on investments, the borrowings will have a negative effect on the Company's performance. In the event that the Company enters into a banking facility agreement or funding agreement, such agreement may contain 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. At the year end the Company had no borrowings.

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 borrowing having a negative effect on the Company will have been reduced.

12. Analysis of Shares

Management shares

	No. of shares	2012 & 2013 USD
Authorised		
Management shares of USD1 each	10	10

	No. of shares	2012 & 2013 USD
Issued		
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.

Notes to the Financial Statements for the year ended 31 March 2013 (continued)

12. Analysis of Shares (continued)

Ordinary shares as at 31 March 2013

	No. of Shares	USD
Balance brought forward as at 1 April 2011	55,164.907	55,164,907
Redemptions	(3,585.718)	(3,969,569)
Balance at 31 March 2012	51,579.189	51,195,338
Subscriptions/(redemptions)	-	-
Balance at 31 March 2013	51,579.189	51,195,338

The Ordinary shares have a par value of USD 0.01 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.

13. Interest in shares

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

The shareholders listed below have interests in the participating redeemable preference shares of the Company greater than 10% as follows:

Sentinel Mining Industry Retirement Fund	29.0039%
Investec Bank (Switzerland) AG	23.9729%
Mine Employees Pension Fund	16.3147%
Investec Securities Limited - Asset Swap Account	13.6674%

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.

Notes to the Financial Statements for the year ended 31 March 2013 (continued)

14. Related party transactions

During the year under review Brian O'Mahoney received Directors' fees of USD13,000 (2012: USD13,000) of which USD6,511 was outstanding at year end (2012: USD3,261).

Mr O'Mahoney is also a related party due to being a Director of Legis Group Limited, the Administrator of the Company.

Two Directors, David Fitch and Stepehn Henry, are employed by Investec Bank (Channel Islands) Limited (IBCI). In June 2013 the Company entered into a US$12m facility with IBCI in an arms length transaction. IBCI and The Structural Facilitator (Investec Bank (Switzerland) AG) are under common ownership.

The related party transactions with the Manager, Administrator and Investment Manager are detailed in Notes 4, 7 and 9.

15. Commitments

At the year end the Company had committed to invest USD75,147,336 of which USD10,916,517 was outstanding at the year end. The amounts remaining on commitments are broken down as follows:

Apollo European Principal Finance
The Company has made a commitment to invest EUR2,775,000, at the year end EUR333,159 was outstanding.

Apollo European Principal Finance - Project Spring
The Company has made a commitment to invest GBP1,238,400, at the year end this had been fully called.

Apollo Overseas Partners VII
The Company has made a commitment to invest USD3,250,000, at the year end USD789,088 was outstanding.

Ashmore Global Special Situations IV
The Company has made a commitment to invest USD5,850,000, at the year end this had been fully called.

Carlyle Asia Growth Partners IV
The Company has made a commitment to invest USD4,550,000, at the year end USD2,097,071 was outstanding.

Carlyle Asia Partners III
The Company has made a commitment to invest USD4,550,000, at the year end USD 1,617,836 was outstanding.

Carlyle Brazilian Tourism Co-Investment
The Company has made a commitment to invest USD1,950,000, at the year end this has been fully called.

Carlyle RMBS Partners III
The Company has made a commitment to invest USD4,550,000, at the year end this has been fully called.

Lone Star Fund VII
The Company has made a commitment to invest USD4,550,000, at the year end USD845,219 was outstanding.

Lone Star Real Estate II Fund
The Company has made a commitment to invest USD4,550,000, at the year end USD2,342,586 was outstanding.

Oaktree European Principal Opportunities II
The Company has made a commitment to invest USD4,850,000, at the year end USD121,250 was outstanding.

Oaktree Opportunities Vll (b)
The Company has made a commitment to invest USD5,850,000, at the year end this has been fully called.

Oaktree PPIP Private
The Company has made a commitment to invest USD2,600,000, at the year end this has been fully called.

Notes to the Financial Statements for the year ended 31 March 2013 (continued)

15. Commitments (continued)

Mount Kellet Capital
The Company has made a commitment to invest USD6,750,000 at the year end this has been fully called.

Paulson Recovery Fund Ltd. - Class A
The Company has made a commitment to invest USD3,250,000 at the year end this has been fully called.

Riverstone Global Energy and Power IV
The Company has made a commitment to invest USD3,250,000, at the year end USD445,883 was outstanding.

Riverstone Renewable and Alternative Energy II
The Company has made a commitment to invest USD3,250,000, at the year end USD815,300 was outstanding.

Tishman Speyer Brazil II
The Company has made a commitment to invest USD3,250,000, at the year end USD258,642 was outstanding.

Tishman Speyer China I
The Company has made a commitment to invest USD3,250,000, at the year end USD1,156,566 was outstanding.

16. Post Balance Sheet Events

Two of the Company's shareholders, Sentinel Mining Industry Retirement Fund ("Sentinel") and Mine Employees' Pension Fund ("Mine") merged on 1 July 2013 following government mandated pension reform in South Africa. Lawrence Graham LLP had been engaged to liaise with The Panel on Takeovers and Mergers ("the Panel") to ascertain whether the merger would trigger the provisions of the City Code on Takevovers and Mergers ("the Code"). From conversations with The Panel, it was understood that the merger of Sentinel and Mines would not trigger the requirement for a mandatory offer to be made to the other shareholders in the Company under Rule 9 of the Code, and Lawrence Graham LLP have made a third submission to the Panel to confirm this position.

In June 2013, the Company's US$24m facility with Investec Bank (Switzerland) AG was terminated. Simultaneously the Company entered into a US$12 million facility with Investec Bank (Channel Islands) Limited with the first drawdown deadline being 29 May 2014 with a minimum of US$10,000. Subsequently, a drawdown of US$1.5m on the new facility was approved by the Company to fund a forthcoming distribution to shareholders.

In June 2013, the Board of Directors approved a distribution of US$5.3m (comprising US$3.8m cash and US$1.5m loan drawdown). The drawdown is subject to receipt and approval of the Structural Facilitator’s recommendation in respect of the mechanism of payment and satisfactory completion of a Directors’ solvency certificate prior to payment.

Portfolio Statement as at 31 March 2013

Investments at Market Value	**Nominal**	**31 March 2013 Valuation USD**
Equity		
Apollo European Principal Finance - Project Spring	45.00	296,951
Apollo European Principal Finance	1,632,703.59	3,022,246
Apollo Overseas Partners VII	1,207,914.33	3,018,887
Ashmore Global Special Situations IV	4,589,305.32	2,684,170
Carlyle Asia Partners III	3,212,224.86	2,614,342
Carlyle Brazilian Tourism Co-Investment	1,950,000.00	6,167,431
Carlyle Asia Growth Partners IV	1,851,342.41	2,478,792
Carlyle RMBS Partners III	465,399.88	1,030,643
Lone Star Fund VII	1,828,505.19	3,431,210
Lone Star Real Estate II Fund LP	1,540,182.33	1,922,254
Mount Kellett Capital	4,315,151.91	5,779,111
Oaktree PPIP Private	475,922.91	842,800
Oaktree European Principal Opportunites II	3,288,281.00	4,052,464
Oaktree Opportunities VII (b)	414.44	2,291,575
Paulson Recovery A	3,251,500.00	3,261,008
Riverstone Global Energy and Power IV	1,625,742.29	2,752,804
Riverstone Renewable and Alternative Energy II	1,789,274.04	2,406,492
Tishman Speyer Brazil II	461,130.00	763,463
Tishman Speyer China I	1,913,778.59	2,138,649
		50,955,292
Managed		
Fairfield Sentry Limited	2,060.85	-
		-
	Total Portfolio	50,955,292

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

Summary of Significant Portfolio Changes for the year ended 31 March 2013

Sales	Nominal	31 March 2013 Proceeds USD
Apollo European Principal Finance	1,423,985.9900	1,848,821
Apollo Overseas Partners VII I	1,232,381.2700	1,232,381
Ashmore Global Special Situations IV	351,396.3000	351,396
Carlyle Asia Partners III	514,696.0000	514,696
Carlyle Asia Growth Partners IV	331,837.4200	331,837
Carlyle RMBS Partners III	750,728.7700	750,729
Gems Low Volatility Portfolio	22.7519	34,313
Lone Star Fund VII	1,878,940.0800	1,878,940
Lone Star Real Estate II Fund	1,043,363.6800	1,043,364
Mount Kellett Capital	1,036,525.5300	1,036,526
Oaktree PPIP Private	589,813.8000	589,814
Oaktree European Principal Opportunites II	792,516.0000	792,516
Oaktree Opportunities VII (b)	795,600.0000	1,054,707
Permal Fixed Income Holdings	939.8730	1,209,949
Permal Macro Holdings	260.1640	1,059,090
Riverstone Global Energy and Power IV	735,071.0000	735,071
Riverstone Renewable and Alternative Energy II	646,850.0000	646,850
Tishman Speyer China I	167,329.7300	167,330
		15,278,330
	Cost of Investments sold	14,931,414
	Gain on Investments	346,916

Purchases	Nominal	31 March 2013 Cost USD
Apollo European Principal Finance	1,861,467.4700	2,433,206
Apollo Overseas Partners VII	795,997.2600	795,997
Carlyle Asia Growth Partners IV	680,464.7400	680,465
Carlyle Asia Partners III	568,695.0000	568,695
Carlyle RMBS Partners III	27,979.1900	27,979
Lone Star Fund VII	2,003,938.5900	2,003,939
Lone Star Real Estate II Fund	1,715,115.4000	1,715,115
Oaktree PPIP Private	428,696.3700	428,696
Oaktree European Principal Opportunites II	121,250.0000	121,250
Oaktree Opportunities VII (b)	4,200.8700	4,201
Riverstone Global Energy and Power IV	502,942.0000	502,942
Riverstone Renewable and Alternative Energy II	524,437.0000	524,437
Tishman Speyer Brazil II	71,348.0000	71,348
Tishman Speyer China I	132,324.3300	132,324
		10,010,594

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