BIAS GLOBAL PORTFOLIOS, SPC
BIAS GLOBAL BALANCED FUND –
US$ SEGREGATED PORTFOLIO

Financial Statements and Independent Auditors' Report

December 31, 2013

BIAS GLOBAL PORTFOLIOS, SPC
BIAS GLOBAL BALANCED FUND –US$ SEGREGATED PORTFOLIO

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Independent Auditors' Report to the Board of Directors

We have audited the accompanying financial statements of BIAS Global Balanced Fund – US$ Segregated Portfolio (the "Fund"), which comprise the statement of financial position, as at December 31, 2013, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards**.**

KPMG

June 24, 2014

KPMG, a Cayman Islands partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

BIAS GLOBAL PORTFOLIO, SPC
BIAS GLOBAL BALANCED FUND – US$ SEGREGATED PORTFOLIO

Statement of Financial Position

December 31, 2013
(Expressed in United States dollars)

	Note	2013	2012
Assets			
Cash and cash equivalents	3, 5	$ 749,867	$ 810,661
Financial assets at fair value through profit or loss	4, 5, 9	37,159,436	37,912,010
Interest and dividends receivable		121,806	189,973
Other assets		5,328	12,745
Subscriptions receivable		-	749
Total assets		38,036,437	38,926,138
Equity			
Net capital paid in on shares of capital stock	7	$ 31,069,488	$ 35,870,647
Retained earnings		6,895,818	2,886,639
Total equity (net assets)		$ 37,965,306	$ 38,757,286
Liabilities			
Accounts payable and accrued expenses	6	70,978	88,882
Redemptions payable		153	21,025
Financial liabilities at fair value through profit or loss	4, 5, 9	-	58,945
Total liabilities		71,131	168,852
Total equity and liabilities		$ 38,036,437	$ 38,926,138
Class A Shares outstanding	7	320,774	364,859
Net asset value per share		$ 118.36	$ 106.23

See accompanying notes to the financial statements

Authorised for issue on behalf of the Board of Directors on June 24, 2014:

ROBERT R. PIRES	MARK MELVIN
Director	Director

BIAS GLOBAL PORTFOLIO, SPC
BIAS GLOBAL BALANCED FUND – US$ SEGREGATED PORTFOLIO

Statement of Comprehensive Income

For the year ended December 31, 2013
(Expressed in United States dollars)

	Note	2013	2012
Investment income			
Interest income		$ 163,102	$ 204,204
Dividends and other income		548,278	731,587
Net realised gain/(loss) on sale of financial assets and liabilities at fair value through profit or loss	4	2,300,404	(39,691)
Change in net unrealised gain on financial assets and liabilities at fair value through profit or loss	4, 11	1,799,395	2,022,104
Net foreign exchange loss		(58,943)	(44,637)
Total investment income		4,752,236	2,873,567
Expenses			
Management fees	6	(465,924)	(516,405)
Withholding tax expense		(138,075)	(155,730)
Custody and administration fees	6	(74,561)	(84,627)
Other general expenses		(59,497)	(62,551)
Directors' fees	6	(5,000)	(6,667)
Total expenses		(604,982)	(670,250)
Income for the year		$ 4,009,179	$ 2,047,587

See accompanying notes to the financial statements

BIAS GLOBAL PORTFOLIO, SPC
BIAS GLOBAL BALANCED FUND – US$ SEGREGATED PORTFOLIO

Statement of Changes in Equity

Year ended December 31, 2013
(Expressed in United States dollars)

		Total equity
Balance at December 31, 2011	$	**38,812,646**
Income for the year		2,047,587
Transactions with owners, recorded directly in equity		
Issue of Class A Shares		6,328,418
Redemption of Class A Shares		(8,431,365)
		(2,102,947)
Balance as at December 31, 2012	**$**	**38,757,286**
Income for the year		4,009,179
Transactions with owners, recorded directly in equity		
Issue of Class A Shares		2,774,041
Redemption of Class A Shares		(7,575,200)
		(4,801,159)
Balance as at December 31, 2013	**$**	**37,965,306**

See accompanying notes to the financial statements

BIAS GLOBAL PORTFOLIO, SPC
BIAS GLOBAL BALANCED FUND – US$ SEGREGATED PORTFOLIO

Statement of Cash Flows

Year ended December 31, 2013
(Expressed in United States dollars)

	2013	2012
Cash flows from operating activities		
Income for the year	$ 4,009,179	$ 2,047,587
Adjustments to reconcile income to net cash provided by operating activities:		
Net realised (gain)/loss on sale of financial assets and liabilities at fair value through profit or loss	(2,353,405)	1,467
Change in net unrealised gain on financial assets and liabilities at fair value through profit or loss	(1,954,734)	(2,022,104)
Amortization of bond premiums and discounts	269,398	373,955
Purchase of investments	(34,525,619)	(25,510,790)
Proceeds from sale of investments	39,257,989	27,428,833
Change in operating assets and liabilities:		
Interest and dividends receivable	68,167	(49,062)
Other assets	7,417	492
Accounts payable and accrued expenses	(17,904)	19,474
Net cash provided by operating activities	4,760,488	2,289,852
Cash flows from financing activities		
Proceeds from subscriptions of Class A Shares	2,774,790	6,327,669
Payments on redemptions of Class A Shares	(7,596,072)	(8,410,654)
Net cash used in financing activities	(4,821,282)	(2,082,985)
Net (decrease)/increase in cash and cash equivalents	(60,794)	206,867
Cash and cash equivalents, beginning of year	810,661	603,794
Cash and cash equivalents, end of year	$ 749,867	$ 810,661
Supplemental information		
Interest received	$ 475,355	$ 572,388
Dividends received	$ 552,535	$ 668,224
Taxes paid	$ 138,075	$ 155,730

See accompanying notes to the financial statements

1. Incorporation and principal activity

BIAS Global Portfolios, SPC (the "Company") was incorporated as a Cayman Islands exempted company and registered as a segregated portfolio company under the Companies Law of the Cayman Islands on July 11, 2006. The Company registered under the Mutual Funds Law of the Cayman Islands on November 21, 2006. The address of its registered office is Appleby Trust (Cayman) Ltd., Clifton House, 75 Fort Street, P.O. Box 1350, George Town, Grand Cayman KY1-1108, Cayman Islands.

The Company established BIAS Global Balanced Fund – US$ Segregated Portfolio (the "Fund"), a segregated portfolio of assets, on December 15, 2006. The Fund commenced operations on December 29, 2006.

At December 31, 2013, the Company has four segregated portfolios, namely, the Fund, BIAS Global Equities Fund – US$ Segregated Portfolio, BIAS Short Duration Income Fund – US$ Segregated Portfolio, and the BIAS Global Dividend Income Fund – US$ Segregated Portfolio (the "Segregated Portfolios"). Additional segregated portfolios may be established by the Company in the future at the sole discretion of the Board of Directors. As a matter of Cayman Islands law, the assets of one segregated portfolio will not be available to meet the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation.

The Fund is a segregated portfolio and a separate individually managed pool of assets constituting, in effect, a separate fund with its own investment objective. The assets, liabilities, and results of operations of the Company or other segregated portfolios are not included in these financial statements. BIAS Asset Management Ltd. (the "Investment Manager"), a related party through common directors, acts as the Fund's Investment Manager under the Investment Management Agreement. The Investment Manager has entered into an agreement to delegate its duties to Bermuda Investment Advisory Services Limited (the "Sub-Manager"). BIAS (Cayman) Ltd. and Comerica Bank (the "Custodians") act as the Fund's custodians, and Cayman National Fund Services (the "Administrator") acts as the Fund's administrator.

Assets are identified as either general Company or Segregated Portfolio assets. Those attributable to a segregated portfolio comprise assets representing the total equity attributable to the segregated portfolio and other assets attributable to or held within that segregated portfolio. They are held separately from, and are not comingled with, assets of the other segregated portfolios noted above. The General Assets of the Company comprise a cash balance of $1, representing the amount received upon issuance of the Ordinary Shares (see Note 7). As at December 31, 2013 and 2012, the general assets are not presented separately on the statement of financial position due to immateriality. No income or expense shave been attributed to the general assets to date.

The objective of the Fund is to achieve long-term capital growth in the value of assets. The policy of the Investment Manager and Sub-Manager is to hold a portfolio of global equities or limited partnership interests together with money market instruments, corporate bonds and Eurobonds of issuers throughout the world, government bonds of countries that are members of the Organization for Economic Cooperation and Development and other income producing securities.

2. Significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. The accounting policies have been applied consistently throughout the period and are consistent with prior year.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

The financial statements are presented in United States ("US") dollars, which is also the Fund's functional currency, and not the local currency of the Cayman Islands reflecting the fact that the Fund's Class A Shares are issued in US dollars, and assets and liabilities are denominated in US dollars.

The statement of financial position presents assets and liabilities in decreasing order of liquidity and do not distinguish between current and non-current items. All the Fund's assets and liabilities are held for the purpose of being traded or are expected to be realised within one year.

The accounting policies have been applied consistently throughout the period and are consistent with prior year except for the changes below and noted in Note 2(f).

These financial statements are prepared on a fair value basis for financial assets and liabilities held at fair value through profit or loss. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised cost or redemption amount which is considered to approximate fair value due to the short-term nature of these assets and liabilities.

The Fund has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013:

(i) IFRS 12 *Disclosure of Interests in Other Entities; and*
(ii) IFRS 10 *Consolidated Financial Statements*

The nature and the effect of the changes are explained below.

(i) IFRS 12 Involvement with unconsolidated structured entities
As a result of application of IFRS 12, the Fund has made disclosures about its involvement with unconsolidated structured entities (see Note 13). The disclosures related to its involvement with unconsolidated structured entities are not included in the comparative information.

(ii) IFRS 10 Consolidated Financial Statements
IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The new standard does not have any material impact on the Fund's financial position or performance.

(b) Investment income and expense

Dividend income is recorded on the ex-dividend date and is reported gross of withholding tax and the corresponding withholding tax is recognised as a tax expense. Bank interest income and expense is accounted for on the accrual basis.

Interest income from financial assets at fair value through profit or loss is recognised in profit or loss, using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, the Fund estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest received or receivable is recognised in profit or loss as interest income.

2. Significant accounting policies (continued)

(c) Financial assets and liabilities

(i) Classification

In accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, all investments are classified as financial assets and liabilities at fair value through profit or loss, under the sub-category of financial assets and liabilities held for trading.

Financial assets that are classified as loans and receivables include cash and cash equivalents, interest and dividends receivable and other assets. Financial liabilities that are not at fair value through profit or loss are carried at amortized cost and include accounts payable and accrued expenses and redemptions payable.

(ii) Recognition/derecognition

Purchases and sales of investments are initially recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. Other financial assets and liabilities are recognised on the date the Fund becomes a party to the contractual provisions of the instrument.

Investments and other financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred all risks and rewards of ownership. The Fund derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Gains and losses on the disposal of financial assets and liabilities are computed on a first-in, first-out basis ("FIFO") and are included in the statement of comprehensive income in the period in which they arise within net realised gain/(loss) on sale of financial assets and liabilities at fair value through profit or loss. Movements in unrealised gains and losses on financial assets and liabilities are recognised in the statement of comprehensive income within net unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss.

(iii) Measurement

Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value plus directly attributable transaction costs. 'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets and liabilities at fair value through profit or loss category are presented in the statement of comprehensive income in the period in which they arise.

Financial assets classified as loans and receivables are carried at amortised cost, less impairment losses, if any.

Financial liabilities arising from the Class A Shares issued by the Fund are carried at the redemption amount representing the shareholders' right to a residual interest in the Fund's assets.

2. Significant accounting policies (continued)

(c) Financial assets and liabilities (continued)

(iv) Fair value measurement principles

The Fund's investments are valued on the Friday of each week and at month-end (the "valuation date"). In accordance with IFRS 13, for those financial assets and liabilities, at fair value through profit and loss, which have a quoted price in an active market, the Fund uses the last traded price in cases where the last traded price falls within the bid-ask spread. Where the last traded price falls outside the bid-ask spread, the bid price is used for long and the ask price for securities held short. There were no financial instruments for which quotations were not readily available in active markets on a recognised public stock exchange during any of the periods presented.

The fair value of fixed income securities are estimated using market price quotations (where observable).

The fair value of mutual funds and hedge funds are based on the net asset value of the Fund's investment in those underlying funds as published or otherwise reported by the underlying administrators. The mutual funds and hedge funds in which the Fund invests will generally value securities on a national securities exchange or reported on a national market at the last reported sales price on the day of valuation.

(v) Identification and measurement of impairment

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in the statement of comprehensive income when incurred. Interest on impaired assets continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis for gains and losses from financial instruments at fair through profit or loss and foreign exchange gains and losses.

(vii) Involvement with unconsolidated structured entities

The Fund has concluded that unlisted closed-ended investment funds in which it invests, but that it does not consolidate, meet the definition of structured entities because:

- the voting rights in the funds are not dominant rights in deciding who controls them as they relate to administrative tasks only;
- each fund's activities are restricted by its prospectus; and
- the funds have narrow and well-defined objectives to provide investment opportunities to investors.

2. Significant accounting policies (continued)

(d) Operating expenses

The Fund is responsible for all normal operating expenses including audit fees, stamp and other duties and charges incurred on the acquisition and realisation of investments. All expenses are recognised in the statement of comprehensive income on the accruals basis.

(e) Cash and cash equivalents

Cash and cash equivalents include cash at bank, money market investments, and balances held with the investment broker with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value. Money market funds are valued at the net asset value as provided by the managers of the underlying funds.

(f) Share capital

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

As at December 31, 2012, the Fund classified the Class A shares as financial liabilities. As at December 31, 2013, the Fund changed the classification of the Class A shares to equity in accordance with IAS 32 - *Financial Instruments: Disclosure and Presentation*. The comparative figures presented in the Financial Statements have been restated to reflect this reclassification (refer to Note 13 for impact on comparative figures presented). This reclassification had no impact on the equity or net assets attributable to holders of redeemable shares of the Fund for the periods presented.

Ordinary Shares are classified as share capital of the Company. The Class A Shares are the most subordinate class of financial instruments in the Fund. The Class A Shares provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each weekly redemption date and also in the event of the Fund's liquidation.

A puttable financial instrument that includes a contractual obligation for the Fund to repurchase or redeem that instrument for cash or another financial asset is classified as equity, if it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

The Fund's Class A Shares meet these conditions and are classified as equity.

When Class A Shares recognised as equity are redeemed, the par value of the shares is presented as a deduction from net capital paid on shares. Any premium or discount to par value is recognised as an adjustment to net capital paid on shares, or if insufficient to retained earnings. Redemptions payable are classified as financial liabilities and are measured at the present value of the redemption amounts.

2. Significant accounting policies (continued)

(g) Foreign currency

Assets and liabilities denominated in currencies other than US dollars are translated at exchange rates prevailing at the year-end date. Transactions in other currencies during the year are translated to US dollars at the rate prevailing at the date of the transaction. The resulting profits or losses are disclosed in the statement of comprehensive income.

Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange loss, except for those arising on financial instruments at fair value through profit or loss, which are recognised as a component of net realised gain/(loss) on sale of financial assets and liabilities at fair value through profit or loss or change in net unrealised gain/(loss) on sale of financial assets and liabilities at fair value through profit or loss.

(h) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Management does not believe that the estimates and assumptions have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Forward contracts

Forward contracts are recognised as unrealised gains and losses by marking to market on a daily basis to reflect the value of the contracts at the end of each day's trading. Unrealised gains or losses on open forward contracts are calculated as the difference between the contract price at trade date and the contract's applicable forward rate at valuation date. Forward contracts settled during the year are recorded in net realised gain/(loss) on sale of financial assets and liabilities at fair value through profit or loss on the statement of comprehensive income. The Fund had no open forward contracts as at December 31, 2013 (2012: one).

(j) New accounting pronouncements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2013, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the measurement of the amounts recognised in the financial statements of the Fund. However, IFRS 9, *Financial Instruments*, will change the classification of financial assets.

IFRS 9 – Financial Instruments

IFRS 9 specifies how an entity should classify and measure financial assets and liabilities, including some hybrid contracts. IFRS 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of IAS 39. IFRS 9 applies a consistent approach to classifying financial assets and replaces the numerous categories of financial assets in IAS 39, each of which had its own classification criteria. The mandatory effective date of IFRS 9 is 1 January 2018 with early application permitted. Based on the initial assessment, the standard is not expected to have a material impact on the Fund.

(Expressed in United States dollars)

2. Significant accounting policies (continued)

(j) New accounting pronouncements (continued)

Amendment to IAS 32 – Financial Instruments: Presentation

The amendments to IAS 32 clarify the offsetting criteria in IAS 32 by explaining when an entity currently has a legally enforceable right to set-off and when gross settlement is considered to be equivalent to net settlement. The amendments are effective for annual periods beginning on or after 1 January 2014 and interim periods within those annual periods. Early adoption is permitted. Based on the initial assessment, the standard is not expected to have a material impact on the Fund.

3. Cash and cash equivalents

	2013	2012
Cash at broker	$ 1,859	$ 423,809
Money market funds held at broker	748,008	386,852
Total	$ 749,867	$ 810,661

4. Financial assets and liabilities at fair value through profit or loss

The following tables summarise financial assets and liabilities classified as at fair value through profit or loss as at December 31, 2013 and 2012 and the related changes as presented in the statements of financial position and comprehensive income:

2013	Cost	Fair value
Financial assets held for trading:		
Mutual funds	$ 1,213,986	$ 1,776,506
Hedge funds	630,409	347,864
Government bonds	4,370,279	4,358,194
Corporate bonds	6,261,345	6,269,278
Equity securities	21,149,157	24,407,594
Total	$ 33,625,177	$ 37,159,436

2012	Cost	Fair value
Financial assets held for trading:		
Mutual funds	$ 1,225,000	$ 1,354,269
Hedge funds	782,042	562,555
Government bonds	5,043,039	5,144,973
Corporate bonds	8,604,199	8,884,244
Equity securities	20,619,259	21,965,969
Total	$ 36,273,539	$ 37,912,010
Financial liabilities held for trading:		
Forward foreign currency contracts	$ –	$ 58,945

(Expressed in United States dollars)

4. Financial assets and liabilities at fair value through profit or loss (continued)

		2013		2012
Net realized gain (loss) on sale of financial assets and liabilities at fair value through profit or loss:				
Equity securities, mutual funds and hedge funds	$	2,253,210	$	47,755
Corporate and government bonds		100,196		(49,222)
Forward foreign currency contracts		(53,002)		(38,224)
Total	$	2,300,404	$	(39,691)

		2013		2012
Change in net unrealised gain on financial assets and liabilities at fair value through profit or loss:				
Mutual funds	$	433,252	$	415,530
Hedge funds		(63,059)		(120,286)
Government bonds		(114,019)		68,018
Corporate bonds		(272,113)		150,548
Forward foreign currency contracts		58,945		(58,945)
Equity securities		1,911,727		1,567,239
Total*	$	1,954,733	$	2,022,104

*Included in this amount for the year ended December 31, 2013 are transaction costs of $155,340.

The net realised gain (loss) on sale of financial assets and liabilities at fair value through profit or loss represents the difference between the acquisition price, or the carrying amount of a financial instrument, and its sale/settlement price. The movement in net unrealised gain on financial assets and liabilities at fair value through profit or loss represents the difference between the acquisition price, or carrying amount of the respective financial instrument at the beginning of the period, and its carrying amount at the end of the period.

Per the Security Agreement dated November 29, 2011 and amended on February 20, 2012 with Comerica Bank, the Fund's aggregate exposure on open forward foreign currency contracts may not exceed $10,000,000. The collateral for forward foreign currency contracts positions is all cash and financial assets held by the Fund in its Comerica Bank accounts. There were no open forward foreign currency contract position was held by the Fund as at December 31, 2013 (2012: one).

5. Fair values of financial instruments

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in measuring fair value:

Level 1: Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities that the Fund has the ability to access at the valuation date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Fair value is determined through the use of models or other valuation methodologies. Level 2 inputs include the following:

a) Quoted prices for similar assets or liabilities in active markets.

b) Quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.

c) Inputs other than quoted prices that are observable for the asset or liability (e.g. interest rate and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks and default rates).

d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs are unobservable for the asset or liability. Unobservable inputs reflect the Fund's own assumptions about how market participants would be expected to value the asset or liability. Unobservable inputs are developed based on the best information available in the circumstances, other than market data obtained from sources independent of the Fund and might include the Fund's own data.

An investment is always categorised as Level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and is specific to the investment.

(Expressed in United States dollars)

5. Fair values of financial instruments (continued)

The following table analyses, under the fair value hierarchy, the Fund's financial assets and liabilities measured at fair value at December 31, 2013 and 2012:

2013	Level 1	Level 2	Level 3	Total
Assets				
Money market funds	$ 748,008	$ –	$ –	$ 748,008
Mutual and hedge funds	–	2,124,370	–	2,124,370
Government bonds:				
Canada	533,253	–	–	533,253
United States	3,824,941	–	–	3,824,941
Total government bonds	4,358,194	–	–	4,358,194
Corporate bonds:				
United Kingdom	–	838,100	–	838,100
Netherlands		453,546		453,546
Norway	–	527,505	–	527,505
United States	–	4,450,127	–	4,450,127
Total corporate bonds	–	6,269,278	–	6,269,278
Equity securities:				
United States	23,127,009	–	–	23,127,009
Canada	331,721	–	–	331,721
Israel	423,242	–	–	423,242
Switzerland	525,622	–	–	525,622
Total equity securities	24,407,594	–	–	24,407,594
Total	$ 29,513,796	$ 8,393,648	$ –	$ 37,907,444

(Expressed in United States dollars)

5. Fair values of financial instruments (continued)

2012	Level 1	Level 2	Level 3	Total
Assets				
Money market funds	$ 386,852	$ –	$ –	$ 386,852
Mutual and hedge funds	–	1,916,824	–	1,916,824
Government bonds:				
Canada	589,899	–	–	589,899
United States	4,555,074	–	–	4,555,074
Total government bonds	5,144,973	–	–	5,144,973
Corporate bonds:				
Australia	–	528,639	–	528,639
Norway	–	185,155	–	185,155
United States	–	8,170,450	–	8,170,450
Total corporate bonds	–	8,884,244	–	8,884,244
Equity securities:				
United States	16,434,829	–	–	16,434,829
United Kingdom	1,888,622	–	–	1,888,622
Canada	849,309	–	–	849,309
Italy	729,809	–	–	729,809
Germany	596,936	–	–	596,936
Netherlands	558,259	–	–	558,259
Bermuda	402,009	–	–	402,009
Brazil	276,690	–	–	276,690
Switzerland	229,506	–	–	229,506
Total equity securities	21,965,969	–	–	21,965,969
Total	$ 27,497,794	$ 10,801,068	$ –	$ 38,298,862
Liabilities				
Forward foreign exchange contracts	$ –	$ 58,945	$ –	$ 58,945

There were no transfers between Levels 1, 2 and 3 during the years ended December 31, 2013 and 2012.

(Expressed in United States dollars)

5. Fair values of financial instruments (continued)

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) not measured at fair value at December 31, 2013 but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
Assets				
Cash	$ 1,859	$ –	$ –	$ 1,859
Interest and dividends receivable	–	121,806	–	121,806
Total	$ 1,859	$ 121,806	$ –	$ 123,665
Liabilities				
Accounts payable and accrued expenses	$ –	$ 70,978	$ –	$ 70,978
Redemptions payable	–	153	–	153
Total	$ –	$ 71,131	$ –	$ 71,131

The assets and liabilities in the table above are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

Interest and dividends receivable are classified in Level 2 include the contracted amounts for settlement of trades and other obligations due to the Fund. Accounts payable and accrued expenses and redemptions payable represent the contractual amounts and obligations due by the Fund for settlement of trades and expenses.

6. Fees and expenses

Management fees
The Investment Manager of the Fund is responsible for the day-to-day operations of the Fund, including managing the investment portfolio, providing investment analysis and making decisions relating to the investment of assets of the Fund. The Fund is responsible for the payment of a management fee to the Investment Manager for its services to the Fund equal to 1.25% per annum of the net asset value ("NAV") of the Fund, calculated weekly and payable monthly in arrears. During the year ended December 31, 2013, management fees totalled $465,924 (2012: $516,405). As at December 31, 2013, management fees payable totalled $39,636 (2012: $40,875) and were included within accounts payable and accrued expenses on the statement of financial position. The Investment Manager compensates the Sub-Manager for performing its delegated duties.

Administration fees
The Administrator is entitled to receive fees amounting to 0.10% per annum based on the weekly NAV of the Fund, and subject to an annual minimum fee of $30,000. The administration fee is calculated weekly and is payable monthly in arrears. Administration fees for the year ended December 31, 2013 totalled $37,281 (2012: $43,313).

The Administrator and the Investment Manager are reimbursed by the Fund for other fees and expenses that are identifiable with the Fund.

(Expressed in United States dollars)

6. Fees and expenses (continued)

Custody fees
BIAS (Cayman) Ltd. is entitled to receive fees amounting to 0.10% per annum based on the average weekly NAV of the Fund. The custody fee is calculated weekly and payable monthly.

Directors' fees
Each Director who is not an officer or employee of the Investment Manager or Sub-Manager receives a flat annual fee for serving in such capacity. The fee will be in accordance with reasonable and customary Directors' fees. The Directors are entitled to reimbursement from the Fund for all reasonable out-of-pocket expenses incurred by them on behalf of the Fund.

7. Share capital

The Company has an authorised share capital as at December 31, 2013 and 2012 of $50,001 divided into 100 Ordinary Shares of $0.01 par value each and 5,000,000 non-voting, Redeemable Participating Shares of $0.01 par value each divided upon issue into Classes for each of the segregated portfolio funds. The Ordinary Shares of the Company are owned by the Investment Manager, and are the only shares of the Company with voting rights. The Company has authorised the issuance of up to 1,000,000 Class A Shares in the Fund.

The issued share capital of the Company and Fund is as follows:

	2013		2012	
	Number	Par Value (US$)	Number	Par Value (US$)
Issued and fully paid:				
Company				
Ordinary Shares	100	1	100	1
Fund				
Class A Shares				
Balance at beginning of year	364,859	3,649	384,106	3,841
Issued during the year	24,899	249	60,509	605
Redeemed during the year	(68,984)	(690)	(79,756)	(797)
Balance at end of year	320,774	3,208	364,859	3,649

Each Class A Share represents a beneficial interest in the Fund ranking equally in all distributions when and as declared payable. An unlimited number of the Fund's shares may be issued which are redeemable each Monday and at such other times as the Directors may determine in their discretion at the shareholders' option at the then current NAV per share, in accordance with the terms of the Information Memorandum.

Notwithstanding the redeemable shareholders' rights to redemptions above, the Fund has the right, as set out in its Information Memorandum, to impose a redemption gate limit of 5% of the Class A Shares of the Fund or $100,000 in any redemption period in order to manage redemption levels and maintain the strength of the Fund's capital base.

7. Share capital (continued)

In addition, no sales will be permitted within the first 90 days from initial purchase and a redemption fee of 2% will be assessed on Class A Shares redeemed within 12 months after their date of purchase and 1% on Class A Shares redeemed beyond 12 months, subject to a minimum fee of $25 per redemption request. The redemption fee will be shared equally between the Investment Manager and the Fund, and may be waived at the discretion of the Directors.

The holders of the Ordinary Shares have a right to receive notice of, attend and vote as members at any general meeting of the Company. The Ordinary Shares are not entitled to dividends nor do they participate in the profits of neither the Company nor the Fund. On a liquidation of the Company, the General Assets of the Company, being the assets of the Company which are not assets of the Segregated Portfolios, shall be available for distribution to the holders of the Ordinary Shares pro rata according to the number of Ordinary Shares held by them. The Ordinary Shares are held by the Investment Manager.

The holders of the Class A Shares are not entitled to receive notice of, attend and vote as members at any general meeting of the Company. Holders of the Class A Shares are entitled to receive dividends and participate in the profits of the Fund. On a liquidation of the Fund, the holders of the Class A Shares have a right to participate in the surplus assets of the Fund after the payment of all creditors.

8. Income taxes

The Cayman Islands at present impose no taxes on profit, income, capital gains or appreciation in value of the Fund. In the event that such taxes are levied, the Fund has received an undertaking from the Governor-in-Cabinet of Cayman Islands exempting it from all such taxes until July 25, 2026. As such, no provision for such taxes is included in the accompanying financial statements.

The Fund may, however, be subject to foreign withholding tax and capital gains tax in certain jurisdictions in respect of income derived from its investments.

9. Financial instruments and associated risks

The Fund is exposed to a variety of financial risks in pursuing its stated investment objective and policy. These risks are defined in IFRS 7 as including market risk (which in turn includes price, interest rate and currency risk), liquidity risk and credit risk. The Fund takes exposure to certain of these risks to generate investment returns on its portfolio, although these risks can also potentially result in a reduction in the Fund's net assets. The Investment Manager will use its best endeavours to minimise the potential adverse effects of these risks on the Fund's performance where it can do so while still managing the investments of the Fund in a way that is consistent with the Fund's investment objective and policy.

(Expressed in United States dollars)

9. Financial instruments and associated risks (continued)

The risks, and the measures adopted by the Fund for managing these risks, are detailed below.

(a) Price risk

Market price risk is the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices such as interest rates, foreign exchange rates, equity prices and credit spreads.

The Fund's financial assets at fair value through profit or loss consist of fixed income securities, mutual funds, hedge funds and equity securities, the values of which are determined by market forces and there is accordingly a risk that market prices can change in a way that is adverse to the Fund's performance. An increase or decrease of 100 basis points in the prices of fixed income securities, mutual funds, hedge funds and equity securities as at the reporting date would have increased or decreased net assets, respectively, by $371,594 (2012: $379,120).

In accordance with the Fund's policy, the Investment Manager monitors the Fund's positions on a daily basis and reports regularly to the Board of Directors. The Board then reviews the information on the Fund's overall market exposures provided by the Investment Manager at its periodic meetings.

As at December 31, 2013 and 2012, the overall market exposures and concentration of risk are limited to the amounts presented in the statement of financial position.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's cash and cash equivalents and certain financial assets at fair value through profit or loss are interest bearing instruments. The Fund's other financial assets and liabilities are non-interest bearing.

The Fund's exposure to interest rate risk is detailed in the table below:

2013	Interest bearing	Non-interest bearing	Total
Cash and cash equivalents	$ 749,867	$ –	$ 749,867
Financial assets at fair value through profit or loss	10,627,472	26,531,964	37,159,436
Interest and dividends receivable	–	121,806	121,806
Other assets	–	5,328	5,328
Accounts payable and accrued expenses	–	(70,978)	(70,978)
Redemptions payable	–	(153)	(153)
Total	$ 11,377,339	$ 26,587,967	$ 37,965,306

(Expressed in United States dollars)

9. Financial instruments and associated risks (continued)

(b) Interest rate risk (continued)

2012	Interest bearing	Non-interest bearing	Total
Cash and cash equivalents	$ 810,661	$ –	$ 810,661
Financial assets at fair value through profit or loss	14,029,217	23,882,793	37,912,010
Interest and dividends receivable	–	189,973	189,973
Subscriptions receivable	–	749	749
Other assets	–	12,745	12,745
Accounts payable and accrued expenses	–	(88,882)	(88,882)
Redemptions payable	–	(21,025)	(21,025)
Total	$ 14,839,878	$ 23,917,408	$ 38,757,286

An increase or decrease of 100 basis points in interest rates as at the reporting date would have increased or decreased net assets, respectively, by $279,503 (2012: $418,070).

A summary of the Fund's fixed income holdings analyzed by maturity date is as follows:

2013	0-3 months	3-12 months	1 year +	Total
Government bonds	$ –	$ 254,295	$ 4,103,899	$ 4,358,194
Corporate bonds	453,546	1,064,522	4,751,210	6,269,278
Total	$ 453,546	1,318,817	$ 8,855,109	$ 10,627,472

2012	0-3 months	3-12 months	1 year +	Total
Government bonds	$ –	$ –	$ 5,144,973	$ 5,144,973
Corporate bonds	–	1,166,202	7,718,042	8,884,244
Total	$ –	1,166,202	$ 12,863,015	$ 14,029,217

(Expressed in United States dollars)

9. Financial instruments and associated risks (continued)

(c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Fund invests in financial instruments and enters into transactions that are denominated in currencies other than its functioanal currency. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The Fund's Investment Manager and the Sub-Manager meet on a bi-weekly basis in order to manage all relevant risks to the Fund's investments, including currency risk.

The fair values of the Fund's total exposure to foreign currency and securities denominated in foreign currencies for the years ended December 31, 2013 and 2012 are as follows:

	2013	2012
Australian Dollar	$ 179	$ 528,655
Canadian Dollar	333,402	1,511,566
Euro	-	1,030,843
British Pound	-	837,594
Swiss Franc	-	230,063
Norwegian Kroner	-	185,155
	$ 333,581	$ 4,323,876

The Fund's net assets would increase or decrease by $3,336 (2012: $43,239) if the US dollar weakened or strengthened, respectively, by 100 basis points against the other currencies with all other variables remaining constant.

(d) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

As at December 31, 2013 and 2012, the Fund's financial assets are greater than the financial liabilities and the assets held are liquid in nature. All liabilities are expected to mature within twelve months of the reporting date. As such, the Fund's management does not anticipate any material losses as a result of liquidity risk.

2013	Less than one month	One to three months	Total
Accounts payable and accrued expenses	$ –	$ 70,978	$ 70,978
Redemptions payable	153	–	153
Total liabilities	$ 153	$ 70,978	$ 71,131

(Expressed in United States dollars)

9. Financial instruments and associated risks (continued)

(d) Liquidity risk (continued)

2012		Less than one month		One to three months		Total
Accounts payable and accrued expenses	$	–	$	88,882	$	88,882
Financial liabilities at fair value through profit or loss		–		58,945		58,945
Redemptions payable		21,025		–		21,025
Total liabilities	$	21,025	$	147,827	$	168,852

As described in Note 7 to the financial statements, the Fund's Class A shares are redeemable at the shareholder's option on a weekly basis, and therefore the Fund is potentially exposed to weekly redemptions by its shareholders.

(e) Credit risk

Credit risk is defined as the risk that a counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation or commitment that it has entered into with the Fund.

All securities investments present a risk of loss of capital. The maximum loss of capital on forward foreign exchange contracts is limited to the notional contract values of those positions. The credit risk exposure is represented by the value of those contracts in an unrealised gain position. At December 31, 2013, there are no open positions (2012: one open contract). The following table sets out the fair values and the notional amount of derivative assets and liabilities held by the Fund as at the reporting date:

2013		Fair Value		Notional
No positions open				
2012				
Forward foreign currency contracts	$	(58,945)	$	(1,254,725)

The majority of the Fund's financial assets are held with Comercia Bank, which is rated "A2" (2012: "A2") based on rating agency Moody's ratings. Management regularly monitors the institution's credit risk and does not anticipate any significant losses from this concentration. Furthermore, the Fund only invests in investment grade fixed-income securities.

The Fund's maximum credit risk exposure at the reporting date is $11,377,339 (2012: $14,839,878) which is the sum of the cash and cash equivalents and fixed income securities as reported in the statement of financial position.

9. Financial instruments and associated risks (continued)

(f) Regulatory environment risk

A changing regulatory environment, including, but not limited to, changes in relevant tax laws, securities laws, bankruptcy laws or accounting standards, may make the business of the Fund less profitable or unprofitable. The ability of the Fund to carry on business from the Cayman Islands or as a Cayman Islands Fund will depend upon its initial and continuing compliance with the relevant provisions of Cayman Islands law and, in particular, the Mutual Funds Law. Management regularly monitors the institution's regulatory environment risk and does not anticipate any significant changes relevant to the Fund.

(g) Dependence on the Investment Manager risk

The Investment Manager is responsible for investing the assets of the Fund. The success of the Fund depends upon the ability of the Investment Manager to develop and implement investment strategies that achieve the Fund's investment objectives. The Investment Manager monitors the credit rating of debt securities on a continuous basis and actively reviews its investments to achieve profitable results.

10. Capital risk management

The capital of the Fund is represented by the net assets and can change significantly on a weekly basis as the Fund is subject to weekly subscriptions and redemptions at the discretion of the Directors. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for holders of Class A shares and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund. The Fund's policies with respect to managing its capital risk are discussed in note 7 above.

The Board of Directors and Investment Manager monitor capital on the basis of the value of net assets.

The Fund is not subject to externally imposed capital requirements.

11. Related party transactions

As at December 31, 2013, persons or entities related to the Directors, the Investment Manager, or the Sub-Manager held 7.81% (2012: 6.0%) of the Class A Shares in the Fund.

BIAS (Cayman) Ltd. earns trade commission revenue based on trades executed within the Fund's normal course of business. Commissions are calculated by BIAS (Cayman) Ltd. based on gross trade amount and security type. This is recorded as part of net realized gain on sale of financial assets and liabilities at fair value through profit or loss or within change in net unrealized gain/(loss) on financial assets and liabilities through profit or loss within the statement of comprehensive income. BIAS (Cayman) Ltd. also earns custody fees as previously described in Note 6.

BIAS (Cayman) Ltd. and the Sub-Manager are related to the Fund by virtue of common control.

(Expressed in United States dollars)

12. Investment in unconsolidated structured entities

The table below describes the type of structured entities that the Fund does not consolidate but in which it holds an interest:

Type of structured entity	Nature and purpose	Interest held by the Fund
Investment fund	To manage assets on behalf of third party investors and generate investment fees for their investment manager. These vehicles are financed through the issue of Redeemable Participation Shares to investors.	Investment in Redeemable Participation Shares.

The table below sets out interests held by the Fund in unconsolidated structured entities as at December 31, 2013 and 2012. The maximum exposure to loss is the carrying amount of the financial assets held.

	Total Net Assets	Carrying amount included in Financial assets at fair value through profit or loss
2013		
Equity long:		
Vanguard Global Enhanced Equity Fund	80,854,772	1,776,506
Meridian Global Energy & Resources Fund Ltd Class A Series 1	8,287,242	213,311
Meridian Gold & Resources Fund Class A	8,662,501	134,552
2012		
Vanguard Global Enhanced Equity Fund	42,010,269	1,354,268
Meridian Global Energy & Resources Fund Ltd Class A Series 1	9,233,114	241,924
Meridian Gold & Resources Fund Ltd Class A	14,960,090	320,631

During the year, the Fund did not provide financial support to the unconsolidated structured entities and has no intention of providing financial or other support. The Fund can redeem shares in the above investment funds on a daily basis.

13. Prior period restatement

As discussed in Note 2(f), the Class A Shares of the Fund were presented as financial liabilities as at and for the year ended December 31, 2012. The Class A Shares have been classified as equity in accordance with IFRS and the following corrections have been made to the comparative figures presented in the Financial Statements:

- Net assets attributable to holders of redeemable shares of $38,757,286 as at December 31, 2012 has been disaggregated into Net capital paid in on shares of capital stock and Retained earnings as presented in the comparative figures on the statement of financial position for the period ended December 31, 2013. There has been no impact on the value of net assets attributable to holders of redeemable shares or total equity as a result of this reclassification for the periods presented.

- The statement of changes in net assets attributable to holders of redeemable shares has been reclassified to be presented as a statement of changes in equity.

14. Subsequent events

From January 1, 2014 through June 24, 2014 the Fund received subscriptions of $1,574,376 and paid redemptions of $3,565,592.