

INTERNATIONAL PRIVATE CAPITAL SPC LTD

FINANCIAL STATEMENTS - YEAR ENDED

JUNE 30, 2014

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CORPORATE INFORMATION

REGISTERED OFFICE Geneva Management Group (BVI) Ltd
Coastal Building
Wickham's Cay II
Road Town, Tortola
British Virgin Islands

MANAGER GMG Fund Services Ltd
19th Floor, Newton Tower
Sir William Newton Street
Port Louis
Republic of Mauritius

PAYING AGENT GMG Trust Ltd
19th Floor, Newton Tower
Sir William Newton Street
Port Louis
Republic of Mauritius

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

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

BANKER The Mauritius Commercial Bank Ltd
Sir William Newton Street
Port Louis
Republic of Mauritius

DIRECTORS' REPORT - FOR THE YEAR ENDED JUNE 30, 2014

The Directors submit their Report and the audited Financial Statements for the year ended June 30, 2014.

Activities and Status

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

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

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

Shares of the Company are only available to persons who are "Professional Investors" within the meaning of the Act and on the basis that the initial investment in the shares of the Company by all its shareholders must, on the date of purchase, be not less than US\$100,000. As a professional mutual fund, the Company is required to be and is recognised under the Act.

As at 30 June 2014 the Company consisted of three segregated portfolios; Class B, Ax Futures Fund and Leveraged Fixed Income Fund (each a "fund").

Class B Segregated Portfolio had a registered loan program, listed on the Bermuda Stock Exchange. Under the program the Company may from time to time issue linked loan notes from specified Segregated Portfolios ("Loan Notes"). As at the reporting date only Segregated Portfolio B is authorized to issue Loan Notes and the existing Series B1 Notes were delisted on settlement of all outstanding Notes on June 1, 2014.

DIRECTORS' REPORT - FOR THE YEAR ENDED JUNE 30, 2014

Investment Objectives

The Company has no general investment objective, the investment objective of each Segregated Portfolio is set by the Directors. The activities and investment objectives of each Segregated Portfolio as at the reporting date were as follows:

Class B Segregated Portfolio

Class B Segregated Portfolio primarily targets an investment portfolio of globally balanced and diversified investment funds consisting of global equities, global bonds, hedged equity funds and money market investments and real estate assets. The Fund aims to provide long-term capital growth with reduced volatility.

Loan Notes have identical investment objectives to that of the Class B Shares, however carry a lower risk profile due to their priority of payment over Class B Shares.

Under the control of the Manager the portfolio allocations are monitored, managed and reported on.

Ax Futures Fund Segregated Portfolio

The objective of Ax Futures Fund Segregated Portfolio is to achieve long-term capital appreciation through trading in various listed and unlisted derivative products and through the investment in a diverse portfolio of listed global equities. Derivative positions may include futures and options traded on regulated markets, contracts for differences ("CFD's") and other over-the-counter ("OTC") commodity contracts including OTC precious metal contracts.

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

The equity portfolio consists of selected equity investments in companies listed on regulated global stock exchanges. The investments are spread across different economic sectors, industries, geographical regions and currencies. The objective of the equity portfolio is to achieve above average market returns and provide a stable investment base. The returns and excess capital achieved by the equity portfolio will be applied to the derivatives portfolio either to increase or decrease the investment exposure of the equity portfolio.

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

Under the control of the Manager the portfolio allocations are monitored, managed and reported on.

DIRECTORS' REPORT - FOR THE YEAR ENDED JUNE 30, 2014**Performance & Dividends**

As at 30 June 2014, the net assets value per Share and price per Loan Note, calculated as per the Company's prospectus, was as follows:

Price as at the Reporting Date:

Segregated Portfolio	Security	30-Jun-14	30-Jun-13
Class B Segregated Portfolio	Class B Shares	EUR 3,707.6753	EUR 1,753.4567
Class B Segregated Portfolio	Series B1 Notes	-	EUR 1,134.1824
Ax Futures Segregated Portfolio	Class E (Lead Series)	US\$ 824.4848	US\$ 690.5483

It is not the intention of the Company to pay dividends. All income from each fund is accumulated and reflected in the net asset value of the participating shares outstanding.

Directors

The Directors of the Company are listed below. Each is also a director of the Manager, GMG Fund Services Ltd. There are no service contracts proposed or in existence between the Directors and the Company. Except for their role as Directors of the Manager, there were no material contracts in place between a Director and the Company.

The Directors who served during the reporting period were as follows:

- Hendrik Petrus Barnhoorn (appointed since incorporation)
- Dave John Elzas (appointed since incorporation)
- James Reinhardt Irons (appointed since incorporation)

Auditors

BDO & CO ("BDO") are currently appointed as independent auditors to the Company. A resolution for re-appointment of BDO as independent auditors of the Company will be proposed at the forthcoming Annual General Meeting.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

Report on the Financial Statements

We have audited the financial statements of International Private Capital SPC Ltd on pages 6 to 29 which comprise the statement of financial position at June 30, 2014, and the statement of comprehensive income, statement of changes in net assets attributable to holders of redeemable shares and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of the 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 whether the financial statements are free from material misstatement.

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



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the Financial Statements (Continued)

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

Opinion

In our opinion, the financial statements on pages 6 to 28 give a true and fair view of the financial position of the Company at June 30, 2014, and of its financial performance and its cash flows for the year ended June 30, 2014 in accordance with International Financial Reporting Standards.

BDO & CO
BDO & CO
Chartered Accountants

Azize Rajabalee
Azize Rajabalee, FCCA
Licensed by FRC


Port Louis,
Mauritius.

28 NOV 2014

DIRECTORS' RESPONSIBILITIES FOR THE APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year ended 30 June 2014 set out on pages 6 to 29 are the responsibility of the Directors. The Directors are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records, for the safeguarding of assets, and for developing and maintaining a system of internal control that, amongst other things, will ensure the preparation of financial statements that achieve fair presentation. After conducting appropriate procedures, the Directors are satisfied that the company will be a going concern for the foreseeable future and have adopted the going concern basis in preparing the financial statements.

The financial statements for the year ended June 30, 2014 were approved by the Directors on 2.8.NOV.2014..... and are signed by:



Director

Director

STATEMENT OF FINANCIAL POSITION - JUNE 30, 2014

	Notes	2014			2013		
		Class A*	Class B*	Ax Futures*	Class A*	Class B*	Ax Futures*
		USD	EUR	USD	USD	EUR	USD
ASSETS							
Current assets							
Financial assets at fair value							
through profit or loss	4	-	3,434,774	2,001,306	-	10,563,085	2,466,735
Cash and cash equivalents		-	1,150,153	950	-	2,207	1,139
Other receivables	5	1,000	-	1,496	1,000	-	1,727
Total assets		1,000	4,584,927	2,003,752	1,000	10,565,292	2,469,601
EQUITY AND LIABILITIES							
EQUITY							
Non-participating management							
shares	9	1,000	-	-	1,000	-	-
Total equity		1,000	-	-	1,000	-	-
LIABILITIES							
Non-current liabilities							
Financial liabilities at fair value							
through profit or loss	6	-	-	-	-	8,793,123	-
Current liabilities							
Other payables	8	-	878,562	222,308	-	19,334	544,556
Total liabilities (excluding							
net assets attributable to							
holders of redeemable shares)		-	878,562	222,308	-	8,812,457	544,556
Net assets attributable to							
holders of redeemable shares	10	-	3,706,365	1,781,444	-	1,752,835	1,925,045
Total equity and liabilities		1,000	4,584,927	2,003,752	1,000	10,565,292	2,469,601

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

The notes on pages 10 to 29 form an integral part of these financial statements.

Auditors' report on pages 4 and 4(a).

STATEMENT OF COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2014

	Notes	Year ended June 30, 2014			Year ended June 30, 2013		
		Class A*	Class B*	Ax Futures*	Class A*	Class B*	Ax Futures*
		USD	EUR	USD	USD	EUR	USD
Income							
Net unrealised gain from financial instruments at fair value through profit or loss	7	-	918,922	351,828	-	811,355	-
Net realised gain from disposal of financial instruments at fair value through profit or loss		-	1,184,711	-	-	1,843	-
Net foreign exchange gain		-	-	11,932	-	-	-
Interest income		-	-	-	-	-	7
Dividend income		-	-	45,304	-	-	48,979
Other income		-	-	-	-	5,074	-
Total net income		-	2,103,633	409,064	-	818,272	48,986
Expenses							
Net realised loss on financial liabilities at fair value through profit or loss		-	70,725	-	-	-	-
Net unrealised loss from financial instruments at fair value through profit or loss	7	-	-	-	-	-	471,875
Net foreign exchange loss		-	-	-	-	615	3,781
Net realised loss from disposal of financial instruments at fair value through profit or loss		-	-	-	-	-	333,614
Management fee	12	-	67,992	15,000	-	55,886	18,000
Investment management fees		-	-	12,742	-	-	21,252
Performance fees		-	-	-	-	-	3,196
Advisory fee		-	11,285	-	-	8,522	-
Audit fees provision		-	-	5,000	-	-	5,000
Other operating fees		-	101	44,370	-	61	50,875
Total expenses		-	150,103	77,112	-	65,084	907,593
Increase/(decrease) in net assets attributable to holders of redeemable shares							
			<u>1,953,530</u>	<u>331,952</u>		<u>753,188</u>	<u>(858,607)</u>
Increase in net assets attributable to non-participating management shares							
			<u>-</u>	<u>-</u>			

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

The notes on pages 10 to 29 form an integral part of these financial statements.
Auditors' report on pages 4 and 4(a).

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FOR THE YEAR ENDED JUNE 30, 2014

	<u>Note</u>	<u>Class B*</u>	<u>Ax Futures *</u>
		EUR	USD
At July 01, 2013		<u>1,752,835</u>	<u>1,925,045</u>
Increase in net assets attributable to holders of redeemable shares		<u>1,953,530</u>	<u>331,952</u>
Contributions and redemptions by holders of redeemable shares:			
Issue of redeemable shares during the period	10	-	24,447
Redemption of redeemable shares during the period	10	-	<u>(500,000)</u>
Transactions with holder of redeemable shares		-	<u>(475,553)</u>
At June 30, 2014		<u>3,706,365</u>	<u>1,781,444</u>
At July 01, 2012		<u>999,647</u>	<u>3,147,285</u>
Increase/(Decrease) in net assets attributable to holders of redeemable shares		<u>753,188</u>	<u>(858,607)</u>
Contributions and redemptions by holders of redeemable shares:			
Issue of redeemable shares during the period	10	-	35,681
Redemption of redeemable shares during the period	10	-	<u>(399,314)</u>
Transactions with holder of redeemable shares		-	<u>(363,633)</u>
At June 30, 2013		<u>1,752,835</u>	<u>1,925,045</u>

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

The notes on pages 10 to 29 form an integral part of these financial statements.
Auditors' report on pages 4 and 4(a).

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2014

	Year ended June 30, 2014			Year ended June 30, 2013		
	Class A*	Class B*	Ax Futures*	Class A*	Class B*	Ax Futures*
	USD	EUR	USD	USD	EUR	USD
Cash flows from investing activities						
Purchase of investments in financial assets	-	(1,244,102)	(3,657,984)	-	-	(7,165,023)
Proceeds from sale of investments (note 11(a))	-	2,481,335	4,475,241	-	66,025	7,784,519
Interest received	-	-	-	-	-	7
Dividend received	-	-	45,629	-	-	56,390
Operating expenses paid	-	(89,287)	(85,033)	-	(63,818)	(101,745)
Net cash generated from investing activities	-	1,147,946	777,853	-	2,207	574,148
Cash flows from financing activities						
Proceeds from issue of redeemable shares issued	-	-	24,447	-	-	35,681
Payment made on redemption of redeemable shares	-	-	(500,000)	-	-	(399,314)
Net cash used in financing activities	-	-	(475,553)	-	-	(363,633)
Net increase in cash and cash equivalents	-	1,147,946	302,300	-	2,207	210,515
Cash and cash equivalents at July 01,		2,207	(498,435)	-	-	(708,950)
Cash and cash equivalents at June 30, (note 11(b))	-	1,150,153	(196,135)	-	2,207	(498,435)

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

The notes on pages 10 to 29 form an integral part of these financial statements.
Auditors' report on pages 4 and 4(a).

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

1. SEGREGATED PORTFOLIOS**(a) *Class B Segregated Portfolio***

The directors resolved to form Class B Segregated Portfolio on August 6, 2009.

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

(b) *Ax Futures Fund Segregated Portfolio*

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

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

Equity portfolio

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

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

Derivatives portfolio

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

(c) *Leveraged Fixed Income Fund*

The segregated portfolio was created on May 10, 2013 and has not yet been active.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

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

IFRS 10, 'Consolidated financial statements' 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 standard is not expected to have any impact on the Company's financial statements.

IAS 27, 'Separate Financial Statements' deals solely with separate financial statements. The standard has no impact on the Company's financial statements.

IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Accounting for an interest in a joint venture using the proportionate consolidation method is not permitted under IFRS 11. The standard is not expected to have any impact on the Company's financial statements.

IAS 28, 'Investments in Associates and Joint Ventures'. The scope of the revised standard covers investments in joint ventures as well. IFRS 11 requires investments in joint ventures to be accounted for using the equity method of accounting. The standard has no impact on the Company's financial statements.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The standard has no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)***Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)*

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

IAS 19, 'Employee benefits' was revised in June 2011. The changes on the company's accounting policies has been as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The standard has no impact on the financial statements.

IFRIC 20, 'Stripping costs in the production phase of a surface mine', has no impact on the Company's financial statements.

Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures and is not expected to have any impact on the Company's financial statements.

Amendment to IFRS 1 (Government Loans) has no impact on the Company's financial statements.

Annual Improvements to IFRSs 2009-2011 Cycle

IFRS 1 (Amendment), 'First time adoption of IFRS', has no impact on the Company's operations.

IAS 1 (Amendment), 'Presentation of financial statements', clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors' or voluntarily.

IAS 16 (Amendment), 'Property, plant and equipment', clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The amendment does not have an impact on the Company's operations.

IAS 32 (Amendment), 'Financial instruments: Presentation', clarifies the treatment of income tax relating to distributions and transaction costs. The amendment does not have an impact on the Company's operations.

IAS 34 (Amendment), 'Interim financial reporting', clarifies the disclosure requirements for segment assets and liabilities in interim financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)***Standards, Amendments to published Standards and Interpretations issued but not yet effective*

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2014 or later periods, but which the Company has not early adopted.

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

IFRS 9 Financial Instruments

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

IFRIC 21: Levies

Recoverable Amount Disclosures for Non-financial Assets (Amendments to IAS 36)

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to

IFRS 9 Financial instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

Annual Improvements to IFRSs 2010-2012 cycle

Annual Improvements to IFRSs 2011-2013 cycle

IFRS 14 Regulatory Deferral Accounts

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

IFRS 15 Revenue from contracts with customers

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

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

The preparation of financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.2 Financial assets**(A) Categories of financial assets**

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

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

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Financial assets (cont'd)****(A) Categories of financial assets****(i) Financial assets at fair value through profit or loss (FVTPL):**

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

A financial asset is classified as held for trading if:

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

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

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

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

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

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

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

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

2.3 Financial liabilities at fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.3 Financial liabilities at fair value through profit or loss (cont'd)**

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

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

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

2.4 Share capital**(i) Management shares**

Management shares are classified as equity.

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

(ii) Redeemable shares

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

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

2.5 Other receivables

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

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.6 Other payables**

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

2.7 Derivative financial instruments

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

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

2.8 Cash and cash equivalents

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

2.9 Foreign Currency

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

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

2.10 Net gain from financial instruments at fair value through profit or loss

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

2.11 Fees, commission and other expenses

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

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.12 Dividends to holders of redeemable shares**

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

2.13 Impairment of assets

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

2.14 Taxation

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

2.15 Offsetting

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

2.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

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

2.17 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

3. FINANCIAL RISK MANAGEMENT

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

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

The Company's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Company is exposed and seeks to minimise potential adverse effects on the Company's financial performance.

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

Risk management framework

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

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

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

(i) Credit risk

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

Management of credit risk

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

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

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

3. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Liquidity risk

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

Management of liquidity risk

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

Class B Segregated Portfolio

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

The Funds' financial assets include open-ended investment funds, which are exposed to the risk of side pockets or redemption restrictions being imposed. As a result, the Company may not be able to liquidate quickly some of its investments in these instruments in order to meet its liquidity requirements.

Ax Futures Fund Segregated Portfolio

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

Maturity analysis for financial liabilities

Non-derivative liabilities	Carrying	Less than	1 to
2014	Amount	1 year	5 years
Ax Futures Fund Segregated Portfolio	USD	USD	USD
- Cash held with broker	197,085	197,085	-
- Other payables	25,223	25,223	-
- Redeemable shares	1,781,444	1,781,444	-
	<u>2,003,752</u>	<u>2,003,752</u>	<u>-</u>
Class B Segregated Portfolio	Carrying	Less than	1 to
	Amount	1 year	5 years
	EUR	EUR	EUR
- Other payables	878,562	878,562	-
- Redeemable shares	3,706,365	3,706,365	-
	<u>4,584,927</u>	<u>4,584,927</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

3. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Liquidity risk (cont'd)

	Carrying Amount	Less than 1 year	1 to 5 years
2013			
Ax Futures Fund Segregated Portfolio	USD	USD	USD
- Cash held with broker	499,574	499,574	-
- Other payables	44,982	44,982	-
- Redeemable shares	1,925,045	1,925,045	-
	<u>2,469,601</u>	<u>2,469,601</u>	<u>-</u>
Class B Segregated Portfolio	Carrying Amount	Less than 1 year	1 to 5 years
	EUR	EUR	EUR
- Linked loans notes	8,793,123	-	8,793,123
- Other payables	19,334	19,334	-
- Redeemable shares	1,752,835	-	1,752,835
	<u>10,565,292</u>	<u>19,334</u>	<u>10,545,958</u>

(iii) Market risk

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

Management of market risk

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

Price risk

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

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

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

3. FINANCIAL RISK MANAGEMENT (CONT'D)

(iii) Market risk (cont'd)

Price risk (cont'd)

At June 30, 2014, if market prices moved by +/- 20% with all the other variables remaining constant (being the Directors' assessment of a reasonably possible change), the change in total return and net assets attributable to holders of redeemable preference shares for the period would have been as follows:

	2014		2013	
	Class B (EUR)	AX Futures (USD)	Class B (EUR)	AX Futures (USD)
Notional value of futures portfolio		547,192	-	(4,490,614)
Investment portfolio	3,434,774	2,001,306	10,563,085	2,466,735
Total market exposure	3,434,774	2,548,498	10,563,085	(2,023,879)
+20%	686,955	509,700	2,112,617	(404,776)
-20%	(686,955)	(509,700)	(2,112,617)	404,776

Interest rate risk

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

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

At June 30, 2014, if interest rates moved by +/- 1% with all the other variables remaining constant (being the Directors' assessment of a reasonably possible change), the change in total return and net assets attributable to holders of redeemable preference shares for the period would have been as follows:

	2014		2013	
	Class B (EUR)	AX Futures (USD)	Class B (EUR)	AX Futures (USD)
Interest bearing cash and cash equivalents	1,150,153	(196,135)	2,207	(498,435)
+1% change in interest rates	11,501	(1,961)	22	(4,984)
-1% change in interest rates	(11,501)	1,961	(22)	4,984

Foreign currency risk

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

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

3. FINANCIAL RISK MANAGEMENT (CONT'D)

(iii) Market risk (cont'd)

Exposure to foreign currency risk

The following table sets out the exposure of each segregated portfolio to foreign currency risk as at the year end.

Ax Futures Fund	CAD	EUR	GBP	Other currencies
<u>2014</u>	(USD)	(USD)	(USD)	(USD)
Equity investments	134,563	114,495	348,476	154,932
Derivative financial instruments	-	-	(898)	-
Cash due to broker	55,556	23,263	570,123	(846,027)
	<u>190,119</u>	<u>137,758</u>	<u>917,701</u>	<u>(691,095)</u>
<u>2013</u>				
Equity investments	135,840	111,125	567,669	-
Derivative financial instruments	-	-	2,282	-
Cash due to broker	(93,922)	(22,156)	(263,503)	(559,276)
	<u>41,918</u>	<u>88,969</u>	<u>306,448</u>	<u>(559,276)</u>
Class B Segregated Portfolio			USD	GBP
<u>2014</u>			(EUR)	(EUR)
Investment Funds			-	-
<u>2013</u>			(EUR)	(EUR)
Investment Funds			6,446,319	-

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

Fair value estimation

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)**(iii) Market risk (cont'd)****Capital risk management**

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

(a) Class B Segregated Portfolio	<u>2014</u>	<u>2013</u>
	Designated at fair value through profit or loss	Designated at fair value through profit or loss
	EUR	EUR
At July 1,	10,563,085	9,821,709
Additions	1,244,102	-
Transfer to loan noteholders	(6,985,353)	-
Disposal	(2,305,982)	(64,182)
Increase/(decrease) in fair value	918,922	805,558
At June 30,	<u>3,434,774</u>	<u>10,563,085</u>
Denominated in the following currencies:		
US Dollar	-	6,446,319
Euro	3,434,774	4,116,766
	<u>3,434,774</u>	<u>10,563,085</u>
Analysed as:		
Level 1	<u>3,434,774</u>	<u>10,563,085</u>

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

(b) Ax Futures Fund Segregated Portfolio

	<u>2014</u>		
	Held-for trading	Designated at fair value through profit or loss	Total
	USD	USD	USD
At July 1, 2013	203,913	2,262,822	2,466,735
Additions	153,560	3,504,424	3,657,984
Disposal	(144,469)	(4,287,858)	(4,432,327)
Cash settlement	(42,914)	-	(42,914)
(Decrease)/increase in fair value	(67,690)	419,518	351,828
	<u>102,400</u>	<u>1,898,906</u>	<u>2,001,306</u>

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

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

(b) Ax Futures Fund Segregated Portfolio (cont'd)

	2014		
	Held-for trading	Designated at fair value	
		profit or loss	Total
USD	USD	USD	USD
Denominated in the following currencies:			
US Dollar	103,298	1,146,440	1,249,738
UK Pound	(898)	348,476	347,578
Euro	-	114,495	114,495
CAD	-	134,563	134,563
CHF	-	154,932	154,932
	<u>102,400</u>	<u>1,898,906</u>	<u>2,001,306</u>
Analysed as:			
Level 1	<u>102,400</u>	<u>1,898,906</u>	<u>2,001,306</u>
	2013		
	Held-for trading	Designated at fair value	
		profit or loss	Total
USD	USD	USD	USD
At July 1, 2012	783,395	3,108,325	3,891,720
Additions	730,105	6,434,918	7,165,023
Securities sold short	(50,805)	-	(50,805)
Disposal	(707,289)	(7,288,226)	(7,995,515)
Cash settlement	(71,813)	-	(71,813)
Increase in fair value	(479,680)	7,805	(471,875)
At June 30, 2013	<u>203,913</u>	<u>2,262,822</u>	<u>2,466,735</u>
Denominated in the following currencies:			
US Dollar	201,631	1,448,188	1,649,819
UK Pound	2,282	567,669	569,951
Euro	-	111,125	111,125
CAD	-	135,840	135,840
	<u>203,913</u>	<u>2,262,822</u>	<u>2,466,735</u>
Analysed as:			
Level 1	<u>203,913</u>	<u>2,262,822</u>	<u>2,466,735</u>

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

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

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

Options

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

Futures

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

5. OTHER RECEIVABLES

	2014			2013		
	Class A	Class B	Ax Futures	Class A	Class B	Ax Futures
	USD	EUR	USD	USD	EUR	USD
Prepayments	-	-	1,496	-	-	1,402
Other receivables	1,000	-	-	1,000	-	325
	1,000	-	1,496	1,000	-	1,727

The carrying amounts of other receivables approximate their fair values.

6. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2014	2013
	Class B	Class B
	EUR	EUR
At July 1,	8,793,123	8,798,920
Increase/(decrease) in fair value (note 7)	70,725	(5,797)
Redemption:		
- By way of transfer of investment in securities	(7,994,711)	-
- By cash settlement	(869,137)	-
At June 30,	-	8,793,123

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

The Company has issued linked loan notes ("Notes") under a debt issuance program from Class B Segregated Portfolio. Series B1 notes ranks above all other financial instruments issued by Class B Segregated Portfolio and are linked to the performance of a specific group of reference assets. The notes were redeemed on June 1, 2014 and settlement was made partly by way of transfer of securities to the noteholders and the remaining by cash settlement.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

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

	2014		2013	
	Class B	Ax Futures	Class B	Ax Futures
	EUR	USD	EUR	USD
Increase/(decrease) in fair value of financial assets at fair value through profit or loss (note 4)				
- Designated at fair value through profit or loss	918,922	419,518	805,558	7,805
- Held-for-trading	-	(67,690)	-	(479,680)
Increase/(decrease) in fair value of financial liabilities at fair value through profit or loss (note 6)	-	-	5,797	-
	918,922	351,828	811,355	(471,875)

8. OTHER PAYABLES

	2014		2013	
	Class B	Ax Futures	Class B	Ax Futures
	EUR	USD	EUR	USD
Cash due to broker	-	197,085	-	499,574
Payable to noteholders	869,137	-		
Accruals	9,425	25,223	19,334	44,982
	878,562	222,308	19,334	544,556

The carrying amounts of other payables approximate their fair values.

9. NON-PARTICIPATING MANAGEMENT SHARES

	2014		2013	
	Class A		Class A	
	No of shares	USD	No of shares	USD
At July 1, and June 30,	1,000	1,000	1,000	1,000

Class A Shares

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

10. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

	2014		2013	
	Class B	Ax Futures	Class B	Ax Futures
	EUR	USD	EUR	USD
At July 1,	1,752,835	1,925,045	999,647	3,147,285
Issue of redeemable shares during the period	-	24,447	-	35,681
Redemption of redeemable shares during the period	-	(500,000)	-	(399,314)
Increase/(decrease) in net assets attributable to holders of redeemable shares	1,953,530	331,952	753,188	(858,607)
At June 30,	3,706,365	1,781,444	1,752,835	1,925,045

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

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

General

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

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

Class B Shares

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

Ax Futures Fund Class E shares

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

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

11. NOTES TO THE STATEMENT OF CASH FLOWS

(a) **Non-cash transaction**

Non-cash transaction during the year relates to the settlement of loan notes partly by way of transfer of securities.

	<u>2014</u>
	<u>Class B</u>
	<u>EUR</u>
<u>Disposal of securities</u>	
Disposal of securities	10,476,046
Transfer to loan noteholders on settlement	(7,994,711)
Net proceeds on disposal of securities	<u>2,481,335</u>
<u>Redemption of loan notes</u>	
Value of loan notes at date of redemption	8,863,848
Transfer of securities to loan noteholders as consideration	(7,994,711)
Net cash due to noteholders at June 30, 2014	<u>869,137</u>

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2014

11. NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

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

	Year ended June 30, 2014			Year ended June 30, 2013		
	Class A	Class B	Ax Futures	Class A	Class B	Ax Futures
	USD	EUR	USD	USD	EUR	USD
Cash at bank	-	1,150,153	950	-	2,207	1,139
Cash due to broker	-	-	(197,085)	-	-	(499,574)
	-	1,150,153	(196,135)	-	2,207	(498,435)

12. RELATED PARTIES AND OTHER KEY CONTRACTS

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

Directors: Elzas Dave John
Barnhoorn Hendrik Petrus
Irons James Reinhardt

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

Manager: GMG Fund Services Ltd

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

	2014		2013	
	Ax Futures	Class B	Ax Futures	Class B
	USD	EUR	USD	EUR
GMG Fund Services Ltd	15,000	67,992	18,000	55,886