

International Opportunities Fund- SPC relating to Income Fund Series 5 Segregated Portfolio, Income Fund Series 6 Segregated Portfolio, Income Fund Series 7 Segregated Portfolio, Income Fund Series 9 Segregated Portfolio and Enhanced Yield Fund Class A Segregated Portfolio

Financial Statements for the year ended 31 December 2015

INTERNATIONAL OPPORTUNITIES FUND - SPC

Financial Statements for the year ended 31 December 2015 (Refer Note 1)

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International Opportunities Fund - SPC

COMPANY INFORMATION

| | |
|--------------------------------------|---|
| Directors | Mr. Rajesh Somani Mr. Shriram Jagetiya |
| Registered Office | 4 th Floor, Harbour Place 103 South Church Street George Town, PO Box 10240 Grand Cayman KY1-1002 Cayman Islands |
| Investment Manager | Aditya Birla Sun Life Asset Management Company Pte Ltd #32-04, Hong Leong Building 16 Raffles Quay Singapore 048581 |
| Administrator | Deutsche Bank AG, Singapore Branch #16-00 South Tower One Raffles Quay Singapore 048583 |
| Custodian | Deutsche Bank AG Singapore Branch #16-00 South Tower One Raffles Quay Singapore 048583 |
| Cayman Islands Legal Advisors | Harney Westwoods & Riegels 7502 International Commerce Centre One Austin Road West Kowloon Hong Kong |
| Auditors | Ernst & Young Ltd. Suite 6401 62 Forum Lane Camana Bay Grand Cayman KY 1-1106 Cayman Islands |



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Independent Auditors' Report

The Board of Directors

International Opportunities Fund – SPC - Income Fund Series 5 Segregated Portfolio
International Opportunities Fund – SPC - Income Fund Series 6 Segregated Portfolio
International Opportunities Fund – SPC - Income Fund Series 7 Segregated Portfolio
International Opportunities Fund – SPC - Income Fund Series 9 Segregated Portfolio
International Opportunities Fund – SPC - Enhanced Yield Fund Class A Segregated Portfolio

We have audited the accompanying financial statements of International Opportunities Fund – SPC, comprising the Income Fund Series 5 Segregated Portfolio, Income Fund Series 6 Segregated Portfolio, Income Fund Series 7 Segregated Portfolio, Income Fund Series 9 Segregated Portfolio, and Enhanced Yield Fund Class A Segregated Portfolio (each the “Segregated Portfolio”), which comprise the statements of financial position as at December 31, 2015, and statements of comprehensive income, statements of changes in net assets attributable to holders of redeemable participating shares and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the directors, as a body. Our audit work has been undertaken so that we might state to the directors 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 Fund and the directors as a body, for our audit work, for this report, or for the opinions we have formed.

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 the auditors' 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, the auditor considers internal control relevant to the entity'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 entity'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 accompanying financial statements present fairly, in all material respects, the financial position of Income Fund Series 5 Segregated Portfolio, Income Fund Series 6 Segregated Portfolio, Income Fund Series 7 Segregated Portfolio, Income Fund Series 9 Segregated Portfolio, and Enhanced Yield Fund Class A Segregated Portfolio as at December 31, 2015, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young Ltd.

May 10, 2016

INTERNATIONAL OPPORTUNITIES FUND - SPC

STATEMENT OF FINANCIAL POSITION
As at 31 December 2015 (Refer Note 1)

| | Note | Income Fund Series 5 Segregated Portfolio * 1 st Offer Period | Income Fund Series 5 Segregated Portfolio 2 nd Offer Period | Income Fund Series 6 Segregated Portfolio * | Income Fund Series 7 Segregated Portfolio | Income Fund Series 9 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|---|------|---|---|---|---|---|--|
| | | USD | USD | USD | USD | USD | USD |
| ASSETS | | | | | | | |
| Cash and cash equivalents | 3 | 57,265 | 29,386 | 19,431 | 17,678 | 5,735 | 114,946 |
| Loans and receivables | 5 | 99,695,000 | 59,945,000 | 29,365,000 | 49,965,000 | 45,250,000 | 48,440,500 |
| Other assets | 4 | 3,112,867 | 276,578 | 651,242 | 408,603 | 770,932 | 3,676,828 |
| Total assets | | 102,865,132 | 60,250,964 | 30,035,673 | 50,391,281 | 46,026,667 | 52,232,274 |
| LIABILITIES | | | | | | | |
| Accounts payable and accrued expenses | 7 | 68,032 | 14,788 | 41,793 | 9,569 | 13,709 | 14,557 |
| Redemptions payable | | 102,797,100 | - | 29,993,880 | - | - | - |
| Total liabilities (excluding net assets attributable to redeemable participating shares) | | 102,865,132 | 14,788 | 30,035,673 | 9,569 | 13,709 | 14,557 |
| Net assets attributable to holders of redeemable participating shares | | - | 60,236,176 | - | 50,381,712 | 46,012,958 | 52,217,717 |
| (Also refer to Statement of Changes in Net Assets) | | | | | | | |

* Statement of Financial Position for Income Fund Series 5 Segregated Portfolio 1st Offer Period is as at 21 September 2015 and for Income Fund Series 6 Segregated Portfolio is as at 16 February 2015.

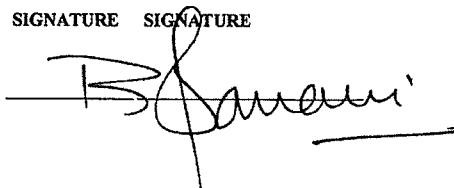
| | | | | | | | |
|--|----|--|--------------------|--|--------------------|--------------------|--------------------|
| Number of redeemable participating shares outstanding | | | | | | | |
| - Class A | 10 | | <u>600,000</u> | | <u>500,000</u> | <u>453,000</u> | <u>488,330</u> |
| NAV per Share | 11 | | <u>US\$ 100.39</u> | | <u>US\$ 100.76</u> | <u>US\$ 101.57</u> | <u>US\$ 106.93</u> |

These financial statements have been approved by the Board of Directors on May 10, 2016.

NAME OF DIRECTORS

SIGNATURE SIGNATURE

Mr. Rajesh Somani



The notes on pages 12 to 36 form an integral part of these financial statements.

INTERNATIONAL OPPORTUNITIES FUND - SPC

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2014 (Refer Note 1)

| | Note | Income Fund Series 5 Segregated Portfolio 1 st Offer Period | Income Fund Series 6 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|--|------|--|--|--|
| | | USD | USD | USD |
| ASSETS | | | | |
| Cash and cash equivalents | 3 | 83,986 | 20,383 | 150,099 |
| Loans and receivables | 5 | 99,695,000 | 29,365,000 | 49,440,500 |
| Other assets | 4 | 1,615,912 | 568,038 | 1,954,961 |
| Total assets | | 101,394,898 | 29,953,421 | 51,545,560 |
| LIABILITIES | | | | |
| Accounts payable and accrued expenses | 7 | 16,393 | 12,456 | 24,278 |
| Redemptions payable | | - | - | - |
| Total liabilities (excluding net assets attributable to redeemable participating shares) | | 16,393 | 12,456 | 24,278 |
| Net assets attributable to holders of redeemable participating shares (Also refer to Statement of Changes in Net Assets) | | 101,378,505 | 29,940,965 | 51,521,282 |
| Number of redeemable participating shares outstanding | | | | |
| - Class A | 10 | 999,000 | 294,000 | 498,330 |
| NAV per Share | 11 | US\$ 101.48 | US\$ 101.84 | US\$ 103.39 |

The notes on pages 12 to 36 form an integral part of these financial statements.

INTERNATIONAL OPPORTUNITIES FUND - SPC

STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 December 2015 (Refer Note 1)

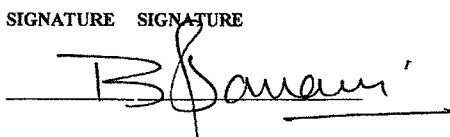
| | Note | Income Fund Series 5 Segregated Portfolio * 1 st Offer Period USD | Income Fund Series 5 Segregated Portfolio * 2 nd Offer Period USD | Income Fund Series 6 Segregated Portfolio USD | Income Fund Series 7 Segregated Portfolio USD | Income Fund Series 9 Segregated Portfolio USD | Enhanced Yield Fund Class A Segregated Portfolio USD |
|--|------|--|--|--|--|--|---|
| Investment income | | | | | | | |
| Interest income | 6 | 1,496,955 | 276,578 | 83,204 | 408,603 | 770,933 | 1,739,313 |
| Other income | | - | - | - | - | - | 52,816 |
| Total income | | 1,496,955 | 276,578 | 83,204 | 408,603 | 770,933 | 1,792,129 |
| Expenses | | | | | | | |
| Management fees including other expenses | 8 | 78,360 | 40,402 | 30,289 | 26,891 | 57,975 | 32,894 |
| Other Expenses include | | | | | | | |
| Administration charges | | 26,316 | 5,300 | 1,397 | 9,034 | 16,500 | 18,653 |
| Audit fees | | 2,273 | 10,000 | 1,893 | 5,069 | 9,205 | 11,100 |
| Legal fees | | - | - | - | - | 8,050 | - |
| Other miscellaneous expenditure | | 977 | 7,103 | - | 12,788 | 3,220 | 3,139 |
| Total operating expenses | | 78,360 | 40,402 | 30,289 | 26,891 | 57,975 | 32,894 |
| Net increase in net assets attributable to holders of redeemable participating shares from operations | | | | | | | |
| | | 1,418,595 | 236,176 | 52,915 | 381,712 | 712,958 | 1,759,235 |

* Statement of Comprehensive Income for Income Fund Series 5 Segregated Portfolio 1st Offer Period is for the period from 1 January 2015 to 21 September 2015 and for Income Fund Series 5 Segregated Portfolio 2nd Offer Period is for the period from 30 September 2015 to 31 December 2015.

These financial statements have been approved by the Board of Directors on May 10, 2016.

NAME OF DIRECTORS

SIGNATURE SIGNATURE

Mr. Rajesh Somani


The notes on pages 12 to 36 form an integral part of these financial statements.

INTERNATIONAL OPPORTUNITIES FUND - SPC

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the period ended 31 December 2014 (Refer Note 1)

| | Note | Income Fund Series 5 Segregated Portfolio 1 st Offer Period | Income Fund Series 6 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|--|------|--|--|---|
| | | USD | USD | USD |
| Investment income | | | | |
| Interest income | 6 | 1,615,912 | 568,038 | 1,730,845 |
| Other income | | - | - | 54,946 |
| Total income | | 1,615,912 | 568,038 | 1,785,791 |
| Expenses | | | | |
| Management fees including other expenses | 8 | 137,407 | 27,073 | 34,428 |
| Other Expenses include | | | | |
| Administration charges | | 27,167 | 9,615 | 18,128 |
| Audit fees | | 7,727 | 8,658 | 10,000 |
| Custody charges | | - | - | 3,300 |
| Legal fees | | - | 5,450 | - |
| Other miscellaneous expenditure | | 3,250 | 3,350 | 3,000 |
| Total operating expenses | | 137,407 | 27,073 | 34,428 |
| Net increase in net assets attributable to holders of redeemable participating shares from operations | | 1,478,505 | 540,965 | 1,751,363 |

The notes on pages 12 to 36 form an integral part of these financial statements.

INTERNATIONAL OPPORTUNITIES FUND - SPC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF
REDEEMABLE PARTICIPATING SHARES
For the period ended 31 December 2015 (Refer Note 1)

| | Income Fund Series 5 Segregated Portfolio * 1 st Offer Period | Income Fund Series 5 Segregated Portfolio 2 nd Offer Period | Income Fund Series 6 Segregated Portfolio * | Income Fund Series 7 Segregated Portfolio | Income Fund Series 9 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|--|---|---|--|--|--|--|
| | USD | USD | USD | USD | USD | USD |
| Balance as at the beginning of the period | 101,378,505 | - | 29,940,965 | - | - | 51,521,282 |
| Net increase in net assets attributable to holders of redeemable participating shares resulting from operations for the period | 1,418,595 | 236,176 | 52,915 | 381,712 | 712,958 | 1,759,235 |
| Issue of redeemable participating shares during the period | - | 60,000,000 | - | 50,000,000 | 45,300,000 | - |
| Redemption of redeemable participating shares during the period | (102,797,100) | - | (29,993,880) | - | - | (1,062,800) |
| Balance as at the end of the period | - | 60,236,176 | - | 50,381,712 | 46,012,958 | 52,217,717 |

(Also refer to Statement of Financial Position)

* Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for Income Fund Series 5 Segregated Portfolio 1st Offer Period is for the period from 1 January 2015 to 21 September 2015 and for Income Fund Series 6 Segregated Portfolio is for the period from 1 January 2015 to 16 February 2015.

The notes on pages 12 to 36 form an integral part of these financial statements.

INTERNATIONAL OPPORTUNITIES FUND - SPC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF
REDEEMABLE PARTICIPATING SHARES (CONTINUED)
For the period ended 31 December 2014 (Refer Note 1)

| | Income Fund Series 5 Segregated Portfolio 1 st Offer Period | Income Fund Series 6 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|--|--|--|---|
| | USD | USD | USD |
| Balance as at the beginning of the period | - | - | 51,812,519 |
| Net increase in net assets attributable to holders of redeemable participating shares resulting from operations for the period | 1,478,505 | 540,965 | 1,751,363 |
| Issue of redeemable participating shares during the period | 99,900,000 | 29,400,000 | - |
| Redemption of redeemable participating shares during the period | - | - | (2,042,600) |
| Balance as at the end of the period | 101,378,505 | 29,940,965 | 51,521,282 |

(Also refer to Statement of Financial Position)

The notes on pages 12 to 36 form an integral part of these financial statements.

INTERNATIONAL OPPORTUNITIES FUND - SPC

STATEMENT OF CASH FLOWS

For the period ended 31 December 2015 (Refer Note 1)

| | Income Fund Series 5 Segregated Portfolio * 1 st Offer Period | Income Fund Series 5 Segregated Portfolio 2 nd Offer Period | Income Fund Series 6 Segregated Portfolio * | Income Fund Series 7 Segregated Portfolio | Income Fund Series 9 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|---|---|---|--|--|--|--|
| | USD | USD | USD | USD | USD | USD |
| A. Cash flows from operating activities | | | | | | |
| Net profit | 1,418,595 | 236,176 | 52,915 | 381,712 | 712,958 | 1,759,235 |
| Movements in working capital | | | | | | |
| Interest receivable | (1,496,955) | (276,578) | (83,204) | (408,603) | (770,932) | (1,721,867) |
| Accrued expenses | 51,639 | 14,788 | 29,337 | 9,569 | 13,709 | (9,721) |
| Net cash generated from/(used in) operating activities | (26,721) | (25,614) | (952) | (17,322) | (44,265) | 27,647 |
| B. Cash flows from investing activities | | | | | | |
| Placement of fixed deposits | - | (59,945,000) | - | (49,965,000) | (45,250,000) | - |
| Maturity of fixed deposits | - | - | - | - | - | 1,000,000 |
| Net cash generated from/(used in) investing activities | - | (59,945,000) | - | (49,965,000) | (45,250,000) | 1,000,000 |
| C. Cash flows from financing activities | | | | | | |
| Proceeds from issue of redeemable shares | - | 60,000,000 | - | 50,000,000 | 45,300,000 | - |
| Payments on redemption of redeemable shares | - | - | - | - | - | (1,062,800) |
| Net cash generated from/(used in) financing activities | - | 60,000,000 | - | 50,000,000 | 45,300,000 | (1,062,800) |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | (26,721) | 29,386 | (952) | 17,678 | 5,735 | (35,153) |
| Cash and cash equivalents at beginning of period | 83,986 | - | 20,383 | - | - | 150,099 |
| Cash and cash equivalents at end of period | 57,265 | 29,386 | 19,431 | 17,678 | 5,735 | 114,946 |
| Supplemental disclosure of cash flow information | | | | | | |
| Cash received during the period for interest | - | - | - | - | - | 17,446 |

* Statement of Cash Flows for Income Fund Series 5 Segregated Portfolio 1st Offer Period is for the period from 1 January 2015 to 21 September 2015 and for Income Fund Series 6 Segregated Portfolio is for the period from 1 January 2015 to 16 February 2015.

The notes on pages 12 to 36 form an integral part of these financial statements.

INTERNATIONAL OPPORTUNITIES FUND - SPC

STATEMENT OF CASH FLOWS (CONTINUED)

For the period ended 31 December 2014 (Refer Note 1)

| | Income Fund Series 5 Segregated Portfolio 1 st Offer Period | Income Fund Series 6 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|---|--|---|--|
| | USD | USD | USD |
| A. Cash flows from operating activities | | | |
| Net profit | 1,478,505 | 540,965 | 1,751,363 |
| Movements in working capital | | | |
| Interest receivable | (1,615,912) | (568,038) | (1,728,194) |
| Accrued expenses | 16,393 | 12,456 | 11,310 |
| Net cash generated from/(used in) operating activities | <u>(121,014)</u> | <u>(14,617)</u> | <u>34,479</u> |
| B. Cash flows from investing activities | | | |
| Placement of fixed deposits | (99,695,000) | (29,365,000) | - |
| Maturity of fixed deposits | - | - | 2,000,000 |
| Net cash generated from/(used in) investing activities | <u>(99,695,000)</u> | <u>(29,365,000)</u> | <u>2,000,000</u> |
| C. Cash flows from financing activities | | | |
| Proceeds from issue of redeemable shares | 99,900,000 | 29,400,000 | - |
| Payments on redemption of redeemable shares | - | - | (2,042,600) |
| Net cash generated from/(used in) financing activities | <u>99,900,000</u> | <u>29,400,000</u> | <u>(2,042,600)</u> |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | 83,986 | 20,383 | (8,121) |
| Cash and cash equivalents at beginning of period | - | - | 158,220 |
| Cash and cash equivalents at end of period | <u>83,986</u> | <u>20,383</u> | <u>150,099</u> |
| Supplemental disclosure of cash flow information | | | |
| Cash received during the period for interest | - | - | - |

The notes on pages 12 to 36 form an integral part of these financial statements.

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. GENERAL INFORMATION

International Opportunities Fund - SPC (the "Fund") formerly known as Aditya Birla Sun Life – SPC, was incorporated on 8 August 2012 in the Cayman Islands as an exempted company limited by shares and registered as a segregated portfolio company. Effective from 10 December 2013, Aditya Birla Sun Life – SPC changed name to International Opportunities Fund - SPC. The Fund is a regulated mutual fund for the purposes of the Mutual Funds Law (Revised) of the Cayman Islands.

As a segregated portfolio company under Cayman Islands law, the Company can create several segregated portfolios (the "Segregated Portfolios"), each of which are separate Segregated Portfolio of the Fund. As a matter of Cayman Islands law, the assets and liabilities of each Segregated Portfolio are segregated from the general assets and liabilities of the Fund, and accordingly, creditors of a particular Segregated Portfolio should have recourse only to the assets of such Segregated Portfolio. The Fund however is a single entity which can have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. In such circumstances, there is a risk that the assets of a Segregated Portfolio can be applied to meet the liabilities of another Segregated Portfolio whose assets are exhausted.

Each Segregated Portfolio will have a distinct portfolio of investments. These financial statements cover the following Segregated Portfolios:

| Name of the Segregated Portfolio | Commencement date | Maturity date | Statement of financial position date | Period covered by Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and Statement of Cash Flows |
|--|-------------------|-----------------|--------------------------------------|--|
| Income Fund Series 5 Segregated Portfolio - 1 st Offer Period | 20 March 14 * | 21 September 15 | 21 September 15 | 01 January 15 to 21 September 15 |
| Income Fund Series 5 Segregated Portfolio - 2 nd Offer Period | 30 September 15 * | 03 October 16 | 31 December 15 | 01 January 15 to 31 December 15 |
| Income Fund Series 6 Segregated Portfolio | 13 February 14 ** | 16 February 15 | 16 February 15 | 01 January 15 to 16 February 15 |
| Income Fund Series 7 Segregated Portfolio | 29 June 15 | 29 June 16 | 31 December 15 | 29 June 15 to 31 December 15 |
| Income Fund Series 9 Segregated Portfolio | 29 January 15 | 01 February 16 | 31 December 15 | 29 January 15 to 31 December 15 |
| Enhanced Yield Fund Class A Segregated Portfolio | 15 November 13 | 16 November 16 | 31 December 15 | 01 January 15 to 31 December 15 |

* Income Fund Series 5 Segregated Portfolio - 1st offer period got matured on 21 September 2015 and all the shares under this offer period were redeemed. 2nd offer period was launched on 30 September 2015 with the maturity date of 03 October 2016.

** Income Fund Series 6 Segregated Portfolio matured on 16 February 2015, and shares in International Opportunities Fund- SPC relating to Income Fund Series 6 Segregated Portfolio were fully redeemed.

Investment objective

The investment objectives, policies and strategies of each Segregated Portfolio are set out in relevant supplemental confidential memorandum relating to that Segregated Portfolio issued by the Fund. A summary of the investment objectives of each Segregated Portfolio is set out below.

Income Fund Series 5 Segregated Portfolio

The investment objective of the Segregated Portfolio is to generate a consistent return. It shall seek to achieve this by opening US dollar denominated fixed deposit accounts offered by Indian Offshore Banks for maturity tenors of not more than 370 days from the initial closing date.

Income Fund Series 6 Segregated Portfolio

The investment objective of the Segregated Portfolio is to generate a consistent return. It shall seek to achieve this by opening US dollar denominated fixed deposit accounts offered by Indian Offshore Banks for maturity tenors of not more than thirteen (13) months.

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. GENERAL INFORMATION (CONTINUED)

Income Fund Series 7 Segregated Portfolio

The investment objective of the Segregated Portfolio is to generate a consistent return. It shall seek to achieve this by opening US dollar denominated fixed deposit accounts offered by Bank of India UK Branch and Bank of Baroda UK Branch for maturity tenors of not more than thirteen (13) months.

Income Fund Series 9 Segregated Portfolio

The investment objective of the Segregated Portfolio is to generate a consistent return. It shall seek to achieve this by placing US dollar denominated fixed deposit with Indian Offshore Banks for maturity tenors of not more than thirteen (13) months.

Enhanced Yield Fund Class A Segregated Portfolio

The investment objective of the Segregated Portfolio is to generate consistent returns. It shall seek to achieve this by opening US dollar denominated fixed deposit accounts offered by Indian Offshore Banks or Middle East Banks for maturity tenors of not more than thirty six (36) months.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

(a) Basis of Preparation

The financial statements of the Segregated Portfolios are presented in United States dollars ("US Dollars") and rounded to the nearest unit.

In respect of the Segregated Portfolios (viz. Income Fund Series 5 Segregated Portfolio, Income Fund Series 7 Segregated Portfolio, Income Fund Series 9 Segregated Portfolio and Enhanced Yield Fund Class A Segregated Portfolio) the financial statements are prepared on a fair value basis for financial instruments and financial assets and liabilities held for trading. Other financial assets and liabilities are stated at historical cost or redemption amount (redeemable participating shares).

Read with the above, the accounting policies have been applied consistently by the Segregated Portfolios.

(b) Financial instruments

(i) Classification

The Segregated Portfolios classify their financial assets and financial liabilities into the following categories:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Segregated Portfolios include in this category amounts relating to cash and cash equivalents, interest receivable and time deposits held.

(ii) Recognition

The Segregated Portfolios recognise a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Financial instruments are measured initially at fair value. Profits and losses on the disposal of investments are computed on a first-in first-out basis and are included in the Statement of Comprehensive Income.

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) *Financial instruments (continued)*

(iii) *Subsequent measurement*

After initial measurement, the Fund measures financial instruments which are classified as loans and receivables at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process. The interest earned elements of such instruments are recorded separately in interest income.

(iv) *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired and either (a) the Segregated Portfolios have transferred substantially all the risks or rewards of the asset; or (b) the Segregated Portfolios have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset. When the Segregated Portfolios have transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Segregated Portfolios' continuing involvement in the asset. In that case, the Segregated Portfolios also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Segregated Portfolios have retained.

The Segregated Portfolios derecognise a financial liability when the obligation under the liability is discharged, cancelled or expired.

Transaction costs are paid by the Segregated Portfolios in connection with the Segregated Portfolios' trading activities at normal commercial rates and are expensed as incurred.

(c) *Foreign Currencies*

Items included in each Segregated Portfolio's accounts are measured using the currency of the primary economic environment in which it operates which is United States Dollar. The functional currency for Income Fund Series 5 Segregated Portfolio, Income Fund Series 7 Segregated Portfolio, Income Fund Series 9 Segregated Portfolio and Enhanced Yield Fund Class A Segregated Portfolio is United States Dollar.

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the reporting currency at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the reporting currency at the exchange rates ruling at the dates that the values are determined. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated at exchange rates ruling at the dates of the transactions.

(d) *Use of estimates*

The preparation of Financial Statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses in the Financial Statements and accompanying notes. Actual results could differ from those estimates.

(e) *Net Asset Value per share*

The Net Asset Value ("NAV") per share disclosed on the face of the Statement of Financial Position is calculated in accordance with IFRS by dividing the net assets attributable to each share class by the number of redeemable participating shares of that class outstanding at period end. As noted above, financial assets and liabilities at fair value through profit or loss are valued at quoted market prices.

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Cash and cash equivalents

Cash and cash equivalents include cash deposits held at call with the Custodian and Prime Broker. Cash equivalents are short-term liquid investments that are readily convertible to known amounts of cash.

(g) Income and expense

Interest income and expense are accounted for on an effective yield basis. Other income and expenses are accounted for on an accrual basis.

(h) Redeemable participating shares

Redeemable participating shares are classified as financial liabilities in accordance with IAS 32. All redeemable participating shares issued by the Segregated Portfolios provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the Segregated Portfolio's net assets at the redemption date.

(i) New accounting pronouncements

The IFRSs adopted by the Segregated Portfolios in the preparation of these financial statements are those that were effective for accounting periods ending on or before 31 December 2015.

New accounting pronouncements in issue, not yet effective

At the date of approval of these financial statements, the following new standards and amendments, which have not been applied, but that may impact the financial statements, were issued but not yet effective:

IAS, IFRS and IFRIC Interpretations Issued but Not Yet Effective

| | Effective date (Annual periods beginning on or after) |
|---|---|
| IFRS 9 Financial Instruments | 1 January 2018 |
| IFRS 14 Regulatory Deferral Accounts | 1 January 2016 |
| IFRS 15 Revenue from Contracts with Customers | 1 January 2018 |
| Narrow scope amendments | 1 January 2016 |
| Annual improvements 2012-2014: | |
| - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations | 1 January 2016 |
| - IFRS 7 Financial Instruments: Disclosures | 1 January 2016 |
| - IAS 19 Employee Benefits | 1 January 2016 |
| - IAS 34 Interim Financial Reporting | 1 January 2016 |
| IAS 1 Disclosure initiative | 1 January 2016 |

The impact of the changes has not been ascertained.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

3. CASH AND CASH EQUIVALENTS

The following table details the names of the financial institutions holding Cash and Cash Equivalents of each Segregated Portfolio as at 31 December 2015:

| | Income Fund Series 5 Segregated Portfolio - 1st Offer Period | Income Fund Series 5 Segregated Portfolio - 2nd Offer Period | Income Fund Series 6 Segregated Portfolio | Income Fund Series 7 Segregated Portfolio | Income Fund Series 9 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|------------------|--|--|--|--|--|---|
| | USD | USD | USD | USD | USD | USD |
| Deutsche Bank AG | 57,265 | 29,386 | 19,431 | 17,678 | 5,735 | 114,946 |
| | 57,265 | 29,386 | 19,431 | 17,678 | 5,735 | 114,946 |

The following table details the names of the financial institutions holding Cash and Cash Equivalents of each Segregated Portfolio as at 31 December 2014:

| | Income Fund Series 5 Segregated Portfolio - 1st Offer Period | Income Fund Series 6 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|------------------|--|--|---|
| | USD | USD | USD |
| Deutsche Bank AG | 83,986 | 20,383 | 150,099 |
| | 83,986 | 20,383 | 150,099 |

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

4. OTHER ASSETS

31 December 2015

| | Income Fund Series 5 Segregated Portfolio - 1st Offer Period | Income Fund Series 5 Segregated Portfolio - 2nd Offer Period | Income Fund Series 6 Segregated Portfolio | Income Fund Series 7 Segregated Portfolio | Income Fund Series 9 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|---------------------|--|--|--|--|--|---|
| | USD | USD | USD | USD | USD | USD |
| Interest receivable | 3,112,867 | 276,578 | 651,242 | 408,603 | 770,932 | 3,676,828 |
| | <u>3,112,867</u> | <u>276,578</u> | <u>651,242</u> | <u>408,603</u> | <u>770,932</u> | <u>3,676,828</u> |

31 December 2014

| | Income Fund Series 5 Segregated Portfolio - 1st Offer Period | Income Fund Series 6 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|---------------------|--|--|---|
| | USD | USD | USD |
| Interest receivable | 1,615,912 | 568,038 | 1,954,961 |
| | <u>1,615,912</u> | <u>568,038</u> | <u>1,954,961</u> |

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

5. LOANS AND RECEIVABLES

The following table details the names of the financial institutions holding Fixed Deposits of each Segregated Portfolio as at 31 December 2015:

| | Income Fund Series 5 Segregated Portfolio - 1st Offer Period | Income Fund Series 5 Segregated Portfolio - 2nd Offer Period | Income Fund Series 6 Segregated Portfolio | Income Fund Series 7 Segregated Portfolio | Income Fund Series 9 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|----------------------|--|--|--|--|--|---|
| | USD | USD | USD | USD | USD | USD |
| ICICI Bank Limited | - | - | - | - | - | 48,440,500 |
| Indian Overseas Bank | 30,000,000 | - | - | - | - | - |
| Bank of Baroda | 28,880,000 | 545,000 | 5,873,000 | 25,000,000 | 23,000,000 | - |
| Canara Bank | 815,000 | 29,000,000 | - | - | - | - |
| Union Bank Of India | 40,000,000 | 500,000 | - | - | - | - |
| Bank of India | - | 29,900,000 | - | 24,965,000 | 22,250,000 | - |
| Punjab National Bank | - | - | 11,746,000 | - | - | - |
| State Bank of India | - | - | 11,746,000 | - | - | - |
| | 99,695,000 | 59,945,000 | 29,365,000 | 49,965,000 | 45,250,000 | 48,440,500 |

The following table details the names of the financial institutions holding Fixed Deposits of each Segregated Portfolio as at 31 December 2014:

| | Income Fund Series 5 Segregated Portfolio - 1st Offer Period | Income Fund Series 6 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|----------------------|--|--|---|
| | USD | USD | USD |
| ICICI Bank Limited | - | - | 49,440,500 |
| Indian Overseas Bank | 30,000,000 | - | - |
| Bank of Baroda | 28,880,000 | 5,873,000 | - |
| Canara Bank | 815,000 | - | - |
| Union Bank Of India | 40,000,000 | - | - |
| State Bank of India | - | 11,746,000 | - |
| Punjab National Bank | - | 11,746,000 | - |
| | 99,695,000 | 29,365,000 | 49,440,500 |

6. INTEREST INCOME

Interest income included reversal of interest income of USD 39,541 and USD 8,816 for Enhanced Yield Fund Class A Segregated Portfolio for the years ended 2015 and 2014, respectively, on account of pre-matured withdrawals of fixed deposits for meeting redemption.

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following table details the accounts payable as at 31 December 2015:

| | Income Fund Series 5 Segregated Portfolio α 1st Offer Period | Income Fund Series 5 Segregated Portfolio[^] 2nd Offer Period | Income Fund Series 6 Segregated Portfolio* | Income Fund Series 7 Segregated Portfolio∞ | Income Fund Series 9 Segregated Portfolio# | Enhanced Yield Fund Class A Segregated Portfolio@ |
|-------------------------|--|--|---|---|---|--|
| | USD | USD | USD | USD | USD | USD |
| Management fees payable | 68,032 | 14,788 | 41,793 | 9,569 | 13,709 | 14,557 |
| | <u>68,032</u> | <u>14,788</u> | <u>41,793</u> | <u>9,569</u> | <u>13,709</u> | <u>14,557</u> |

α Management Fees Payable of USD 68,032 includes operating and other expenses paid on behalf of the Administrator – USD 5,123; Audit Fee Payable – USD 10,000; Management Fee Payable – USD 51,937; Bank Charge Payable – USD 972.

[^] Management Fees Payable of USD 14,788 includes operating and other expenses paid on behalf of the Administrator – USD 1,788; Audit Fee Payable – USD 10,000; Financial Preparation Fee Payable – USD 3,000.

* Management Fees Payable of USD 41,793 includes operating and other expenses paid on behalf of the Administrator – USD 1,243; Audit Fee Payable – USD 10,550; Management Fee Payable – USD 27,000; Financial Preparation Fee Payable – USD 3,000

∞ Management Fees Payable of USD 9,569 includes operating and other expenses paid on behalf of the Administrator – USD 1,500; Audit Fee Payable – USD 5,069; Financial Preparation Fee Payable – USD 3,000.

Management Fees Payable of USD 13,709 includes operating and other expenses paid on behalf of the Administrator – USD 1,504; Audit Fee Payable – USD 9,205; Financial Preparation Fee Payable – USD 3,000.

@ Management Fees Payable of USD 14,557 includes operating and other expenses paid on behalf of the Administrator – USD 1,557; Audit Fee Payable – USD 10,000; Financial Preparation Fee Payable – USD 3,000.

The following table details the accounts payable as at 31 December 2014:

| | Income Fund Series 5 Segregated Portfolio[^] 1st Offer Period | Income Fund Series 6 Segregated Portfolio# | Enhanced Yield Fund Class A Segregated Portfolio@ |
|-------------------------|--|---|--|
| | USD | USD | USD |
| Management fees payable | 16,393 | 12,456 | 24,278 |
| | <u>16,393</u> | <u>12,456</u> | <u>24,278</u> |

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES (CONTINUED)

^ Management Fees Payable of USD 16,393 includes operating and other expenses paid on behalf of the Administrator – USD 2,523; Audit Fee Payable – USD 7,727; Financial Preparation Fee Payable – USD 3,000.

Management Fees Payable of USD 12,456 includes operating and other expenses paid on behalf of the Administrator – USD 799; Audit Fee Payable – USD 8,658; Financial Preparation Fee Payable – USD 3,000.

@ Management Fees Payable of USD 24,278 includes operating and other expenses paid on behalf of the Administrator – USD 1,278; Audit Fee Payable – USD 20,000; Financial Preparation Fee Payable – USD 3,000.

8. FEES AND EXPENSES

Management fee

Income Fund Series 5 Segregated Portfolio

The Investment Manager is entitled to receive a management fee (the "Management Fee") all-inclusive, at a rate of up to 10 bps per annum of the aggregate subscription proceeds of the Class IFS5 Shares of the Segregated Portfolio, payable following the Initial Closing Date.

Income Fund Series 6 Segregated Portfolio

The Investment Manager is entitled to receive an all-inclusive one-time management fee (the "Management Fee"), at a rate of up to 20 bps per annum of the aggregate subscription proceeds of the Class IFS6 Shares of the Segregated Portfolio, payable following the Initial Closing Date.

Income Fund Series 7 Segregated Portfolio

The Investment Manager is not entitled to receive a management fee. The total expense ratio charged is up to 0.07% of the aggregate subscription proceeds of the Class IFS7 shares to be collected at the time of subscription allotment.

Income Fund Series 9 Segregated Portfolio

The Investment Manager is entitled to receive an all-inclusive one-time management fee (the "Management Fee"), at a rate of up to 15 bps per annum of the aggregate subscription proceeds of the Class IFS9 Shares of the Segregated Portfolio, payable following the Initial Closing Date.

Enhanced Yield Fund Class A Segregated Portfolio

The Investment Manager is entitled to receive an all-inclusive one-time management fee (the "Management Fee"), equal to 0.25% per annum of the aggregate subscription proceeds of Class A Shares, payable following the Initial Closing Date.

The Management fees comprise of administration fees, audit fees, custodian fees, legal fees, organisational fees and other expenses, as disclosed above.

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For the year ended 31 December 2015

8. FEES AND EXPENSES (CONTINUED)

31 December 2015

The following table details the management fee expense including expenses reimbursed by the Investment Manager as a percentage of the initial subscription amount:

| | Income Fund Series 5 Segregated Portfolio - 1st Offer Period | Income Fund Series 5 Segregated Portfolio - 2nd Offer Period | Income Fund Series 6 Segregated Portfolio | Income Fund Series 7 Segregated Portfolio | Income Fund Series 9 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|-------------------------------------|--|--|--|--|--|---|
| Management fee expense (Annualised) | 0.11% | 0.27% | 0.82% | 0.11% | 0.14% | 0.06% |

31 December 2014

The following table details the management fee expense including expenses reimbursed by the Investment Manager as a percentage of the initial subscription amount:

| | Income Fund Series 5 Segregated Portfolio - 1st Offer Period | Income Fund Series 6 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|-------------------------------------|--|--|---|
| Management fee expense (Annualised) | 0.17% | 0.10% | 0.07% |

Directors' fees

The Directors do not receive any remuneration other than reimbursement for out-of-pocket expenses. Directors' fees are paid by Aditya Birla Sun Life Asset Management Company Pte Ltd (ABSLAMC).

9. TAXATION

Under current laws of the Cayman Islands, there are no income, estate, corporation, capital gains, withholding or other taxes payable by the Fund. As a result, no provision for income taxes has been made in the financial statements.

In jurisdictions other than the Cayman Islands, in some cases foreign taxes will be withheld at source on dividends and certain interest received by the Fund. Capital gains derived by the Funds in such jurisdictions generally will be exempt from foreign income or withholding taxes at source.

INTERNATIONAL OPPORTUNITIES FUND - SPC

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For the year ended 31 December 2015

10. SHARE CAPITAL

Authorised

The Fund has an aggregate authorised capital of US\$50,000 divided into 1 non-participating, voting management share (the "Management Share") with a nominal or par value of US\$0.01 per share and 4,999,999 redeemable participating non-voting shares with a par value of US\$0.01 per share, each of which (other than the Management Share) may be issued as shares of any class of the Segregated Portfolios.

Within each Segregated Portfolio, the Fund will offer redeemable participating shares ("Shares") in one or more classes and at any time may create additional classes without the approval of existing shareholders. The Board of Directors in its absolute discretion may differentiate between classes, including, without limitation, as to the base currency, the investment objective and policy, any investment or other restrictions or guidelines, subscription and redemption rights, the fees and expenses charged relating to the Segregated Portfolio attributable to such Class. The Board of Directors or its duly authorised agent may decline to accept the subscription for Shares in the Segregated Portfolio from any prospective investor. Shares do not have the right to vote.

The movement in the number of redeemable participating shares for the year ended 31 December 2015 is as follows:

| | Income Fund Series 5 Segregated Portfolio - 1st Offer Period | Income Fund Series 5 Segregated Portfolio - 2nd Offer Period | Income Fund Series 6 Segregated Portfolio | Income Fund Series 7 Segregated Portfolio | Income Fund Series 9 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|---|--|--|--|--|--|---|
| Shares outstanding at the beginning of year | 999,000 | - | 294,000 | - | - | 498,330 |
| Shares issued | - | 600,000 | - | 500,000 | 453,000 | - |
| Shares redeemed | (999,000) | - | (294,000) | - | - | (10,000) |
| Shares outstanding at the end of year | - | 600,000 | - | 500,000 | 453,000 | 488,330 |

The movement in the number of redeemable participating shares for the year ended 31 December 2014 is as follows:

| | Income Fund Series 5 Segregated Portfolio - 1st Offer Period | Income Fund Series 6 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|---|--|--|---|
| Shares outstanding at the beginning of year | - | - | 518,330 |
| Shares issued | 999,000 | 294,000 | - |
| Shares redeemed | - | - | (20,000) |
| Shares outstanding at the end of year | 999,000 | 294,000 | 498,330 |

Following the close of the Initial Offer Period, there is no further subscription of Shares.

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

10. SHARE CAPITAL (CONTINUED)

Capital Management

The Fund's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its prospectus.
- To achieve consistent returns while safeguarding capital by investing in Fixed Deposit Accounts with offshore branches of Indian Banks.
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise. These are close ended and there is no additional issue of redeemable shares after the issue of the Fund.
- To maintain sufficient size to make the operation of the Fund cost-efficient.

Refer to financial risk management objectives (Note 12) for the policies and processes applied by the Fund in managing its capital.

11. NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING SHARES

The calculation of net asset value per redeemable participating share for each Segregated Portfolio is based on the net assets attributable to holders of redeemable participating shares for that Segregated Portfolio and the redeemable participating shares outstanding for that particular Segregated Portfolio at financial period-end.

The following tables detail the net asset value per participating share as at 31 December 2015.

| | Income Fund Series 5 Segregated Portfolio - 1st Offer Period | Income Fund Series 5 Segregated Portfolio - 2nd Offer Period | Income Fund Series 6 Segregated Portfolio | Income Fund Series 7 Segregated Portfolio | Income Fund Series 9 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|--|--|--|--|--|--|---|
| | USD | USD | USD | USD | USD | USD |
| Net asset attributable to holders of redeemable participating shares | - | 60,236,176 | - | 50,381,712 | 46,012,958 | 52,217,717 |
| Number of redeemable participating shares | - | 600,000 | - | 500,000 | 453,000 | 488,330 |
| Net asset value per redeemable participating share | - | 100.39 | - | 100.76 | 101.57 | 106.93 |

INTERNATIONAL OPPORTUNITIES FUND - SPC

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11. NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING SHARES (CONTINUED)

The following tables detail the net asset value per participating share as at 31 December 2014.

| | Income Fund Series 5 Segregated Portfolio - 1 st Offer Period | Income Fund Series 6 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|---|--|--|--|
| | USD | USD | USD |
| Net asset attributable to holders of redeemable participating | 101,378,505 | 29,940,965 | 51,521,282 |
| Number of redeemable participating share | 999,000 | 294,000 | 498,330 |
| Net asset value per redeemable participating share | 101.48 | 101.84 | 103.39 |

12. FINANCIAL RISK MANAGEMENT OBJECTIVES

Risk is inherent in the Segregated Portfolios' activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The Segregated Portfolios are exposed to market risk (including interest rate risk), credit risk and liquidity risk arising from the financial instruments they hold.

Risk management structure

The Fund, acting for and on behalf of the Segregated Portfolios, delegates responsibility to the Investment Manager to manage the investment and re-investment of the Segregated Portfolios' Assets, supervise, select and evaluate investments of the Segregated Portfolios and, if necessary, to obtain any investment advisory services required by the Fund from investment advisers or other sources. Investment Manager is responsible for identifying and controlling risks of the Segregated Portfolios.

Risk measurement and reporting system

The Investment Manager monitors and measures the overall risk exposures.

Risk mitigation

The Investment Manager is responsible for managing and controlling investment risks and may use various techniques and instruments, including derivatives, to do so.

Investment strategy

The investment strategy of each Segregated Portfolio is further described within the Confidential Memorandum relating to that Segregated Portfolio.

For each of the segregated portfolios, the Investment Manager will try to secure preferential rates for the Fixed Deposit Accounts. The Investment Manager aims to negotiate rates that are better than standard retail rates offered to private clients.

Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and other price risk. Each Segregated Portfolio's market risk is managed by the Investment Manager subject to the investment objective and investment policies.

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS

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12. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Each Segregated Portfolio's interest rate risk is managed by the Investment Manager subject to the investment objective and investment policies.

The Segregated Portfolios' exposure to interest rate risk, analysed by maturity of the instrument as at 31 December 2015 was as follows:

Income Fund Series 5 Segregated Portfolio- 2nd Offer Period

| Financial assets in USD | | | | | | |
|---------------------------------------|--------------------|--------------------|--------------|----------------------|----------------------|-------------------|
| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Greater than 5 years | Non-Interest Bearing | Total |
| Cash and cash equivalents | - | - | - | - | 29,386 | 29,386 |
| Loans and receivables | - | 59,945,000 | - | - | - | 59,945,000 |
| Other assets | - | - | - | - | 276,578 | 276,578 |
| Total assets | - | 59,945,000 | - | - | 305,964 | 60,250,964 |
| Financial liabilities in USD | | | | | | |
| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Greater than 5 years | Non-Interest Bearing | Total |
| Accounts payable and accrued expenses | - | - | - | - | 14,788 | 14,788 |
| Total liabilities | - | - | - | - | 14,788 | 14,788 |
| Total Interest Sensitivity Gap | - | 59,945,000 | - | - | 291,176 | 60,236,176 |

Income Fund Series 7 Segregated Portfolio

| Financial assets in USD | | | | | | |
|---------------------------------------|--------------------|--------------------|--------------|----------------------|----------------------|-------------------|
| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Greater than 5 years | Non-Interest Bearing | Total |
| Cash and cash equivalents | - | - | - | - | 17,678 | 17,678 |
| Loans and receivables | - | 49,965,000 | - | - | - | 49,965,000 |
| Other assets | - | - | - | - | 408,603 | 408,603 |
| Total assets | - | 49,965,000 | - | - | 426,281 | 50,391,281 |
| Financial liabilities in USD | | | | | | |
| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Greater than 5 years | Non-Interest Bearing | Total |
| Accounts payable and accrued expenses | - | - | - | - | 9,569 | 9,569 |
| Total liabilities | - | - | - | - | 9,569 | 9,569 |
| Total Interest Sensitivity Gap | - | 49,965,000 | - | - | 416,712 | 50,381,712 |

INTERNATIONAL OPPORTUNITIES FUND - SPC

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12. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

Interest rate risk (continued)

Income Fund Series 9 Segregated Portfolio

| | Financial assets in USD | | | | | Total |
|---------------------------|-------------------------|--------------------|--------------|----------------------|----------------------|-------------------|
| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Greater than 5 years | Non-Interest Bearing | |
| Cash and cash equivalents | - | - | - | - | 5,735 | 5,735 |
| Loans and receivables | 45,250,000 | - | - | - | - | 45,250,000 |
| Other assets | - | - | - | - | 770,932 | 770,932 |
| Total assets | 45,250,000 | - | - | - | 776,667 | 46,026,667 |

| | Financial liabilities in USD | | | | | Total |
|---------------------------------------|------------------------------|--------------------|--------------|----------------------|----------------------|-------------------|
| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Greater than 5 years | Non-Interest Bearing | |
| Accounts payable and accrued expenses | - | - | - | - | 13,709 | 13,709 |
| Total liabilities | - | - | - | - | 13,709 | 13,709 |
| Total Interest Sensitivity Gap | 45,250,000 | - | - | - | 762,958 | 46,012,958 |

Enhanced Yield Fund Class A Segregated Portfolio

| | Financial assets in USD | | | | | Total |
|---------------------------|-------------------------|--------------------|--------------|----------------------|----------------------|-------------------|
| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Greater than 5 years | Non-Interest Bearing | |
| Cash and cash equivalents | - | - | - | - | 114,946 | 114,946 |
| Loans and receivables | - | 48,440,500 | - | - | - | 48,440,500 |
| Other assets | - | - | - | - | 3,676,828 | 3,676,828 |
| Total assets | - | 48,440,500 | - | - | 3,791,774 | 52,232,274 |

| | Financial liabilities in USD | | | | | Total |
|---------------------------------------|------------------------------|--------------------|--------------|----------------------|----------------------|-------------------|
| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Greater than 5 years | Non-Interest Bearing | |
| Accounts payable and accrued expenses | - | - | - | - | 14,557 | 14,557 |
| Total liabilities | - | - | - | - | 14,557 | 14,557 |
| Total Interest Sensitivity Gap | - | 48,440,500 | - | - | 3,777,217 | 52,217,717 |

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12. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

Interest rate risk (continued)

The Segregated Portfolio's exposure to interest rate risk, analysed by maturity of the instrument as at 31 December 2014 was as follows:

Income Fund Series 5 Segregated Portfolio – 1st Offer Period

| | Financial assets in USD | | | | | Total |
|---------------------------|-------------------------|--------------------|--------------|----------------------|----------------------|--------------------|
| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Greater than 5 years | Non-Interest Bearing | |
| Cash and cash equivalents | - | - | - | - | 83,986 | 83,986 |
| Loans and receivables | - | 99,695,000 | - | - | - | 99,695,000 |
| Other assets | - | - | - | - | 1,615,912 | 1,615,912 |
| Total assets | - | 99,695,000 | - | - | 1,699,898 | 101,394,898 |

| | Financial liabilities in USD | | | | | Total |
|---------------------------------------|------------------------------|--------------------|--------------|----------------------|----------------------|--------------------|
| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Greater than 5 years | Non-Interest Bearing | |
| Accounts payable and accrued expenses | - | - | - | - | 16,393 | 16,393 |
| Total liabilities | - | - | - | - | 16,393 | 16,393 |
| Total Interest Sensitivity Gap | - | 99,695,000 | - | - | 1,683,505 | 101,378,505 |

Income Fund Series 6 Segregated Portfolio

| | Financial assets in USD | | | | | Total |
|---------------------------|-------------------------|--------------------|--------------|----------------------|----------------------|-------------------|
| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Greater than 5 years | Non-Interest Bearing | |
| Cash and cash equivalents | - | - | - | - | 20,383 | 20,383 |
| Loans and receivables | 29,365,000 | - | - | - | - | 29,365,000 |
| Other assets | - | - | - | - | 568,038 | 568,038 |
| Total assets | 29,365,000 | - | - | - | 588,421 | 29,953,421 |

| | Financial liabilities in USD | | | | | Total |
|---------------------------------------|------------------------------|--------------------|--------------|----------------------|----------------------|-------------------|
| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Greater than 5 years | Non-Interest Bearing | |
| Accounts payable and accrued expenses | - | - | - | - | 12,456 | 12,456 |
| Total liabilities | - | - | - | - | 12,456 | 12,456 |
| Total Interest Sensitivity Gap | 29,365,000 | - | - | - | 575,965 | 29,940,965 |

Enhanced Yield Fund Class A Segregated Portfolio

| | Financial assets in USD | | | | | Total |
|---------------------------|-------------------------|--------------------|-------------------|----------------------|----------------------|-------------------|
| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Greater than 5 years | Non-Interest Bearing | |
| Cash and cash equivalents | - | - | - | - | 150,099 | 150,099 |
| Loans and receivables | - | - | 49,440,500 | - | - | 49,440,500 |
| Other assets | - | - | - | - | 1,954,961 | 1,954,961 |
| Total assets | - | - | 49,440,500 | - | 2,105,060 | 51,545,560 |

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

12. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

Interest rate risk (continued)

| | Financial liabilities in USD | | | | | Total |
|---------------------------------------|------------------------------|--------------------|-------------------|----------------------|----------------------|-------------------|
| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Greater than 5 years | Non-Interest Bearing | |
| Accounts payable and accrued expenses | - | - | - | - | 24,278 | 24,278 |
| Total liabilities | - | - | - | - | 24,278 | 24,278 |
| Total Interest Sensitivity Gap | - | - | 49,440,500 | - | 2,080,782 | 51,521,282 |

Currency risk

Each Segregated Portfolio may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, each Segregated Portfolio is exposed to the risk that the exchange rate of its functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Segregated Portfolio's assets or liabilities denominated in currencies other than the functional currency.

The Segregated Portfolio's currency risk is managed and monitored by the Investment Manager in accordance with policies and procedures in place.

The Segregated Portfolios invest exclusively in US Dollar fixed deposit. Consequently, as at 31 December 2015 and 2014, the Segregated Portfolios did not have any currency risk exposure.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Segregated Portfolio.

The carrying amounts of financial assets which best represent the maximum credit risk exposure at 31 December 2015 are as follows:

| | Income Fund Series 5 Segregated Portfolio - 2 nd Offer Period | Income Fund Series 7 Segregated Portfolio | Income Fund Series 9 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|---------------------------|--|---|---|--|
| | USD | USD | USD | USD |
| Fixed Deposits* | 59,945,000 | 49,965,000 | 45,250,000 | 48,440,500 |
| Cash and cash equivalents | 29,386 | 17,678 | 5,735 | 114,946 |
| Total | 59,974,386 | 49,982,678 | 45,255,735 | 48,555,446 |

*Excludes interest accrued and not due on fixed deposits.

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

12. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

Credit risk (continued)

The carrying amounts of financial assets which best represent the maximum credit risk exposure at 31 December 2014 are as follows:

| | Income Fund Series 5 Segregated Portfolio - 1st Offer Period USD | Income Fund Series 6 Segregated Portfolio USD | Enhanced Yield Fund Class A Segregated Portfolio USD |
|---------------------------|--|--|---|
| Fixed Deposits* | 99,695,000 | 29,365,000 | 49,440,500 |
| Cash and cash equivalents | 83,986 | 20,383 | 150,099 |
| Total | 99,778,986 | 29,385,383 | 49,590,599 |

*Excludes interest accrued and not due on fixed deposits.

The cash balances of the Segregated Portfolios are held with Deutsche Bank.

The Fixed Deposit are held with the following banks:

31 December 2015

| | Income Fund Series 5 Segregated Portfolio - 2nd Offer Period USD | Income Fund Series 7 Segregated Portfolio USD | Income Fund Series 9 Segregated Portfolio USD | Enhanced Yield Fund Class A Segregated Portfolio USD |
|---------------------|--|--|--|---|
| ICICI Bank Limited | - | - | - | 48,440,500 |
| Bank of Baroda | 545,000 | 25,000,000 | 23,000,000 | - |
| Canara Bank | 29,000,000 | - | - | - |
| Union Bank of India | 500,000 | - | - | - |
| Bank of India | 29,900,000 | 24,965,000 | 22,250,000 | - |
| | 59,945,000 | 49,965,000 | 45,250,000 | 48,440,500 |

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

12. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

Credit risk (continued)

31 December 2014

| | Income Fund Series 5 Segregated Portfolio - 1st Offer Period | Income Fund Series 6 Segregated Portfolio | Enhanced Yield Fund Class A Segregated Portfolio |
|-----------------------|--|--|---|
| | USD | USD | USD |
| ICICI Bank Limited | - | - | 49,440,500 |
| Indian Overseas Bank | 30,000,000 | - | - |
| Bank of Baroda | 28,880,000 | 5,873,000 | - |
| Canara Bank | 815,000 | - | - |
| Union Bank Of India | 40,000,000 | - | - |
| SBI International Ltd | - | 11,746,000 | - |
| Punjab National Bank | - | 11,746,000 | - |
| | <u>99,695,000</u> | <u>29,365,000</u> | <u>49,440,500</u> |

The credit quality of the banks at which fixed deposit accounts are maintained is monitored using in-house research capabilities as well as inputs from external sources such as independent credit rating agencies.

At 31 December 2015, the long term senior debt credit ratings of the following banks were as follows:

| | Standard & Poors | Moody's Investor Services | Fitch |
|---------------------|---------------------------------|--|--------------|
| Deutsche Bank AG | BBB+ | A3 | A- |
| ICICI Bank Limited | BBB- | Baa3 | BBB- |
| Bank of Baroda | Not Rated | Baa3 | BBB- |
| Canara Bank | Not Rated | Baa3 | BBB- |
| Union Bank of India | BBB- | Baa3 | Not Rated |
| Bank of India | BBB- | Baa3 | Not Rated |

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

12. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

Credit risk (continued)

At 31 December 2014, the long term senior debt credit ratings of the following banks were as follows:

| | Standard & Poors | Moody's Investor Services | Fitch |
|----------------------|---------------------|---------------------------------|-----------|
| Deutsche Bank AG | A | A3 | A+ |
| ICICI Bank Limited | BBB- | Baa2 | BBB- |
| Indian Overseas Bank | BB+ | Baa3 | Not Rated |
| Bank of Baroda | Not Rated | Baa3 | BBB- |
| Union Bank of India | BBB- | Baa3 | Not Rated |
| Punjab National Bank | Not Rated | Baa3 | BBB- |

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The main source of liquidity risk is from redemption from shareholders in the Segregated Portfolios.

The table below summarises the maturity profile of the Segregated Portfolios' financial assets and liabilities as at 31 December 2015 based on contractual undiscounted payments:

Income Fund Series 5 Segregated Portfolio - 2nd Offer Period

| | Less than 1 month USD | 1 month to 1 year USD | Greater than 1 year USD | No Stated Maturity USD | Total USD |
|---|-----------------------------|-----------------------------|-------------------------------|------------------------------|-------------------|
| Assets | | | | | |
| Cash and cash equivalents | 29,386 | - | - | - | 29,386 |
| Loans and receivables | - | 59,945,000 | - | - | 59,945,000 |
| Interest receivable | 276,578 | - | - | - | 276,578 |
| Total assets | 305,964 | 59,945,000 | - | - | 60,250,964 |
| Liabilities | | | | | |
| Accounts payable and accrued expenses | 14,788 | - | - | - | 14,788 |
| Net assets attributable to holders of redeemable participating shares | - | 60,236,176 | - | - | 60,236,176 |
| Total liabilities | 14,788 | 60,236,176 | - | - | 60,250,964 |

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

12. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

Liquidity risk (continued)

Income Fund Series 7 Segregated Portfolio

| | Less than 1 month USD | 1 month to 1 year USD | Greater than 1 year USD | No Stated Maturity USD | Total USD |
|---------------------------|-----------------------------|-----------------------------|-------------------------------|------------------------------|-------------------|
| Assets | | | | | |
| Cash and cash equivalents | 17,678 | - | - | - | 17,678 |
| Loans and receivables | - | 49,965,000 | - | - | 49,965,000 |
| Interest receivable | 408,603 | - | - | - | 408,603 |
| Total assets | 426,281 | 49,965,000 | - | - | 50,391,281 |

| | Less than 1 month USD | 1 month to 1 year USD | Greater than 1 year USD | No Stated Maturity USD | Total USD |
|--|-----------------------------|-----------------------------|-------------------------------|------------------------------|-------------------|
| Liabilities | | | | | |
| Accounts payable and accrued expenses | 9,569 | - | - | - | 9,569 |
| Net assets attributable to holders of redeemable participating shares | - | 50,381,712 | - | - | 50,381,712 |
| Total liabilities | 9,569 | 50,381,712 | - | - | 50,391,281 |

Income Fund Series 9 Segregated Portfolio

| | Less than 1 month USD | 1 month to 1 year USD | Greater than 1 year USD | No Stated Maturity USD | Total USD |
|---------------------------|-----------------------------|-----------------------------|-------------------------------|------------------------------|-------------------|
| Assets | | | | | |
| Cash and cash equivalents | 5,735 | - | - | - | 5,735 |
| Loans and receivables | - | 45,250,000 | - | - | 45,250,000 |
| Interest receivable | 770,932 | - | - | - | 770,932 |
| Total assets | 776,667 | 45,250,000 | - | - | 46,026,667 |

| | Less than 1 month USD | 1 month to 1 year USD | Greater than 1 year USD | No Stated Maturity USD | Total USD |
|--|-----------------------------|-----------------------------|-------------------------------|------------------------------|-------------------|
| Liabilities | | | | | |
| Accounts payable and accrued expenses | 13,709 | - | - | - | 13,709 |
| Net assets attributable to holders of redeemable participating shares | - | 46,012,958 | - | - | 46,012,958 |
| Total liabilities | 13,709 | 46,012,958 | - | - | 46,026,667 |

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

12. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

Liquidity risk (continued)

Enhanced Yield Fund Class A Segregated Portfolio

| | Less than 1 month USD | 1 month to 1 year USD | Greater than 1 year USD | No Stated Maturity USD | Total USD |
|--|-----------------------------|-----------------------------|-------------------------------|------------------------------|-------------------|
| Assets | | | | | |
| Cash and cash equivalents | 114,946 | - | - | - | 114,946 |
| Loans and receivables | - | 48,440,500 | - | - | 48,440,500 |
| Interest receivable | 3,676,828 | - | - | - | 3,676,828 |
| Total assets | 3,791,774 | 48,440,500 | - | - | 52,232,274 |
| Liabilities | | | | | |
| Accounts payable and accrued expenses | 14,557 | - | - | - | 14,557 |
| Net assets attributable to holders of redeemable participating shares | - | 52,217,717 | - | - | 52,217,717 |
| Total liabilities | 14,557 | 52,217,717 | - | - | 52,232,274 |

The table below summarises the maturity profile of the Segregated Portfolio's financial assets and liabilities as at 31 December 2014 based on contractual undiscounted payments:

Income Fund Series 5 Segregated Portfolio – 1st Offer Period

| | Less than 1 month USD | 1 month to 1 year USD | Greater than 1 year USD | No Stated Maturity USD | Total USD |
|--|-----------------------------|-----------------------------|-------------------------------|------------------------------|--------------------|
| Assets | | | | | |
| Cash and cash equivalents | 83,986 | - | - | - | 83,986 |
| Loans and receivables | - | 99,695,000 | - | - | 99,695,000 |
| Interest receivable | 1,615,912 | - | - | - | 1,615,912 |
| Total assets | 1,699,898 | 99,695,000 | - | - | 101,394,898 |
| Liabilities | | | | | |
| Accounts payable and accrued expenses | 16,393 | - | - | - | 16,393 |
| Net assets attributable to holders of redeemable participating shares | - | 101,378,505 | - | - | 101,378,505 |
| Total liabilities | 16,393 | 101,378,505 | - | - | 101,394,898 |

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

12. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

Liquidity risk (continued)

Income Fund Series 6 Segregated Portfolio

| | Less than 1 month USD | 1 month to 1 year USD | Greater than 1 year USD | No Stated Maturity USD | Total USD |
|--|-----------------------------|-----------------------------|-------------------------------|------------------------------|-------------------|
| Assets | | | | | |
| Cash and cash equivalents | 20,383 | - | - | - | 20,383 |
| Loans and receivables | - | 29,365,000 | - | - | 29,365,000 |
| Interest receivable | 568,038 | - | - | - | 568,038 |
| Total assets | 588,421 | 29,365,000 | - | - | 29,953,421 |
| Liabilities | | | | | |
| Accounts payable and accrued expenses | 12,456 | - | - | - | 12,456 |
| Net assets attributable to holders of redeemable participating shares | - | 29,940,965 | - | - | 29,940,965 |
| Total liabilities | 12,456 | 29,940,965 | - | - | 29,953,421 |

Enhanced Yield Fund Class A Segregated Portfolio

| | Less than 1 month USD | 1 month to 1 year USD | Greater than 1 year USD | No Stated Maturity USD | Total USD |
|--|-----------------------------|-----------------------------|-------------------------------|------------------------------|-------------------|
| Assets | | | | | |
| Cash and cash equivalents | 150,099 | - | - | - | 150,099 |
| Loans and receivables | - | - | 49,440,500 | - | 49,440,500 |
| Interest receivable | 1,954,961 | - | - | - | 1,954,961 |
| Total assets | 2,105,060 | - | 49,440,500 | - | 51,545,560 |
| Liabilities | | | | | |
| Accounts payable and accrued expenses | 24,278 | - | - | - | 24,278 |
| Net assets attributable to holders of redeemable participating shares | - | - | 51,521,282 | - | 51,521,282 |
| Total liabilities | 24,278 | - | 51,521,282 | - | 51,545,560 |

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

13. RELATED PARTY DISCLOSURES

The following are considered to be related parties to the Fund:

- The Investment Manager.
- The directors, and certain entities connected to the directors.

Management fees

Aditya Birla Sun Life Asset Management Company Pte Ltd (“the Investment Manager”) is responsible for managing the investments of the Fund and its Segregated Portfolios’ assets under the terms of Investment Management Agreement.

For the year ended 31 December 2015, the following fees was received/receivable by Investment Manager from the Segregated Portfolios. Refer to notes 7 and 8 for more details.

| | Income Fund Series 5 Segregated Portfolio - 1 st Offer Period USD | Income Fund Series 5 Segregated Portfolio - 2 nd Offer Period USD | Income Fund Series 6 Segregated Portfolio USD | Income Fund Series 7 Segregated Portfolio USD | Income Fund Series 9 Segregated Portfolio USD | Enhanced Yield Fund Class A Segregated Portfolio USD |
|--|--|--|---|---|---|---|
| Management fees charged to Profit and Loss | 78,360 | 40,402 | 30,289 | 26,891 | 57,975 | 32,894 |
| Management fees payable | 68,032 | 14,788 | 41,793 | 9,569 | 13,709 | 14,557 |

For the year ended 31 December 2014, the following fees was received/receivable by Investment Manager from the Segregated Portfolios. Refer to notes 7 and 8 for more details.

| | Income Fund Series 5 Segregated Portfolio - 1 st Offer Period USD | Income Fund Series 6 Segregated Portfolio USD | Enhanced Yield Fund Class A Segregated Portfolio USD |
|-------------------------|---|---|---|
| Management fees | 137,407 | 27,073 | 34,428 |
| Management fees payable | 16,393 | 12,456 | 24,278 |

Directors’ fees

The directors are employees of affiliates of the Investment Manager and the Fund does not hold any independent directors. The directors who held office for the years ended 31 December 2015 and 2014 did not receive any remuneration. Refer to note 8 for more details.

14. COMMITMENTS AND CONTINGENCIES

There are no commitments as at the balance sheet date for any of the Segregated Portfolios.

INTERNATIONAL OPPORTUNITIES FUND - SPC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

15. SUBSEQUENT EVENTS

No significant events have occurred since the period end which would require adjustment to or disclosure in the Financial Statements.

16. APPROVAL OF THE FINANCIAL STATEMENTS

The Financial Statements were approved by the Board of Directors on May 10, 2016.