**ICG UCITS FUNDS (IRELAND) plc**

(an open-ended variable capital investment company incorporated under the laws of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011) as amended.

**Report And Audited Financial Statements**

**For the period from 29 January 2013 (Date of incorporation) to 31 March 2014**

**Registration Number: 523039**

**TABLE OF CONTENTS** **Page**

## COMPANY INFORMATION

| | |
|---|---|
| DIRECTORS | John Skelly* (Irish) appointed on 10 May 2013<br>Roddy Stafford* (Irish) appointed on 10 May 2013<br>Jason Vickers** (UK) appointed on 10 May 2013<br>*(independent non-executive director)<br>**(non-executive director) |
| REGISTERED OFFICE | 2nd Floor, Block E<br>Iveagh Court<br>Harcourt Road<br>Dublin 2<br>Ireland |
| ADMINISTRATOR | Citibank Europe plc<br>1 North Wall Quay<br>Dublin 1<br>Ireland |
| LEGAL ADVISOR<br>(as to Irish Law) | Maples & Calder<br>75 St. Stephen’s Green<br>Dublin 2<br>Ireland |
| INDEPENDENT AUDITOR | Ernst & Young<br>Harcourt Centre<br>Harcourt Street<br>Dublin 2<br>Ireland |
| INVESTMENT MANAGER, PROMOTER,<br>DISTRIBUTOR AND UK FACILITIES AGENT | Intermediate Capital Managers Limited<br>Juxon House<br>100 St. Paul's Churchyard<br>London EC4M 8BU<br>United Kingdom |
| CUSTODIAN | Citibank International plc, Ireland Branch<br>1 North Wall Quay<br>Dublin 1<br>Ireland |
| COMPANY SECRETARY | Carne Global Financial Services Limited<br>2nd Floor, Block E<br>Iveagh Court<br>Harcourt Road<br>Dublin 2<br>Ireland |

**COMPANY INFORMATION (continued)**

| | |
|---|---|
| IRISH SPONSORING BROKER | Maples and Calder<br>75 St. Stephen's Green<br>Dublin 2<br>Ireland |
| SWEDISH PAYING AGENT | Skandinaviska Enskilda Banken AB (publ)<br>Kungsträdgårdsgatan 8<br>SE-106 40 Stockholm<br>Sweden |
| GERMAN INFORMATION AND PAYING AGENT* | Marcard, Stein & Co AG<br>Ballindamm 36<br>20095 Hamburg<br>Germany |
| AUSTRIAN INFORMATION AND PAYING AGENT | Erste Bank der oesterreichischen<br>Sparkassen AG<br>Graben 21, 1010 Wien<br>Austria |

* The prospectus, the key investor information documents, the memorandum and articles of association, the annual and semi-annual reports, a list of changes in the composition of the portfolios as well as the issue and redemption prices are available from the office of the German information and paying agent as specified above.

1 North Wall Quay
Dublin 1
Ireland

T +353 1 622 2000
F +353 1 622 2222

citi



## CUSTODIAN'S REPORT
## For the period from 29 January 2013 (date of incorporation) to 31 March 2014

### Report of the Custodian to the Shareholders

We have enquired into the conduct of ICG UCITS Funds (Ireland) plc (the "Company") for the period ended 31 March 2014, in our capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Central Bank of Ireland's UCITS Notice 4, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Central Bank of Ireland's UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

### Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

### Opinion

In our opinion, the Company has been managed during the year, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, ('the Regulations'); and

(ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Regulations.

**Citibank International plc, Ireland branch**
**1 North Wall Quay**
**Dublin**

**Date: 22 July 2014**

**DIRECTORS' REPORT**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

The Directors present their report together with the audited financial statements of ICG UCITS Funds (Ireland) plc (the "Company") for the period from 29 January 2013 (date of incorporation) to 31 March 2014.

**Company Background**

The Company is an open-ended umbrella type investment company with variable capital and segregated liability between its sub-funds incorporated in Ireland under the Companies Acts 1963-2013 on 29 January 2013 under registration number 523039 and authorised by the Central Bank of Ireland, as an Undertaking for Collective Investment in Transferable Securities (UCITS) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the "UCITS Regulations") as amended. The Company is structured in the form of an umbrella fund which can consist of different sub-funds comprising of one or more classes. The Company was seeded on 5 September 2013 via an in specie transfer of assets from another ICML managed high yield transaction. The manager liquidated that fund to seed the current fund and the opening NAV of 145.44 reflects the performance of that fund from its opening price of 100. As at 31 March 2014, the Company had one sub-fund in existence, ICG High Yield Fund.

**Principal Activities**

A review of the principal activities and future developments is included in the Investment Manager's Report on page 10 and outlined below.

**ICG High Yield Fund (the "Fund")**

The Fund's investment objective is to generate a high level of return with the majority of the Fund being invested in non-government sub-investment grade fixed income and debt securities issued by issuers and listed or traded on a Recognised Market.

**Corporate Governance Code**

A corporate governance code was issued by the Irish Funds Industry Association (the IFIA code) in December 2011 that may be adopted on a voluntary basis by Irish authorised collective investment schemes effective 1 January, 2012 with a twelve month transitional period. The IFIA Code may be inspected on/obtained from [www.irishfunds.ie]. On 29 January 2013, the Board adopted the IFIA Code having regard for certain other key pillars of governance within the collective investment fund governance structure, including:

- the unique role of the Promoter, as recognised by the Central Bank of Ireland, in supporting the corporate governance of the Company; and

- the uniqueness of the independent segregation of duties as between the Investment Manager, the Administrator (with responsibility for the calculation of the net asset value, amongst other duties) and the independent Custodian (with responsibility for safeguarding the assets of the Company and overseeing how the Company is managed), such segregation of duties/functions being achieved through delegation of respective responsibilities to and appointment of suitably qualified and also regulated third party entities who are subject to regulatory supervision.

**DIRECTORS' REPORT (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

### Corporate Governance Code (continued)

The Company has no employees and all of the Directors are non-executive. Consistent with the regulatory framework applicable to investment fund companies such as the Company, the Company, consequently, operates under the delegated model whereby it has delegated management (including investment management), administration and distribution functions to third parties (without abrogating the Board's overall responsibility). The Board has in place mechanisms for monitoring the exercise of such delegated functions which are always subject to the supervision and direction of the Board. These delegations of functions and the appointment of regulated third party entities are detailed in the Company's Prospectus and Supplements. In summary, they are:

1. The Board has delegated the performance of the investment management functions in respect of the Company and of its Fund to Intermediate Capital Managers Limited (the "Investment Manager"). The Investment Manager has direct responsibility for the decisions relating to the day to day running of the Fund and is accountable to the Board of the Company for the investment performance of the Fund. The Investment Manager has internal controls and risk management processes in place to ensure that all applicable risks pertaining to their management of the Fund is identified, monitored and managed at all times and appropriate reporting is made to the Board on a regular basis. The Investment Manager is regulated by and under the supervision of the Financial Conduct Authority ("FCA");

2. The Board has delegated its responsibilities for administration to Citibank Europe plc (the "Administrator") which has responsibility for the day to day administration of the Company and the Fund including the calculation of the net asset values. The Administrator is regulated by and under the supervision of the Central Bank of Ireland;

The Company also has appointed Citibank International plc, Ireland Branch (the "Custodian") as custodian of its assets which has responsibility for the safekeeping of such assets in accordance with the UCITS Regulations and exercising independent oversight over how the Company is managed. The Custodian is regulated by and under the supervision of the Central Bank of Ireland.

The Board receives reports on a regular (and at least quarterly) basis from each of its delegate service providers and the Custodian which enable it to assess the performance of the delegate service providers and the Custodian (as the case may be).

### Future Developments

The Directors expect to increase the level of assets and launch new sub-funds going forward.

### Results

The results for the period are shown in the Statement of Comprehensive Income on page 14.

### Books of Account

The measures taken by the Directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and the appointment of Citibank Europe plc. The books of account are maintained at 1 North Wall Quay, International Financial Services Centre, Dublin 1, Ireland.

## DIRECTORS' REPORT (continued)
## For the period from 29 January 2013 (date of incorporation) to 31 March 2014

### Risk Management Objectives and Policies

The risks the Directors have assessed as being relevant to the Company are market risk, interest rate risk, foreign currency risk, other price risk, credit risk and liquidity risk. A detailed assessment of the risk management objectives and policies mitigating these risks is outlined in Note 10 on page 28.

### Directors

The Directors of the Company are as follows:

John Skelly (Irish resident)
Roddy Stafford (Irish resident)
Jason Vickers (UK resident)

### Company Secretary

Carne Global Financial Services Limited has acted as Secretary of the Company for the period ended 31 March 2014.

### Directors' Interests

As at 31 March 2014, none of Directors or the Company Secretary held shares in the Company. For details of Directors' fees paid during the period, see Note 4 on page 25.

### Independent Auditors

The Company's Independent Auditors, Ernst & Young, were appointed during the period in accordance with Section 160(6) of the Companies Act, 1963 and have indicated their willingness to continue in office in accordance with Section 160(2) of that Act.

### Distributions

There were no distributions made by the Company during the period.

### Significant Events During the Period

ICG High Yield Fund was launched on 5 September 2013.

The Prospectus of the Company was approved by the Central Bank of Ireland on 27 August 2013.

Please refer to the Fund's notes for details on its significant events.

### Significant Events Since the Period End

Please refer to the Fund's notes for details on its subsequent events.

________________ **Director** ________________ **Director**

**Date: 22 July 2014**

## DIRECTORS' RESPONSIBILITIES STATEMENT
### For the period from 29 January 2013 (date of incorporation) to 31 March 2014

The Directors are responsible for preparing the Annual Report and Company's financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare company financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The Company's financial statements are required to present fairly the financial position and performance of the Company by law and IFRS. The Companies Acts 1963-2013 provide, in relation to such financial statements, that references in the relevant parts of those Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts 1963-2013 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended. Under the UCITS Regulations, the Directors are required to entrust the assets of the Company to the Custodian for safekeeping. In carrying out this duty, the Company has delegated safekeeping of the Company's assets to the Custodian, Citibank International plc, 1 North Wall Quay, Dublin 1, Ireland. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts, 1963-2013.

The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Ireland governing preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of our knowledge and belief, the information contained in this document is accurate and complete.

**On behalf of the Board**

____________________ **Director** ____________________ **Director**

**Date: 22 July 2014**

# INVESTMENT MANAGER'S REPORT
## For the period from 29 January 2013 (date of incorporation) to 31 March 2014

### Market Commentary and Performance

The ICG High Yield Fund has returned 9.1% gross between 1 September 2013 and 31 March 2014. Fund returns were positive each month in this period, in the context of a long European high yield rally. Over the same period, the benchmark has returned 8.9%. Primary issuance in the high yield market during this period was generally strong, although more than covered by inflows into the asset class.

During September and October, the Fund performance was driven by strong performance in the wider market, with gains broadly spread across the portfolio. In November, the Fund slightly underperformed the benchmark, partly driven by weakness in a number of single name positions (Stork and Odeon in particular). However, Stork bonds rebounded, driving strong outperformance in December, supported also by good results from another issuer held in the Fund (Study Group).

January, February and March continued the run of good performance in the European high yield markets. The Fund collected primarily coupon income in January, before delivering a strong February performance (in line with the benchmark), as a number of issuers were rumoured to be considering an IPO. In March, the Fund outperformed the benchmark by 46bps, with strong contribution generated from single name picks, including Stork, Odeon, Brake Brothers and Medi-Partenaires.

### Market Outlook

In May 2014, the BoA Merrill Lynch high yield index (which we monitor in managing the ICG High Yield Fund) had its tenth consecutive month of gains. We note the average price of the bonds in the index has risen to 107.6 and, therefore, we anticipate the returns in the near future will come primarily from coupon income. Going forward, we will continue to carefully select issues in line with our investment philosophy and we will be particularly mindful of bonds which are overbought.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICG UCITS FUNDS (IRELAND) PLC**

We have audited the financial statements of ICG UCITS Funds (Ireland) plc (the "Company") for the period ended 31 March 2014 which comprise statement of financial position, statement of comprehensive income, statement of changes in net assets attributable to holders of redeemable participating shares, statement of cash flow[i] and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is the Companies Acts 1963 to 2013, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and International Financial Reporting Standards (IFRSs) as adopted by the European Union[ii].

This report is made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

***Respective responsibilities of directors and auditors***

As explained more fully in the Directors' Responsibilities Statement set out on page 9 the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

***Scope of the audit of the financial statements***

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

*Continued /...*

---

i. The maintenance and integrity of the ICG UCITS Funds (Ireland) plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

ii Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICG UCITS FUNDS (IRELAND) PLC (Continued)**

***Opinion on financial statements***
In our opinion the financial statements:

- give a true and fair view in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 31 March 2014 and of its profit for the period then ended; and

- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011(as amended).

***Matters on which we are required to report by the Companies Acts 1963 to 2013***

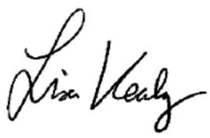
- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

- In our opinion proper books of account have been kept by the Company.

- The financial statements are in agreement with the books of account.

- In our opinion the information given in the directors' report is consistent with the financial statements.

***Matters on which we are required to report by exception***
We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Lisa Kealy
for and on behalf of Ernst & Young

Dublin

28 July 2014

## STATEMENT OF FINANCIAL POSITION
## As at 31 March 2014

| | Note | ICG High Yield Fund 31-Mar-2014* EUR |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | 7 | 4,448,039 |
| *Financial assets at fair value through profit or loss:* | | |
| Investments in transferable securities and financial derivative instruments | 5 | 53,897,265 |
| Other receivables | 6 | 1,033,400 |
| **Total assets** | | **59,378,704** |
| **Liabilities** | | |
| *Financial liabilities at fair value through profit or loss:* | | |
| Investments in financial derivative instruments | 5 | (149,676) |
| Other payables and accrued expenses | 8 | (84,318) |
| **Total liabilities** | | **(233,994)** |
| **Net assets attributable to holders of redeemable shares** | | **59,144,710** |

### Net Asset Value per Redeemable Shares

| | 31-Mar-2014 |
|---|---|
| **Class A Euro Acc** | |
| Number of shares per class | 8,544.75 |
| Net Asset Value per share | EUR150.67 |
| Net Asset Value | EUR1,287,431 |
| **Class A Euro Dist** | |
| Number of shares per class | 10,000.03 |
| Net Asset Value per share | EUR114.72 |
| Net Asset Value | EUR1,147,203 |
| **Class D Euro Acc** | |
| Number of shares per class | 363,221.12 |
| Net Asset Value per share | EUR156.13 |
| Net Asset Value | EUR56,710,076 |

**On behalf of the Board**

**Director**

**Director**

**Date: 22 July 2014**

* The Fund commenced trading on 5 September 2013 and as such there are no comparatives available.

## STATEMENT OF COMPREHENSIVE INCOME
### For the period from 29 January 2013 (date of incorporation) to 31 March 2014

| | Note | ICG High Yield Fund 31-Mar-2014* EUR |
|---|---|---|
| **Investment income** | | |
| Interest income | | 3,284,757 |
| Net gains on financial assets and liabilities at fair value through profit or loss | 12 | 2,300,060 |
| Net loss on foreign exchange | | (128,801) |
| **Net investment income** | | 5,456,016 |
| **Expenses** | | |
| Interest expense | | (1,081,759) |
| Administration fee | 4 | (51,292) |
| Custodian fee | 4 | (10,300) |
| Investment management fee | 4 | (10,071) |
| Directors' fees | 4 | (20,027) |
| Other expenses | 4 | (79,349) |
| **Total operating expenses** | | **(1,252,798)** |
| **Total comprehensive income for the period** | | **4,203,218** |

**On behalf of the Board**

**Director** **Director**

**Date: 22 July 2014**

* The Fund commenced trading on 5 September 2013 and as such there are no comparatives available.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES
### For the period from 29 January 2013 (date of incorporation) to 31 March 2014

| | **ICG High Yield Fund 31-Mar-2014* EUR** |
|---|---|
| Balance at the beginning of the period | - |
| Change in net assets attributable to holders of redeemable shares during the period | 4,203,218 |
| Issue of redeemable shares during the period | 54,941,492 |
| **Balance at the end of the period** | **59,144,710** |

* The Fund commenced trading on 5 September 2013 and as such there are no comparatives available.

*The accompanying notes form an integral part of the financial statements*

## STATEMENT OF CASH FLOWS
### For the period from 29 January 2013 (date of incorporation) to 31 March 2014

| | ICG High Yield Fund 31-Mar-2014* EUR |
|---|---|
| **Cash flows from operating activities:** | |
| Change in net assets attributable to holders of redeemable shares during the period | 4,203,218 |
| **Adjustments for:** | |
| Increase in financial instruments at fair value through profit or loss | (53,747,589) |
| Increase in other receivables | (1,033,400) |
| Increase in other payables and expenses | 84,318 |
| **Net cash flows used in operating activities** | **(50,493,453)** |
| **Financing activities** | |
| Proceeds from issue of shares | 54,941,492 |
| **Net cash flows from financing activities** | **54,941,492** |
| Net increase in cash and cash equivalents during the period | 4,448,039 |
| Cash and cash equivalents at start of the period | - |
| **Cash and cash equivalents at end of the period** | **4,448,039** |
| **Supplementary information** | |
| Interest received | 2,273,987 |
| Interest paid | (1,081,759) |

* The Fund commenced trading on 5 September 2013 and as such there are no comparatives available.

**NOTES TO THE FINANCIAL STATEMENTS**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

1. GENERAL INFORMATION

ICG UCITS Funds (Ireland) plc (the "Company") was incorporated in Ireland on 29 January 2013 as an investment company with variable capital structured as an umbrella fund with segregated liability between sub-funds and incorporated pursuant to the Companies Acts 1963 to 2013, with limited liability and authorised by the Central Bank as an Undertaking for Collective Investment in Transferable Securities (UCITS) pursuant to the Regulations.

The Company is constituted as an umbrella fund insofar as the share capital of the Company is divided into different series of shares with each series of shares representing a portfolio of assets which comprises a separate fund (each a "Sub-Fund").

The Company commenced its operations on 5 September 2013 with the launch of the ICG High Yield Fund. The investment objective of ICG High Yield Fund is to generate a high level of return with the majority of the fund being invested in non-government sub-investment grade fixed income and debt securities issued by issuers and listed or traded on a Recognised Market.

As at 31 March 2014, the Company had one active Sub-Fund that is ICG High Yield Fund (the "Fund")

A supplement in respect of the Fund was issued in conjunction with the Prospectus for the Company dated 27 August 2013 (the "Prospectus") on 27 August 2013.

The Fund currently has Class A Acc (EUR), Class A Dist (EUR) and Class D Acc (EUR) Shares available for investment.

2. BASIS OF PREPARATION

*(a) Statement of compliance*

The financial statements as at and for the period ended 31 March 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union as issued by the International Accounting Standards Board (IASB) and UCITS Regulations.

*(b) Basis of measurement*

The financial statements are prepared on a fair value basis for financial assets and liabilities at fair value through profit or loss and derivative financial instruments. Other financial assets and liabilities are stated at amortised cost or redemption amount (redeemable shares).

The financial statements have been prepared on a historical cost basis except for the financial assets and financial liabilities that have been measured at fair value.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

2. BASIS OF PREPARATION (continued)

(b) Basis of measurement (continued)

*Basis of deconsolidation*

The Directors have decided to early adopt the Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) as of 1 January 2013. The Company has determined that it meets the definition of an investment entity and therefore any controlled or non-controlled investees should be accounted for at fair value through profit and loss. The Company has been deemed to be an investment entity per the amended IFRS 10 as the following conditions exist:
(a) The Company has obtained funds for the purpose of providing investors with investment management services.
(b) The Company's business purpose is to invest funds solely for returns from capital appreciation and investment income.
(c) The Company measures and evaluates the performance of its investments on a fair value basis.

In addition, the following typical characteristics of an investment entity are displayed:
(a) The Company is exposed to the risk of more than one entity;
(b) The Company is funded by a number of investors that are not related parties of the Company; and
(c) Its ownership is represented by interests that are exposed to variable returns.

As a result, the accounts have been prepared on a stand-alone rather than consolidated basis. This change in accounting policy has been applied retrospectively in accordance with the transition provisions of IFRS 10 and the Amendments to IFRS 10.

The financial statements were not affected by the change as the Fund has no subsidiaries.

*(c) Foreign currency translation*

*Functional and presentation currency*

The functional and presentation currency of the Company is Euro. The functional and presentation currency of the ICG High Yield Fund is Euro which reflects the Fund's primary trading activity, including the contributions into and withdrawals out of the Fund.

*(d) Use of estimates and judgements*

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

2. BASIS OF PREPARATION (continued)

*(e) Other accounting developments*

***New accounting standards***

During the period from 29 January 2013 to 31 March 2014, the Company adopted the following:

*IAS 39 Financial Instruments: recognised measurement*

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard becomes effective for annual periods beginning on or after 1 January 2013. IFRS 13 does not have any effect on the Company's financial position or performance.

*Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

The Amendments are effective for annual periods beginning on or after 1 January 2014. They provide a consolidation exemption for qualifying investment entities and require them to recognise their investments in controlled entities as a single line in the statement of financial position, measured at fair value through profit or loss. The Company is early adopting the Amendments with effect from the period ending 31 March 2014. As explained in Note 2(b), this has had no impact on the presentation of the financial statements.

***New standards, amendments and interpretations which are relevant to the Company and not yet effective are outlined below***

*IFRS 9 Financial Instruments: Classification and Measurement*

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The mandatory effective date of IFRS 9 is 1 January 2018. Early application of IFRS 9 is permitted. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

3. SIGNIFICANT ACCOUNTING POLICIES

*(a) Interest Income and Expense Recognition*

Interest income and expense are recognised in the Statement of Comprehensive Income on an accruals basis.

*(b) Expenses*

Expenses are accounted for on an accruals basis and are charged to the Statement of Comprehensive Income.

*(c) Foreign Currency*

Transactions in foreign currencies are translated into Euro (EUR) for ICG High Yield Fund 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 EUR for the ICG High Yield Fund 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 EUR for ICG High Yield Fund at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation and on financial instruments at fair value through profit or loss are recognised in the Statement of Comprehensive Income.

*(d) Investments*

*Classification*

In accordance with IFRS 13, the Company classifies its investments as financial assets and liabilities at fair value through profit or loss. These financial assets and liabilities are classified as held for trading. Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purposes of selling or repurchasing in the short term. All investments held by the Company have been classified as held for trading.

*Recognition/derecognition*

The Company recognises financial assets and financial liabilities at fair value through profit or loss on the trade date; that is the date it commits to purchase the instruments. From this date any gains and losses arising from changes in fair value of the assets or liabilities are recognised. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership of the financial assets or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial assets.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

*(d) Investments (continued)*

*Initial Measurement*

The investments are categorised at fair value through profit or loss and are recognised initially at fair value with transaction costs for such instruments being recognised directly in profit or loss.

*Subsequent Measurement*

Subsequent to initial recognition, all investments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of financial instruments is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty, at the statement of financial position date without any deduction for estimated future selling costs. Financial assets and financial liabilities are priced at their last traded prices. If a quoted market price is not available on a recognised stock exchange or form a broker/counterparty, the fair value of the financials instruments may be estimated by the Directors using valuation techniques, including use of arm’s length market transactions or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

*Forward currency contracts*

Forward currency contracts will be valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward currency contracts is calculated as the difference between the contract rate and this forward price and is recognised in the Statement of Comprehensive Income.

*(e) Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

*(f) Realised and Unrealised Gains and Losses*

All realised and unrealised gains and losses on securities are recognised as net gains/losses on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income. Foreign currency gains/losses on cash in hand and cash equivalents are included in net gains on foreign exchange in the Statement of Comprehensive Income. Realised gains and losses on disposals of financial instruments are calculated using the first-in-first-out (FIFO) method.

The unrealised gains or losses on open forward currency contracts is calculated as the difference between the contracted rate and the rate to close out the contract. Realised gains or losses include net gains on contracts, which have been settled or offset by other contracts.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

*(g) Taxation*

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On this basis, it is not chargeable to Irish tax on its income or gains. However, Irish tax may arise on the occurrence of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment, redemption or transfer of Shares on the ending of a "relevant period". A relevant period is an eight year period beginning with the acquisition of shares by the shareholders. Each subsequent period of eight years immediately after the preceding relevant period will also constitute a relevant period.

A gain on a chargeable event does not arise in respect of:

(i) any transactions in relation to units held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
(ii) an exchange of shares arising on a qualifying amalgamation or reconstruction of the Company with another Company; or
(iii) certain exchanges of shares between spouses and former spouses; or
(iv) an exchange by a shareholder, effected by way of an arm's length bargain where no payment is made to the shareholder of shares in the Company for other shares in the Company.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

(i) a shareholder who is not Irish resident and not ordinarily resident in Ireland at the time of the chargeable event, provided appropriate valid statutory declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended are held by the Company; and
(ii) certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

In the absence of an appropriate declaration, the Company will be liable to Irish tax on the occurrence of a chargeable event.

There were no chargeable events during the period under review.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

*(h) Distibutions*

For those accumulation Classes of Shares in issue (and indicated as such in the table in the section above titled "Classes of Shares"), it is the present intention of the Directors not to declare or pay dividends, and any income or gains earned by the Fund and these Share Classes, will be reinvested and reflected in the value of the Shares.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

*(h) Distibutions (continued)*

For those income distribution Share Classes in issue (and indicated as such in the table in the section above entitled “Classes of Shares”), subject to net income being available for distribution, the Directors intend to declare dividends in respect of each six month period ending on 31 March and 30 September on the first Business Day after the relevant period end. Any such dividends will be paid within four Months after declaration.

The Directors reserve the right to increase or decrease the frequency of dividend payments, if any, at their discretion for income distribution Shares. In the event of a change of policy full details will be disclosed in an updated Supplement and Shareholders will be notified in advance.

*(i) Cash and cash equivalents*

Cash and cash equivalents includes cash in hand. Cash and cash equivalents is held with Citibank N.A. in the name of Citibank International plc, Ireland Branch (the “Custodian”).

*(j) Transaction costs*

Transaction costs are defined as the incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss plus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

These costs consist solely of the spread between bid and ask price on the purchase or sale of the financial asset or financial liability and are included within the Net gains on financial assets and liabilities at fair value through profit or loss on the statement of comprehensive income.

4. FEES AND EXPENSES

(a) Administration Fee

The Administrator is entitled to receive a fee out of the net assets of the Fund, in an amount which, subject to a minimum fee of EUR7,500 per month for the first year from the date of approval of the Fund by the Central Bank and a minimum fee of EUR10,000 per month thereafter. The Administration fee is as follows:

| **Net Asset Value of the Fund (EUR)** | **% Fee** |
|---|---|
| 0-99 million (inclusive) | 0.12% |
| 100 million – 249 million (inclusive) | 0.10% |
| 250 million and over (inclusive) | 0.07% |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

4. FEES AND EXPENSES (continued)

(b) Administration Fee (continued)

The Company also reimburses the Administrator out of the assets of the Fund, for its reasonable costs and out of pocket expenses.

During the period administration fees of EUR51,292 were charged to the Fund out of which EUR22,192 remained unpaid as at 31 March 2014.

(b) Audit Fee

The Company is due to pay the Auditor an audit fee of EUR16,343 for work carried out on behalf of the Fund. This amount remained unpaid as at 31 March 2014. In accordance with SI 220 (the European Communities Statutory Audits directive 2006/43/EC) the Fund is obliged to disclose fees paid to the Fund auditor. There were no other assurance, tax advisory, or other non-audit fees incurred during the period.

(c) Custodian's Fee

Citibank International plc, Ireland Branch is the "Custodian" of the Company. The Company shall pay custodian fees out of the relevant fund as disclosed in the notes to the financial statements of the individual Fund.

The Custodian is entitled to receive a fee in its capacity as trustee out of the net assets of the Fund of a percentage of the Net Asset Value of the Fund as detailed below, subject to a minimum fee of €1,000 per month. This fee will be accrued and calculated on each Dealing Day and payable quarterly in arrears.

| **Net Asset Value of the Fund (€)** | **% Fee** |
|---|---|
| 0-99 million (inclusive) | 0.0125% |
| 100 million and over (inclusive) | 0.0075% |

The Custodian is also entitled to be reimbursed, out of the assets of the Fund, for its reasonable costs and out-of-pocket expenses.

During the period custody fees of EUR10,300 were charged to the Fund out of which EURNil remained unpaid as at 31 March 2014.

(d) Directors' Fees and Expenses

The Directors held office as at 31 March 2014 are listed on page 3. The Directors are entitled to a fee in remuneration for their services at a rate to be determined from time to time by the Directors, but so that the amount of Directors' remuneration in any one year shall not exceed EUR20,000 plus VAT for each Director, if any unless otherwise notified to Shareholders in advance. Jason Vickers did not receive any fees for the period ended 31 March 2014 as he is an employee of the Investment Manager. Directors' fees of EUR20,027 were incurred for the period ended 31 March 2014, of which EUR20,027 was payable at 31 March 2014. Directors' expense of EUR1,716 were incurred for the period ended 31 March 2014, of which EUR1,716 was payable at 31 March 2014.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

4. FEES AND EXPENSES (continued)

(e) Operating Expenses

The Fund bears its own costs and expenses including, but not limited to, taxes, organisational and offering expenses, administration expenses and other expenses associated with its activities.

(f) Investment Management Fee

The Company is subject to an investment management fee in respect of each share class of the Fund in an amount which will not exceed those detailed as follows:

(i) 0.75% per annum of the NAV of the Fund in the case of Class A Shares;
(ii) 1.25% per annum of the NAV of the Fund in the case of Class B Shares;
(iii) 1% per annum of the NAV of the Fund in the case of Class C Shares; and
(iv) Nil per annum of the NAV of the Fund in the case of Class D Shares.

This investment management fee is paid by the Company to the Investment Manager out of the assets of the Fund. The Company also reimburses the Investment Manager out of the assets of the Fund for reasonable out-of-pocket expenses incurred by the Investment Manager.

During the period an investment management fee of EUR10,071 was charged to the Fund out of which EUR4,434 remained unpaid as at 31 March 2014.

(g) Other expenses

| | **EUR** |
|---|---|
| Miscellaneous expenses | 33,172 |
| Audit fees | 16,343 |
| Professional fees | 12,651 |
| Corporate secretarial fees | 10,595 |
| VAT Services fee | 2,625 |
| Legal fees | 2,247 |
| Directors' expenses | 1,716 |
| **Total** | **79,349** |

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | **31-Mar-14** |
|---|---|
| **Financial assets at fair value through profit or loss** | **EUR** |
| ***Held for Trading*** | |
| Corporate Bonds | 53,897,265 |
| | **53,897,265** |
| **Financial liabilities at fair value through profit or loss** | |
| ***Held for Trading*** | |
| Unrealised loss on forward currency contracts | (149,676) |
| | **(149,676)** |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

6. OTHER RECEIVABLES

| | 31-Mar-14 EUR |
|---|---|
| Interest receivable on bonds | 1,010,770 |
| Other receivables | 22,630 |
| | **1,033,400** |

7. CASH AND CASH EQUIVALENTS

| | 31-Mar-14 EUR |
|---|---|
| Cash and cash equivalents*: | |
| -EUR | 2,963,905 |
| -USD | 2,127 |
| -GBP | 1,482,007 |
| | **4,448,039** |

* Cash and cash equivalents are held with Citibank N.A. in the name of Citibank International plc, Ireland Branch.

8. ACCRUED EXPENSES

| | 31-Mar-14 EUR |
|---|---|
| Administration fee payable | (22,192) |
| Directors’ fees payable | (20,027) |
| Audit fee payable | (16,343) |
| Other payables and accrued expenses | (14,735) |
| Investment Management fee payable | (4,434) |
| VAT services fee payable | (2,625) |
| Legal fees payable | (2,246) |
| Directors’ expense payable | (1,716) |
| **Total** | **(84,318)** |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

9. SHARE CAPITAL

The authorised share capital of the Company is 300,000 Redeemable Non-Participating Shares of EUR1 each and 500,000,000,000 participating shares of no par value.

Subscriber Shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. They are disclosed in the financial statements by way of this note only.

Shares (other than Subscriber Shares) entitle the holders to attend and vote at general meetings of the Company and to participate equally (subject to any differences between fees, charges and expenses applicable to different Classes of Shares) in the profits and assets of the Company on the terms and conditions set out in the relevant Supplement.

The Company is a self managed UCITS company and by taking into consideration both subscriber shares and redeemable shares, has met the minimum capital requirements whereby the Company must, at all times, maintain a minimum capital requirement equivalent to EUR300,000. The Company endeavours to manage the investment of redeemable shares in investments that meet the Company's investment objectives while maintaining sufficient liquidity to meet shareholders redemptions.

The movement in the number of Participating Redeemable Shares during the period is as follows:

| | At Launch | Shares Issued | Shares Redeemed | At 31 March 2014 |
|---|---|---|---|---|
| Class A Euro Acc | - | 8,544.75 | - | 8,544.75 |
| Class A Euro Dist | - | 10,000.03 | - | 10,000.03 |
| Class D Euro Acc | - | 363,221.12 | - | 363,221.12 |

The following table discloses the shares subscribed and the proceeds for subscriptions of each share class in issue as at 31 March 2014:

| | Shares Subscribed EUR | Proceeds EUR |
|---|---|---|
| Class A Euro Acc | 8,544.75 | 1,200,794 |
| Class A Euro Dist | 10,000.03 | 1,070,003 |
| Class D Euro Acc | 363,221.12 | 52,670,695 |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

9. SHARE CAPITAL (continued)

*Share class hedging*

The Company may enter into certain currency-related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management.

Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of the Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on, and the costs of, the relevant financial instruments will accrue solely to the relevant Class.

As at 31 March 2014 the Fund held only EUR share classes.

*Capital management*

As a result of the ability to issue and redeem shares, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable shares beyond those included in the Fund’s constitution.

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 diversified portfolio, by participating in derivative and other capital markets and by using various investment strategies and hedging techniques;
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- To maintain sufficient size to make the operation of the Fund cost-efficient.

10. RISKS ASSOCATIATED WITH FINANCIAL INSTRUMENTS

The Fund’s investment objective is to generate a high level of return with the majority of the fund being invested in non-government sub-investment grade fixed income and debt securities issued by issuers and listed or traded on a Recognised Market.

The Fund’s investment objective will aim to be achieved through investment in sub-investment grade fixed income and debt securities, as described below. The Fund may also use financial derivative instruments, securities with embedded derivatives (i.e. credit linked notes) and/or derivatives that provide exposure to indices which meet the Central Bank's requirements, and/or investment in other collective investment schemes.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

10. RISKS ASSOCATIATED WITH FINANCIAL INSTRUMENTS (continued)

*Risk disclosures*

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks referred to below. The investment risks described below are not purported to be exhaustive and potential investors should consult with their professional advisers before purchasing Shares. The levels and bases of, and reliefs from, taxation to which both the Company and Shareholders may be subject, may change. There can be no assurance that the Fund will achieve its investment objective. The NAV of the Fund and the income therefrom, may go down as well as up and investors may not get back the amount invested or any return on their investment.

*Sensitivity analysis*

The sensitivity analysis of the risk factors in the notes below represents sensitivity analysis of the effect of movements in various risk variables on the Fund's performance.

*Global Exposure*

The Investment Manager monitors the global exposure of the Fund on a daily basis. The global exposure is calculated using the below:

- Value at Risk ("VaR"). The VaR measure estimates the potential loss of the portfolio over a predefined period of time given a specified confidence level. The VaR methodology is a statistical measurement that produces a single aggregated result for the overall portfolio, taking into consideration the market volatilities of all the markets and assets as well as their correlations allowing for offsetting across different assets and markets.

**Market risk**

The Company is exposed to market risk (which includes interest rate risk, currency risk, other price risk) arising from the financial instruments it holds. The Company uses derivatives and other instruments for trading purposes and in connection with its risk management activities. The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control economic hedging transactions in a timely and accurate manner.

The Company's assets and liabilities comprise financial instruments which include:

- Corporate bonds and forward currency contracts. These are held in accordance with the Company's investment objectives and policies; and
- Cash, liquid resources and short-term debtors and creditors that arise directly from its investment activities.

As an investment company, the Company buys, sells or holds financial assets and liabilities in order to take advantage of changes in market prices.

The Company trades in financial instruments and may take positions in over the counter instruments including derivatives, to take advantage of the market movements in the global capital markets.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

10. RISKS ASSOCATIATED WITH FINANCIAL INSTRUMENTS (continued)

**Market risk (continued)**

The Investment Manager actively monitors market prices throughout the period and reports to the Board of Directors, which meets periodically in order to consider investment performance. The risk management function of the Investment Manager monitors the market, credit and liquidity risk of the portfolio on a daily basis and reports periodically to the Board of Directors. Stress-testing is performed on a daily basis and is part of the daily risk management reports available to the Investment Manager and the risk management team.

The Investment Manager operates a risk management process on behalf of the Company in relation to its use of derivatives which allows it to accurately measure, monitor and manage the various risks associated with derivatives and which is intended to ensure that the Company's derivatives exposure remains within the limits described below. This risk management process will also take into account any exposure created through derivatives embedded in transferable securities which the Investment Manager may acquire for the Company in accordance with its investment objective and policies. Global exposure is measured using the "Value-at-Risk" on a daily basis.

The Investment Manager may also use forward currency contracts, options and swaps (including CDS) for the purpose of seeking to hedge the exchange rate risk between the base currency and such underlying currencies.

The table below analyses the Fund's concentration of mark-to-market risk by geographical distribution for 31 March 2014 (excluding cash).

| Country | Fair Value EUR | % of Net Assets |
|---|---|---|
| **Corporate bonds:** | | |
| European Union (excluding United Kingdom) | 37,207,350 | 62.91% |
| Switzerland | 676,091 | 1.14% |
| United Kingdom | 13,248,542 | 22.40% |
| United States | 2,765,282 | 4.68% |
| **Total corporate bonds** | 53,897,265 | 91.13% |
| | | |
| **Forward currency contracts - European Union (excluding United Kingdom)** | (149,676) | (0.26)% |

The Fund may invest in the securities of small-to-medium-sized (by market capitalisation) companies, or Financial Derivative Instruments (FDI) related to such securities. Such securities may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports. Additional risk factors associated with companies whose market capitalisation is small or mid-cap may include but are not limited to the following: limited or unproven operating history; weak or leveraged balance sheets, limited borrowing capacity; low or negative profit margins; high concentration of sales from limited number of customers; competition from more established companies; and key-man management risk.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

10. RISKS ASSOCATIATED WITH FINANCIAL INSTRUMENTS (continued)

**Market risk (continued)**

The Fund uses the absolute VaR approach to calculate global exposure.

The Value-at-Risk (VaR) of the Fund's portfolios are the estimated loss that may arise on the portfolios over a specified period of time (holding period) from an adverse market movement within a specified probability (confidence level). The VaR model used by the Fund is based on a 99% confidence level and assumes a 20-day holding period. The VaR model used is based mainly on historical simulation. Taking account of market data from the previous year and observed relationships between different markets and prices, the model generates a wide range of plausible future scenarios for market price movements. VaR is measured daily and is capped at 20% of net assets in accordance with UCITS Regulations.

The calculation of the absolute VaR is carried out in accordance with the following parameters:
1. one-tailed confidence interval of 99%;
2. holding period equivalent to 1 month (20 business days);
3. effective observation period (history) of risk factors of at least 1 year (250 business days);
4. daily calculation.

| 31 March 2014 | Absolute VaR | Lowest VaR | Highest VaR | Average VaR |
|---|---|---|---|---|
| ICG High Yield Fund | 2.80% | 2.17% | 4.85% | 3.38% |

Absolute VaR figures are as at 31 March 2014. Highest VaR, Lowest VaR and Average VaR figures relate to the period ended 31 March 2014.

Some limitations of VaR are as follows:

- the models are based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive (in the case of probability-based methods, such as VaR, profits and losses are almost certain to exceed the reported amount with a frequency depending on the confidence interval chosen); and
- future market conditions could vary significantly from those experienced in the past.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

10. RISKS ASSOCATIATED WITH FINANCIAL INSTRUMENTS (continued)

**Foreign currency risk**

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

To help mitigate this risk/exposure the Company engages in currency economic hedging activities to protect against the volatility associated with investments denominated in foreign currencies and other assets and liabilities created in the normal course of business. The Company primarily utilises forward exchange contracts with maturities of less than twelve months to hedge foreign-currency-denominated financial assets and financial liabilities.

Increases or decreases in the Company's foreign-currency-denominated financial assets and financial liabilities are partially offset by gains and losses on the economic hedging instruments.

The Company's total net exposure to foreign currencies is monitored and the risk is managed in accordance with predefined risk limits, which are based on historical performance of exchange rates and their impact on the NAV.

Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, the Fund's NAV to fluctuate as well. Currency exchange rates generally are determined by the forces of supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or anticipated changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates also can be affected unpredictably by intervention or failure to intervene by governments or central banks or by currency controls or political developments throughout the world. To the extent that a substantial portion of the Fund's total assets, adjusted to reflect the Fund's net position after giving effect to currency transactions, is denominated in the currencies of particular countries, the Fund will be more susceptible to the risk of adverse economic and political developments within those countries.

The following table details the foreign currency exposure of ICG High Yield Fund as at 31 March 2014:

| Currency | Cash and cash equivalents EUR | Corporate Bonds EUR | Forward currency contracts EUR | Net exposure EUR |
|---|---|---|---|---|
| CHF | - | 676,091 | (671,539) | 4,552 |
| GBP | 1,482,007 | 13,248,543 | (14,633,254) | 97,296 |
| USD | 2,127 | 2,765,282 | (2,766,004) | 1,405 |

Assets of the Fund may be denominated in a currency other than the base currency of the Fund and changes in the exchange rate between the base currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the base currency. The Investment Manager may seek to mitigate this exchange rate risk by using Financial Derivative Instruments (FDI). No assurance, however, can be given that such mitigation will be successful.

Classes of Shares in the Fund may be denominated in currencies other than the base currency of the Fund and changes in the exchange rate between the base currency and the denominated currency of the Class may lead to a depreciation of the value of the investor's holding as expressed in the base currency even in cases where the Class is hedged. No assurance, however, can be given that such mitigation will be successful.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

10. RISKS ASSOCATIATED WITH FINANCIAL INSTRUMENTS (continued)

**Foreign currency risk (continued)**

The Fund may enter into currency or interest rate exchange transactions and/or use derivatives to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates of specific securities transactions or anticipated securities transactions.

An increase in 50 basis points in Euro rates as at the reporting date would have increased the net assets attributable to the holders of redeemable shares and changes in net assets attributable to the holders of redeemable shares by EUR516.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's offering document provides for the regular creation and cancellation of interests and is therefore exposed to the liquidity risk of meeting Company's redemptions at any time. The Company seeks to invest in liquid securities that can be liquidated with little notice and maintains an adequate level of cash in order to meet particular redemptions at any time.

Not all securities or instruments invested in by the Fund will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Fund may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

| | **<1 month** | **1-3 months** | **> 3 months** | **No maturity** | **Total** |
|---|---|---|---|---|---|
| | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** |
| Accrued expenses and other payables | (84,318) | - | - | - | (84,318) |
| Unrealised loss on forward currency contracts | (149,676) | - | - | - | (149,676) |
| Net assets attributable to holders of redeemable shares | (59,144,710) | - | - | - | (59,144,710) |
| **Total liabilities (including net assets attributable to redeemable shares)** | **(59,378,704)** | **-** | **-** | **-** | **(59,378,704)** |

**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. It arises principally from debt securities held, and also from derivative financial assets, cash and cash equivalents, deposits with credit institutions, and balances due from brokers.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

10. RISKS ASSOCATIATED WITH FINANCIAL INSTRUMENTS (continued)

**Credit risk (continued)**

The Company has appointed Citibank International plc, Ireland Branch as Custodian of all assets pursuant to the Custodian Agreement. In accordance with and subject to the Custodian Agreement, the Custodian provides safe custody for all assets of the Company which will be under the control of its custodial network.

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments (as well as any appreciation of sums invested in such securities).

The credit rating of the Custodian, Citibank International plc was A with S&P as at 31 March 2014.

During the period, cash and cash equivalents were held with Citibank N.A. in the name of Citibank International plc, Ireland Branch, as Custodian.

Bankruptcy or insolvency of any counterparty used by the Fund may cause their rights with respect to cash and cash equivalents not to be enforceable.

It is the Investment Manager's policy that any trading is permitted only with brokers that meet regulatory requirements. The requirements and the counterparties themselves are approved by the Investment Manager, as a Financial Conduct Authority regulated entity, according to its compliance and risk policies. The Investment Manager will receive the recommendation for appointing each broker and review the selection on the basis of the findings of the due diligence conducted on that broker. On a semi-annual basis, the Investment Manager will review the broker selection procedures as part of the due diligence review process.

As at 31 March 2014 there were no bonds held by the Fund with a credit rating below CCC with S&P.

The Company's maximum credit risk exposure at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position. The notional amounts of derivative assets and liabilities are included in the schedule of investments.

**Interest rate risk**

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

The Company can be exposed to both fair value and cash flow interest rate risk through its investments. Cash flow interest rate risk also arises on the balances held with the Custodian.

An increase in 50 basis points in interest rates as at the reporting date would have decreased the net assets attributable to the holders of redeemable shares and changes in net assets attributable to holders of redeemable shares by EUR291,727. This is because of an increase in interest income and a reduction in the value of the portfolio. A decrease of 50 basis points would have had an equal but opposite effect.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

10. RISKS ASSOCATIATED WITH FINANCIAL INSTRUMENTS (continued)

**Interest rate risk (continued)**

The following table details the Fund's exposure to interest rate risks. It includes the Fund's assets and trading liabilities at fair values, categorised by maturity date measured by the carrying value of the assets and liabilities.

**31 March 2014**

| **Assets** | **< 1 year EUR** | **1 to 2 years EUR** | **2 to 5 years EUR** | **> 5 years EUR** | **Non-interest bearing EUR** | **Total EUR** |
|---|---|---|---|---|---|---|
| *Held for Trading:* | | | | | | |
| Corporate bonds | - | - | 20,876,872 | 33,020,393 | - | 53,897,265 |
| *Other assets:* | | | | | | |
| Cash and cash equivalents | 4,448,039 | - | - | - | - | 4,448,039 |
| Other receivable and other assets | - | - | - | - | 1,033,400 | 1,033,400 |
| **Total assets** | **4,448,039** | **-** | **20,876,872** | **33,020,393** | **1,033,400** | **59,378,704** |
| **Liabilities** | | | | | | |
| *Held for trading:* | | | | | | |
| Unrealised loss on forward currency contracts | - | - | - | - | (149,676) | (149,676) |
| *Financial liabilities:* | | | | | | |
| Accrued expenses | - | - | - | - | (84,318) | (84,318) |
| **Total liabilities** | **-** | **-** | **-** | **-** | **(233,994)** | **(233,994)** |

11. FAIR VALUE ESTIMATION

The Company has adopted IFRS 13. This requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy of inputs is summarised in the three broad levels listed below.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability, which are not based on observable market data (that is, unobservable inputs).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

11. FAIR VALUE ESTIMATION (continued)

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

The determination of what constitutes "observable" requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments measured and reported at fair value are classified and disclosed in one of the following fair value hierarchy levels based on the significance of the inputs used in measuring their fair value:

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

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

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
- Inputs other than quoted prices that are observable for the asset or liability (e.g. interest rate and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks and default rates).
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

11. FAIR VALUE ESTIMATION (continued)

At 31 March 2014 all investments in debt securities and forward currency contracts were classified as level 2 securities.

There were no investments categorised as level 3 as at 31 March 2014.

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities measured at fair value at 31 March 2014:

| **Assets** | **Level 1 EUR** | **Level 2 EUR** | **Level 3 EUR** | **Total EUR** |
|---|---|---|---|---|
| Financial assets held for trading: | | | | |
| Corporate bonds | - | 53,897,265 | - | 53,897,265 |
| **Total assets** | **-** | **53,897,265** | **-** | **53,897,265** |

| **Liabilities** | **Level 1 EUR** | **Level 2 EUR** | **Level 3 EUR** | **Total EUR** |
|---|---|---|---|---|
| Financial liabilities held for trading: | | | | |
| Unrealised loss on forward currency contracts | - | (149,676) | - | (149,676) |
| **Total liabilities** | **-** | **(149,676)** | **-** | **(149,676)** |

Derivatives have been valued using market observable inputs which may include foreign exchange rates.

There were no significant transfers between Level 1 and Level 2 during the period ended 31 March 2014. There were no transfers in or out of Level 3 during the period ended 31 March 2014.

12. NET GAIN ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The following table details the gains and losses from financial assets and liabilities at fair value through profit or loss for the period ended 31 March 2014:

| | **EUR** |
|---|---|
| **Held for trading:** | |
| Net realised gain on financial assets and liabilities at fair value through profit or loss | 438,028 |
| Net unrealised gain on financial assets and liabilities at fair value through profit or loss | 1,862,032 |
| **Net gain from financial assets and liabilities at fair value through profit or loss** | **2,300,060** |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

## 13. EXCHANGE RATES

The foreign exchange rates used at period end are:

| Currency | 31 March 2014 |
|---|---|
| GBP | 1.2096 |
| CHF | 0.8214 |
| EUR | 1.0000 |
| USD | 0.7256 |

## 14. OFF-SETTING OF FINANCIAL ASSETS AND LIABILITIES

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangements or similar agreement, irrespective of whether they are offset in the statement of financial position and net of the related collateral received/pledged by the Company as of 31 March 2014.

The Company receives and gives collateral in the form of cash or marketable securities in respect of its financial instruments. Such collateral is subject to standard industry terms including, where appropriate, master netting agreements and ISDA. Each party to the master netting agreement will have the option to settle all open contracts on a net basis in the event of default of the other party. The agreements also give each party the right to terminate the related transactions on the counterparty's failure to post collateral.

For the period ended 31 March 2014 there were no financial assets subject to off-setting. The financial liabilities that are subject to off-setting are shown in the table below for both 31 March 2014.

| | (a) | (b) | (c)=(a)-(b) | (d) | | (e)=(c)-(d) |
|---|---|---|---|---|---|---|
| | Gross amounts of recognised liabilities 2014 EUR | Gross amounts offset in the statement of financial position 2014 EUR | Net amount presented on the statement of financial position 2014 EUR | Financial instruments 2014 EUR | Cash collateral pledged 2014 EUR | Net amount 2014 EUR |
| **Financial liabilities at fair value through profit of loss** | | | | | | |
| Derivatives | 149,676 | - | 149,676 | - | - | 149,676 |
| **Total financial liabilities at fair value through profit of loss** | **149,676** | **-** | **149,676** | **-** | **-** | **149,676** |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

15. DERIVATIVE CONTRACTS

Typically, derivative contracts serve as components of the Fund's investment strategy and are utilised primarily to structure and hedge investments, to enhance performance and reduce risk to the Fund (the Fund does not designate any derivative as a hedging instrument for hedge accounting purposes). The derivative contracts that the Fund holds or issues include: futures; over-the-counter (OTC) options; forward currency contracts; exchange-traded options; currency swap agreements; interest caps and floors and interest rate swap agreements.

The Fund uses derivative financial instruments to economically hedge its risks associated primarily with interest rate and foreign currency fluctuations. Derivative financial instruments may also be used for trading purposes where the Investment Manager believes this would be more effective than investing directly in the underlying financial instruments.

Derivatives often reflect, at their inception only a mutual exchange of promises with little or no transfer of tangible consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the underlying of a derivative contract may have a significant impact on the profit or loss of the Fund.

OTC derivatives may expose the Fund to the risks associated with the absence of an exchange market on which to close out an open position.

The Fund's constitution sets limits on investments in derivatives with high risk profile. The Investment Manager is instructed to closely monitor the Fund's exposure under derivative contracts as part of the overall management of the Fund's market risk.

At the reporting dates, the Fund only had forward currency contracts.

16. RELATED PARTY TRANSACTIONS

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Intermediate Capital Managers Limited (the "Investment Manager"), acted as Investment Manager of the Fund and provided day-to-day management of the investment program. For details of fees paid/payable to the Investment Manager please see the Note 4.

As at 31 March 2014 all shares currently in issue are held by Intermediate Capital Group which is a related party to the Company.

Mr Skelly, a Director, is an employee of Carne Global Financial Services Limited which provides company secretarial services, MLRO and other fund governance services to the Company.

Mr Vickers, a Director, is an employee of Intermediate Capital Managers Limited which acts as Investment Manager to the Company.

For details of fees paid and payable to the Directors please see the Note 4.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the period from 29 January 2013 (date of incorporation) to 31 March 2014**

17. CONTINGENT LIABILITIES

As at 31 March 2014, the Company did not have any significant commitments or contingent liabilities,other than those which are disclosed in the financial statements.

18. SOFT COMMISSIONS

During the period, the Investment Manager has not entered into any soft commission arrangements with brokers.

19. DISTRIBUTIONS

There were no distributions were made by the Company during the financial period.

20. SIGNIFICANT EVENTS DURING THE PERIOD

ICG High Yield Fund was launched on 5 September 2013.

The Prospectus of the Company was approved by the Central Bank of Ireland on 27 August 2013.

There have been no other significant events during the period, which, in the opinion of the Directors of the Company, may have had an impact on the Financial Statements for the period ended 31 March 2014.

21. SUBSEQUENT EVENTS

On the 1 April 2014, the Fund paid a distribution of EUR23,375 to the shareholders of Class A Euro Dist at a distribution rate of 2.3375 per share.

On the 1 May 2014 the Fund launched Class A USD Accumulating Shares for investment.

There have been no other events subsequent to the period end.

22. APPROVAL OF FINANCIAL STATEMENTS

The accounts were approved by the board on 22 July 2014.

## SCHEDULE OF INVESTMENTS AS AT 31 MARCH 2014

| Nominal | Description | Fair Value EUR | % of Net Assets |
|---|---|---|---|
| **Financial assets at fair value through profit or loss** | | | |
| **Corporate Bonds** | | | |
| | **CHF** | | |
| 750,000 | UPCB Finance II Ltd 6.75% 15/03/2023 | 676,091 | 1.14% |
| | | 676,091 | 1.14% |
| | **EUR** | | |
| 1,500,000 | Alba Group plc & Co. 8.00% 15/05/2018 | 1,470,060 | 2.49% |
| 750,000 | Autodis S.A.6.50% 01/02/2019 | 774,870 | 1.31% |
| 250,000 | Carlson Wagonlit 7.50% 15/06/2019 | 273,750 | 0.46% |
| 750,000 | ConvaTec Healthcare10.875% 15/12/2018 | 838,530 | 1.42% |
| 2,000,000 | Creved Technologies S.p.A8.00% 15/08/2021 | 2,215,320 | 3.75% |
| 1,000,000 | Crown European 7.125% 15/08/2018 | 1,058,750 | 1.79% |
| 1,000,000 | Elior Finance & Co.6.50% 01/05/2020 | 1,100,000 | 1.86% |
| 600,000 | Geo Debt Finance 10.375% 01/05/2019 | 651,750 | 1.10% |
| 850,000 | Geo Travel Finance 7.50% 01/08/2018 | 914,422 | 1.55% |
| 2,000,000 | Gestamp Funding Luxembourg S.A. 5.875% 31/05/2020 | 2,140,000 | 3.62% |
| 1,000,000 | Huntsman International LLC 5.125% 05/04/2021 | 1,038,750 | 1.76% |
| 500,000 | INEOS Group Holdings S.A.5.75% 15/02/2019 | 513,690 | 0.87% |
| 1,000,000 | Iron Mountain 6.75% 15/10/2018 | 1,013,750 | 1.71% |
| 1,245,000 | IVS F. S.p.A 7.125% 01/04/2020 | 1,333,619 | 2.25% |
| 500,000 | Kabel Deutschland 6.50% 29/06/2018 | 523,290 | 0.88% |
| 1,000,000 | KD Holding Corp 6.50% 31/07/2017 | 1,063,700 | 1.80% |
| 1,000,000 | Kerneos Tech Group SAS 5.75% 01/03/2021 | 1,030,863 | 1.74% |
| 1,100,000 | KM Germany Holdings GmbH 8.75% 15/12/2020 | 1,237,676 | 2.09% |
| 1,000,000 | Labco SAS 8.50% 15/01/2018 | 1,071,100 | 1.81% |
| 500,000 | Labeyrie Fine Foods 5.625% 15/03/2021 | 513,125 | 0.87% |
| 1,400,000 | Medi-Partenaires 7.00% 15/05/2020 | 1,484,000 | 2.51% |
| 500,000 | Novalis SAS 6.00% 15/06/2018 | 531,725 | 0.90% |
| 750,000 | Picard 9.00% 01/10/2018 | 810,000 | 1.37% |
| 500,000 | Smurfit Kappa Acquisitio 0% 15/10/2020 | 539,135 | 0.90% |
| 1,700,000 | Stork Technical Services 11.00% 15/08/2017 | 1,802,340 | 3.05% |
| 1,250,000 | Techem Energy Services GmbH 7.875% 01/10/2020 | 1,415,875 | 2.39% |
| 1,750,000 | TMF Group 9.875% 01/12/2019 | 1,964,375 | 3.32% |
| 1,500,000 | Trionista TopCo GmbH6.875% 30/04/2021 | 1,636,935 | 2.77% |
| 1,000,000 | UCB S.A.7.75% 18/03/2049 | 1,087,500 | 1.84% |
| 1,500,000 | Unitymedia KabelBW 9.50% 15/03/2021 | 1,737,825 | 2.94% |
| 625,000 | Unitymedia KabelBW 9.625% 01/12/2019 | 685,169 | 1.16% |
| 1,000,000 | UPC Holding BV 8.375% 15/08/2020 | 1,109,816 | 1.88% |
| 750,000 | UPCB Finance II Limited 6.375% 01/07/2020 | 806,265 | 1.36% |
| 750,000 | Verisure Holdings AB 8.75% 01/09/2018 | 819,375 | 1.39% |
| | | 37,207,350 | 62.91% |

## SCHEDULE OF INVESTMENTS AS AT 31 MARCH 2014 (continued)

| Nominal | Description | Fair Value EUR | % of Net Assets |
|---|---|---|---|
| **Financial assets at fair value through profit or loss (continued)** | | | |
| **Corporate Bonds (continued)** | | | |
| | **GBP** | | |
| 1,000,000 | AA Bond Co Limited 9.50% 31/07/2019 | 1,371,351 | 2.32% |
| 1,250,000 | Brakes Capital 7.125% 15/12/2018 | 1,549,817 | 2.62% |
| 1,250,000 | Edu UK Bondco 8.875% 15/09/2018 | 1,583,838 | 2.68% |
| 1,000,000 | Equiniti Newco 7.125% 15/12/2018 | 1,291,263 | 2.18% |
| 500,000 | Equiniti Newco 2 0% 15/12/2018 | 615,390 | 1.04% |
| 1,000,000 | Jaguar Land Rover 5.00% 15/02/2022 | 1,232,241 | 2.08% |
| 650,000 | Jaguar Land Rover 8.25% 15/03/2020 | 896,324 | 1.52% |
| 375,000 | New Look Bondco I 8.75% 14/05/2018 | 488,787 | 0.83% |
| 1,000,000 | Odeon & UCI Finco 9.00% 01/08/2018 | 1,277,425 | 2.16% |
| 500,000 | Premier Foods 6.50% 15/03/2021 | 621,499 | 1.05% |
| 1,250,000 | Travelex Financing 8.00% 01/08/2018 | 1,657,231 | 2.80% |
| 500,000 | Vougeot Bidco 7.875% 15/07/2020 | 663,376 | 1.12% |
| | | 13,248,542 | 22.40% |
| | **USD** | | |
| 1,500,000 | Ardagh Packaging Group 6.75% 31/01/2021 | 1,140,033 | 10.93% |
| 2,000,000 | Nord Anglia 10.25% 04/01/2017 | 1,625,249 | 2.75% |
| | | 2,765,282 | 4.68% |
| **Total Corporate Bonds** | | 53,897,265 | 91.13% |

## SCHEDULE OF INVESTMENTS AS AT 31 MARCH 2014 (continued)

**Financial liabilities at fair value through profit or loss**

**Forward currency contracts**

| Maturity Date | Counterparty | Amount Bought | Amount Sold | Unrealised Loss EUR | % of Net Assets |
|---|---|---|---|---|---|
| 09-Apr-14 | Citibank NA | EUR671,182 | CHF(817,500) | (357) | 0.00% |
| 09-Apr-14 | Citibank NA | EUR14,503,217 | GBP(12,098,004) | (130,037) | (0.22%) |
| 09-Apr-14 | Citibank NA | EUR2,746,722 | USD(3,812,175) | (19,282) | (0.04%) |
| **Total unrealised on forward currency contracts** | | | | **(149,676)** | **(0.26%)** |

| | | |
|---|---|---|
| Total financial assets at fair value through profit or loss | 53,897,265 | 91.13% |
| Total financial liabilities at fair value through profit or loss | (149,676) | (0.26%) |
| Other net assets | 5,397,121 | 9.13% |
| **Net Assets Attributable to Holders of Redeemable Shares** | **59,144,710** | **100.00%** |

## SIGNIFICANT PORTFOLIO CHANGES FOR THE PERIOD FROM 29 January 2013 (DATE OF INCORPORATION) TO 31 MARCH 2014 (Unaudited)

### Purchases

| Nominal | Investments | EUR |
|---|---|---|
| 2,000,000 | Brakes Capital 7.125% 12/15/2018 | 2,405,737 |
| 2,000,000 | Creved Technologies S.p.A 8% 01/15/2021 | 2,015,000 |
| 2,000,000 | Gestamp Funding Luxembourg S.A. 5.875% 05/31/2020 | 2,005,000 |
| 1,600,000 | Odeon & UCI Finco 9% 08/01/2018 | 1,961,515 |
| 1,750,000 | KM Germany Holdings GmbH 8.75% 12/15/2020 | 1,881,250 |
| 1,750,000 | TMF Group 9.875% 12/01/2019 | 1,837,850 |
| 1,500,000 | Virgin Media 7% 04/15/2023 | 1,793,722 |
| 1,750,000 | Trionista TopCo GmbH6.875% 04/30/2021 | 1,777,125 |
| 1,500,000 | Unitymedia KabelBW 9.05% 03/15/2021 | 1,710,000 |
| 2,000,000 | Nord Anglia 10.25% 04/01/2017 | 1,677,101 |
| 1,700,000 | Stork Technical Services 11% 08/15/2017 | 1,653,250 |
| 1,500,000 | Hapag-Lloyd AG 7.75% 10/01/2018 | 1,508,750 |
| 1,500,000 | Isolux Corsan 6.625% 04/15/2021 | 1,500,000 |
| 1,500,000 | Alba Group plc & Co.8% 05/15/2018 | 1,492,650 |
| 1,250,000 | Travelex Financing 8% 08/01/2018 | 1,483,039 |
| 1,250,000 | Edu UK Bondco8.875% 09/15/2018 | 1,482,810 |
| 1,250,000 | Techem Energy Services GmbH 7.875% 10/01/2020 | 1,371,275 |
| 1,400,000 | Medi-Partenaires 7% 05/15/2020 | 1,371,188 |
| 1,000,000 | AA Bond Co Limited9.50%31/07/2019 | 1,267,304 |
| 1,250,000 | Portsmouth Aviation 7.25% 12/01/2020 | 1,250,000 |

### Sales

| Nominal | Investments | EUR |
|---|---|---|
| 1,500,000 | Virgin Media 7% 04/15/2023 | 1,883,429 |
| 1,500,000 | Hapag-Lloyd AG 7.75% 10/01/2018 | 1,524,375 |
| 1,500,000 | Isolux Corsan 6.625% 04/15/2021 | 1,500,000 |
| 1,250,000 | Portsmouth Aviation 7.25% 12/01/2020 | 1,303,438 |
| 1,000,000 | Xella Holdco Financial 9.125% 09/15/2018 | 1,045,000 |
| 1,000,000 | Adria Bidco B.V. 7.875% 11/15/2020 | 1,011,875 |
| 1,000,000 | Belden Inc 5.5% 04/15/2023 | 979,500 |
| 850,000 | Nara Cable Funding 8.875% 12/01/2018 | 908,438 |
| 750,000 | Brakes Capital 7.125% 12/15/2018 | 900,574 |
| 750,000 | Galaxy Bidco Ltd 7.875% 11/15/2021 | 883,306 |
| 750,000 | Galaxy Bidco Ltd 6.375% 11/15/2020 | 880,124 |
| 750,000 | Ardagh Packaging Group 9.25% 10/15/2020 | 832,500 |
| 750,000 | Ewos AS 6.75% 11/01/2020 | 765,000 |
| 600,000 | Odeon & UCI Finco9% 08/01/2018 | 756,374 |
| 650,000 | KM Germany Holdings GmbH 8.75% 12/15/2020 | 727,625 |
| 836,828 | INEOS Group Holdings S.A. 7.875% 02/15/2016 | 675,093 |
| 750,000 | Suncom Wireless Holdings 8.75% 03/15/2019 | 614,320 |
| 550,000 | Geo Travel Finance 10.375% 05/01/2019 | 599,500 |
| 500,000 | Play Finance 2 S.A. 6.5% 08/01/2019 | 529,375 |
| 500,000 | Nuance 0% 05/15/2019 | 507,813 |