

**Ocean Dial Investment Funds Plc**

**ANNUAL REPORT &  
AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**For the financial year ended 31 March 2016**

## **Ocean Dial Investment Funds Plc**

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## **Ocean Dial Investment Funds Plc**

### **Organisation**

#### **Directors**

David Hammond\*

James Cayzer-Colvin\*\*

Maheshwar Doorgakant

Simon O'Sullivan\*\*\*

Robin Sellers

\*Chairman & Independent Non-Executive

\*\*Independent Non-Executive retiring from the board on 31 July 2016

\*\*\*Independent Non-Executive appointed on 30 June 2016

#### **Investment Manager and Distributor**

Ocean Dial Asset Management Limited

14 Buckingham Street

London WC2N 6DF

United Kingdom

#### **Legal Advisers (Ireland) and Listing Sponsor**

Dillon Eustace

33 Sir John Rogerson's Quay

Dublin 2

Ireland

#### **Administrator – Ireland**

Apex Fund Services (Ireland) Limited

1st Floor, Block 2

Harcourt Centre

Harcourt Street

Dublin 2

Ireland

#### **Auditor**

Deloitte

Chartered Accountants & Statutory Audit Firm

Deloitte & Touche House

Earlsfort Terrace

Dublin 2

Ireland

#### **Custodian**

Société Générale S.A (Dublin Branch)

3rd Floor, IFSC House

The IFSC

Dublin 1

Ireland

#### **Registered Office**

1st Floor, Block 2

Harcourt Centre

Harcourt Street

Dublin 2

Ireland

Registered No: 506061

#### **Secretary**

Apex Fund Services (Ireland) Limited

Harcourt Centre

Harcourt Street

Dublin 2

Ireland

## **Ocean Dial Investment Funds Plc**

### **Background to the Company**

#### **Description**

Ocean Dial Investment Funds plc (the "Company") is an open-ended investment company with variable capital and segregated liability between sub-funds ("Funds") incorporated in Ireland on 15 November 2011. The Company has been authorised by the Central Bank of Ireland (the "Central Bank") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to the UCITS Regulations.

The Company is structured as an umbrella Fund consisting of different Funds each comprising of one or more classes. The shares issued in each Fund will rank pari passu with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies, if any, applied to the currency of a particular class, dividend policy, the level of fees and expenses to be charged or the minimum initial subscription, minimum holding and minimum transaction size applicable. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. At 31 March 2016, there were two Funds in existence, Ocean Dial Gateway to India Fund ("ODGTIF") and Ocean Dial Systematic India Return Fund ("ODSIRF"). ODGTIF was launched on 10 September 2012 and ODSIRF was launched on 3 November 2015.

ODGTIF holds 100% of the share capital of Ocean Dial Gateway to India (Mauritius) Limited ("GTIF"), a limited company incorporated in Mauritius, and ODSIRF holds 100% of the share capital of Ocean Dial Systematic India Return (Mauritius) Limited ("SIRF"), a second Mauritian limited company.

GTIF and SIRF are each registered with the Securities and Exchange Board of India as a Foreign Portfolio Investor. Both companies will pursue the same investment objective as the respective parent Sub-Funds and will be subject to the same investment policies, restrictions and guidelines as the Sub-Funds and the Company generally, but subject at all times to any applicable law, regulations or guidelines specifically applicable to GTIF and SIRF.

#### **Investment Objective and Policy**

The investment objectives of the Sub-Funds are to provide long term capital appreciation and are as follows:

##### **Ocean Dial Gateway to India Fund**

ODGTIF intends to achieve its investment objective by investing primarily in a diversified portfolio of equities and equity related securities of (i) large and mid-cap companies that have their registered office in India and are listed on Recognised Exchanges worldwide, (ii) large and mid-cap companies that exercise a preponderant part of their economic activity in India and are listed on Recognised Exchanges worldwide and (iii) large and mid-cap companies the equity and equity related securities of which are listed, traded or dealt in on Indian stock exchanges as further detailed in the Prospectus.

ODGTIF (either directly or through investment in any subsidiary) may use derivative instruments for investment purposes or efficient portfolio management purposes. Derivatives may be traded on Recognised Exchanges worldwide. In relation to the equity related securities in which ODGTIF may invest, these may include, but are not limited to, preference shares, convertible bonds, convertible preference shares, American Depositary Receipts and Global Depositary Receipts.

ODGTIF will measure its performance against the S&P BSE Dollex 30 Index. This Index tracks daily the S&P BSE Sensex 30 Index using a US Dollar rate fixed by the Reserve Bank of India at midday. The Index is a cap weighted Index and the Index members have been selected on the basis of liquidity, depth, floating stock adjustment depth and industry representation.

##### **Ocean Dial Systematic India Return Fund**

ODSIRF seeks to achieve its investment objective by investing primarily, either directly or through the use of derivatives in a diversified portfolio of equities and equity-related securities which are listed, traded or dealt on Recognised Exchanges in India. It is the intention that such investment will be made through Ocean Dial Systematic India Return (Mauritius) Limited.

In relation to the equity-related securities in which ODSIRF may invest these may include, but are not limited to, preference shares, convertible bonds and convertible preference shares. Convertible bonds and convertible preference shares may include an embedded derivative but will not be leveraged. ODSIRF may also invest in corporate or government bonds which may be fixed or floating rate and investment grade or below investment grade, as determined by Standard & Poor's Rating Group or Moody's Inc; cash, cash equivalents, money market funds and money market instruments (including, but not limited to cash deposits, commercial paper and certificates of deposit).

ODSIRF will measure its daily performance against the CNX Nifty 50 Index using a US Dollar rate fixed by the Reserve Bank of India at midday daily.

## **Ocean Dial Investment Funds Plc**

### **Background to the Company (continued)**

#### **Net Asset Value**

The Net Asset Value of each Fund or, if there are different Classes within a Fund, each Class will be calculated by the Administrator as at each Valuation Point for each Fund in accordance with the Articles of Association.

The Net Asset Value of the Fund shall be determined as at each Valuation Point by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund (including a provision for duties and charges, accrued expenses and fees and other liabilities). The Net Asset Value of a Fund will be expressed in the Base Currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class in a specific case.

#### **Dividend Policy**

The Directors do not expect to pay dividends from the Company or the Funds due to the relatively low dividends paid by listed Indian Companies and to accord with its objectives of long term capital appreciation.

If the Directors do decide to declare a dividend, it will normally be declared on the next Business Day following 31 March in each year and will be paid to Shareholders appearing on the register of Shares of the relevant Class at the close of business on that date on or before 30 April in that year. Payments of dividends to Shareholders will be made in the currency of denomination of the Class by telegraphic transfer to an account designated by the Shareholders in the application form.

#### **Subscriptions**

##### Ocean Dial Gateway to India Fund

Each investor must subscribe a minimum of US\$5,000 or the equivalent in other currencies and must at all times retain Shares having a Net Asset Value of US\$5,000. A Shareholder may make subsequent subscriptions and redemptions, each subject to a minimum transaction size of US\$1,000. As at 31 March 2016, there were five share classes in issue, Class A (US\$), Class B (EUR), Class C (GBP), Class D (US\$) and Class G (GBP) in the Fund. Share Class E (US\$) and Class F (EUR) have not yet launched.

Share Class D (US\$) is closed to new investors although shareholders may make subsequent subscriptions and redemptions, each subject to a minimum transaction size of US\$1,000,000.

##### Ocean Dial Systematic India Return Fund

Each investor must subscribe a minimum of US\$5,000 and must at all times retain Shares having a Net Asset Value of US\$5,000. A Shareholder may make subsequent subscriptions and redemptions, each subject to a minimum transaction size of US\$5,000. As at 31 March 2016, there were two share classes in issue, Class A (US\$) and Class B (US\$).

**Investment Manager's Report**

When interviewed in 2013, early in his term as Governor of the Reserve Bank of India, Raghuram Rajan repeatedly articulated that “there is no long run trade-off between growth and inflation.” Neither lower interest rates, nor stimulus spending from the Government were seen by him as viable solutions to the inflationary rut that India was in. Instead, emphasis was placed on the need to create a stable environment to facilitate a sustainable recovery in the economy. Not only did this indicate a newfound intent to tackle inflation head on, but it also sent a powerful signal to politicians that fiscal rectitude and supply side reform was needed before monetary policy could be loosened.

This approach has resulted in a positive medium term outlook for India today. Some stability has come from partial reforms and lower commodity prices, and has led to tentative signs of a recovery. From a political perspective, the BJP Government, continues to deliver on its manifesto (albeit not without stumbling blocks). Prime Minister Modi's approval ratings remain high and State Elections in May saw his party make inroads (from a standing start) into West Bengal and Kerala, whilst most dramatically winning in Assam – historically a safe state for the Congress Party. The Budget Session of Parliament was productive and oversaw 24 bills passed by both Houses, including the Aadhar Bill, formalising the payment of subsidies as cash into bank accounts; the Bankruptcy Code, to tackle crony capitalism; and the Real Estate Bill to create an independent regulator for a sector infamous for corruption. The passage of the Bankruptcy Code is arguably the biggest legislative breakthrough to date. It has the potential to meaningfully change the way business is conducted in India by creating a time-bound mechanism for insolvency resolution that is in line with global best practices. The corporate culture of promoters using their business as a vehicle for self-enrichment to the detriment of shareholders and lenders is now under attack. Banks will be better able to extract value from stressed companies, allowing asset recycling to improve leading to more efficient allocation of capital in the economy as a whole.

In the immediate future, key macroeconomic indicators - low currency volatility, increasing foreign exchange reserves, lower inflation and interest rates, with fiscal and current account deficits in check - are creating a more positive business environment. Confidence in the reported book value of public sector banks is returning as the RBI's aggressive drive to force recognition of non-performing loans plays out. Through windfall indirect tax receipts from lower oil, the Government spent US\$2.2bn building 6,000km of roads in FY16 (US\$900m, 4,500km in FY15) with a target to build 10,000km in FY17. The railway network is also undergoing sizeable investment to bring logistics costs for Indian businesses down from approximately 13% towards the global average of 8%.

As such, there are pockets of the economy that are now showing signs of life. Cement production growth has moved into double digit territory in Q1CY16. Similarly, electricity demand and commercial vehicle sales have rebounded between February and April of 2016, alongside improving volume growth in motorcycles. One should caution however that the recovery is still fragile and momentum is still some way from reaching “escape velocity”. Credit growth is muted and the reporting season for Q4FY16 (at the time of writing, approximately 90% of announcements have been made) indicates that higher profits are not yet round the corner. Companies have managed to protect the bottom line over the last two years through an expansion of gross margins from lower input costs. This relief may now have run its course with the recent rally in global commodity prices and a recovery in top line growth is required for the market to move to a higher plane.

The consensus forecast amongst meteorological bodies is for an above average monsoon this summer, which after three consecutive crop shortages should help keep food prices low and increase consumer confidence in Rural India (something that is perhaps already being reflected in motorcycle sales). Furthermore, the list of asset sales, both completed and underway, by leveraged companies is now growing, suggesting that the cleaning up process is underway to facilitate the next leg of the investment cycle. To expedite this, it is encouraging that the Government's “ease of doing business” drive under the Make in India campaign is resulting in higher Foreign Direct Investment. FY16 saw India receive US\$54bn of FDI flows, a record level and 15% higher than the previous year's total of US\$46bn.

Gross fixed capital formation growth averaged 13% between FY04-FY12 and since then the average has been 5%. Although the timing of when this will recover is uncertain, investors should be excited that coordinated policy action from the Government and RBI is being pushed to prevent the excesses of the previous boom happening in the future, thereby facilitating a more robust growth trajectory for the economy. The direction of travel is sound, ensuring that India is a market that the global investment community will struggle to ignore going forwards.

**Ocean Dial Gateway to India Fund**

The Fund aims to achieve long-term capital growth and will comprise of a diversified portfolio of companies from the Indian subcontinent. The Investment Manager believes that in India, optimal returns will be generated over time by investing in companies that are well placed to benefit from the structural growth potential of the Indian economy, combined with the highest quality of management best able to exploit this opportunity. The Fund uses a consistent and disciplined bottom up stock picking process to select investments from our best ideas, unconstrained by a benchmark.

## **Ocean Dial Investment Funds Plc**

### **Investment Manager's Report (continued)**

In US Dollars, Class A US\$ returned -11.88% versus -14.38% for the BSE Dollex 30, delivering an outperformance of 2.50%. In terms of sector exposure, Health Care (2.7% overweight), Industrials (7.2% overweight) and Consumer Discretionary (4.2% overweight) provided positive attribution to performance, whilst Consumer Staples (8.8% underweight), IT (5.1% underweight) and Energy (1.7% underweight) were the main cause of underperformance. On aggregate, sector selection contributed negatively by -3.2%, with stock selection driving outperformance by 7.3%.

From a stock picking perspective positive contribution to the portfolio was driven by KPR Mill (up 36.7%), The Ramco Cements (up 18.2%), and Cholanmandalam Investment and Finance (up 17.1%). Negative returns were driven by Kaveri Seed (down -68.0%), Rural Electrification Corporation (down 48.9%) and Tata Motors (down 35.3%).

The portfolio had an average active share of 82% over the year, with a mean weighting of 30.9% to large caps, 35.8% to mid caps, and 25.6% to small caps. Investments in the mid cap space were the primary cause of positive attribution, contributing 5.2% of outperformance with small caps also delivering but to a lesser degree with 0.6%. Large cap exposure created a drag on performance causing negative attribution of -2.0%.

### **Principal Investments at 31 March 2016**

#### **AIA Engineering (Industrials, 3.8% of the portfolio)**

AIA Engineering designs, develops, manufactures, installs, and services high chromium wear, corrosion, and abrasion resistant castings for use in cement, mining, and thermal power generation industries in India and internationally, and is one of the leading suppliers of grinding media globally. It meets ~90% of the requirement of the local cement sector and has a share of more than 30% of the supplies in the overseas cement sector (ex-China). The current manufacturing capacity is 200,000 tonnes, primarily based in Gujarat, but ongoing and planned expansion will increase this capacity to 440,000 tonnes by the end FY16. AIA had a market cap at 31 March of US\$1.3bn.

#### **Torrent Pharmaceuticals (Health Care, 3.5% of the portfolio)**

Torrent Pharmaceuticals is a fully integrated pharmaceutical company producing branded and generic formulations, API and intermediates. Almost 40% of Torrent's revenue comes from the domestic market where the company has a speciality focused product basket and ranks second in CV and third in CNS - two of the faster growing therapies in the domestic market. Torrent has a strong marketing set up in India with about 3,700 medical representatives across the country and exports to more than 50 countries globally. Torrent had a market cap at 31 March of US\$3.4bn.

#### **The Ramco Cements (Materials, 3.4% of the portfolio)**

The company is the fifth largest cement producer in the country, with its brand, "Ramco Supergrade" among the leading cement brands in South India. Ramco has over the years established itself as one of the lowest cost manufacturers of cement in India, thus leading to a higher EBITDA/ton compared to its peers. Looking ahead, recent investments to increase capacity would further help control its power and fuel costs. Furthermore, the impending reversal in interest rate cycle and the expected normalisation of Government spending should see a pick-up in construction activity. Ramco had a market cap at 31 March of US\$1.4bn.

#### **Hindustan Petroleum Corporation (Energy, 3.4% of the portfolio)**

Hindustan Petroleum Corporation (HPCL) is the third largest public sector refining and marketing company in India, with 22% market share in India among PSUs. HPCL markets almost 2x its refining output and as a result, it will have the highest growth in profits despite a falling crude price environment. It operates two refineries, one in Mumbai (6.5mmt) and other in Vishakhapatnam (8.3mmt). HPCL had revenues of US\$35.4bn in FY15 and a market cap at 31 August of US\$4.0bn.

#### **Cholanmandalam Investment (Financials, 3.3% of the portfolio)**

CIFCL is an asset finance company with a focus on rural and semi-urban markets, with 540 branches spread across 25 states. The Company commenced business as an equipment financing company and has today emerged as a comprehensive financial services provider offering vehicle finance, home loans, home equity loans, SME loans, investment advisory services, stock broking and a variety of other financial services to customers. CIFCL had a market cap at 31 March of US\$1.7bn.

#### **Aurobindo Pharma (Health Care, 3.2% of the portfolio)**

Aurobindo Pharma is an emerging international generics firm, transforming its business model from an API maker to a strong formulation player. While traditionally it had a strong presence in the cephalosporin and ARV segments, it has now expanded into CVS, CNS and injectables segments. It has a solid pending pipeline in the US and increased focus on differentiated and complex generics. As at 31 March, Aurobindo had a market cap of US\$6.6bn.

## **Ocean Dial Investment Funds Plc**

### **Investment Manager's Report (continued)**

#### **Techno Electric & Engineering (Industrials, 3.1% of the portfolio)**

Techno Electric & Engineering (TEE) is a leading Engineering, Procurement & Construction (EPC) services company in India's power sector and provides services to all the three industry segments - generation, transmission and distribution. It was involved in setting up 50% of the country's thermal power generation capacity and a major portion of the national power grid. Its total installed capacity currently stands at 162MW. TEE had revenues of US\$166m in FY16 and a market cap at 31 March of US\$470m.

#### **LIC Housing Finance (Financial Services, 3.1% of the portfolio)**

LIC is the fourth largest mortgage finance company in India. It provides loans for homes, construction activities, and corporate housing schemes. Almost 97% of the company's loans are to retail customers and the balance 3% to project developers. The company has loan outstanding of ~INR1.3tn as at 31 March 2016 and a market cap of US\$3.5bn.

#### **Indian Oil Corporation (Energy, 3.1% of the portfolio)**

Indian Oil Corporation (IOC) is the largest public sector oil refining and marketing company in India. It has 10 refineries across India with a capacity of 54mtpa and sells over 75mtpa (53% share) of petroleum products. It also has pipelines (both crude and product) of over 75mmtpa and petrochemical capacity of over 2mmtpa. Its 15mmtpa greenfield refinery in Paradip was commissioned in Q4FY16 in 2015. IOC had revenues of US\$5.4bn in FY16 and a market cap at 31 March of US\$14.4bn.

#### **Housing Development Finance (Financials, 3.0% of the portfolio)**

HDFC is India's largest provider of housing finance (US\$37bn loan book), primarily focusing on retail housing. The company has a distribution network of ~370 offices in India, covering over 90 locations through its outreach programme, which helps the company disburse housing loans in more than 2,400 towns and cities in India. Besides the core business of mortgages, HDFC has evolved into a financial conglomerate, diversifying into other businesses through its subsidiaries, namely, HDFC Standard Life Insurance (73%), HDFC Asset Management Company (60%), HDFC Bank (23.2%), and HDFC General Insurance Company (74%). As at 31 March, HDFC had a market cap of US\$26.3bn.

#### **Ocean Dial Systematic India Return Fund**

The Fund's objective is to generate absolute returns with lower volatility and shallower drawdown(s) than the market. At all times the Fund maintains a 100% core long portfolio of equities drawn from the Nifty Index. The portfolio is constructed using a pure quantitative screening process which ranks equities in order of preference, based on a summary factor model analysing four key components at stock level across multiple time periods; momentum, fundamental valuation data, mean reversion and volatility. In addition, the Portfolio Manager actively monitors market beta and currency volatility using an algorithmic based proprietary model. This is used to identify short term market conditions drawing on multiple inputs from global currency, equity and fixed income price action. Based on the strength of signals, equity exposure is hedged through index futures either partially, fully or net short (limited to 50%), and similarly currency exposure is also partially or fully hedged.

The Fund was launched on 30 November 2015 and as at 31 March 2016 it has delivered -2.34% versus -1.77% for the CNX Defty (returns are in US\$). The underperformance is attributed to Index Management (-0.38%) and Currency Management (-0.11%), whilst the Long Portfolio generated positive outperformance of 0.45%. The portfolio experienced lower volatility over this period relative to the Index; 12.5% versus 22.5%, as well as a lower drawdown; -10.0% versus -15.2%. The Sharpe ratio however was -0.6 versus -0.2 for the Index.



**On Behalf of Ocean Dial Asset Management Limited**

**28 July 2016**



## **Ocean Dial Investment Funds Plc**

### **Report of the Directors and Directors' Responsibilities Statement of Ocean Dial Investment Funds Plc**

#### **For the financial year ended 31 March 2016**

The Directors present their report here with the Annual Report and Audited Consolidated financial statements for the financial year ended 31 March 2016.

#### **Directors' Responsibilities Statement**

The Directors are responsible for preparing the Directors' report and the Financial Statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the E.U. ("IFRS"). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial period and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the group and company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Principal Activities**

The Company has been approved by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferable Securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 (together the "UCITS Regulations"). At 31 March 2016, there were two Funds in existence, Ocean Dial Gateway to India Fund ("ODGTIF") and Ocean Dial Systematic India Return Fund ("ODSIRF"), together (the "Funds"), launched on 10 September 2012 and 3 November 2015 respectively.

There are five share classes in issue in ODGTIF, Class A (US\$), Class B (EUR), Class C (GBP), Class D (US\$) and Class G (GBP) and two share classes in issue in ODSIRF, Class A (US\$) and Class B (US\$).

#### **Review of the Business and Future Developments**

In the year to 31 March 2016 the Company launched a second Sub-Fund, Ocean Dial Systematic India Return Fund, on 30 November 2015 with two Share Classes and US\$3m of seeding investment.

AUM more than doubled during the year, increasing from US\$88.8m to US\$178.3m as a result of subscriptions totaling US\$149.5m (2015 - US\$80.2m), redemptions of US\$40.0m (2015 - US\$30.6m) and net losses of US\$20.0m (2015 - net income of US\$12.8m).

The ODGTIF investment portfolio fell 11.9% in the year compared to the benchmark index (S&P BSE Dollex-30) which fell 14.4%, delivering an outperformance of 2.5% (2015 - outperformance of 13.9%).

The ODSIRF investment portfolio fell 2.3% in the period from launch to 31 March 2016 compared to the benchmark index (CNX Defty) which fell 1.8%, delivering an underperformance of 0.5%.

In the three months since the year end of 31 March 2016, the Company's AUM has continued to grow to US\$192.2m. Further comment on the Company's investment performance is included in the Investment Manager's Report.

The Company will consider the launch of additional sub-funds to continue its future development.

**Report of the Directors and Directors' Responsibilities Statement of Ocean Dial Investment Funds Plc (continued)**

**For the financial year ended 31 March 2016**

**Results and Dividends**

The results and dividends for the financial year are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 14 and 15. There were no dividends declared for the financial year.

**Risk Management Objectives and Policies**

The principal risks and uncertainties faced by the Company are the investment risks associated with the portfolio of investments held for the account of the Funds and the operational risks associated with their management and administration. A more detailed analysis of some of the risks facing the Company is included in Note 16 of the Notes to the Financial Statements.

**Events During the Financial Year**

ODSIRF, an additional sub-fund, was launched on 3 November 2015.

**Directors and Secretary's Interest**

Except as disclosed in note 13 to the financial statements at the reporting date neither the directors nor any associated person have any other beneficial interest in the Share Capital of the Company or held any options in respect of such capital.

**Transactions Involving Directors**

Mr. John Bohan was a Director throughout the year but retired from the board on 30 April 2016. The other Directors who held office during the financial year are listed on page 1.

Mr. Robin Sellers is Chief Executive Officer of Ocean Dial Asset Management Limited, the Investment Manager and Distributor of Ocean Dial Investment Funds Plc. Mr. Maheshwar Doorgakant is the Managing Director of Apex Fund Services (Mauritius) Ltd., the administrator to each of the two Mauritian subsidiaries of the Funds of the Company. Mr. John Bohan is Director of Apex Fund Services (Ireland) Limited, the administrator and Secretary to the Company.

**Prospectus**

The latest Prospectus of the Company was issued on 29 October 2014 and the Supplement for ODSIRF was issued on 28 January 2016.

**Corporate Governance**

The Board of Directors has adopted the Corporate Governance Code published by Irish Funds and has assessed the measures included in the IF Code as being consistent with its corporate governance practices and procedures for the financial year.

The Company is also subject to corporate governance practices imposed by:

- (i) The Companies Act 2014 which may also be obtained at [www.irishstatutebook.ie](http://www.irishstatutebook.ie).
- (ii) The Articles of Association of the Company which are available for inspection at the registered office of the Company at 1<sup>st</sup> Floor, Block 2, Harcourt Centre, Harcourt Street, Dublin 2, Ireland and at the Companies Registration Office in Ireland;
- (iii) The UCITS Regulations ; and,
- (iv) The Irish Stock Exchange ("ISE") through the ISE Code of Listing Requirements and Procedures which can be obtained from the ISE's website at [www.ise.ie](http://www.ise.ie).

The Board of Directors are responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

## **Report of the Directors and Directors' Responsibilities Statement of Ocean Dial Investment Funds Plc (continued)**

**For the financial year ended 31 March 2016**

### **Corporate Governance (continued)**

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons to maintain these records. The Directors have appointed Apex Fund Services (Ireland) Limited (the "Administrator") to maintain the accounting records which are kept at the offices of the Administrator at:

1st Floor, Block 2  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

The annual and half yearly financial statements of the Company are required to be approved by the Board of Directors of the Company and filed with the Central Bank of Ireland and the ISE. The annual statutory financial statements are required to be audited by independent auditors who report annually to the Board of Directors on their findings.

The Directors may convene an extraordinary general meeting of the Company at any time. The Directors shall convene an annual general meeting each calendar year and not more than 15 months shall elapse between the date of the first annual general meeting of the Company and that of the next.

Not less than twenty one days notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to shareholders and fourteen days notice must be given in the case of any other general meeting.

Two members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the Class rights of shares shall be two Shareholders holding, or representing by proxy, at least one third of the issued shares of the relevant Fund or Class.

All general meetings will be held in Ireland.

On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each share held by him and every holder of non-participating shares shall be entitled to one vote in respect of all non-participating shares held by him. A shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.

The business of the Company is managed by the Directors, who exercise all such powers of the Company as are noted by the Companies Acts or by the Articles of Association of the Company required to be exercised by the Company in general meeting.

### **Connected Parties**

The UCITS Regulations require that the Company have procedures to ensure that transactions between the Company and certain connected parties, being the investment manager, the depositary and their associated and group companies, are carried out at arm's length and in the best interests of shareholders. The Directors confirm that the Company has such procedures and that all transactions with connected parties during the year met these requirements.

### **Subsequent Events**

#### Retirement of Director

On 30 April 2016, Mr. John Bohan retired from the board of the Company and on 31 July 2016, Mr. James Cayzer-Colvin will retire from the board of the Company. Both retirements result from other time commitments.

#### Appointment of Director

On 30 June 2016, Mr. Simon O'Sullivan was appointed as a Director of the Company.

#### Signing of a Protocol amending the provisions of the India-Mauritius Tax Treaty

On 10 May 2016, the Government of India and Mauritius Minister of Financial Services announced the signing of a Protocol amending the provisions of the India-Mauritius Tax Treaty. Since the Funds invest in India (either directly or through Mauritian subsidiaries), the protocol will have an impact on both ODGTIF and ODSIRF.

**Ocean Dial Investment Funds Plc**

**Report of the Directors and Directors' Responsibilities Statement of Ocean Dial Investment Funds Plc (continued)**

**For the financial year ended 31 March 2016**

**Subsequent Events (continued)**

Signing of a Protocol amending the provisions of the India-Mauritius Tax Treaty (continued)

The Protocol marks a shift from residence-based taxation to source-based taxation as from 1 April 2017. India gets taxation rights on capital gains arising from the alienation of shares acquired on or after 1 April 2017 in a company resident in India. Investments in shares acquired before April 1, have been protected and grandfathered and will continue to enjoy the benefits of the existing provisions of the India-Mauritius Tax Treaty. Consequently, such investments will not be subject to capital gains tax in India on the basis of the protocol irrespective of their alienation date.

Further, with respect to capital gains arising during a transitory period from 1 April 2017 to 31 March 2019, the tax rate on capital gains will be limited to 50 per cent of the domestic tax rate of India, subject to satisfying the conditions in a newly introduced Limitation of Benefits Article in the Tax Treaty.

Taxation in India at the full domestic tax rate will take place from financial year 2019-20 onwards.

**Independent Auditor**

In accordance with section 383 (2) of the Companies Act 2014, Deloitte, Chartered Accountants and Statutory Audit Firm, have signified their willingness to continue in office.

**On Behalf of the Board of Directors**



**David Hammond**  
Director  
28 July 2016



**Robin Sellers**  
Director

**Ocean Dial Investment Fund Plc****ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS****For the year ended 31 March 2016****Depository's Report**

We have enquired into the conduct of the Company for the year ended 31 March 2016 in our capacity as Depositary of the Company.

In our opinion the Company has been managed, in all material respects, during that period in accordance with the provisions of the Memorandum & Articles of Association and the Regulations including specifically the provisions relating to the limitations imposed on the investment and borrowing powers of 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 Regulations 2015 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.

**Statement of the Depositary's Responsibilities**

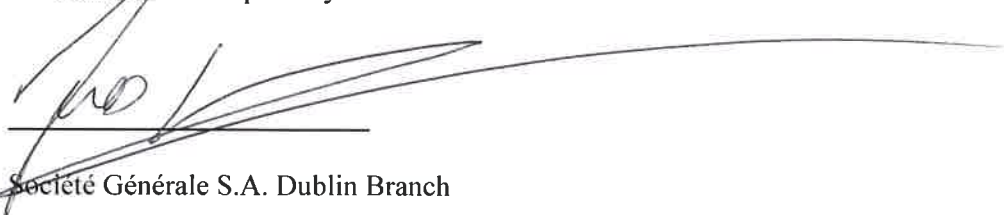
The Depositary is required to:

- Take responsibility for safe-keeping the assets of the Company in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 ('the Regulations')
- Ensure that the Company has been managed, in all material respects, in that period, in accordance with its constitutional documentation and the appropriate Regulations.
- Prepare a report for inclusion in the annual report on the conduct of the Company in accordance with its constitutional documentation and the appropriate Regulations.
- If the Company has not complied, in all material respects, with its constitutional documentation or the appropriate regulations, the Depositary must state why this is the case & outline the steps which it has taken to rectify the situation.

**Basis of Depositary Opinion**

The Depositary conducts its reviews on a test basis to ensure that it adheres to the duties outlined in UCITS Regulations 2015 and to ensure that the Company is managed, in all material respects, in accordance with its constitutional documentation and the appropriate regulations.

On behalf of the Depositary



Société Générale S.A. Dublin Branch

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## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OCEAN DIAL INVESTMENT FUNDS PLC

We have audited the financial statements of Ocean Dial Investment Funds Plc for the financial year ended 31 March 2016 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, the Consolidated Statement of Cash Flows, the Company Statement of Profit or Loss and Other Comprehensive Income, the Company Statement of Financial Position, the Company Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, the Company Statement of Cash Flows and notes to the financial statements. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (IFRSs) as adopted by the European Union ("relevant financial reporting framework").

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 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 annual report and audited consolidated 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.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 March 2016 and of the loss for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015.

*Continued on next page/*

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OCEAN DIAL INVESTMENT FUNDS PLC

### **Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations we considered necessary for the purpose of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The company's Statement of Assets and Liabilities and its Statement of Operations are in agreement with the accounting records.
- 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 Act 2014 which requires us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.



Mike Hartwell  
For and on behalf of Deloitte  
Chartered Accountants and Statutory Audit Firm  
Dublin

Date: 28 July 2016

**Ocean Dial Investment Funds Plc**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

**For the financial year ended 31 March 2016**

		<b>ODGTIF</b>	<b>ODSIRF</b>	<b>Group</b>	<b>Group</b>
		<b>Financial year ended</b>	<b>For the financial period</b>	<b>Total</b>	<b>Total</b>
		<b>31 March 2016</b>	<b>from 3 November 2015</b>	<b>Financial year ended</b>	<b>Financial year ended</b>
			<b>(date of launch) to 31</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
	<b>Note</b>	<b>US\$</b>	<b>March 2016</b>	<b>US\$</b>	<b>US\$</b>
<b>Portfolio return/(losses)</b>					
Net realised gains/ (losses) on financial assets held at fair value through profit or loss	10	3,353,734	(21,553)	3,332,181	6,820,872
Net unrealised (losses)/ gains on financial assets held at fair value through profit or loss	10	(22,708,180)	(37,733)	(22,745,913)	7,087,892
Realised loss on disposal of financial assets at fair value through profit or loss	3	(116)	(25,245)	(25,361)	-
Dividend income		3,169,053	8,237	3,177,290	946,780
Transaction costs		(652,938)	(19,921)	(672,859)	(322,933)
<b>Total portfolio (loss)/ return</b>		<b>(16,838,447)</b>	<b>(96,215)</b>	<b>(16,934,662)</b>	<b>14,532,611</b>
<b>Income</b>					
Other income	12	1,254	69,012	70,266	-
Interest income		527	12	539	557
		<b>1,781</b>	<b>69,024</b>	<b>70,805</b>	<b>557</b>
<b>Operating expenses</b>					
Bank charges		(19,242)	(2,492)	(21,734)	(15,270)
Audit fees		(33,738)	(5,750)	(39,488)	(30,350)
Legal fees		(58,029)	(751)	(58,780)	(34,202)
Directors' fees and expenses		(38,346)	(2,719)	(41,065)	(43,448)
Investment management fee	12	(1,829,839)	(19,117)	(1,848,956)	(704,541)
Performance fee	12	(590,291)	(8,845)	(599,136)	(660,178)
Administration fee	12	(109,826)	(21,039)	(130,865)	(49,253)
Custodian fee	12	(107,470)	(6,051)	(113,521)	(58,440)
Regulatory governance fees		(33,972)	-	(33,972)	(39,528)
Other expenses		(73,653)	(25,378)	(99,031)	(73,485)
Organisation expenses		-	(48,545)	(48,545)	(48,622)
<b>Total operating expenses</b>		<b>(2,894,406)</b>	<b>(140,687)</b>	<b>(3,035,093)</b>	<b>(1,757,317)</b>
<b>Net (loss)/ income before taxation</b>		<b>(19,731,072)</b>	<b>(167,878)</b>	<b>(19,898,950)</b>	<b>12,775,851</b>

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



**Ocean Dial Investment Funds Plc**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)**

**For the financial year ended 31 March 2016**

		<b>ODGTIF</b>	<b>ODSIRF</b>	<b>Group</b>	<b>Group</b>
		<b>Financial year ended</b>	<b>For the financial period</b>	<b>Total</b>	<b>Total</b>
		<b>31 March 2016</b>	<b>from 3 November 2015</b>	<b>Financial year ended</b>	<b>Financial year ended</b>
		<b>US\$</b>	<b>(date of launch) to 31</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
			<b>March 2016</b>	<b>US\$</b>	<b>US\$</b>
			<b>US\$</b>		
Taxation	14	(69,850)	-	(69,850)	(21,408)
<b>Net (loss)/ income after taxation</b>		<b>(19,800,922)</b>	<b>(167,878)</b>	<b>(19,968,800)</b>	<b>12,754,443</b>

The above results are from continuing operations.

All recognised gains and losses are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The financial statements were approved by the board of Directors of Ocean Dial Investment Funds Plc on 28 July 2016.

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

**Ocean Dial Investment Funds Plc**

**Consolidated Statement of Financial Position**

**As at 31 March 2016**

		<b>ODGTIF</b>	<b>ODSIRF</b>	<b>Group Total</b>	<b>Group Total</b>
		<b>31 March 2016</b>	<b>31 March 2016</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
	<b>Note</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>					
Financial assets held at fair value through profit or loss	8	163,954,898	2,017,256	165,972,154	85,617,336
Derivatives margin account		14,960	776,581	791,541	-
Cash and cash equivalents	7	9,258,904	468,228	9,727,132	3,601,605
Other receivables and prepayments	4	2,430,826	72,190	2,503,016	618,104
<b>Total assets</b>		<b>175,659,588</b>	<b>3,334,255</b>	<b>178,993,843</b>	<b>89,837,045</b>
<b>Liabilities</b>					
Payables	5	(203,415)	(5,895)	(209,310)	(323,885)
Accrued expenses	6	(411,140)	(40,737)	(451,877)	(701,369)
<b>Total liabilities</b>		<b>(614,555)</b>	<b>(46,632)</b>	<b>(661,187)</b>	<b>(1,025,254)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>175,045,033</b>	<b>3,287,623</b>	<b>178,332,656</b>	<b>88,811,791</b>

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

Ocean Dial Investment Funds Plc

Consolidated Statement of Financial Position (continued)

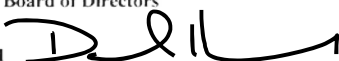
As at 31 March 2016

	Note	31 March 2016	31 March 2015
<b>Ocean Dial Gateway to India Fund</b>			
Number of shares in issue	9		
Class A (US\$)		263,685	261,815
Class B (EUR)		94,164	500
Class C (GBP)		255,500	57,856
Class D (US\$)		257,619	266,917
Class G (GBP)		351,885	38
Net asset value per share	11		
Class A (US\$)		US\$147.31	US\$167.18
Class B (EUR)		€85.84	€103.31
Class C (GBP)		£149.40	£164.31
Class D (US\$)		US\$102.19	US\$116.05
Class G (GBP)		£90.83	£100.85
<b>Ocean Dial Systematic India Return Fund</b>			
Number of shares in issue	9		
Class A (US\$)		2,769	-
Class B (US\$)		32,060	
Net asset value per share	11		
Class A (US\$)		US\$98.21	-
Class B (US\$)		US\$95.25	-

The financial statements were approved by the board of Directors of Ocean Dial Investment Funds plc on 28 July 2016.

On Behalf of the Board of Directors

David Hammond  
Director



Robin Sellers  
Director



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

**Ocean Dial Investment Funds Plc**

**Consolidated Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares**

**For the financial year ended 31 March 2016**

	<b>ODGTIF</b>	<b>ODSIRF</b>	<b>Group</b>	<b>Group</b>
	<b>Financial year ended</b>	<b>For the financial period</b>	<b>Total</b>	<b>Total</b>
	<b>31 March 2016</b>	<b>from 3 November 2015</b>	<b>Financial year ended</b>	<b>Financial year ended</b>
	<b>US\$</b>	<b>(date of launch) to 31</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
		<b>March 2016</b>	<b>US\$</b>	<b>US\$</b>
Net assets attributable to holders of redeemable participating shares at the beginning of the financial year/ period	88,811,791	-	88,811,791	26,448,308
Proceeds from redeemable participating shares issued	146,036,398	3,471,259	149,507,657	80,213,539
Payments on redeemable participating shares redeemed	<u>(40,002,234)</u>	<u>(15,758)</u>	<u>(40,017,992)</u>	<u>(30,604,499)</u>
<b>Increase from share transactions</b>	<u>106,034,164</u>	<u>3,455,501</u>	<u>109,489,665</u>	<u>49,609,040</u>
Net (loss)/ income for the financial year/ period	<u>(19,800,922)</u>	<u>(167,878)</u>	<u>(19,968,800)</u>	<u>12,754,443</u>
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year/ period</b>	<u>175,045,033</u>	<u>3,287,623</u>	<u>178,332,656</u>	<u>88,811,791</u>

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

**Ocean Dial Investment Funds Plc**

**Consolidated Statement of Cash Flows**

**For the financial year ended 31 March 2016**

	<b>ODGTIF</b>	<b>ODSIRF</b>	<b>Group</b>	<b>Group</b>
	<b>Financial year ended</b>	<b>For the financial period</b>	<b>Total</b>	<b>Total</b>
	<b>31 March 2016</b>	<b>from 3 November 2015</b>	<b>Financial year ended</b>	<b>Financial year ended</b>
	<b>US\$</b>	<b>(date of launch) to 31</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
		<b>March 2016</b>	<b>US\$</b>	<b>US\$</b>
		<b>US\$</b>		
<b>Cash flows from operating activities</b>				
Net (loss)/ income before taxation	(19,731,072)	(167,878)	(19,898,950)	12,775,851
<i>Adjustment for:</i>				
Dividend Income	(3,169,053)	(8,237)	(3,177,290)	(946,780)
Interest Income	(527)	(12)	(539)	(557)
Net realised (gains)/ losses on financial asset at fair value through profit or loss	(3,912,771)	21,217	(3,891,554)	(6,853,014)
Net unrealised losses/ (gains) on financial asset at fair value through profit or loss	21,364,617	(15,093)	21,349,524	(7,467,022)
Operating loss before working capital changes	(5,448,806)	(170,003)	(5,618,809)	(2,491,522)
<b>Working capital changes</b>				
Increase in receivables and prepayments	(1,843,035)	(71,989)	(1,915,024)	(562,667)
(Decrease)/ Increase in payables and accrued expenses	(433,210)	46,632	(386,578)	909,014
Dividend Income	3,199,366	8,036	3,207,402	946,780
Interest Income	527	12	539	557
Taxation paid	(47,339)	-	(47,339)	(15,338)
<b>Net cash provided by/ (used in) operating activities</b>	<b>876,309</b>	<b>(17,309)</b>	<b>859,000</b>	<b>(1,213,176)</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of financial assets at fair value through profit or loss	83,971,355	478,616	84,449,971	42,874,054
Purchase of financial assets at fair value through profit or loss	(179,760,764)	(2,501,996)	(182,262,760)	(88,434,454)
Purchase of derivative contracts	(14,959)	(776,581)	(791,540)	-
<b>Net cash outflow from investing activities</b>	<b>(95,804,368)</b>	<b>(2,799,961)</b>	<b>(98,604,329)</b>	<b>(45,560,400)</b>

**Ocean Dial Investment Funds Plc**

**Consolidated Statement of Cash Flows (continued)**

**For the financial year ended 31 March 2016**

	<b>ODGTIF</b>	<b>ODSIRF</b>	<b>Group</b>	<b>Group</b>
	<b>Financial year ended</b>	<b>For the financial period</b>	<b>Total</b>	<b>Total</b>
	<b>31 March 2016</b>	<b>from 3 November 2015</b>	<b>Financial year ended</b>	<b>Financial year ended</b>
	<b>US\$</b>	<b>(date of launch) to 31</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
		<b>March 2016</b>	<b>US\$</b>	<b>US\$</b>
		<b>US\$</b>		
<b>Cash flows from financing activities</b>				
Proceeds from redeemable participating shares issued	146,036,398	3,471,259	149,507,657	80,213,539
Payments on redeemable participating shares redeemed	(40,002,234)	(15,758)	(40,017,992)	(30,604,499)
<b>Net cash inflow from financing activities</b>	<b>106,034,164</b>	<b>3,455,501</b>	<b>109,489,665</b>	<b>49,609,040</b>
Net increase in cash and cash equivalents during the financial year/ period	5,657,299	468,228	6,125,527	2,835,464
Cash and cash equivalents at the start of the financial year/ period	3,601,605	-	3,601,605	766,141
<b>Cash and cash equivalents at the end of the financial year/ period</b>	<b>9,258,904</b>	<b>468,228</b>	<b>9,727,132</b>	<b>3,601,605</b>

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

**1. General Information**

The consolidated financial statements consist of those for Ocean Dial Gateway to India Fund, Ocean Dial Gateway to India (Mauritius) Limited, Ocean Dial Systematic India Return Fund and Ocean Dial Systematic India Return (Mauritius) Limited (together the “Group”).

**2. Significant Accounting Policies**

**a) Basis of preparation**

These financial statements have been prepared under accounting policies consistent with International Financial Reporting Standards as adopted by the EU (“IFRS”) and the Companies Act 2014 for mandatory application to periods beginning before 1 January 2015. These financial statements are prepared in US Dollars (“US\$”), which is the Company’s functional and presentation currency. The Board of Directors considers the US Dollar the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The US Dollar is the currency in which the Fund measures its performance and reports its results, as well as being the currency in which it receives a significant portion of subscriptions from its investors.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**Critical accounting estimates and assumptions**

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's accounting policies.

The Directors make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The resulting accounting estimates may not equal actual results.

**New accounting standards not yet adopted**

IFRS 9, ‘Financial instruments’, effective for annual periods beginning on or after 1 January 2018, specifies how an entity should classify and measure financial assets and liabilities, including some hybrid contracts. The standard improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of IAS 39.

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged. The standard applies a consistent approach to classifying financial assets and replaces the numerous categories of financial assets in IAS 39, each of which had its own classification criteria. The standard is not expected to have a significant impact on the Company's financial position or performance, as the Company has classified its financial assets and financial liabilities (both long and short) as being at fair value through profit or loss.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company. IFRS 9 has not yet been endorsed by the EU and hence there is no option for the Company to early adopt.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2016

2. Significant Accounting Policies (continued)

b) Income / expense

Interest income and interest expense are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. Dividends are credited to the Consolidated Statement of Profit or Loss and Other Comprehensive Income on the dates on which the relevant securities are listed as "ex-dividend". Dividend income is shown gross of any non-recoverable withholding taxes.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short term, highly liquid investments with a maturity of 3 months or less that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

d) Financial assets at fair value through profit or loss

(i) Classification

The Group has classified its investment securities at fair value through profit or loss. All investments are initially recognised at fair value. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(ii) Recognition/derecognition

Purchases and sales of investments are recognised on the trade date - the date on which the Group commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Consolidated Statement of Comprehensive Income. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the Consolidated Statement of Comprehensive Income in the financial period in which they arise.

(iv) Fair value estimation

Investments are initially recognised at fair value, and transaction costs for all financial assets and financial liabilities carried at fair value through profit or loss are expensed as incurred. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

The fair value of financial instruments traded in active markets (such as trading equities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial reporting purposes for financial assets held by the Fund is the current mid price.



**Notes to the Financial Statements (continued)**

**For the financial year ended 31 March 2016**

**2. Significant Accounting Policies (continued)**

**e) Distribution policy**

Dividends shall be paid out of the net income received by the Group in respect of the relevant Class (ie. income less accrued expenses) (whether in the form of dividends, interest or otherwise) during the Accounting Period at the discretion of the Board, subject to certain adjustments.

**f) Redeemable participating shares**

Redeemable participating shares are redeemable at the Shareholder's option and are classified as financial liabilities in accordance with IAS 32. The liability arising from redeemable participating shares is presented in the Statement of Financial Position as "Net Assets Attributable to Holders of Redeemable Participating Shares" and has been determined based on total assets less total liabilities (excluding net assets attributable to holders of redeemable participating shares).

**g) Segregated liability**

Ocean Dial Investment Funds plc (the "Company") is an umbrella fund with segregated liability between sub-funds. As at 31 March 2016 the Funds of the Company were Ocean Dial Gateway to India Fund and Ocean Dial Systematic India Return Fund (each a "Fund").

**h) Transaction costs**

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers or dealers. Transaction costs, when incurred, are included as part of the cost of such purchases. See note 11 "Fees" for further information on transaction costs.

**i) Consolidation**

Ocean Dial Gateway to India Fund holds 100% of the share capital of Ocean Dial Gateway to India (Mauritius) Limited and Ocean Dial Systematic India Return Fund holds 100% of the share capital of Ocean Dial Systematic India Return (Mauritius) Limited. IFRS as adopted by the EU typically defines as a controlling interest, an interest directly or indirectly in over 50% of the outstanding voting shares of another entity. The results of the subsidiaries' undertakings, Ocean Dial Gateway to India (Mauritius) Limited and Ocean Dial Systematic India Return (Mauritius) Limited, are consolidated into the Statement of Comprehensive Income from the date on which control over the operating and financial decision is obtained. Accordingly, the Financial Statements are consolidated for Ocean Dial Gateway to India (Mauritius) Limited and Ocean Dial Systematic India Return (Mauritius) Limited for the financial year ended 31 March 2016 and 2015.

**3. Financial Derivative Instruments**

Derivative contracts serve as a component of the Group's investment strategy and are utilized primarily to structure and hedge investments, to enhance performance and reduce risk to the Group (the Group does not designate any derivative as a hedging instrument for hedge accounting purposes). Derivative contracts include futures.

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 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 Group.

As at 31 March 2016, the Company had open positions in listed futures contracts. The credit risk associated with futures contracts is considered minimal because the Exchange underwrites the counterparty risk of these contracts. Listed futures contracts are settled on a net basis and result in market risk exposure.

The effect of derivative instruments on the Statement of profit or loss and other comprehensive income for the financial year under review is being summarized as follows:

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2016

3. Financial Derivative Instruments (continued)

	ODGTIF	ODSIRF	Group Total
	31 March 2016 US\$	31 March 2016 US\$	31 March 2016 US\$
Realised loss on disposal of financial assets at fair value through profit or loss	(116)	(25,245)	(25,361)
Net change on derivative contracts	(116)	(25,245)	(25,361)

The Group did not hold or trade in any financial derivative instruments for the financial year ended 31 March 2015.

4. Other receivables and prepayments

	ODGTIF	ODSIRF	Group Total	Group Total
	31 March 2016 US\$	31 March 2016 US\$	31 March 2016 US\$	31 March 2015 US\$
Dividend receivable	13,623	201	13,824	43,936
Licence fees	3,076	3,404	6,480	438
Other prepayments	27,467	68,585	96,052	25,303
Subscriptions receivable	2,386,660	-	2,386,660	548,427
Total other receivables and prepayments	2,430,826	72,190	2,503,016	618,104

5. Payables

	ODGTIF	ODSIRF	Group Total	Group Total
	31 March 2016 US\$	31 March 2016 US\$	31 March 2016 US\$	31 March 2015 US\$
Redemptions payable	159,770	-	159,770	323,885
Performance fees payable	43,645	27	43,672	-
Other payables	-	5,868	5,868	-
Total payables	203,415	5,895	209,310	323,885

6. Accrued Expenses

	ODGTIF	ODSIRF	Group Total	Group Total
	31 March 2016 US\$	31 March 2016 US\$	31 March 2016 US\$	31 March 2015 US\$
Audit fees	33,340	5,750	39,090	25,297
Directors' fees and expenses	4,349	-	4,349	8,490
Investment Management fee	153,192	4,152	157,344	176,367
Performance fees	134,871	8,818	143,689	430,810
Administration fees	9,366	3,978	13,344	12,829
Custodian fees	9,448	1,025	10,473	6,737
General expenses	37,992	16,969	54,961	34,768
Taxation	28,582	45	28,627	6,071
Total accrued expenses	411,140	40,737	451,877	701,369

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2016

**7. Cash and cash equivalents**

The Group has appointed Societe Generale S.A. (Dublin Branch), as its Custodian for all the assets of the Funds. At 31 March 2016, the Group had accumulated cash of US\$9,727,132 (31 March 2015: US\$3,601,605). This comprises US\$801,982 (31 March 2015: US\$740,787) for Ocean Dial Gateway to India Fund, US\$8,456,922 (31 March 2015: US\$2,860,818) for Ocean Dial Gateway to India (Mauritius) Limited, US\$18,102 for Ocean Dial Systematic India Return Fund and US\$450,126 for Ocean Dial Systematic India Return (Mauritius) Limited.

**8. Financial assets held at fair value through profit or loss**

Financial assets carried at fair value through profit or loss include investments traded in an active market (i.e. publicly traded in India) and the fair value is based on the quoted closing price on the National Stock Exchange of India at the reporting date.

Fair value hierarchy

The closing price is used to fair value the financial assets at fair value through profit or loss which are traded on a quoted market.

Financial instruments measured at fair value are classified in one of the following fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- 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 (derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

As at 31 March 2016, all of the Group's investments are classified as level 1. The quoted closing price used by the Company is not materially different from the bid price as at 31 March 2016.

**9. Redeemable Participating Shares and Share Capital**

The authorised share capital of the Company is 300,000 redeemable non-participating shares of no par value and 500,000,000,000 participating Shares of no par value. Non-participating shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the consideration paid therefore but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit.

Every Shareholder or holder of non-participating shares present in person or by proxy who votes on a show of hands shall be entitled to one vote. On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of non-participating shares shall be entitled to one vote in respect of all non-participating shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.

**Ocean Dial Gateway to India Fund:**

Share Class A (US\$) launched on 10 September 2012

Share Class C (GBP) launched on 5 November 2012

Share Class D (US\$) launched on 30 May 2014

Share Class B (EUR) launched on 05 February 2015

Share Class G (GBP) launched on 02 March 2015

Movements in participating shares during the financial year end 31 March 2016 were as follows:

	Class A (US\$) No. of shares	Class B (EUR) No. of shares	Class C (GBP) No. of shares
Shares at beginning of financial year	261,815	500	57,856
Shares issued during the financial year	203,173	93,664	206,941
Shares redeemed during the financial year	(201,303)	-	(9,297)
Shares at end of financial year	<u>263,685</u>	<u>94,164</u>	<u>255,500</u>

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2016

9. Redeemable Participating Shares and Share Capital (continued)

	Class D (US\$) No. of shares	Class G (GBP) No. of shares
Shares at beginning of financial year	266,917	38
Shares issued during the financial year	29,514	379,935
Shares redeemed during the financial year	(38,812)	(28,088)
Shares at end of financial year	<u>257,619</u>	<u>351,885</u>

Movements in participating shares during the financial year end 31 March 2015 were as follows:

	Class A (US\$) No. of shares	Class B (EUR) No. of shares	Class C (GBP) No. of shares
Shares at beginning of financial year	211,856	-	143
Shares issued during the financial year	158,205	500	60,941
Shares redeemed during the financial year	(108,246)	-	(3,228)
Shares at end of financial year	<u>261,815</u>	<u>500</u>	<u>57,856</u>

	Class D (US\$) No. of shares	Class G (GBP) No. of shares
Shares at beginning of financial year	-	-
Shares issued during the financial year	596,707	38
Shares redeemed during the financial year	(329,790)	-
Shares at end of financial year	<u>266,917</u>	<u>38</u>

Movements in participating shares during the financial year end 31 March 2014 were as follows:

	Class A (US\$) No. of shares	Class C (GBP) No. of shares
Shares at beginning of financial year	111,748	243
Shares issued during the financial year	157,016	4,725
Shares redeemed during the financial year	(56,908)	(4,825)
Shares at end of financial year	<u>211,856</u>	<u>143</u>

**Ocean Dial Systematic India Return Fund:**

Share Class B (US\$) launched on 3 November 2015

Share Class A (US\$) launched on 17 December 2015

Movements in participating shares during the financial period end 31 March 2016 were as follows:

	Class A (US\$) No. of shares	Class B (US\$) No. of shares
Shares at beginning of financial period	-	-
Shares issued during the financial period	2,823	32,186
Shares redeemed during the financial period	(54)	(126)
Shares at end of financial period	<u>2,769</u>	<u>32,060</u>

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2016

10. Net gains on financial assets and financial liabilities at fair value through profit or loss

	ODGTIF 31 March 2016 US\$	ODSIRF 31 March 2016 US\$	Group 31 March 2016 US\$	Group 31 March 2015 US\$
<b>Net realised gain/ (loss) on financial assets held at fair value through profit or loss</b>				
Realised gain/ (loss) on sale of investments	3,912,887	(21,217)	3,891,670	6,853,014
Realised (loss) on currency spot contracts	(559,153)	(336)	(559,489)	(32,142)
	<u>3,353,734</u>	<u>(21,553)</u>	<u>3,332,181</u>	<u>6,820,872</u>
	ODGTIF 31 March 2016 US\$	ODSIRF 31 March 2016 US\$	Group 31 March 2016 US\$	Group 31 March 2015 US\$
<b>Net unrealised (losses)/ gains on financial assets held at fair value through profit or loss</b>				
Unrealised (loss) / gain on sale of investments	(17,407,777)	(44,359)	(17,452,136)	8,855,227
Unrealised (loss) / gain on foreign exchange	(5,300,403)	6,626	(5,293,777)	(1,767,335)
	<u>(22,708,180)</u>	<u>(37,733)</u>	<u>(22,745,913)</u>	<u>7,087,892</u>

11. Net Asset Value

Ocean Dial Gateway to India Fund:

	31 March 2016 Class A (US\$)	31 March 2016 Class B (EUR)	31 March 2016 Class C (GBP)
Net Asset Value	US\$38,844,072	€8,083,479	£38,172,940
NAV per share	US\$147.31	€85.84	£149.40
	31 March 2016 Class D (US\$)	31 March 2016 Class G (GBP)	
Net Asset Value	US\$26,325,048	£31,962,999	
NAV per share	US\$102.19	£90.83	
	31 March 2015 Class A (US\$)	31 March 2015 Class B (EUR)	31 March 2015 Class C (GBP)
Net Asset Value	US\$43,769,491	€1,656	£9,506,487
NAV per share	US\$167.18	€03.31	£164.31
	31 March 2015 Class D (US\$)	31 March 2015 Class G (GBP)	
Net Asset Value	US\$30,976,841	£3,832	
NAV per share	US\$116.05	£100.85	

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2016

11. Net Asset Value (continued)

	31 March 2014 Class A (US\$)	31 March 2014 Class C (GBP)
Net Asset Value	US\$26,509,030	£15,641
NAV per share	US\$125.13	£109.37

**Ocean Dial Systematic India Return Fund:**

	31 March 2016 Class A (US\$)	31 March 2016 Class B (US\$)
Net Asset Value	US\$271,202	US\$3,052,519
NAV per share	US\$98.21	US\$95.25

12. Fees

**Investment Management Fee**

With respect to Ocean Dial Gateway to India Fund, the Investment Manager is entitled to an annual investment management fee and distribution fee for Share Class A (US\$), Share Class B (EUR) and Share Class C (GBP) equal to 1.25% of the Net Asset Value of the Fund attributable to each share class. Such fee shall be calculated and accrued at each Valuation Point and payable monthly in arrears. The Investment Manager also receives or pays the balance between the total operating costs of Share Class D (US\$) and the fixed Ongoing Charge Figure of 1.15% per annum. The annual investment management fee and distribution fee for Share Class G (GBP) is equal to 0.95% of the Net Asset Value of the Share Class and payable monthly in arrears.

The Investment Manager shall also be entitled to be repaid out of the assets of the relevant Fund all of its reasonable out-of-pocket expenses incurred on behalf of the relevant Fund.

With respect to Ocean Dial Systematic India Return Fund, the Investment Manager is entitled to a maximum annual investment management fee and distribution fee for Share Class A (US\$) and Share Class B (US\$) equal to 1.5% of the Net Asset Value of the relevant Class as of each valuation point.

With the exception of the performance fee applicable as detailed below, the fees and operating expenses which may be charged to Class A US\$ and Class B US\$ of the Fund are in aggregate capped at 2.0% per annum of the Net Asset Value (before deduction of any accrued Performance Fee) of the relevant Class. The expenses borne by the Investment Manager during the period ended 31 March 2016 amounted to US\$ 69,012 (31 March 2015: Nil).

**Performance fee**

For Ocean Dial Gateway to India Fund, the Investment Manager shall be entitled to a performance fee in relation to the performance of each of Share Class D (US\$) and Share Class G (GBP) over each 12 month period and calendar quarter respectively ("performance period"). The Performance fee payable in respect of the relevant Class of shares will be the relevant Net Asset Value of the class on the last Business Day of the relevant performance period multiplied by the Net Percentage Outperformance per Share multiplied by 15% for Share Class D (US\$) and 20% for Share Class G (GBP).

The performance fee will be payable if the performance per share of the relevant Class of shares exceeds that of the Benchmark performance (as mentioned below), such performance, expressed as a percentage, being the percentage outperformance per share of the relevant class of shares (the "Net Percentage Outperformance"). If the performance per share of the relevant Class of shares is less than the Benchmark for the relevant performance period, such under performance will be carried forward and no performance fee will be payable until any accumulated net under performance has been recovered.

The Benchmark for the purpose of the Performance Fee calculation shall be the S&P BSE Dollex 30 Index. The Benchmark tracks the S&P BSE Sensex 30 Index using a US Dollar rate fixed by the Reserve Bank of India at midday daily.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2016

12. Fees (continued)

**Performance fee (continued)**

For Ocean Dial Systematic India Return Fund, the Investment Manager shall be entitled to a performance fee in relation to the performance of each of Share Class A (US\$) and Share Class B (US\$) over each 12 month period and calculated on equalisation method.

With respect to Class A (US\$), the performance fee shall be equal to 10% of the amount, if any, by which the Net Asset Value per Class A (US\$) Share before any Performance fee accrual exceeds the High Water Mark, multiplied by the number of Class A (US\$) Shares in issue on the last business day of the performance period.

With respect to Class B (US\$), the performance fee payable in respect of each Class B (US\$) Share will be the relevant Net Asset Value per Class B (US\$) Share (before deduction of any performance fee accrual) on the last Business Day of the relevant performance period multiplied by the Net Percentage Outperformance per Share multiplied by 20%.

The relevant benchmark for the purpose of the Performance Fee calculation for Class B (US\$) shall be the CNX Nifty 50 Index using a US Dollar rate fixed by the Reserve Bank of India at midday daily.

**Expense Recharge**

Ocean Dial Gateway to India Fund shall be entitled to a fee from Ocean Dial Systematic India Return Fund to cover the shared operating expenses. During the year under review, the fee amounted to US\$ 1,254.

**Administration Fee**

The Company shall pay to the Administrator out of the assets of the Funds an annual fee, accrued at each Valuation Point and payable monthly as follows:

**Ocean Dial Gateway to India Fund:**

A minimum of US\$17,500 per annum or a flat fee of 5 basis points of the Net Asset Value of the Fund, whichever was greater, up to 31 May 2015. Effective 1 June 2015, the administration fee was changed to the higher of US\$60,000 per annum for the Fund or:

<b>For Net Asset Value of the Fund of:</b>	<b>Basis points:</b>
Up to US\$100,000,000	7 basis points
Above US\$ 100,000,000 but less than US\$200,000,000	6 basis points
Above US\$ 200,000,000	5 basis points

**Ocean Dial Systematic India Return Fund:**

The administration fee is the higher of US\$ 48,000 per annum or a flat fee of 6 basis points of the Net Asset Value of the Fund.

The Administrator shall also be entitled to:

- (1) a fee for the preparation of financial statements and provision of company secretary and money laundering reporting officer services and transaction fees in respect of transfer agency services.
- (2) be repaid out of the assets of the Company all of its reasonable out-of-pocket expenses incurred on behalf of the Company. Each Fund will bear its proportion of the expenses of the Administrator.

**Notes to the Financial Statements (continued)**

**For the financial year ended 31 March 2016**

**12. Fees (continued)**

**Administration Fee (continued)**

The Administrator of the Ocean Dial Gateway to India (Mauritius) Limited and Ocean Dial Systematic India Return (Mauritius) Limited is Apex Fund Services (Mauritius) Ltd.

The amounts paid to the Administrators in Ireland and Mauritius and amounts due to the Administrators at financial year end are disclosed on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income and included within note 6, respectively.

**Custodian Fee**

The Custodian shall be entitled to receive out of the assets of each Fund an annual fee accrued at each Valuation Point and payable monthly in arrears at a rate of 5 basis points per annum of the Net Asset Value of the Fund.

The Custodian shall also be entitled to be repaid all of its reasonable disbursements and out of pocket expenses out of the assets of the relevant Fund, including the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon. Each Fund will bear its proportion of the fees and expenses of the Custodian.

Amounts earned by the Custodian and due to the Custodian at the financial year end are disclosed on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income and included within note 6 respectively.

**13. Related Party Transactions**

International Accounting Standards (IAS) 24 "Related Party Disclosures" requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity.

All transactions with connected parties have been carried out at arm's length and in a way that is consistent with the best interests of shareholders.

**Investment Manager**

Related parties include the Investment Manager, Ocean Dial Asset Management Limited. Amounts earned by the Investment Manager and due to the Investment Manager at financial year end are disclosed on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income and included within note 6 respectively.

**Administrator**

Related parties include the Administrators, Apex Fund Services (Ireland) Limited and Apex Fund Services (Mauritius) Ltd. Amounts earned by the Administrators in Ireland and Mauritius and due to the Administrators at financial year end are disclosed on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income and included within note 6 respectively.

Ocean Dial Gateway to India (Mauritius) Limited and Ocean Dial Systematic India Return (Mauritius) Limited entered into transactions with Apex Fund Services (Mauritius) Ltd, the Administrator and Secretary. The Administrator also provided Directorship services to Mauritius subsidiaries.



**Notes to the Financial Statements (continued)**

**For the financial year ended 31 March 2016**

**13. Related Party Transactions (continued)**

**Directors**

Mr. John Bohan is Director of Apex Fund Services (Ireland) Limited, the administrator and Secretary to the Company.

Mr. Maheshwar Doorgakant is the Managing Director of Apex Fund Services (Mauritius) Ltd., the administrator to the Mauritian subsidiaries of each Fund.

Mr. Robin Sellers is Chief Executive Officer of Ocean Dial Asset Management Limited, the Investment Manager and Distributor of the Company.

During the year under review, the Directors were entitled to fees amounting to US\$ 41,065 (31 March 2015: US\$ 43,448). The Directors' insurance for the year under review amounted to US\$ 6,569 (31 March 2016: US\$ 6,261).

**14. 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 that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to shareholders, any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

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

- (a) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and
- (b) certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to 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.

The Subsidiaries are incorporated in Mauritius and under current laws and regulations, are liable to pay income tax on their respective net income at a rate of 15%. However each subsidiary is entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of the Mauritius tax payable in respect of its foreign source income thus reducing its maximum effective tax rate to 3%. As of 31 March 2016, GTIF had a tax liability of US\$28,582 (31 March 2015: US\$6,071) and SIRF had no tax liability.

**15. Efficient Portfolio Management Techniques**

The Fund does not engage in efficient portfolio management techniques.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2016

16. Financial Instruments

The Company is exposed to a variety of financial risks in pursuing its stated investment objective and policy. These risks are discussed in the Company's Prospectus, but are defined for financial reporting purposes in IFRS 7 as including market risk (which in turn includes currency risk, interest rate risk and market price risk), credit risk and liquidity risk. There can be no assurance that the Fund will achieve its investment objective.

At the financial year end the Company's financial instruments consisted mainly of equities and derivatives held through its investments in Ocean Dial Gateway to India (Mauritius) Limited and Ocean Dial Systematic India Return (Mauritius) Limited.

Market Risk

a) Currency risk

Currency risk is defined in IFRS 7 as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Each Fund is exposed to currency risks as assets and liabilities of the Fund may be denominated in a currency other than the functional currency of the Fund, which is the base currency, the US dollar. The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset.

Through its subsidiaries, Ocean Dial Gateway to India (Mauritius) Limited and Ocean Dial Systematic India Return (Mauritius) Limited, the Company invests in shares denominated in Indian rupees ("INR"). Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to the INR may change in a manner which has a material effect on the reported values of the Company's assets that are denominated in INR.

Currency profile

The currency profile of the Group's financial assets and liabilities is summarized as follows:

31 March 2016

Currencies to which the Group has significant exposure	ODGTIF Monetary	ODSIRF Monetary	Group Total Monetary
	US\$	US\$	US\$
Indian Rupees	8,432,382	1,081,896	9,514,278
Pound Sterling	252,936	1,442	254,378
Euro	1,134	7,698	8,832
Swiss Franc	1,145	-	1,145
	<u>8,687,597</u>	<u>1,091,036</u>	<u>9,778,633</u>

31 March 2016

Currencies to which the Group has significant exposure	ODGTIF Non Monetary	ODSIRF Non Monetary	Group Total Non Monetary
	US\$	US\$	US\$
Indian Rupees	163,968,521	-	163,968,521
Pound Sterling	150,001	-	150,001
Euro	2,209,558	-	2,209,558
Swiss Franc	-	-	-
	<u>166,328,080</u>	<u>-</u>	<u>166,328,080</u>
Net exposure	<u>175,015,677</u>	<u>1,091,036</u>	<u>176,106,713</u>

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2016

16. Financial Instruments (continued)

Market Risk (continued)

a) Currency risk (continued)

*Currency profile (continued)*

31 March 2015

Currencies to which the Group has significant exposure

	Group Total Monetary US\$
Indian Rupees	2,351,455
Pound Sterling	154,347
Euro	-
Swiss Franc	-
	<hr/> 2,505,802 <hr/>

31 March 2015

Currencies to which the Group has significant exposure

	Group Total Non Monetary US\$
Indian Rupees	85,617,336
Pound Sterling	112,359
Euro	(8,578)
Swiss Franc	14,654
	<hr/> 85,735,771 <hr/>

Net exposure

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88,241,573

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The currency profile of the Company's financial assets and liabilities is summarized as follows:

31 March 2016

Currencies to which the Company has significant exposure	ODGTIF Monetary US\$	ODSIRF Monetary US\$	Company Total Monetary US\$
Pound Sterling	252,936	1,442	254,378
Euro	1,134	7,698	8,832
Swiss Franc	1,145	-	1,145
	<hr/> 255,215 <hr/>	<hr/> 9,140 <hr/>	<hr/> 264,355 <hr/>

31 March 2016

Currencies to which the Company has significant exposure	ODGTIF Non Monetary US\$	ODSIRF Non Monetary US\$	Company Total Non Monetary US\$
Pound Sterling	150,001	-	150,001
Euro	2,209,558	-	2,209,558
Swiss Franc	-	-	-
	<hr/> 2,359,559 <hr/>	<hr/> - <hr/>	<hr/> 2,359,559 <hr/>
Net exposure	<hr/> 2,614,774 <hr/>	<hr/> 9,140 <hr/>	<hr/> 2,623,914 <hr/>

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2016

16. Financial Instruments (continued)

Market Risk (continued)

a) Currency risk (continued)

*Currency profile (continued)*

31 March 2015

Currencies to which the Company has significant exposure

Pound Sterling

Company  
Total  
Monetary  
US\$

154,347

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154,347

31 March 2015

Currencies to which the Company has significant exposure

Pound Sterling

Company  
Total Non  
Monetary  
US\$

134,508

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134,508

Net exposure

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288,855

b) Interest rate risk

Interest rate risk is defined in IFRS 7 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The financial assets and financial liabilities, with the exception of cash at bank balances, held by the Funds are not directly exposed to interest rate risk. Each Fund is exposed to interest rate risk on the interest earned on its cash and bank balances. This exposure is not considered to be significant. Whilst the Group seeks to optimise overall performance from the assets it holds, it does not seek to maximise interest income in view of its policy to focus on investments in equity securities that neither earn nor pay interest.

The amount of cash held is reviewed on a regular basis by the Investment Manager.

c) Market price risk

Market price risk is defined in IFRS 7 as the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices.

Each Fund has adopted a number of investment restrictions which are set out in the Company's prospectus which limit the exposure of the Fund to adverse changes in the price of any individual financial asset. In accordance with the Group's policies, the Investment Manager monitors each Fund's positions on a daily basis and reports regularly to the Board of Directors, which reviews the information on the Fund's overall market exposures provided by the Investment Manager at its periodic meetings.

Each Fund's assets consist principally of equities. The values of these instruments are determined by market forces and there is accordingly a risk that market prices can change in a way that is adverse to the Fund's performance.

Market price risk can be moderated by the Investment Manager through a disciplined stock selection and investment process.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2016

16. Financial Instruments (continued)

Market Risk (continued)

Price risk sensitivity analysis

The sensitivity analysis for the Funds assumes a change in the market price of the investments while holding all other variables constant. In practice this is unlikely to occur, and changes in some of the variables may be correlated. In addition, as the sensitivity analysis uses historical data as a basis for determining future events, it does not encompass all possible scenarios, particularly those that are of an extreme nature.

As detailed in the table below, if the value of the investments was to decrease by 10%, which the Directors consider reasonable as an illustration of the potential movement in prices over a financial year, this would have a negative impact on the value of the net asset value of the Group and the Company.

	ODGTIF	ODSIRF	Group and Company	Group and Company
	31 March	31 March	31 March	31 March
	2016	2016	2016	2015
	US\$	US\$	US\$	US\$
Financial assets at fair value through profit or loss	163,954,898	2,017,256	165,972,154	85,617,336
Monetary impact of a decrease of 10% on investments	<u>(16,395,490)</u>	<u>(201,726)</u>	<u>(16,597,216)</u>	<u>(8,561,734)</u>

If the investments, at 31 March 2016, had increased by 10% with all other variables held constant, this would have increased net assets attributable to holders of redeemable shares of the Funds by approximately US\$16,597,216 (31 March 2015: US\$8,561,734).

Credit risk

Credit Risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's financial assets mainly comprise equity securities and therefore the Group's exposure to credit risk is considered minimal.

Substantially all of the cash assets are held with Societe Generale S.A (Dublin Branch) and SBI (Mauritius) Ltd.

In accordance with usual banking practice, Societe Generale S.A. (Dublin Branch) and SBI (Mauritius) Ltd's liability to the Group in respect of such cash deposits shall be that of debtor and the Group will rank as a general creditor of Societe Generale S.A. (Dublin Branch).

Non-cash assets are also held with the Custodian, Societe Generale S.A. (Dublin Branch). These assets are held distinct and separately from the proprietary assets of the Custodian. Securities are clearly recorded to ensure they are held on behalf of the Fund. Bankruptcy or insolvency of the Custodian and or one of its agents or affiliates may cause the Fund's rights with respect to the securities held by the Custodian to be delayed.

As at 31 March 2016 Societe Generale S.A. (Dublin Branch) had a long term rating from Standard & Poor's of A+ (31 March 2015: Standard & Poor's of A+ and State Bank of India, the parent of SBI (Mauritius) Ltd, had a credit rating of Baa3/P-3 as per Moody's.

At the financial year end the Group's financial instruments consisted mainly of equities and derivatives held through its investment in Ocean Dial Gateway to India (Mauritius) Limited and Ocean Dial Systematic India Return (Mauritius) Limited.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2016

16. Financial Instruments (continued)

Credit risk (continued)

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	ODGTIF	ODSIRF	Group	Group
	31 March	31 March	31 March	31 March
	2016	2016	2016	2015
	US\$	US\$	US\$	US\$
Financial assets designated at fair value through profit or loss	163,954,898	2,017,256	165,972,154	85,617,336
Derivative margin	14,960	776,581	791,541	-
	<u>163,969,858</u>	<u>2,793,837</u>	<u>166,763,695</u>	<u>85,617,336</u>

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in realising assets or otherwise raising funds to meet commitments.

Each Fund's redeemable shares are redeemable at the shareholders' option at any time for cash equal to a proportionate share of the Fund's net asset value. The Funds are therefore potentially exposed to daily redemptions by its shareholders.

Each Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. In addition, each Fund maintains sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

Not all securities or instruments invested in by the Funds may 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 Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. As at 31 March 2016 and 2015, the Funds held no investments that were considered illiquid.

It is the Group's policy that the Investment Manager monitors each Fund's liquidity position on a daily basis and that the Board of Directors reviews it on a regular basis.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2016

17. Net Asset Value Reconciliation

At 31 March 2016 and 31 March 2015, adjustments to fully amortise deferred incorporation costs in the financial year in the Statement of Comprehensive Income resulted in a difference between the net asset value of the Group calculated in accordance with the Company's Prospectus and the net asset value according to the financial statements.

A reconciliation of the net asset value for pricing purposes to the net asset value included in the financial statements is detailed below.

	<b>ODGTIF</b> <b>31 March</b> <b>2016</b> <b>US\$</b>	<b>ODSIRF</b> <b>31 March</b> <b>2016</b> <b>US\$</b>	<b>Group</b> <b>31 March</b> <b>2016</b> <b>US\$</b>	<b>Group</b> <b>31 March</b> <b>2015</b> <b>US\$</b>	<b>Group</b> <b>31 March</b> <b>2014</b> <b>US\$</b>
Net asset value calculated in accordance with Prospectus	175,082,801	3,327,968	178,410,769	88,894,154	26,535,091
Adjustment of organisation expenses	<u>(37,768)</u>	<u>(40,345)</u>	<u>(78,113)</u>	<u>(82,363)</u>	<u>(86,783)</u>
Net assets attributable to holders of redeemable participating shares per financial statements	<u>175,045,033</u>	<u>3,287,623</u>	<u>178,332,656</u>	<u>88,811,791</u>	<u>26,448,308</u>

18. Auditor Remuneration

The remuneration for all work carried out by the statutory audit firm in respect of the financial year is as follows:

	<b>Company</b> <b>31 March 2016</b> <b>EUR</b>	<b>Company</b> <b>31 March 2015</b> <b>EUR</b>
Statutory audit of Company accounts	20,000	15,000
	<u>20,000</u>	<u>15,000</u>

The remuneration above is quoted in Euro and is exclusive of VAT. There were no amounts incurred for other assurance services, tax advisory services or non-audit services.

19. Soft Commission Arrangements

There were no soft commission arrangements affecting the Company during the financial year (31 March 2015: None).

20. Exchange Rates

At financial year end the Company used the following exchange rates:

	<b>31 March 2016</b>	<b>31 March 2015</b>
Indian Rupee	66.33	62.59
Pound Sterling	0.69	0.67
Euro	0.88	0.93
Swiss Franc	0.96	0.97

21. Significant events during the financial year

Please refer to the Report of the Directors and Directors' Responsibilities Statement on page 8 for significant events during the financial year.

**Notes to the Financial Statements (continued)**

**For the financial year ended 31 March 2016**

**22. Subsequent events**

Please refer to the Report of the Directors and Directors' Responsibilities Statement on page 10 for subsequent events after the financial year end.

**23. Comparatives**

Ocean Dial Systematic India Return Fund was launched on 3 November 2015 and therefore, the comparative figures for the financial year 2015 represent only one Sub-Fund, Ocean Dial Gateway to India Fund.



# Ocean Dial Investment Funds Plc

## Consolidated Schedule of Investments (unaudited)

As at 31 March 2016

Ocean Dial Gateway to India Fund	Holding	Fair Value (US\$)	% of Net Assets
<b>Basic Materials</b>			
Coromandel International Ltd	700,000	2,008,204	1.15%
GHCL Ltd	2,500,000	4,337,968	2.48%
Kansai Nerolac Paints Limited	850,000	3,595,651	2.05%
	<b>4,050,000</b>	<b>9,941,823</b>	<b>5.68%</b>
<b>Communications</b>			
Hindustan Media Ventures Ltd	1,088,063	4,098,306	2.34%
Idea Cellular Ltd	1,500,000	2,491,976	1.42%
	<b>2,588,063</b>	<b>6,590,282</b>	<b>3.76%</b>
<b>Consumer, Cyclical</b>			
Arvind Ltd	1,000,000	4,120,881	2.35%
Balkrishna Industries Limited	319,000	3,036,451	1.73%
KPR Mill Ltd	365,000	4,578,946	2.62%
Tata Motors Limited	700,000	4,079,725	2.33%
Tata Motors Limited - A DVR	150,000	652,052	0.37%
	<b>2,534,000</b>	<b>16,468,055</b>	<b>9.40%</b>
<b>Consumer, Non-cyclical</b>			
Aurobindo Pharma Ltd	500,000	5,614,861	3.21%
Colgate-Palmolive India Ltd	208,605	2,612,873	1.49%
Divis Laboratories Ltd	250,000	3,720,816	2.13%
Lupin Ltd	160,000	3,568,064	2.04%
Sun Pharmaceutical Industries Ltd	250,000	3,090,472	1.77%
Gujarat Pipavav Port Limited	1,600,000	4,257,314	2.43%
Torrent Pharmaceuticals Limited	300,000	6,061,472	3.46%
	<b>3,268,605</b>	<b>28,925,872</b>	<b>16.53%</b>
<b>Energy</b>			
Coal India Limited	800,000	3,521,028	2.01%
Hindustan Petroleum Corp. Ltd	500,000	5,937,853	3.39%
Indian Oil Corporation Ltd	900,000	5,340,336	3.05%
Oil India Limited	275,000	1,297,622	0.74%
	<b>2,475,000</b>	<b>16,096,839</b>	<b>9.19%</b>
<b>Financial</b>			
Cholamandalam Investment and Finance Co Ltd	525,000	5,708,423	3.26%
Federal Bank	3,000,000	2,100,768	1.20%
Housing Development Finance Corporation Ltd	320,000	5,333,583	3.05%
ICICI Bank Ltd	1,200,000	4,281,134	2.45%
LIC Housing Finance Limited	720,000	5,352,819	3.06%
Rural Electrification Corporation Limited	800,000	2,004,435	1.15%
State Bank of India	1,250,000	3,660,514	2.09%
Yes Bank Ltd	400,000	5,216,416	2.98%
	<b>8,215,000</b>	<b>33,658,092</b>	<b>19.24%</b>

**Ocean Dial Investment Funds Plc**

**Consolidated Schedule of Investments (unaudited) (continued)**

**As at 31 March 2016**

<b>Ocean Dial Gateway to India to Fund</b>	<b>Holding</b>	<b>Fair Value (US\$)</b>	<b>% of Net Assets</b>
<b>Industrial</b>			
AIA Engineering Ltd	470,000	6,658,928	3.80%
Amara Raja Batteries Ltd	128,088	1,694,635	0.97%
Bajaj Electricals Ltd	1,021,401	2,925,640	1.67%
Bharat Electronics Limited	145,000	2,676,251	1.53%
Gateway Distriparks Limited	701,994	2,964,268	1.69%
Orient Cement Limited	1,500,000	3,446,254	1.97%
Supreme Industries Ltd	250,000	2,787,644	1.59%
Techno Electric & Engine Co Ltd	660,100	5,418,992	3.10%
The Ramco Cements Ltd.	1,000,000	6,027,929	3.44%
	<b>5,876,583</b>	<b>34,600,541</b>	<b>19.76%</b>
<b>Technology</b>			
Eclerx Services Limited	210,000	4,112,914	2.35%
HCL Technologies Ltd	360,000	4,418,260	2.52%
Persistent Systems Limited	250,000	2,872,443	1.64%
Sonata Software Ltd	1,550,000	3,405,738	1.95%
Tech Mahindra Ltd	400,000	2,864,039	1.64%
	<b>2,770,000</b>	<b>17,673,394</b>	<b>10.10%</b>
<b>Total Equities</b>		<b>163,954,898</b>	<b>93.66%</b>
Cash		<b>9,258,904</b>	<b>5.29%</b>
Other net assets		<b>1,831,231</b>	<b>1.05%</b>
<b>Net Assets attributable to Holders of Redeemable Participating Shares</b>		<b>175,045,033</b>	<b>100%</b>

All the investments are in companies traded in an active market in India and at the financial year end, investments constituted 93.34% of the Total Assets.

**Ocean Dial Investment Funds Plc**

**Consolidated Schedule of Investments (unaudited) (continued)**

**As at 31 March 2016**

<b>Ocean Dial Systematic India Return Fund</b>	<b>Holding</b>	<b>Fair Value (US\$)</b>	<b>% of Net Assets</b>
<b>Basic Materials</b>			
Asian Paints Ltd	9,130	119,526	3.64%
	<b>9,130</b>	<b>119,526</b>	<b>3.64%</b>
<b>Communications</b>			
Bharti Airtel Limited	4,791	25,337	0.77%
Zee Entertainment Enterprises Ltd	2,640	15,400	0.47%
	<b>7,431</b>	<b>40,737</b>	<b>1.24%</b>
<b>Consumer, Cyclical</b>			
Bajaj Auto Ltd	1,306	47,370	1.44%
Bosch Limited	38	11,907	0.36%
Hero Motocorp Ltd	3,262	144,858	4.41%
Mahindra & Mahindra Limited	2,735	49,919	1.52%
Maruti Suzuki India Ltd	2,094	117,316	3.57%
	<b>9,435</b>	<b>371,370</b>	<b>11.30%</b>
<b>Consumer, Non-cyclical</b>			
Adani Ports and Special Economic Zone Ltd	20,283	75,741	2.30%
Cipla Limited	3,629	28,008	0.85%
Dr. Reddy's Laboratories Ltd	1,606	73,486	2.24%
Hindustan Unilever Limited	12,290	161,099	4.90%
ITC Ltd	28,155	139,326	4.24%
Lupin Ltd	3,849	85,834	2.61%
Sun Pharmaceutical Industries Ltd	4,017	49,658	1.51%
	<b>73,829</b>	<b>613,152</b>	<b>18.65%</b>
<b>Energy</b>			
Bharat Petroleum Corp Ltd	5,023	68,477	2.08%
Coal India Limited	2,789	12,275	0.37%
Reliance Industries Limited	2,708	42,670	1.30%
	<b>10,520</b>	<b>123,422</b>	<b>3.75%</b>
<b>Financial</b>			
Axis Bank Ltd	558	3,736	0.11%
Housing Development Finance Corporation Ltd	1,084	18,068	0.55%
Indusind Bank Limited	6,932	101,117	3.08%
	<b>8,574</b>	<b>122,921</b>	<b>3.74%</b>
<b>Industrial</b>			
ACC Ltd	1,687	35,145	1.07%
Ambuja Cements Limited	11,456	40,162	1.22%
Larsen & Toubro Limited	95	1,743	0.05%
Ultratech Cement Ltd	866	42,153	1.28%
	<b>14,104</b>	<b>119,203</b>	<b>3.62%</b>

**Ocean Dial Investment Funds Plc**

**Consolidated Schedule of Investments (unaudited) (continued)**

**As at 31 March 2016**

<b>Ocean Dial Systematic India Return Fund</b>	<b>Holding</b>	<b>Fair Value (US\$)</b>	<b>% of Net Assets</b>
<b>Technology</b>			
HCL Technologies Ltd	3,624	44,477	1.35%
Infosys Limited	5,295	97,250	2.96%
Tata Consultancy Services Ltd	3,705	140,770	4.28%
Tech Mahindra Ltd	4,276	30,617	0.93%
Wipro Ltd	13,214	112,403	3.42%
	<b>30,114</b>	<b>425,517</b>	<b>12.94%</b>
<b>Utilities</b>			
GAIL India Ltd	1,915	10,289	0.31%
NTPC Ltd	30,774	59,777	1.82%
Tata Power Co Ltd	11,637	11,342	0.34%
	<b>44,326</b>	<b>81,408</b>	<b>2.47%</b>
<b>Total Equities</b>			
		<b>2,017,256</b>	<b>61.35%</b>
<b>Cash</b>			
		<b>468,228</b>	<b>14.24%</b>
<b>Other net assets</b>			
		<b>802,139</b>	<b>24.41%</b>
<b>Net Assets attributable to Holders of Redeemable Participating Shares</b>			
		<b>3,287,623</b>	<b>100%</b>

All the investments are in companies traded in an active market in India and at the financial year end, investments constituted 60.50% of the Total Assets.

## Ocean Dial Investment Funds Plc

### Schedule of Material Portfolio Changes for the financial year ended 31 March 2016 (unaudited)

#### Ocean Dial Gateway to India Fund

	Cost		Proceeds
Purchase:	US\$ 000	Sales	US\$ 000
Torrent Pharmaceuticals Limited	7,753	Maruti Suzuki India Ltd	6,929
Aurobindo Pharma Ltd	7,337	Infosys Limited	5,459
Hindustan Petroleum Corp. Ltd	7,245	Bharat Forge Ltd	5,032
Lupin Ltd	7,140	Lupin Ltd	3,420
Indian Oil Corporation Ltd	6,231	Apollo Tyres Ltd	3,275
Housing Development Finance Corporation Ltd	6,138	Larsen & Toubro Limited	3,113
Maruti Suzuki India Ltd	5,981	Salzer Electronics Ltd/Ocean	3,029
Tata Motors Limited	5,663	Hero Motocorp Ltd	2,962
The Ramco Cements Ltd.	5,609	Bharat Petroleum Corp Ltd	2,841
Yes Bank Ltd	5,418	P I Industries Ltd	2,697
Techno Electric & Engine Co Ltd	5,223	Titagarh Wagons Ltd/Ocean	2,667
Cholamandalam Investment and Finance Co Ltd	5,176	Alstom India Limited	2,384
AIA Engineering Ltd	4,915	Sundaram Finance Ltd	2,341
Gateway Distriparks Limited	4,887	Swaraj Engines Limited	2,287
Bharat Forge Ltd	4,870	Torrent Pharmaceuticals Limited	2,242
GHCL Ltd	4,662	City Union Bank Ltd	2,148
Coal India Ltd	4,626	Aurobindo Pharma Ltd	1,998
Arvind Ltd	4,190	Bank of Baroda	1,852
Idea Cellular Ltd	3,733	Abbott India Limited	1,779
Sun Pharmaceutical Industries Ltd	3,589	Balmer Lawrie & Co Ltd	1,765

#### Ocean Dial Systematic India Return Fund

	Cost		Proceeds
Purchase:	US\$ 000	Sales	US\$ 000
Maruti Suzuki India Ltd	205	Maruti Suzuki India Ltd	51
ITC Ltd	163	Lupin Ltd	35
Tata Consultancy Services Ltd	157	Coal India Limited	34
Hindustan Unilever Limited	156	HCL Technologies Ltd	28
Hero Motocorp Ltd	145	Dr. Reddy's Laboratories Ltd	27
Lupin Ltd	144	Zee Entertainment Enterprise	27
Asian Paints Ltd	117	Tata Consultancy Services Ltd	26
Indusind Bank Limited	117	Reliance Industries Limited	23
Wipro Ltd	116	Indusind Bank Limited	23
Dr. Reddy's Laboratories Ltd	112	ITC Ltd	22
Infosys Limited	87	Bharti Airtel Limited	20
HCL Technologies Ltd	75	Hero Motocorp Ltd	19
Bharat Petroleum Corp Ltd	73	Tech Mahindra Ltd	18
Adani Ports and Special Economic Zone Ltd	73	Sun Pharmaceutical Industries Ltd	17
Bajaj Auto Ltd	64	Idea Cellular Ltd	17
Sun Pharmaceutical Industries Ltd	63	Bajaj Auto Ltd	17
Reliance Industries Limited	61	Larsen & Toubro Limited	14
		Housing Development Finance Corporation Ltd	9
NTPC Ltd	60	Hindustan Unilever Limited	7
Tech Mahindra Ltd	53	Bosch Limited	7
Mahindra & Mahindra Limited	53		

**Ocean Dial Investment Funds Plc**

**Company Statement of Profit or Loss and Other Comprehensive Income**

**For the financial year ended 31 March 2016**

	Notes	ODGTIF Financial year ended 31 March 2016 US\$	ODSIRF For the financial period from 3 November 2015 (date of launch) to 31 March 2016 US\$	Company Total Financial year ended 31 March 2016 US\$	Company Total Financial year ended 31 March 2015 US\$
<b>Portfolio (loss)/ return</b>					
Net realised gain/ (losses) on financial assets held at fair value through profit or loss	1	5,674,851	(4,501)	5,670,350	6,713,590
Net unrealised (losses)/ gains on financial assets held at fair value through profit or loss	1	(24,483,234)	(147,182)	(24,630,416)	7,043,789
Transaction costs		(19,450)	(2,873)	(22,323)	(13,575)
<b>Total portfolio (loss)/ return</b>		<b>(18,827,833)</b>	<b>(154,556)</b>	<b>(18,982,389)</b>	<b>13,743,804</b>
<b>Income</b>					
Other income		1,254	69,012	70,266	-
Interest income		18	12	30	-
		<b>1,272</b>	<b>69,024</b>	<b>70,296</b>	<b>-</b>
<b>Operating Expenses</b>					
Bank charges		(9,017)	(175)	(9,192)	(6,618)
Audit fees		(22,238)	-	(22,238)	(20,576)
Legal fees		(57,152)	(751)	(57,903)	(33,329)
Directors' fees		(34,846)	-	(34,846)	(39,953)
Investment Management fee		951	(389)	562	(662)
Performance fees		(590,291)	(8,845)	(599,136)	(660,178)
Administration fees		(86,152)	(15,382)	(101,534)	(35,787)
Custodian fees		(88,019)	(3,178)	(91,197)	(44,865)
Designated Individual fees		(33,971)	-	(33,971)	(39,528)
Other expenses		(53,626)	(14,306)	(67,932)	(59,243)
Organisation expenses		-	(39,320)	(39,320)	(48,622)
<b>Total operating expenses</b>		<b>(974,361)</b>	<b>(82,346)</b>	<b>(1,056,707)</b>	<b>(989,361)</b>
<b>Net (loss)/ income</b>		<b>(19,800,922)</b>	<b>(167,878)</b>	<b>(19,968,800)</b>	<b>12,754,443</b>
<b>(Decrease)/ increase in net assets attributable to holders of redeemable participating shares</b>		<b>(19,800,922)</b>	<b>(167,878)</b>	<b>(19,968,800)</b>	<b>12,754,443</b>

**Ocean Dial Investment Funds Plc**

**Company Statement of Profit or Loss and Other Comprehensive Income (continued)**

**For the financial year ended 31 March 2016**

The above results are from continuing operations.

All recognised gains and losses are included within the Company Statement of Profit or Loss and Other Comprehensive Income.

Ocean Dial Investment Funds Plc

Company Statement of Financial Position

As at 31 March 2016

	Notes	ODGTIF As at 31 March 2016 US\$	ODSIRF As at 31 March 2016 US\$	Company As at 31 March 2016 US\$	Company As at 31 March 2015 US\$
<b>Assets</b>					
Financial assets held at fair value through profit or loss		175,334,992	3,231,346	178,566,338	89,236,885
Cash and cash equivalents		801,982	18,102	820,084	740,787
Other receivables and prepayments	2	2,705,800	71,091	2,776,891	572,102
<b>Total assets</b>		<u>178,842,774</u>	<u>3,320,539</u>	<u>182,163,313</u>	<u>90,549,774</u>
<b>Liabilities</b>					
Payables	3	(3,430,988)	(10,047)	(3,441,035)	(1,139,119)
Accrued expenses	4	(366,753)	(22,869)	(389,622)	(598,864)
<b>Total liabilities</b>		<u>(3,797,741)</u>	<u>(32,916)</u>	<u>(3,830,657)</u>	<u>(1,737,983)</u>
<b>Net assets attributable to holders of redeemable participating shares</b>		<u>175,045,033</u>	<u>3,287,623</u>	<u>178,332,656</u>	<u>88,811,791</u>

The financial statements were approved by the board of Directors of Ocean Dial Investment Funds plc on 28 July 2016.

On Behalf of the Board of Directors

David Hammond  
Director



Robin Sellers  
Director





**Ocean Dial Investment Funds Plc**

**Company Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares**

**For the financial year ended 31 March 2016**

	<b>ODGTIF</b>	<b>ODSIRF</b>	<b>Company</b>	<b>Company</b>
	<b>Financial year ended</b>	<b>For the financial period</b>	<b>Total</b>	<b>Total</b>
	<b>31 March 2016</b>	<b>from 3 November 2015</b>	<b>Financial year</b>	<b>Financial year</b>
		<b>(date of launch) to 31</b>	<b>ended</b>	<b>ended</b>
	<b>US\$</b>	<b>March 2016</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
		<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Net assets attributable to holders of redeemable participating shares at the start of the financial year/ period	88,811,791	-	88,811,791	26,448,308
Proceeds from redeemable participating shares issued	146,036,398	3,471,259	149,507,657	80,213,539
Payments on redeemable participating shares redeemed	<u>(40,002,234)</u>	<u>(15,758)</u>	<u>(40,017,992)</u>	<u>(30,604,499)</u>
<b>Increase from share transactions</b>	<u>106,034,164</u>	<u>3,455,501</u>	<u>109,489,665</u>	<u>49,609,040</u>
Net (loss)/ income for the year/ period	<u>(19,800,922)</u>	<u>(167,878)</u>	<u>(19,968,800)</u>	<u>12,754,443</u>
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year/ period</b>	<u>175,045,033</u>	<u>3,287,623</u>	<u>178,332,656</u>	<u>88,811,791</u>

# Ocean Dial Investment Funds Plc

## Company Statement of Cash Flows

For the financial year ended 31 March 2016

	ODGTIF Financial year ended 31 March 2016 US\$	ODSIRF Financial period ended 31 March 2016 US\$	Company Financial year ended 31 March 2016 US\$	Company Financial year ended 31 March 2015 US\$
<b>Cash flows from operating activities</b>				
Net (loss)/ income	(19,800,922)	(167,878)	(19,968,800)	12,754,443
<i>Adjustment for:</i>				
Net realised (gains)/ losses on financial asset at fair value through profit or loss	(6,239,888)	4,220	(6,235,668)	(6,741,418)
Net unrealised losses/ (gains) on financial asset at fair value through profit or loss	24,059,762	149,908	24,209,670	(7,108,315)
Operating loss before working capital changes	(1,981,048)	(13,750)	(1,994,798)	(1,095,290)
<b>Working capital changes</b>				
Increase in receivables and prepayments	(2,133,698)	(71,091)	(2,204,789)	(520,176)
Increase in payables and accrued expenses	2,059,758	32,916	2,092,674	1,677,424
<b>Net cash (used)/ gained in operating activities</b>	<b>(2,054,988)</b>	<b>(51,925)</b>	<b>(2,106,913)</b>	61,958
<b>Cash flows from investing activities</b>				
Proceeds from disposal of financial assets at fair value through profit or loss	42,118,417	85,785	42,204,202	50,510,083
Purchase of financial assets at fair value through profit or loss	(146,036,398)	(3,471,259)	(149,507,657)	(99,462,551)
<b>Net cash outflow from investing activities</b>	<b>(103,917,981)</b>	<b>(3,385,474)</b>	<b>(107,303,455)</b>	(48,952,468)
<b>Cash flows from financing activities</b>				
Proceeds from redeemable participating shares issued	146,036,398	3,471,259	149,507,657	80,213,539
Payments on redeemable participating shares redeemed	(40,002,234)	(15,758)	(40,017,992)	(30,604,499)
<b>Net cash inflow from financing activities</b>	<b>106,034,164</b>	<b>3,455,501</b>	<b>109,489,665</b>	49,609,040

**Ocean Dial Investment Funds Plc**

**Company Statement of Cash Flows (continued)**

**For the financial year ended 31 March 2016**

	<b>ODGTIF</b>	<b>ODSIRF</b>	<b>Company</b>	<b>Company</b>
	<b>Financial year</b>	<b>Financial period</b>	<b>Financial year</b>	<b>Financial year</b>
	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>31 March 2016</b>	<b>31 March 2016</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Net increase in cash and cash equivalents during the financial year/ period	61,195	18,102	79,297	718,530
Cash and cash equivalents at the start of the financial year / period	740,787	-	740,787	22,257
<b>Cash and cash equivalents at the end of the financial year/ period</b>	<b>801,982</b>	<b>18,102</b>	<b>820,084</b>	<b>740,787</b>

Notes to the Company Financial Statements

For the financial year ended 31 March 2016

1. Net gains on financial assets and financial liabilities at fair value through profit or loss

	ODGTIF 31 March 2016 US\$	ODSIRF 31 March 2016 US\$	Company 31 March 2016 US\$	Company 31 March 2015 US\$
<b>Net realised gain/ (loss) on financial assets held at fair value through profit or loss</b>				
Realised gain/ (loss) on sale of investments	6,239,888	(4,220)	6,235,668	6,741,418
Realised (loss) on currency spot contracts	(565,037)	(281)	(565,318)	(27,828)
	<u>5,674,851</u>	<u>(4,501)</u>	<u>5,670,350</u>	<u>6,713,590</u>

	ODGTIF 31 March 2016 US\$	ODSIRF 31 March 2016 US\$	Company 31 March 2016 US\$	Company 31 March 2015 US\$
<b>Net unrealised (losses)/ gains on financial assets held at fair value through profit or loss</b>				
Unrealised (loss) / gain on sale of investments	(24,059,762)	(149,908)	(24,209,670)	7,108,315
Unrealised (loss) / gain on foreign exchange	(423,472)	2,726	(420,746)	(64,526)
	<u>(24,483,234)</u>	<u>(147,182)</u>	<u>(24,630,416)</u>	<u>7,043,789</u>

2. Other receivables and prepayments

	ODGTIF 31 March 2016 US\$	ODSIRF 31 March 2016 US\$	Company 31 March 2016 US\$	Company 31 March 2015 US\$
Other expenses	319,140	71,091	390,231	23,675
Subscriptions receivable	<u>2,386,660</u>	<u>-</u>	<u>2,386,660</u>	<u>548,427</u>
Total other receivables and prepayments	<u>2,705,800</u>	<u>71,091</u>	<u>2,776,891</u>	<u>572,102</u>

3. Payables

	ODGTIF 31 March 2016 US\$	ODSIRF 31 March 2016 US\$	Company 31 March 2016 US\$	Company 31 March 2015 US\$
Redemptions payable	159,770	-	159,770	323,885
Performance fees payable	43,645	27	43,672	34
Other payables	<u>3,227,573</u>	<u>10,020</u>	<u>3,237,593</u>	<u>815,200</u>
Total payables	<u>3,430,988</u>	<u>10,047</u>	<u>3,441,035</u>	<u>1,139,119</u>

Notes to the Company Financial Statements (continued)

For the financial year ended 31 March 2016

4. Accrued Expenses

	ODGTIF 31 March 2016 US\$	ODSIRF 31 March 2016 US\$	Company 31 March 2016 US\$	Company 31 March 2015 US\$
Audit fees	22,760	-	22,760	16,097
Directors' fees and expenses	4,349	-	4,349	8,490
Investment Management fee	154,444	-	154,444	93,206
Performance fee	134,871	8,818	143,689	430,810
Administration fee	7,291	2,903	10,194	11,712
Custodian fee	9,448	1,025	10,473	6,737
General expenses	33,590	10,123	43,713	31,812
Total accrued expenses	366,753	22,869	389,622	598,864

5. Ongoing Charges Figure

The ongoing charges figures of the Company ('OCF') (excluding unrealised performance fees) for the financial year ended 31 March 2016 was 1.46% (31 March 2015: 1.58%). The calculation of the OCF is based on the operating expenses of the Company of US\$2,435,957 for the financial year ended 31 March 2016 (31 March 2015: US\$1,097,139) and the average Net Asset Value of US\$166,426,603 during the financial year ended 31 March 2016 (31 March 2015: US\$69,443,726).

6. Comparatives

Ocean Dial Systematic India Return Fund was launched on 3 November 2015 and therefore, the comparatives figures for the financial year 2015 represent only one Sub-Fund, Ocean Dial Gateway to India Fund.