

**Ocean Dial Investment Funds Plc**

**ANNUAL REPORT &  
AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**For the financial year ended 31 March 2017**

**Ocean Dial Investment Funds Plc**  
**Contents**

**Page**

Organisation	1
Background to the Company	2 - 3
Investment Manager's Report	4 - 6
Report of the Directors and Directors' Responsibilities Statement of Ocean Dial Investment Funds Plc	7 – 10
Report of the Depository to the Shareholders	11
Independent Auditor's Report	12
Consolidated Statement of Profit or Loss and Other Comprehensive Income	13 - 14
Consolidated Statement of Financial Position	15 – 16
Consolidated Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	17
Consolidated Statement of Cash Flows	18 - 19
Notes to the Financial Statements	20 - 39
Consolidated Schedule of Investments (unaudited)	40 - 44
Schedule of Material Portfolio Changes (unaudited)	45 - 46
Company Statement of Profit or Loss and Other Comprehensive Income	47 - 48
Company Statement of Financial Position	49
Company Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	50
Company Statement of Cash Flows	51- 52
Notes to the Company Financial Statements	53- 55
Remuneration Disclosures (unaudited)	56

## **Ocean Dial Investment Funds Plc**

### **Organisation**

#### **Directors**

David Hammond\*  
Maheshwar Doorgakant  
Simon O'Sullivan\*\*  
Robin Sellers

\*Chairman & Independent Non-Executive

\*\*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

#### **Administrator – Ireland**

Apex Fund Services (Ireland) Limited  
1st Floor, Block 2  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

#### **Depository**

Société Générale S.A (Dublin Branch)  
3rd Floor, IFSC House  
The IFSC  
Dublin 1  
Ireland

#### **Secretary**

Apex Fund Services (Ireland) Limited  
1st Floor, Block 2  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

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

Dillon Eustace  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### **Auditor**

Deloitte  
Chartered Accountants & Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
Ireland

#### **Registered Office**

1st Floor, Block 2  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland  
Registered No: 506061

## **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 European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertaking for Collective Investment in Transferable Securities) Regulations, 2015 (as amended) (together the "UCITS Regulations").

The Company is structured as an umbrella fund consisting of different sub-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 2017, 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 (together "the Group").

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 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 Memorandum and Fund, each Class will be calculated by the Administrator as at each Valuation Point for each Fund in accordance with the Memorandum and 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.

#### **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 at least 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 2017, 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.

##### **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 at least 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 2017, there were two share classes in issue, Class A (US\$) and Class B (US\$).

**Investment Manager's Report**

One year on from our Report last year, the behemoth that is the India growth story, governed under the watchful eye of Prime Minister Modi, has continued to gain traction, particularly as Emerging Markets are very much back in vogue. Underpinning a new, albeit tentative, wave of confidence is much-needed political stability locally, most recently strengthened by Modi's emphatic win in Uttar Pradesh, combined with a period of constancy in both commodity prices (specifically oil) and the Indian Rupee. Having benefited from lower oil prices, which equated to approximately US\$100bn reduction in import costs, and with no foreseeable threat of a meaningful rise in the medium term, India has seen a fall in its current account deficit. It appears that Mr Modi is in a real position of strength for 2019's general election.

A tumultuous start to the year saw a sharp sell-off in risk assets globally, and Indian equity markets were no exception to this. Moreover, a mixture of poor corporate results, predominantly led by the public banking sector, and uncertainty over the looming Federal Budget, added further downward pressure resulting in heavy net outflows from Foreign Institutional Investors. Come April 2016, as the new financial year began in earnest, Indian's expressed cautious optimism that after two years of chronic drought, a more "normal" Monsoon period would ensue did eventuate and provide a much sought after boost to rural sector production thus helping to suppress rising inflation pressures.

From a macroeconomic perspective, India now boasts an image of strength as it competes on the World stage, continuing to seek out much needed foreign direct investment. Leading the charge are sectors such as IT, Pharmaceuticals, and Manufacturing to name but a few; however, there is room for improvement as credit growth still remains weak and the country is tasked with accommodating approximately one million new additions to the workforce per month. Difficulty will come in engaging the rural population as Modi's push for a more formal economy will put a squeeze on the informal economy which currently employs a vast number of the population. Furthermore, the Banking sector is more polarised than ever with private sector players and smaller micro financing firms enjoying credit growth and rising valuations over the last 12 months, as the larger public sector banks continue to be hamstrung by the non-performing assets (NPAs) that plague their balance sheets. Public banks and therefore Indian tax payers are paying the price for aggressive loan book expansion during a time of easy lending which saw numerous corporates take on debt that ultimately they are now not able to pay back. Furthermore, there has been little meaningful progress in this sector as those holders of the NPAs have thus far been unwilling to take "haircuts" which has frustrated the Modi Government. This provoked a new Bankruptcy Law to be implemented in the early part of last year with the aim of greater efficiency in recognising defaults and more scrutiny over the sector's affairs in general.

Modi also implemented the long overdue Goods and Services Tax (GST) (equivalent to VAT in this country) and managed to have it pushed through the Upper House and passed from a Bill into Law, helping unify the States and accelerate the "ease of doing business" campaign. There can be no doubt that much of the progress in the economy has been attributable to Raghuram Rajan's tenure as Governor of India's Reserve Bank, who was attributed with turning India's fiscal woes around. Thus it was an unexpected surprise when his term was not renewed in June 2016. However Urjit Patel's appointment in September 2016 as his replacement provided confidence that India would remain in sound fiscal shape. As Rajan's deputy, the appointment signified the intent to continue along the same fiscal path as had previously been laid out. Having seen the final approval and ratification of GST, which is expected to improve GDP and bolster growth, India also saw inflation fall following the successful Monsoon. Looking forward, it will be implementation risk for GST that will test businesses ability to cope; there is scope for disappointment if teething problems occur, though it is a widely considered positive for India's long term prospects. The Lower House finally passed the last four remaining Bills required for the implementation of GST which received a new roll out date of 1 July 2017.

In the meantime Patel and the newly formed Monetary Policy Committee unanimously voted for a rate cut of 25 bps to 6.25% whilst Modi continued the Government's assault on black money through a voluntary "Income Declaration Scheme" allowing citizens to report undeclared assets to the taxman without fear of prosecution. Disclosures of US\$9.9bn shortly followed, providing a one off tax receipt of US\$4.4bn, but this was well below expectation and acted as a stark reminder that Modi's reform agenda was not always straightforward, let alone effective. However, Modi's most controversial piece of reform was certainly "out of the blue" and dramatic when he declared on 9 November 2016 that all 500 and 1,000 Rupee notes (86% of the currency in circulation) were no longer legal tender with immediate effect. A sharp sell-off in equities followed with the BSE Sensex and BSE Mid Cap falling 4.6% and 6.8% respectively. Having started the year at 7.3%, two-year Sovereign bond yields dipped below 6.0% which contrasted sharply with the rally in developed market yields as the result of a Trump election win rippled across the globe. Initial expectations suggested India would suffer a period of slowing growth, potentially as much as 1.0% of total GDP. However, markets proved resilient and domestic fund flows helped buoy the market during a period of Foreign Investor uncertainty, the RBI kept interest rates unchanged and banks announced a sharp cut (45bps) in lending rates which was expected to provide notable credit growth. This has however been a tale of two stories as private sector banks have seen loan growth of 12% year on year compared to just 1% for the public banks.

As markets continued to show resilience in the wake of demonetisation and the Finance Minister released a fiscally prudent February Budget, equity markets were encouraged to continue their bullish start to the calendar year. Focus has turned to investment in rural India, and commitment to capital expenditure on infrastructure, roads, and railways. Fiscal consolidation would now provide opportunity for looser Monetary Policy and Modi would direct further focus to continue the liberalisation for foreign direct investment, transparency over political funding, adoption of digital technology and a more transparent tax system. Off the back of the Budget release, foreign investors returned to the market as net buyers and the Rupee hit a four-year high, aided by a weakening dollar.

## **Ocean Dial Investment Funds Plc**

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

April's annual consumer price inflation stands at 3.0% with wholesale price inflation marginally higher at 3.9%, the current account deficit sits just above 3% and USD reserves in the Reserve Bank have risen some US\$30bn to an all-time high of US\$372bn over the last two years. Stretched company valuations in India, combined with geopolitical risk inherent in India's neighbouring States and further afield in the US, are causes for concern. Also, the reliance of a good Monsoon in the coming months and for oil prices to remain below US\$65 PPB will be instrumental in India maintaining its macroeconomic strength and remaining attractive to both Foreign Direct and Indirect investment. With that said, it is apparent that India is starting to stand out on its own, away from its Emerging Market peer group, as Modi's reform agenda starts to positively impact the country and crucially provide foreign investors with a boost in confidence. Mr Modi, and his ruling Bharatiya Janata Party (BJP) wish to present a clear message that India is open for business!

### **Ocean Dial Gateway to India Fund ("ODGTIF") - AUM at 31 March 2017: US\$296m (2016: US\$175m)**

The Fund aims to achieve long-term capital growth and comprises 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.

In US Dollars, Class A US\$ returned 31.0% versus 19.4% for the BSE Dollex 30, delivering an outperformance of 11.6%. In terms of sector exposure, Energy (2.1% underweight), Materials (8.3% overweight) and Financials (8.3% underweight) provided the bulk of positive attribution to performance, whilst the Utilities sector (3.9% underweight) was responsible for most underperformance although Consumer Staples (7.2% underweight) also negatively contributed.

From a stock picking perspective, positive contribution to the portfolio was driven by Hindustan Petroleum (up 116.3%), Gujarat Heavy Chemicals (up 142.0%), and The Ramco Cements (up 72.1%). Negative returns were driven by Wellspan (down 64.1%), Divis Laboratories (down 35.4%), and Sun Pharmaceutical Industries (down 14.1%).

The portfolio had an average active share of 83% over the year, with a mean weighting of 25.6% to large caps, 27.6% to mid-caps, and 37.6% to small caps. Investments in the small cap space were the main drivers of positive attribution, contributing 6.3% of relative outperformance with mid-caps following closely behind with 4.6%. Large caps provided a modest outperformance of 2.2%.

### **ODGTIF Principal Investments at 31 March 2017**

#### **Hindustan Petroleum (Energy, 4.1% 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 should have the highest growth in profits despite a falling crude price environment. It operates two refineries, one in Mumbai (6.5mmt) and the other in Vishakhapatnam (8.3mmt). HPCL had revenues of US\$28.8bn in FY16 and a market cap of US\$8.2bn as at 31 March 2017.

#### **Balkrishna Industries (Consumer Discretionary, 3.6% of the portfolio)**

Balkrishna Industries (BIL) is a leading manufacturer in the off-highway tyres market, catering mainly to the replacement market in Europe and the US. These tyres are used in specialist segments such as agricultural, construction and industrial vehicles as well as earthmoving and mining which require a lot of customisation. Hence, these tyres cannot be mass produced through automation. Over the years, BIL has developed more than 2,400 SKUs (stock-keeping units) and it adds ~300 moulds every year. This acts as a significant entry barrier. BIL had revenues of US\$501m in FY16 and a market cap of US\$2bn as at 31 March 2017.

#### **Gujarat Heavy Chemicals (Materials, 3.5% of the portfolio)**

Gujarat Heavy Chemicals (GHCL) is a well-diversified company with a major presence in chemicals and textiles. It is the 3rd largest manufacturer of soda ash in India with a market share of 23%. It has a fully integrated soda ash plant which helps this business post the highest margins within the industry. It is also one of the largest integrated textile manufacturers in India with a presence in both the spinning and home textiles sectors. GHCL had revenues of US\$394m in FY16 and a market cap of US\$407m as at 31 March 2017.

#### **LIC Housing Finance (Financials, 3.2% of the portfolio)**

LIC Housing Finance is one of the 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 with the balance to project developers. The company has outstanding loans of ~INR1.4tn and a market cap of US\$4.8bn as at 31 March 2017.

## **Ocean Dial Investment Funds Plc**

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

#### **The Ramco Cements (Materials, 3.2% of the portfolio)**

The Ramco Cement Company (TRCL) is a South India based cement company with capacity of 13.5mtpa; TRCL derives more than 75% of its sales volume from South India. TRCL is a low-cost cement producer and has pioneered production of cement in South India based on fly ash. TRCL also has a presence in wind power generation with a current capacity of 166MW and a total power capacity of 346MW. TRCL is the flagship company of the Ramco Group which has a presence in textiles, building materials and information technology. TRCL had revenues of US\$553m and a market cap of US\$2.4bn as at 31 March 2017.

#### **Housing Development Finance (Financials, 3.1% of the portfolio)**

Housing Development Finance (HDFC) is India's largest provider of housing finance, primarily focusing on retail housing (73% of loan book). The company has a distribution network of 427 offices in India, supplemented through the appointment of direct selling agents (DSA). Besides its core business of mortgages, HDFC has evolved into a financial conglomerate, diversifying into other businesses for example, HDFC Bank (21%), HDFC Standard Life Insurance (62%), HDFC Asset Management Company (60%), and HDFC General Insurance Company (51%). The company has outstanding loans of ~INR3.3tn and a market cap of US\$36.8bn as at 31 March 2017.

#### **Indian Oil Corp (Energy, 3.0% 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 69mtpa and sells over 75mtpa (53% market 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. IOC had revenues of US\$55.8bn in FY16 and a market cap of US\$29bn as at 31 March 2017.

#### **Torrent Pharmaceuticals (Health Care, 2.8% of the portfolio)**

Torrent Pharmaceuticals (TRP) is a fully integrated pharmaceutical company producing both branded and generic formulations, API and intermediates. Almost 40% of TRP'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. The company had a market cap of US\$3.4bn at 31 March 2017.

#### **Yes Bank (Financials, 2.8% of the portfolio)**

Yes Bank is India's new-age private sector bank founded in 2004 by Mr. Rana Kapoor and the late Mr. Ashok Kapur. The promoters together have a ~22% stake in the bank. Rana Kapoor has been the Managing Director and CEO of the bank since its inception. It is aggressively rolling out a branch network to build a strong deposit franchise that will make it a significant competitor in corporate and consumer banking franchises over the medium term. As of March 2017, the assets and loans stood at INR2.1tn and INR1.3tn respectively. The retail segment forms 9.5% of total loans and having expanded to over 1,000 retail branches, the bank now has 36%+ of its assets and deposits coming from its retail customers. It has a market cap of US\$10.1bn as at 31 March 2017.

#### **Shriram Transport Finance (Financials, 2.8% of the portfolio)**

Shriram Transport Finance (SHTF) is the largest financier of commercial vehicles in India. The company enjoys a dominant share in the used-CV financing market and a 7-8% market share in the new-CV financing segment. SHTF has developed a unique 'close-to-the-customer' model for customers and small road transport operators who do not have access to financing from formal lending segments. This allows the company to contain credit losses at much lower levels than the perceived risks suggest. Through such processes, SHTF has created significant entry barriers and a sustainable competitive advantage in its chosen customer segment. The company has AUM of INR787bn and a market cap of US\$3.8bn as at 31 March 2017.

#### **Ocean Dial Systematic India Return Fund ("ODSIRF") - AUM at 31 March 2017: US\$3.5m (2016: US\$3.3m)**

In the year the benchmark Defty Index has returned 21% while the Fund generated a 3.5% return in the same period. The equity portfolio generated a 19% return while index and currency exposure management cost the Fund about 10% and 4% respectively. The year has seen general bullish risk sentiment across the asset class while the macro landscape remained uncertain due to potential US Fed rate hikes, UK Brexit, US elections in November, and demonetisation in India, to name a few. There was sharp volatility in a range bound market and the correlations also gave away performance between asset classes. Given the Fund's exposure management uses short term trend following indicators, the volatile trendless periods created significant drag on performance. Nevertheless, the relative outperformance in November 2016, where there was a short bout of risk aversion, demonstrates the investment strategy of the Fund.

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

**27 July 2017**



## **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 2017**

The Directors present their report with the Annual Report and Audited Consolidated financial statements for the financial year ended 31 March 2017.

#### **Directors**

The Directors of the Company, all of whom are non executive, are:

David Hammond (Chairman)  
Maheshwar Doorgakant  
Simon O'Sullivan  
Robin Sellers

John Bohan and James Cayzer-Colvin retired from the board as Directors of the Company on 30 April 2016 and 31 July 2016 respectively.

Simon O'Sullivan was appointed as a Director of the Company on 30 June 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 the 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, the Listing Rules of the Irish Stock Exchange and the UCITS Regulations (as defined below) 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 authorised 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 (as amended) (together the "UCITS Regulations"). At 31 March 2017, 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\$).

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

**For the financial year ended 31 March 2017**

**Review of the Business and Future Developments**

The AUM of ODGTIF increased by US\$ 121m (69.2%) during the financial year, as a result of subscriptions totaling US\$110m (2016 - US\$146m), redemptions of US\$47m (2016 - US\$40m) and net income of US\$58m (2016 – net losses of US\$20m).

The ODGTIF Class A US\$ share increased by 31.0% in the year compared to the benchmark index (S&P BSE Dollex-30) which increased by 19.4%, delivering an outperformance of 11.6% (2016 – outperformance of 2.5%).

The AUM of ODSIRF increased by US\$250,000 (7.6%) during the financial year as a result of subscriptions of US\$210,000 (2016 - US\$3,471,000), redemptions of US\$102,000 (2016 – US\$15,000) and net income of US\$142,000 (2016 - net losses US\$168,000).

The ODSIRF Class A US\$ increased by 3.1% in the year compared to the benchmark index (CNX Defty) which increased by 21.3%, delivering an underperformance of 18.2% (2016 - underperformance of 0.8%).

The Company will consider the launch of additional Funds to continue its future development.

**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. 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 17 of the Notes to the Financial Statements.

**Directors and Secretary's Interest**

Except as disclosed in note 14 to the financial statements at the reporting date or at any time during the financial year 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**

Robin Sellers is Chief Executive Officer of Ocean Dial Asset Management Limited, the Investment Manager and Distributor of Ocean Dial Investment Funds Plc. 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. John Bohan is a Director of Apex Fund Services (Ireland) Limited, the administrator and Secretary to the Company who retired as a Director from the Company on 30 April 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 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 2017**

**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 21 days notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to shareholders and 14 days notice must be given in the case of any other general meeting. All general meetings will be held in Ireland.

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. 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 has written 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 financial year met these requirements.

**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.

**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 2017**

**Compliance Statement**

In Compliance with section 225(3) of the Companies Act 2014, the Directors each confirm:

- (a) that they have drawn up a "compliance policy statement" setting out the Company's policies regarding compliance by the Company with; its relevant obligations, as described in the Companies act 2014.
- (b) that arrangements or structures are in place that are, in the Directors opinion, designed to secure material compliance with such provisions; and
- (c) that they have reviewed, during the financial year, the arrangements or structures which have been put in place to secure such material compliance.

In accordance with section 225(2)(b) of the Act, if these statements, confirmations and reviews, referred to above, have not been made or carried out, the Directors must, in the Directors' report, specify the reasons why not.

**Disclosure of Information to Auditors:**

So far as each of the Directors in office at the date of approval of the financial statements is aware:

- (a) There is no relevant audit information of which the Company's auditors are unaware; and
- (b) The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

**Audit Committee**

The Directors have decided not to establish an audit committee pursuant to section 167(2)(b) of the Companies Act 2014. This has been decided on the basis that, it is more appropriate for the functions of an audit committee to continue to be discharged by the full board.

**Going concern**

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements since the assets of the Company's wholly-owned subsidiaries consist mainly of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

**Subsequent events**

Any material events are mentioned in note 22.

**On Behalf of the Board of Directors**



**David Hammond**

**27 July 2017**



**Robin Sellers**



**Ocean Dial Investment Fund Plc**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS For the  
year ended 31 March 2017**

**Depositary's Report**

We have enquired into the conduct of the Company for the year ended 31 March 2017 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

Société Générale, Dublin branch  
IFSC House, 3<sup>rd</sup> Floor  
IFSC  
Dublin 1  
Ireland

Tel: +353 (0) 1 675 0300  
Fax: +353 (0) 1 675 0351 [www.socgen.com](http://www.socgen.com)

Société Générale  
Société Anonyme au capital de:  
576 285 895.00 Eur  
29 boulevard Haussmann  
75009 Paris  
France  
552 120 222 R.C.S.



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

We have audited the consolidated financial statements of Ocean Dial Investment Funds Plc for the financial year ended 31 March 2017 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 2017 and of the profit 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 (as amended).

### 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.

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

27 July 2017

**Ocean Dial Investment Funds Plc**

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

**For the financial year ended 31 March 2017**

		<b>ODGTIF Financial year ended 31 March 2017 US\$000</b>	<b>ODSIRF Financial year ended 31 March 2017 US\$000</b>	<b>Group Financial year ended 31 March 2017 US\$000</b>
	<b>Note</b>			
<b>Portfolio gain/ (loss)</b>				
Net realised gains on financial assets held at fair value through profit or loss	11	<b>4,916</b>	<b>57</b>	<b>4,973</b>
Net unrealised gains on financial assets held at fair value through profit or loss	11	<b>54,917</b>	<b>258</b>	<b>55,175</b>
Net realised loss on disposal of derivative financial instruments at fair value through profit or loss	3	<b>-</b>	<b>(106)</b>	<b>(106)</b>
Dividend income		<b>3,819</b>	<b>32</b>	<b>3,851</b>
Transaction costs		<b>(505)</b>	<b>(54)</b>	<b>(559)</b>
<b>Total portfolio gain</b>		<b>63,147</b>	<b>187</b>	<b>63,334</b>
<b>Income</b>				
Other income		<b>34</b>	<b>113</b>	<b>147</b>
Interest income		<b>1</b>	<b>-</b>	<b>1</b>
		<b>35</b>	<b>113</b>	<b>148</b>
<b>Operating expenses</b>				
Bank charges		<b>(22)</b>	<b>(4)</b>	<b>(26)</b>
Audit fees		<b>(33)</b>	<b>(6)</b>	<b>(39)</b>
Legal fees		<b>(131)</b>	<b>(2)</b>	<b>(133)</b>
Directors' fees and expenses		<b>(49)</b>	<b>(4)</b>	<b>(53)</b>
Investment management fee	13	<b>(2,429)</b>	<b>(49)</b>	<b>(2,478)</b>
Investment performance fee	13	<b>(1,846)</b>	<b>4</b>	<b>(1,842)</b>
Administration fee	13	<b>(142)</b>	<b>(49)</b>	<b>(191)</b>
Depository fee	13	<b>(117)</b>	<b>(12)</b>	<b>(129)</b>
Regulatory governance fees		<b>(15)</b>	<b>-</b>	<b>(15)</b>
Other expenses		<b>(151)</b>	<b>(36)</b>	<b>(187)</b>
<b>Total operating expenses</b>		<b>(4,935)</b>	<b>(158)</b>	<b>(5,093)</b>
<b>Net income before taxation</b>		<b>58,247</b>	<b>142</b>	<b>58,389</b>
Taxation	15	<b>(83)</b>	<b>-</b>	<b>(83)</b>
<b>Net income after taxation</b>		<b>58,164</b>	<b>142</b>	<b>58,306</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.

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

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

		ODGTIF Financial year ended 31 March 2016	ODSIRF For the financial period from 3 November 2015 (Date of Launch) to 31 March 2016	Group Financial year ended 31 March 2016
	Note	US\$000	US\$000	US\$000
<b>Portfolio gain/ (loss)</b>				
Net realised gains/ (loss) on financial assets held at fair value through profit or loss	11	3,354	(22)	3,332
Net unrealised loss on financial assets held at fair value through profit or loss	11	(22,708)	(38)	(22,746)
Net realised loss on disposal of derivative financial instruments at fair value through profit or loss	3	-	(25)	(25)
Dividend income		3,169	8	3,177
Transaction costs		(653)	(20)	(673)
<b>Total portfolio loss</b>		<u>(16,838)</u>	<u>(97)</u>	<u>(16,935)</u>
<b>Income</b>				
Other income		1	69	70
Interest income		1	-	1
		<u>2</u>	<u>69</u>	<u>71</u>
<b>Operating expenses</b>				
Bank charges		(19)	(2)	(21)
Audit fees		(34)	(6)	(40)
Legal fees		(58)	(1)	(59)
Directors' fees and expenses		(35)	-	(35)
Investment management fee	13	(1,830)	(19)	(1,849)
Investment performance fee	13	(590)	(9)	(599)
Administration fee	13	(110)	(21)	(131)
Depository fee	13	(107)	(6)	(113)
Regulatory governance fees		(34)	-	(34)
Other expenses		(78)	(28)	(106)
Organisation expenses		-	(48)	(48)
<b>Total operating expenses</b>		<u>(2,895)</u>	<u>(140)</u>	<u>(3,035)</u>
<b>Net loss before taxation</b>		<u>(19,731)</u>	<u>(168)</u>	<u>(19,899)</u>
Taxation	15	(70)	-	(70)
<b>Net loss after taxation</b>		<u>(19,801)</u>	<u>(168)</u>	<u>(19,969)</u>

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.



**Ocean Dial Investment Funds Plc**

**Consolidated Statement of Financial Position**

**As at 31 March 2017**

		<b>ODGTIF</b>	<b>ODSIRF</b>	<b>Group</b>
		<b>31 March 2017</b>	<b>31 March 2017</b>	<b>31 March 2017</b>
	<b>Note</b>	<b>US\$000</b>	<b>US\$000</b>	<b>US\$000</b>
<b>Assets</b>				
Financial assets held at fair value through profit or loss	8	270,227	2,229	272,456
Derivatives margin account	9	15	837	852
Cash and cash equivalents	7	26,772	462	27,234
Other receivables and prepayments	4	1,199	49	1,248
<b>Total assets</b>		<b>298,213</b>	<b>3,577</b>	<b>301,790</b>
<b>Liabilities</b>				
Payables	5	(954)	-	(954)
Accrued expenses	6	(1,087)	(39)	(1,126)
<b>Total liabilities</b>		<b>(2,041)</b>	<b>(39)</b>	<b>(2,080)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>296,172</b>	<b>3,538</b>	<b>299,710</b>

		<b>ODGTIF</b>	<b>ODSIRF</b>	<b>Group</b>
		<b>31 March 2016</b>	<b>31 March 2016</b>	<b>31 March 2016</b>
	<b>Note</b>	<b>US\$000</b>	<b>US\$000</b>	<b>US\$000</b>
<b>Assets</b>				
Financial assets held at fair value through profit or loss	8	163,955	2,017	165,972
Derivatives margin account	9	15	777	792
Cash and cash equivalents	7	9,259	468	9,727
Other receivables and prepayments	4	2,431	72	2,503
<b>Total assets</b>		<b>175,660</b>	<b>3,334</b>	<b>178,994</b>
<b>Liabilities</b>				
Payables	5	(204)	(6)	(210)
Accrued expenses	6	(411)	(40)	(451)
<b>Total liabilities</b>		<b>(615)</b>	<b>(46)</b>	<b>(661)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>175,045</b>	<b>3,288</b>	<b>178,333</b>

**Ocean Dial Investment Funds Plc**

**Consolidated Statement of Financial Position (continued)**

**As at 31 March 2017 and 31 March 2016**

	Note	31 March 2017	31 March 2016
<b>Ocean Dial Gateway to India Fund</b>			
Number of shares in issue	10		
Class A (US\$)		378,979	263,685
Class B (EUR)		285,461	94,164
Class C (GBP)		289,617	255,500
Class D (US\$)		335,210	257,619
Class G (GBP)		363,683	351,885
Net asset value per share	12		
Class A (US\$)		US\$192.91	US\$147.31
Class B (EUR)		€120.11	€85.84
Class C (GBP)		£223.83	£149.40
Class D (US\$)		US\$131.48	US\$102.19
Class G (GBP)		£133.85	£90.83
<b>Ocean Dial Systematic India Return Fund</b>			
Number of shares in issue	10		
Class A (US\$)		4,054	2,769
Class B (US\$)		31,954	32,060
Net asset value per share	12		
Class A (US\$)		US\$100.73	US\$98.21
Class B (US\$)		US\$98.05	US\$95.25

The financial statements were approved by the board of Directors of Ocean Dial Investment Funds plc on 27 July 2017

**On Behalf of the Board of Directors**



**David Hammond**  
Director



**Robin Sellers**  
Director

**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 2017 and 31 March 2016**

	<b>ODGTIF Financial year ended 31 March 2017 US\$000</b>	<b>ODSIRF Financial year ended 31 March 2017 US\$000</b>	<b>Group Financial year ended 31 March 2017 US\$000</b>
Net assets attributable to holders of redeemable participating shares at the beginning of the financial year	<b>175,045</b>	<b>3,288</b>	<b>178,333</b>
Proceeds from redeemable participating shares issued	<b>109,826</b>	<b>210</b>	<b>110,036</b>
Payments on redeemable participating shares redeemed	<b>(46,863)</b>	<b>(102)</b>	<b>(46,965)</b>
<b>Increase from share transactions</b>	<b>62,963</b>	<b>108</b>	<b>63,071</b>
Net income for the financial year	<b>58,164</b>	<b>142</b>	<b>58,306</b>
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>	<b>296,172</b>	<b>3,538</b>	<b>299,710</b>
	<b>ODGTIF Financial year ended 31 March 2016  US\$000</b>	<b>ODSIRF For the financial period from 3 November 2015 (Date of Launch) to 31 March 2016  US\$000</b>	<b>Group Financial year ended 31 March 2016  US\$000</b>
Net assets attributable to holders of redeemable participating shares at the beginning of the financial year/ period	88,812	-	88,812
Proceeds from redeemable participating shares issued	146,036	3,471	149,507
Payments on redeemable participating shares redeemed	(40,002)	(15)	(40,017)
<b>Increase from share transactions</b>	106,034	3,456	109,490
Net Loss for the financial year/ period	(19,801)	(168)	(19,969)
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year/ period</b>	<b>175,045</b>	<b>3,288</b>	<b>178,333</b>

**Ocean Dial Investment Funds Plc**

**Consolidated Statement of Cash Flows**

**For the financial year ended 31 March 2017**

	<b>ODGTIF Financial year ended 31 March 2017 US\$000</b>	<b>ODSIRF Financial year ended 31 March 2017 US\$000</b>	<b>Group Financial year ended 31 March 2017 US\$000</b>
<b>Cash flows from operating activities</b>			
Net income before taxation	58,247	142	58,389
<i>Adjustment for:</i>			
Dividend Income	(3,819)	(32)	(3,851)
Interest Income	(1)	-	(1)
Net realised gains on financial asset at fair value through profit or loss	(5,251)	(57)	(5,308)
Net unrealised gains on financial asset at fair value through profit or loss	(54,314)	(231)	(54,545)
Operating loss before working capital changes	(5,138)	(178)	(5,316)
<b>Working capital changes</b>			
(Increase)/ decrease in receivables and prepayments	(22)	23	1
Increase/ (decrease) in payables and accrued expenses	647	(5)	642
Dividend Income	3,777	29	3,806
Interest Income	1	-	1
Taxation paid	(44)	-	(44)
<b>Net cash provided by operating activities</b>	<b>4,359</b>	<b>47</b>	<b>4,406</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of financial assets at fair value through profit or loss	80,417	1,938	82,355
Purchase of financial assets at fair value through profit or loss	(127,123)	(1,861)	(128,984)
Purchase of derivative contracts	-	(60)	(60)
<b>Net cash (outflow) from investing activities</b>	<b>(46,706)</b>	<b>17</b>	<b>(46,689)</b>
<b>Cash flows from financing activities</b>			
Proceeds from redeemable participating shares issued	111,080	210	111,290
Payments on redeemable participating shares redeemed	(46,082)	(102)	(46,184)
<b>Net cash inflow from financing activities</b>	<b>64,998</b>	<b>108</b>	<b>65,106</b>
Net movement in cash and cash equivalents during the financial year	17,513	(6)	17,507
Cash and cash equivalents at the start of the financial year	9,259	468	9,727
<b>Cash and cash equivalents at the end of the financial year</b>	<b>26,772</b>	<b>462</b>	<b>27,234</b>

**Ocean Dial Investment Funds Plc**

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

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

	ODGTIF Financial year ended 31 March 2016  US\$000	ODSIRF For the financial period from 3 November 2015 (Date of Launch) to 31 March 2016 US\$000	Group Financial year ended 31 March 2016  US\$000
<b>Cash flows from operating activities</b>			
Net loss before taxation	(19,731)	(168)	(19,899)
<i>Adjustment for:</i>			
Dividend Income	(3,169)	(8)	(3,177)
Interest Income	(1)	-	(1)
Net realised (gains)/ losses on financial asset at fair value through profit or loss	(3,913)	21	(3,892)
Net unrealised losses/ (gains) on financial asset at fair value through profit or loss	21,365	(15)	21,350
Operating loss before working capital changes	(5,449)	(170)	(5,619)
<b>Working capital changes</b>			
Increase in receivables and prepayments	(1,843)	(72)	(1,915)
(Decrease)/ Increase in payables and accrued expenses	(433)	46	(387)
Dividend Income	3,199	8	3,207
Interest Income	1	-	1
Taxation paid	(47)	-	(47)
<b>Net cash provided by/ (used in) operating activities</b>	<b>877</b>	<b>(18)</b>	<b>859</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of financial assets at fair value through profit or loss	83,971	479	84,450
Purchase of financial assets at fair value through profit or loss	(179,761)	(2,502)	(182,263)
Purchase of derivative contracts	(15)	(777)	(792)
<b>Net cash outflow from investing activities</b>	<b>(95,805)</b>	<b>(2,800)</b>	<b>(98,605)</b>
<b>Cash flows from financing activities</b>			
Proceeds from redeemable participating shares issued	146,036	3,471	149,507
Payments on redeemable participating shares redeemed	(40,002)	(15)	(40,017)
<b>Net cash inflow from financing activities</b>	<b>106,034</b>	<b>3,456</b>	<b>109,490</b>
Net increase in cash and cash equivalents during the financial year/ period	5,657	468	6,125
Cash and cash equivalents at the start of the financial year/ period	3,602	-	3,602
<b>Cash and cash equivalents at the end of the financial year/ period</b>	<b>9,259</b>	<b>468</b>	<b>9,727</b>

## **Ocean Dial Investment Funds Plc**

### **Notes to the Financial Statements**

#### **For the financial year ended 31 March 2017**

##### **1. General Information**

The consolidated financial statements consist of those for Ocean Dial Investment Fund plc (the “Company”) and its sub-funds, Ocean Dial Gateway to India Fund (“ODGTIF”) and Ocean Dial Systematic India Return Fund (“ODSIRF”) (each a “Fund”), Ocean Dial Gateway to India (Mauritius) Limited and Ocean Dial Systematic India Return (Mauritius) Limited (together the “Group”).

The Company has no employees.

##### **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\$ the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The US\$ 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. All figures have been rounded to the nearest thousands (US\$000). Comparative figures have been retrospectively rounded to nearest (US\$000) to be consistent with current financial year presentation.

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.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2017

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. All figures have been rounded to the nearest thousands (US\$ 000).

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 Profit or Loss and Other 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 Profit or Loss and Other 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 a 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 date of the Statement of Financial Position. The quoted market price used for financial reporting purposes for financial assets held by each Fund is the current mid-price.

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

**For the financial year ended 31 March 2017**

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

**e) Distribution policy**

Dividends shall be paid out of the net income received by the Funds 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. In the current and previous financial year the Funds has elected not to pay a distribution to shareholders

**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**

The Company is an umbrella fund with segregated liability between Funds.

**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.

**i) Consolidation**

ODGIF holds 100% of the share capital of Ocean Dial Gateway to India (Mauritius) Limited and ODSIRF 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 Profit or Loss and Other 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 2017 and 2016.

**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 2017 and 31 March 2016, ODSIRF had open positions in listed futures contracts. The credit risk associated with futures contracts is considered minimal because the exchange concerned underwrites the counterparty risk of these contracts. Listed futures contracts are settled on a net basis and result in market risk exposure.



Notes to the Financial Statements (continued)

For the financial year ended 31 March 2017

3. Financial Derivative Instruments (continued)

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:

	ODGTIF	ODSIRF	Group
	31 March 2017 US\$000	31 March 2017 US\$000	31 March 2017 US\$000
Realised loss on disposal of derivative financial instruments at fair value through profit or loss	-	(111)	(111)
Unrealised gain on derivate financial instruments at fair value through profit or loss	-	5	5
Net change on derivative contracts	-	(106)	(106)
	ODGTIF	ODSIRF	Group
	31 March 2016 US\$000	31 March 2016 US\$000	31 March 2016 US\$000
Realised loss on disposal of derivative financial instruments at fair value through profit or loss	-	(25)	(25)
Net change on derivative contracts	-	(25)	(25)

4. Other receivables and prepayments

	ODGTIF	ODSIRF	Group
	31 March 2017 US\$000	31 March 2017 US\$000	31 March 2017 US\$000
Dividend receivable	56	3	59
Licence fees	2	2	4
Other prepayments	8	44	52
Subscriptions receivable	1,133	-	1,133
	1,199	49	1,248
	ODGTIF	ODSIRF	Group
	31 March 2016 US\$000	31 March 2016 US\$000	31 March 2016 US\$000
Dividend receivable	14	-	14
Licence fees	3	3	6
Other prepayments	27	69	96
Subscriptions receivable	2,387	-	2,387
	2,431	72	2,503

5. Payables

	ODGTIF	ODSIRF	Group
	31 March 2017 US\$000	31 March 2017 US\$000	31 March 2017 US\$000
Redemptions payable	941	-	941
Investment performance fees payable	10	-	10
Other payables	3	-	3
	954	-	954

# Ocean Dial Investment Funds Plc

## Notes to the Financial Statements (continued)

For the financial year ended 31 March 2017

### 5. Payables (continued)

	ODGTIF 31 March 2016 US\$000	ODSIRF 31 March 2016 US\$000	Group 31 March 2016 US\$000
Redemptions payable	160	-	160
Investment performance fees payable	44	-	44
Other payables	-	6	6
	<u>204</u>	<u>6</u>	<u>210</u>

### 6. Accrued Expenses

	ODGTIF 31 March 2017 US\$000	ODSIRF 31 March 2017 US\$000	Group 31 March 2017 US\$000
Audit fees	32	6	38
Directors' fees and expenses	12	-	12
Investment management fee	266	4	270
Investment performance fees	628	5	633
Administration fees	14	3	17
Depository fees	15	2	17
General expenses	52	19	71
Taxation	68	-	68
	<u>1,087</u>	<u>39</u>	<u>1,126</u>

	ODGTIF 31 March 2016 US\$000	ODSIRF 31 March 2016 US\$000	Group 31 March 2016 US\$000
Audit fees	33	6	39
Directors' fees and expenses	4	-	4
Investment management fee	153	4	157
Investment performance fees	135	9	144
Administration fees	10	4	14
Depository fees	9	1	10
General expenses	38	16	54
Taxation	29	-	29
	<u>411</u>	<u>40</u>	<u>451</u>

### 7. Cash and cash equivalents

The Group has appointed Societe Generale S.A. (Dublin Branch), as its Depository for all the assets of the Funds. At 31 March 2017, the Group had aggregate cash of US\$27,234,000 (31 March 2016: US\$9,727,000). This comprises:

	31 March 2017 US\$000	31 March 2016 US\$000
Ocean Dial Gateway to India Fund	469	802
Ocean Dial Gateway to India (Mauritius) Limited	26,303	8,457
ODGTIF	<u>26,772</u>	<u>9,259</u>
Ocean Dial Systematic India Return Fund	53	18
Ocean Dial Systematic India Return (Mauritius) Limited	409	450
ODSIRF	<u>462</u>	<u>468</u>
Group	<u>27,234</u>	<u>9,727</u>

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2017

**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 mid-price on the National Stock Exchange of India at the reporting date.

Fair value hierarchy

The mid-price is used to 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 2017, 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 2017.

**9. Derivatives margin account**

	<b>ODGTIF</b> <b>31 March 2017</b> <b>US\$000</b>	<b>ODSIRF</b> <b>31 March 2017</b> <b>US\$000</b>	<b>Group</b> <b>31 March 2017</b> <b>US\$000</b>
Collateral transferred	15	777	792
Variation margin	-	60	60
	<b>15</b>	<b>837</b>	<b>852</b>
	<b>ODGTIF</b> <b>31 March 2016</b> <b>US\$000</b>	<b>ODSIRF</b> <b>31 March 2016</b> <b>US\$000</b>	<b>Group</b> <b>31 March 2016</b> <b>US\$000</b>
Collateral transferred	15	777	792
	<b>15</b>	<b>777</b>	<b>792</b>

**10. 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

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2017

10. Redeemable Participating Shares and Share Capital ( continued)

Ocean Dial Gateway to India Fund: (continued)

Movements in participating shares during the financial year end 31 March 2017 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	263,685	94,164	255,500
Shares issued during the financial year	148,133	265,835	73,083
Shares redeemed during the financial year	(32,839)	(74,538)	(38,966)
Shares at end of financial year	<u>378,979</u>	<u>285,461</u>	<u>289,617</u>
	Class D (US\$) No. of shares	Class G (GBP) No. of shares	
Shares at beginning of financial year	257,619	351,885	
Shares issued during the financial year	112,838	140,904	
Shares redeemed during the financial year	(35,247)	(129,106)	
Shares at end of financial year	<u>335,210</u>	<u>363,683</u>	

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>
	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>	

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2017

10. Redeemable Participating Shares and Share Capital ( continued)

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 year ended were as follows:

	31 March 2017		31 March 2016	
	Class A (US\$)	Class B(US\$)	Class A (US\$)	Class B(US\$)
	No. of shares	No. of shares	No. of shares	No. of shares
Shares at beginning of financial period	2,769	32,060	-	-
Shares issued during the financial period	2,286	-	2,823	32,186
Shares redeemed during the financial period	(1,001)	(106)	(54)	(126)
Shares at end of financial period	<u>4,054</u>	<u>31,954</u>	<u>2,769</u>	<u>32,060</u>

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

	ODGTIF	ODSIRF	Group
	31 March 2017	31 March 2017	31 March 2017
	US\$000	US\$000	US\$000
<b>Net realised gain on financial assets held at fair value through profit or loss</b>			
Realised gain on sale of investments	5,202	57	5,259
Realised loss on currency spot contracts	(286)	-	(286)
	<u>4,916</u>	<u>57</u>	<u>4,973</u>

	ODGTIF	ODSIRF	Group
	31 March 2016	31 March 2016	31 March 2016
	US\$000	US\$000	US\$000

**Net realised gain/ (loss) on financial assets held at fair value through profit or loss**

Realised gain/ (loss) on sale of investments	3,913	(21)	3,892
Realised loss on currency spot contracts	(559)	(1)	(560)
	<u>3,354</u>	<u>(22)</u>	<u>3,332</u>

	ODGTIF	ODSIRF	Group
	31 March 2017	31 March 2017	31 March 2017
	US\$000	US\$000	US\$000

**Net unrealised gain on financial assets held at fair value through profit or loss**

Unrealised gain on investments	45,698	176	45,874
Unrealised gain on foreign exchange	9,219	82	9,301
	<u>54,917</u>	<u>258</u>	<u>55,175</u>

	ODGTIF	ODSIRF	Group
	31 March 2016	31 March 2016	31 March 2016
	US\$000	US\$000	US\$000

**Net unrealised (loss)/ gain on financial assets held at fair value through profit or loss**

Unrealised loss on investments	(17,408)	(44)	(17,452)
Unrealised (loss)/ gain on foreign exchange	(5,300)	6	(5,294)
	<u>(22,708)</u>	<u>(38)</u>	<u>(22,746)</u>

**Ocean Dial Investment Funds Plc**  
**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 March 2017**

**12. Net Asset Value**

**Ocean Dial Gateway to India Fund:**

	<b>31 March 2017 Class A (US\$000)</b>	<b>31 March 2017 Class B (€000)</b>	<b>31 March 2017 Class C (£000)</b>
Net Asset Value	<b>US\$73,109</b>	<b>€34,286</b>	<b>£64,826</b>
NAV per share	<b>US\$192.91</b>	<b>€120.11</b>	<b>£223.83</b>
	<b>31 March 2017 Class D (US\$000)</b>	<b>31 March 2017 Class G (£000)</b>	
Net Asset Value	<b>US\$44,075</b>	<b>£48,678</b>	
NAV per share	<b>US\$131.48</b>	<b>£133.85</b>	
	<b>31 March 2016 Class A (US\$000)</b>	<b>31 March 2016 Class B (€000)</b>	<b>31 March 2016 Class C (£000)</b>
Net Asset Value	US\$38,844	€8,083	£38,173
NAV per share	US\$147.31	€85.84	£149.40
	<b>31 March 2016 Class D (US\$000)</b>	<b>31 March 2016 Class G (£000)</b>	
Net Asset Value	US\$26,325	£31,963	
NAV per share	US\$102.19	£90.83	
	<b>31 March 2015 Class A (US\$000)</b>	<b>31 March 2015 Class B (€000)</b>	<b>31 March 2015 Class C (£000)</b>
Net Asset Value	US\$43,769	€52	£9,506
NAV per share	US\$167.18	€103.31	£164.31
	<b>31 March 2015 Class D (US\$000)</b>	<b>31 March 2015 Class G (£000)</b>	
Net Asset Value	US\$30,977	£4	
NAV per share	US\$116.05	£100.85	

**Ocean Dial Systematic India Return Fund:**

	<b>31 March 2017 Class A (US\$000)</b>	<b>31 March 2017 Class B (US\$000)</b>
Net Asset Value	<b>US\$408</b>	<b>US\$3,130</b>
NAV per share	<b>US\$100.73</b>	<b>US\$98.05</b>
	<b>31 March 2016 Class A (US\$000)</b>	<b>31 March 2016 Class B (US\$000)</b>
Net Asset Value	US\$271	US\$3,053
NAV per share	US\$98.21	US\$95.25

**13. Fees**

**Investment Management Fee**

With respect to **ODGTIF**, the Investment Manager is entitled to an annual investment management 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 an Ongoing Charge Figure which is fixed for the class at 1.15% per annum. The annual investment management 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 management fees for the financial year ended 31 March 2017 amounted to US\$ 2,429,000 (31 March 2016: US\$ 1,830,000).

As at 31 March 2017, the investment management fees payable for ODGTIF were US\$ 266,000 (31 March 2016: US\$ 153,000)

## Notes to the Financial Statements (continued)

### For the financial year ended 31 March 2017

#### 13. Fees (continued)

##### Investment Management Fee (continued)

With respect to **ODSIRF**, the Investment Manager is entitled to an annual investment management fee for Share Class A (US\$) and Share B (US\$) equal to 1.5% 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 management fees for the financial year ended 31 March 2017 amounted to US\$ 49,000 (31 March 2016: US\$ 19,000).

With the exception of the investment 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 Investment Manager will refund the operating expenses in excess of 2.0% to each share class of the Fund, such refund is calculated daily and payable annually.

The expenses borne by the Investment Manager during the financial year ended 31 March 2017 amounted to US\$ 112,000 (31 March 2016: US\$ 69,000).

As at 31 March 2017, the investment management fees payable for ODSIRF were US\$ 4,000 (31 March 2016: US\$ 4,000)

##### Investment Performance fee

With respect to **ODGTIF**, the Investment Manager shall be entitled to an investment 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 investment performance fee payable in respect of the relevant Share Class 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 investment performance fees for the financial year ended 31 March 2017 amounted to US\$ 1,846,000 (31 March 2016: US\$ 590,000) and the amount due as at 31 March 2017, were US\$ 10,000 (31 March 2016: US\$ 44,000).

The investment 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 investment performance fee will be payable until any accumulated net under performance has been recovered.

The Benchmark for the purpose of the investment 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.

With respect to **ODSIRF**, the Investment Manager shall be entitled to an investment 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 an equalisation method. The Company was not in performance as the financial year ended 31 March 2017 but there was an equalisation deficit amounting to USD 4,000. During the financial year ended 31 March 2016 the investment performance fees were amounted to US\$ 9,000 and the amount due as at 31 March 2017 were US\$ 5,000 (31 March 2016: US\$ 9,000).

With respect to Class A (US\$), the investment 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 investment 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 investment 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 investment 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.

As at 31 March 2017, the investment performance fees payables for ODGTIF and ODSIRF were US\$ 10,000 and US\$ Nil (31 March 2016: US\$ 44,000 and US\$ Nil) respectively.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2017

13. Fees (continued)

**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:**

The administration fee is 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

The Administrator is also entitled to a fixed fee for transfer agency services of US\$500 per month plus a transaction fee of US\$10 per trade executed up to 150 trades per month and US\$5 per trade executed in excess of 150 trades per month.

**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 is also entitled to:

a fee for the preparation of financial statements and provision of company secretary services 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.

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 administration fees for the financial year ended 31 March 2017 for Ocean Dial Gateway to India Fund and Ocean Dial Systematic India Return Fund were US\$ 142,000 and US\$ 49,000 (31 March 2016 : US\$ 110,000 and US\$ 21,000) respectively.

The administration fees payable as at 31 March 2017 for Ocean Dial Gateway to India Fund and Ocean Dial Systematic India Return Fund were US\$ 14,000 and US\$ 3,000 (31 March 2016: US\$ 10,000 and US\$ 4,000) respectively.

**Depository Fee**

The Depository is 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 and a yearly fixed fee of EUR1,500 to cover cash monitoring obligations.

The Depository is also entitled an annual trustee fee accrued at each Valuation Point and payable monthly in arrears at a rate of 0.015% per annum of the Net Asset Value of the Fund subject to a minimum trustee fee of US\$1,000 per month.

The Depository is also 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 Depository 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 Depository.

The depository fees for the financial year ended 31 March 2017 for Ocean Dial Gateway to India Fund and Ocean Dial Systematic India Return Fund were amounted to US\$ 117,000 and US\$ 12,000 (31 March 2016: US\$ 107,000 and US\$ 6,000) respectively.



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

**For the financial year ended 31 March 2017**

**14. 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 of the Company.

**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 in note 12.

**Administrator**

Related parties include the Administrators, Apex Fund Services (Ireland) Limited and Apex Fund Services (Mauritius) Ltd, which act as administrator for the Funds and their Mauritian subsidiaries and provide a company secretary and director services to the Group.

The administration fees for the financial year ended 31 March 2017 for Ocean Dial Gateway to India Fund and Ocean Dial Systematic India Return Fund were US\$ 142,000 and US\$ 49,000 (31 March 2016 : US\$ 110,000 and US\$ 21,000) respectively.

**Directors**

During the year ended 31 March 2017 the Directors fees amounting to US\$ 46,000 (31 March 2016: US\$ 37,000) were paid and the amount payables as at 31 March 2017 were US\$ 12,000 (31 March 2016: US\$ 4,000).

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

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

John Bohan is Director of Apex Fund Services (Ireland) Limited, the administrator and Secretary to the Company. He retired as a Director of the Company on 30 April 2016.

The premium in respect of Directors and Officers Insurance for the year under review amounted to US\$ 6,000 (31 March 2016: US\$ 6,000).

**15. 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

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2017

15. Taxation (continued)

(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 2017, GTIF had a tax liability of US\$ 68,000 (31 March 2016: US\$ 29,000) and SIRF had no tax liability. During the financial year ended 31 March 2017 GTIF had an income tax expense amounting to US\$ 83,000 (31 March 2016: US\$ 70,000).

16. Efficient Portfolio Management Techniques

The Fund does not engage in efficient portfolio management techniques.

17. 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\$. 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 US\$ 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 2017

Currencies to which the Group has significant monetary exposure	ODGTIF Monetary US\$000	ODSIRF Monetary US\$000	Group Monetary US\$000
Indian Rupees	25,803	402	26,205
Pound Sterling	170	3	173
Euro	103	-	103
Other currency	2	-	2
	<u>26,078</u>	<u>405</u>	<u>26,483</u>

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2017

17. Financial Instruments (continued)

Market Risk (continued)

a) Currency risk (continued)

*Currency profile (continued)*

31 March 2017

Currencies to which the Group has significant non- monetary exposure	ODGTIF Non - Monetary US\$000	ODSIRF Non - Monetary US\$000	Group Non - Monetary US\$000
Indian Rupees	270,283	2,232	272,515
Pound Sterling	629	-	629
Euro	58	-	58
	<u>270,970</u>	<u>2,232</u>	<u>273,202</u>
<b>Net exposure</b>	<u>297,048</u>	<u>2,637</u>	<u>299,685</u>

31 March 2016

Currencies to which the Group has significant monetary exposure	ODGTIF Monetary US\$000	ODSIRF Monetary US\$000	Group Monetary US\$000
Indian Rupees	8,432	1,082	9,514
Pound Sterling	253	1	254
Euro	1	8	9
Other currency	1	-	1
	<u>8,687</u>	<u>1,091</u>	<u>9,778</u>

31 March 2016

Currencies to which the Group has significant non- monetary exposure	ODGTIF Non- Monetary US\$000	ODSIRF Non- Monetary US\$000	Group Non- Monetary US\$000
Indian Rupees	163,969	-	163,969
Pound Sterling	150	-	150
Euro	2,210	-	2,210
	<u>166,329</u>	<u>-</u>	<u>166,329</u>
<b>Net exposure</b>	<u>175,016</u>	<u>1,091</u>	<u>176,107</u>

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

31 March 2017

Currencies to which the Company has significant monetary exposure	ODGTIF Monetary US\$000	ODSIRF Monetary US\$000	Company Monetary US\$000
Pound Sterling	175	-	175
Euro	-	-	-
	<u>175</u>	<u>-</u>	<u>175</u>

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2017

17. Financial Instruments (continued)

Market Risk (continued)

a) Currency risk (continued)

*Currency profile (continued)*

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

31 March 2017

Currencies to which the Company has significant non- monetary exposure	ODGTIF Non -Monetary US\$000	ODSIRF Non - Monetary US\$000	Company Non - Monetary US\$000
Pound Sterling	8	5	13
Euro	74	-	74
Other currency	5	-	5
	<u>87</u>	<u>5</u>	<u>92</u>
<b>Net exposure</b>	<u>262</u>	<u>5</u>	<u>267</u>

31 March 2016

Currencies to which the Company has significant monetary exposure

	ODGTIF Monetary US\$000	ODSIRF Monetary US\$000	Company Monetary US\$000
Pound Sterling	253	1	254
Euro	1	8	9
Other currency	1	-	1
	<u>255</u>	<u>9</u>	<u>264</u>

31 March 2016

Currencies to which the Company has significant non- monetary exposure

	ODGTIF Non -Monetary US\$000	ODSIRF Non- Monetary US\$000	Company Non- Monetary US\$000
Pound Sterling	150	-	150
Euro	2,210	-	2,210
	<u>2,360</u>	<u>-</u>	<u>2,360</u>
<b>Net exposure</b>	<u>2,615</u>	<u>9</u>	<u>2,624</u>

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.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2017

17. Financial Instruments (continued)

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 and futures contracts on 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. Global exposure is calculated under the Commitment Approach.

*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.

	<b>ODGTIF</b> <b>31 March 2017</b> <b>US\$000</b>	<b>ODSIRF</b> <b>31 March 2017</b> <b>US\$000</b>	<b>Group and Company</b> <b>31 March 2017</b> <b>US\$000</b>
Financial assets at fair value through profit or loss	<b>270,227</b>	<b>2,229</b>	<b>272,456</b>
Monetary impact of a decrease of 10% on investments	<b>(27,023)</b>	<b>(223)</b>	<b>(27,246)</b>
	<b>ODGTIF</b> <b>31 March 2016</b> <b>US\$000</b>	<b>ODSIRF</b> <b>31 March 2016</b> <b>US\$000</b>	<b>Group and Company</b> <b>31 March 2016</b> <b>US\$000</b>
Financial assets at fair value through profit or loss	163,955	2,017	165,972
Monetary impact of a decrease of 10% on investments	(16,395)	(202)	(16,597)

If the investments, at 31 March 2017, 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\$ 27,246,000 (31 March 2016: US 16,597,000).

d) 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, the banker to Ocean Dial Gateway to India (Mauritius) Limited and Ocean Dial Systematic India Return (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 a debtor and the Group will rank as a general creditor of Societe Generale S.A. (Dublin Branch) and SBI (Mauritius) Ltd.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2017

17. Financial Instruments (continued)

d) Credit risk (continued)

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

As at 31 March 2017 Societe Generale S.A. (Dublin Branch) had a long term rating from Standard & Poor's of A (31 March 2016: 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 (31 March 2016: Baa3/P-3).

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.

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

	<b>ODGTIF</b>	<b>ODSIRF</b>	<b>Group</b>
	<b>31 March 2017</b>	<b>31 March 2017</b>	<b>31 March 2017</b>
	<b>US\$000</b>	<b>US\$000</b>	<b>US\$000</b>
Financial assets designated at fair value through profit or loss	<b>270,227</b>	<b>2,229</b>	<b>272,456</b>
Derivative margin	<b>15</b>	<b>837</b>	<b>852</b>
	<b>270,242</b>	<b>3,066</b>	<b>273,308</b>
	<b>ODGTIF</b>	<b>ODSIRF</b>	<b>Group</b>
	<b>31 March 2016</b>	<b>31 March 2016</b>	<b>31 March 2016</b>
	<b>US\$000</b>	<b>US\$000</b>	<b>US\$000</b>
Financial assets designated at fair value through profit or loss	163,955	2,017	165,972
Derivative margin	15	777	792
	163,970	2,794	166,764

e) 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 2017 and 2016, 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 2017

17. Financial Instruments (continued)

f) Taxation risk

Taxation risk is the risk the taxation of income and capital gains of the Company and its Mauritian subsidiaries may increase as a result of changes in the tax regulations and practice in Ireland, Mauritius and India. The Mauritian subsidiaries, namely Ocean Dial Gateway to India (Mauritius) Limited and Ocean Dial Systematic India Return (Mauritius) Limited, are each registered with the Securities and Exchange Board of India ("SEBI") as a foreign portfolio investor ("FPI") with a Category II licence, and hold a Category 1 Global Business Licence in Mauritius and have obtained a Mauritian Tax Residence Certificate ("TRC") which have been factors in determining its resident status under the India-Mauritius Double Taxation Avoidance Agreement ("DTAA") and General Anti Avoidance Rules ("GAAR") under the Income Tax Act 1961 ("ITA").

Prior to 1 April 2017 under the DTAA, capital gains of the Mauritian subsidiaries resulting from the sale of shares in India (whether listed or unlisted), including shares on conversion of foreign currency convertible bonds issued by Indian companies, were subject to the capital gains tax ("CGT") rate in Mauritius which is 0%. However, from 1 April 2017 under the DTAA, these capital gains will be subject to CGT rates in India which, for short term CGT (defined as less than one year) is applied at a rate of 15% and for long term CGT (defined as greater than one year) is 0%. Further, for two years to 31 March 2019 the Mauritian subsidiaries qualify for a discount of 50% on these CGT liabilities.

The Mauritian subsidiaries seek to minimise the impact of these changes in the taxation rates applicable to their capital gains by maintaining their investment strategy of investing in a concentrated portfolio for long term capital appreciation and thus restricting capital gains of less than one year to insignificant levels.

18. Net Asset Value Reconciliation

At 31 March 2017 and 31 March 2016, 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 2017</b> <b>US\$000</b>	<b>ODSIRF</b> <b>31 March 2017</b> <b>US\$000</b>	<b>Group</b> <b>31 March 2017</b> <b>US\$000</b>
Net asset value calculated in accordance with Prospectus	<b>296,179</b>	<b>3,558</b>	<b>299,737</b>
Adjustment of organisation expenses	<b>(7)</b>	<b>(20)</b>	<b>(27)</b>
Net assets attributable to holders of redeemable participating shares per financial statements	<b>296,172</b>	<b>3,538</b>	<b>299,710</b>
	<b>ODGTIF</b> <b>31 March 2016</b> <b>US\$000</b>	<b>ODSIRF</b> <b>31 March 2016</b> <b>US\$000</b>	<b>Group</b> <b>31 March 2016</b> <b>US\$000</b>
Net asset value calculated in accordance with Prospectus	175,083	3,328	178,411
Adjustment of organisation expenses	(38)	(40)	(78)
Net assets attributable to holders of redeemable participating shares per financial statements	175,045	3,288	178,333

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2017

18. Net Asset Value Reconciliation (continued)

	ODGTIF 31 March 2015 US\$000	ODSIRF 31 March 2015 US\$000	Group 31 March 2015 US\$000
Net asset value calculated in accordance with Prospectus	88,894	-	88,894
Adjustment of organisation expenses	(82)	-	(82)
Net assets attributable to holders of redeemable participating shares per financial statements	88,812	-	88,812

The NAV per share prior to the organisation expenses adjustment were as follows:

	31 March 2017	31 March 2016	31 March 2015
<b>Ocean Dial Gateway to India Fund</b>			
Net asset value per share (post adjustment)			
Class A (US\$)	US\$192.91	US\$147.31	US\$167.18
Class B (EUR)	€120.11	€85.84	€103.31
Class C (GBP)	£223.83	£149.40	£164.31
Class D (US\$)	US\$131.48	US\$102.19	US\$116.05
Class G (GBP)	£133.85	£90.83	£100.85
<b>Ocean Dial Systematic India Return Fund</b>			
Net asset value per share (post adjustment)			
Class A (US\$)	US\$101.29	US\$98.21	-
Class B (US\$)	US\$98.60	US\$95.25	-

19. Auditor Remuneration

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

	Company 31 March 2017 EUR000	Company 31 March 2016 EUR000
Statutory audit of Company accounts (including out of pocket expenses)	22	20
	22	20

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.

20. Soft Commission Arrangements

There were no soft commission arrangements affecting the Company during the financial year (31 March 2016: None).

21. Exchange Rates

At financial year end the Company used the following exchange rates to the US Dollar:

	31 March 2017	31 March 2016
Indian Rupee	64.84	66.33
Pound Sterling	0.79	0.69
Euro	0.94	0.88



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

**For the financial year ended 31 March 2017**

**22. Subsequent events**

The latest Prospectus of the Company was issued on the 23 January 2017 and on 12 June 2017 ODGTIF issued a First Addendum to the Prospectus to reflect the addition of three new share classes, namely Class H US\$ Shares; Class I Euro Shares; and Class J GBP Shares. All three share classes are subject to a minimum holding of US\$50million or its currency equivalent. The closure of the IPO period for this was 5pm 30th June 2017. In early July 2017 ODGTIF reached its maximum capacity of US\$400m and consequently the Fund was closed to new investors and to additional subscriptions from current investors until further capacity becomes available.

# Ocean Dial Investment Funds Plc

## Consolidated Schedule of Investments (unaudited)

As at 31 March 2017

Ocean Dial Gateway to India Fund	Holding (000)	Fair Value (US\$000)	% of Net Assets
<b>Basic Materials</b> (31 March 2016: US\$ 9,942,000/ 5.68%)			
GHCL Ltd	2,500	10,237	3.46%
Kansai Nerolac Paints Limited	940	5,489	1.85%
D.B. Corporation Ltd	1,100	6,467	2.18%
	<b>4,540</b>	<b>22,193</b>	<b>7.49%</b>
<b>Communications</b> (31 March 2016 US\$ 6,590,000/ 3.76%)	-	-	-
	-	-	-
<b>Consumer, Cyclical</b> (31 March 2016: US\$ 16,468,000/ 9.40%)			
Balkrishna Industries Limited	500	10,689	3.61%
Hero Motocorp Ltd	140	6,957	2.35%
KPR Mill Ltd	600	6,107	2.06%
Tata Motors Limited	600	4,311	1.46%
Tata Motors Limited - A DVR	700	3,046	1.03%
	<b>2,540</b>	<b>31,110</b>	<b>10.51%</b>
<b>Consumer, Non-cyclical</b> (31 March 2016: US\$ 28,926,000/ 16.53%)			
Aurobindo Pharma Ltd	600	6,248	2.11%
Bajaj Corp Ltd	1,100	6,701	2.26%
Balrampur Chini Mills Ltd	2,500	5,604	1.89%
CL Educate Ltd	416	2,710	0.92%
Divis Laboratories Ltd	270	2,598	0.88%
Lupin Ltd	275	6,130	2.07%
Sun Pharmaceutical Industries Ltd	425	4,511	1.52%
Torrent Pharmaceuticals Limited	350	8,381	2.83%
	<b>5,936</b>	<b>42,883</b>	<b>14.48%</b>
<b>Energy</b> (31 March 2016: US\$ 16,097,000/ 9.19%)			
Coal India Limited	1,100	4,965	1.68%
Hindustan Petroleum Corp. Ltd	1,500	12,161	4.11%
Indian Oil Corporation Ltd	1,500	8,954	3.02%
	<b>4,100</b>	<b>26,080</b>	<b>8.81%</b>
<b>Financial</b> (31 March 2016: US\$ 33,658,000/ 19.24%)			
Cholamandalam Investment and Finance Co Ltd	525	7,814	2.64%
City Union Bank Ltd	2,220	5,191	1.75%
Federal Bank	3,300	4,654	1.57%
Housing Development Finance Corporation Ltd	400	9,267	3.13%
ICICI Bank Ltd	1,200	5,124	1.73%
LIC Housing Finance Limited	1,000	9,538	3.22%
Rural Electrification Corporation Limited	2,150	6,003	2.03%
Shriram Transport Finance	500	8,313	2.81%
State Bank of India	1,500	6,788	2.29%
Yes Bank Ltd	350	8,349	2.82%
	<b>13,145</b>	<b>71,041</b>	<b>23.99%</b>

**Ocean Dial Investment Funds Plc**

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

**As at 31 March 2017**

<b>Ocean Dial Gateway to India to Fund</b>	<b>Holding (000)</b>	<b>Fair Value (US\$000)</b>	<b>% of Net Assets</b>
<b>Industrial</b> (31 March 2016: US\$ 34,601,000/ 19.76%)			
AIA Engineering Ltd	232	5,685	1.92%
Apar Industries Ltd	530	6,124	2.07%
Birla Corporation LTD	450	5,134	1.73%
Bharat Electronics Limited	2,660	6,431	2.17%
Gateway Distriparks Limited	702	2,737	0.92%
Orient Cement Limited	1,500	3,040	1.03%
The Ramco Cements Ltd.	900	9,337	3.15%
Tube Investments Of India	800	7,744	2.61%
	<b>7,774</b>	<b>46,232</b>	<b>15.60%</b>
<b>Technology</b> (31 March 2016: US\$17,673,000/ 10.10%)			
Eclerx Services Limited	250	5,439	1.84%
HCL Technologies Ltd	500	6,746	2.28%
Infosys Limited	460	7,251	2.45%
NIIT Technologies Ltd	800	5,375	1.81%
Persistent Systems Limited	300	2,756	0.93%
Sonata Software Ltd	1,200	3,121	1.05%
	<b>3,510</b>	<b>30,688</b>	<b>10.36%</b>
<b>Total Equities</b> (31 March 2016: US\$ 163,955,000/ 93.66%)		<b>270,227</b>	<b>91.24%</b>
Cash (31 March 2016: US\$9,259,000/ 5.29%)		<b>26,772</b>	<b>9.04%</b>
Other net assets (31 March 2016: US\$ 1,831,000/ 1.05%)		<b>(827)</b>	<b>(0.28%)</b>
<b>Net Assets attributable to Holders of Redeemable Participating Shares</b>		<b>296,172</b>	<b>100.00%</b>

All the investments are in companies traded in an active market in India and at the financial year end, investments constituted 90.90% ( 31 March 2016: 93.34%) of the Total Assets.

# Ocean Dial Investment Funds Plc

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

As at 31 March 2017

Ocean Dial Systematic India Return Fund	Holding (000)	Fair Value (US\$000)	% of Net Assets
<b>Basic Materials</b> (31 March 2016: US\$ 120,000/ 3.64%)			
Asian Paints Ltd	7	117	3.31%
	<b>7</b>	<b>117</b>	<b>3.31%</b>
<b>Communications</b> (31 March 2016: US\$ 41,000/ 1.24%)			
Bharti Airtel Limited	10	55	1.55%
Bharti Infratel Limited	7	32	0.90%
Idea Cellular Ltd	23	31	0.88%
Zee Entertainment Enterprises Ltd	9	77	2.18%
	<b>49</b>	<b>195</b>	<b>5.51%</b>
<b>Consumer, Cyclical</b> (31 March 2016: US\$ 371,000/ 11.30%)			
Bajaj Auto Ltd	3	142	4.01%
Bosch Limited	-	15	0.42%
Eicher Motors Ltd	-	5	0.14%
Hero Motocorp Ltd	2	81	2.29%
Mahindra & Mahindra Limited	-	2	0.06%
Maruti Suzuki India Ltd	1	117	3.31%
	<b>6</b>	<b>362</b>	<b>10.23%</b>
<b>Consumer, Non-cyclical</b> (31 March 2016: US\$ 613,000/ 18.65%)			
Adani Ports and Special Economic Zone Ltd	3	17	0.48%
Aurobindo Pharma Ltd	6	67	1.89%
Cipla Limited	9	81	2.29%
Dr. Reddy's Laboratories Ltd	1	27	0.76%
Hindustan Unilever Limited	11	157	4.44%
ITC Ltd	21	91	2.57%
Lupin Ltd	4	80	2.26%
Sun Pharmaceutical Industries Ltd	4	45	1.27%
	<b>59</b>	<b>565</b>	<b>15.96%</b>
<b>Energy</b> (31 March 2016: US\$ 123,000/ 3.75%)			
Bharat Petroleum Corp Ltd	9	90	2.54%
Coal India Limited	4	19	0.54%
Oil & Natural Gas Corp Ltd	14	40	1.13%
Reliance Industries Limited	5	99	2.80%
	<b>32</b>	<b>248</b>	<b>7.01%</b>
<b>Financial</b> (31 March 2016: US\$ 123,000/ 3.74%)			
Housing Development Finance Corporation Ltd	4	86	2.43%
Indusind Bank Limited	3	70	1.98%
Yes Bank Ltd	-	8	0.23%
	<b>7</b>	<b>164</b>	<b>4.64%</b>

**Ocean Dial Investment Funds Plc**

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

**As at 31 March 2017**

<b>Ocean Dial Systematic India Return Fund</b>	<b>Holding (000)</b>	<b>Fair Value (US\$000)</b>	<b>% of Net Assets</b>
<b>Industrial</b> (31 March 2016: US\$ 119,000/ 3.62%)			
ACC Ltd	-	5	0.14%
Ambuja Cements Limited	4	15	0.42%
Bharat Heavy Electricals Ltd	1	2	0.06%
Larsen & Toubro Limited	1	31	0.88%
Ultratech Cement Ltd	1	51	1.44%
	<b>7</b>	<b>104</b>	<b>2.94%</b>
<b>Technology</b> (31 March 2016: US\$ 426,000/ 12.94%)			
HCL Technologies Ltd	9	115	3.25%
Infosys Limited	1	17	0.48%
Tata Consultancy Services Ltd	2	85	2.40%
Tech Mahindra Ltd	2	15	0.42%
Wipro Ltd	7	54	1.53%
	<b>21</b>	<b>286</b>	<b>8.08%</b>
<b>Utilities</b> (31 March 2016: US\$ 81,000/ 2.47%)			
GAIL India Ltd	12	70	1.98%
NTPC Ltd	36	92	2.60%
Tata Power Co Ltd	19	26	0.74%
	<b>67</b>	<b>188</b>	<b>5.32%</b>
<b>Total Equities</b> (31 March 2016: US\$ 2,017,000/ 61.35%)		<b>2,229</b>	<b>63.00%</b>
Cash (31 March 2016: US\$ 468,000/ 14.24%)		<b>462</b>	<b>13.06%</b>
Other net assets (31 March 2016: 803,000/ 24.41%)		<b>847</b>	<b>23.94%</b>
<b>Net Assets attributable to Holders of Redeemable Participating Shares</b>		<b>3,538</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 62.31% (31 March 2016: 60.50%) of the Total Assets

# Ocean Dial Investment Funds Plc

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

As at 31 March 2017

Ocean Dial Systematic India Return Fund	Holding (000)	Notional Value (US\$000)	Unrealised (US\$000)	% of Net Assets
<b>Consumer, Cyclical</b> (31 March 2016 US\$ Nil/ 0%)				
Tata Motors 27 April 17 Futures	2	11	-	-
	<u>2</u>	<u>11</u>	<u>-</u>	<u>-</u>
<b>Consumer, Non-cyclical</b> (31 March 2016 US\$ Nil/ 0%)				
ITC Limited -27 April 17 Futures	14	62	(1)	(0.03)%
SUNPHARMA 27 April 17 Futures	15	157	-	-
	<u>29</u>	<u>219</u>	<u>(1)</u>	<u>(0.03)%</u>
<b>Energy</b> (31 March 2016 US\$ Nil/ 0%)				
Coal India Ltd 27 April 17 Futures	36	161	1	0.03%
Oil & Natural Gas Corp Ltd 27 April 17 Futures	52	151	1	0.03%
Reliance Industries Ltd 27 April 17 Futures	5	102	4	0.11%
	<u>93</u>	<u>414</u>	<u>6</u>	<u>0.17%</u>
<b>Financial</b> (31 March 2016 US\$ Nil/ 0%)				
HDFC Bank Ltd 27 April 17 Futures	9	189	(1)	(0.03)%
Kotak Mahindra Bank Limited 27 April 17 Futures	6	86	1	0.03%
	<u>15</u>	<u>275</u>	<u>-</u>	<u>-</u>
<b>Industrial</b> (31 March 2016 US\$ Nil/ 0%)				
Grasim Industries Ltd 27 April 17 Futures	1	12	-	-
	<u>1</u>	<u>12</u>	<u>-</u>	<u>-</u>
<b>Technology</b> (31 March 2016 US\$ Nil/ 0%)				
INFO SYS Ltd 27 April 17 Futures	7	102	(1)	(0.03)%
Tata Consultancy Services Ltd 27 April 17 Futures	4	141	-	-
	<u>11</u>	<u>243</u>	<u>(1)</u>	<u>(0.03)%</u>
<b>Utilities</b> (31 March 2016 US\$ Nil/ 0%)				
Power Grid Corp of India Ltd 27 April 17 Futures	40	122	1	0.03%
	<u>40</u>	<u>122</u>	<u>1</u>	<u>0.03%</u>
<b>Total Futures</b>		<u>1,296</u>	<u>5</u>	<u>0.14%</u>

The unrealised on futures for the year ended 31 March 2016 were amounting to US\$ 183.00 in total.

All the futures were traded on the NSE and BSE stock exchange through our broker Edelweiss Custodial Services Limited.

**Ocean Dial Investment Funds Plc****Schedule of Material Portfolio (unaudited)****For the financial year ended 31 March 2017****Ocean Dial Gateway to India Fund**

<b>Purchase:</b>	<b>Cost US\$ 000</b>	<b>Sales</b>	<b>Proceeds US\$ 000</b>
Balkrishna Industries Limited	3,009	Idea Cellular Ltd	2,617
GHCL Ltd	1,918	Gujarat Pipavav Port Limited	4,323
Persistent Systems Limited	1,153	Amara Raja Batteries Ltd	1,792
Indian Oil Corporation Ltd	9,823	Supreme Industries Ltd	3,068
Bharat Electronics Limited	6,044	Bharat Electronics Limited	2,830
KPR Mill Ltd	2,169	Colgate-Palmolive India Ltd	3,434
Welspun India Ltd	4,336	KPR Mill Ltd	3,343
Bajaj Corp Ltd	6,425	AIA Engineering Ltd	4,784
Hero Motocorp Ltd	7,071	Welspun India Ltd	2,380
State Bank of India	1,854	Coromandel International Ltd	3,125
Tech Mahindra Ltd	1,428	Sonata Software Ltd	1,295
LIC Housing Finance Limited	2,419	Oil India Limited	1,669
Eclerx Services Limited	1,005	State Bank of India	1,059
MRF Ltd	3,580	Tech Mahindra Ltd	3,811
Birla Corporation LTD	5,385	Arvind Ltd	5,651
NIIT Technologies Ltd	5,875	Bajaj Electricals Ltd	4,015
Tata Motors Limited - A DVR	2,392	MRF Ltd	4,617
Infosys Limited	7,542	Birla Corporation LTD	1,053
HCL Technologies Ltd	1,655	Techno Electric & Engine Co, Ltd	6,118
Housing Development Finance Corporation Ltd	1,548		
Torrent Pharmaceuticals Limited	1,091		
Aurobindo Pharma Ltd	1,096		
Coal India Ltd	1,466		
Sun Pharmaceutical Industries Ltd	1,982		
Tube Investments Of India	6,754		
D.B. Corporation Ltd	6,226		
Lupin Ltd	2,466		
Apar Industries Ltd	4,428		
City Union Bank Ltd	4,232		
Balrampur Chini Mills Ltd	5,303		
Shriram Transport Finance	7,088		
CL Educate Ltd	3,223		
Rural Electrification Corporation Limited	1,536		

**Ocean Dial Investment Funds Plc**

**Schedule of Material Portfolio Changes (unaudited) (Continued)**

**For the financial year ended 31 March 2017**

**Ocean Dial Systematic India Return Fund**

<b>Purchase:</b>	<b>Cost US\$ 000</b>	<b>Sales</b>	<b>Proceeds US\$ 000</b>
ACC Ltd	70	ACC Ltd	93
		Adani Ports and Special Economic Zone Ltd	69
Ambuja Cements Limited	77	Ambuja Cements Limited	98
Asian Paints Ltd	49	Asian Paints Ltd	78
Aurobindo Pharma Ltd	86	Aurobindo Pharma Ltd	14
Bajaj Auto Ltd	110	Bajaj Auto Ltd	31
Bharat Petroleum Corp Ltd	42	Bharat Petroleum Corp Ltd	46
Bharti Airtel Limited	66	Bharti Airtel Limited	33
Bharti Infratel Limited	46	Bharti Infratel Limited	14
Bosch Limited	75	Bosch Limited	70
Cipla Limited	75	Cipla Limited	30
Coal India Limited	30	Coal India Limited	23
Dr. Reddy's Laboratories Ltd	25	Dr. Reddy's Laboratories Ltd	70
Eicher Motors Ltd	42	Eicher Motors Ltd	44
GAIL India Ltd	62	GAIL India Ltd	11
HCL Technologies Ltd	103	HCL Technologies Ltd	41
Hindustan Unilever Limited	77	Hero Motocorp Ltd	86
Housing Development Finance Corporation Ltd	87	Hindustan Unilever Limited	92
Idea Cellular Ltd	37	Housing Development Finance Corporation Ltd	31
		Indusind Bank Limited	76
Indusind Bank Limited	17	Infosys Limited	80
Infosys Limited	10	ITC Ltd	110
ITC Ltd	33	Lupin Ltd	47
Larsen & Toubro Limited	29	Mahindra & Mahindra Limited	61
Lupin Ltd	41	Maruti Suzuki India Ltd	97
Mahindra & Mahindra Limited	10	NTPC Ltd	32
Maruti Suzuki India Ltd	43	Reliance Industries Limited	25
NTPC Ltd	46	Sun Pharmaceutical Industries Ltd	42
Oil & Natural Gas Corp Ltd	47	Tata Consultancy Services Ltd	71
Reliance Industries Limited	62	Tata Power Co Ltd	14
Sun Pharmaceutical Industries Ltd	38	Tech Mahindra Ltd	27
Tata Consultancy Services Ltd	17	Ultratech Cement Ltd	62
Tata Power Co Ltd	25	Wipro Ltd	153
Tech Mahindra Ltd	10	Yes Bank Ltd	30
Ultratech Cement Ltd	54	Zee Entertainment Enterprise	18
Wipro Ltd	100		
Yes Bank Ltd	32		
Zee Entertainment Enterprise	68		



**Ocean Dial Investment Funds Plc**

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

**For the financial year ended 31 March 2017**

	Notes	ODGTIF Financial year ended 31 March 2017 US\$000	ODSIRF Financial year ended 31 March 2017 US\$000	Company Financial year ended 31 March 2017 US\$000
<b>Portfolio return</b>				
Net realised gain/ (loss) on financial assets held at fair value through profit or loss	1	2,608	(16)	2,592
Net unrealised gains on financial assets held at fair value through profit or loss	1	58,250	120	58,370
Realised loss on fx transaction		(277)	-	(277)
Transaction costs		(12)	(5)	(17)
<b>Total portfolio return</b>		<b>60,569</b>	<b>99</b>	<b>60,668</b>
<b>Income</b>				
Other income		34	113	147
		<b>34</b>	<b>113</b>	<b>147</b>
<b>Operating Expenses</b>				
Bank charges		(14)	(2)	(16)
Audit fees		(22)	-	(22)
Legal fees		(139)	(5)	(144)
Directors' fees		(45)	-	(45)
Investment management fee		1	(1)	-
Investment performance fees		(1,846)	4	(1,842)
Administration fees		(117)	(37)	(154)
Depository fees		(117)	(12)	(129)
Other expenses		(140)	(17)	(157)
<b>Total operating expenses</b>		<b>(2,439)</b>	<b>(70)</b>	<b>(2,509)</b>
<b>Net income</b>		<b>58,164</b>	<b>142</b>	<b>58,306</b>
<b>Increase in net assets attributable to holders of redeemable participating shares</b>		<b>58,164</b>	<b>142</b>	<b>58,306</b>

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.

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

For the financial year ended 31 March 2016

	Notes	ODGTIF Financial year ended 31 March 2016  US\$000	ODSIRF For the financial period from 3 November 2015 (date of launch) to 31 March 2016  US\$000	Company Financial year ended 31 March 2016  US\$000
<b>Portfolio loss</b>				
Net realised gain/ (loss) on financial assets held at fair value through profit or loss	1	5,675	(5)	5,670
Net unrealised (loss)/ gain on financial assets held at fair value through profit or loss	1	(24,483)	(147)	(24,630)
Transaction costs		(20)	(3)	(23)
<b>Total portfolio loss</b>		<u>(18,828)</u>	<u>(155)</u>	<u>(18,983)</u>
<b>Income</b>				
Other income		<u>1</u>	<u>69</u>	<u>70</u>
		<u>1</u>	<u>69</u>	<u>70</u>
<b>Operating Expenses</b>				
Bank charges		(9)	-	(9)
Audit fees		(22)	-	(22)
Legal fees		(57)	(1)	(58)
Directors' fees		(35)	-	(35)
Investment management fee		1	-	1
Investment performance fees		(590)	(9)	(599)
Administration fees		(86)	(15)	(101)
Depository fees		(88)	(3)	(91)
Designated Individual fees		(34)	-	(34)
Other expenses		(54)	(15)	(69)
Organisation expenses		-	(39)	(39)
<b>Total operating expenses</b>		<u>(974)</u>	<u>(82)</u>	<u>(1,056)</u>
<b>Net loss</b>		<u>(19,801)</u>	<u>(168)</u>	<u>(19,969)</u>
<b>Decrease in net assets attributable to holders of redeemable participating shares</b>		<u>(19,801)</u>	<u>(168)</u>	<u>(19,969)</u>

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 2017**

	Notes	ODGTIF As at 31 March 2017 US\$000	ODSIRF As at 31 March 2017 US\$000	Company As at 31 March 2017 US\$000
<b>Assets</b>				
Financial assets held at fair value through profit or loss		296,860	3,456	300,316
Cash and cash equivalents		469	53	522
Other receivables and prepayments	2	2,447	48	2,495
<b>Total assets</b>		<b>299,776</b>	<b>3,557</b>	<b>303,333</b>
<b>Liabilities</b>				
Payables	3	(2,590)	-	(2,590)
Accrued expenses	4	(1,014)	(19)	(1,033)
<b>Total liabilities</b>		<b>(3,604)</b>	<b>(19)</b>	<b>(3,623)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>296,172</b>	<b>3,538</b>	<b>299,710</b>

**As at 31 March 2016**

	Notes	ODGTIF As at 31 March 2016 US\$000	ODSIRF As at 31 March 2016 US\$000	Company As at 31 March 2016 US\$000
<b>Assets</b>				
Financial assets held at fair value through profit or loss		175,335	3,231	178,566
Cash and cash equivalents		802	18	820
Other receivables and prepayments	2	2,706	71	2,777
<b>Total assets</b>		<b>178,843</b>	<b>3,320</b>	<b>182,163</b>
<b>Liabilities</b>				
Payables	3	(3,431)	(10)	(3,441)
Accrued expenses	4	(367)	(22)	(389)
<b>Total liabilities</b>		<b>(3,798)</b>	<b>(32)</b>	<b>(3,830)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>175,045</b>	<b>3,288</b>	<b>178,333</b>

The financial statements were approved by the board of Directors of Ocean Dial Investment Funds plc on 27 July 2017.

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 2017 and 31 March 2016**

	<b>ODGTIF Financial year ended 31 March 2017 US\$000</b>	<b>ODSIRF Financial year ended 31 March 2017 US\$000</b>	<b>Company Financial year ended 31 March 2017 US\$000</b>
<b>Net assets attributable to holders of redeemable participating shares at the start of the financial year</b>	<b>175,045</b>	<b>3,288</b>	<b>178,333</b>
Proceeds from redeemable participating shares issued	<b>109,826</b>	<b>210</b>	<b>110,036</b>
Payments on redeemable participating shares redeemed	<b>(46,863)</b>	<b>(102)</b>	<b>(46,965)</b>
<b>Increase from share transactions</b>	<b>62,963</b>	<b>108</b>	<b>63,071</b>
Net income for the financial year	<b>58,164</b>	<b>142</b>	<b>58,306</b>
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>	<b>296,172</b>	<b>3,538</b>	<b>299,710</b>
	<b>ODGTIF Financial year ended 31 March 2016  US\$000</b>	<b>ODSIRF For the financial period from 3 November 2015 (date of launch) to 31 March 2016  US\$000</b>	<b>Company Financial year ended 31 March 2017  US\$000</b>
<b>Net assets attributable to holders of redeemable participating shares at the start of the financial year/ period</b>	<b>88,812</b>	<b>-</b>	<b>88,812</b>
Proceeds from redeemable participating shares issued	<b>146,036</b>	<b>3,471</b>	<b>149,507</b>
Payments on redeemable participating shares redeemed	<b>(40,002)</b>	<b>(15)</b>	<b>(40,017)</b>
<b>Increase from share transactions</b>	<b>106,034</b>	<b>3,456</b>	<b>109,490</b>
Net loss for the financial year/ period	<b>(19,801)</b>	<b>(168)</b>	<b>(19,969)</b>
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year/ period</b>	<b>175,045</b>	<b>3,288</b>	<b>178,333</b>

# Ocean Dial Investment Funds Plc

## Company Statement of Cash Flows

For the financial year ended 31 March 2017

	ODGTIF Financial year ended 31 March 2017 US\$000	ODSIRF Financial year ended 31 March 2017 US\$000	Company Financial year ended 31 March 2017 US\$000
<b>Cash flows from operating activities</b>			
Net income	58,164	142	58,306
<i>Adjustment for:</i>			
Net realised (gain)/ loss on financial asset at fair value through profit or loss	(2,656)	16	(2,640)
Net unrealised gain on financial asset at fair value through profit or loss	(57,877)	(122)	(57,999)
Operating (loss)/ income before working capital changes	(2,369)	36	(2,333)
<b>Working capital changes</b>			
(Increase)/ decrease in receivables and prepayments	(995)	22	(973)
Decrease in payables and accrued expenses	(975)	(13)	(988)
<b>Net cash provided by operating activities</b>	<b>(1,970)</b>	<b>9</b>	<b>(1,961)</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of financial assets at fair value through profit or loss	48,844	127	48,971
Purchase of financial assets at fair value through profit or loss	(109,836)	(245)	(110,081)
<b>Net cash outflow used in investing activities</b>	<b>(60,992)</b>	<b>(118)</b>	<b>(61,110)</b>
<b>Cash flows from financing activities</b>			
Proceeds from redeemable participating shares issued	111,080	210	111,290
Payments on redeemable participating shares redeemed	(46,082)	(102)	(46,184)
<b>Net cash inflow from financing activities</b>	<b>64,998</b>	<b>108</b>	<b>65,106</b>
Net movement in cash and cash equivalents during the financial year	(333)	35	(298)
Cash and cash equivalents at the start of the financial year	802	18	820
<b>Cash and cash equivalents at the end of the financial year</b>	<b>469</b>	<b>53</b>	<b>522</b>

**Ocean Dial Investment Funds Plc**

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

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

	ODGTIF Financial year ended 31 March 2016  US\$000	ODSIRF For the financial period from 3 November 2015 (date of launch) to 31 March 2016  US\$000	Company Financial year ended 31 March 2016  US\$000
<b>Cash flows from operating activities</b>			
Net loss	(19,801)	(168)	(19,969)
<i>Adjustment for:</i>			
Net realised (gain)/ loss on financial asset at fair value through profit or loss	(6,240)	4	(6,236)
Net unrealised loss on financial asset at fair value through profit or loss	24,060	150	24,210
Operating loss before working capital changes	(1,981)	(14)	(1,995)
<b>Working capital changes</b>			
Increase in receivables and prepayments	(2,134)	(71)	(2,205)
Increase in payables and accrued expenses	2,060	32	2,092
<b>Net cash used in operating activities</b>	(2,055)	(53)	(2,108)
<b>Cash flows from investing activities</b>			
Proceeds from disposal of financial assets at fair value through profit or loss	42,118	86	42,204
Purchase of financial assets at fair value through profit or loss	(146,036)	(3,471)	(149,507)
<b>Net cash outflow used investing activities</b>	(103,918)	(3,385)	(107,303)
<b>Cash flows from financing activities</b>			
Proceeds from redeemable participating shares issued	146,036	3,471	149,507
Payments on redeemable participating shares redeemed	(40,002)	(15)	(40,017)
<b>Net cash inflow from financing activities</b>	106,034	3,456	109,490
Net increase in cash and cash equivalents during the financial year/ period	61	18	79
Cash and cash equivalents at the start of the financial year / period	741	-	741
<b>Cash and cash equivalents at the end of the financial year/ period</b>	802	18	820

Notes to the Company Financial Statements

For the financial year ended 31 March 2017

1. Net gain/ (loss) on financial assets and financial liabilities at fair value through profit or loss

	ODGTIF 31 March 2017 US\$000	ODSIRF 31 March 2017 US\$000	Company 31 March 2017 US\$000
<b>Net realised gain/ (loss) on financial assets held at fair value through profit or loss</b>			
Realised gain/ (loss) on sale of investments	2,656	(16)	2,640
Realised loss on currency spot contracts	(48)	-	(48)
	<u>2,608</u>	<u>(16)</u>	<u>2,592</u>

	ODGTIF 31 March 2016 US\$000	ODSIRF 31 March 2016 US\$000	Company 31 March 2016 US\$000
<b>Net realised gain/ (loss) on financial assets held at fair value through profit or loss</b>			
Realised gain/ (loss) on sale of investments	6,240	(4)	6,236
Realised loss on currency spot contracts	(565)	(1)	(566)
	<u>5,675</u>	<u>(5)</u>	<u>5,670</u>

	ODGTIF 31 March 2017 US\$000	ODSIRF 31 March 2017 US\$000	Company 31 March 2017 US\$000
<b>Net unrealised (loss)/ gain on financial assets held at fair value through profit or loss</b>			
Unrealised gain on sale of investments	57,877	122	57,999
Unrealised (loss)/ gain on foreign exchange	373	(2)	371
	<u>58,250</u>	<u>120</u>	<u>58,370</u>

	ODGTIF 31 March 2016 US\$000	ODSIRF 31 March 2016 US\$000	Company 31 March 2016 US\$000
<b>Net unrealised (loss)/ gain on financial assets held at fair value through profit or loss</b>			
Unrealised loss on sale of investments	(24,060)	(150)	(24,210)
Unrealised (loss)/ gain on foreign exchange	(423)	3	(420)
	<u>(24,483)</u>	<u>(147)</u>	<u>(24,630)</u>

2. Other receivables and prepayments

	ODGTIF 31 March 2017 US\$000	ODSIRF 31 March 2017 US\$000	Company 31 March 2017 US\$000
Other receivables	1,314	48	1,362
Subscriptions receivable	1,133	-	1,133
	<u>2,447</u>	<u>48</u>	<u>2,495</u>

Notes to the Company Financial Statements

For the financial year ended 31 March 2017

2. Other receivables and prepayments (continued)

	ODGTIF 31 March 2016 US\$000	ODSIRF 31 March 2016 US\$000	Company 31 March 2016 US\$000
Other receivables	319	71	390
Subscriptions receivable	2,387	-	2,387
	<u>2,706</u>	<u>71</u>	<u>2,777</u>

3. Payables

	ODGTIF 31 March 2017 US\$000	ODSIRF 31 March 2017 US\$000	Company 31 March 2017 US\$000
Redemptions payable	941	-	941
Performance fees payable	10	-	10
Other payables	1,639	-	1,639
	<u>2,590</u>	<u>-</u>	<u>2,590</u>

	ODGTIF 31 March 2016 US\$000	ODSIRF 31 March 2016 US\$000	Company 31 March 2016 US\$000
Redemptions payable	160	-	160
Performance fees payable	44	-	44
Other payables	3,227	10	3,237
	<u>3,431</u>	<u>10</u>	<u>3,441</u>

4. Accrued Expenses

	ODGTIF 31 March 2017 US\$000	ODSIRF 31 March 2017 US\$000	Company 31 March 2017 US\$000
Audit fees	21	-	21
Directors' fees and expenses	12	-	12
Investment management fee	266	4	270
Investment performance fee	628	5	633
Administration fee	12	2	14
Depository fee	15	2	17
General expenses	60	6	66
	<u>1,014</u>	<u>19</u>	<u>1,033</u>



Notes to the Company Financial Statements (continued)

For the financial year ended 31 March 2017

4. Accrued Expenses (continued)

	ODGTIF 31 March 2016 US\$000	ODSIRF 31 March 2016 US\$000	Company 31 March 2016 US\$000
Audit fees	23	-	23
Directors' fees and expenses	4	-	4
Investment management fee	154	-	154
Investment performance fee	135	8	143
Administration fee	7	3	10
Depository fee	10	1	11
General expenses	34	10	44
	<u>367</u>	<u>22</u>	<u>389</u>

**REMUNERATION DISCLOSURE (unaudited)**

**For the financial year ended 31 March 2017**

The Company is required to adopt a remuneration policy, which is consistent with the remuneration principles outlined in the UCITS V Directive. The remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its senior staff is in line with the risk policies and objectives of the Funds it manages. In addition, the remuneration principles outlined in UCITS V, require the Company to make certain quantitative remuneration disclosures. As these financial statements are produced before the completion of the first full calendar year after the UCITS remuneration requirements became effective, the Company does not consider that the quantitative remuneration data available to it is sufficiently relevant, or that it provides a proper basis for comparison and it has therefore elected not to make any quantitative remuneration disclosures at this time. The quantitative disclosures required under UCITS V will be made in the financial statements to 31 March 2018.