

**Ocean Dial Investment Funds Plc**

**UNAUDITED INTERIM REPORT &  
CONSOLIDATED FINANCIAL STATEMENTS**

**For the six months to 30 September 2015**

## **Ocean Dial Investment Funds Plc**

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## **Ocean Dial Investment Funds Plc**

### **Organisation**

#### **Directors of the Company**

David Hammond\*

John Bohan

James Cayzer-Colvin\*

Maheshwar Doorgakant

Robin Sellers

\*Independent Non-Executive

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

Ocean Dial Asset Management Limited

19 Buckingham Gate

London SW1E 6LB

United Kingdom

#### **Administrator – Ireland**

Apex Fund Services (Ireland) Limited

1st Floor, Block 2

Harcourt Centre

Harcourt Street

Dublin 2

Ireland

#### **Custodian**

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 Sponsoring Brokers**

Dillon Eustace

33 Sir John Rogerson's Quay

Dublin 2

Ireland

#### **Auditors**

Deloitte

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 Funds incorporated in Ireland on 15 November 2011. The Company has been authorised by the Central Bank of Ireland (the "Central Bank") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to the UCITS Regulations.

The Company is structured as an umbrella Fund consisting of different Funds each comprising 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 30 September 2015, there was one Fund in existence, the Ocean Dial Gateway to India Fund (the "Fund"). The Fund was launched on 10 September 2012.

The Fund holds 100% of the share capital of the Ocean Dial Gateway to India (Mauritius) Limited. Ocean Dial Gateway to India (Mauritius) Limited is registered with the Securities and Exchange Board of India as a Foreign Portfolio Investor. Ocean Dial Gateway to India (Mauritius) Limited will pursue the same investment objective as the Fund and will be subject to the same investment policies, restrictions and guidelines of the Fund and the Company generally, but subject at all times to any applicable law, regulations or guidelines applicable to Ocean Dial Gateway to India (Mauritius) Limited.

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

The investment objective of the Fund is to provide a long term capital appreciation.

The Fund 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/or (iii) large and mid-cap companies whose equity and equity related securities are listed, traded or dealt in on Indian stock exchanges as further detailed in the Prospectus.

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

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

#### **Net Asset Value**

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

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

## **Ocean Dial Investment Funds Plc**

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

#### **Dividend Policy**

Dividends, if any, will normally be declared on the next Business Day following 31 March in each financial 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 financial 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**

Each investor must subscribe a minimum of US\$5,000 or the equivalent in other currencies and must at all times retain shares having a Net Asset Value of US\$5,000, a Shareholder may make subsequent subscriptions and redemptions, each subject to a minimum transaction size of US\$1,000. As at 30 September 2015, 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.

For Share Class D (US\$), the minimum initial subscription for each investor is US\$10,000,000 and a shareholder may make subsequent subscriptions and redemptions, each subject to a minimum transaction size of US\$1,000,000.

**Investment Manager's Report**

The six month period ending 30 September 2015 has been one of consolidation for Indian equities. Compared to the same period in 2014 when the BSE Sensex rallied 18.9% in local currency terms, the index has fallen 6.5% in local currency terms alongside a 5.0% depreciation of the Rupee against the US Dollar.

**Investment Portfolio Performance**

The Fund Net Asset Value ("NAV") per Class A US\$ share as at 30 September 2015 was US\$154.4, down 7.7% for the six months to 30 September 2015, whilst the S&P BSE Dollex 30 was down 10.9% for the same period, both in US\$ term leading to an outperformance of 3.2%. In INR, the NAV per Class A US\$ share was down 3.0%.

Health care and Consumer discretionary contributed positively for the six months to 30 September 2014. Positive attribution was driven by Torrent Pharmaceuticals (up 25.3%), KPR Mills (up 41.8%), Maruti Suzuki (up 28.4%) and Divi's Laboratories (up 26.1%). Negative attribution mainly stemmed from Kaveri Seeds (down 56.4%), Tata Motors (down 46.8%), and Coromandel International (down 41.5%).

**Economy and Politics**

Amidst a backdrop of uncertainty surrounding the timing of tighter US monetary policy, a weaker Chinese economy and a slowdown in commodity exporting countries, India has been an outperformer relative to its Emerging Market peer group. In Dollar terms the MSCI Emerging Market index registered -17.1% compared to -10.4% for MSCI India and -8.9% for MSCI World. This consolidation has been driven by a number of factors including a tempering of the expectations that had been put on Narendra Modi's new Government. Whilst several crucial steps have been taken to create an environment more conducive to job creation, critics point to a lack of big bang reforms in areas such as the Goods and Services Tax, land acquisition and large scale privatisation programmes as evidence of a slow start to his premiership. Furthermore, the economy is yet to respond to the improved macroeconomic and political climate. As such a correction in India's equity markets had been on the cards, especially in a period of negative sentiment for Emerging Markets as an asset class. Nevertheless we believe India continues to differentiate itself as a credible investment destination not only as a commodity importer but as an economy driven by domestic consumption with a strong Central Bank and reform driven Government.

Despite criticism that the Government is not moving fast enough, behind the scenes structural changes are being implemented in critical areas. A more efficient system to manage subsidy payments to the poor, the curtailment of black money, and the attitude towards crony capitalists, are all examples of where solid progress has been made. The Government's U turn on retrospective application of a Minimum Alternative Tax on foreign portfolio investors (discussed in the last report) has also been a welcome step towards eradicating concerns over retrospective tax liability. The Government's Make in India campaign which showcases the reforms made since its election in a bid to encourage investment from overseas is also bearing fruit. For the first half of this calendar year, India registered as the top destination for FDI, coming in ahead of both China and the USA<sup>1</sup>.

On the domestic front the banking sector remains under stress and excess capacity is present across several sectors. With companies also learning to adjust to a newer and cleaner way of doing business the Government has initiated efforts for a recovery with a 34% pick up in capital spending, principally targeted towards roads and railways in order to trigger a "crowding in" of the private sector. In addition to this, the Reserve Bank of India surprised the market with a 50bp intra-meeting rate cut in September alongside a commitment to work with the Government to improve the process of monetary transmission. Whilst these changes will take time to work their way through the system and much more needs to be done to encourage growth, the economy is under recovery and business sentiment is high. Indeed, India's macro fundamentals appear stronger than at any point in recent history with low inflation, falling interest rates, fiscal discipline, a manageable current account deficit and currency reserves at their greatest recorded level. It is clear that the interest rate cycle is on the turn upwards in the USA, however Federal Reserve monetary policy will remain supportive of growth. A stronger American economy in tandem with an improved political environment, robust macro fundamentals and a rising growth trajectory in India provides support for a positive view in the medium term on both a relative and an absolute basis.

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

**25<sup>th</sup> November 2015**

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<sup>1</sup> Source: Financial Times, fDi Markets Crossborder Investment Monitor

Ocean Dial Investment Funds Plc

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months to 30 September 2015

	Note	Unaudited Six months to 30.09.2015 US\$	Unaudited Six months to 30.09.2014 US\$	Audited Year ended 31.03.2015 US\$
<b>Portfolio return</b>				
Net realised gains on financial assets held at fair value through profit or loss	9	6,012,299	3,461,617	6,820,872
Net unrealised (losses) / gains on financial assets held at fair value through profit or loss	9	(16,950,522)	7,639,664	7,087,892
Dividend income		1,533,836	736,747	946,780
Transaction costs		(436,660)	(152,169)	(322,933)
<b>Total portfolio return</b>		<b>(9,841,047)</b>	<b>11,685,859</b>	<b>14,532,611</b>
<b>Operating income/ (expenses)</b>				
Interest income		224	328	557
Bank charges		(8,417)	-	(15,270)
Audit fees		(14,586)	(14,530)	(30,350)
Legal fees		(34,522)	(35,447)	(34,202)
Directors' fees		(19,240)	(23,629)	(43,448)
Investment management fee	11	(867,869)	(248,707)	(704,541)
Performance fees	11	(409,442)	(595,262)	(660,178)
Administration fees	11	(51,253)	(20,452)	(49,253)
Custodian fees	11	(53,742)	(25,624)	(58,440)
Designated individual fees		(17,108)	(20,990)	(39,528)
Other expenses		(39,883)	(38,714)	(73,485)
Organisation expenses		-	-	(48,622)
<b>Total operating income / (expenses)</b>		<b>(1,515,838)</b>	<b>(1,023,027)</b>	<b>(1,756,760)</b>
<b>Net (loss) / income before taxation</b>		<b>(11,356,885)</b>	<b>10,662,832</b>	<b>12,775,851</b>
Taxation	13	(40,796)	(11,859)	(21,408)
<b>Net (loss) / income after taxation</b>		<b>(11,397,681)</b>	<b>10,650,973</b>	<b>12,754,443</b>

The financial statements were approved by the board of Directors of Ocean Dial Investment Funds Plc on 25<sup>th</sup> November 2015.

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

**Ocean Dial Investment Funds Plc**

**Consolidated Statement of Financial Position**

**As at 30 September 2015**

	Note	Unaudited 30.09.2015 US\$	Unaudited 30.09.2014 US\$	Audited 31.03.2015 US\$
<b>Assets</b>				
Financial assets held at fair value through profit or loss		<b>163,292,696</b>	71,935,462	85,617,336
Cash and cash equivalents	7	<b>9,600,528</b>	2,177,563	3,601,605
Other receivables and prepayments	5	<b>940,220</b>	793,695	618,104
<b>Total assets</b>		<b>173,833,444</b>	74,906,720	89,837,045
<b>Liabilities</b>				
Payables	6	<b>(1,483,646)</b>	(739,696)	(323,885)
Accrued expenses	4	<b>(716,026)</b>	(729,995)	(701,369)
<b>Total liabilities</b>		<b>(2,199,672)</b>	(1,469,691)	(1,025,254)
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>171,633,772</b>	73,437,029	88,811,791
<b>Number of shares in issue</b>				
Class A (US\$)	8	<b>316,102</b>	192,388	261,815
Class B (EUR)		<b>1,070</b>	-	500
Class C (GBP)		<b>228,502</b>	5,969	57,856
Class D (US\$)		<b>278,165</b>	361,893	266,917
Class G (GBP)		<b>304,295</b>	-	38
<b>Net asset value per share</b>				
Class A (US\$)	10	<b>US\$154.37</b>	US\$162.43	US\$167.18
Class B (EUR)		<b>€91.59</b>	-	€103.31
Class C (GBP)		<b>£148.62</b>	£145.92	£164.31
Class D (US\$)		<b>US\$106.82</b>	US\$112.67	US\$116.05
Class G (GBP)		<b>£90.60</b>	-	£100.85

The financial statements were approved by the board of Directors of Ocean Dial Investment Funds plc on 25<sup>th</sup> November 2015.

**On Behalf of the Board of Directors**

**David Hammond**

**Robin Sellers**

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

**Ocean Dial Investment Funds Plc**

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

**For the six months to 30 September 2015**

	<b>Unaudited Six months to 30.09.2015 US\$</b>	<b>Unaudited Six months to 30.09.2014 US\$</b>	<b>Audited Year ended 31.03.2015 US\$</b>
Net assets attributable to holders of redeemable participating shares at the beginning of the period	<b>88,811,791</b>	26,448,308	26,448,308
Proceeds from redeemable participating shares issued	<b>103,038,406</b>	46,725,764	80,213,539
Payments on redeemable participating shares redeemed	<b>(8,818,744)</b>	(10,388,016)	(30,604,499)
<b>Increase from share transactions</b>	<b>94,219,662</b>	36,337,748	49,609,040
Net (loss) / income for the period	<b>(11,397,681)</b>	10,650,973	12,754,443
<b>Net assets attributable to holders of redeemable participating shares at the end of the period</b>	<b>171,633,772</b>	73,437,029	88,811,791

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

Ocean Dial Investment Funds Plc

Consolidated Statement of Cash Flows

For the six months to 30 September 2015

	Unaudited Six months to 30.09.2015 US\$	Unaudited Six months to 30.09.2014 US\$	Audited Year ended 31.03.2015 US\$
<b>Cash flows from operating activities</b>			
Net (loss)/ income before taxation	(11,356,885)	10,662,832	12,775,851
<i>Adjustments for:</i>			
Dividend Income	(1,533,836)	(736,747)	(946,780)
Interest Income	(224)	(328)	(557)
Net realised (gains) on financial asset at fair value through profit or loss	(6,433,819)	(3,469,267)	(6,853,014)
Net unrealised losses / (gains) on financial asset at fair value through profit or loss	15,869,122	(7,814,585)	(7,467,022)
Operating loss before working capital changes	<u>(3,455,642)</u>	<u>(1,358,095)</u>	<u>(2,491,522)</u>
<b>Working capital changes</b>			
Increase in receivables	(322,116)	(738,258)	(562,667)
Decrease in payables	1,147,322	1,347,662	909,014
Dividend Income	1,533,836	736,747	946,780
Interest Income	224	328	557
Taxation paid	(13,700)	-	(15,338)
<b>Net cash used in operating activities</b>	<u>(1,110,076)</u>	<u>(11,616)</u>	<u>(1,213,176)</u>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of financial assets at fair value through profit or loss	45,972,113	14,238,194	42,874,054
Purchase of financial assets at fair value through profit or loss	(133,082,776)	(49,152,904)	(88,434,454)
<b>Net cash outflow from investing activities</b>	<u>(87,110,663)</u>	<u>(34,914,710)</u>	<u>(45,560,400)</u>
<b>Cash flows from financing activities</b>			
Proceeds from redeemable participating shares issued	103,038,406	46,725,764	80,213,539
Payments on redeemable participating shares redeemed	(8,818,744)	(10,388,016)	(30,604,499)
<b>Net cash inflow from financing activities</b>	<u>94,219,662</u>	<u>36,337,748</u>	<u>49,609,040</u>
Net increase in cash and cash equivalents during the period	5,998,923	1,411,422	2,835,464
Cash and cash equivalents at the start of the period	3,601,605	766,141	766,141
<b>Cash and cash equivalents at the end of the period</b>	<u>9,600,528</u>	<u>2,177,563</u>	<u>3,601,605</u>

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

## Ocean Dial Investment Funds Plc

### Notes to the financial statements

#### For the six months to 30 September 2015

#### 1. General Information

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

#### 2. Significant Accounting Policies

##### Basis of preparation

These Interim Financial Statements have been prepared in accordance with IAS 34 on “Interim Financial Reporting,” and should be read in conjunction with the most recent audited annual financial statements, which were prepared in accordance with International Financial Reporting Standards as adopted by the E.U. (“IFRS”) and Irish statute comprising the Companies Act, 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

The Company has opted to prepare interim financial statements. As a result, these financial statements are prepared on the basis of the accounting policies set out in the 31 March 2015 annual financial statements.

#### 3. Financial Derivative Instruments

The Company did not hold or trade in any financial derivative instruments for the six months to 30 September 2015.

#### 4. Accrued Expenses

	Unaudited 30.09.2015 US\$	Unaudited 30.09.2014 US\$	Audited 31.03.2015 US\$
Audit fees	13,728	20,610	25,297
Directors' fee and expenses	8,710	9,499	8,490
Investment management fee	152,480	56,570	176,367
Performance fees	449,749	595,262	430,810
Administration fees	9,267	4,748	12,829
Custodian fees	9,454	5,500	6,737
General expenses	39,471	25,947	34,768
Taxation	33,167	11,859	6,071
Total accrued expenses	<u>716,026</u>	<u>729,995</u>	<u>701,369</u>

#### 5. Other receivables and prepayments

	Unaudited 30.09.2015 US\$	Unaudited 30.09.2014 US\$	Audited 31.03.2015 US\$
Dividend receivable	186,680	79,544	43,936
Licence fees	3,992	2,458	438
Other expenses	8,549	31,693	25,303
Subscriptions receivable	740,999	-	548,427
Investment in advance	-	680,000	-
Total other receivables and prepayments	<u>940,220</u>	<u>793,695</u>	<u>618,104</u>

## Ocean Dial Investment Funds Plc

### Notes to the financial statements (continued)

#### For the six months to 30 September 2015

#### 6. Payables

	Unaudited 30.09.2015 US\$	Unaudited 30.09.2014 US\$	Audited 31.03.2015 US\$
Subscription received in advance	1,467,639	739,696	-
Redemption payable	<u>16,007</u>	<u>-</u>	<u>323,885</u>
Total payables	<u>1,483,646</u>	<u>739,696</u>	<u>323,885</u>

#### 7. Cash

The Company has appointed Societe Generale S.A. (Dublin Branch), as its Custodian for all the assets of the Company. At 30 September 2015, Ocean Dial Gateway to India Fund had cash of US\$9,600,528 (30 September 2014: US\$2,177,563 and 31 March 2015: US\$3,601,605).

#### 8. 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.

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

Share Class C (GBP) launched on 5 November 2012

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

Share Class B (EUR) launched on 05 February 2015

Share Class G (GBP) launched on 02 March 2015

Movements in participating shares during the period end 30 September 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 period	261,815	500	57,856
Shares issued during the period	117,553	570	176,626
Shares redeemed during the period	<u>(63,266)</u>	<u>-</u>	<u>(5,980)</u>
Shares at end of period	<u>316,102</u>	<u>1,070</u>	<u>228,502</u>
	Class D (US\$) No. of shares	Class G (GBP) No. of shares	
Shares at beginning of period	266,917	38	
Shares issued during the period	11,248	327,324	
Shares redeemed during the period	<u>-</u>	<u>(23,067)</u>	
Shares at end of period	<u>278,165</u>	<u>304,295</u>	

Notes to the financial statements (continued)

For the six months to 30 September 2015

8. Redeemable Participating Shares and Share Capital (continued)

Movements in participating shares during the year end 30 September 2014 were as follows:

	Class A (US\$) No. of shares	Class C (GBP) No. of shares	Class D (US\$) No. of shares
Shares at beginning of period	211,856	143	-
Shares issued during the period	14,632	5,826	361,893
Shares redeemed during the period	(34,100)	-	-
Shares at end of period	<u>192,388</u>	<u>5,969</u>	<u>361,893</u>

Movements in participating shares during the 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 year	211,856	-	143
Shares issued during the year	158,205	500	60,941
Shares redeemed during the year	(108,246)	-	(3,228)
Shares at end of 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 year	-	-
Shares issued during the year	596,707	38
Shares redeemed during the year	(329,790)	-
Shares at end of year	<u>266,917</u>	<u>38</u>

9. Net Gains on financial assets and financial liabilities at fair value through profit or loss

	Unaudited 30.09.2015 US\$	Unaudited 30.09.2014 US\$	Audited 31.03.2015 US\$
<b>Net realised gains on financial assets held at fair value through profit or loss</b>			
Realised gains on sale of investments	6,433,819	3,469,267	6,853,014
Realised loss on currency spot contracts	(421,520)	(7,650)	(32,142)
	<u>6,012,299</u>	<u>3,461,617</u>	<u>6,820,872</u>
<b>Net unrealised (loss) / gains on financial assets held at fair value through profit or loss</b>			
Unrealised (loss) / gains on sale of investments	(11,392,918)	7,814,585	8,855,227
Unrealised (loss) / gains on currency spot contracts	(5,557,604)	(174,921)	(1,767,335)
	<u>(16,950,522)</u>	<u>7,639,664</u>	<u>7,087,892</u>

Notes to the financial statements (continued)

For the six months to 30 September 2015

10. Net Asset Value

	30.09.2015 Class A (US\$)	30.09.2015 Class B (EUR)	30.09.2015 Class C (GBP)
Net Asset Value	US\$48,796,271	€97,978	£33,960,658
NAV per share	US\$154.37	€91.59	£148.62
	Class D (US\$)	Class G (GBP)	
Net Asset Value	US\$29,714,309	£27,567,921	
NAV per share	US\$106.82	£90.60	

	30.09.2014 Class A (US\$)	30.09.2014 Class C (GBP)	30.09.2014 Class D (US\$)
Net Asset Value	US\$31,250,331	£870,989	US\$40,774,566
NAV per share	US\$162.43	£145.92	US\$112.67

	31.03.2015 Class A (US\$)	31.03.2015 Class B (EUR)	31.03.2015 Class C (GBP)
Net Asset Value	US\$43,769,491	€51,656	£9,506,487
NAV per share	US\$167.18	€103.31	£164.31
	Class D (US\$)	Class G (GBP)	
Net Asset Value	US\$30,976,841	£3,832	
NAV per share	US\$116.05	£100.85	

11. Fees

**Investment Management Fee**

With respect to Share Class A (US\$), Share Class B (EUR) and Share Class C (GBP), the Investment Manager shall be entitled to a maximum annual investment management fee and distribution fee equal to 1.25% of the Net Asset Value of the relevant Class as of each valuation Point. Such fee shall be calculated and accrued at each Valuation Point and payable monthly in arrears.

The Investment Manager also receives or pays the balance between the total operating costs of Share Class D (US\$) and the fixed Ongoing Charge Figure of 1.15%.

The annual investment management fee and distribution fee charged to Share Class G (GBP) shall be 0.95% of the Gross Assets Value of the Share Class and payable monthly in arrears.

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

Notes to the financial statements (continued)

For the six months to 30 September 2015

11. Fees (Continued)

**Performance fee**

The Investment Manager shall be entitled to a performance fee in relation to Share Class D (US\$) and Share Class G (GBP), on a 12 month period and calendar quarter respectively.

The Performance fee payable in respect of the relevant class of shares will be the relevant Net Asset Value of class of shares on the last Business Day of the relevant Performance Period multiplied by the Net Percentage Outperformance per Share multiplied by 15% for Share Class D (US\$) and 20% for Share Class G (GBP).

The performance fee will be payable if the performance per share of the relevant class of shares exceeds the Benchmark (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”).

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

**Administration Fee**

The Company paid to the Administrator out of the assets of the Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears at a minimum fee of US\$17,500 per annum for the Fund or a flat fee of 5 basis points of the Net Asset Value of the Fund, whichever was greater, up to 31 May 2015. Effective 1 June 2015, the administration fees was changed to the higher of US\$20,000 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 shall also be entitled to fees for the preparation of financial statements and provision of company secretary and money laundering reporting officer services and transaction fees in respect of transfer agency services and 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 is Apex Fund Services (Mauritius) Ltd.

Amounts paid to the Administrators in Ireland and Mauritius and amounts due to the Administrators at period end, are disclosed on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income and included within note 4, respectively.

**Custodian Fee**

The Custodian shall be entitled to receive out of the assets of the 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 Gross Asset Value of the Fund.

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

Amounts earned by the Custodian and due to the Custodian at period end are disclosed on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income and included within note 4 respectively

## Ocean Dial Investment Funds Plc

### Notes to the financial statements (continued)

#### For the six months to 30 September 2015

#### 11. Fees (continued)

##### Transaction costs

The Fund incurred transaction costs of US\$436,660 for the six months to 30 September 2015 (30 September 2014: US\$152,169 and 31 March 2015: US\$322,933).

##### Ongoing Charges Figure

The ongoing charges figures of the Company ('OCF') (excluding performance fees) for the six months to 30 September 2015 was 1.40% (30 September 2014: 1.70% and 31 March 2015: 1.58%). The calculation of the OCF is based on the annualised operating expenses of the Company of US\$2,213,240 for the six months to 30 September 2015 (30 September 2014: US\$853,847 and 31 March 2015: US\$1,097,139) and the average Net Asset Value of US\$158,143,510 during the six months ended 30 September 2015 (30 September 2014: US\$50,315,028 and 31 March 2015: US\$69,443,726).

#### 12. Related Party Transactions

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

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

##### Investment Manager

Related parties include the Investment Manager, Ocean Dial Asset Management Limited. Amounts earned by the Investment Manager and due to the Investment Manager at year end are disclosed on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income and included within note 4 respectively.

##### Administrator

Related parties include the Administrators Apex Fund Services (Ireland) Limited and Apex Fund Services (Mauritius) Ltd. Amounts earned by the Administrators in Ireland and Mauritius and due to the Administrators at year end are disclosed on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income and included within note 4 respectively.

##### Directors

Mr. John Bohan is a Director of Apex Fund Services (Ireland) Limited, the administrator and Secretary to Ocean Dial Investment Funds Plc.

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

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

**Notes to the financial statements (continued)**

**For the six months to 30 September 2015**

**13. Taxation**

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

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

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

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

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

The Subsidiary is a company incorporated in Mauritius and under current laws and regulations, is liable to pay income tax on its net income at a rate of 15% but is however 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 30 September 2015, the Subsidiary had a tax liability of US\$33,308 (30 September 2014: US\$ 11,589 and 31 March 2015: US\$6,071).

**14. Efficient Portfolio Management Techniques**

The Fund does not engage in efficient portfolio management techniques.

**15. Financial Instruments**

**Fair value hierarchy**

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

- 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 (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

The Fund's financial assets and liabilities are all classified as Level 1 at 30 September 2015 (30 September 2014: Level 1 and 31 March 2015: Level 1).

There were no transfers between Level 1 and Level 2 during the period ended 30 September 2015 (30 September 2014: None and 31 March 2015: None). There were no securities classified as Level 3 during the period under review (30 September 2014: None and 31 March 2015: None).

Notes to the financial statements (continued)

For the six months to 30 September 2015

**16. Net Asset Value Reconciliation**

At 30 September 2015, adjustments to fully amortise deferred incorporation costs in the current period consolidated statement of profit or loss and other comprehensive income resulted in a difference between the net asset value calculated in accordance with the Company's Prospectus and the net asset value per 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>Unaudited 30.09.2015 US\$</b>	<b>Unaudited 30.09.2014 US\$</b>	<b>Audited 31.03.2015 US\$</b>
Net asset value calculated in accordance with Prospectus	171,694,372	73,502,142	88,894,154
Adjustment of organisation expenses	<u>(60,600)</u>	<u>(65,113)</u>	<u>(82,363)</u>
Net assets attributable to holders of redeemable participating shares per financial statements	<u>171,633,772</u>	<u>73,437,029</u>	<u>88,811,791</u>

**17. Soft Commission Arrangements**

There were no soft commission arrangements affecting the Company for the six months to 30 September 2015 (six months to 30 September 2014: None and 31 March 2015: None).

**18. Exchange Rates**

At period / year end the Fund used the following exchange rates:

	<b>Unaudited 30.09.2015</b>	<b>Unaudited 30.09.2014</b>	<b>Audited 31.03.2015</b>
Indian Rupee	65.74	61.61	62.59
Pound Sterling	0.66	0.62	0.67
Euro	0.89	0.79	0.93
Swiss Franc	0.97	0.96	0.97

**19. Significant events during the period**

There were no significant events for the six months to 30 September 2015.

**20. Subsequent events**

On 1 October 2015 a new fund, Ocean Dial Systematic India Return Fund, was launched and it comprises two share classes, namely Class A US\$ and Class B US\$.

**21. Approval of financial statements**

The financial statements were approved by the Board on 25<sup>th</sup> November 2015.

**Ocean Dial Investment Funds Plc**

**Consolidated Schedule of Investments**

**As at 30 September 2015**

	<b>Holding</b>	<b>Fair Value (US\$)</b>	<b>% of Net Assets</b>
<b>Consumer Discretionary</b>			
Apollo Tyres Ltd	1,400,000	3,832,113	2.2%
Balkrishna Industries Limited	440,000	4,485,213	2.6%
Gateway Distriparks Limited	800,000	4,344,876	2.5%
Hero Motocorp Ltd	2,040	74,302	0.0%
Hindustan Media Ventures Ltd	1,200,000	4,283,120	2.5%
Maruti Suzuki India Ltd	50,000	3,563,638	2.1%
Tata Motors Limited	675,000	3,065,858	1.8%
Titagarh Wagons Ltd/Ocean	1,000,000	1,566,735	0.9%
	<b>5,567,040</b>	<b>25,215,855</b>	<b>14.6%</b>
<b>Consumer Staples</b>			
Kaveri Seed Company Ltd	280,000	1,805,640	1.1%
	<b>280,000</b>	<b>1,805,640</b>	<b>1.1%</b>
<b>Energy</b>			
Coal India Ltd	775,000	3,861,927	2.3%
Hindustan Petroleum Corp. Ltd	490,000	5,768,560	3.4%
Indian Oil Corporation Ltd	925,000	5,659,033	3.3%
Oil & Natural Gas Corp Ltd	350,000	1,221,027	0.7%
Oil India Limited	275,000	1,770,886	1.0%
	<b>2,815,000</b>	<b>18,281,433</b>	<b>10.7%</b>
<b>Financials</b>			
Federal Bank	3,000,000	2,918,235	1.7%
Housing Development Finance Corporation Ltd	250,000	4,611,792	2.7%
ICICI Bank Ltd	1,075,000	4,420,722	2.6%
LIC Housing Finance Limited	750,000	5,368,160	3.1%
Rural Electrification Corporation Limited	800,000	3,334,865	1.9%
State Bank of India	1,250,000	4,509,117	2.6%
Sundaram Finance Ltd	100,000	2,335,805	1.4%
Yes Bank Ltd	400,000	4,439,793	2.6%
	<b>7,625,000</b>	<b>31,938,489</b>	<b>18.6%</b>
<b>Health Care</b>			
Aurobindo Pharma Ltd	270,000	3,159,086	1.8%
Divis Laboratories Ltd	250,000	4,239,882	2.5%
Lupin Ltd	120,000	3,712,706	2.2%
Sun Pharmaceutical Industries Ltd	250,000	3,302,313	1.9%
Torrent Pharmaceuticals Limited	300,000	6,855,228	4.0%
	<b>1,190,000</b>	<b>21,269,215</b>	<b>12.4%</b>
<b>Industrials</b>			
AIA Engineering Ltd	140,000	2,111,868	1.2%
Alstom India Limited	200,000	1,884,950	1.1%
Amara Raja Batteries Ltd	190,000	2,975,786	1.7%
Arvind Ltd	983,658	4,179,759	2.4%
Balmer Lawrie & Co Ltd	121,557	1,030,821	0.6%
GHCL Ltd	1,684,573	3,493,843	2.0%
Gujarat Pipavav Port Limited	550,000	1,550,650	0.9%
KPR Mill Ltd	304,829	3,767,832	2.2%
	<b>4,174,617</b>	<b>20,995,509</b>	<b>12.1%</b>



**Ocean Dial Gateway to India Fund****Schedule of Material Portfolio Changes for the six months to 30 September 2015**

<b>Purchase:</b>	<b>Cost US\$ 000</b>	<b>Sales</b>	<b>Proceeds US\$ 000</b>
Torrent Pharmaceuticals Limited	7,689	Bharat Forge Ltd	5,032
Hindustan Petroleum Corp. Ltd	6,157	Maruti Suzuki India Ltd	3,421
Indian Oil Corporation Ltd	6,085	Larsen & Toubro Limited	3,113
Maruti Suzuki India Ltd	5,981	Hero Motocorp Ltd	2,886
Tata Motors Limited	5,519	Bharat Petroleum Corp Ltd	2,841
Yes Bank Ltd	5,418	P I Industries Ltd	2,697
Bharat Forge Ltd	4,870	Swaraj Engines Limited	2,287
HDFC Ltd	4,803	Torrent Pharmaceuticals Limited	2,167
Techno Electric & Engine Co Ltd	4,607	City Union Bank Ltd	2,148
Aurobindo Pharma Ltd	4,551	Aurobindo Pharma Ltd	1,998
Coal India Ltd	4,514	Bank of Baroda	1,852
Gateway Distriparks Limited	4,373	Abbott India Limited	1,779
Arvind Ltd	4,123	Indraprastha Gas Limited	1,594
Lupin Ltd	4,118	Finolex Cables Ltd	1,568
Idea Cellular Ltd	3,733	Mahindra & Mahindra Limited	1,553
Sun Pharmaceutical Industries Ltd	3,589	Salzer Electronics Ltd	1,249
Bharat Electronics Limited	3,374	Cummins India Ltd	1,220
Coromandel International Ltd	2,967	Lupin Ltd	1,185
GHCL Ltd	2,917	NIIT Technologies Ltd	1,070
KPR Mill Ltd	2,875	Titagarh Wagons Ltd	963