

This international range consolidates the decision making process into a choice of funds with well-defined mandates and benchmarks.

# INTERNATIONAL MULTIFUNDS

Report and Financial Statements  
for the year ended 30th June, 2011

**B·O·E**  
PRIVATE CLIENTS

# BoE INTERNATIONAL MULTIFUND PLC

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# COMPANY INFORMATION

AS AT 30TH JUNE, 2011

## Directors

Andrew Vincent Lodge  
Tracey Ann Wiltcher  
Simon James Spenser

## Registered Agent

ILS Fiduciaries (IOM) Limited  
First Floor  
Millennium House  
Victoria Road  
Douglas  
Isle of Man  
IM2 4RW

## Fiduciary Custodian

MeesPierson (CI) Limited  
P O Box 119  
Martello Court  
Admiral Park  
St Peter Port  
Guernsey  
GY1 3HB

## Manager & Investment Manager

Nedgroup Investments (IOM) Limited  
First Floor  
Samuel Harris House  
St. George's Street  
Douglas  
Isle of Man  
IM1 1AJ

## Administrator & Registrar

Credit Suisse Administration Services (Isle of Man) Limited  
18-20 North Quay  
Douglas  
Isle of Man  
IM1 4LE

## Auditors

KPMG Audit LLC  
Heritage Court  
41 Athol Street  
Douglas  
Isle of Man  
IM99 1HN

## Advocates

Cains Advocates Limited  
Fort Ann  
South Quay  
Douglas  
Isle of Man  
IM1 5PD

# **DIRECTORS' REPORT**

## **FOR THE YEAR ENDED 30TH JUNE, 2011**

The Directors present their annual report and the audited financial statements of the Company for the year ended 30 June 2011. Subsequent to the year end the company was successfully redomiciled to Ireland and constituted as a UCITS on 19 August 2011, for more information please refer to Note 11.

### **Activity**

The principal activity of the Company is that of an international collective investment scheme.

### **Results**

The results for the year, transfers to/from reserves and the state of the Company's affairs are set out in the attached financial statements.

### **Dividend**

The Directors do not recommend the payment of a dividend (2010: nil).

### **Directors**

The Directors who served during the year and to date are as follows:

Andrew Vincent Lodge

Tracey Ann Wiltcher

Simon James Spenser (resigned 19 August 2011)

John Skelly (appointed 19 August 2011)

Yvonne Connolly (appointed 19 August 2011)

### **Statement of Disclosure of Information to Auditors**

The Directors of the Company who held office at the date of approval of this annual report confirm that:

- So far as they are aware, there is no relevant audit information needed by the Company's Auditors in connection with preparing their report, of which the Company's Auditors are unaware; and
- They 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.

### **Auditors**

As a company incorporated under the Isle of Man Companies Act 2006, the Company is not required to prepare audited financial statements. Notwithstanding this, the members have resolved to have the financial statements for the year ended 30 June 2011 audited. As a result of the Company being redomiciled to Ireland our Auditors, KPMG Audit LLC, have indicated they will resign and KPMG Dublin will be appointed in their place.

On behalf of the Board

**T A Wiltcher**  
Director

13 October 2011

# **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30TH JUNE, 2011**

## **Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements.**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. In addition, the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK Accounting 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 keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

# REPORT OF THE INVESTMENT ADVISOR

FOR THE YEAR ENDED 30TH JUNE, 2011

It is important to consider the investment mandates of the BoE Private Client International MultiFunds (“BoE MultiFunds”) range when reviewing their performance. The BoE MultiFunds are constructed using five asset classes, namely bonds, cash, equities, property and alternative investments. These asset classes are then brought together in different weightings in order to achieve different risk/return profiles that meet the various investment objectives of each risk targeted BoE MultiFund. In-depth quantitative analysis was undertaken in order to calculate the optimal mix of these asset classes in order for them to match a particular risk profile.

It is also important for investors to understand a number of key investment objectives by which the BoE MultiFunds are managed. They are:

- 1) In terms of equity exposure across the BoE MultiFunds, a core and satellite approach is followed. The core equity exposure is achieved by investing in a passively managed global index tracker fund. This is based on past global research that shows that over extended periods of time only approximately 30% of active managers manage to consistently outperform the MSCI global index. Thus by investing in an index tracker we feel that over time we should achieve performance over a longer investment period in either the 1st or 2nd quartile compared to actively managed peers.
- 2) The satellite equity exposure is achieved by investing in a range of actively managed equity funds that are tilted towards specific geographic or regional biases that we feel have the potential to provide a degree of out-performance over the benchmark. In-depth research is done when reviewing these funds in order to try and select funds that have shown that they can achieve alpha consistently over extended periods of time.
- 3) In terms of currency exposure BoE has taken the view that we would like our investors to be exposed to USD given that the fund is USD denominated. In that way we reduce the chances of any negative currency movements. As a result for any money market exposure, we invest into a pure USD money market fund.

## **BoE Private Clients High Growth International MultiFund**

The BoE Private Clients High Growth International MultiFund returned 20.68% over the reporting period, namely 30/06/2010 through 30/06/2011, while the funds composite benchmark returned 28.08%.

World equity markets have had a mixed run over this period, even though the MSCI World Index ended up strongly with a return of 31.19%. The mixed performance of the markets was caused by multiple factors. The markets had shown a fragile recovery based on improved global growth prospects but it has been very sensitive to several renewed uncertainties that have arisen about the state of the economy. As investors realised that positive economic growth was again possible, equities rose sharply with strong and rapid price moves. The world was then hit with increased levels of uncertainty from several fronts. Japan's earthquake earlier this year brought about fears of how it would impact global GDP. There were many problems within the European Union, with several of the Eurozone countries embroiled in the sovereign debt crisis. America has shown renewed weakness in its economy with several economic indicators coming out below expectations. The equity markets were only up 5.62% over the past six months indicating that most of the gains for this past year were generated in the first half of the period. This is to be expected when we consider all the problems that have surfaced during the first half of this year.

# REPORT OF THE INVESTMENT ADVISOR (CONTINUED)

## FOR THE YEAR ENDED 30TH JUNE, 2011

Property has continued to perform favorably with the S&P BMI Dev Property Index up 34.07% for the year. Our fixed income investments have also been beneficial for the fund. The JP Morgan Global Bond Index was up 10.15% for the year compared to the 4.31% increase in the previous 12 month period. Mellon Global Bond and Templeton Global Bond outperformed the index giving returns of 11.01% and 12.64% respectively. Our corporate bond fund was up 8.04%. The largest holding in the fund, the SSgA World Equity Index Tracker, was not far behind the MSCI World and was up 30.17% for the year. Interestingly we have observed that the index tracker equity fund has performed better than most of our active managers except for Mundane World Leaders and M&G Global Basics which were up 33.37% and 36.64% for the year. M&G Global Basics was added earlier on in the year to provide some exposure to emerging markets. The addition of the fund has thus far proven to be a good investment. The rest of the satellite equity funds under-performed, Blackrock Global Dynamic Equity Fund and Aberdeen Equity Fund were up 24.22% and 27.69% respectively while Sarasin Equisar Global Thematic Equity Fund and Orbis Global Equity Fund achieved returns of 26.06% and 24.72% respectively.

We also had a small holding in the Henderson Horizon Listed Property Equity Fund which proved beneficial, with the fund up 29.60% for the 12 month period.

### **BoE Private Clients Growth International MultiFund**

The BoE Private Clients Growth International MultiFund returned 17.67% over the reporting period, namely 30/06/2010 through 30/06/2011, while the funds composite benchmark returned 24.10%.

The performance drivers of the equity portion of the fund were the same as covered by the commentary for the BoE High Growth MultiFund.

The Sarasin Global Real Estate Fund, which invests into globally listed REITS stocks, achieved a return of 27.63% and the Henderson Horizons Listed Property Fund a return of 29.60% for the year. REITS continued to do well since their recovery in the previous 12 month period.

Within the alternative asset class the fund invested in the Stenham Universal and Nemrod Diversified Fund of Hedge Funds. The Stenham Universal Fund performed poorly relative to other multi-strategy fund of hedge funds achieving 2.92% whilst Nemrod had a strong year up 11.10% versus their benchmark of the HFRX Global Fund of Hedge Fund Composite Index that achieved 4.22%.

Finally, the Blackrock USD Money Market Fund achieved 0.13% return.

### **BoE Private Clients Balanced International MultiFund**

The BoE Private Clients Balanced International MultiFund returned 15.07% over the reporting period, namely 30/06/2010 through 30/06/2011, while the funds composite benchmark returned 20.74%.

The performance drivers of the equity portion of the fund were the same as covered by the commentary for the High Growth MultiFund. The performance drivers of the alternative, property and cash portions of the fund were the same as covered by the commentary for the BoE Growth MultiFund.

# REPORT OF THE INVESTMENT ADVISOR (CONTINUED)

## FOR THE YEAR ENDED 30TH JUNE, 2011

Fixed Income exposure was achieved through the Templeton Global Bond Fund and the Mellon Global Bond Fund. The Templeton Fund returned 12.64% which showed a large degree of outperformance versus the JP Morgan Global Bond Index's 10.15%. The Mellon Global Bond fund also achieved some outperformance and was up 11.01% over the 12-month period. PIMCO GIS Investment Grade Fund was used to give the fund exposure to the corporate bond market. The fund achieved a return of 8.04%. Schroders Emerging Market Debt Absolute Return Fund, is held as a result of our view that we feel there is an opportunity in the emerging market space, but we also like the more absolute return nature of the fund given that interest rates may rise in the next 12 months. However the fund's performance over the past year has been disappointing, it gave a return of 0.72%.

### **BoE Private Clients Absolute Focus MultiFund**

The BoE Private Clients Absolute Focus International MultiFund returned 0.65% over the reporting period, namely 30/06/2010 through 30/06/2011, while the funds composite benchmark returned 2.14% (USD cash plus 2%). The fund remains suspended for trading for both new money as well as redemptions. It is our intention to bring liquidity back to this fund during the remainder of 2011 by looking to merge the fund into another appropriate BoE strategy fund.

This fund was heavily exposed to alternative investments which took a large degree of strain over the past 36 months. Many alternative funds found themselves in a liquidity crunch and unable to trade properly within their strategies. We have been reducing the alternative holdings and instead increasing our levels of cash in the fund, as well as slightly increasing our equity and fixed income exposures. As at June 2011 we had managed to reduce the impaired portion of this fund to approximately 9%.

The performance drivers of the equity portion of the fund were the same as covered by the commentary for the High Growth MultiFund. The performance drivers of the property and cash portions of the fund were the same as covered by the commentary for the BoE Growth MultiFund and finally the performance drivers of the fixed income portion were the same as covered by the Balanced MultiFund.

Much of the performance drivers within the alternative portion are the same as the comments above for the Balanced MultiFund. However, this fund holds a few additional types of alternative funds that fall within the 9% that is impaired. The Capricorn Asset Based Lending Fund as well as the RAB Multi-Strategy Fund are still both closed due to market conditions and are in the process of being wound up and cash paid out to investors. They were each down well over 20% for the period. Alternative funds continue to struggle and have posted below average returns over the past period largely due to the high levels of market volatility, and the limited degree of market trends that we have seen. We feel confident that once markets stabilize these returns will normalize.

### **Trevor Garvin**

Head: Multi-Management  
Investment Advisors  
30 June 2011

# REPORT OF THE INDEPENDENT AUDITORS

## **KPMG AUDIT LLC, TO THE SHAREHOLDERS OF BoE INTERNATIONAL MULTIFUND PLC FOR THE YEAR ENDED 30TH JUNE, 2011**

We have audited the financial statements of BoE International Multifund PLC for the year ended 30 June 2011 which comprise the Statement of Total Return, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards.

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

### **Respective responsibilities of Directors and Auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of financial statements that give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

Those standards require us to comply with the Auditing Practices Board's (APB'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.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2011 and of its gain for the year then ended; and
- have been properly prepared in accordance with UK Accounting Standards.

**KPMG Audit LLC**  
*Chartered Accountants*  
Heritage Court  
41 Athol Street  
Douglas  
Isle of Man

# STATEMENT OF TOTAL RETURN

FOR THE YEAR ENDED 30TH JUNE, 2011

	Notes	2011 £	2010 £
<b>Income</b>			
Investment income	2(e)	129,334	-
Bank interest	2(e)	676	1
Sundry income		91,983	51,422
		<u>221,993</u>	<u>51,423</u>
<b>Expenditure</b>			
Management fees	7	1,209,413	1,136,344
Administration expenses	9	124,073	98,637
Bank charges		1,592	3,161
Sundry expenses	8	105,904	124,855
Bank interest paid		34	1
		<u>1,441,016</u>	<u>1,362,998</u>
<b>Net expenditure for the year</b>	3(e), 5	(1,219,023)	(1,311,575)
<b>Net realised and unrealised gains on investments</b>			
Movement in unrealised appreciation of investments held at year end	3(d), 5	10,176,251	10,980,904
Net realised gain/(loss) on disposal of investments	3(d), 5	<u>5,690,880</u>	<u>(6,140,598)</u>
<b>Net gain on investments</b>		<u>15,867,131</u>	<u>4,840,306</u>
<b>Return attributable to Redeemable Participating Preference Shareholders</b>		<u>14,648,108</u>	<u>3,528,731</u>

The Directors consider that all results derive from continuing activities.

There were no recognised gains or losses other than those reported in the Statement of Total Return, therefore a Statement of Total Recognised Gains and Losses has not been prepared.

The notes on pages 10 to 16 form an integral part of these financial statements.

# BALANCE SHEET

AS AT 30TH JUNE, 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Quoted investments	4	83,384,329	76,513,836
<b>Current assets</b>			
Accrued income/sundry debtors		1,448,679	-
Prefunded trades		-	351,767
Due from stockbroker		1,685,646	-
Bank balances		5,771,126	4,210,737
		<u>8,905,451</u>	<u>4,562,504</u>
<b>Current liabilities (excluding net assets attributable to holders of redeemable participating preference shares)</b>			
Accrued expenses		49,551	48,963
Due to manager		103,882	98,950
Income in advance		15,940	33,085
Other creditors		821,450	192,704
		<u>(990,823)</u>	<u>(373,702)</u>
<b>Net current assets (excluding net assets attributable to holders of redeemable participating preference shares)</b>		<u>7,914,628</u>	<u>4,188,802</u>
<b>Total net assets</b>		<u>91,298,957</u>	<u>80,702,638</u>
<b>Net assets attributable to holders of redeemable participating preference shares</b>	5	91,298,857	80,702,538
<b>Net assets attributable to holder of management shares</b>		<u>100</u>	<u>100</u>

These financial statements were approved by the Board of Directors on 13 October 2011 and signed on their behalf by:

**T A Wiltcher**  
Director

**A V Lodge**  
Director

The notes on pages 10-16 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE, 2011

## 1. General

The Company was incorporated on 28 August, 2001 and commenced trading on 27 September, 2001. The Company is an international collective investment scheme and complies with the requirements of the Financial Supervision Commission (International Schemes) Regulations 1990 of the Isle of Man. The Company was re-registered under the Isle of Man Companies Act 2006 on 24 April 2009.

The Company comprises ten share classes. BoE Private Clients Balanced International in Sterling, US Dollars, and Euro, BoE Private Clients Growth International in Sterling, US Dollars and Euro, BoE Private Clients High Growth International in Sterling, US Dollars, and Euro, plus BoE Private Clients Absolute Focus Fund USD. The three Sterling and Euro classes were created on the 3 July 2006 with an initial offer of £10 and €10 respectively per share. The BoE Private Clients Absolute Focus International MultiFund was created on 29 June, 2007, and commenced trading on 2 July 2007. Dealing in shares of the BoE Private Clients Absolute Focus International MultiFund were suspended on 12 November 2008 and remained suspended at 30 June 2011. On 1 June 2011 the Directors put forward proposals to shareholders to organise the sub funds of the Company and then redomicile the Company to Ireland and constitute it as an Irish UCITS.

Shareholders were invited to vote on the proposals at an EGM held on 1 July 2011, where they were passed.

The Company was successfully redomiciled to Ireland and constituted as an Undertaking for Collective Investment in Transferable Securities (UCITS) on 19 August 2011.

## 2. Accounting policies

### (a) Basis of preparation

These financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of investments, and in accordance with accounting standards applicable in the United Kingdom.

### (b) Presentation of Financial Statements

Shares are issued by the Company and allocated to whichever Sub-Fund is selected by the investor. The proceeds of the issue and the income arising thereon are credited to each Sub-Fund which also bears expenses attributable to that Sub-Fund. Joint expenses are allocated to each continuing Sub-Fund based upon their relative net asset values. Upon redemption shareholders are only entitled to their proportion of the net assets held in the Sub-Fund to which their Shares have been allocated.

Share Capital and Share Premium transactions are translated into sterling at the rate of exchange ruling at the date of the transaction. The statement of total return, assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date and aggregated to provide a statement of total return and balance sheet for the Company. The adjustment in sterling arising from the consolidation of the currency Sub-Funds is classified separately in the balance sheet under the heading of "currency adjustment reserve" which has no effect on the value of the net assets allocated to individual currency Sub-Funds. The exchange rates used in the preparation of these financial statements were £1 = US\$1.60176 and £1 = €1.11308 as at 30th June, 2011 (2010:£1 = US\$1.50668 and £1 = €1.23408).

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH JUNE, 2011

## (c) Share Capital

The authorised share capital of the Company is divided into 100 Management Shares of £1 each and 99,990,000 Unclassified Shares of 1p each. The Company was registered under the Isle of Man Companies Acts 1931 to 2004 until 24 April 2009 when it was re-registered under the Isle of Man Companies Act 2006. Prior to re-registration the authorised share capital of the Company was divided into 100 Management Shares of £1 each and 99,990,000 Unclassified Shares of 1p each.

Unclassified Shares are issued as Participating Redeemable Preference Shares ("Shares"). Shares are issued and redeemed at prices based on the value of the net assets of the Sub-Fund in which they have been designated at the time of issue or redemption. Upon redemption of a Share, the premium payable is debited to the share premium account of the appropriate Sub-Fund. Should the share premium be fully utilised, premiums on redemption will be charged against other realised reserves.

## (d) Investments

(i) Investments are shown in the financial statements at market value. The market value of investments is based on the latest available net asset value from the fund administrator.

(ii) Realised and unrealised gains and losses are recorded in the statement of total return.

## (e) Income

Investment income is accounted for on the ex-dividend date or its equivalent and interest income is accounted for on the accruals basis.

## (f) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses are included in the statement of total return.

## (g) Redeemable Participating preference shares

All redeemable participating preference shares issued by the Company provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the Company's net assets at the redemption date. In accordance with FRS 25 such instruments give rise to a financial liability for the present value of the redemption amount.

## (h) Cashflow statements

As the fund is an open ended collective investment scheme and the investments are valued at market value, there is no requirement to report a cash flow statement in accordance with Financial Reporting Standard 1 (Revised).

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH JUNE, 2011

## 3. Share capital and reserves

	2011 £	2010 £
<b>a) Authorised share capital</b>		
100 Management shares of £1 each	100	100
99,990,000 Participating/Unclassified shares of 1p each	999,900	999,900
	<u>1,000,000</u>	<u>1,000,000</u>
<b>b) Issued share capital</b>		
Management shares of £1 each issued and fully paid	100	100
<b>Class B Shares:</b>		
<b>Redeemable Participating Preference shares of 1p each</b>		
As at 1 July 2010/2009	449,626	407,975
Issued during the year	103,740	68,778
Redeemed during the year	(74,283)	(27,127)
As at 30 June 2011/2010	<u>479,083</u>	<u>449,626</u>
Total issued share capital as at 30 June 2011/2010	<u>479,183</u>	<u>449,726</u>
<b>Number of Redeemable Participating Preference shares</b>	<b>2011 Number</b>	<b>2010 Number</b>
As at 1 July 2010/2009	44,962,576	40,797,493
Issued during the year	10,374,035	6,877,769
Redeemed during the year	(7,428,272)	(2,712,686)
As at 30 June 2011/2010	<u>47,908,339</u>	<u>44,962,576</u>
<b>c) Share premium</b>	<b>2011 £</b>	<b>2010 £</b>
At 1 July 2010/2009	72,942,335	67,731,763
Relating to issue of shares	12,979,101	13,855,459
Relating to redemption of shares	(12,260,262)	(8,644,887)
As at 30 June 2011/2010	<u>73,661,174</u>	<u>72,942,335</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH JUNE, 2011

## 3. Share capital and reserves (continued)

	2011 £	2010 £
<b>d) Capital reserve</b>		
At 1 July 2010/2009	(5,205,515)	(10,045,821)
Movement in unrealised appreciation of investments held at end of year	10,176,251	10,980,904
Net realised gain/(loss) on disposal of investments	5,690,880	(6,140,598)
As at 30 June 2011/2010	<u>10,661,616</u>	<u>(5,205,515)</u>
<b>e) Revenue reserve</b>		
As at 1 July 2010/2009	(4,178,180)	(2,866,605)
Net expenditure for the year	(1,219,023)	(1,311,575)
As at 30 June 2011/2010	<u>(5,397,203)</u>	<u>(4,178,180)</u>
<b>f) Currency adjustment reserve</b>		
As at 1 July 2010/2009	16,735,823	8,738,114
Net movement for the year	(4,770,628)	7,997,709
As at 30 June 2011/2010	<u>11,965,195</u>	<u>16,735,823</u>

## 4. Quoted Investments

	2011 £	2010 £
Cost at 30 June	75,145,415	78,573,319
Revaluation	8,238,914	(2,059,483)
Valuation at 30 June	<u>83,384,329</u>	<u>76,513,836</u>

Included in investments are funds with a total value as at 30 June 2011 of £58,749 (2010: £479,621) that are subject to dealing restrictions.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH JUNE, 2011

## 5. Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Shareholders' funds		
As at 1 July 2010/2009	80,702,538	63,965,526
Net expenditure for the year	(1,219,023)	(1,311,575)
Net increase in share capital and share premium	718,839	5,210,572
Movement in unrealised appreciation of investments held at year end	10,176,251	10,980,904
Net realised gain/(loss) on disposal of investments	5,690,880	(6,140,598)
Currency adjustment reserve movement	(4,770,628)	7,997,709
As at 30 June 2011/2010	<u>91,298,857</u>	<u>80,702,538</u>

## 6. Taxation

The Company is subject to income tax in the Isle of Man at the rate of zero percent (2010: zero) on retained earnings for the year.

## 7. Management fees

The Manager's fee is 1.40% per annum of the net asset value of each of the BoE Private Clients High Growth MultiFund, the BoE Private Clients Growth MultiFund and the BoE Private Clients Balanced MultiFund. The fee on the BoE Private Clients Absolute Focus MultiFund is 1.20% per annum of the net asset value of the BoE Private Clients Absolute Focus MultiFund.

The Manager is responsible for the payment of fees to the Investment Advisor.

## 8. Fiduciary Custodian fee

As remuneration for its services the Fiduciary Custodian will receive from the property of the Fund a fee calculated and accruing weekly and payable monthly in arrears on the last dealing day in each month at a rate of 0.04% per annum for Custody services and 0.03% per annum for Trustee services.

Post year end new fees will apply, see note 11.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH JUNE, 2011

## 9. Administration fees

The Administrator is entitled to receive from the Scheme a fee equal to 0.12% per annum of the net asset value of the BoE Private Client Balanced and BoE Private Clients Absolute Focus sub funds and a fee equal to 0.14% per annum of the net asset value of the BoE Private Client High Growth and BoE Private Clients Growth. (Prior to 1 June 2010 all the sub funds were subject to the same administration fee of 0.12% per annum of their net asset value). The administration fee accrues daily and is based upon the net asset value calculation made on the previous day, and is payable monthly in arrears in US dollars.

Post year end new fees will apply, see note 11.

## 10. Related party transactions

A.V. Lodge and T.A. Wiltcher, each a Director of the Company, are also directors of the Manager.

## 11. Post Balance Sheet Event

Post year end the sub-funds of the Company were re-organised with the Growth Multifunds collapsing into the High Growth Multifund; and the Absolute Focus Multifund collapsing into the Balanced Multifund. Following this the Company successfully redomiciled to Ireland, and new Custodians and Administrators were appointed, therefore new fee arrangements will apply. At the Balance Sheet date the fees set out in Notes 8 and 9 were effective.

For more information about these changes please contact the Manager, Nedgroup Investments (IOM) Limited by calling +44 1624 645150 or e-mailing [helpdesk@nedgroupinvestments.com](mailto:helpdesk@nedgroupinvestments.com).

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH JUNE, 2011

## 12. Shareholders' funds by Currency Class

	2011			2010		
	Net Asset Value	Number of redeemable participating preference shares	Net Asset Value per Share	Net Asset Value	Number of redeemable participating preference shares	Net Asset Value per Share
<b>BoE Private Clients</b>						
Growth International						
US Dollar Class (US\$)	US\$20,254,803	1,343,594	US\$15.0751	US\$18,522,168	1,445,710	US\$12.8118
Sterling Class (£)	£3,557,980	374,207	£9.5080	£2,433,158	296,286	£8.2122
Euro Class (€)	€2,985,432	331,347	€9.0100	€3,455,119	445,127	€7.7621
<b>BoE Private Clients</b>						
High Growth International						
US Dollar Class (US\$)	US\$43,973,475	2,942,719	US\$14.9431	US\$36,454,262	2,944,047	US\$12.38
Sterling Class (£)	£3,344,658	364,991	£9.1637	£1,861,796	241,338	£7.7100
Euro Class (€)	€543,690	61,309	€8.868	€1,151,734	154,526	€7.4533
<b>BoE Private Clients</b>						
Balanced International						
US Dollar Class (US\$)	US\$46,674,592	40,814,150	US\$1.1436	US\$37,396,560	37,631,200	US\$0.9938
Sterling Class (£)	£5,032,266	558,499	£9.0103	£4,405,876	533,131	£7.9653
Euro Class (€)	€4,713,586	531,965	€8.8607	€5,206,361	665,656	€7.8214
<b>BoE Private Clients</b>						
Absolute Focus						
US Dollar Class	US\$4,200,168	585,558	US\$7.1729	US\$4,172,951	585,558	US\$7.1265
<b>Total redeemable participating preference shares in issue</b>						
		47,908,339			44,962,579	

