

ACCESS PCP LIMITED

**REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 SEPTEMBER 2017



ACCESS
Investment Management



RANKIN BERKOWER (CAYMAN) LTD

Certified Public Accountants and Consultants

AN AFFILIATE FIRM OF BERKOWER LLC

NEW YORK NEW JERSEY

ACCESS PCP LIMITED

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REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report together with the audited financial statements of Access PCP Limited (the “Company”) for the year ended 30 September 2017.

Principal activity

The Company is an open-ended investment company which was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 11 March 1985. It is a registered mutual fund under The Mutual Funds Law in the Cayman Islands. The Company has different classes of participating shares. A separate underlying fund is established and maintained for each class of participating shares. During the year, the Company had two underlying Funds, namely Global Balanced Portfolio and Global Opportunities Portfolio (the “Funds”).

The Company has been authorised by the Securities and Futures Commission as an authorised fund in Hong Kong.

The Company is exempted from tax on profits, income or gains in the Cayman Islands for a period of 20 years from 14 February 2006 in accordance with section 6 of the Tax Concession Law (Revised) in the Cayman Islands. The Company is also exempted from tax on income and capital gains under section 26A(1A) of the Inland Revenue Ordinance in Hong Kong and the Company meets all the profit tax exemption conditions in accordance with Departmental Interpretation and Practice Note 43 issued by The Hong Kong Inland Revenue Department and the Revenue (Profits Tax Exemption for Offshore Funds) Ordinance 2006.

The Company’s objective is to provide investors with the benefits of professionally managed portfolios of investments in unit trusts and/or collective investment schemes.

Results

Costs incurred in connection with the operations of the Company are charged to the underlying Funds on a pro rata basis. As a result, the Company does not prepare a revenue statement.

The results of the underlying Funds for the year ended 30 September 2017 are set out in the Funds’ revenue statement on page 11.

Dividends

With effect from 16 May 2002, the directors proposed not to distribute any dividends to the shareholders. No distribution was made to the holders of the participating shares of Global Balanced Portfolio and Global Opportunities Portfolio for the year ended 30 September 2017.

Directors

The directors in office during the financial year and up to the date of this report were:

C.M. Liu

R.H.L. Thomas

Z.R.D. Liu (As the alternative director to Mr. R.H.L Thomas)

In accordance with Article 94 of the Company’s Articles of Association, all directors will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

REPORT OF THE DIRECTORS (CONTINUED)

Auditors

Rankin Berkower (Cayman) Ltd retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

C.M. Liu

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Director

Hong Kong, 16 January 2018

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PERFORMANCE TABLE

For the year ended 30 September 2017 (in US Dollars)

	<u>Global Balanced Portfolio</u>		<u>Global Opportunities Portfolio</u>	
	<u>Net asset value of the portfolio</u>	<u>Net asset value per share</u>	<u>Net asset value of the portfolio</u>	<u>Net asset value per share</u>
At				
30 September 2015	2,468,343	9.14	2,232,834	8.78
30 September 2016	2,119,660	9.50	2,127,886	9.39
30 September 2017	2,194,209	10.51	2,381,623	10.64
	<u>Highest offer</u>	<u>Lowest bid</u>	<u>Highest offer</u>	<u>Lowest bid</u>
Financial year ended				
30 September 2008	10.67	7.64	11.13	7.22
30 September 2009	8.22	5.45	8.04	4.75
30 September 2010	8.75	7.24	8.43	6.88
30 September 2011	9.84	7.95	9.64	7.26
30 September 2012	9.40	7.75	8.86	7.00
30 September 2013	10.17	8.71	9.69	8.10
30 September 2014	10.96	9.56	10.34	8.91
30 September 2015	10.83	9.01	10.46	8.64
30 September 2016	10.14	8.65	9.94	8.19
30 September 2017	11.04	9.23	11.20	8.99

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGSFor the year ended 30 September 2017

ANALYSIS BY INVESTMENTS

		Percentage holdings of net assets	
		<u>2017</u>	<u>2016</u>
1.	Global Balanced Portfolio		
	Equity funds	75.83%	66.09%
	Bond funds	15.64%	15.66%
	Other net assets	8.53%	18.25%
		100.0%	100.0%
<hr/>			
2.	Global Opportunities Portfolio		
	Equity funds	99.88%	87.22%
	Other net assets	0.12%	12.78%
		100.0%	100.0%
<hr/>			

INVESTMENT PORTFOLIOS

At 30 September 2017

	<u>Place of Incorporation</u>	<u>Holdings Unit/Share</u>	<u>Valuation US\$</u>	<u>% of Net Assets</u>
GLOBAL BALANCED PORTFOLIO				
<u>EQUITY FUNDS</u>				
United States				
Fidelity Funds - American Growth Fund	Luxembourg	4,500	208,981	9.52%
iShares S&P 500 Index Fund *#	United States	800	202,344	9.22%
Universe, The CMI Global Network Fund US Equity Index Tracking #	Luxembourg	2,900	205,047	9.35%
Asia Pacific				
Baring Eastern Trust	United Kingdom	12,000	163,841	7.47%
First State Global Umbrella PLC - Asian Growth Fund	Ireland	3,000	130,710	5.96%
Schroder International Selection Fund - Japanese Opportunities	Luxembourg	10,000	175,373	7.99%
Europe				
CF Odey Investment Funds - Continental European Fund - Accumulated shares #	United Kingdom	16,000	208,884	9.52%
Invesco Pan European Equity Income Fund	Luxembourg	8,000	152,990	6.97%
Other				
Valu-Trac Invest Management ICVC - Equity Income Fund A #	United Kingdom	130,344	215,780	9.83%
<u>BOND FUNDS</u>				
Franklin Templeton Investment Funds - Templeton Global Bond Fund Class A	Luxembourg	9,000	169,110	7.71%
First State Global Umbrella PLC - Asian Quality Bond Fund	Ireland	10,561	174,046	7.93%
TOTAL VALUE OF INVESTMENTS, AT FAIR VALUE			2,007,106	91.47%
OTHER NET ASSETS			187,103	8.53%
TOTAL NET ASSETS			2,194,209	100.00%
TOTAL INVESTMENTS, AT COST			1,387,600	

* Listed Investments

Not authorised in Hong Kong and not available to Hong Kong Residents

INVESTMENT PORTFOLIOS (CONTINUED)

At 30 September 2017

	<u>Place of Incorporation</u>	<u>Holdings Unit/Share</u>	<u>Valuation US\$</u>	<u>% of Net Assets</u>
GLOBAL OPPORTUNITIES PORTFOLIO				
<u>EQUITY FUNDS</u>				
United States				
Fidelity Fund – America Fund A-ACC USD	Luxembourg	9,000	201,150	8.45%
Invesco US Equity Fund	Luxembourg	10,943	190,628	8.00%
iShares S&P 500 Index Fund *#	United States	500	126,465	5.31%
Morgan Stanley Investment Funds				
- US Growth Fund	Luxembourg	3,600	237,636	9.98%
Schroder International Selection Fund				
- US small & Mid-Cap Equity	Luxembourg	638	194,407	8.16%
Asia Pacific				
Baring Eastern Trust	United Kingdom	10,234	139,725	5.87%
First State Global Umbrella PLC - Asian Growth Fund	Ireland	3,300	143,781	6.04%
First State Global Umbrella PLC - China Focus Fund	Ireland	10,766	137,479	5.77%
JPMorgan Japan Yen Fund	Hong Kong	900	253,073	10.62%
Europe				
Baring Europe Select Trust	United Kingdom	4,731	250,789	10.53%
CF Odey Investment Funds – Continental				
European Fund - Accumulated shares #	United Kingdom	18,000	234,994	9.87%
Fidelity Funds - European Dynamic Growth Fund	Luxembourg	5,407	140,910	5.92%
Parvest Equity Europe Small Cap	Luxembourg	497	127,751	5.36%
TOTAL VALUE OF INVESTMENTS, AT FAIR VALUE			2,378,788	99.88%
OTHER NET ASSETS			2,835	0.12%
TOTAL NET ASSETS			2,381,623	100.00%
TOTAL INVESTMENTS, AT COST			1,663,716	

* Listed Investments

Not authorised in Hong Kong and not available to Hong Kong Residents

CUSTODIAN'S REPORT

**TO THE SHAREHOLDERS OF
ACCESS PCP LIMITED (the "Company")** _____ 7
(Incorporated in the Cayman Islands with limited liability)

We hereby confirm that, in our opinion, the Manager has, in all material respects, managed the Company in accordance with the provisions of the constitutive documents during the year ended 30 September 2017.

MUFG Fund Services (Cayman) Limited
Custodian
16 January 2018



Resident Members:
Philip A. Rankin, CPA
Maurice Berkower, CPA

Tel: (345) 949-7818
Fax: (345) 946-0751
E-mail: philiprankin@rankinberkower.com

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
ACCESS PCP LIMITED**

(Incorporated in the Cayman Islands with limited liability)

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Access PCP Limited (the "Company") set out on pages 11 to 45, which comprise the statement of assets and liabilities as at 30 September 2017, and the revenue statement, statement of movements in capital and reserve attributable to participating shareholders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 September 2017, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the report of the directors, performance table, statement of movements in portfolio holdings, investment portfolio, custodian's report and the administrator and other parties, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Resident Members:
Philip A. Rankin, CPA
Maurice Berkower, CPA

Tel: (345) 949-7818
Fax: (345) 946-0751
E-mail: philiprankin@rankinberkower.com

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
ACCESS PCP LIMITED (CONTINUED)**

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(Incorporated in the Cayman Islands with limited liability)

Report on the Audit of the Financial Statements (continued)

Responsibilities of directors for the financial statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS issued by the HKICPA, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors of the Company are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

In addition, the directors of the Company are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC").

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Company have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Code on Unit Trusts and Mutual Funds issued by the SFC.

As part of an audit in accordance with HKSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Resident Members:
 Philip A. Rankin, CPA
 Maurice Berkower, CPA

Tel: (345) 949-7818
 Fax: (345) 946-0751
 E-mail: philiprankin@rankinberkower.com

**INDEPENDENT AUDITORS' REPORT
 TO THE BOARD OF DIRECTORS OF
 ACCESS PCP LIMITED (CONTINUED)** 10
(Incorporated in the Cayman Islands with limited liability)

Report on the Audit of the Financial Statements (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on matters under the relevant disclosure provisions of the Code on Unit Trust and Mutual Funds issued by the SFC

- a. In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Code on Unit Trusts and Mutual Funds issued by the SFC; and
- b. We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

Rankin Berkower (Cayman) Ltd
 Certified Public Accountants
 16 January 2018

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An affiliate firm of Berkower LLC
 517 Route 1 – Suite 4103, Iselin N.J. 08830
 Telephone (732) 855-9600 Fax (732) 855-9559

REVENUE STATEMENT

For the year ended 30 September 2017 (in US Dollars)

		Global Balanced Portfolio		Global Opportunities Portfolio	
	Notes	2017	2016	2017	2016
INCOME					
Dividends from investments		15,865	13,680	2,114	4,684
Interest on bank deposits		-	-	33	-
Net exchange gains		-	71	-	1,154
Other income		-	95	-	39
Fair value changes on financial assets at fair value through profit or loss	5	262,194	121,612	340,125	195,871
		278,059	135,458	342,272	201,748
EXPENSES					
Auditors' remuneration		7,106	7,662	7,106	7,662
Custodian and registrar's fees	6	13,000	13,026	13,000	12,999
Manager's fee	7	32,065	33,958	32,934	32,931
Net exchange losses		2,295	-	1,215	-
Sub-custodian fee		130	8	14	9
Sundry expenses		8,632	10,494	8,628	10,171
		63,228	65,148	62,897	63,772
NET PROFIT FOR THE YEAR					
		214,831	70,310	279,375	137,976
Increase in net assets attributable to shareholders		214,831	70,310	279,375	137,976
AMOUNT TRANSFERRED TO CAPITAL RESERVE					
	9	(214,831)	(70,310)	(279,375)	(137,976)
		-	-	-	-

The Company had no components of comprehensive income other than net profit for the years presented. Accordingly, no separate statement of comprehensive income is presented as the Company's total comprehensive income was the same as net profit for the year in both years.

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

STATEMENT OF ASSETS AND LIABILITIES

At 30 September 2017 (in US Dollars)

	Notes	Founders' Fund		Global Balanced Portfolio		Global Opportunities Portfolio	
		2017	2016	2017	2016	2017	2016
ASSETS							
Current assets							
Investments	5	-	-	2,007,106	1,732,815	2,378,788	1,856,013
Prepayments		-	-	4,216	4,643	4,216	4,643
Cash and cash equivalents		100	100	208,623	413,301	24,749	345,694
Total assets		100	100	2,219,945	2,150,759	2,407,753	2,206,350
LIABILITIES							
Current liabilities							
Accruals and other payables		-	-	25,736	30,741	26,130	31,161
Amounts payable on redemptions		-	-	-	358	-	47,303
Total liabilities		-	-	25,736	31,099	26,130	78,464
NET ASSETS		100	100	2,194,209	2,119,660	2,381,623	2,127,886
Net assets attributable to shareholders		100	100	2,194,209	2,119,660	2,381,623	2,127,886
CAPITAL AND RESERVE							
Share capital	8	100	100	2,088	2,231	2,238	2,265
Capital reserve	9	-	-	2,192,121	2,117,429	2,379,385	2,125,621
TOTAL CAPITAL AND RESERVE		100	100	2,194,209	2,119,660	2,381,623	2,127,886
NUMBER OF PARTICIPATING SHARES IN ISSUE							
	8			208,751	223,032	223,766	226,514
NET ASSET VALUE PER PARTICIPATING SHARE							
				10.51	9.50	10.64	9.39

The financial statements on pages 11 to 45 were approved and authorised for issue by the Board of Directors on 16 January 2018 and are signed on its behalf by:

C.M. Liu

Director

Z.R. Liu

Director

STATEMENT OF MOVEMENTS IN CAPITAL AND RESERVE

For the year ended 30 September 2017 (in US Dollars)

	<u>Founders' Fund</u>		<u>Global Balanced Portfolio</u>		<u>Global Opportunities Portfolio</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Payments on redemption of participating shares	-	-	(140,282)	(418,993)	(25,638)	(242,924)
Net redemptions	-	-	(140,282)	(418,993)	(25,638)	(242,924)
Amount transferred from revenue statement	-	-	214,831	70,310	279,375	137,976
	-	-	74,549	(348,683)	253,737	(104,948)
BALANCE BROUGHT FORWARD	100	100	2,119,660	2,468,343	2,127,886	2,232,834
BALANCE CARRIED FORWARD	100	100	2,194,209	2,119,660	2,381,623	2,127,886

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

STATEMENT OF CASH FLOWS

For the year ended 30 September 2017 (in US Dollars)

	<u>Global Balanced Portfolio</u>		<u>Global Opportunities Portfolio</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Increase in net assets attributable to shareholders	214,831	70,310	279,375	137,976
Adjustments for:				
Fair value changes on financial assets at fair value through profit or loss	(262,194)	(121,612)	(340,125)	(195,871)
Interest on bank deposits	-	-	(33)	-
Dividends from investments	(15,865)	(13,680)	(2,114)	(4,684)
Operating losses before working capital changes	(63,228)	(64,982)	(62,897)	(62,579)
(Increase)/decrease in investments	(12,097)	727,984	(182,650)	306,885
Decrease/(increase) in prepayments	427	(235)	427	(235)
(Decrease)/increase in accruals and other payables	(5,005)	4,738	(5,031)	6,072
Cash (used in)/from operations	(79,903)	667,505	(250,151)	250,143
Interest received	-	-	33	-
Dividends received	15,865	14,919	2,114	5,441
Net cash (used in)/from operating activities	(64,038)	682,424	(248,004)	255,584
Cash flows from financing activities				
Payments on redemption of shares	(140,640)	(418,635)	(72,941)	(195,621)
Net cash used in financing activities	(140,640)	(418,635)	(72,941)	(195,621)
Net (decrease)/increase in cash and cash equivalents	(204,678)	263,789	(320,945)	59,963
Cash and cash equivalents at the beginning of the year	413,301	149,512	345,694	285,731
Cash and cash equivalents at the end of the year	208,623	413,301	24,749	345,694
Analysis of the balances of cash and cash equivalents				
Bank balances	208,623	413,301	24,749	345,694

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017 (in US Dollars)

1. GENERAL INFORMATION

Access PCP Limited (the “Company”) is an open-ended investment company which was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2013 Revision) of the Cayman Islands on 11 March 1985. It is a registered mutual fund under The Mutual Funds Law (2015 Revision) in the Cayman Islands. The Company has different classes of participating shares. A separate underlying fund is established and maintained for each class of participating shares. During the year, the Company had two underlying Funds, namely Global Balanced Portfolio and Global Opportunities Portfolio (the “Funds”).

The Company has been authorised by the Securities and Futures Commission as an authorised fund in Hong Kong.

The Company has been exempted from tax on profits, income or gains in the Cayman Islands for a period of 20 years from 14 February 2006 in accordance with section 6 of the Tax Concession Law (2011 Revision) in the Cayman Islands. The Company is also exempted from tax on income and capital gains under section 26A(1A) of the Inland Revenue Ordinance in Hong Kong and the Company meets all the profits tax exemption conditions in accordance with Departmental Interpretation and Practice Note 43 issued by The Hong Kong Inland Revenue Department and the Revenue (Profits Tax Exemption for Offshore Funds) Ordinance 2006.

The Global Opportunities Portfolio’s investment objective is long-term capital growth through a portfolio of investments in managed funds of a specialised nature consistent with prudent investment management, by investing principally in equity funds that specialise in different geographical regions, markets and industry sectors, such as smaller companies, energy commodities and metals.

The Global Balanced Portfolio’s investment objective is long-term capital growth through a balanced and internationally diversified portfolio of investments in managed funds, such as by investing in equity funds specialising in major international markets and principal investment sectors within those markets. The Fund may also invest in corporate and sovereign bond fund, currencies and cash fund.

The investment manager of the Fund is Access Investment Management (H.K.) Limited (the “Investment Manager”), a company incorporated in Hong Kong. The Investment Manager exercises full discretion in the management of the investment transactions of the Fund.

These financial statements were authorised for issue by the Board of Directors on 16 January 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation**

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Standards and amendments to existing standards effective 1 October 2016

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 October 2016 that have had a material impact on the Company.

New standards, amendments and interpretations effective after 1 October 2016 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 October 2016, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract;
and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)*****HKFRS 15 Revenue from Contracts with Customers (continued)***

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Company is in the process of making an assessment on what the impact of the other new or amendments to HKFRS is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Company’s results of operations and financial position.

(b) Revenue recognition

Dividend income from investments is recognised when the right to receive payment is established.

(c) Investments

All investments are classified as “financial assets at fair value through profit or loss” at inception.

Investments that are listed or traded on an exchange are valued based on last traded prices.

Investments in unlisted investment funds are valued at their last traded prices as provided by the administrators of such funds.

(d) Financial assets***Classification***

The Company classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss held for trading

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Financial assets (continued)***Classification (continued)**Financial assets designated at fair value through profit or loss at inception*

Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy.

The Company's policy requires the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial strategy.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise "cash and cash equivalents" in the statement of assets and liabilities.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the revenue statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the revenue statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the revenue statement when the Company's right to receive payments is established.

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(f) Impairment of financial assets***Assets carried at amortised cost*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Company, for economic or legal reasons relating to the borrower’s financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio;
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Company first assesses whether objective evidence of impairment exists.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(f) Impairment of financial assets (continued)***Assets carried at amortised cost (continued)*

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the revenue statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the revenue statement.

(g) Accrued expenses and payables

Accrued expenses and payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

(h) Foreign currency translation*(i) Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The performance of the Company is measured and reported to the investors in United States dollars ("US\$"). The Board of Directors considers the US\$ as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in US\$ which is the Company's functional and presentation currency.

(ii) Transactions and balances

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 year-end exchange rates of assets and liabilities denominated in foreign currencies are recognised in the revenue statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(i) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments in an active market with original maturities of three months or less, and bank overdrafts.

(j) Subscription and redemption of shares

Proceeds and payments on the subscription and redemption of shares recorded in the statement of movements in capital and reserve exclude any entry or exit fees payable with respect to the subscription and redemption of shares in the Company. Redemptions from the Company are recorded gross of any exit fees payable after the redemption of shares. The price at which shares are subscribed or redeemed is calculated by reference to the net asset value per share as at the close of business on the relevant dealing day. The basis adopted by the Company in arriving at the net asset value per share for subscription and redemption purposes during the period may not be the same as the accounting principles adopted for the preparation of these financial statements.

(k) Related parties

- (a) A person, or a close member of that person's family, is related to the Company if that person:
- (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) The entity and the Company are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(k) Related parties (continued)**

- (b) An entity is related to the Company if any of the following conditions applies: (continued)
- (vi) The entity controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. FINANCIAL RISK MANAGEMENT

The Funds' activities expose them to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Funds are exposed to various risks which are discussed below.

(a) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

All securities investments present a risk of loss of capital. Each Fund's market price risk is managed through (i) deliberate securities selection, and (ii) diversification of the investment portfolio. The Investment Manager monitors the Funds' market positions on a daily basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market price risk (continued)

At the end of the reporting period, the overall market exposures for the Funds were as follows:

	<u>2017</u>		<u>2016</u>	
	Fair value	% of net assets	Fair value	% of net assets
<u>Global Balanced Portfolio</u>				
- Equity funds				
- United States	616,372	28.09%	529,647	24.99%
- Asia Pacific	469,924	21.42%	392,047	18.49%
- Europe	361,874	16.49%	291,668	13.76%
- Other	215,780	9.83%	187,449	8.84%
- Bond funds	343,156	15.64%	332,004	15.67%
	2,007,106	91.47%	1,732,815	81.75%
<hr/> <hr/>				
	<u>2017</u>		<u>2016</u>	
	Fair value	% of net assets	Fair value	% of net assets
<u>Global Opportunities Portfolio</u>				
- Equity funds				
- United States	950,286	39.90%	768,057	36.09%
- Asia Pacific	674,058	28.30%	580,080	27.26%
- Europe	754,444	31.68%	507,876	23.87%
	2,378,788	99.88%	1,856,013	87.22%
<hr/> <hr/>				

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(a) Market price risk (continued)**

The table below shows increase/decrease of net assets attributable to holders of participating shares which based on the assumption that the price of the investments had increased/decreased by 5% with all other variables held constant. The assumption is based on the historical experience and various other factors that are believed to be reasonable.

	<u>2017</u>	<u>2016</u>
	Estimated impact increase/ decrease	Estimated impact increase/ decrease
Global Balanced Portfolio	100,355	86,641
Global Opportunities Portfolio	118,939	92,801

The Investment Manager has used its view of what would be a “reasonable shift” in each key market to estimate the change for use in the market sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The majority of the Funds’ financial assets are non-interest bearing. As a result, the Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

At 30 September 2017, Global Balanced Portfolio and Global Opportunities Portfolio had cash and cash equivalents of \$208,623 and \$24,749 (2016: \$413,301 and \$345,694) respectively and were therefore exposed to interest rate risk on these cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(c) Credit risk**

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due and cause the other party to incur a financial loss.

The Funds' financial assets which are potentially subject to concentrations of credit risk consist principally of bank deposits and assets held with the sub-custodian.

The Funds limit their exposure to credit risk by transacting with well-established broker-dealers and banks with high credit ratings. Impairment provisions are provided for losses that have been incurred by the end of the reporting period, if any.

Financial assets which potentially subject the Funds to concentrations of credit risk consist principally of deposits placed with the sub-custodian and investments held by the sub-custodian. The Funds' deposits are placed with RBC Investor Services Bank S.A. and investments are placed with RBC Investor Services Trust Hong Kong Limited, all of which are high credit quality financial institutions.

The Investment Manager monitors the credit rating of these financial institutions on an ongoing basis.

The Investment Manager considers that the Funds' exposure to credit risk at 30 September 2017 and 2016 is/was minimal.

(d) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in settling a liability, including a redemption request, or selling a financial asset quickly at close to its fair value.

The Funds' activities expose them to weekly cash redemptions of units in the Funds. The Funds invest the majority of their assets in investments that are traded in an active market and can be readily disposed of. The Investment Manager monitors the Funds' liquidity positions on a daily basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(d) Liquidity risk (continued)**

The tables below analyse the Funds' financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

At 30 September 2017

	Less than <u>3 months</u>	No stated <u>maturity</u>
Global Balanced Portfolio		
Accruals and other payables	25,736	-
Amounts payable on redemptions	-	-
Net assets attributable to shareholders (at last traded market price)	<u>-</u>	<u>2,194,209</u>
	25,736	2,194,209
Global Opportunities Portfolio		
Accruals and other payables	26,130	-
Net assets attributable to shareholders (at last traded market price)	<u>-</u>	<u>2,381,623</u>
	26,130	2,381,623

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(d) Liquidity risk (continued)****At 30 September 2016**

Global Balanced Portfolio	<u>Less than 3 months</u>	<u>No stated maturity</u>
Accruals and other payables	30,741	-
Amounts payable on redemptions	358	-
Net assets attributable to shareholders (at last traded market price)	<u>-</u>	<u>2,119,660</u>
	31,099	2,119,660
Global Opportunities Portfolio		
Accruals and other payables	31,161	-
Amounts payable on redemptions	47,303	-
Net assets attributable to shareholders (at last traded market price)	<u>-</u>	<u>2,127,886</u>
	78,464	2,127,886

(e) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Funds hold assets denominated in currencies other than their functional currencies and are therefore exposed to currency risk. The Investment Manager monitors the Funds' currency positions on a daily basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(e) Currency risk (continued)**

The following tables summarise the Funds' on-balance sheet exposure to currency risk.

At 30 September 2017

Global Balanced Portfolio	USD US\$	EUR US\$	GBP US\$	HKD US\$	JPY US\$	Total
Assets						
Cash at bank	31,630	52,543	12,433	74,141	37,876	208,623
Investments	1,090,238	152,990	588,505	-	175,373	2,007,106
Other assets	4,216	-	-	-	-	4,216
Total assets	1,126,084	205,533	600,938	74,141	213,249	2,219,945
Liabilities (excluding net assets attributable to shareholders)						
Accruals and other payables	(25,736)	-	-	-	-	(25,736)
Total liabilities	(25,736)	-	-	-	-	(25,736)
Net assets attributable to shareholders (at last traded market prices)						
	1,100,348	205,533	600,938	74,141	213,249	2,194,209

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(e) Currency risk (continued)****At 30 September 2017**

Global Opportunities Portfolio	USD	EUR	GBP	HKD	JPY	
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>Total</u>
Assets						
Cash at bank	6,410	-	-	18,339	-	24,749
Investments	1,359,297	391,699	374,719	-	253,073	2,378,788
Other assets	4,216	-	-	-	-	4,216
Total assets	1,369,923	391,699	374,719	18,339	253,073	2,407,753
Liabilities (excluding net assets attributable to shareholders)						
Accruals and other payables	(26,130)	-	-	-	-	(26,130)
Total liabilities	(26,130)	-	-	-	-	(26,130)
Net assets attributable to shareholders (at last traded market prices)	1,343,793	391,699	374,719	18,339	253,073	2,381,623

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(e) Currency risk (continued)****At 30 September 2016**

Global Balanced Portfolio	USD	EUR	GBP	HKD	JPY	
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>Total</u>
Assets						
Cash at bank	304,470	49,999	11,573	4,885	42,374	413,301
Investments	982,551	123,298	483,191	-	143,775	1,732,815
Other assets	1,451	-	-	3,192	-	4,643
Total assets	1,288,472	173,297	494,764	8,077	186,149	2,150,759
Liabilities (excluding net assets attributable to shareholders)						
Accruals and other payables	(30,741)	-	-	-	-	(30,741)
Amounts payable on redemptions	(358)	-	-	-	-	(358)
Total liabilities	(31,099)	-	-	-	-	(31,099)
Net assets attributable to shareholders (at last traded market prices)						
	1,257,373	173,297	494,764	8,077	186,149	2,119,660

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(e) Currency risk (continued)****At 30 September 2016**

Global Opportunities Portfolio	USD	EUR	GBP	HKD	JPY	
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>Total</u>
Assets						
Cash at bank	307,383	10,009	18,869	9,433	-	345,694
Investments	1,012,365	318,460	298,040	-	227,148	1,856,013
Other assets	1,451	-	-	3,192	-	4,643
Total assets	1,321,199	328,469	316,909	12,625	227,148	2,206,350
Liabilities (excluding net assets attributable to shareholders)						
Accruals and other payables	(31,161)	-	-	-	-	(31,161)
Amounts payable on redemptions	(47,303)	-	-	-	-	(47,303)
Total liabilities	(78,464)	-	-	-	-	(78,464)
Net assets attributable to shareholders (at last traded market prices)						
	1,242,735	328,469	316,909	12,625	227,148	2,127,886

The Funds' net exposure to each currency other than Hong Kong dollars ("HK\$") and US\$ at the date of the statement of assets and liabilities and their estimated impact to net assets attributable to shareholders had the HK\$ and US\$ weakened by 5% (2016: 5%) are illustrated below. The analysis was performed on the same basis as 2016.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(e) Currency risk (continued)**

	<u>2017</u>	<u>2016</u>
Global Balanced Portfolio		
Euro	10,277	8,665
Pound Sterling	30,047	24,738
Japanese Yen	10,662	9,307
Global Opportunities Portfolio		
Euro	19,585	16,423
Pound Sterling	18,736	15,845
Japanese Yen	12,654	11,357

As HK\$ is pledged to US\$, the Funds do not expect any significant movement in HK\$/US\$ exchange rate. A 5% appreciation of HK\$ against the above currencies would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

(f) Capital risk management

The primary objective of the Funds' capital management is to safeguard the Funds' ability to continue as a going concern and to maintain healthy capital ratios in order to support their business and maximise shareholders value. To maintain or adjust the capital structure, the Investment Manager may adjust the investments held. The overall objectives of the capital risk management process did not change during the years ended 30 September 2017 and 2016. The Investment Manager defines capital as the net assets attributable to holders of participating shares.

The Directors and the Investment Manager monitor capital on the basis of the value of the net assets attributable to shareholders.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(g) Categories of financial instruments**

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	<u>Global Balanced Portfolio</u>		<u>Global Opportunities Portfolio</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Financial assets</u>				
<i>Financial assets at fair value through profit or loss</i>				
- Investments				
- Equity funds	1,663,950	1,400,811	2,378,788	1,856,013
- Bond funds	343,156	332,004	-	-
<i>Loans and receivables</i>				
- Cash and cash equivalents	208,623	413,301	24,749	345,694
<u>Financial liabilities</u>				
<i>Amortised costs</i>				
- Accruals and other payables	25,736	30,741	26,130	31,161
- Amounts payable on redemptions	-	358	-	47,303

(h) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. The Funds utilise the last traded market price for both financial assets and financial liabilities. If a significant movement in fair value occurs subsequent to the close of trading up to midnight in a particular stock exchange on the year end date, valuation techniques will be applied to determine the fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(h) Fair value estimation (continued)**

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Funds use a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Funds hold. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Funds for similar financial instruments.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(h) Fair value estimation (continued)

The following tables present the Funds' assets that are measured at fair value at 30 September 2017 and 2016.

At 30 September 2017

Global Balanced Portfolio

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<i>Financial assets at fair value through profit or loss</i>				
- Investments				
- Equity funds	202,344	1,461,606	-	1,663,950
- Bond funds	-	343,156	-	343,156
	202,344	1,804,762	-	2,007,106

Global Opportunities Portfolio

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<i>Financial assets at fair value through profit or loss</i>				
- Investments				
- Equity funds	126,465	2,252,323	-	2,378,788

At 30 September 2016

Global Balanced Portfolio

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<i>Financial assets at fair value through profit or loss</i>				
- Investments				
- Equity funds	174,048	1,226,763	-	1,400,811
- Bond funds	-	332,004	-	332,004
	174,048	1,558,767	-	1,732,815

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(h) Fair value estimation (continued)****At 30 September 2016 (continued)****Global Opportunities Portfolio**

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<i>Financial assets at fair value through profit or loss</i>				
- Investments				
- Equity funds	217,560	1,638,453	-	1,856,013

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Funds is the last traded price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The fair value of Level 2 investments is valued at their last traded prices as provided by the administrators of such funds.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The Funds had no investments that would be classified as Level 3.

During the years ended 30 September 2017 and 2016, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Funds make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions may have a risk of causing an adjustment to the carrying amounts of assets and liabilities during the year.

4.1 Critical judgements

Functional 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 Funds measure their performance and report their results, as well as the currency in which they receive subscriptions from their investors. This determination also considers the competitive environment in which the Funds are compared to other international investment products.

5. INVESTMENTS**Global Balanced Portfolio**

	<u>2017</u>	<u>2016</u>
<u>Equity funds</u>		
At cost	1,101,510	1,101,510
Unrealised gain	562,440	299,301
	1,663,950	1,400,811
<u>Bond funds</u>		
At cost	286,090	286,090
Unrealised gain	57,066	45,914
	343,156	332,004
Total investments, at fair value	2,007,106	1,732,815
Fair value changes on financial assets at fair value through profit or loss:		
- Realised (loss)/gain	(12,097)	26,769
- Change in unrealised gain	274,291	94,843
Total gain	262,194	121,612

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

5. INVESTMENTS (CONTINUED)**Global Opportunities Portfolio**

	<u>2017</u>	<u>2016</u>
<u>Equity funds</u>		
At cost	1,663,716	1,422,658
Unrealised gain	715,072	433,355
Total investments, at fair value	2,378,788	1,856,013

Fair value changes on financial assets at fair value through profit or loss:

- Realised gain	58,408	30,073
- Change in unrealised gain	281,717	165,798
Total gain	340,125	195,871

6. CUSTODIAN AND REGISTRAR'S FEES

The Company has engaged the services of MUFG Fund Services (Cayman) Limited to act as Custodian and Registrar for a fee. MUFG Fund Services (Cayman) Limited is a wholly owned subsidiary of Mitsubishi UFJ Trust and Banking Corporation.

With effect from 1 October 2009, the custodian fee is payable monthly in arrears and is calculated at 0.05% per annum on each underlying Fund's net asset value, subject to a minimum annual charge of \$10,000.

The registrar's fee is charged at \$3,000 per annum per underlying Fund.

7. MANAGER'S FEE

The Manager, Private Capital Portfolio Management Limited, is entitled to receive a fee which is calculated at 1.5% per annum of the net asset value of each underlying Fund.

Total management fees of the Global Balanced Portfolio and Global Opportunities Portfolio for the year ended 30 September 2017 amounted to \$32,065 and \$32,934 (2016: \$33,958 and \$32,931) respectively, with \$8,419 and \$9,096 (2016: \$8,160 and \$8,337) respectively in outstanding accrued fees due to the Manager at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

8. SHARE CAPITAL

	<u>2017</u>	<u>2016</u>
Authorised:		
100 founders' shares of \$1 each	100	100
89,990,000 unclassified redeemable preference shares of \$0.01 each	899,900	899,900
	900,000	900,000
Issued and fully paid:		
100 founders' shares of \$1 each	100	100
432,517 (2016: 449,546) participating shares of \$0.01 each	4,326	4,496

The founders' shares have been issued to the Manager at par. They have no dividend rights but entitle the holder to vote at the general meetings of the Company. The proceeds of the issued shares are represented by a separate Founders' Fund which is included in share capital.

Unclassified redeemable preference shares may be issued as either participating shares or as nominal shares. Nominal shares may be converted into participating shares by the Manager.

Participating shares are allotted or redeemed on any subscription date at the respective issue price or redemption price prevailing for the participating shares of the relevant class. Both the issue and redemption prices are calculated in accordance with the provisions of the Articles of Association of the Company. Participating shares carry full dividend and voting rights.

Participating shares have been issued in the following classes:

	<u>Number of shares</u>				<u>Nominal value of shares</u>			
	<u>Global Balanced Portfolio</u>		<u>Global Opportunities Portfolio</u>		<u>Global Balanced Portfolio</u>		<u>Global Opportunities Portfolio</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
At beginning of the year	223,032	269,953	226,514	254,179	2,231	2,700	2,265	2,542
Redeemed during the year	(14,281)	(46,921)	(2,748)	(27,665)	(143)	(469)	(27)	(277)
At end of the year	208,751	223,032	223,766	226,514	2,088	2,231	2,238	2,265

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

9. CAPITAL RESERVE

	<u>Global Balanced Portfolio</u>		<u>Global Opportunities Portfolio</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
At beginning of the year	2,117,429	2,465,643	2,125,621	2,230,292
Net redemptions during the year	(140,139)	(418,524)	(25,611)	(242,647)
Net profit for the year transferred from revenue statement	214,831	70,310	279,375	137,976
At end of the year	2,192,121	2,117,429	2,379,385	2,125,621

10. SUMMARY OF SIGNIFICANT TRANSACTIONS WITH CONNECTED PERSONS

The following is a summary of significant transactions entered into during the year between the Funds and the connected persons of the Manager. All such transactions were entered into in the ordinary course of business.

- (a) With effect from 1 June 2016, the Investment Manager undertook to absorb all expenses incurred by the Funds in excess of 3% per annum of the net asset value of the Funds. During the years ended 30 September 2017 and 2016, no such transactions were effected through the Investment Manager.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

10. SUMMARY OF SIGNIFICANT TRANSACTIONS WITH CONNECTED PERSONS (CONTINUED)

- (b) During the year, the Funds utilised the brokerage services of Platinum Broking Company Limited, a connected party of the Manager of the Funds. Details of the transactions effected through the connected party were as follows:

	<u>Global Balanced Portfolio</u>		<u>Global Opportunities Portfolio</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Aggregate value of transactions of the Funds during the year	194,123	727,984	517,350	882,421
Aggregate value of transactions effected through connected party	194,123	21,419	118,500	-
Transactions with connected party as a percentage of total transaction of the Funds during the year	100%	3%	23%	-
Total brokerage commission in respect of the Funds	485	118	652	-
Total brokerage commission paid to connected party	485	118	652	-
Total brokerage commission paid to connected party as a percentage of total brokerage commission in respect of the Funds	100%	100%	100%	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

10. SUMMARY OF SIGNIFICANT TRANSACTIONS WITH CONNECTED PERSONS (CONTINUED)

- (c) Average rate of commission subject to a minimum charge of \$13 (2016: \$13) per Hong Kong equity transaction, \$17 (2016: \$17) per Japan equity transaction, and \$70 (2016: \$70) per United States equity transaction:

	Global Balanced Portfolio		Global Opportunities Portfolio	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
On Hong Kong equity transaction	0.25%	0.25%	0.25%	0.25%
On Japanese equity transaction	0.40%	0.40%	0.40%	0.40%
On United States equity transaction	0.55%	0.55%	0.55%	0.55%

- (d) The participating shares held by a connected person were as follows:

Global Balanced Portfolio

For the year ended 30 September 2017

	Number of shares at the start of year	Number of shares acquired in the year	Number of shares redeemed in the year	Number of shares at year end	Number of shares at year end at %
<u>Connected party of the Manager of the Funds</u>					
Platinum Broking Company Limited	144,200	-	-	144,200	69.08%

For the year ended 30 September 2016

	Number of shares at the start of year	Number of shares acquired in the year	Number of shares redeemed in the year	Number of shares at year end	Number of shares at year end at %
<u>Connected party of the Manager of the Funds</u>					
Platinum Broking Company Limited	144,200	-	-	144,200	64.65%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

10. SUMMARY OF SIGNIFICANT TRANSACTIONS WITH CONNECTED PERSONS (CONTINUED)

- (d) The participating shares held by a connected person were as follows: (continued)

Global Opportunities Portfolio**For the year ended 30 September 2017**

<u>Connected party of the Manager of the Funds</u>	Number of shares at the start of year	Number of shares acquired in the year	Number of shares redeemed in the year	Number of shares at year end	Number of shares at year end at %
Platinum Broking Company Limited	180,200	-	-	180,200	80.53%

For the year ended 30 September 2016

<u>Connected party of the Manager of the Funds</u>	Number of shares at the start of year	Number of shares acquired in the year	Number of shares redeemed in the year	Number of shares at year end	Number of shares at year end at %
Platinum Broking Company Limited	180,200	-	-	180,200	79.55%

- (e) All of the above transactions with the connected party have been entered into in the ordinary course of business and on normal commercial terms.
- (f) For the year ended 30 September 2017, the income accruing to the Manager relating to allotments and redemptions in the Company's participating shares amounted to \$851 (2016: \$3,096).
- (g) The Manager is entitled to receive remuneration from the Company for its services as the Manager of the Company. Messrs. C.M. Liu and R.H.L. Thomas are directors of the Manager.

The Manager is required to pay remuneration to Access Investment Management (H.K.) Limited ("Access HK") for its services as the Investment Manager and Hong Kong Representative of the Company. Messrs. C.M. Liu and R.H.L. Thomas are directors of Access HK.

Compensation of key management personnel

The key management personnel of the Company are the directors.

For the years ended 30 September 2017 and 2016, no remuneration was paid or accrued to Messrs. C.M. Liu, R.H.L. Thomas and Z.R.D. Liu.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

11. SOFT COMMISSION ARRANGEMENTS

There were no soft commission arrangements in connection with directing transactions of the Company through a broker or dealer for the years ended 30 September 2017 and 2016.

12. BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

The Company had no bank loans, overdrafts or other borrowings as at 30 September 2017 and 2016.

13. SECURITY LENDING ARRANGEMENTS

As at 30 September 2017 and 2016, the Company did not enter into any security lending arrangements.

14. NEGOTIABILITY OF ASSETS

As at 30 September 2017 and 2016, there was no statutory or contractual requirement restricting the negotiability of the assets of the Company.

15. COMMITMENTS

The Company had no material commitments as at 30 September 2017 and 2016.

16. CONTINGENT LIABILITIES

The Company had no material contingent liabilities as at 30 September 2017 and 2016.

17. DISTRIBUTIONS

No distribution was made during the years ended 30 September 2017 and 2016.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2017 (in US Dollars)

18. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period on 30 September 2017, the unaudited net asset value of Global Balanced Portfolio and Global Opportunities Portfolio, as referred to the management accounts of the Funds was \$2,261,904 and \$2,497,756 respectively as at 2 January 2018. The unaudited net asset value per participating share was \$10.94 and \$11.27 respectively as at 2 January 2018.

19. INFORMATION ACCOMPANYING INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS (pages one to seven)

The information accompanying the Independent Auditors' Report and Financial Statements contains unaudited information except as noted or referenced on pages 8 to 45.

----- End of Notes -----

ADMINISTRATOR AND OTHER PARTIES*(For information only)*

Manager

Private Capital Portfolio Management Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08, Bermuda

Custodian, Registrar and Principal Office

MUFG Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
George Town, Grand Cayman
Cayman Islands

Investment Manager and Hong Kong
Representative

Access Investment Management
(H.K.) Limited
21/F LHT Tower
31 Queen's Road Central
Hong Kong

Sub-Registrar

RBC Corporate Services
Hong Kong Limited
51/F Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Sub-Custodian and Hong Kong
Distribution Agent

RBC Investor Services Trust
Hong Kong Limited
51/F Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Independent Auditors

Rankin Berkower (Cayman) Ltd
One Capital Place, 3rd Floor
136 Shedden Rd, George Town
P.O. Box 30349, KY1-1202
Grand Cayman, Cayman Islands

Secretary

Fund Secretaries Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

Directors of the Company

R.H.L. Thomas
C.M. Liu
Z.R.D. Liu (Alternate director to
Mr. R.H.L. Thomas)

Registered Office

Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands