

Red Arc Global Investments (Ireland) plc
(An umbrella fund with segregated liability between sub-funds)

Interim Report and Condensed Unaudited Financial Statements

For the financial period ended 31 December 2015

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Company information

Directors of the Company

Mr. Kevin Molony (Irish) (Independent)
Mr. Gerry Brady (Irish) (Independent) (Chairman)
Mr. John Donohoe (Irish) (Independent)

(All Directors are non-executive)

Registered Office

2nd Floor, Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

Manager

Capita Financial Managers (Ireland) Limited
2nd Floor, 2 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

Investment Advisor and Distributor

Citigroup Global Markets Limited*
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

*Investment Advisor to all sub-funds with the exception of 80% Protected Dynamic Allocation Fund and Harness Macro Currency Fund.

Promoter

Citibank International Limited
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

Investment Manager

80% Protected Dynamic Allocation Fund:
Citigroup First Investment Management Limited
50F, Citibank Tower
Citibank Plaza
3 Garden Road
Hong Kong

Harness Macro Currency Fund:
Harness Investment Group Limited
13 North Esplanade
St Peter Port
Guernsey
GY1 2LQ

Administrator

Capita Financial Administrators (Ireland) Limited
2nd Floor, 2 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

Custodian

J.P. Morgan Bank (Ireland) plc
J.P. Morgan House
IFSC
Dublin 1
Ireland

Independent Auditor

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

Secretary

MFD Secretaries Limited
Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

Company information (continued)**Legal Advisors**

As to Irish Law:
 Maples and Calder
 5th Floor, 75 St. Stephens Green
 Dublin 2
 Ireland

As to English Law (in connection with various sub-funds):

Allen & Overy LLP	Ashurst LLP	Clifford Chance LLP
One Bishops Square	Broadwalk House	10 Upper Bank Street
London E1 6AD	5 Appold Street	London E14 5JJ
United Kingdom	London EC2A 2HA	United Kingdom
	United Kingdom	

Listing Sponsor

Maples and Calder
 75 St Stephen's Green
 Dublin 2
 Ireland

Company Number

452758

Manager's report

For the financial period ended 31 December 2015

Investment performance

As at 31 December 2015 there are five active sub-funds under the Red Arc Global Investments (Ireland) plc umbrella. The table below highlights the performance for the period of the share classes for each of the individual sub-funds.

Significant events during the year and after the balance sheet date are outlined in note 20 and note 21 of the financial statements respectively.

Share Class	Currency	Launch Date	Performance from Inception to 31 December 2015	Performance for the period 30 June 2015 to 31 December 2015
UK Autocall Fund				
GBP Class A	GBP	07 April 2010	39.35%	-0.17%
GBP Class A2	GBP	05 December 2013	6.84%	-0.51%
80% Protected Dynamic Allocation Fund				
USD Class A	USD	18 July 2011	-5.54%	-3.87%
EUR Class A	EUR	18 July 2011	16.84%	-5.12%
GBP Class A	GBP	18 July 2011	-0.62%	-2.95%
GBP Class A2	GBP	28 February 2012	15.91%	-1.95%
Equity Balanced-Beta US Fund				
USD Class I	USD	21 March 2012	59.36%	-0.60%
USD Class A	USD	04 October 2013	23.77%	-1.00%
USD Class C	USD	13 November 2012	55.02%	-0.80%
EUR Class I	EUR	15 April 2013	32.45%	-0.43%
Equity Balanced-Beta Eurozone Fund				
USD Class C	USD	11 April 2014	14.99%	-2.46%
EUR Class I	EUR	21 March 2012	47.08%	-1.71%
EUR Class A	EUR	21 March 2012	42.59%	-2.15%
EUR Class C	EUR	8 August 2012	46.75%	-1.91%
Equity Balanced-Beta UK Fund				
USD Class I	USD	12 February 2014	-6.81%	-4.34%
USD Class C	USD	27 September 2013	-4.37%	-4.58%
GBP Class I	GBP	27 August 2013	-2.43%	-4.29%
GBP Class C	GBP	8 August 2012	18.76%	-4.49%
Harness Macro Currency Fund				
USD Class I	USD	4 June 2013	-3.00% ¹	0.00% ¹
EUR Class I	EUR	4 June 2013	-4.53% ¹	-0.33% ¹

¹Harness Macro Currency Fund – Fully redeemed on 6 July 2015. Performance is calculated to date of closure.

Capita Financial Managers (Ireland) Limited
January 2016

Statement of financial position (unaudited)

As at 31 December 2015

	Note	UK Autocall Fund GBP	80% Protected Dynamic Allocation Fund USD	Equity Balanced Beta US Fund USD	Equity Balanced Beta Eurozone Fund EUR	Equity Balanced Beta UK Fund GBP	Harness Macro Currency Fund ¹ USD	Total EUR
Assets								
Financial assets at fair value through profit or loss	3							
- Financial derivative instruments		6,592,610	17,037,641	158,691,617	139,541,132	13,946,061	-	329,177,687
Cash and cash equivalents		105	305	168	-	74,168	-	101,210
Swap fee receivable	5	1,009	9,273	-	-	-	-	9,905
Subscriptions receivable	11	-	-	-	272,392	-	-	272,392
Total assets		6,593,724	17,047,219	158,691,785	139,813,524	14,020,229	-	329,561,194
Liabilities								
Financial liabilities at fair value through profit or loss	3							
- Financial derivative instruments		-	-	45	9,689	-	-	9,730
Bank overdraft		-	-	-	2,591,683	-	-	2,591,683
Redemptions payable	11	-	-	197,314	13,846	-	-	195,485
Management fee	6	1,009	9,273	88,111	75,764	8,329	-	178,082
Other fees and costs	6	-	-	27,712	22,538	2,387	-	51,287
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		1,009	9,273	313,182	2,713,520	10,716	-	3,026,267
Net assets attributable to holders of redeemable participating shares		6,592,715	17,037,946	158,378,603	137,100,004	14,009,513	-	326,534,927

¹Fully redeemed and terminated on 6 July 2015

The accompanying notes form an integral part of the financial statements

Statement of financial position (unaudited) (continued)

As at 31 December 2015

	Note	UK Autocall Fund	80% Protected Dynamic Allocation Fund	Equity Balanced Beta US Fund	Equity Balanced Beta Eurozone Fund	Equity Balanced Beta UK Fund	Harness Macro Currency Fund ¹
Number of redeemable participating shares in issue	9						
USD Class I		-	-	450,012.17	-	5,693.29	-
USD Class A		-	31,540.93	62,429.86	-	-	-
USD Class C		-	-	509,198.20	719,562.12	55,758.37	-
EUR Class I		-	-	30.00	302,255.71	-	-
EUR Class A		-	44,636.74	-	615.03	-	-
EUR Class C		-	-	-	114,077.81	-	-
GBP Class I		-	-	-	-	33,567.22	-
GBP Class A		26,112.63	40,145.42	-	-	-	-
GBP Class A2		27,646.99	14,244.37	-	-	-	-
GBP Class C		-	-	-	-	56,892.63	-
Net asset value per redeemable participating share							
USD Class I		-	-	\$159.36	-	\$93.19	-
USD Class A		-	\$94.46	\$123.77	-	-	-
USD Class C		-	-	\$155.02	\$114.99	\$95.63	-
EUR Class I		-	-	€132.45	€147.08	-	-
EUR Class A		-	€116.84	-	€142.59	-	-
EUR Class C		-	-	-	€146.75	-	-
GBP Class I		-	-	-	-	£97.57	-
GBP Class A		£139.35	£99.38	-	-	-	-
GBP Class A2		£106.84	£115.91	-	-	-	-
GBP Class C		-	-	-	-	£118.76	-

¹Fully redeemed and terminated on 6 July 2015

The accompanying notes form an integral part of the financial statements

Statement of financial position (audited)

As at 30 June 2015

	Note	UK Autocall Fund GBP	80% Protected Dynamic Allocation Fund USD	Equity Balanced Beta US Fund USD	Equity Balanced Beta Eurozone Fund EUR	Equity Balanced Beta UK Fund GBP	Harness Macro Currency Fund USD	Total EUR
Assets								
Financial assets at fair value through profit or loss	3							
- Financial derivative instruments		5,037,048	17,456,424	176,964,200	132,264,429	17,310,783	1,675,128	339,804,250
Cash and cash equivalents		95	295	132	-	-	82,932	74,949
Swap fee receivable	5	879	10,855	-	-	-	-	10,983
Total assets		5,038,022	17,467,574	176,964,332	132,264,429	17,310,783	1,758,060	339,890,182
Liabilities								
Financial liabilities at fair value through profit or loss	3							
- Financial derivative instruments		-	-	-	33,460	76	116	33,671
Bank overdraft		-	-	-	1,380,363	119,967	-	1,549,696
Management fee	6	879	10,855	96,189	74,601	10,518	1,504	188,110
Other fees and costs	6	-	-	31,452	22,037	3,003	1,503	55,853
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		879	10,855	127,641	1,510,461	133,564	3,123	1,827,330
Net assets attributable to holders of redeemable participating shares		5,037,143	17,456,719	176,836,691	130,753,968	17,177,219	1,754,937	338,062,852

The accompanying notes form an integral part of the financial statements

Statement of financial position (audited) (continued)

As at 30 June 2015

	Note	UK Autocall Fund	80% Protected Dynamic Allocation Fund	Equity Balanced Beta US Fund	Equity Balanced Beta Eurozone Fund	Equity Balanced Beta UK Fund	Harness Macro Currency Fund
Number of redeemable participating shares in issue	9						
USD Class I		-	-	560,508.98	-	10,693.29	0.01
USD Class A		-	25,414.96	59,720.06	-	-	-
USD Class C		-	-	508,763.75	665,248.61	72,781.48	-
EUR Class I		-	-	30.00	254,849.65	-	16,443.59
EUR Class A		-	42,345.79	-	4,690.03	-	-
EUR Class C		-	-	-	144,057.70	-	-
GBP Class I		-	-	-	-	33,567.22	-
GBP Class A		25,632.01	42,714.36	-	-	-	-
GBP Class A2		13,586.61	12,211.25	-	-	-	-
GBP Class C		-	-	-	-	67,999.37	-
Net asset value per redeemable participating share							
USD Class I		-	-	\$160.32	-	\$97.42	\$97.00
USD Class A		-	\$98.26	\$125.02	-	-	-
USD Class C		-	-	\$156.27	\$117.89	\$100.22	-
EUR Class I		-	-	€133.02	€149.64	-	€95.79
EUR Class A		-	€123.15	-	€145.73	-	-
EUR Class C		-	-	-	€149.60	-	-
GBP Class I		-	-	-	-	£101.94	-
GBP Class A		£139.59	£102.40	-	-	-	-
GBP Class A2		£107.39	£118.21	-	-	-	-
GBP Class C		-	-	-	-	£124.34	-

The accompanying notes form an integral part of the financial statements

Statement of financial position (audited)

As at 1 July 2014

	Note	CitiFX Alpha Strategy 1 Fund ¹ EUR	Citi CUBES Diversified Commodities Fund ² USD	Citi Total Alpha Carry 4 Fund ³ EUR	UK Autocall Fund GBP	80% Protected Dynamic Allocation Fund USD	Equity Balanced Beta US Fund USD	Equity Balanced Beta Eurozone Fund EUR	Equity Balanced Beta UK Fund GBP	Harness Macro Currency Fund USD	Total EUR
Assets											
Financial assets at fair value through profit or loss	3										
- Financial derivative instruments		-	-	-	4,159,908	21,684,246	187,139,971	35,398,311	16,164,745	93,200,617	281,373,307
Cash and cash equivalents		-	-	-	87	297	-	-	-	-	326
Spot contracts		-	-	-	-	-	-	3,780	-	-	3,780
Swap fee receivable	5	-	-	-	2,944	13,408	-	-	-	-	13,469
Subscriptions receivable		-	-	-	-	-	350,000	148,827	118,000	3,871	554,650
Total assets		-	-	-	4,162,939	21,697,951	187,489,971	35,550,918	16,282,745	93,204,488	281,945,532
Liabilities											
Financial liabilities at fair value through profit or loss	3										
- Financial derivative instruments		-	-	-	-	-	56	34,623	16,909	2,160	57,358
Bank overdraft		-	-	-	-	-	6,091	5,137	46,668	15,166	78,943
Management fee	6	-	-	-	2,944	13,408	67,817	21,269	8,527	15,856	106,500
Other fees and costs	6	-	-	-	-	-	27,243	5,691	2,573	15,856	40,383
Redemptions payable		-	-	-	-	-	10,121,426	-	-	-	7,392,487
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		-	-	-	2,944	13,408	10,222,633	66,720	74,677	49,038	7,675,671
Net assets attributable to holders of redeemable participating shares		-	-	-	4,159,995	21,684,543	177,267,338	35,484,198	16,208,068	93,155,450	274,269,861

¹ Fully redeemed and terminated 13 March 2014² Fully redeemed and terminated 28 February 2014³ Fully redeemed and terminated 13 January 2014

The accompanying notes form an integral part of the financial statements

Statement of financial position (audited) (continued)

As at 1 July 2014

Note	CitiFX Alpha Strategy 1 Fund ⁶	Citi CUBES Diversified Commodities Fund ⁷	Citi Total Alpha Carry 4 Fund ⁸	UK Autocall Fund	80% Protected Dynamic Allocation Fund	Equity Balanced Beta US Fund	Equity Balanced Beta Eurozone Fund	Equity Balanced Beta UK Fund	Harness Macro Currency Fund
Number of redeemable participating shares in issue									
USD Class I ¹	-	-	-	-	-	788,612.05	-	5,000.00	571,937.91
USD Class A ²	-	-	-	-	29,479.28	53,836.66	-	-	-
USD Class C ³	-	-	-	-	-	201,835.82	65,486.54	44,366.18	-
EUR Class I	-	-	-	-	-	125,730.00	87,534.44	-	301,482.54
EUR Class A	-	-	-	-	45,350.52	-	52,279.13	-	-
EUR Class C	-	-	-	-	-	-	95,858.97	-	-
GBP Class I ⁴	-	-	-	-	-	-	-	49,440.90	-
GBP Class A	-	-	-	26,447.52	49,724.02	-	-	-	-
GBP Class A2 ⁵	-	-	-	3,735.91	20,265.44	-	-	-	-
GBP Class C	-	-	-	-	-	-	-	60,818.70	-
Net asset value per redeemable participating share									
USD Class I ¹	-	-	-	-	-	\$151.23	-	\$101.94	\$94.48
USD Class A ²	-	-	-	-	\$98.47	\$118.87	-	-	-
USD Class C ³	-	-	-	-	-	\$147.99	\$103.42	\$105.29	-
EUR Class I	-	-	-	-	-	€126.29	€129.90	-	€94.77
EUR Class A	-	-	-	-	€106.78	-	€127.55	-	-
EUR Class C	-	-	-	-	-	-	€130.39	-	-
GBP Class I ⁴	-	-	-	-	-	-	-	£106.34	-
GBP Class A	-	-	-	£142.57	£97.50	-	-	-	-
GBP Class A2 ⁵	-	-	-	£104.20	£111.46	-	-	-	-
GBP Class C	-	-	-	-	-	-	-	£130.23	-

¹ Launched on Equity Balanced-Beta UK Fund on 11 February 2014² Launched on Equity Balanced-Beta US Fund on 4 October 2013³ Launched on Equity Balanced-Beta Eurozone Fund on 10 April 2014 and Equity Balanced-Beta UK Fund on 26 September 2013⁴ Launched on Equity Balanced-Beta UK Fund on 23 August 2013⁵ Launched on UK Autocall Fund on 5 December 2013⁶ Fully redeemed and terminated 13 March 2014⁷ Fully redeemed and terminated 28 February 2014⁸ Fully redeemed and terminated 13 January 2014

The accompanying notes form an integral part of the financial statements

Statement of comprehensive income (unaudited)

For the financial period ended 31 December 2015

	Note	UK Autocall Fund GBP	80% Protected Dynamic Allocation Fund USD	Equity Balanced Beta US Fund USD	Equity Balanced Beta Eurozone Fund EUR	Equity Balanced Beta UK Fund GBP	Harness Macro Currency Fund ¹ USD	Total EUR
Investment income								
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss and foreign exchange	3	50,042	(1,287,822)	88,600	(1,786,715)	(412,417)	(2,778)	(3,378,990)
Interest		10	2	-	-	78	-	124
Swap fee	5	5,410	108,453	-	-	-	-	105,774
Management fee rebate	6	-	-	-	-	-	333	302
Total investment income/(expense)		55,462	(1,179,367)	88,600	(1,786,715)	(412,339)	(2,445)	(3,272,790)
Expenses								
Management fees	6	5,410	108,453	554,267	454,623	55,459	-	1,139,592
Transaction costs	7	-	-	178,923	136,058	17,008	-	321,786
Other costs & expenses	6	-	-	176,157	133,451	15,759	19	314,955
Total expenses		5,410	108,453	909,347	724,132	88,226	19	1,776,333
Finance costs		-	-	-	25	-	25	48
Increase/(decrease) in net assets attributable to holders of redeemable participating shares		50,052	(1,287,820)	(820,747)	(2,510,872)	(500,565)	(2,489)	(5,049,171)

There were no gains/(losses) in the period other than the increase/(decrease) in net assets attributable to holders of redeemable participating shares.

¹Fully redeemed and terminated on 6 July 2015

The accompanying notes form an integral part of the financial statements

Statement of comprehensive income (unaudited)

For the financial period ended 31 December 2014

	Note	UK Autocall Fund GBP	80% Protected Dynamic Allocation Fund USD	Equity Balanced Beta US Fund USD	Equity Balanced Beta Eurozone Fund EUR	Equity Balanced Beta UK Fund GBP	Harness Macro Currency Fund USD	Total EUR
Investment income								
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss and foreign exchange	3	40,939	(1,060,344)	8,914,832	2,424,909	(1,140,446)	3,243,737	9,660,533
Interest		3	-	-	-	-	-	4
Swap fee	5	17,631	123,177	-	-	-	-	118,007
Total investment income/(expense)		58,573	(937,167)	8,914,832	2,424,909	(1,140,446)	3,243,737	9,778,544
Expenses								
Management fees	6	17,631	123,177	451,220	152,069	70,615	96,490	784,964
Transaction costs	7	-	-	196,727	40,085	19,722	-	217,894
Other costs & expenses	6	-	-	174,806	41,466	20,407	96,500	278,100
Total expenses		17,631	123,177	822,753	233,620	110,744	192,990	1,280,958
Increase/(decrease) in net assets attributable to holders of redeemable participating shares		40,942	(1,060,344)	8,092,079	2,191,289	(1,251,190)	3,050,747	8,497,586

There were no gains/(losses) in the period other than the increase/(decrease) in net assets attributable to holders of redeemable participating shares.

The accompanying notes form an integral part of the financial statements

Statement of changes in net assets attributable to holders of redeemable participating shares (unaudited)

For the financial period ended 31 December 2015

	UK Autocall Fund GBP	80% Protected Dynamic Allocation Fund USD	Equity Balanced Beta US Fund USD	Equity Balanced Beta Eurozone Fund EUR	Equity Balanced Beta UK Fund GBP	Harness Macro Currency Fund ¹ USD	Total EUR
Net assets attributable to holders of redeemable participating shares at the start of the period	5,037,143	17,456,719	176,836,691	130,753,968	17,177,219	1,754,937	338,062,852
Increase/(decrease) in net assets attributable to holders of redeemable participating shares	50,052	(1,287,820)	(820,747)	(2,510,872)	(500,565)	(2,489)	(5,049,171)
Issue of redeemable participating shares	2,330,141	1,538,317	38,046,070	23,007,157	200,000	-	62,385,151
Redemption of redeemable participating shares	(824,621)	(669,270)	(55,683,411)	(14,150,249)	(2,867,141)	(1,752,448)	(71,921,615)
Notional foreign exchange gain on conversion of assets and liabilities	2d (iii) -	-	-	-	-	-	3,057,710
Net assets attributable to holders of redeemable participating shares at the end of the period	6,592,715	17,037,946	158,378,603	137,100,004	14,009,513	-	326,534,927

¹Fully redeemed and terminated on 6 July 2015

The accompanying notes form an integral part of the financial statements

Statement of changes in net assets attributable to holders of redeemable participating shares (unaudited)

For the financial period ended 31 December 2014

	UK Autocall Fund GBP	80% Protected Dynamic Allocation Fund USD	Equity Balanced Beta US Fund USD	Equity Balanced Beta Eurozone Fund EUR	Equity Balanced Beta UK Fund GBP	Harness Macro Currency Fund USD	Total EUR
Net assets attributable to holders of redeemable participating shares at the start of the period	4,159,995	21,684,543	177,267,338	35,484,198	16,208,068	93,155,450	274,269,861
Increase/(decrease) in net assets attributable to holders of redeemable participating shares	40,942	(1,060,344)	8,092,079	2,191,289	(1,251,190)	3,050,747	8,497,586
Issue of redeemable participating shares	990,390	1,101,555	76,310,069	13,583,738	6,942,601	79,218,691	145,334,074
Redemption of redeemable participating shares	(196,411)	(3,699,280)	(87,311,036)	(9,666,862)	(1,914,202)	(69,733,925)	(137,256,868)
Notional foreign exchange gain on conversion of assets and liabilities	2d (iii) -	-	-	-	-	-	29,269,775
Net assets attributable to holders of redeemable participating shares at the end of the period	4,994,916	18,026,474	174,358,450	41,592,363	19,985,277	105,690,963	320,114,428

The accompanying notes form an integral part of the financial statements

Statement of cash flows (unaudited)

For the financial period ended 31 December 2015

	UK Autocall Fund GBP	80% Protected Dynamic Allocation Fund USD	Equity Balanced Beta US Fund USD	Equity Balanced Beta Eurozone Fund EUR	Equity Balanced Beta UK Fund GBP	Harness Macro Currency Fund ¹ USD	Total EUR
Cash flow from operating activities							
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	50,052	(1,287,820)	(820,747)	(2,510,872)	(500,565)	(2,489)	(5,049,171)
Net operating cash flow before change in operating assets and liabilities	50,052	(1,287,820)	(820,747)	(2,510,872)	(500,565)	(2,489)	(5,049,171)
Net (increase)/decrease in financial assets at fair value through profit or loss	(1,555,562)	418,783	18,272,583	(7,276,703)	3,364,722	1,675,128	13,688,209
Net increase/(decrease) in financial liabilities at fair value through profit or loss	-	-	45	(23,771)	(76)	(116)	(23,941)
Net (increase)/decrease in other receivables	(130)	1,582	-	-	-	-	1,253
Net increase/(decrease) in other payables	130	(1,582)	(11,818)	1,664	(2,805)	(3,007)	(16,916)
Net cash (used in)/from operating activities	(1,505,510)	(869,037)	17,440,063	(9,809,682)	2,861,276	1,669,516	8,599,434
Cash flows from financing activities							
Issue of redeemable participating shares	2,330,141	1,538,317	38,046,070	22,734,765	200,000	-	62,112,759
Redemption of participating shares	(824,621)	(669,270)	(55,486,097)	(14,136,403)	(2,867,141)	(1,752,448)	(71,728,998)
Net cash from/(used in) financing activities	1,505,520	869,047	(17,440,027)	8,598,362	(2,667,141)	(1,752,448)	(9,616,239)
Net increase/(decrease) in cash and cash equivalents	10	10	36	(1,211,320)	194,135	(82,932)	(1,016,805)
Cash and cash equivalents at the start of the period	95	295	132	(1,380,363)	(119,967)	82,932	74,949
Notional foreign exchange adjustment	-	-	-	-	-	-	(1,548,617)
Cash and cash equivalents at the end of the period	105	305	168	(2,591,683)	74,168	-	(2,490,473)

¹Fully redeemed and terminated on 6 July 2015

The accompanying notes form an integral part of the financial statements

Statement of cash flows (unaudited)

For the financial period ended 31 December 2014

	UK Autocall Fund GBP	80% Protected Dynamic Allocation Fund USD	Equity Balanced Beta US Fund USD	Equity Balanced Beta Eurozone Fund EUR	Equity Balanced Beta UK Fund GBP	Harness Macro Currency Fund USD	Total EUR
Cash flow from operating activities							
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	40,942	(1,060,344)	8,092,079	2,191,289	(1,251,190)	3,050,747	8,497,586
Net operating cash flow before change in operating assets and liabilities	40,942	(1,060,344)	8,092,079	2,191,289	(1,251,190)	3,050,747	8,497,586
Net (increase)/decrease in financial assets at fair value through profit or loss	(847,123)	3,689,716	11,561,600	(6,148,221)	(3,791,331)	(13,752,151)	(10,844,549)
Net increase/(decrease) in financial liabilities at fair value through profit or loss	-	-	172,356	10,781	(7,317)	191,027	283,939
Net (increase)/decrease in other receivables	(276)	3,761	-	3,780	(490)	(1,096)	4,883
Net increase/(decrease) in other payables	276	(3,761)	20,538	10,174	5,241	5,066	34,121
Net cash (used in)/from operating activities	(806,181)	2,629,372	19,846,573	(3,932,197)	(5,045,087)	(10,506,407)	(2,024,020)
Cash flows from financing activities							
Issue of redeemable participating shares	990,390	1,069,895	76,660,069	13,575,700	7,060,601	79,204,409	145,711,447
Redemption of participating shares	(184,205)	(3,699,280)	(97,432,462)	(9,638,346)	(1,914,202)	(69,733,925)	(145,078,828)
Net cash from/(used in) financing activities	806,185	(2,629,385)	(20,772,393)	3,937,354	5,146,399	9,470,484	632,619
Net increase/(decrease) in cash and cash equivalents	4	(13)	(925,820)	5,157	101,312	(1,035,923)	(1,391,401)
Cash and cash equivalents at the start of the period	87	297	(6,091)	(5,137)	(46,668)	(15,166)	(78,617)
Notional foreign exchange adjustment	-	-	-	-	-	-	(97,987)
Cash and cash equivalents at the end of the period	91	284	(931,911)	20	54,644	(1,051,089)	(1,568,005)

¹Fully redeemed and terminated on 6 July 2015

The accompanying notes form an integral part of the financial statements

Notes to the financial statements

For the financial period ended 31 December 2015

Red Arc Global Investments (Ireland) plc

1. General information

Red Arc Global Investments (Ireland) plc (the "Company") is an investment company with variable capital incorporated on 1 February 2008 and authorised in Ireland as an Undertaking for Collective Investment in Transferable Securities pursuant to the European Communities UCITS Regulations 2011, as amended (the "UCITS Regulations").

The table below reflects the active share classes on each of the sub-funds. All active share classes of the sub-funds are listed on the Irish Stock Exchange.

Sub-fund	Share Classes	Sub-fund launch date
UK Autocall Fund	GBP Class A, GBP Class A2	7 April 2010
80% Protected Dynamic Allocation Fund	USD Class A, EUR Class A, GBP Class A, GBP Class A2	18 July 2011
Equity Balanced-Beta US Fund	USD Class I, USD Class A, USD Class C, EUR Class I	21 March 2012
Equity Balanced-Beta Eurozone Fund	USD Class C, EUR Class I, EUR Class A, EUR Class C	21 March 2012
Equity Balanced-Beta UK Fund	USD Class I, USD Class C, GBP Class I, GBP Class C	8 August 2012

Please see the respective supplements for further information on the above sub-funds.

2. Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with IAS 34 "Interim financial reporting" and International Financial Reporting Standards ("IFRS") 1 "First time adoption of IFRS".

The interim report and condensed unaudited financial statements do not contain all of the information and disclosures required in the full annual financial statements and should be read in conjunction with the audited financial statements for the year ended 30 June 2015, which have been prepared in accordance with IFRS and Irish statute comprising the Companies Act 2014 and the UCITS Regulations. The financial results presented for Harness Macro Currency Fund were prepared under the termination basis of accounting as the sub-fund was fully redeemed and terminated on 6 July 2015.

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ from those estimates and these differences could be material.

(b) Change in accounting framework

The Company's financial statements for the financial period ended 31 December 2015 are the first set of interim financial statements prepared in accordance with IFRS. The financial statements were previously prepared in accordance with accounting standards generally accepted in Ireland ("Irish GAAP").

In line with IFRS 1, each interim report, if any, that it presents in accordance with IAS 34 for part of the period covered by its financial statements will present reconciliations showing the effect of the change in accounting framework on net assets and increase/(decrease) in net assets attributable to holders of redeemable participating shares for the comparable interim period of the immediately preceding financial year. There was no adjustment required for net assets and the increase/(decrease) in net assets attributable to holders of redeemable participating shares in accordance with IFRS for the financial period ended 31 December 2014.

The Company's transition date is 1 July 2014 and the Company prepared its opening IFRS statement of financial position at this date. IFRS 1 also requires a reconciliation of the impact on net assets at the transition date and at the end of the latest period presented in the Company's most recent annual financial statements. There was no adjustment required for net assets in accordance with IFRS as at 1 July 2014 and 30 June 2015.

The effects of transition from Irish GAAP to IFRS on the financial statements are primarily presentation and disclosure changes. These have been reflected in these financial statements and include;

- Inclusion of a cash flow statement;
- Presentation of a third balance at the conversion date.

(c) Change in accounting policy

From 2015, the Company changed its accounting policy in relation to the valuing of the swap. The Directors take the view that this change in policy provides a more accurate presentation of the value of the swap. In prior accounts, note 3(i) reflected the value of the swap as being made up of the investment in the total return swap along with fees payable and residual cash balances. The presentation has been updated so that the fees payable and cash balances are reflected directly on the statement of financial position. This change represents a change in accounting policy under the guidance of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8"). Comparatives for 1 July 2014, the Company's transition date to IFRS, have been adjusted to reflect this change and does not impact the performance of the Company.

In addition, collateral is no longer presented on the statement of financial position and is disclosed instead in note 16. The effect of this is to reduce the total assets by EUR 338,194,581 (30 June 2015: 356,067,544) and the total liabilities by EUR 338,194,581 (30 June 2015: 356,067,544).

(d) Foreign exchange translation

(i) Functional currency

The functional currency of Equity Balanced-Beta Eurozone Fund is Euro ("EUR"). The functional currency of UK Autocall Fund and Equity Balanced-Beta UK Fund is British Pound ("GBP"), while the functional currency of 80% Protected Dynamic Allocation Fund, Balanced-Beta US Fund and Harness Macro Currency Fund is US Dollars ("USD"). The Company has adopted the EUR as its presentation currency.

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial period ended 31 December 2015

2. Significant accounting policies (continued)

(d) Foreign exchange translation (continued)

(ii) Foreign currency translation

Assets and liabilities denominated in currencies other than the functional currencies of the sub-funds are translated into the functional currency using exchange rates prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at the reporting date exchange rates, of assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income in the year in which they arise. Transactions in currencies other than the functional currencies are recorded at the rate of exchange prevailing on the dates of the transaction.

(iii) Notional foreign exchange adjustment

The foreign exchange adjustment arises due to the use of exchange rates at the reporting date to translate sub-funds that have a functional currency that differs to the presentation currency of the Company. The translation of the sub-funds' functional currencies into the presentation currency of the Company is recognised separately through the statement of changes in net assets attributable to holders of redeemable participating shares. For the reporting date 31 December 2015, the translation adjustment was a notional gain of €3,057,710 (31 December 2014: notional gain of €29,269,775); which has no impact on the net asset value ("NAV") of each individual sub-fund.

Notes to the financial statements (continued)

For the financial period ended 31 December 2015

Red Arc Global Investments (Ireland) plc

3. Financial assets and financial liabilities at fair value through profit or loss

(i) Net gains and losses of financial assets and financial liabilities at fair value through profit or loss and foreign exchange

For the financial period ended 31 December 2015

	UK Autocall Fund GBP	80% Protected Dynamic Allocation Fund USD	Equity Balanced Beta US Fund USD	Equity Balanced Beta Eurozone Fund EUR	Equity Balanced Beta UK Fund GBP	Harness Macro Currency Fund ¹ USD	Total EUR
Net realised (loss)/gain on investments and foreign exchange	(2,925)	(3,013)	4,408,899	1,023,082	130,722	(6,344)	5,186,640
Change in unrealised gain/(loss) on investments and foreign exchange	52,967	(1,284,809)	(4,320,299)	(2,809,797)	(543,139)	3,566	(8,565,630)
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	50,042	(1,287,822)	88,600	(1,786,715)	(412,417)	(2,778)	(3,378,990)

¹Fully redeemed and terminated on 6 July 2015

For the financial period ended 31 December 2014

	UK Autocall Fund GBP	80% Protected Dynamic Allocation Fund USD	Equity Balanced Beta US Fund USD	Equity Balanced Beta Eurozone Fund EUR	Equity Balanced Beta UK Fund GBP	Harness Macro Currency Fund USD	Total EUR
Net realised gain on investments and foreign exchange	13,359	123,089	7,300,287	1,551,108	261,350	3,038,419	10,028,664
Change in unrealised gain/(loss) on investments and foreign exchange	27,580	(1,183,433)	1,614,545	873,801	(1,401,796)	205,318	(368,131)
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	40,939	(1,060,344)	8,914,832	2,424,909	(1,140,446)	3,243,737	9,660,533

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial period ended 31 December 2015

3. Financial assets and financial liabilities at fair value through profit or loss (continued)

(ii) Fair value of financial instruments

IFRS 13 – Fair Value Measurement (“IFRS 13”) establishes a fair value hierarchy for inputs used in measuring fair value that classify investments according to how observable the inputs are. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company’s assumptions, made in good faith, about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorised into three levels based on the inputs as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities;

Level 2 - Valuations based on quoted prices in markets that are not active or inputs other than quoted prices for which all significant inputs are observable, either directly (as prices) or indirectly (derived from prices); and

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following table details the categories of financial assets and financial liabilities held by the Company at the reporting date:

As at 31 December 2015

	Level 1	Level 2	Level 3	Total
UK Autocall Fund	GBP	GBP	GBP	GBP
Held for trading				
- Investment in index swaps	-	6,592,610	-	6,592,610
Financial assets at fair value through profit or loss	-	6,592,610	-	6,592,610
80% Protected Dynamic Allocation Fund	USD	USD	USD	USD
Held for trading				
- Investment in swaps	-	17,037,641	-	17,037,641
Financial assets at fair value through profit or loss	-	17,037,641	-	17,037,641
Equity Balanced-Beta US Fund	USD	USD	USD	USD
Held for trading				
- Investment in index swaps	-	158,691,617	-	158,691,617
Financial assets at fair value through profit or loss	-	158,691,617	-	158,691,617
Held for trading				
- Forward currency contracts	-	45	-	45
Financial liabilities at fair value through profit or loss	-	45	-	45
Equity Balanced-Beta Eurozone Fund	EUR	EUR	EUR	EUR
Held for trading				
- Investment in index swaps	-	139,123,774	-	139,123,774
- Forward currency contracts	-	417,358	-	417,358
Financial assets at fair value through profit or loss	-	139,541,132	-	139,541,132
Held for trading				
- Forward currency contracts	-	9,689	-	9,689
Financial liabilities at fair value through profit or loss	-	9,689	-	9,689
Equity Balanced-Beta UK Fund	GBP	GBP	GBP	GBP
Held for trading				
- Investment in index swaps	-	13,921,719	-	13,921,719
- Forward currency contracts	-	24,342	-	24,342
Financial assets at fair value through profit or loss	-	13,946,061	-	13,946,061

As at 30 June 2015

	Level 1	Level 2	Level 3	Total
UK Autocall Fund	GBP	GBP	GBP	GBP
Held for trading				
- Investment in index swaps	-	5,037,048	-	5,037,048
Financial assets at fair value through profit or loss	-	5,037,048	-	5,037,048
80% Protected Dynamic Allocation Fund	USD	USD	USD	USD
Held for trading				
- Investment in swaps	-	17,456,424	-	17,456,424
Financial assets at fair value through profit or loss	-	17,456,424	-	17,456,424
Equity Balanced-Beta US Fund	USD	USD	USD	USD
Held for trading				
- Investment in index swaps	-	176,964,199	-	176,964,199
- Forward currency contracts	-	1	-	1
Financial assets at fair value through profit or loss	-	176,964,200	-	176,964,200

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial period ended 31 December 2015

3. Financial assets and financial liabilities at fair value through profit or loss (continued)

(ii) Fair value of financial instruments (continued)

The following table details the categories of financial assets and financial liabilities held by the Company at the reporting date (continued):

As at 30 June 2015 (continued)	Level 1	Level 2	Level 3	Total
Equity Balanced-Beta Eurozone Fund	EUR	EUR	EUR	EUR
Held for trading				
- Investment in index swaps	-	132,264,229	-	132,264,229
- Forward currency contracts	-	200	-	200
Financial assets at fair value through profit or loss	-	132,264,429	-	132,264,429
Held for trading				
- Forward currency contracts	-	33,460	-	33,460
Financial liabilities at fair value through profit or loss	-	33,460	-	33,460
Equity Balanced-Beta UK Fund	GBP	GBP	GBP	GBP
Held for trading				
- Investment in index swaps	-	17,309,760	-	17,309,760
- Forward currency contracts	-	1,023	-	1,023
Financial assets at fair value through profit or loss	-	17,310,783	-	17,310,783
Held for trading				
- Forward currency contracts	-	76	-	76
Financial liabilities at fair value through profit or loss	-	76	-	76
Harness Macro Currency Fund	USD	USD	USD	USD
Held for trading				
- Investment in swaps	-	1,675,120	-	1,675,120
- Forward currency contracts	-	8	-	8
Financial assets at fair value through profit or loss	-	1,675,128	-	1,675,128
Held for trading				
- Forward currency contracts	-	116	-	116
Financial liabilities at fair value through profit or loss	-	116	-	116
As at 1 July 2014	Level 1	Level 2	Level 3	Total
UK Autocall Fund	GBP	GBP	GBP	GBP
Held for trading				
- Investment in index swaps	-	4,159,908	-	4,159,908
Financial assets at fair value through profit or loss	-	4,159,908	-	4,159,908
Citi 80% Protected Dynamic Allocation Fund	USD	USD	USD	USD
Held for trading				
- Investment in swaps	-	21,684,246	-	21,684,246
Financial assets at fair value through profit or loss	-	21,684,246	-	21,684,246
Citi Equity Balanced-Beta US Fund	USD	USD	USD	USD
Held for trading				
- Investment in index swaps	-	186,977,176	-	186,977,176
- Forward currency contracts	-	162,795	-	162,795
Financial assets at fair value through profit or loss	-	187,139,971	-	187,139,971
Held for trading				
- Forward currency contracts	-	56	-	56
Financial liabilities at fair value through profit or loss	-	56	-	56
Citi Equity Balanced-Beta Eurozone Fund	EUR	EUR	EUR	EUR
Held for trading				
- Investment in index swaps	-	35,397,991	-	35,397,991
- Forward currency contracts	-	320	-	320
Financial assets at fair value through profit or loss	-	35,398,311	-	35,398,311
Held for trading				
- Forward currency contracts	-	34,623	-	34,623
Financial liabilities at fair value through profit or loss	-	34,623	-	34,623

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial period ended 31 December 2015

3. Financial assets and financial liabilities at fair value through profit or loss (continued)

(ii) Fair value of financial instruments (continued)

The following table details the categories of financial assets and financial liabilities held by the Company at the reporting date (continued):

As at 1 July 2014 (continued)

	Level 1	Level 2	Level 3	Total
Citi Equity Balanced-Beta UK Fund	GBP	GBP	GBP	GBP
Held for trading				
- Investment in index swaps	-	16,164,628	-	16,164,628
- Forward currency contracts	-	117	-	117
Financial assets at fair value through profit or loss	-	16,164,745	-	16,164,745
Held for trading				
- Forward currency contracts	-	16,909	-	16,909
Financial liabilities at fair value through profit or loss	-	16,909	-	16,909
Harness Macro Currency Fund	USD	USD	USD	USD
Held for trading				
- Investment in swaps	-	92,899,503	-	92,899,503
- Forward currency contracts	-	301,114	-	301,114
Financial assets at fair value through profit or loss	-	93,200,617	-	93,200,617
Held for trading				
- Forward currency contracts	-	2,160	-	2,160
Financial liabilities at fair value through profit or loss	-	2,160	-	2,160

All other assets and liabilities held by the sub-funds at the reporting dates 31 December 2015, 30 June 2015 and 1 July 2014 are carried at amortised cost; their carrying values are a reasonable approximation of fair value. Cash and cash equivalents have been classified at level 1, due to the liquid nature of the asset. All other assets and liabilities have been classified at level 2.

4. Derivatives

UK Autocall Fund

The investment objective of the sub-fund is to provide Shareholders of each Class with a return reflecting the performance of the Reference Asset. The Reference Asset is the UK Autocall Strategy (the "Strategy"). In order to achieve the investment objective, the Company on behalf of the sub-fund will enter into separate Derivative Contracts for each Share Class which will provide exposure to the Reference Asset in accordance with the terms of the Prospectus. The Net Asset Value per Share of each Share Class will therefore depend on the value of the relevant Derivative Contract. In order to comply with the investment restrictions applicable to the Company, each Derivative Contract will be collateralised.

The investment objective is achieved by gaining exposure to the Strategy which notionally pays a pre-defined growth amount if the official closing level of the Underlying Index is at or above a pre-specified level (which is called an Auto-Call Trigger Level) on an Auto-Call Observation Date. In return for this defined growth profile, investors do not benefit if the Underlying Index performs more strongly.

The Underlying Index is a market-capitalisation weighted index representing the performance of the 100 largest UK-domiciled blue chip companies, which pass screening for size and liquidity. The underlying index represents approximately 79.24 per cent (30 June 2015: 79.55 per cent) of the UK's market capitalisation and is suitable as the basis for investment products, such as funds, derivatives and exchange-traded funds. The underlying index also accounts for 6.92 per cent (30 June 2015: 7.21 per cent) of the world's equity market capitalisation (based on the FTSE All-World Index as at 31 December 2015). The underlying index components are all traded on the London Stock Exchange's SETS trading system.

80% Protected Dynamic Allocation Fund

The investment objective of the sub-fund is to provide Shareholders in each Class with investment exposure to the performance of a notional Reference Asset and partial capital protection in an amount equal to 80% of the highest ever Net Asset Value per Share of the relevant Class achieved on any day from the Initial Issue Date (the "Protected Amount"). The Protected Amount of the relevant Class on any day may be equal to or higher than 80% of the Initial Issue Price, depending on the performance of the Reference Asset since the Initial Issue Date.

The Reference Asset for each Class is a notional portfolio (denominated in the currency of the relevant Class of Shares) comprising: (i) the Reference Portfolio, which is a notional multi-asset portfolio selected by BlackRock Investment Management (UK) Limited (the "Portfolio Advisor") on an ongoing basis and providing exposure to a range of asset classes (including equities, bonds and commodities) through positions in collective investment schemes (CISs), exchange traded funds (ETFs) and certain derivative positions, and (ii) the Reserve Asset, which is a notional portfolio of cash instruments denominated in the currency of the relevant Class of Shares, bearing interest at a rate equal to the prevailing overnight interest rate in the relevant currency minus 0.125% per annum, floored at zero per cent.

The balance of the allocation of the Reference Asset for each Class between the Reference Portfolio and the Reserve Asset is adjusted from time to time in accordance with a fixed set of systematic allocation rules (the "Dynamic Allocation Rules") which are designed to maximise the allocation to the Reference Portfolio (up to a maximum of 100% of the value of the Reference Asset), whilst at least preserving a value reflecting the Protected Amount of the relevant Class. Through following the Investment Policy, the Fund will receive, under the Derivative Contracts in respect of each Class, an amount reflecting the Protected Amount of the relevant Class even if the Dynamic Allocation Rules fail to achieve this through the rebalancing process.

In order to achieve its investment objective, the Company on behalf of the sub-fund intends to use the net proceeds of any issue of Shares to: (i) physically invest in certain Direct Investments, and (ii) enter into Derivative Contracts in respect of each Class with the Approved Counterparty in the form of: (a) an unfunded asset swap transaction (the "Asset swap"), and (b) a funded total return swap transaction (the "Total Return Swap", and together with the Asset Swap, the Derivative Contracts).

There were no direct investments held during the financial period ended 31 December 2015 (30 June 2015: Nil).

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial period ended 31 December 2015

4. Derivatives (continued)

Equity Balanced-Beta US Fund

The investment objective of the sub-fund is to provide Shareholders in each Class with exposure to the performance of the Citi Volatility Balanced-Beta (VIBE) Equity US Net Total Return Index (the "Index"), developed by Citigroup Global Markets Limited.

The constituents of the Index are drawn from the S&P 100 Index ("S&P 100") and weighted according to the Citi Volatility Balanced-Beta ("VIBE") methodology, a proprietary risk-weighting model developed by the Index Sponsor. As described in more detail below, the VIBE methodology determines the percentage weight within the Index of each constituent on a quarterly basis such that the risk contribution of each constituent is equal. In determining the risk contribution of each constituent, the VIBE methodology relies exclusively on market price volatility (both historic and implied) as a measure of risk. The S&P 100 measures the performance of the US's leading blue chip companies. The S&P 100 is made up of 100 constituents selected from the S&P 500 Index ("S&P 500") on the basis of sector balance and the availability of individual stock options for each constituent.

In order to achieve the investment objective, the Company on behalf of the sub-fund intends to invest the net proceeds of any issue of shares in sub-fund assets. The sub-fund assets (i) will include a single total return swap, which will be fully funded or partially funded from the net proceeds of any issue of shares, to obtain an exposure to the performance of the Index; (ii) will include, where the total return swap is partially funded, a single reverse repurchase agreement, to enable the Company to hold assets in a more cost-effective manner and (iii) will include one-month foreign exchange currency forward contracts, which will be used to smooth out the currency exposures to which the Company on behalf of the sub-fund will be exposed in respect of the classes the currencies of which are not the same as the base currency of the sub-fund.

For the financial period ended 31 December 2015, the anticipated tracking error was 0.25% (30 June 2015: 0.25%) and the actual tracking error was 0.35% (30 June 2015: +0.19%), the difference is due to a number of factors including, but not limited to, spreads on subscriptions and redemptions, trading costs, fund expenses and residual cash balances held and these are not material.

The difference between the performance of the Fund and the performance of the index was -0.40% for the period (year ended 30 June 2015: -0.94%) and the difference is due to a number of factors including, but not limited to, spreads on subscriptions and redemptions, trading costs, fund expenses and residual cash balances held and these are not material.

Equity Balanced-Beta Eurozone Fund

The investment objective of the sub-fund is to provide Shareholders in each Class with exposure to the performance of the Citi Volatility Balanced-Beta (VIBE) Equity Eurozone Net Total Return Index (the "Index"), developed by Citigroup Global Markets Limited.

The constituents of the Index are drawn from the S&P Euro 75 Index ("S&P Euro 75") and weighted according to the Citi Volatility Balanced-Beta ("VIBE") methodology, a proprietary risk-weighting model developed by the Index Sponsor. The VIBE methodology determines the percentage weight within the Index of each constituent on a quarterly basis such that the risk contribution of each constituent is equal. In determining the risk contribution of each constituent, the VIBE methodology relies exclusively on market price volatility (both historic and implied) as a measure of risk. The S&P Euro 75 measures the performance of the Eurozone's leading blue chip companies. The S&P Euro 75 is made up of 75 constituents, which are drawn from a universe comprising the constituent stocks of the broad S&P Eurozone Broad Market Index ("Eurozone BMI"), domiciled in the Eurozone and trading in Euro.

In order to achieve the investment objective, the Company on behalf of the sub-fund intends to invest the net proceeds of any issue of shares in sub-fund assets. The sub-fund assets (i) will include a single total return swap, which will be fully funded or partially funded from the net proceeds of any issue of shares, to obtain an exposure to the performance of the Index; (ii) will include, where the total return swap is partially funded, a single reverse repurchase agreement, to enable the Company to hold assets in a more cost-effective manner and (iii) will include one-month foreign exchange currency forward contracts, which will be used to smooth out the currency exposures to which the Company on behalf of the sub-fund will be exposed in respect of the classes the currencies of which are not the same as the base currency of the sub-fund.

For the financial period ended 31 December 2015, the anticipated tracking error was 0.15% (30 June 2015: 0.15%) and the actual tracking error was 0.67% (30 June 2015: +0.26%), the difference is due to a number of factors including, but not limited to, spreads on subscriptions and redemptions, trading costs, fund expenses and residual cash balances held and these are not material.

The difference between the performance of the Fund and the performance of the index was -0.24% for the period (year ended 30 June 2015: -1.08%) and the difference is due to a number of factors including, but not limited to, spreads on subscriptions and redemptions, trading costs, fund expenses and residual cash balances held and these are not material.

Equity Balanced-Beta UK Fund

The constituents of the Index are drawn from the S&P United Kingdom Index ("S&P UK") and weighted according to the Citi Volatility Balanced-Beta ("VIBE") methodology, a proprietary risk-weighting model developed by the Index Sponsor. The VIBE methodology determines the percentage weight within the Index of each constituent on a quarterly basis such that the risk contribution of each constituent is equal. In determining the risk contribution of each constituent, the VIBE methodology relies exclusively on market price volatility (both historic and implied) as a measure of risk. The S&P UK measures the performance of the UK's leading blue chip companies. The S&P UK is made up of stocks that have been analyzed for size and liquidity, as well as sector representation. The S&P UK is made up of a varying number of constituents, based on certain qualifying criteria. A stock's weight in the S&P UK is determined by the float-adjusted market capital of the stock. The float-adjustment seeks to exclude "strategic holdings", which are holdings by founders, directors of the company, corporate or government holdings that are considered long-term. A minimum liquidity, based on float turnover, is also required for inclusion. For the financial period ended 31 December 2015, the anticipated tracking error was 0.20% (30 June 2015: 0.20%) and the actual tracking error was 0.25% (30 June 2015: +0.16%), the difference is due to a number of factors including, but not limited to, spreads on subscriptions and redemptions, trading costs, fund expenses and residual cash balances held and these are not material.

The difference between the performance of the Fund and the performance of the index was -0.62% for the period (year ended 30 June 2015: -1.22%) and the difference is due to a number of factors including, but not limited to, spreads on subscriptions and redemptions, trading costs, fund expenses and residual cash balances held and these are not material.

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial period ended 31 December 2015

4. Derivatives (continued)

Equity Balanced-Beta UK Fund (continued)

In order to achieve the investment objective, the Company on behalf of the sub-fund intends to invest the net proceeds of any issue of shares in sub-fund assets. The sub-fund assets (i) will include a single total return swap, which will be fully funded or partially funded from the net proceeds of any issue of shares, to obtain an exposure to the performance of the Index; (ii) will include, where the total return swap is partially funded, a single reverse repurchase agreement, to enable the Company to hold assets in a more cost-effective manner and (iii) will include one-month foreign exchange currency forward contracts, which will be used to smooth out the currency exposures to which the Company on behalf of the sub-fund will be exposed in respect of the classes the currencies of which are not the same as the base currency of the sub-fund.

Harness Macro Currency Fund

In order to achieve the investment objective, the Company on behalf of the sub-fund invested the net proceeds of any issue of shares in the sub-fund's assets. The Investment Manager made investment decisions and entered into and invested in total return swaps on behalf of the sub-fund in order to achieve its investment objective. The sub-fund's assets included (i) a total return swap, which was fully funded from the net proceeds of the issue of shares and provided exposure to Harness Macro Currency Strategy (a notional foreign exchange trading strategy, which is owned and operated by the Investment Manager) and (ii) one-month foreign exchange currency forward contracts, which were used to smooth out the currency exposure to classes which were denominated in currencies other than the base currency of the sub-fund.

As detailed in note 20, the Fund fully redeemed and terminated effective 6 July 2015.

The Company also holds or issues forward currency contracts. The Company records these forward activities on a mark-to-market basis.

A **forward currency contract** involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward currency contracts will be valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward currency contracts is calculated as the difference between the contract rate and this forward price, and this difference is recognised in the statement of comprehensive income.

5. Swap Fee Receivable

80% Protected Dynamic Allocation Fund

Under the terms of the Asset Swap in respect of each Class, the Fund will pay to the Approved Counterparty the performance and any income received in respect of Direct Investments held by the Fund. In return, the Approved Counterparty will pay to the Fund (i) the performance of the Reference Asset, together with (ii) monthly amounts equal to the relevant proportion of the monthly Management Fee ("Swap fee receivable").

UK Autocall Fund

The Net Asset Value of the Shares of each Class will be reduced by certain fees and expenses, as disclosed in note 6, which will be funded by payments made by the Approved Counterparty under the relevant Derivatives Contract.

6. Fees and Expenses

The Company pays out of the assets of the sub-funds amounts in respect of a management fee (the "Management Fee") and other costs and expenses ("Other Costs and Expenses") to the Manager. Together the Management Fee and Other Costs and Expenses are referred to as "Fund Fees".

The Manager, on behalf of the Company, pays out of the Fund Fees the following: fees and expenses of the Manager, the Distributor and any other delegates and service providers appointed by the Manager, the Investment Manager (if any), the Investment Advisor, the Custodian, the Administrator, Directors' fees attributable to the relevant Fund; the fees and expenses of sub-custodians which will be at normal commercial rates; any fees in respect of circulating details of the Net Asset Value; secretarial fees; any costs incurred in respect of meetings of Shareholders, marketing and distribution costs; costs incurred in respect of the distribution of income to Shareholders; the fees and expenses of any paying agent or representative appointed in compliance with the requirements of another jurisdiction; all sums payable in respect of Directors' and officers' liability insurance cover; the fees and expenses of the auditors, tax and legal advisers; fees connected with listing any Shares on the Irish Stock Exchange or other stock exchange and registering any Shares for sale in other jurisdictions; costs of printing and distributing, the relevant Annex, reports, accounts and any explanatory memoranda; any necessary translation fees; costs of publishing prices; costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law).

Given the fixed nature of the Fund Fees and under the terms of its agreement with the Manager, the Distributor and not the Shareholders takes the risk of any price increases to the cost of the services covered by the Fund Fees and takes the risk of expense levels relating to such services increasing above the Fund Fees as a result of a decrease in net assets. Conversely, the Distributor, and not the Shareholders, would benefit from any price decrease in the cost of services covered by the Fund Fees, including decreased expense levels resulting from an increase in net assets.

Particulars of the Fund Fees in respect of each Fund are outlined below.

UK Autocall Fund

Effective 8 April 2015 the Company on behalf of the sub-fund pays, in respect of each Class, a fee out of the assets of the Fund attributable to such Class (the "Management Fee"). The Management Fee in respect of each Class is an amount up to 0.20 per cent. The Management Fee accrues on each Business Day, and is calculated on each Business Day with reference to the Net Asset Value of such Class on the immediately preceding Business Day. Prior to this date a fee of up to 0.90 per cent was charged in relation to Class A shares.

80% Protected Dynamic Allocation Fund

A Management Fee of up to 1.25 per cent per annum of the aggregate NAV per share of each Class issued in respect of the sub-fund is paid by the Company on behalf of the sub-fund out of the assets of the sub-fund attributable to the relevant class. The Management Fee accrues daily and is calculated on each Business Day using the Net Asset Value of the relevant Class on the immediately preceding Business Day. The maximum fee was charged during the financial period ended 31 December 2015 and the financial year ended 30 June 2015.

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial period ended 31 December 2015

6. Fees and Expenses (continued)

Equity Balanced-Beta US Fund

The Company on behalf of the sub-fund pays a Management Fee of 0.40 per cent per annum of the Class I shares, 1.20 per cent of the Class A shares and 0.80 per cent of the Class C shares out of the assets of the sub-fund attributable to each Class. The Management Fee in respect of each Class accrues on each Business Day, and is calculated on each Business Day with reference to the Net Asset Value of such Class on the immediately preceding Business Day.

Other costs & expenses of 0.20 per cent, which form part of the Fund Fees, are also paid by the Company on behalf of the sub-fund.

Equity Balanced-Beta Eurozone Fund

The Company on behalf of the sub-fund pays a Management Fee of 0.40 per cent per annum of the Class I shares, 1.20 per cent of the Class A shares and 0.80 per cent of the Class C shares out of the assets of the sub-fund attributable to each Class. The Management Fee in respect of each Class accrues on each Business Day, and is calculated on each Business Day with reference to the Net Asset Value of such Class on the immediately preceding Business Day.

Other costs & expenses of 0.20 per cent, which form part of the Fund Fees, are also paid by the Company on behalf of the sub-fund.

Equity Balanced-Beta UK Fund

The Company on behalf of the sub-fund pays a Management Fee of 0.40 per cent per annum of the Class I shares, 1.20 per cent of the Class A shares and 0.80 per cent of the Class C shares out of the assets of the sub-fund attributable to each Class. The Management Fee in respect of each Class accrues on each Business Day, and is calculated on each Business Day with reference to the Net Asset Value of such Class on the immediately preceding Business Day.

Other costs & expenses of 0.20 per cent, which form part of the Fund Fees, are also paid by the Company on behalf of the sub-fund.

Harness Macro Currency Fund

The Company on behalf of the sub-fund pays a Management Fee of 0.20 per cent per annum of the Class I shares out of the assets of the sub-fund attributable to each Class. The Management Fee in respect of each Class accrues on each Business Day, and is calculated on each Business Day with reference to the Net Asset Value of such Class on the immediately preceding Business Day.

Other costs & expenses of 0.20 per cent, which form part of the Fund Fees, are also paid by the Company on behalf of the sub-fund.

The Investment Manager also received a fixed strategy fee of 1% per annum (the "Fixed Strategy Fee"). The Fixed Strategy Fee is calculated on a daily basis and reflected (as a deduction) in the Strategy Level calculated in respect of each Strategy Valuation Day. The Fixed Strategy Fee is paid to the Investment Manager in its capacity as operator of the Strategy and covers the operational costs of the Strategy. The Investment Manager received \$48 in relation to the financial period ended 31 December 2015 (30 June 2015: \$814,609)

Additionally, the Strategy provides for the deduction of a strategy performance fee of 15% of any positive performance of the Strategy (after the deduction of the Fixed Strategy Fee) subject to a lifetime high-water-mark of the highest ever quarter-end cumulative performance of the Strategy (the "Strategy Performance Fee" and together with the Fixed Strategy Fee, the "Strategy Fees").

As set out above, the Investment Manager, in its capacity as the operator of the Strategy is also entitled to receive the Strategy Performance Fee in respect of performance in excess of the highest ever quarter-end cumulative performance of the Strategy. The Investment Manager did not receive a fee in relation to the financial period ended 31 December 2015 (30 June 2015: \$1,142,834). As both the Fixed Strategy Fee and the Strategy Performance fee are embedded in the swap contracts these amounts are presented as part of the 'net gain/(loss) on financial assets and liabilities at fair value through profit or loss and foreign exchange' in the statement of comprehensive income.

7. Transaction Costs

Transaction costs are incremental costs, which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

For Equity Balanced-Beta US Fund, Equity Balanced-Beta Eurozone Fund and Equity Balanced-Beta UK Fund the Company, on behalf of the sub-fund, pays a swap fee of 0.20 per cent of the notional size of the total return swap to the TRS Counterparty for the provision and hedging of the total return swap. This is classified in the statement of comprehensive income as transaction costs.

For Harness Macro Currency Fund, the Company, on behalf of the sub-fund, pays 0.40 per cent per annum of the notional size of the total return swap to the TRS Counterparty for the provision and hedging of the total return swap. This fee is not separately identifiable and is included within 'net gain/(loss) on financial assets and liabilities at fair value through profit or loss and foreign exchange' in the statement of comprehensive income. The total swap fee paid by the sub-fund for the financial period ended 31 December 2015 was \$59 (30 June 2015: \$332,832).

8. Exchange rates

The following exchange rates were used as at the reporting date:

Currency	31 December 2015 Rate to EUR	30 June 2015 Rate to EUR
GBP	1.356818	1.411496
USD	0.920560	0.897500

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial period ended 31 December 2015

9. Share capital

Authorised

The authorised share capital of the Company is 1,000,000,000,000 shares of no par value initially designated as unclassified shares.

Subscriber Shares

The issued share capital of the Company is represented by 2 shares (the "subscriber shares") issued for the purposes of the incorporation of the Company at an issue price of €1 per share which are fully paid up. The subscriber shares do not form part of the NAV of the Company and are thus disclosed in the financial statements by way of this note only.

Issued Share Capital

The table below details the share transactions during the financial period ended:

Sub-fund	31 December 2015	30 June 2015
UK Autocall Fund		
GBP Class A		
Opening balance	25,632.01	26,447.52
Shares issued	4,148.77	2,926.61
Shares redeemed	(3,668.15)	(3,742.12)
Closing balance	26,112.63	25,632.01
UK Autocall Fund (continued)		
GBP Class A2		
Opening balance	13,586.61	3,735.91
Shares issued	16,915.55	10,819.14
Shares redeemed	(2,855.17)	(968.44)
Closing balance	27,646.99	13,586.61
80% Protected Dynamic Allocation Fund		
USD Class A		
Opening balance	25,414.96	29,479.28
Shares issued	7,362.70	4,747.72
Shares redeemed	(1,236.73)	(8,812.04)
Closing balance	31,540.93	25,414.96
EUR Class A		
Opening balance	42,345.79	45,350.52
Shares issued	2,560.31	14,825.68
Shares redeemed	(269.36)	(17,830.41)
Closing balance	44,636.74	42,345.79
GBP Class A		
Opening balance	42,714.36	49,724.02
Shares issued	327.48	2,695.81
Shares redeemed	(2,896.42)	(9,705.47)
Closing balance	40,145.42	42,714.36
GBP Class A2		
Opening balance	12,211.25	20,265.44
Shares issued	2,486.03	2,043.74
Shares redeemed	(452.91)	(10,097.93)
Closing balance	14,244.37	12,211.25
Equity Balanced-Beta US Fund		
USD Class I		
Opening balance	560,508.98	788,612.05
Shares issued	21,059.75	451,911.21
Shares redeemed	(131,556.56)	(680,014.28)
Closing balance	450,012.17	560,508.98
USD Class A		
Opening balance	59,720.06	53,836.66
Shares issued	16,735.00	38,127.05
Shares redeemed	(14,025.20)	(32,243.65)
Closing balance	62,429.86	59,720.06
USD Class C		
Opening balance	508,763.75	201,835.82
Shares issued	212,732.00	392,965.47
Shares redeemed	(212,297.55)	(86,037.54)
Closing balance	509,198.20	508,763.75
EUR Class I		
Opening balance	30.00	125,730.00
Shares issued	-	69,406.00
Shares redeemed	-	(195,106.00)
Closing balance	30.00	30.00

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial period ended 31 December 2015

9. Share capital (continued)

Issued Share Capital (continued)

The table below details the share transactions during the financial period ended (continued):

Sub-fund	31 December 2015	30 June 2015
Equity Balanced-Beta Eurozone Fund		
USD Class C		
Opening balance	665,248.61	65,486.54
Shares issued	108,128.38	651,007.08
Shares redeemed	(53,814.87)	(51,245.01)
Closing balance	719,562.12	665,248.61
EUR Class I		
Opening balance	254,849.65	87,534.44
Shares issued	69,004.82	181,788.41
Shares redeemed	(21,598.76)	(14,473.20)
Closing balance	302,255.71	254,849.65
EUR Class A		
Opening balance	4,690.03	52,279.13
Shares issued	350.00	3,880.00
Shares redeemed	(4,425.00)	(51,469.10)
Closing balance	615.03	4,690.03
EUR Class C		
Opening balance	144,057.70	95,858.97
Shares issued	5,917.36	84,273.28
Shares redeemed	(35,897.25)	(36,074.55)
Closing balance	114,077.81	144,057.70
Equity Balanced-Beta UK Fund		
USD Class I		
Opening balance	10,693.29	5,000.00
Shares issued	-	6,808.99
Shares redeemed	(5,000.00)	(1,115.70)
Closing balance	5,693.29	10,693.29
USD Class C		
Opening balance	72,781.48	44,366.18
Shares issued	-	59,878.35
Shares redeemed	(17,023.11)	(31,463.05)
Closing balance	55,758.37	72,781.48
GBP Class I		
Opening balance	33,567.22	49,440.90
Shares issued	-	4,396.94
Shares redeemed	-	(20,270.62)
Closing balance	33,567.22	33,567.22
GBP Class C		
Opening balance	67,999.37	60,818.70
Shares issued	1,572.08	41,531.72
Shares redeemed	(12,678.82)	(34,351.05)
Closing balance	56,892.63	67,999.37
Harness Macro Currency Fund		
USD Class I		
Opening balance	0.01	571,937.91
Shares issued	-	445,405.26
Shares redeemed	(0.01)	(1,017,343.16)
Closing balance	-	0.01
EUR Class I		
Opening balance	16,443.59	301,482.54
Shares issued	-	278,928.62
Shares redeemed	(16,443.59)	(563,967.57)
Closing balance	-	16,443.59

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial period ended 31 December 2015

10. Reconciliations of the effects of transition from Irish GAAP to IFRS

There was no adjustment required for net assets and the increase/(decrease) in net assets attributable to holders of redeemable participating shares for the financial period ended 31 December 2014.

The effects of transition from Irish GAAP to IFRS on the financial statements are primarily presentation and disclosure changes. These have been reflected in these financial statements and include;

- Inclusion of a cash flow statement;
- Presentation of a third balance at the conversion date.

11. Net asset value reconciliation

The published NAV is adjusted for subscriptions receivable and redemptions payable which have a value date of the last NAV of each sub-fund in the accounting period.

There was no adjustment required for the financial year ended 30 June 2015.

As at 31 December 2015

	UK Autocall Fund GBP	80% Protected Dynamic Allocation Fund USD	Equity Balanced Beta US Fund USD	Equity Balanced Beta Eurozone Fund EUR	Equity Balanced Beta UK Fund GBP
Net asset value per financial statements	6,592,715	17,037,946	158,378,603	137,100,004	14,009,513
Subscriptions receivable ¹	-	-	-	(272,392)	-
Redemptions payable ¹	-	-	197,314	13,846	-
Published net asset value	6,592,715	17,037,946	158,575,917	136,841,458	14,009,513

¹ Subscriptions and redemptions effective for the last valuation date

12. Connected party transactions

The Central Bank (Supervision and Enforcement) Act 2013 (section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Central Bank Regulations") states that any transaction carried out with a UCITS by a management company or depositary to a UCITS; and the delegates or sub-delegates of such a management company or depositary (excluding any non-group company sub-custodians appointed by a depositary); and any associated or group company of such a management company, depositary, delegate or sub-delegate ("connected person") must be carried out as if conducted at arm's length. Transactions must be in the best interests of the shareholders.

The Directors of the Company are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 78 (4) (a) are applied to all transactions with connected parties; and the Directors are satisfied that transactions with connected parties entered into during the year complied with the obligations set out in Regulation 41 (1) (a) and (b) of the Central Bank Regulations.

13. Related party disclosures

In accordance with IAS 24 'Related Party Disclosures' the related parties of the Company and the required disclosures relating to material transactions with parties are outlined below.

Manager

The Manager is considered a related party to the Company as it is considered to have significant influence over the Company in its role as manager. The Manager receives fees as set out in note 6.

Investment Manager

The Investment Managers are also deemed to be related parties as they have significant influence over the sub-funds. Citigroup First Investment Management Limited is Investment Manager to the 80% Protected Dynamic Allocation Fund and Harness Investment Group Limited was Investment Manager to the Harness Macro Currency Fund. Citigroup First Investment Management Limited did not receive a fee in its capacity of Investment Manager during the financial period ended 31 December 2015 (30 June 2015: Nil). Details of fees paid to Harness Investment Group Limited are outlined below:

	Financial period ended 31 December 2015	Financial period ended 31 December 2014
Fixed Strategy Fee paid to Harness Investment Group Limited	\$48	\$483,963
Fixed Strategy Performance Fee paid to Harness Investment Group Limited	-	\$1,142,834

Investment Advisor, Distributor & Index Sponsor

Citigroup Global Markets Limited and/or affiliates (together, "Citigroup") is deemed to be related party as they have significant influence over the sub-funds where they act as investment advisor. Citigroup act as investment advisor to all sub-funds except for 80% Protected Dynamic Allocation Fund and Harness Macro Currency Fund.

Given the fixed nature of the Fund Fees and under the terms of its agreement with the Manager, the Distributor and not the Shareholders takes the risk of any price increases to the cost of the services covered by the Fund Fees and takes the risk of expense levels relating to such services increasing above the Fund Fees as a result of a decrease in net assets. Conversely, the Distributor, and not the Shareholders, would benefit from any price decrease in the cost of services covered by the Fund Fees, including decreased expense levels resulting from an increase in net assets. Citigroup act as Distributor in respect of the shares of the Company.

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial period ended 31 December 2015

13. Related party disclosures (continued)

Investment Advisor, Distributor & Index Sponsor (continued)

The Distributor is entitled to receive fees from the Manager, payable from the Fund Fees of each sub-fund. Citigroup also acts as index sponsor to the sub-funds. Citigroup received €543,253 in fees during the financial period ended 31 December 2015 (31 December 2014: €266,518) as a result of fund fees received being in excess of the cost of the services covered.

Citigroup is entitled to receive a fee (the "Swap Fee"), in their capacity as approved counterparty, as outlined in note 6.

Directors

The Directors are also considered related parties of the Company. All transactions between related parties are conducted at arm's length and can be summarised as follows:

Aggregate directors' fees charged during the six month period ended 31 December 2015 amounted to €22,548 (year ended 30 June 2015: €48,000). The Directors held no shares in the Company during the financial period ended 31 December 2015 (30 June 2015: Nil).

Other related parties

John Donohoe, Director of the Company is principal at Carne Global Financial Services Limited. Des Fullam, employed by Carne Global Financial Services Limited is the Money Laundering Reporting Officer ("MLRO") for the Company. Total fees charged by Carne Global Financial Services Limited during the financial period ended 31 December 2015 were €2,500, excluding VAT (30 June 2015: €2,255, excluding VAT).

Related party shareholder transactions

The table below discloses the shares held by related parties at the reporting date:

31 December 2015

Related Party	Related Party Type	Sub-fund	Class	Holdings
Citigroup	Distributor	Equity Balanced-Beta US Fund	EUR Class I	30.00

30 June 2015

Related Party	Related Party Type	Sub-fund	Class	Holdings
Citigroup	Distributor	Equity Balanced-Beta US Fund	EUR Class I	30.00

14. Distributions

The Directors decide the dividend policy and arrangements relating to each sub-fund and details are set out where applicable in the relevant supplement. Under the Articles, the Directors are entitled to declare dividends out of the relevant sub-fund being: (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses of the relevant sub-fund and/or (ii) realised and unrealised capital gains on the disposal/valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant sub-fund and/or (iii) the capital of the relevant sub-fund. Where dividends will be paid out of the capital of the relevant sub-fund, this will be disclosed in the relevant supplement. There were no dividends declared or paid during the financial period ended 31 December 2015 (30 June 2015: Nil).

15. Soft commission arrangements

There were no soft commission arrangements in place during the period (30 June 2015: Nil).

16. Collateral

All collateral is held in a collateral account with J.P. Morgan Bank (Ireland) plc.

The below table summarises the collateral held by each sub-fund.

As at 31 December 2015

Fund	Currency	Counterparty Risk Exposure	Collateral	Collateral as a % of Counterparty Risk Exposure	Regulatory Collateral Requirement in %
UK Autocall Fund	GBP	6,592,610	6,799,006	103%	90%
80% Protected Dynamic Allocation Fund ¹	USD	17,037,641	17,395,827	102%	90%
Equity Balanced-Beta US Fund	USD	158,691,617	166,114,862	102%	90%
Equity Balanced-Beta Eurozone Fund ¹	EUR	139,123,774	140,301,950	100%	90%
Equity Balanced-Beta UK Fund	GBP	13,921,719	14,545,081	103%	90%

¹ As at 30 December 2015

As at 30 June 2015

Fund	Currency	Counterparty Risk Exposure	Collateral	Collateral as a % of Counterparty Risk Exposure	Regulatory Collateral Requirement in %
UK Autocall Fund	GBP	5,037,048	5,172,130	103%	90%
80% Protected Dynamic Allocation Fund	USD	17,456,424	16,892,743	97%	90%
Equity Balanced-Beta US Fund	USD	176,964,199	184,212,858	104%	90%
Equity Balanced-Beta Eurozone Fund	EUR	132,264,229	139,219,581	105%	90%
Equity Balanced-Beta UK Fund	GBP	17,309,760	17,866,779	103%	90%
Harness Macro Currency Fund	USD	1,675,120	2,606,768	156%	90%

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial period ended 31 December 2015

17. Efficient portfolio management

The Company on behalf of a sub-fund may employ techniques and instruments for efficient portfolio management ("EPM") purposes relating to transferable securities and/or other financial instruments in which it invests.

Any over-the-counter ("OTC") derivatives must be with an approved counterparty (being a counterparty with which a UCITS may enter into OTC derivative contracts) and in accordance with the requirements of the Central Bank.

During the year, forward currency transactions were entered into for the purpose of EPM. Details of all open transactions at the reporting date are disclosed in the schedule of investments and note 3.

18. Portfolio movements

The sub-funds invest in derivative swaps and therefore do not make purchases or sales of investments. The 80% Protected Dynamic Allocation Fund may invest in direct investments but during the financial period ended 31 December 2015 no direct investments were made (30 June 2015: Nil).

On this basis a statement of significant portfolio movements has not been presented.

19. Changes to the prospectus

There were no material changes to the prospectus during the period.

20. Significant events during the year

Effective 6 July 2015, Harness Macro Currency Fund fully redeemed and terminated.

21. Events after the reporting date

There were no significant events up to the date of approval of the financial statements to report.

22. Approval of financial statements

The financial statements were authorised for issue by the Board of Directors on 4 February 2016.

Schedule of Investments

As at 31 December 2015

Red Arc Global Investments (Ireland) plc

UK Autocall Fund	Currency	Nominal holdings	Fair value GBP	% of NAV
Total return swaps (Counterparty: Citibank N.A.)				
UK Autocall Fund – GBP Class A	GBP	26,113	3,638,798	55.19%
UK Autocall Fund – GBP Class A2	GBP	27,647	2,953,812	44.81%
Total financial assets at fair value through profit or loss			6,592,610	100.00%
Cash and cash equivalents and other net assets			105	0.00%
Net assets attributable to holders of redeemable participating shares			6,592,715	100.00%

Analysis of total assets	% of total assets
OTC financial derivative instruments	99.98%
Other net assets	0.02%
Total assets	100.00%

80% Protected Dynamic Allocation Fund	Currency	Nominal holdings	Fair value USD	% of NAV
Total return swaps (Counterparty: Citibank N.A.)				
80% Protected Dynamic Allocation Fund – USD Class A	USD	31,541	2,979,311	17.49%
80% Protected Dynamic Allocation Fund – EUR Class A	EUR	44,637	5,691,661	33.41%
80% Protected Dynamic Allocation Fund – GBP Class A	GBP	40,145	5,917,667	34.73%
80% Protected Dynamic Allocation Fund – GBP Class A2	GBP	14,244	2,449,002	14.37%
Total financial assets at fair value through profit or loss			17,037,641	100.00%
Cash and cash equivalents and other net assets			305	0.00%
Net assets attributable to holders of redeemable participating shares			17,037,946	100.00%

Analysis of total assets	% of total assets
OTC financial derivative instruments	99.94%
Other net assets	0.06%
Total assets	100.00%

Equity Balanced-Beta US Fund	Currency	Nominal holdings	Fair value USD	% of NAV
Total return swaps (Counterparty: Citigroup Global Markets Limited)				
Equity Balanced-Beta US Fund	USD	492,577	158,691,617	100.20%
Total financial assets at fair value through profit or loss			158,691,617	100.20%

Forward currency contracts (Counterparty: Citibank N.A.)					
Purchase currency	Amount	Sale currency	Amount	Settlement date	Fair value USD
EUR Class I					
EUR	3,902	USD	(4,286)	29 January 2016	(45)
EUR	28	USD	(31)	29 January 2016	-
EUR	39	USD	(43)	29 January 2016	-
EUR	47	USD	(52)	29 January 2016	-
USD	8	EUR	(7)	29 January 2016	-
Total financial liabilities at fair value through profit or loss					(45)
Cash and cash equivalents and other net liabilities					(312,969)
Net assets attributable to holders of redeemable participating shares					158,378,603

Analysis of total assets	% of total assets
OTC financial derivative instruments	100.00%
Other net assets	0.00%
Total assets	100.00%

Schedule of Investments (continued)

As at 31 December 2015

Red Arc Global Investments (Ireland) plc

Equity Balanced-Beta Eurozone Fund					Nominal holdings	Fair value EUR	% of NAV	
Currency								
Total return swaps (Counterparty: Citigroup Global Markets Limited)								
Equity Balanced-Beta Eurozone Fund					EUR	636,389	139,123,774	101.48%
							139,123,774	101.48%
Forward currency contracts (Counterparty: Citibank N.A.)								
Purchase currency	Amount	Sale currency	Amount	Settlement date		Fair value USD	% of NAV	
USD Class C								
USD	82,546,620	EUR	(75,181,263)	29 January 2016		409,913	0.30%	
USD	1,840,048	EUR	(1,677,560)	29 January 2016		7,445	0.01%	
						417,358	0.31%	
Total financial assets at fair value through profit or loss						139,541,132	101.79%	
Forward currency contracts (Counterparty: Citibank N.A.)								
Purchase currency	Amount	Sale currency	Amount	Settlement date		Fair value USD	% of NAV	
USD Class C								
USD	29,791	EUR	(27,359)	29 January 2016		(78)	(0.00%)	
EUR	728,150	USD	(799,649)	29 January 2016		(4,120)	(0.00%)	
EUR	970,376	USD	(1,065,660)	29 January 2016		(5,491)	(0.00%)	
Total financial liabilities at fair value through profit or loss						(9,689)	(0.00%)	
Cash and cash equivalents and other net liabilities						(2,431,439)	(1.79%)	
Net assets attributable to holders of redeemable participating shares						137,100,004	100.00%	
Analysis of total assets							% of total assets	
OTC financial derivative instruments							99.81%	
Other current assets							0.19%	
Total assets							100.00%	

Equity Balanced-Beta UK Fund					Nominal holdings	Fair value GBP	% of NAV	
Currency								
Total return swaps (Counterparty: Citigroup Global Markets Limited)								
Equity Balanced-Beta UK Fund					GBP	42,807	13,921,719	99.37%
							13,921,719	99.37%
Forward currency contracts (Counterparty: Citibank N.A.)								
Purchase currency	Amount	Sale currency	Amount	Settlement date		Fair value USD	% of NAV	
USD Class C								
USD	5,163,208	GBP	(3,481,956)	29 January 2016		20,884	0.15%	
USD	108,343	GBP	(72,497)	29 January 2016		1,006	0.01%	
USD	33,919	GBP	(22,810)	29 January 2016		202	0.00%	
USD	6,607	GBP	(4,454)	29 January 2016		28	0.00%	
USD	1,631	GBP	(1,100)	29 January 2016		7	0.00%	
USD	24,387	GBP	(16,545)	29 January 2016		-	0.00%	
USD Class I								
USD	516,882	GBP	(348,574)	29 January 2016		2,091	0.01%	
USD	10,775	GBP	(7,210)	29 January 2016		100	0.00%	
USD	3,393	GBP	(2,282)	29 January 2016		20	0.00%	
USD	647	GBP	(436)	29 January 2016		3	0.00%	
USD	181	GBP	(122)	29 January 2016		1	0.00%	
USD	2,485	GBP	(1,686)	29 January 2016		-	0.00%	
						24,342	0.17%	
Total financial assets at fair value through profit or loss						13,946,061	99.54%	
Cash and cash equivalents and other net assets						63,452	0.46%	
Net assets attributable to holders of redeemable participating shares						14,009,513	100.00%	
Analysis of total assets							% of total assets	
OTC financial derivative instruments							99.47%	
Other current assets							0.53%	
Total assets							100.00%	

Schedule of Investments (continued)

As at 30 June 2015

Red Arc Global Investments (Ireland) plc

UK Autocall Fund	Currency	Nominal holdings	Fair value GBP	% of NAV
Total return swaps (Counterparty: Citibank N.A.)				
UK Autocall Fund – GBP Class A	GBP	25,632	3,577,973	71.03%
UK Autocall Fund – GBP Class A2	GBP	13,587	1,459,075	28.97%
Total financial assets at fair value through profit or loss			5,037,048	100.00%
Cash and cash equivalents and other net assets			95	0.00%
Net assets attributable to holders of redeemable participating shares			5,037,143	100.00%
Analysis of total assets				% of total assets
OTC financial derivative instruments				99.98%
Other current assets				0.02%
				100.00%

80% Protected Dynamic Allocation Fund	Currency	Nominal holdings	Fair value USD	% of NAV
Total return swaps (Counterparty: Citibank N.A.)				
80% Protected Dynamic Allocation Fund – USD Class A	USD	25,415	2,497,229	14.31%
80% Protected Dynamic Allocation Fund – EUR Class A	EUR	42,346	5,810,363	33.28%
80% Protected Dynamic Allocation Fund – GBP Class A	GBP	42,714	6,878,676	39.41%
80% Protected Dynamic Allocation Fund – GBP Class A2	GBP	12,211	2,270,156	13.00%
Total financial assets at fair value through profit or loss			17,456,424	100.00%
Cash and cash equivalents and other net assets			295	0.00%
Net assets attributable to holders of redeemable participating shares			17,456,719	100.00%
Analysis of total assets				% of total assets
OTC financial derivative instruments				99.94%
Other current assets				0.06%
				100.00%

Equity Balanced-Beta US Fund	Currency	Nominal holdings	Fair value USD	% of NAV		
Total return swaps (Counterparty: Citigroup Global Markets Limited)						
Equity Balanced-Beta US Fund	USD	548,196	176,964,199	100.07%		
			176,964,199	100.07%		
Forward currency contracts (Counterparty: Citibank N.A.)						
Purchase currency	Amount	Sale currency	Amount	Settlement date	Fair value USD	% of NAV
EUR Class I						
EUR	4,070	USD	(4,535)	31 July 2015	1	0.00%
EUR	3	USD	(3)	31 July 2015	-	0.00%
USD	15	EUR	(13)	31 July 2015	-	0.00%
USD	86	EUR	(77)	31 July 2015	-	0.00%
					1	0.00%
Total financial assets at fair value through profit or loss					176,964,200	100.07%
Cash and cash equivalents and other net liabilities					(127,509)	(0.07%)
Net assets attributable to holders of redeemable participating shares					176,836,691	100.00%
Analysis of total assets						% of total assets
OTC financial derivative instruments						100.00%
Other current assets						0.00%
						100.00%

Schedule of Investments (continued)

As at 30 June 2015

Red Arc Global Investments (Ireland) plc

Equity Balanced-Beta Eurozone Fund					Nominal holdings	Fair value EUR	% of NAV	
Total return swaps (Counterparty: Citigroup Global Markets Limited)								
Equity Balanced-Beta Eurozone Fund					EUR	596,137	132,264,229	101.16%
							132,264,229	101.16%
Forward currency contracts (Counterparty: Citibank N.A.)								
Purchase currency	Amount	Sale currency	Amount	Settlement date		Fair value EUR	% of NAV	
USD Class C								
USD	225,296	EUR	(201,978)	31 July 2015		145	0.00%	
EUR	2,719,940	USD	(3,031,732)	31 July 2015		33	0.00%	
EUR	82,114	USD	(91,503)	31 July 2015		22	0.00%	
						200	0.00%	
Total financial assets at fair value through profit or loss						132,264,429	101.16%	
Forward currency contracts (Counterparty: Citibank N.A.)								
Purchase currency	Amount	Sale currency	Amount	Settlement date		Fair value EUR	% of NAV	
USD Class C								
USD	500,000	EUR	(448,776)	31 July 2015		(203)	(0.00%)	
USD	81,860,587	EUR	(73,474,171)	31 July 2015		(33,257)	(0.03%)	
Total financial liabilities at fair value through profit or loss						(33,460)	(0.03%)	
Cash and cash equivalents and other net liabilities						(1,477,001)	(1.13%)	
Net assets attributable to holders of redeemable participating shares						130,753,968	100.00%	
Analysis of total assets							% of total assets	
OTC financial derivative instruments							100.00%	
Other current assets							0.00%	
							100.00%	

Equity Balanced-Beta UK Fund					Nominal holdings	Fair value GBP	% of NAV	
Total return swaps (Counterparty: Citigroup Global Markets Limited)								
Equity Balanced-Beta UK Fund					GBP	51,164	17,309,760	100.77%
							17,309,760	100.77%
Forward currency contracts (Counterparty: Citibank N.A.)								
Purchase currency	Amount	Sale currency	Amount	Settlement date		Fair value GBP	% of NAV	
USD Class I								
USD	1,093,322	GBP	(695,200)	31 July 2015		128	0.00%	
GBP	1,111	USD	(1,747)	31 July 2015		-	0.00%	
USD Class C								
USD	7,605,769	GBP	(4,836,205)	31 July 2015		894	0.01%	
USD	18,929	GBP	(12,038)	31 July 2015		1	0.00%	
						1,023	0.01%	
Total financial assets at fair value through profit or loss						17,310,783	100.78%	
Forward currency contracts (Counterparty: Citibank N.A.)								
Purchase currency	Amount	Sale currency	Amount	Settlement date		Fair value GBP	% of NAV	
USD Class I								
GBP	11,788	USD	(18,539)	31 July 2015		(2)	(0.00%)	
GBP	6,125	USD	(9,642)	31 July 2015		(7)	(0.00%)	
USD Class C								
GBP	82,665	USD	(130,008)	31 July 2015		(18)	(0.00%)	
GBP	42,669	USD	(67,169)	31 July 2015		(49)	(0.00%)	
Total financial liabilities at fair value through profit or loss						(76)	(0.00%)	
Cash and cash equivalents and other net liabilities						(133,488)	(0.78%)	
Net assets attributable to holders of redeemable participating shares						17,177,219	100.00%	

Schedule of Investments (continued)

As at 30 June 2015

Red Arc Global Investments (Ireland) plc

Equity Balanced-Beta UK Fund (continued)						
Analysis of total assets					% of total assets	
OTC financial derivative instruments					100.00%	
Other current assets					0.00%	
					100.00%	
Harness Macro Currency Fund				Currency	Nominal holdings	Fair value USD % of NAV
Total return swaps (Counterparty: Citibank N.A.)						
Harness Macro Currency Fund				USD	16,969	1,675,120 95.45%
						1,675,120 95.45%
Forward currency contracts (Counterparty: Citibank N.A.)						
Purchase currency		Amount	Sale currency	Amount	Settlement date	Fair value USD % of NAV
EUR Class I						
USD	8,861	EUR	(7,944)	14 July 2015	8	0.00%
USD	1,306	EUR	(1,172)	14 July 2015	-	0.00%
EUR	2,480	USD	(2,764)	14 July 2015	-	0.00%
					8	0.00%
Total financial assets at fair value through profit or loss					1,675,128	95.45%
Forward currency contracts (Counterparty: Citibank N.A.)						
Purchase currency		Amount	Sale currency	Amount	Settlement date	Fair value USD % of NAV
EUR Class I						
USD	3,422	EUR	(3,071)	14 July 2015	(1)	(0.00%)
EUR	1,583,036	USD	(1,764,232)	14 July 2015	(115)	(0.01%)
Total financial liabilities at fair value through profit or loss					(116)	(0.01%)
Cash and cash equivalents and other net assets					79,925	4.56%
Net assets attributable to holders of redeemable participating shares					1,754,937	100.00%
Analysis of total assets					% of total assets	
OTC financial derivative instruments					95.28%	
Other current assets					4.72%	
					100.00%	