

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

Annual Report and Audited Financial Statements

For the financial year ended 30 June 2016

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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.

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 Fund¹:
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

Depository²

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

¹Fully redeemed and terminated on 6 July 2015

²Effective 21 March 2016 J.P. Morgan Bank (Ireland) plc ceased to be the Custodian of Red Arc Global Investments (Ireland) plc and became the Depository.

Company information (continued)

Legal Advisors	<i>As to Irish Law:</i> Maples and Calder 75 St. Stephen's Green Dublin 2 Ireland
Listing Sponsor	Maples and Calder 75 St. Stephen's Green Dublin 2 Ireland
Company Number	452758

Information to Investors in Germany

Investors should be informed that an application for public distribution has not been filed for the following sub-funds in Germany and shares of these sub-funds may not be offered to investors subject to the German Capital Investment Code (Kapitalanlagegesetzbuch – KAGB):

- UK Autocall Fund
- Equity Balanced-Beta UK Fund

Information to Investors in Switzerland

The Company is established as a limited liability company under Irish law.

The following sub-funds are compliant with Swiss law for distribution to qualified investors in Switzerland:

- Equity Balanced-Beta Eurozone Fund
- Equity Balanced-Beta US Fund
- 80% Protected Dynamic Allocation Fund

The Swiss representative is Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva. The Swiss paying agent is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva.

Investors in Switzerland can obtain the documents of the Company, such as the Prospectus (Edition for Switzerland), the KIIDs, the Memorandum and Articles of Association and the semi-annual and annual reports, and further information free of charge from the Swiss representative.

This document may only be issued, circulated or distributed so as not to constitute an offering to non-qualified investors in Switzerland. Recipients of the document in Switzerland should not pass it on to anyone without first consulting their legal or other appropriate professional adviser, or the Swiss representative. For the shares of the Funds distributed to qualified investors in Switzerland, the place of jurisdiction is Geneva.

Each time performance data is published, it should be noted that the past performance is no indication of current or future performance, and that it does not take account of the commissions and costs incurred on the issue and redemption of shares.

Directors' report

For the financial year ended 30 June 2016

The Directors of Red Arc Global Investments (Ireland) plc, (the "Company") present herewith their annual report and audited financial statements for the financial year ended 30 June 2016. The following name changes took place effective 28 May 2015:

- The name of the Company changed from CitiFirst Investments plc to Red Arc Global Investments (Ireland) plc
- Citi 80% Protected Dynamic Allocation Fund changed to 80% Protected Dynamic Allocation Fund
- Citi Equity Balanced-Beta US Fund changed to Equity Balanced-Beta US Fund
- Citi Equity Balanced-Beta Eurozone Fund changed to Equity Balanced-Beta Eurozone Fund
- Citi Equity Balanced-Beta UK Fund changed to Equity Balanced-Beta UK Fund

Basis of preparation

The format and certain wordings of the financial statements have been adapted from those contained in the Companies Act 2014 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

Principal activities

The Company is an investment company with variable capital and limited liability which has been authorised by the Central Bank of Ireland as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, (as amended) (the "UCITS Regulations") and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015.

Accounting Records

The measures, which the Directors have taken to ensure that compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the adoption of suitable policies for recording transactions, assets and liabilities and the appointment of a suitable service organisation, Capita Financial Administrators (Ireland) Limited (the "Administrator"). The accounting records of the Company are located at the offices of the Administrator at 2 Grand Canal Square, Grand Canal Harbour, Dublin 2.

Activities and business review

See the review of funds report (source: Citigroup Global Markets Limited) on page 9 and 10.

Risks and uncertainties

The principal risks and uncertainties faced by the Company are outlined in the prospectus. These risks include market risk comprising of currency risk, interest rate risk and market price risk, liquidity risk and credit risk as per IFRS 7 - Financial Instruments: Disclosures. The Manager reviews and agrees policies for managing each of these risks and these are detailed in note 11 to the financial statements.

Directors

The names of the directors during the financial year ended 30 June 2016 are set out below:

Kevin Molony
Gerry Brady
John Donohoe

Directors' interests in the shares of the Company

See note 14 to the financial statements.

Transactions involving directors

Other than as disclosed in note 15 to the financial statements, there were no contracts or arrangements of any significance in relation to the business of the Company in which the Directors had any interest, at any time during the year.

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 promoter, manager, trustee, investment adviser and/or associated or group companies of these ("connected parties") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the unitholders.

The Board of Directors is 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.

Results of operations

The results of operations for the year are set out in the statement of comprehensive income on page 20. A review of the performance of each sub-fund is set out in the review of funds report on page 9 and 10.

Distributions

No dividends have been paid or declared during the year (2015: Nil).

Independent Auditor

The Auditor, Deloitte, have indicated their willingness to remain in office in accordance with Section 383 (2) of the Companies Act 2014.

Events after the reporting date

There have been no events after the reporting date which impact on these financial statements other than those disclosed in note 21.

Directors' report (continued)

For the financial year ended 30 June 2016

Corporate governance statement

The European Communities (Directive 2006/46/EC) Regulations (S.I.450 of 2009 and S.I.83 of 2010) (the "Regulations") requires a reference to the corporate governance code to which the Company is subject and also reference to the corporate code which the Company has voluntarily decided to apply.

The Company subsequently voluntarily adopted the Corporate Governance Code for Collective Investment Schemes and Management Companies as published by Irish Funds in December 2011 as the Company's corporate governance code, with effect from 01 January 2013. This code can be obtained from Irish Funds' website at www.irishfunds.ie. Due to internal policies at both the Investment Manager and Promoter they are not in a position to appoint a Director to the Board. The Board, while noting that no representative from the Investment Manager or Promoter's group has been appointed as a director of the Company, considers that the Company has complied with the main provisions contained in Irish Funds' Code throughout this accounting year.

For the purpose of the Code, Gerry Brady and Kevin Molony shall be the non-executive independent directors of the Company, fulfilling the requirements of Section 4.1 of the code.

The Company is also subject to corporate governance practices imposed by:

- (i) The Irish Companies Act 2014 which is available for inspection at the registered office of the Company; and may also be obtained at <http://www.irishstatutebook.ie/home.html>;
- (ii) The Articles of Association of the Company which are available for inspection at the registered office of the Company and at the Companies Registration Office in Ireland;
- (iii) The Central Bank of Ireland in their UCITS Regulations which can be obtained from the Central Bank of Ireland's website www.centralbank.ie and are available for inspection at the registered office of the Company; and
- (iv) The Irish Stock Exchange ("ISE") through the ISE Code of listing requirements and procedures which can be obtained from the ISE's website at www.ise.ie.

Relevant information on the Company's governance arrangements for the financial year ended 30 June 2016 are set out below.

Internal control and risk management systems

The Board of Directors is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has delegated the production of financial statements to Capita Financial Managers (Ireland) Limited (the "Manager"). The Manager has procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including production of annual and half-yearly financial statements. The annual and half-yearly financial statements of the Company are required to be approved by the Board of Directors of the Company and filed with the Central Bank of Ireland and the Irish Stock Exchange. The statutory financial statements are required to be audited by independent auditors who report annually to the Board on their findings.

The Board of Directors evaluates and discusses significant accounting and reporting issues as the need arises.

Shareholder meetings and rights

The convening and conduct of shareholders' meetings are governed by the Articles of Association of the Company and the Companies Act. Although the Directors may convene an extraordinary general meeting of the Company at any time, the Directors are required to convene an annual general meeting of the Company within eighteen months of incorporation and fifteen months of the date of the previous annual general meeting thereafter. Shareholders representing not less than one-tenth of the paid up share capital of the Company may also request the Directors to convene a shareholders' meeting. Not less than twenty one days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to shareholders and fourteen days' notice must be given in the case of any other general meeting unless the auditors of the Company and all the shareholders of the Company entitled to attend and vote agree to shorter notice.

Two members present, either in person or by proxy, constitutes a quorum at a general meeting provided that the quorum for a general meeting convened to consider any alteration to the class rights of shares is two shareholders holding or representing by proxy at least one third of the issued shares of the relevant fund or class. Every holder of participating shares or non-participating shares present in person or by proxy who votes on a show of hands is entitled to one vote. On a poll, every holder of participating shares present in person or by proxy is entitled to one vote in respect of each share held by him and every holder of non-participating shares is entitled to one vote in respect of all non-participating shares held by him. The chairman of a general meeting of the Company or at least three members present in person or by proxy or any holder or holders of participating shares present in person or by proxy representing at least one tenth of the shares in issue having the right to vote at such meeting may demand a poll. Shareholders may resolve to sanction an ordinary resolution or special resolution at a shareholders' meeting. An ordinary resolution of the Company or of the shareholders of a particular class requires a simple majority of the votes cast by the shareholders voting in person or by proxy at the meeting at which the resolution is proposed. A special resolution of the Company or of the shareholders of a particular class requires a majority of not less than 75% of the shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles of Association.

Composition and operation of the Board of Directors

Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors may not be less than two nor more than nine. Currently the Board of Directors of the Company is composed of three Directors, being those listed in the directory in these financial statements. The business of the Company is managed by the Directors, who exercise all such powers of the Company as are not by the Companies Act or by the Articles of Association of the Company required to be exercised by the Company in general meeting.

A Director may, and the Company Secretary of the Company on the requisition of a Director will, at any time summon a meeting of the Directors. Questions arising at any meeting of the Directors are determined by a majority of votes. In the case of an equality of votes, the chairman has a second or casting vote. The quorum necessary for the transaction of business at a meeting of the Directors is two. There are no sub-committees of the Board.

Directors' report (continued)

For the financial year ended 30 June 2016

Directors' responsibilities statement

The Directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations. Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("relevant financial reporting framework"). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and the Listing rules of the Irish Stock Exchange, and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' compliance statement

The Directors acknowledge that they are responsible for securing compliance by the Company with its relevant obligations as defined with the Companies Act, 2014 (hereinafter called the "relevant obligations").

The Directors confirm the Company has put in place appropriate arrangements designed to secure material compliance with its relevant obligations. The Directors confirm that they have adopted a specific compliance policy statement in respect of the financial year ended 30 June 2016 to ensure compliance with its requirements under the UCITS Regulations, the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and the Corporate Governance Code and which are monitored and reviewed on an ongoing basis and is in compliance with its relevant obligations.

Statement on relevant audit information

In accordance with Section 332 of the Companies Act 2014 each of the persons who are Directors at the time the report is approved confirm the following:

- 1) so far as the Director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and
- 2) the Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Audit Committee

The Directors are aware of Section 167 of the Companies Act which requires certain companies to establish an audit committee. The Directors believe that there is no requirement to form an audit committee as the Board has three non-executive Directors, including three independent Directors and the Company complies with the provisions of the Irish Funds' Corporate Governance Code. The Directors have delegated the day to day investment management and administration of the Company to the Manager. The Directors have also appointed J.P. Morgan Bank (Ireland) plc as depositary of the assets of the Company.

On behalf of the Board

Kevin Molony

Gerry Brady

Date: 24 October 2016

Manager's report

For the financial year ended 30 June 2016

Investment performance

As at 30 June 2016 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 reporting date are outlined in note 20 and note 21 of the financial statements respectively.

Share Class	Currency	Launch Date	Performance from Inception to 30 June 2016	Performance for year ended 30 June 2016
UK Autocall Fund				
GBP Class A	GBP	7 April 2010	39.59%	5.77%
GBP Class A2	GBP	5 December 2013	13.24%	5.45%
80% Protected Dynamic Allocation Fund				
USD Class A	USD	18 July 2011	-8.55%	-6.93%
EUR Class A	EUR	18 July 2011	12.06%	-9.01%
GBP Class A	GBP	18 July 2011	1.20%	-1.17%
GBP Class A2	GBP	28 February 2012	18.27%	0.61%
Equity Balanced-Beta US Fund				
USD Class I	USD	21 March 2012	68.52%	5.11%
USD Class A	USD	4 October 2013	30.35%	4.26%
USD Class C	USD	13 November 2012	64.03%	4.69%
EUR Class I	EUR	15 April 2013	42.24%	4.68%
Equity Balanced-Beta Eurozone Fund				
USD Class C	USD	11 April 2014	6.89%	-9.33%
EUR Class I	EUR	21 March 2012	36.35%	-8.88%
EUR Class A	EUR	21 March 2012	31.65%	-9.66%
EUR Class C	EUR	8 August 2012	35.77%	-9.24%
Equity Balanced-Beta UK Fund				
USD Class I	USD	12 February 2014	-2.38%	0.16%
USD Class C	USD	27 September 2013	0.41%	-0.36%
GBP Class I	GBP	27 August 2013	2.22%	-0.56%
GBP Class C	GBP	8 August 2012	23.14%	-0.97%

Remuneration

The UCITS Regulations requires certain disclosures to be made with regard to the remuneration policy of Capita Financial Managers (Ireland) Limited ("CFMI"). CFMI, as a UCITS management company, has in place a remuneration policy which has applied to CFMI since 1 January 2015, being the beginning of the first financial year of CFMI following its authorisation as a UCITS management company.

Details of CFMI's remuneration policy are disclosed on the CFMI's website. In accordance with the UCITS Regulations remuneration requirements, CFMI is committed to ensuring that its remuneration policies and practices are consistent with and promote sound and effective risk management. This remuneration policy is designed to ensure that excessive risk taking is not encouraged within CFMI and to enable CFMI to achieve and maintain a sound capital base. In order to reduce the potential for conflicts of interests, none of the staff of CFMI receive remuneration, either fixed or variable, which depends on the performance of any UCITS which CFMI manages.

Total remuneration paid to staff of CFMI during the year to 30 June 2016

	€
Fixed remuneration	648,583
Variable remuneration	71,969
Total Remuneration paid	720,552
Number of beneficiaries	19

Remuneration of CFMI employees whose actions have a material impact on the risk profile of the UCITS	0
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Capita Financial Managers (Ireland) Limited
August 2016

Review of funds

For the financial year ended 30 June 2016

UK Autocall Fund (the “Fund”)

GBP A share class

The UK Autocall Fund (the “Fund”) GBP A share class was launched on 7 April 2010 with an initial NAV of GBP 100 per share. The start date of the underlying Autocall Strategy (the “strategy”) was also 7 April 2010, when the closing level of the FTSE 100 Index (the “FTSE”) was 5762.06 (the “autocall level”).

On 8 April 2013, the Fund reached its second autocall observation date. As the closing level of the FTSE was above the autocall level on this second autocall observation date, the strategy matured early with a value of GBP 127.75 per share. In accordance with the Fund’s investment objective and policy, the Fund reinvested these proceeds in a new autocall strategy which started a new five-year investment cycle. The start level of the FTSE was reset to 6276.94, which was the closing level of the FTSE on 8 April 2013, with a protection level of 3138.47 (being 50% of the reset start level of the FTSE).

On 8 April 2015, following the start of the new 5-year investment cycle, the Fund reached its first autocall observation date. As the closing level of the FTSE was above the autocall level on this autocall observation date, the strategy matured early with a value of GBP 145.64 per share. In accordance with the Fund’s investment objective and policy, the Fund reinvested these proceeds in a new autocall strategy which started a new five-year investment cycle. The start level of the FTSE was reset to 6937.41, which was the closing level of the FTSE on 8 April 2015, with a protection level of 3468.71 (being 50% of the reset start level of the FTSE). The first Autocall Observation Date in the new autocall strategy will be 10 April 2017. The Fund NAV was GBP 147.64 per share on 30 June 2016. The return of the NAV of the Fund in the period from 30 June 2015 to 30 June 2016 was 5.77%.

GBP A2 share class

The GBP A2 share class of the Fund was launched on 5 December 2013 with an initial NAV of GBP 100 per share. The start date of the underlying Autocall Strategy (the “strategy”) was also 5 December 2013, when the closing level of the FTSE 100 Index (the “FTSE”) was 6498.33 (the “autocall level”). During the period of 1 July 2015 to 30 June 2016, the GBP denominated A2 share class returned 5.45%, closing at GBP 113.24 per share on 30 June 2016.

80% Protected Dynamic Allocation Fund

The 80% Protected Dynamic Allocation Fund (the “Fund”) Class A share classes denominated in EUR, GBP and USD were launched on 18 July 2011 with an initial NAV of EUR 100 per share, GBP 100 per share and USD 100 per share respectively. The Class A2 share class denominated in GBP was launched on 27 February 2012.

EUR A share class

The NAV at the start of the period (30 June 2015 to 30 June 2016) was EUR 123.15 per share, with an allocation of 86.43% to the reference portfolio. The allocation of the share class to the reference portfolio has generally fallen, fluctuating throughout the period. The average allocation throughout this period was of 50.38%. The allocation to the reference portfolio peaked at 87.01% on 5 August 2015. The reference portfolio allocation on 30 June 2016 was 39.85%. The share class NAV closed at EUR 112.06 per share. Over this period, the share class returned -9.01%.

GBP A share class

The NAV at the start of the period (30 June 2015 to 30 June 2016) was GBP 102.4 per share, with an allocation of 90.45% to the reference portfolio. The allocation of the share class to the reference portfolio has generally fallen, fluctuating throughout the period. The average allocation throughout this period was of 57.72%. The allocation to the reference portfolio peaked at 90.84% on 10 August 2015. The reference portfolio allocation on 30 June 2016 was 60.15%. The share class closed this period with a NAV of GBP 101.2 per share. Over this period, the share class returned -1.17%.

USD A share class

The NAV at the start of the period (30 June 2015 to 30 June 2016) was USD 98.26 per share, with an allocation of 71.13% to the reference portfolio. The allocation of the share class to the reference portfolio during this period has dropped, falling to a low of 32.18% on 19 February 2016, before increasing again. The average allocation throughout this period was 57.82%. The allocation to the reference portfolio peaked at 71.64% on 21 July 2015. The reference portfolio allocation on 30 June 2016 was 53.86%. The share class closed this period with a NAV of USD 91.45 per share. Over this period, the share class returned -6.93%.

GBP A2 share class

The NAV at the start of the period (30 June 2015 to 30 June 2016) was GBP 118.21 per share, with an allocation of 89.22% to the reference portfolio. The allocation of the share class to the reference portfolio during the period peaked at 89.64% on 10 August 2015. The reference portfolio allocation on 30 June 2016 was 63.12%. The share class closed this period with a NAV of GBP 118.93 per share. Over this period, the share class returned 0.61%.

Review of funds (continued)

For the financial year ended 30 June 2016

Equity Balanced Beta US Fund

The Equity Balanced Beta US Fund (the “Fund”) was launched on 21 March 2012 with an initial NAV of USD 100 per share. The Fund is designed to track the Citi Volatility Balanced Beta (VIBE) Equity US Net Total Return Index (the “Index”).

The Index closing level on 30 June 2015 was 322.87. Between 30 June 2015 and 30 June 2016, the Index returned 5.95%, closing at 342.08 on 30 June 2016. Over the same period, the Fund NAV for the USD denominated I share class returned 5.11%, closing at USD 168.52 per share on 30 June 2016. The USD denominated C share class returned 4.69%, closing at USD 163.6 per share on 30 June 2016. The EUR denominated I share class returned 4.68%, closing at EUR 139.24 per share on 30 June 2016. The USD denominated A share class returned 4.26%, closing at USD 130.35 per share on 30 June 2016.

Equity Balanced Beta Eurozone Fund

The Equity Balanced Beta Eurozone Fund (the “Fund”) was launched on 21 March 2012 with an initial NAV of EUR 100 per share. The Fund is designed to track the Citi Volatility Balanced Beta (VIBE) Equity Eurozone Net Total Return Index (the “Index”).

The Index closing level on 30 June 2015 was 221.90. Between 30 June 2015 and 30 June 2016, the Index returned - 8.24%, closing at 203.63 on 30 June 2016. Over the same period, the Fund NAV for the EUR denominated I share class returned -8.88%, closing at EUR 136.35 per share on 30 June 2016. The EUR denominated A share class returned -9.66%, closing at EUR 131.65 per share on 30 June 2016. The EUR denominated C share class returned -9.24%, closing at EUR 135.77 per share on 30 June 2016. The USD denominated C share class returned -9.33%, closing at USD 106.89 per share on 30 June 2016.

Equity Balanced Beta UK Fund

The Equity Balanced Beta UK Fund (the “Fund”) was launched on 8 August 2012 with an initial NAV of 100 per share. The Fund is designed to track the Citi Volatility Balanced Beta (VIBE) Equity UK Net Total Return Index (the “Index”).

The Index closing level on 30 June 2015 was 338.38. Between 30 June 2015 and 30 June 2016, the Index returned 0.43%, closing at 339.85 on 30 June 2016. Over the same period, the Fund NAV for the GBP denominated C share class returned -0.97%, when it closed at GBP 123.14 per share on 30 June 2016. The GBP denominated I share class returned -0.56%, when it closed at GBP 101.37 per share on 30 June 2016. The USD denominated C share class returned -0.36%, when it closed at USD 99.86 per share on 30 June 2016. The USD denominated I share class returned 0.16%, when it closed at USD 97.58 per share on 30 June 2016.

Capita Financial Managers (Ireland) Limited

Date: July 2016

Report of the Custodian to the shareholders of Red Arc Global Investments (Ireland) plc

For the financial period 01 July 2015 to 20 March 2016

We have enquired into the conduct of Red Arc Global Investments (Ireland) plc ('the Company') for the period ended 20 March 2016 in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with Regulations 34 and 47 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulation 2011 (the "UCITS Regulations") and with effect from 1 November 2015, the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Central Bank UCITS Regulations") and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in Regulation 34 and 47 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion the Company has been managed in that period, in accordance with the provisions of the Company's Memorandum and Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not complied we, as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in the UCITS Regulations and to ensure that, in all material respects, the Company has been managed

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the provisions of its Memorandum and Articles of Association, the UCITS Regulations, the Central Bank UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Company's Memorandum and Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations.

Opinion

In our opinion, the Company has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association, the UCITS Regulations, the Central Bank UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association the UCITS Regulations and the Central Bank UCITS Regulations.

For and on behalf of
J.P. Morgan Bank (Ireland) plc
JPMorgan House,
IFSC,
Dublin 1.

Report of the Depositary to the shareholders of Red Arc Global Investments (Ireland) plc

For the financial period 21 March 2016 to 30 June 2016

We have enquired into the conduct of Red Arc Global Investments (Ireland) plc ('the Company') for the period ended 30 June 2016 in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) UCITS Regulations, 2011, as amended by the European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) UCITS Regulations, 2016 (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1))(Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Central Bank UCITS Regulations") and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion the Company has been managed in that period, in accordance with the provisions of the Company's Memorandum and Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not complied we, as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in the UCITS Regulations and to ensure that, in all material respects, the Company has been managed:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the provisions of its Memorandum and Articles of Association, the UCITS Regulations, the Central Bank UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Company's Memorandum and Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations.

Opinion

In our opinion, the Company has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association, the UCITS Regulations, the Central Bank UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations.

For and on behalf of
J.P. Morgan Bank (Ireland) plc
JPMorgan House,
IFSC,
Dublin, 1.

Independent Auditors' report to the shareholders of Red Arc Global Investments (Ireland) plc

We have audited the financial statements of Red Arc Global Investments (Ireland) Plc (the "Company") for the financial year ended 30 June 2016 which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of changes in net assets attributable to holders of redeemable participating shares, Statement of cash flows and the related notes 1 to 22. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (IFRSs) as adopted by the European Union ("relevant financial reporting framework").

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 30 June 2016 and of the loss for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations we considered necessary for the purpose of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The Company's Statement of Assets and Liabilities and its Statement of Operations are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which requires us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

Brian Jackson
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Dublin

Date: 26 October 2016

Statement of financial position

As at 30 June 2016

	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		8,674,240	14,564,978	133,401,267	95,570,243	11,812,098	-	253,410,019
Cash and cash equivalents	2 (f)	119,346	141,316	32	182,576	240,360	-	742,637
Receivable under swap contract		-	-	83,120	2,858,226	-	-	2,933,045
Forward currency contracts to settle		-	-	-	575,798	-	-	575,798
Swap fee receivable	5	1,324	7,759	-	-	-	-	8,577
Subscriptions receivable	13	-	-	110,959	-	-	-	99,878
Total assets		8,794,910	14,714,053	133,595,378	99,186,843	12,052,458	-	257,769,954
Liabilities								
Financial liabilities at fair value through profit or loss	3							
- Financial derivative instruments		-	-	-	271,199	8,460	-	281,379
Spot contracts		-	-	-	1,598	-	-	1,598
Payable under swap contract		-	-	110,959	-	-	-	99,878
Forward currency contracts to settle		-	-	61	-	-	-	55
Redemptions payable	13	195,440	141,039	83,120	3,144,135	-	-	3,581,077
Management fee	7	1,324	7,759	60,025	55,835	6,726	-	126,536
Other fees and costs	7	-	-	19,941	16,470	1,890	-	36,694
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		196,764	148,798	274,106	3,489,237	17,076	-	4,127,217
Net assets attributable to holders of redeemable participating shares		8,598,146	14,565,255	133,321,272	95,697,606	12,035,382	-	253,642,737

¹Fully redeemed and terminated on 6 July 2015

The accompanying notes form an integral part of the financial statements

Statement of financial position (continued)

As at 30 June 2016

	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	10						
USD Class I		-	-	436,646.29	-	2,790.49	-
USD Class A		-	24,542.79	19,825.35	-	-	-
USD Class C		-	-	349,297.50	538,663.77	32,131.07	-
EUR Class I		-	-	30.00	223,623.62	-	-
EUR Class A		-	42,741.17	-	435.03	-	-
EUR Class C		-	-	-	98,120.98	-	-
GBP Class I		-	-	-	-	23,930.72	-
GBP Class A		26,764.91	33,963.91	-	-	-	-
GBP Class A2		41,031.78	15,128.26	-	-	-	-
GBP Class C		-	-	-	-	56,892.63	-
Net asset value per redeemable participating share	12						
USD Class I		-	-	\$168.52	-	\$97.58	-
USD Class A		-	\$91.45	\$130.35	-	-	-
USD Class C		-	-	\$163.60	\$106.89	\$99.86	-
EUR Class I		-	-	€139.24	€136.35	-	-
EUR Class A		-	€112.06	-	€131.65	-	-
EUR Class C		-	-	-	€135.77	-	-
GBP Class I		-	-	-	-	£101.37	-
GBP Class A		£147.64	£101.20	-	-	-	-
GBP Class A2		£113.24	£118.93	-	-	-	-
GBP Class C		-	-	-	-	£123.14	-

¹Fully redeemed and terminated on 6 July 2015

On behalf of the Board

Kevin Molony**Gerry Brady**

Date: 24 October 2016

The accompanying notes form an integral part of the financial statements

Statement of financial position

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	2 (f)	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	2 (g)	-	-	-	1,380,363	119,967	-	1,549,696
Management fee	7	879	10,855	96,189	74,601	10,518	1,504	188,110
Other fees and costs	7	-	-	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 (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	10						
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	12						
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

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	2 (f)	-	-	-	87	297	-	-	-	-	326
Spot contracts		-	-	-	-	-	-	3,780	-	-	3,780
Swap fee receivable	5	-	-	-	2,944	13,408	-	-	-	-	13,469
Subscriptions receivable	13	-	-	-	-	-	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	2 (g)	-	-	-	-	-	6,091	5,137	46,668	15,166	78,943
Management fee	7	-	-	-	2,944	13,408	67,817	21,269	8,527	15,856	106,500
Other fees and costs	7	-	-	-	-	-	27,243	5,691	2,573	15,856	40,383
Redemptions payable	13	-	-	-	-	-	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 (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	10									
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	12									
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

For the financial year ended 30 June 2016

	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	597,768	(2,175,907)	6,238,397	(12,485,334)	402,760	(2,445)	(7,491,957)
Interest		27	-	5	177	79	-	323
Swap fee	5	12,881	207,743	-	-	-	-	204,372
Total investment income/(expense)		610,676	(1,968,164)	6,238,402	(12,485,157)	402,839	(2,445)	(7,287,262)
Expenses								
Management fees	7	12,881	207,743	940,533	825,070	98,467	-	2,008,290
Transaction costs	8	-	-	310,263	264,536	32,987	-	588,112
Other costs & expenses	7	-	-	302,483	242,445	28,069	19	552,465
Total expenses		12,881	207,743	1,553,279	1,332,051	159,523	19	3,148,867
Finance costs		-	7	3	216	-	25	248
Increase/(decrease) in net assets attributable to holders of redeemable participating shares		597,795	(2,175,914)	4,685,120	(13,817,424)	243,316	(2,489)	(10,436,377)

There were no gains/(losses) in the year 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

For the financial year ended 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
Investment income								
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss and foreign exchange	3	(17,904)	(899,582)	5,700,301	7,078,851	(380,006)	(7,665,222)	4,174,252
Interest		7		28	55	6	12	104
Swap fee	7	29,450	237,717	-	-	-	-	236,360
Total investment income/(expense)		11,553	(661,865)	5,700,329	7,078,906	(380,000)	(7,665,210)	4,410,716
Expenses								
Management fees	7	29,450	237,717	972,265	446,906	137,510	161,924	1,807,041
Transaction costs	8	-	-	366,752	105,982	43,047	-	467,506
Other costs & expenses	7	-	-	348,146	131,482	39,304	161,923	607,304
Total expenses		29,450	237,717	1,687,163	684,370	219,861	323,847	2,881,851
Finance costs		-	12	-	-	-	-	10
(Decrease)/increase in net assets attributable to holders of redeemable participating shares		(17,897)	(899,594)	4,013,166	6,394,536	(599,861)	(7,989,057)	1,528,855

There were no gains/(losses) in the year other than the (decrease)/increase 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

For the financial year ended 30 June 2016

	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
Net assets attributable to holders of redeemable participating shares at the start of the year		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		597,795	(2,175,914)	4,685,120	(13,817,424)	243,316	(2,489)	(10,436,377)
Issue of redeemable participating shares		4,724,122	2,392,836	55,371,372	28,094,209	784,710	-	87,492,790
Redemption of redeemable participating shares		(1,760,914)	(3,108,386)	(103,571,911)	(49,333,147)	(6,169,863)	(1,752,448)	(157,617,604)
Notional foreign exchange gain on conversion of assets and liabilities	2 d (iii)	-	-	-	-	-	-	(3,858,924)
Net assets attributable to holders of redeemable participating shares at the end of the year		8,598,146	14,565,255	133,321,272	95,697,606	12,035,382	-	253,642,737

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

For the financial year ended 30 June 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 USD	Total EUR
Net assets attributable to holders of redeemable participating shares at the start of the year	4,159,995	21,684,543	177,267,338	35,484,198	16,208,068	93,155,450	274,269,861
(Decrease)/increase in net assets attributable to holders of redeemable participating shares	(17,897)	(899,594)	4,013,166	6,394,536	(599,861)	(7,989,057)	1,528,855
Issue of redeemable participating shares	1,538,005	3,325,805	147,719,870	108,241,442	10,193,536	80,897,233	316,555,773
Redemption of redeemable participating shares	(642,960)	(6,654,035)	(152,163,683)	(19,366,208)	(8,624,524)	(164,308,689)	(300,292,811)
Notional foreign exchange gain on conversion of assets and liabilities	2 d (iii) -	-	-	-	-	-	46,001,174
Net assets attributable to holders of redeemable participating shares at the end of the year	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 cash flows

For the financial year ended 30 June 2016

	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	597,795	(2,175,914)	4,685,120	(13,817,424)	243,316	(2,489)	(10,436,377)
Net operating cash flow before change in operating assets and liabilities	597,795	(2,175,914)	4,685,120	(13,817,424)	243,316	(2,489)	(10,436,377)
Net (increase)/decrease in financial assets at fair value through profit or loss	(3,637,192)	2,891,446	43,562,933	36,694,186	5,498,685	1,675,128	82,544,424
Net increase/(decrease) in financial liabilities at fair value through profit or loss	-	-	-	237,739	8,384	(116)	248,822
Net (increase)/decrease in other receivables	(445)	3,096	(83,120)	(3,434,024)	-	-	(3,506,722)
Net increase/(decrease) in other payables	445	(3,096)	63,345	(22,735)	(4,905)	(3,007)	22,890
Net cash (used in)/from operating activities	(3,039,397)	715,532	48,228,278	19,657,742	5,745,480	1,669,516	68,873,037
Cash flows from financing activities							
Issue of redeemable participating shares	4,724,122	2,392,836	55,260,413	28,094,209	784,710	-	87,392,813
Redemption of participating shares	(1,565,474)	(2,967,347)	(103,488,791)	(46,189,012)	(6,169,863)	(1,752,448)	(154,010,690)
Net cash from/(used in) financing activities	3,158,648	(574,511)	(48,228,378)	(18,094,803)	(5,385,153)	(1,752,448)	(66,617,877)
Net increase/(decrease) in cash and cash equivalents	119,251	141,021	(100)	1,562,939	360,327	(82,932)	2,255,160
Cash and cash equivalents at the start of the year	95	295	132	(1,380,363)	(119,967)	82,932	(1,474,747)
Notional foreign exchange adjustment	-	-	-	-	-	-	(37,776)
Cash and cash equivalents at the end of the year	119,346	141,316	32	182,576	240,360	-	742,637

¹Fully redeemed and terminated on 6 July 2015

The accompanying notes form an integral part of the financial statements

Statement of cash flows

For the financial year ended 30 June 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 USD	Total EUR
Cash flow from operating activities							
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations	(17,897)	(899,594)	4,013,166	6,394,536	(599,861)	(7,989,057)	1,528,855
Net operating cash flow before change in operating assets and liabilities	(17,897)	(899,594)	4,013,166	6,394,536	(599,861)	(7,989,057)	1,528,855
Net (increase)/decrease in financial assets at fair value through profit or loss	(877,140)	4,227,822	10,175,771	(96,866,118)	(1,146,038)	91,525,489	(11,410,446)
Net decrease in financial liabilities at fair value through profit or loss	-	-	(56)	(1,163)	(16,833)	(2,044)	(24,991)
Net decrease in other receivables	2,065	2,553	-	3,780	-	-	8,612
Net (decrease)/ increase in other payables	(2,065)	(2,553)	32,581	69,678	2,421	(28,705)	71,245
Net cash (used in)/from operating activities	(895,037)	3,328,228	14,221,462	(90,399,287)	(1,760,311)	83,505,683	(9,826,725)
Cash flows from financing activities							
Issue of redeemable participating shares	1,538,005	3,325,805	148,069,870	108,390,269	10,311,536	80,901,104	317,153,731
Redemption of participating shares	(642,960)	(6,654,035)	(162,285,109)	(19,366,208)	(8,624,524)	(164,308,689)	(308,711,603)
Net cash from/(used in) financing activities	895,045	(3,328,230)	(14,215,239)	89,024,061	1,687,012	(83,407,585)	8,442,128
Net increase/(decrease) in cash and cash equivalents	8	(2)	6,223	(1,375,226)	(73,299)	98,098	(1,384,597)
Cash and cash equivalents at the start of the year	87	297	(6,091)	(5,137)	(46,668)	(15,166)	(78,617)
Notional foreign exchange adjustment	-	-	-	-	-	-	(11,533)
Cash and cash equivalents at the end of the year	95	295	132	(1,380,363)	(119,967)	82,932	(1,474,747)

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 year ended 30 June 2016

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 ¹	8 August 2012
Harness Macro Currency Fund ¹	USD Class I, EUR Class I	4 June 2013

¹Fully redeemed and terminated on 6 July 2015

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

2. Significant accounting policies

(a) Basis of preparation

The audited financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, Irish statute comprising the Companies Act 2014, the UCITS Regulations, and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Central Bank Regulations"). The financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities classified at fair value through profit or loss that have been measured at fair value. 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 year. 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 year ended 30 June 2016 are the first annual financial statements prepared in accordance with IFRS. Prior to this the financial statements were prepared in accordance with accounting standards generally accepted in Ireland ("Irish GAAP"). The Company has applied IFRS 1 — First-time Adoption of International Financial Reporting Standards ("IFRS 1") in preparing these annual financial statements.

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. Incorporation of these changes requires the following to be included:

- Cash flow statement; and
- Presentation of a third statement of financial position at the transition date.

(c) Standards, interpretations and amendments issued but not yet effective

IFRS 9 – Financial Instruments – Classification and Measurement

IFRS 9, published in July 2014, will replace the existing guidance in IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). It includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. Based on the initial assessment, this standard is not expected to have a material impact on the Company.

(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.

(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.

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial year ended 30 June 2016

2. Significant accounting policies (continued)

(d) Foreign exchange translation (continued)

(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 30 June 2016, the translation adjustment was a notional loss of €3,858,924 (30 June 2015: notional gain of €46,001,174); which has no impact on the net asset value ("NAV") of each individual sub-fund.

(e) Financial assets and liabilities at fair value through profit or loss

(i) Classification

The Company classifies its financial assets and liabilities into the categories below in accordance with IAS 39.

- Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the short term. This category includes derivatives.
- Financial assets and liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with each sub-fund's investment strategy.

The Company has classified all of its financial assets and liabilities at fair value through profit or loss as held for trading for the reporting dates 30 June 2016 and 30 June 2015.

(ii) Recognition

All "regular way" purchases and sales of financial instruments are recognised using trade date accounting, the day that the sub-funds commit to purchase or sell the asset. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded. Regular way purchases, or sales, are purchases and sales of financial assets that require delivery of the asset within a time frame generally established by regulation or convention in the market place.

(iii) Measurement

At initial recognition financial assets and liabilities categorised at fair value through profit or loss are recognised initially at fair value, with transaction costs for such instruments being recognised directly in the statement of comprehensive income.

Subsequent to initial recognition, all instruments, classified at fair value through profit or loss, are measured at fair value with changes in their fair value recognised in the statement of comprehensive income in the year in which they arise.

- Investments in total return swaps are valued per the approved counterparty as detailed in the schedule of investments.
- Investments in forward currency contracts are valued at the close-of-business rates as reported by the pricing vendors utilised by the administrator to the sub-fund.

All investments held represent investments in collateralised total return swaps. As such, the investments held are not listed on an official stock exchange or traded on a regulated market.

(iv) Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(v) Offsetting

The Company only offsets financial assets and financial liabilities at fair value through profit or loss if the Company has a legally enforceable right to set off the recognised amounts and either intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(f) Cash and cash equivalents

Cash and cash equivalents comprises short term non-restricted deposits with J.P. Morgan Bank (Ireland) plc (the "Depository").

(g) Bank overdraft

At the reporting date, the bank overdrafts held by the sub-funds are caused by timing issues relating to the settlement of investments and do not form part of the sub-funds' investment strategies.

(h) Amounts received as collateral

Each approved counterparty to the derivative contracts will be required under the terms of the relevant derivative contract to provide collateral to the Company so that the Company's risk exposure to the relevant approved counterparty is in compliance with the Central Bank Regulations. The collateral received from the approved counterparty remains as a payable to the swap counterparty.

(i) Segregated liability between sub-funds

While the provisions of the Companies Act 2014 provide for segregated liability between sub-funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly, it is not free from doubt that the assets of any sub-fund of the Company may be exposed to the liabilities of other sub-funds of the Company. As at the reporting date, the Directors are not aware of any existing or contingent liabilities of any sub-fund of the Company.

(j) Net gain/(loss) from financial instruments at fair value through profit or loss and foreign exchange

Net gain/(loss) from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences. Net realised gain/(loss) from financial instruments at fair value through profit or loss is calculated using the average cost method.

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial year ended 30 June 2016

2. Significant accounting policies (continued)

(k) Expenses

All expenses are recognised in the statement of comprehensive income on an accrual basis.

(l) Redeemable participating shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities.

(m) 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. Transaction costs for each sub-fund are disclosed in the statement of comprehensive income.

Notes to the financial statements (continued)

For the financial year ended 30 June 2016

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 year ended 30 June 2016

	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 gain/(loss) on investments and foreign exchange	4,064	(180,865)	7,457,998	(823,393)	362,505	(6,344)	6,216,980
Change in unrealised gain/(loss) on investments and foreign exchange	593,704	(1,995,042)	(1,219,601)	(11,661,941)	40,255	3,899	(13,708,937)
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	597,768	(2,175,907)	6,238,397	(12,485,334)	402,760	(2,445)	(7,491,957)

¹Fully redeemed and terminated on 6 July 2015

For the financial year ended 30 June 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 USD	Total EUR
Net realised gain/(loss) on investments and foreign exchange	391,466	160,480	11,151,072	3,153,884	415,576	(8,032,480)	6,939,998
Change in unrealised gain/(loss) on investments and foreign exchange	(409,370)	(1,060,062)	(5,450,771)	3,924,967	(795,582)	367,258	(2,765,746)
Net (loss)/gain on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	(17,904)	(899,582)	5,700,301	7,078,851	(380,006)	(7,665,222)	4,174,252

Notes to the financial statements (continued)

For the financial year ended 30 June 2016

Red Arc Global Investments (Ireland) plc

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 30 June 2016				
	Level 1	Level 2	Level 3	Total
UK Autocall Fund	GBP	GBP	GBP	GBP
Held for trading				
- Investment in index swaps	-	8,674,240	-	8,674,240
Financial assets at fair value through profit or loss	-	8,674,240	-	8,674,240
80% Protected Dynamic Allocation Fund	USD	USD	USD	USD
Held for trading				
- Investment in swaps	-	14,564,978	-	14,564,978
Financial assets at fair value through profit or loss	-	14,564,978	-	14,564,978
Equity Balanced-Beta US Fund	USD	USD	USD	USD
Held for trading				
- Investment in index swaps	-	133,401,245	-	133,401,245
- Forward currency contracts	-	22	-	22
Financial assets at fair value through profit or loss	-	133,401,267	-	133,401,267
Equity Balanced-Beta Eurozone Fund	EUR	EUR	EUR	EUR
Held for trading				
- Investment in index swaps	-	95,561,358	-	95,561,358
- Forward currency contracts	-	8,885	-	8,885
Financial assets at fair value through profit or loss	-	95,570,243	-	95,570,243
Held for trading				
- Forward currency contracts	-	271,199	-	271,199
Financial liabilities at fair value through profit or loss	-	271,199	-	271,199
Equity Balanced-Beta UK Fund	GBP	GBP	GBP	GBP
Held for trading				
- Investment in index swaps	-	11,810,815	-	11,810,815
- Forward currency contracts	-	1,283	-	1,283
Financial assets at fair value through profit or loss	-	11,812,098	-	11,812,098
Held for trading				
- Forward currency contracts	-	8,460	-	8,460
Financial liabilities at fair value through profit or loss	-	8,460	-	8,460
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 year ended 30 June 2016

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 year ended 30 June 2016

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
	GBP	GBP	GBP	GBP
Citi Equity Balanced-Beta UK Fund				
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 30 June 2016, 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 80.76 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 6.56 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 30 June 2016). 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.

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 year ended 30 June 2016 (30 June 2015: nil).

Notes to the financial statements (continued)

For the financial year ended 30 June 2016

Red Arc Global Investments (Ireland) plc

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 Citigroup, 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.

The table below details the anticipated and the actual tracking error for the financial year ended:

	30 June 2016	30 June 2015
Anticipated tracking error	+0.25%	+0.25%
Actual tracking error (EUR Class I)*	+0.28%	+0.19%

*This represents the share class with the highest actual tracking error

The difference between the anticipated and the actual tracking error is due to a number of factors including, but not limited to, trading costs, fund expenses, level of hedging on non-base currency share classes and residual cash balances held.

The difference between the performance of the Fund (USD Class I) and the performance of the index was -0.84% for the year (30 June 2015: -0.94%) and the difference is due to a number of factors including, but not limited to, trading costs, fund expenses and residual cash balances held.

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 Citigroup, 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.

The table below details the anticipated and the actual tracking error for the financial year ended:

	30 June 2016	30 June 2015
Anticipated tracking error	+0.15%	+0.15%
Actual tracking error (USD Class C)*	+0.58%	+0.26%

*This represents the share class with the highest actual tracking error

The difference between the anticipated and the actual tracking error is due to a number of factors including, but not limited to, trading costs, fund expenses, level of hedging on non-base currency share classes and residual cash balances held.

The difference between the performance of the Fund (EUR Class I) and the performance of the index was -0.64% for the year (30 June 2015: -1.07%) and the difference is due to a number of factors including, but not limited to, trading costs, fund expenses and residual cash balances held.

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 Citigroup, 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.

Notes to the financial statements (continued)

For the financial year ended 30 June 2016

Red Arc Global Investments (Ireland) plc

4. Derivatives (continued)

Equity Balanced-Beta UK Fund (continued)

The table below details the anticipated and actual tracking error for the financial year ended:

	30 June 2016	30 June 2015
Anticipated tracking error	+0.20%	+0.20%
Actual tracking error (USD Class I)*	+0.44%	+0.16%

*This represents the share class with the highest actual tracking error

The difference between the anticipated and the actual tracking error is due to a number of factors including, but not limited to, trading costs, fund expenses, level of hedging on non-base currency share classes and residual cash balances held and these are not material.

The difference between the performance of the Fund (GBP Class C) and the performance of the index was -1.40% for the year (30 June 2015: -1.22%) difference is due to a number of factors including, but not limited to, trading costs, fund expenses and residual cash balances held and these are not material.

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 sub-fund fully redeemed and terminated effective 6 July 2015.

The Company also holds forward currency contracts which are used for share class hedging purposes. 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"). On this basis, the swap fee income is equal to the management fee charged to the sub-fund.

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 7, which will be funded by payments made by the Approved Counterparty under the relevant Derivatives Contract. On this basis, the swap fee income is equal to the management fee charged to the sub-fund.

6. Auditors' remuneration

Fees and expenses charged by the Company's statutory Auditor, Deloitte, in respect of the financial year, entirely relate to the audit of the financial statements of €60,000 (2015: €60,000) - exclusive of VAT and tax compliance fees of €5,100 (2015: €7,750). Other than the aforementioned fees, there were no fees and expenses charged in respect of assurance, tax advisory or non-audit services provided by the statutory auditor for the financial years ended 30 June 2016 and 30 June 2015.

The Auditors' fee is paid out of the Fund Fees and not out of the assets of the Company.

7. 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).

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial year ended 30 June 2016

7. Fees and Expenses (continued)

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 year ended 30 June 2016 and the financial year ended 30 June 2015.

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 year ended 30 June 2016 (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 year ended 30 June 2016 (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.

8. 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 year ended 30 June 2016 was \$59 (30 June 2015: \$332,832).

Notes to the financial statements (continued)

For the financial year ended 30 June 2016

Red Arc Global Investments (Ireland) plc

9. Exchange rates

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

Currency	30 June 2016 Rate to EUR	30 June 2015 Rate to EUR
GBP	1.203286	1.411496
USD	0.900130	0.897500

10. 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 year ended:

Sub-fund	30 June 2016	30 June 2015
UK Autocall Fund		
GBP Class A		
Opening balance	25,632.01	26,447.52
Shares issued	8,294.57	2,926.61
Shares redeemed	(7,161.67)	(3,742.12)
Closing balance	26,764.91	25,632.01
UK Autocall Fund		
GBP Class A2		
Opening balance	13,586.61	3,735.91
Shares issued	34,435.32	10,819.14
Shares redeemed	(6,990.15)	(968.44)
Closing balance	41,031.78	13,586.61
80% Protected Dynamic Allocation Fund		
USD Class A		
Opening balance	25,414.96	29,479.28
Shares issued	7,734.69	4,747.72
Shares redeemed	(8,606.86)	(8,812.04)
Closing balance	24,542.79	25,414.96
EUR Class A		
Opening balance	42,345.79	45,350.52
Shares issued	4,495.30	14,825.68
Shares redeemed	(4,099.92)	(17,830.41)
Closing balance	42,741.17	42,345.79
GBP Class A		
Opening balance	42,714.36	49,724.02
Shares issued	327.48	2,695.81
Shares redeemed	(9,077.93)	(9,705.47)
Closing balance	33,963.91	42,714.36
GBP Class A2		
Opening balance	12,211.25	20,265.44
Shares issued	5,992.94	2,043.74
Shares redeemed	(3,075.93)	(10,097.93)
Closing balance	15,128.26	12,211.25
Equity Balanced-Beta US Fund		
USD Class I		
Opening balance	560,508.98	788,612.05
Shares issued	112,354.63	451,911.21
Shares redeemed	(236,217.32)	(680,014.28)
Closing balance	436,646.29	560,508.98
USD Class A		
Opening balance	59,720.06	53,836.66
Shares issued	20,754.91	38,127.05
Shares redeemed	(60,649.62)	(32,243.65)
Closing balance	19,825.35	59,720.06

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial year ended 30 June 2016

10. Share capital (continued)

Issued Share Capital (continued)

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

Sub-fund	30 June 2016	30 June 2015
Equity Balanced-Beta US Fund (continued)		
USD Class C		
Opening balance	508,763.75	201,835.82
Shares issued	224,543.41	392,965.47
Shares redeemed	(384,009.66)	(86,037.54)
Closing balance	349,297.50	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
Equity Balanced-Beta Eurozone Fund		
USD Class C		
Opening balance	665,248.61	65,486.54
Shares issued	122,911.22	651,007.08
Shares redeemed	(249,496.06)	(51,245.01)
Closing balance	538,663.77	665,248.61
EUR Class I		
Opening balance	254,849.65	87,534.44
Shares issued	94,317.08	181,788.41
Shares redeemed	(125,543.11)	(14,473.20)
Closing balance	223,623.62	254,849.65
EUR Class A		
Opening balance	4,690.03	52,279.13
Shares issued	350.00	3,880.00
Shares redeemed	(4,605.00)	(51,469.10)
Closing balance	435.03	4,690.03
EUR Class C		
Opening balance	144,057.70	95,858.97
Shares issued	7,050.32	84,273.28
Shares redeemed	(52,987.04)	(36,074.55)
Closing balance	98,120.98	144,057.70
Equity Balanced-Beta UK Fund		
USD Class I		
Opening balance	10,693.29	5,000.00
Shares issued	9,829.19	6,808.99
Shares redeemed	(17,731.99)	(1,115.70)
Closing balance	2,790.49	10,693.29
USD Class C		
Opening balance	72,781.48	44,366.18
Shares issued	-	59,878.35
Shares redeemed	(40,650.41)	(31,463.05)
Closing balance	32,131.07	72,781.48
GBP Class I		
Opening balance	33,567.22	49,440.90
Shares issued	-	4,396.94
Shares redeemed	(9,636.50)	(20,270.62)
Closing balance	23,930.72	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

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial year ended 30 June 2016

10. Share capital (continued)

Issued Share Capital (continued)

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

Sub-fund	30 June 2016	30 June 2015
Harness Macro Currency Fund (continued)		
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

11. Financial instruments and risk management

The Company's risks are set out in the prospectus and any consideration of risk here should be viewed in the context of the prospectus which is the primary document governing the operation of the Company. In accordance with its investment objectives and policies, the Company holds derivative contracts, with Citigroup Global Markets Limited and Citibank N.A. as the counterparty.

The performance of the Company's sub-funds is linked to a reference asset. The investment objective of these sub-funds is to provide the investors with a return linked to a reference asset (as specified in the relevant supplement). Exposure to the reference asset is achieved through an investment in derivative contracts, which seek to provide shareholders of each class with a return linked to the reference asset.

The table below provides details of the relevant reference asset for each of the sub-funds:

Sub-fund	Reference asset
UK Autocall Fund	UK Autocall Strategy
80% Protected Dynamic Allocation Fund	Reference Portfolio selected by Investment Advisor and Reserve Asset
Equity Balanced Beta US Fund	Citi Volatility Balanced Beta (VIBE) Equity US Net Total Return Index
Equity Balanced Beta Eurozone Fund	Citi Volatility Balanced Beta (VIBE) Equity Eurozone Net Total Return Index
Equity Balanced Beta UK Fund	Citi Volatility Balanced Beta (VIBE) Equity UK Net Total Return Index
Harness Macro Currency Fund	Harness Macro Currency Strategy

The Company's activities, which are undertaken by its sub-funds, expose them to a variety of financial risks, including as determined by accounting standard IFRS 7 – Financial Instruments: Disclosures.

Market risk

Market risk arises from uncertainty about future prices of financial investments held by a sub-fund, whether those changes are caused by factors specific to individual financial instruments, or other factors affecting a number of similar financial instruments traded in the markets. It represents the potential loss a sub-fund might suffer through holding market positions in the face of price movements. Usually the maximum risk resulting from financial instruments is determined by the opening fair value of the instruments. Market risk consists of currency risk, interest rate risk and market price risk.

All active sub-funds of the Company at 30 June 2016 use the commitment approach to calculate their global exposure.

The Investment Manager used an advanced risk measurement approach to calculate the market risk for Harness Macro Currency Fund, specifically "Value-at Risk" ("VaR"). The absolute VaR methodology measures the market risk volatility. VaR is an attempt to provide a single number summarising the total risk in a portfolio of financial assets. In keeping with the EC recommendations on the use of derivatives by UCITS, the following quantitative standards are built into the VaR model:

- A confidence level should be 99%;
- The holding period should not be greater than 1 month;
- The historical observation period should not be less than 1 year; and
- At least daily calculation,

The outcome of VaR analysis is a VaR number – either as a value or as a % of the portfolio. For example a VaR number result of 2% would mean that with a 99% confidence, you will not expect to lose (i.e. a one-tailed test is used to estimate the probability of losses) more than 2% over the next month.

The model uses a Daily Value at Risk (DVaR) approach to estimate, with a confidence level of 99%, the potential loss which might arise if the current positions were to be held unchanged for one business day. With a 99% confidence level, daily losses exceeding the DVaR figure are likely to occur, on average, only once in every one hundred business days. In keeping with industry guidance and best practice, the DVaR limit is set at 4.47%.

The calculated daily VaR for Harness Macro Currency Fund was 1.59% at 30 June 2015.

The leverage employed for Harness Macro Currency Fund was 0.94x at 30 June 2015.

Harness Macro Currency Fund was fully redeemed and terminated effective 6 July 2015.

(i) Currency risk

Currency risk is the risk that as certain assets of the sub-fund may be invested in securities and other investments denominated in foreign currencies (i.e. non functional currency), the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates.

There is no direct foreign exchange risk due to the total return swaps being held in the currency of each class for 80% Protected Dynamic Allocation Fund. For UK Autocall Fund the swaps are held in the functional currency of the sub-fund and there are currently no non-base share classes. For Equity Balanced Beta US Fund, Equity Balanced Beta Eurozone Fund, Equity Balanced Beta UK Fund and Harness Macro Currency Fund which all have non-base share classes, the Company enters into forward currency contracts to hedge the non-base share classes.

Risks associated with investments in reference assets where the value or return includes currency conversions using one or more exchange rates include the risk that exchange rates may change (in certain circumstances significantly due to devaluation or revaluation of a currency) and the risk that government or monetary authorities with jurisdiction over a currency may impose (as some have done in the past) or modify exchange controls.

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial year ended 30 June 2016

11. Financial instruments and risk management (continued)

Market risk (continued)

(i) Currency risk (continued)

The Harness Macro Currency Fund had indirect currency exposure, via the Strategy, to emerging market currencies, which may exhibit greater volatility than developed market currencies.

(ii) Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Risks associated with investments in reference assets where the value or return is calculated by reference to one or more interest rates include the risk of changes in and volatility in the relevant interest rates and the level of interest rates generally which are affected by economic, political and market conditions.

None of the sub-funds are directly affected by interest rate risk as their underlying swaps are not impacted by interest rate fluctuations, except for the interest earned on the collateral and the residual cash balances (which are negligible).

The 80% Protected Dynamic Allocation Fund is indirectly affected by interest rate risk as the Reserve Asset contains the remaining proportion not in the Reference Portfolio.

Due to the percentage allocation in the Reference Portfolio, \$6,954,150 (2015: \$2,411,091) remains in the Reserve Asset, and a 0.25% increase in interest rates will increase the net assets attributable to redeemable participating shareholders by \$17,385 (2015: \$ 6,028).

Each sub-fund is collateralised in accordance with UCITS and the collateral may be exposed to a number of factors including but not limited to interest rates.

(iii) Market price risk

This is the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. Investors gain an exposure to the reference asset through the derivative contract. As such, the fair value of the contract will move in line with the market price of the underlying reference asset.

The Company is exposed to equity price risk on UK Autocall Fund, Equity Balanced Beta US Fund, Equity Balanced Beta Eurozone Fund and Equity Balanced Beta UK Fund as the sub-funds primarily invest in equity swap contracts. The 80% Protected Dynamic Allocation Fund is primarily invested in a total return swap that is invested in underlying funds. Harness Macro Currency Fund was primarily invested in a total return swap that is invested in a notional foreign exchange trading strategy.

The following table demonstrates the potential impact on net assets attributable to holders of redeemable participating shares of a movement in the respective reference asset of each sub-fund. The table assumes a 10% upwards movement in the value of investments with all other variables remaining constant (a negative 10% would have an equal but opposite effect). A key limitation of this simplified analysis is that movements in underlying indices may result in rebalancing or different allocations or triggering features.

It should also be noted that the 80% Protected Dynamic Allocation Fund is designed to provide a partial capital protection equal to an amount of 80% of the highest NAV achieved on any day since the launch date. For this reason, a 10% upwards movement in the value of investments will only affect the relevant allocated portion of the reference asset, and a negative 10% downward movement in the value of investments would not necessarily have the full impact on the net assets attributable to holders of redeemable participating shares as disclosed below.

Sub-fund	30 June 2016	30 June 2015
UK Autocall Fund	£859,815	£503,714
80% Protected Dynamic Allocation Fund	\$761,111	\$1,504,563
Equity Balanced Beta US Fund	\$13,332,125	\$17,683,669
Equity Balanced Beta Eurozone Fund	€9,595,992	€13,078,723
Equity Balanced Beta UK Fund	£1,204,256	£1,717,627
Harness Macro Currency Fund	-	\$175,505

Liquidity risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. The Company is exposed to daily cash redemptions of redeemable shares. The derivative contracts have a scheduled termination date with the option to extend for additional yearly terms. The sub-funds have the ability to adjust the exposure on request. The Directors have the option to limit redemptions to 10% of the total NAV of each sub-fund on a dealing day and spread the redemptions over several days. In addition each sub-fund is 100% collateralised to ensure the Company is able to settle or meet its obligations. Collateral is monitored on a daily basis and additional collateral is pledged when the level falls below 100%. Collateral is either cash or bonds and the credit ratings of the bonds held as collateral is all investment grade/government debt and monitored on a monthly basis. Stress testing is also completed on a quarterly basis.

All assets and liabilities held at 30 June 2016 and 30 June 2015 had a maturity date of less than one month.

Credit risk

Credit risk is the risk that a sub-fund's counterparty or investment issuer will be unable or unwilling to meet a commitment that it has entered into and cause a sub-fund to incur a financial loss. A sub-fund will be exposed to settlement risk on parties with whom it trades and custodian risk on parties with whom the sub-fund has placed its assets in custody.

It is the Company's policy to enter into financial instruments with a reputable counterparty.

Currently the derivative contracts for Equity Balanced Beta US Fund, Equity Balanced Beta Eurozone Fund and Equity Balanced Beta UK Fund are held with Citigroup Global Markets Limited as the counterparty, while the derivative contracts for UK Autocall Fund, 80% Protected Dynamic Allocation Fund and Harness Macro Currency Fund are held with Citibank N.A. as counterparty.

Notes to the financial statements (continued)

For the financial year ended 30 June 2016

Red Arc Global Investments (Ireland) plc

11. Financial instruments and risk management (continued)

Credit risk (continued)

As at the reporting date, the Standard and Poor's credit rating of Citibank N.A, a part of Citigroup, is A (2015: A). The Standard and Poor's credit rating of Citigroup Global Markets Limited, the "Investment Advisor", is A as at the reporting date (2015: A). All Collateral is held in a collateral account with J.P. Morgan Chase Bank plc. As at the reporting date, the Standard and Poor's credit rating of J.P. Morgan Chase Bank plc is A+ (2015: A+).

The exposure of the Company to the counterparty is reduced as a result of the collateral arrangements in place as described in the table below. The collateral held consists of government bonds, the quality of which is assessed in accordance with the requirements of the Central Bank Regulations. On a daily basis, where collateral is pledged to the sub-fund, the Manager reviews the credit rating of bond collateral to ensure it complies with the eligible collateral as per the collateral policy of the sub-fund. The S&P, Moody's and Fitch rating of each bond is reviewed, where applicable.

UCITS rules prescribe that collateral should be "high quality" although "high quality" is not defined in the Central Bank Regulations. The Manager reviews new bond collateral to ensure that it is at least Investment Grade quality and is issued from an eligible country as outlined in the ISDA. (Investment Grade bonds are defined as having a Moody's rating of Baa3 or above, S&P Rating of BBB- or a Fitch rating of BBB-).

The Manager does not accept corporate bonds as collateral. On a case by case basis, certain government bonds may be deemed unacceptable due to default risk.

Based on the analysis completed for collateral held as of the 30 June 2016 and 30 June 2015 all of the bonds held on the sub-funds range from AA rated to AAA rated according to S&P's rating.

The below table summarises the collateral held by each sub-fund and analyses the Company's maximum credit exposure to credit risk for the component of the statement of financial position, including derivatives. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements. All collateral is held in a collateral account with J.P. Morgan Bank (Ireland) plc.

As at 30 June 2016

Fund	Currency	Counterparty Risk Exposure	Collateral	Collateral as a % of Counterparty Risk Exposure	Regulatory Collateral Requirement in %
UK Autocall Fund	GBP	8,674,240	9,013,110	105%	90%
80% Protected Dynamic Allocation Fund	USD	14,564,978	15,222,670	105%	90%
Equity Balanced Beta US Fund	USD	133,401,245	134,320,349	101%	90%
Equity Balanced Beta Eurozone Fund	EUR	95,561,358	96,546,967	101%	90%
Equity Balanced Beta UK Fund	GBP	11,810,815	12,078,459	102%	90%

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%

12. Net asset value

The NAV of each class of redeemable participating shares is determined by dividing the value of the net assets of the share class by the total number of redeemable participating shares in issue at the year end.

The NAV for the last three financial years are as follows:

Net asset value	Currency	30 June 2016	30 June 2015	30 June 2014
UK Autocall Fund				
GBP Class A	GBP	£3,951,699	£3,578,068	£3,770,713
GBP Class A2	GBP	£4,646,447	£1,459,075	£389,282
80% Protected Dynamic Allocation Fund				
USD Class A	USD	\$2,244,439	\$2,497,271	\$2,902,825
EUR Class A	EUR	€4,789,546	€5,214,857	€4,842,522
GBP Class A	GBP	£3,437,142	£4,373,927	£4,848,074
GBP Class A2	GBP	£1,799,178	£1,443,479	£2,258,776
Equity Balanced Beta US Fund				
USD Class I	USD	\$73,585,715	\$89,862,831	\$119,258,612
USD Class A	USD	\$2,584,285	\$7,466,193	\$6,399,578
USD Class C	USD	\$57,146,630	\$79,503,221	\$29,868,784
EUR Class I	EUR	€4,177	€3,991	€15,878,727

Notes to the financial statements (continued)

For the financial year ended 30 June 2016

Red Arc Global Investments (Ireland) plc

12. Net asset value (continued)

The NAV for the last three financial years are as follows (continued):

Net asset value	Currency	30 June 2016	30 June 2015	30 June 2014
Equity Balanced Beta Eurozone Fund				
USD Class C	USD	\$57,578,074	\$78,423,352	\$6,772,506
EUR Class I	EUR	€30,490,895	€38,134,882	€11,370,610
EUR Class A	EUR	€57,273	€683,483	€6,668,345
EUR Class C	EUR	€13,321,687	€21,550,644	€12,498,741
Equity Balanced Beta UK Fund				
USD Class I	USD	\$272,294	\$1,041,743	\$509,707
USD Class C	USD	\$3,208,476	\$7,294,509	\$4,671,375
GBP Class I	GBP	£2,425,783	£3,421,884	£5,257,706
GBP Class C	GBP	£7,005,775	£8,454,729	£7,920,206
Harness Macro Currency Fund				
USD Class I	USD	-	\$1	\$54,037,340
EUR Class I	EUR	-	€1,575,055	€28,571,084
The NAV per share class for the last three financial years are as follows:				
Net asset value per share	Currency	30 June 2016	30 June 2015	30 June 2014
UK Autocall Fund				
GBP Class A	GBP	£147.64	£139.59	£142.57
GBP Class A2	GBP	£113.24	£107.39	£104.20
80% Protected Dynamic Allocation Fund				
USD Class A	USD	\$91.45	\$98.26	\$98.47
EUR Class A	EUR	€112.06	€123.15	€106.78
GBP Class A	GBP	£101.20	£102.40	£97.50
GBP Class A2	GBP	£118.93	£118.21	£111.46
Equity Balanced Beta US Fund				
USD Class I	USD	\$168.52	\$160.32	\$151.23
USD Class A	USD	\$130.35	\$125.02	\$118.87
USD Class C	USD	\$163.60	\$156.27	\$147.99
EUR Class I	EUR	€139.24	€133.02	€126.29
Equity Balanced Beta Eurozone Fund				
USD Class C	USD	\$106.89	\$117.89	\$103.42
EUR Class I	EUR	€136.35	€149.64	€129.90
EUR Class A	EUR	€131.65	€145.73	€127.55
EUR Class C	EUR	€135.77	€149.60	€130.39
Equity Balanced Beta UK Fund				
USD Class I	USD	\$97.58	\$97.42	\$101.94
USD Class C	USD	\$99.86	\$100.22	\$105.29
GBP Class I	GBP	£101.37	£101.94	£106.34
GBP Class C	GBP	£123.14	£124.34	£130.23
Harness Macro Currency Fund				
USD Class I	USD	-	\$97.00	\$94.48
EUR Class I	EUR	-	€95.79	€94.77

Notes to the financial statements (continued)

For the financial year ended 30 June 2016

Red Arc Global Investments (Ireland) plc

13. 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.

As at 30 June 2016

	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	8,598,146	14,565,255	133,321,272	95,697,606	12,035,382
Subscriptions receivable ¹	-	-	-	-	-
Redemptions payable ¹	76,216	-	-	281,880	-
Published net asset value	8,674,362	14,565,255	133,321,272	95,979,486	12,035,382

¹ Subscriptions and redemptions effective for the last valuation date

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

14. 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 7.

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 Harness Macro Currency Fund. Citigroup First Investment Management Limited did not receive a fee in its capacity as Investment Manager during the financial year ended 30 June 2016 (30 June 2015: Nil). Details of fees paid to Harness Investment Group Limited are outlined below:

	Financial year ended 30 June 2016	Financial year ended 30 June 2015
Fixed Strategy Fee paid to Harness Investment Group Limited	\$48	\$814,609
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 a 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 Global Markets Limited acts as Distributor in respect of the shares of the Company.

The Distributor, received €793,069 during the financial year ended 30 June 2016 (30 June 2015: €500,334). An amount of €323,876 was payable to the Distributor as at 30 June 2016 (30 June 2015: €454,703).

In addition, Citigroup is entitled to receive a fee (the "Swap Fee"), in their capacity as approved counterparty, as outlined in note 8.

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 financial year ended 30 June 2016 amounted to €45,049 (year ended 30 June 2015: €48,000).

The Directors held no shares in the Company during the financial year ended 30 June 2016 (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 year ended 30 June 2016 were €7,275, 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:

30 June 2016				
Related Party	Related Party Type	Sub-fund	Class	Holdings
Citigroup	Distributor	Equity Balanced-Beta US Fund	EUR Class I	30.00

Notes to the financial statements (continued)

Red Arc Global Investments (Ireland) plc

For the financial year ended 30 June 2016

14. Related party disclosures (continued)

Related party shareholder transactions (continued)

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

30 June 2015

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

15. 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 year ended 30 June 2016 (30 June 2015: nil).

16. Soft commission arrangements

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

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 year ended 30 June 2016 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 year.

20. Significant events during the year

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

Effective 21 March 2016 J.P. Morgan Bank (Ireland) plc ceased to be the Custodian of Red Arc Global Investments (Ireland) plc and became the Depositary.

21. Events after the reporting date

An updated prospectus was issued effective, 2 August 2016, to reflect Regulatory updates around UCITS V and Investor Money Regulations, as well as the new share classes within Equity Balanced-Beta Eurozone Fund.

Effective 17 August 2016, The Dynamic Exposure Protected Class launched on Equity Balanced-Beta Eurozone Fund.

A decision to close the UK Autocall Fund was made by the Board of Directors and it is expected that the final valuation will be 5 December 2016.

22. Approval of financial statements

The financial statements were authorised for issue by the Board of Directors on 24 October 2016.

Schedule of Investments

As at 30 June 2016

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	27,281	4,027,794	46.84%
UK Autocall Fund - GBP Class A2	GBP	41,032	4,646,446	54.05%
			8,674,240	100.89%
Cash and cash equivalents and other net liabilities			(76,094)	(0.89%)
Net assets attributable to holders of redeemable participating shares			8,598,146	100.00%

Analysis of total assets	% of total assets
OTC financial derivative instruments	98.63%
Other net assets	1.37%
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	24,543	2,244,393	15.41%
80% Protected Dynamic Allocation Fund - EUR Class A	EUR	42,741	5,320,890	36.53%
80% Protected Dynamic Allocation Fund - GBP Class A	GBP	33,964	4,594,570	31.55%
80% Protected Dynamic Allocation Fund - GBP Class A2	GBP	15,128	2,405,125	16.51%
			14,564,978	100.00%
Cash and cash equivalents and other net assets			277	0.00%
Net assets attributable to holders of redeemable participating shares			14,565,255	100.00%

Analysis of total assets	% of total assets
OTC financial derivative instruments	98.99%
Other net assets	1.01%
Total assets	100.00%

					Fair value USD	% of NAV
Equity Balanced-Beta US Fund			Currency	Nominal holdings		
Total return swaps (Counterparty: Citigroup Global Markets Limited)						
Equity Balanced-Beta US Fund			USD	390,022	133,401,245	100.06%
					133,401,245	100.06%
Forward currency contracts (Counterparty: Citibank N.A.)						
Purchase currency	Amount	Sale currency	Amount	Settlement date	Fair value USD	% of NAV
Class I EUR						
EUR	4,058	USD	(4,490)	29 July 2016	22	0.00%
					22	0.00%
Total financial assets at fair value through profit or loss					133,401,267	100.06%
Cash and cash equivalents and other net liabilities					(79,995)	(0.06%)
Net assets attributable to holders of redeemable participating shares					133,321,272	100.00%

Analysis of total assets	% of total assets
OTC financial derivative instruments	99.92%
Other net assets	0.08%
Total assets	100.00%

Schedule of Investments (continued)

As at 30 June 2016

Red Arc Global Investments (Ireland) plc

Equity Balanced-Beta Eurozone Fund				Currency	Nominal holdings	Fair value EUR	% of NAV
Total return swaps (Counterparty: Citigroup Global Markets Limited)							
Equity Balanced-Beta Eurozone Fund				EUR	469,372	95,561,358	99.86%
						95,561,358	99.86%
Forward currency contracts (Counterparty: Citibank N.A.)							
Purchase currency	Amount	Sale currency	Amount	Settlement date		Fair value USD	% of NAV
Class C USD							
EUR	1,493,677	USD	(1,652,829)	29 July 2016		7,300	0.01%
EUR	2,724,983	USD	(3,029,306)	29 July 2016		748	0.00%
USD	1,561,433	EUR	(1,403,348)	29 July 2016		837	0.00%
						8,885	0.01%
Total financial assets at fair value through profit or loss						95,570,243	99.87%
Financial liabilities at fair value through profit or loss							
Forward currency contracts (Counterparty: Citibank N.A.)							
Purchase currency	Amount	Sale currency	Amount	Settlement date		Fair value USD	% of NAV
Class C USD							
USD	1,299,231	EUR	(1,168,711)	29 July 2016		(321)	(0.00%)
USD	58,988,882	EUR	(53,319,186)	29 July 2016		(270,878)	(0.28%)
Total financial liabilities at fair value through profit or loss						(271,199)	(0.28%)
Cash and cash equivalents and other net assets						398,562	0.41%
Net assets attributable to holders of redeemable participating shares						95,697,606	100.00%
Analysis of total assets							
OTC financial derivative instruments						96.35%	
Other current assets						3.65%	
Total assets						100.00%	

Equity Balanced-Beta UK Fund				Currency	Nominal holdings	Fair value GBP	% of NAV
Total return swaps (Counterparty: Citigroup Global Markets Limited)							
Equity Balanced-Beta UK Fund				GBP	34,762	11,810,815	98.13%
						11,810,815	98.13%
Forward currency contracts (Counterparty: Citibank N.A.)							
Purchase currency	Amount	Sale currency	Amount	Settlement date		Fair value USD	% of NAV
Class C USD							
USD	74,115	GBP	(54,797)	29 July 2016		635	0.01%
USD	95,729	GBP	(71,289)	29 July 2016		308	0.00%
GBP	74,090	USD	(98,740)	29 July 2016		240	0.00%
Class I USD							
USD	6,258	GBP	(4,627)	29 July 2016		54	0.00%
USD	8,085	GBP	(6,021)	29 July 2016		26	0.00%
GBP	6,213	USD	(8,281)	29 July 2016		20	0.00%
Total unrealised gain on forward currency contracts						1,283	0.01%
Total financial assets at fair value through profit or loss						11,812,098	98.14%
Forward currency contracts (Counterparty: Citibank N.A.)							
Purchase currency	Amount	Sale currency	Amount	Settlement date		Fair value USD	% of NAV
Class C USD							
USD	3,045,140	GBP	(2,285,301)	29 July 2016		(7,792)	(0.06%)
Class I USD							
USD	261,136	GBP	(195,976)	29 July 2016		(668)	(0.01%)
Total unrealised loss on forward currnecy contracts						(8,460)	(0.07%)
Total financial liabilities at fair value through profit or loss						(8,460)	(0.07%)
Cash and cash equivalents and other net assets						231,744	1.93%
Net assets attributable to holders of redeemable participating shares						12,035,382	100.00%

Schedule of Investments (continued)

As at 30 June 2016

Red Arc Global Investments (Ireland) plc

Equity Balanced-Beta UK Fund (continued)

Analysis of total assets	% of total assets
OTC financial derivative instruments	98.01%
Other current assets	1.99%
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					Fair value EUR	% of NAV
Currency					Nominal holdings	
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					Fair value GBP	% of NAV
Currency					Nominal holdings	
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				Nominal holdings	Fair value USD	% of NAV
Total return swaps (Counterparty: Citibank N.A.)				Currency		
Harness Macro Currency Fund				USD	16,969	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%	