

ENOVARA PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2011

ENOVARA PLC

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There is no cost involved in the purchase of the derivatives. A margin or premium is paid to set up the contract and inflows and outflows are paid and received based on the market value until the maturity date arises or the derivative is sold out. As a result of this no schedule of largest purchases and sales are included in the financial statements.

ENOVARA PLC

Organisation

Board of Directors

Mike Kirby* (Irish)
Padraig McGowan* (Irish)
Paul McNaughton* (Irish)
Reza Ghassemieh (British/Iranian)
(Resigned 27 May 2010)
Grazia Horn (Italian)
Stephen Cohen (British)
(Appointed 27 May 2010, Resigned 13 July 2011)

* Independent Directors
All are Non-executive Directors of the Company

Registered Office

Enovara Plc
5th Floor
75 St. Stephen's Green
Dublin 2
Ireland

Administrator and Registrar

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Sponsoring Broker

Maples & Calder
75 St. Stephen's Green
Dublin 2
Ireland

Secretary

MFD Secretaries Limited
2nd Floor
Beaux Lane House
Lower Mercer Street
Dublin 2

Investment Manager and Distributor (Effective 1 July 2011)

Nomura Alternative Investment Management (Europe) Limited
1 Angel Lane
London EC4R 3AB
United Kingdom

Investment Manager and Distributor (To 30 June 2011)

Nomura International Plc
Nomura House
1 St. Martin's-Le-Grand
London EC1A 4NP
United Kingdom

Independent Auditors

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Custodian

State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Legal Advisers (in Ireland)

Maples & Calder
75 St. Stephen's Green
Dublin 2
Ireland

Legal Advisers (in U.K.)

Linklaters
1 Silk Street
London EC2Y 8HQ
United Kingdom

ENOVARA PLC

Background to the Company

Enovara Plc (the "Company") is structured as an open-ended investment company with variable capital, structured as an umbrella fund with segregated liability between Sub-Funds and incorporated under the laws of Ireland on 8 August 2005 as a public limited company pursuant to the Companies Acts, 1963 to 2009. The Company has been authorised by the Irish Central Bank (the "Central Bank") pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011.

As an umbrella fund with segregated liability between Sub-Funds, the Company may create different Sub-Funds from time to time. There are currently shares of seven Sub-Funds in issue, the Global Emerging Markets III 80% Protected Fund, the S&P Diversified Trends Indicator Fund, the S&P Diversified Trends Indicator 80% Protected Fund, the RQSI Global Asset Allocation Fund, the Nomura Balanced Index Fund, the Flex Europe Index Linked Fund and the HFRq UCITS III Fund (individually the "Fund", collectively the "Funds").

Investment Objective

Global Emerging Markets III 80% Protected Fund ("GEM III Fund")

The investment objective of the GEM III Fund is to provide Shareholders of each class with a return representing the performance of the Global Emerging Markets III 80% Protected Portfolio (the Reference Asset), denominated in the currency of the relevant Share Class (after accounting for certain fees and expenses). The Reference Asset consisted of a Reserve Asset, being cash in the currency of the relevant Share Class and an Underlying Asset, being Units of the Nomura Global Emerging Markets Index ("NGEM Index").

S&P Diversified Trends Indicator Fund ("S&P DTI Fund")

The investment objective of the S&P DTI Fund is to provide Shareholders of each class with a return representing the performance of the S&P Diversified Trends Indicator Tracker Series (the Reference Asset), denominated in the currency of the relevant Share Class, subject to certain fees and expenses. The Reference Asset is a globally diversified basket of 24 highly liquid commodity and financial futures, equally weighted between commodities and financial futures.

S&P Diversified Trends Indicator 80% Protected Fund ("S&P DTI (80%) Fund")

The investment objective of the S&P DTI (80%) Fund is to provide Shareholders of each class with a return representing the performance of the S&P Diversified Trends Indicator 80% Protected Portfolio (the Reference Asset), denominated in the currency of the relevant Share Class, subject to certain fees and expenses. The Reference Asset comprises of 5 notional portfolios, each consisting of a Reserve Asset, being cash in the currency of the relevant Share Class, and an Underlying Asset, being Units of the S&P Diversified Trends Indicator Tracker Series.

RQSI Global Asset Allocation Fund ("RQSI GAA Fund")

The investment objective of the RQSI GAA Fund is to provide Shareholders of each class with a return representing the performance of the Nomura RQSI GAA Index (the Reference Asset), denominated in the currency of the relevant Share Class, subject to certain fees and expenses. This is achieved by gaining exposure to the Nomura RQSI GAA Index, which represents futures contracts selected and maintained by Nomura International plc in order to provide a dynamic and systematic method of participating across the following asset classes: global equities, global fixed income, commodities and currencies which are selected on the basis of econometric and technical assessment and their fundamental and relative value.

Nomura Balanced Index Fund ("Balanced Index Fund") – launched on 7 May 2010

The investment objective of the Balanced Index Fund is to provide Shareholders of each class with a return linked to the performance of a variety of asset classes, including equities, commodities, real estate and bonds. This is achieved by gaining exposure to the Nomura EUR Balanced Index (the Index), denominated in the currency of the relevant Share Class, subject to certain fees and expenses. The Index aims to deliver the performance of a systematic allocation across the following asset classes: developed market equities, emerging market equities, commodities, real estate, sovereign bonds and investment grade corporate bonds. Each month the Index aims to construct an optimum portfolio from the investment opportunity set offered by these asset classes. The Index's exposure to each asset class is achieved via exchange traded contracts or securities.

Flex Europe Index Linked Fund ("Flex EIL Fund") – launched on 30 July 2010

The investment objective of the Flex EIL Fund is to provide Shareholders of each class with a return representing the performance of the Nomura Flex Europe Index (the Reference Asset), denominated in Euro the currency of the relevant Share Class, subject to certain fees and expenses. The Index aims to significantly outperform a direct

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Background to the Company (continued)

Investment Objective (continued)

investment in the European equity market in the long term and is designed to capture positive performance of the market, while aiming to protect potential gains during market downturns. The Index aims to achieve this by following a strategy which dynamically rebalances between equity and money markets according to a transparent, quantitative mechanism dependent on the momentum and volatility of the underlying equity market.

HFRq UCITS III Fund (“HFRq Fund”) – launched on 5 August 2010

The investment objective of the HFRq Fund is to provide Shareholders of each class with a return linked to the performance of the HFRq UCITS III Index (the Index) which represents long and short futures contracts (together, the "Index Components") on global equities, commodities, currencies, global fixed income and volatility, selected and maintained by Hedge Fund Research, Inc (the "Index Sponsor"). This is achieved by gaining exposure to the Index, denominated in the currency of the relevant Share Class, subject to certain fees and expenses. The Index Components are selected on the basis of an algorithmic and rules-based index methodology in order to seek to achieve a high correlation to the performance of the HFRi Fund Weighted Composite Index [which reflects the performance of a diversified pool of hedge funds]. The Index is calculated by the Index Sponsor and is calculated and published in US Dollars.

Investment Policy of each of the Funds

In order to achieve the above investment objectives, the Company, on behalf of the Funds intends to invest the net proceeds of any issue of Shares (whether on the initial issue date or subsequently) in Funds Assets. Such Funds Assets may include Debt Securities which may include but not be limited to government and corporate bonds and notes (fixed and floating interest rate), commercial paper, asset backed securities and mortgage backed securities, each listed or traded on a stock exchange or market rated "investment grade" by Standard & Poor's and/or Moody's or, if unrated, determined to be of equivalent credit quality by the Investment Manager.

In addition, the Company on behalf of each Fund will enter into one or more Derivative Contracts with one or more Approved Counterparties, which are expected, in most cases, to be Nomura International Plc and/or Nomura Bank International Plc. Such Derivative Contracts will include but not be limited to swaps, futures and options entered into with Approved Counterparties. It is intended that each Fund will enter into separate Derivative Contracts in respect of each Share Class in order to provide Shareholders of each class with a return, and with respect to certain Funds, with protection which is equal to that stated in the relevant Supplement.

There may be one or more Derivative Contracts, each of which will either expose the Fund to the performance of Debt Securities or to the performance of the relevant Reference Asset, in each case in exchange for the Fund paying the value and/or all or part of the income of the Fund Assets to the Approved Counterparties.

The acquisition of and/or entry into the Funds Assets by the Company will be determined by the Investment Manager. The Net Asset Value per Share of a Fund will be calculated by dividing the Net Asset Value of the Fund by the number of Shares in the Fund then in issue or deemed to be in issue as at the Valuation Point for such Dealing Day and rounding the result mathematically to two decimal places or such other number of decimal places as may be determined by the Directors from time to time.

Calculation of Net Asset Value per Share

The Valuation Points for each of the GEM III, S&P DTI and S&P DTI (80%) Funds refers to the close of business in Dublin on each Dealing Day, for the RQSI GAA Fund refers to 4pm in Chicago on each Dealing Day, for the Balanced Index Fund refers to 4.15pm US Eastern time on each Dealing Day, for the Flex EIL Fund refers to 4.35pm Dublin time on each Dealing Day and HFRq Fund refers to 4pm in New York on each Dealing Day. Dealing Day has the meaning set out in the relevant Supplement for each Fund and is any business day on which, amongst others, commercial banks and foreign exchange markets are open and settle payments (including dealings in foreign exchange and foreign currency deposits) in one or more of Chicago, Dublin, London, Luxembourg, New York, Oslo, Tokyo, Stockholm, Target 2 and Zurich (as specified in the relevant supplement).

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Background to the Company (continued)

Calculation of Net Asset Value per Share (continued)

The Net Asset Value per Share will differ on each Dealing Day as: (a) the value of the Derivative Contracts will increase or decrease over time by reference to the performance of the Global Emerging Markets III 80% Protected Fund, S&P Diversified Trends Indicator Fund, S&P Diversified Trends Indicator 80% Protected Fund, RQSI Global Asset Allocation Fund, Balanced Index Fund, Flex EIL Fund and HFRq Fund as applicable; and (b) the value of the Fund's assets will be affected over time by a variety of factors including, amongst others, market risks, credit quality, corporate actions, macro economic factors, including without limitation Sterling, Euro, US Dollar, Swiss Franc, Norwegian Krone, Japanese Yen and Swedish Krona (as applicable) interest rate movements, and speculation.

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Investment Manager's Report

Global Emerging Markets III 80% Protected Fund (GEM III Fund)

Emerging Markets Performance

Global emerging markets had a positive performance for the year ending 31 March 2011, supported by strong fund inflows, higher emerging market currencies, robust economic activity and higher commodity prices.

For the first quarter of 2011, Emerging Markets were flat to positive with the MSCI Emerging Market Index increasing by 1.7% during the period. This was largely due to the positive performance in the later half of March following the fall in Emerging Markets in the first 2 months of year on the back of rising worries about inflation and the geopolitical situation in the Middle East and North Africa.

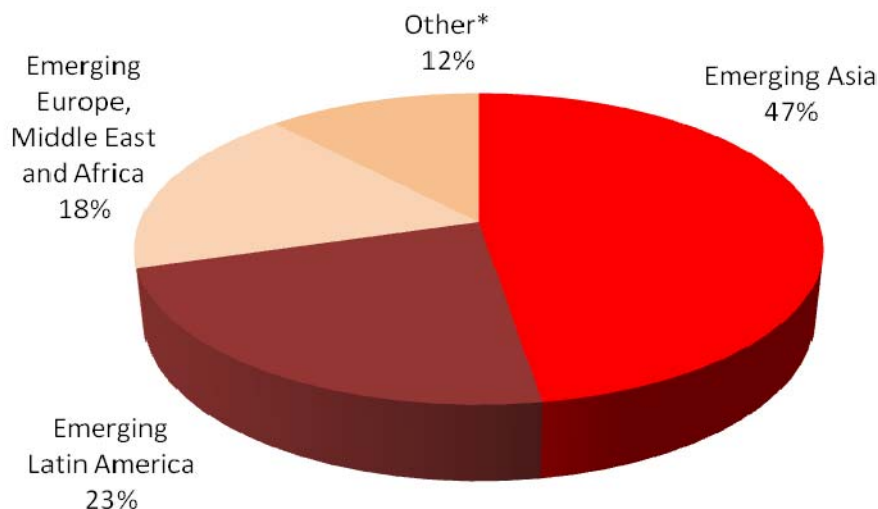
Latin American markets and Russia were among the top performers on the back of strong commodity prices and domestic currency appreciation. Markets in Emerging Asia performed well also on the back of strong exports and consumption demand.

China's Gross Domestic Product (GDP) growth eased during the period, mainly due to the government's efforts to contain inflation. The people's bank of China raised the reserve requirement for banks and interest rates multiple times in an effort to curb inflation that reached its highest level in almost 2 years.

The Indian economy grew 8.9% year on year exceeding market expectations, this was supported by strong manufacturing and construction growth.

The Brazilian economy eased during the year on the removal of stimulus measures. The growth was mainly driven by consumption as investment and government expenditure slowed down.

The regional allocation of the NGEM Index (based on publicly available information as at 31 March 2011) was:



* Cash, ETF's and other non emerging equity regions.

GEM III Fund Performance - EUR A Share Class

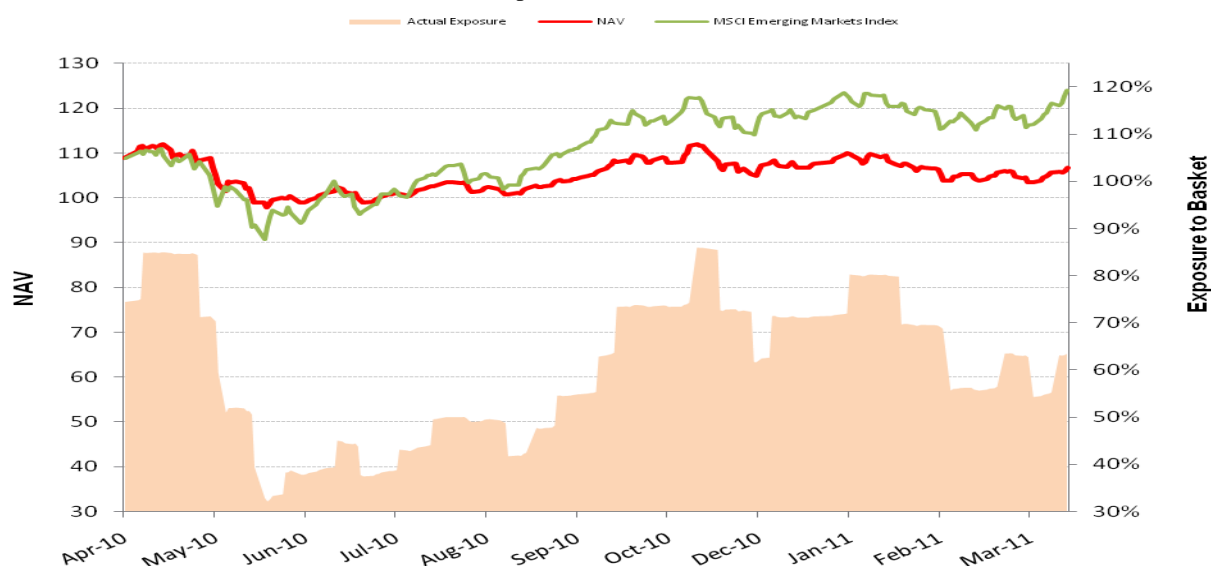
Launched on 29 July 2009, the GEM III Fund was struck at an initial issue NAV of 100 on the 12 August 2009. The Fund has returned a negative performance of -1.83% (EUR A Share Class) for the 12 months to 31 March 2011. The 80% protected level remained constant at 92.43 (EUR A Share Class) during the period and it means that existing and future investors are guaranteed at least this level on sale. The Fund's exposure to the emerging markets index was on an average 60% as the Fund exposure had to be reduced after periods of market sell-offs in order to ensure that investors at least receive the 80% protected level.

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Investment Manager's Report (continued)

GEM III Fund Performance - EUR A Share Class (continued)

Global Emerging Markets III 80% Protected Fund (GEM III Fund) EUR A (1 April 2010 – 31 March 2011)



The returns analysis of the GEM III Fund over the period is set out below:

Performance – EUR A Share Class	
1 month return	2.42%
3 month return	-1.76%
1 year return	-1.83%
Return since inception (annualised)	4.09%
Lock-in Level	92.43
Risk Analysis – EUR A Share Class	
Annualised volatility	12.23%
Assets Under Management – GEM III Fund	
Fund AUM (Base Currency)	USD 63.42M

Investors should note that the performance of other share classes in the GEM III Fund will vary from the figures for the EUR A Share Class given above.

Outlook

We believe emerging markets continue to be in a long-term, upward-moving phase, and we expect this trend to continue in the next 12 months. Even more money is likely to be directed into these markets as investors around the world realise that emerging economies on average are growing at a stronger pace than developed economies and generally have more foreign reserves and lower debt-to-GDP ratios than their developed counterparts. In addition to robust macroeconomic data, financial and fiscal indicators remain positive. Moreover, the search for higher returns in a low interest rate environment coupled with attractive valuations in emerging markets is likely to continue to support equity prices. The main challenge for policymakers in the emerging economies, in contrast to the developed world, is to manage the inflationary pressures associated with economic growth as this has potential to cause sharp sell-offs along the way. However, short-term volatility may provide investors with attractive entry levels, as over the longer term, emerging markets should reflect the underlying strong economic growth in those countries.

6 April 2011

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Investment Manager’s Report (continued)

S&P Diversified Trends Indicator Fund (S&P DTI Fund) and S&P Diversified Trends Indicator 80% Protected Fund (S&P DTI (80%) Fund)

S&P DTI Tracker Series¹ Performance

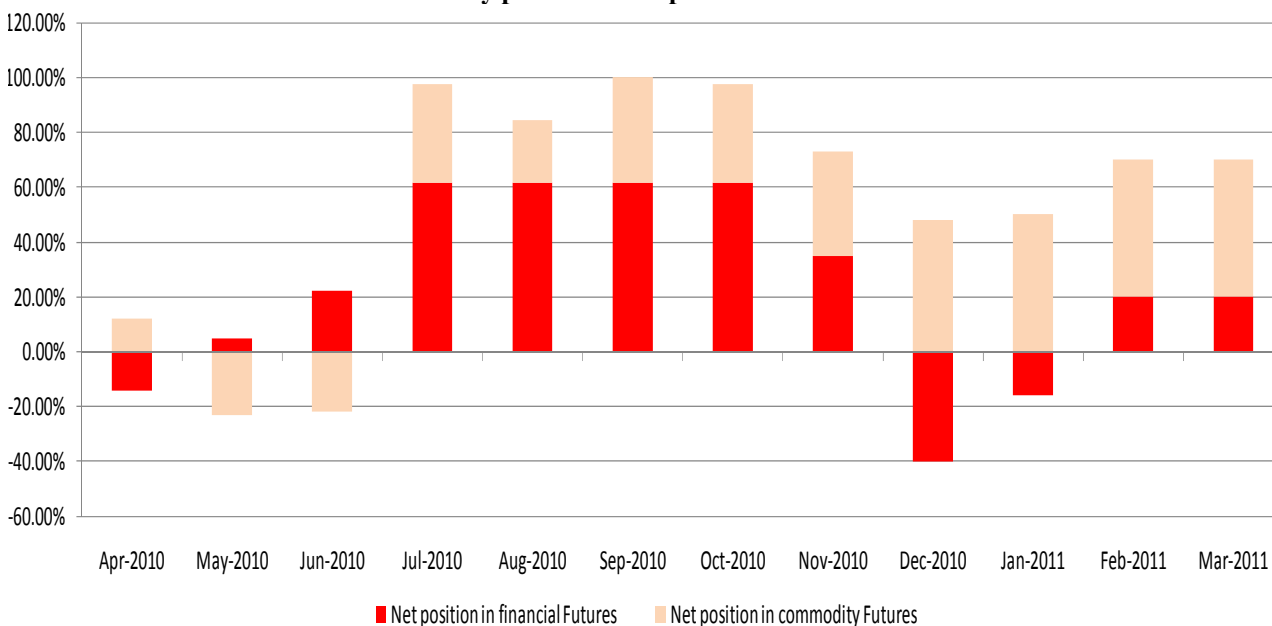
The S&P DTI is an “indicator” which implies and suggests the short-term direction of markets. The performance of the S&P DTI is determined by the commodities and financial futures markets. The indicator generated a +2.90% return for the year ended on 31 March 2011. It was a year of two halves with the indicator posting a negative performance of -5.83% for the first half of the year before recovering in the second half on the back of strong long bias on commodities.

During the first half of the year the S&P DTI poised itself for a slow recovery in 2010 with a jobless growth. As a result it was short on industrial metals and grains for most of the period, long on precious metals and short on low yielding currencies. With markets pricing based on future inflation expectations, commodities for most of the period posted a positive performance and currencies like the Yen moved higher resulting in a negative performance for the S&P DTI.

In late August the Federal Reserve started the second round of quantitative easing to stimulate the economy. This along with more temporary spending and tax cuts resulted in the market anticipating higher inflation. With increasing expectations of inflation, the S&P DTI switched its bias to long commodities during the later half of the year and benefitted from these positions with energy, grains, precious and industrial metals being the standout performers for the second half of the year.

During quarter 1 of 2011 the geopolitical situation in the Middle East and North Africa pushed crude oil prices higher and the long position in energy helped the S&P DTI to absorb the market shock due to the earthquake in Japan.

S&P Diversified Trends Indicator Tracker Series (underlying asset)
– monthly positions for April 2010 to March 2011



Source: Nomura International plc

S&P DTI Fund Performance - EUR A Share Class

The S&P DTI Fund recorded a positive performance of 0.76% (EUR A Share Class) for the year ended 31 March 2011. The Fund started the period with a NAV of EUR 100.36 (EUR A Share Class), finishing with a NAV of EUR 101.12.

¹ S&P DTI Tracker Series (Bloomberg ticker SPDTNV <Index>) is calculated by Standard & Poor’s and reflects the performance of an investment in the S&P DTI Total Return and assumes a charge of 1.25% annually in total fees.

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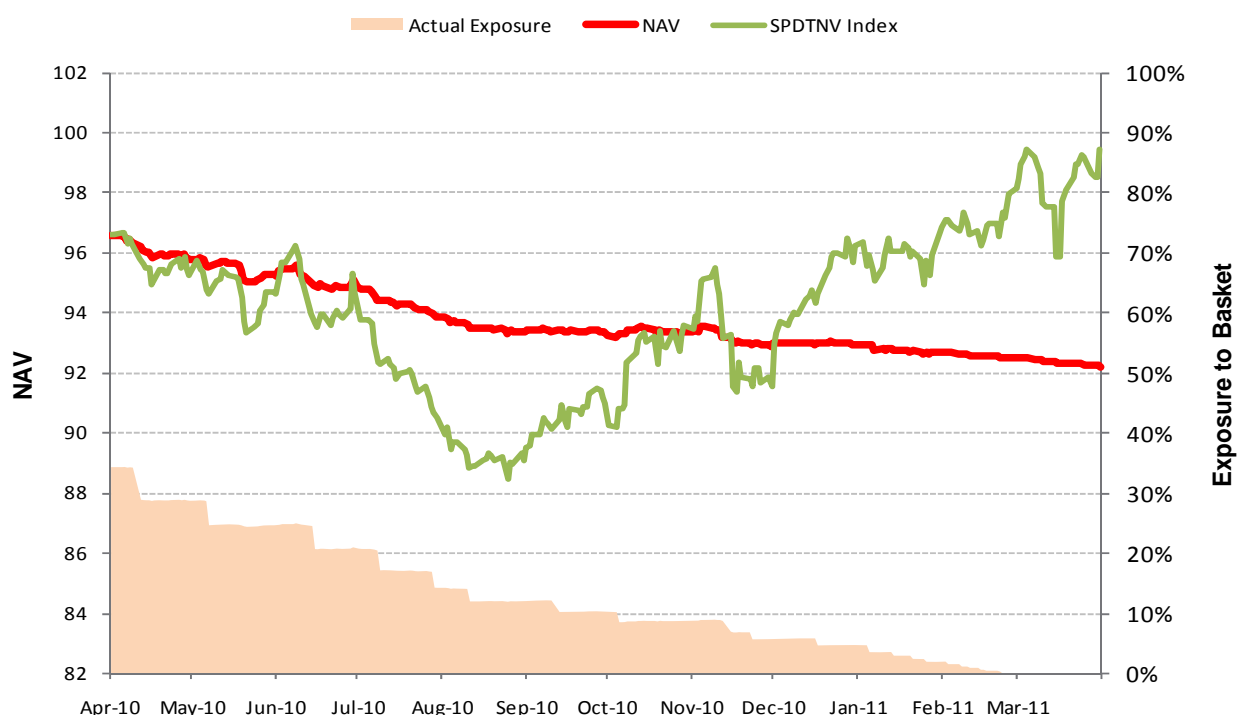
Investment Manager's Report (continued)

S&P DTI Fund Performance - EUR A Share Class (continued)

The S&P DTI Fund tracked, but lagged behind the performance of the underlying Index throughout the period. The Grains sector had the biggest detrimental impact on the Fund with the Index carrying short positions when low stockpiles and reduced global output due to extreme weather conditions in Canada and Russia led to an increase in Grain prices. The Fund also suffered from short positions in copper while it rallied almost 10% in July.

In the Financials half of the index, performance was better but not enough to compensate for the commodity losses. In particular the Fund made strong gains in its positions in US Bonds and Notes futures. The Fund made gains in its short position in the Euro in the first three months of the period but lost these gains as the US Dollar weakened. There were strong gains in long Japanese Yen positions held by the Fund. The Fund recovered these losses in the second half of the financial year as there was a rebound in the S&P DTI.

S&P Diversified Trends Indicator Fund (S&P DTI Fund) EUR A
(1 April 2010 to 31 March 2011)



The returns analysis of the S&P DTI Fund over the period is set out below:

Performance – EUR A Share Class	
1 month return	1.13%
3 month return	3.43%
6 month return	8.13%
1 year return	0.76%
Return since inception (annualised)	0.26%
Risk Analysis – EUR A Share Class	
Annualised volatility	7.92%
Assets Under Management – S&P DTI Fund	
Fund AUM (Base Currency)	USD 106.74M

Investors should note that the performance of other share classes in the S&P DTI Fund will vary from the figures for the EUR A Share Class given above.

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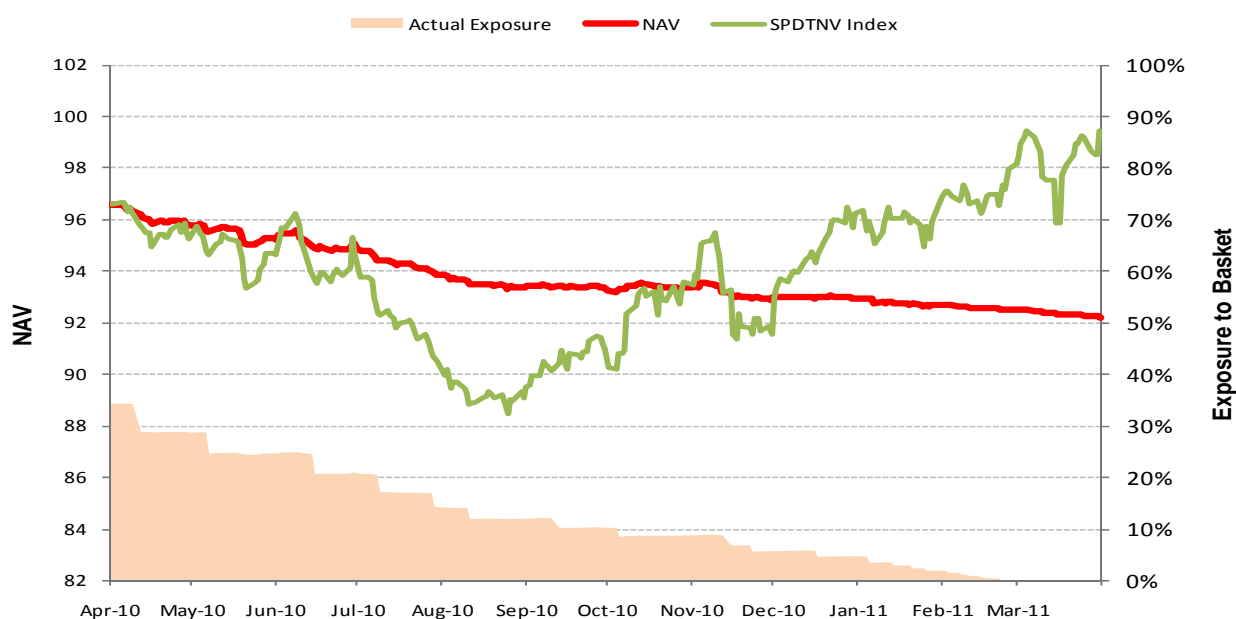
Investment Manager's Report (continued)

S&P DTI (80%) Fund Performance - EUR A Share Class

The S&P DTI 80% Protected Fund recorded a negative performance of -4.54% (EUR A Share Class) for the year ended 31 March 2011. The Fund started the period with a NAV of EUR 96.58 (EUR A Share Class), finishing with a NAV of EUR 92.20.

The Fund lagged behind the performance of the underlying Index throughout 2010 as the exposure to the underlying Index remained low and reached very close to 0% as the Funds exposure was reduced to ensure that shareholders at least receive the 80% protected NAV level. The performance of the S&P DTI 80% Protected Fund was less volatile than the S&P DTI Index itself, or indeed the S&P DTI Fund, on account of the protection feature. The exposure level is now close to zero and the NAV of the Fund is not expected to fluctuate in the future, remaining around the 80% protected level.

S&P Diversified Trends Indicator 80% Protected Fund (S&P DTI 80% Fund) EUR A
(1 April 2010 to 31 March 2011)



The returns analysis of the S&P DTI (80%) Fund over the period is set out below:

Performance – EUR A Share Class	
1 month return	-0.10%
3 month return	-0.64%
6 month return	-1.18%
1 year return	-4.47%
Return since launch date (annualised)	-1.86 %
Lock-in Level	92.128
Risk Analysis – EUR A Share Class	
Annualised volatility	6.60%
Assets Under Management – S&P DTI (80%) Fund	
Fund AUM (Base Currency)	USD 6.67m

Investors should note that the performance of other share classes in the S&P DTI (80%) Fund will vary from the figures for the EUR A Share Class given above.

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Investment Manager's Report (continued)

S&P DTI Funds (continued)

Outlook

S&P DTI continue its long bias for commodities with a view to take advantage of market adjustments in order to price in impending inflation and remain decisively short on US Bonds and Notes.

The geopolitical situation in the Middle East and North Africa is bullish for energy but the aggravating political situation in the region has potential to derail the rebound in economic growth, hence causing stagflation worries for the market. This coupled with the worsening fiscal situation in the EU are the potential risk factors for S&P DTI performance going forward.

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Investment Manager's Report (continued)

RQSI Global Asset Allocation Fund (RQSI GAA Fund)

Performance of the RQSI GAA Fund

The Nomura RQSI GAA Index (the "Index") aims to provide a dynamic and systematic method of participation in four asset classes (global equities, global fixed income, commodities and currencies) via futures contracts which are selected on the basis of econometric and technical assessment and their fundamental and relative value.

The RQSI GAA Index posted a gain of 10.56% for the year ended 31 March 2011. The four asset classes contributed to this performance as follows:

Global Equities – The contribution to the RQSI GAA Index was negative from Global Equities in a relatively strong period for global equities with the MSCI Global index up over 10%. The negative Index contribution, despite the Index having a long bias to equities for most of the year, was due to timing issues.

The Index had a large long weighing in late April / early May to Global Equities during a major market sell-off which hit all markets, but resulted in especially significant losses in ASX (Advanced Semiconductor Engineering). After this sell-off the Index reduced its long exposure until gradually ramping up exposure beginning in quarter 4. The timing of these exposure changes resulted in the Index suffering from the mid-year sell-offs with large exposures in place and not capturing as much upside from the rallies.

Global Fixed Income – Returns contribution to the Index for the period were positive from Global Fixed Income as the bond market rallied very strongly through the end of quarter 3 until experiencing a major pullback in quarter 4. Investors were attracted to the aggressive action of global governments that kept rates "artificially" low throughout the yield curve resulting in major price gains in bonds. US Thirty Year and Ten Year government bonds yields declined to 2010 low levels of 3.5% and 2.4% after beginning the year at 4.8% and 3.7% respectively. After reaching annual lows, yields "rocketed" almost 1% in quarter 4 as investors began to believe that global economies were seeing a real recovery and concerns about quarter 2 stimulated inflation increased.

The Index maintained a long exposure throughout September 2010 at which point the Index exposure experienced fairly dynamic changes ending the year at almost its smallest exposure for the year. Although the Index did reduce exposure significantly late in the year, the Index suffered losses due to the steep decline in bond prices during the period between October and December 2010.

Commodities – Returns contribution to the Index for 2010 were positive for commodities as the Reuters-CRB Index (CRB) posted strong gains in the period. Almost mirroring the equity markets, the CRB was down through the end of August 2010 until staging a rally from September to December. All sectors posted solid gains for the 12 month period led by the strongest performance in grain and precious metals. At Index level, the Index had its largest gains in long positions in grains and short position in natural gas with losses from short positions in sugar, silver and wheat, making up the largest losses.

Currencies – Returns contribution to the Index were positive for currency in a period marked by choppiness in the US Dollar which was up 1% for the year. Masking this small net change were major intra-year moves highlighted by a 12% rally in the Dollar Index through end of May on major concerns about European stability, a subsequent 15% sell-off through to the end of October and a mini-rally and sell-off in November and December to end the year basically unchanged.

At the individual currencies level, returns showed reasonable divergence with the low yielding Japanese Yen and high yielding Australian dollar both gaining through the period with the Euro and British pound down on concerns about the European economy. The Index weightings were remarkably dynamic adjusting to market sentiments on dollar positions with the largest long dollar weighting in June, its largest short dollar exposure on 14 September and experiencing a rapid shift from short dollar to long dollar and then back again by the end of 2010.

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Investment Manager's Report (continued)

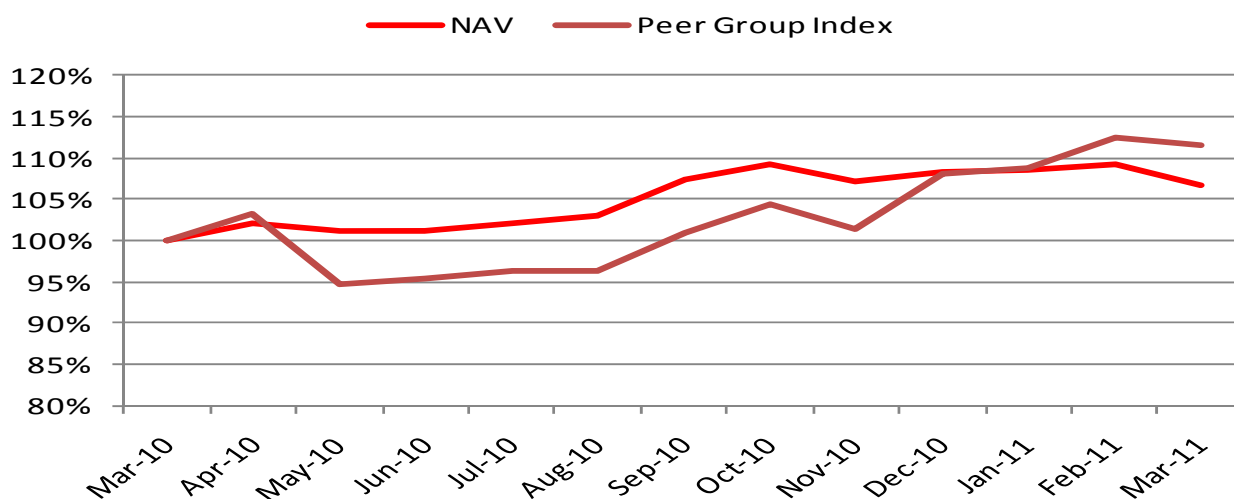
RQSI Global Asset Allocation Fund (continued)

Fund Performance

The RQSI Global Asset Allocation Fund recorded a positive performance of 5.65% (EUR A Share Class) for the year ended 31 March 2011.

The RQSI GAA Index was up 10.56% for the 12 months period ending 31 March 2011. The Index made solid gains in Global Fixed Income and Currencies. The Index kept long exposure in bonds for the first 6 months and switched back to short during the later half of the year and was able to capture the movements in the first quarter of 2011. The Index was able to capture the trends in currencies and made notable gains in short Euro position in April-June 2010 and short dollar positions in June-September 2010. The RQSI GAA Fund was also able to consistently outperform the Peer Group Index* for most of the period after which it lagged behind the Index as CTA's had a strong performance in December 2010 on the back of strong positive performance in commodities.

RQSI Global Asset Allocation Fund (RQSI GAA Fund) EUR A*
(1 April 2010 to 31 March 2011)



The Peer Group Index is a hypothetical index based on an equally weighted basket of 5 well established CTA Funds. It is intended to show the performance of the RQSI GAA Fund in the context of the CTA market generally.

* Base value of 100% as at 31 March 2010.

The returns analysis of the RQSI GAA Fund over the period is set out below:

Performance – EUR A Share Class	
1 month return	-2.44%
3 month return	-1.92%
6 month return	-1.29%
1 year return	5.65%
Return since launch date (annualised)	3.94%
Risk Analysis – EUR A Share Class	
Annualised volatility	6.10%
Assets Under Management – RQSI GAA Fund	
Fund AUM (Base Currency)	USD 128.57m

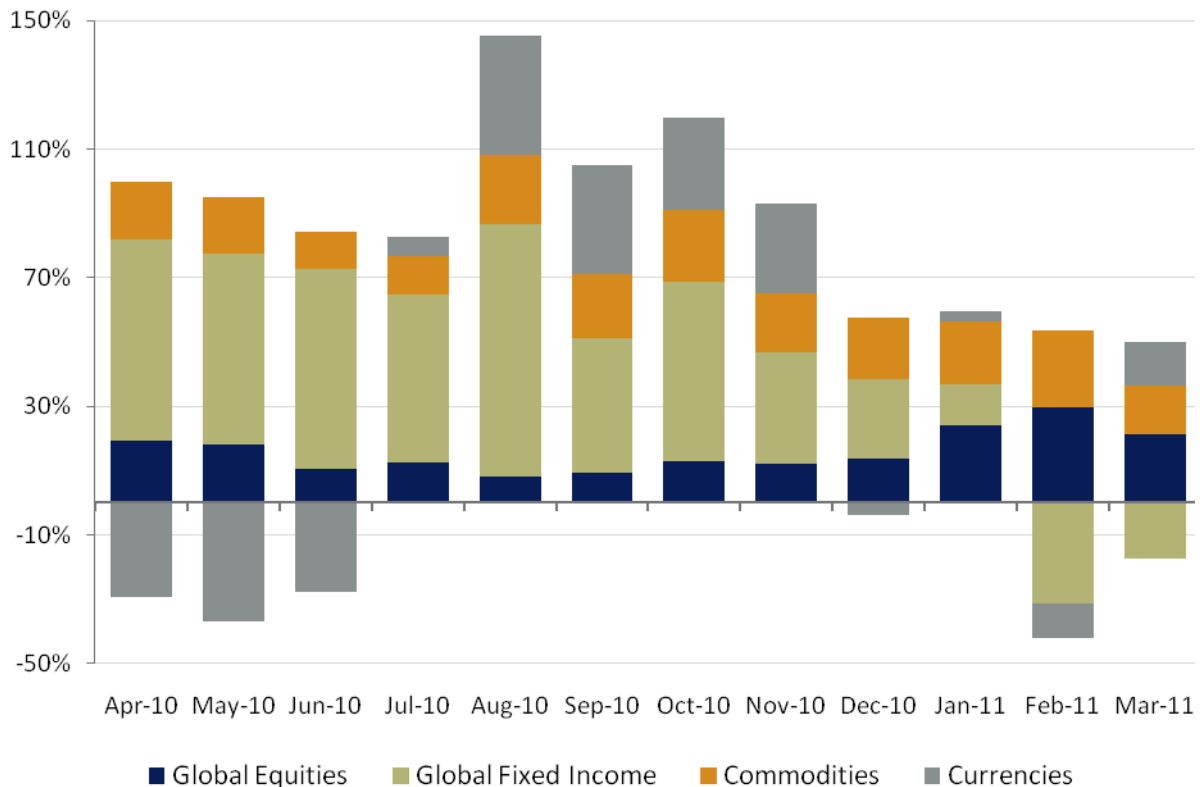
Investors should note that the performance of other share classes in the RQSI GAA Fund will vary from the figures for the EUR A Share Class given above.

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Investment Manager's Report (continued)

RQSI Global Asset Allocation Fund (continued)

Fund Performance (continued)



This chart shows the Monthly Average Net Exposure of the RQSI GAA Fund to each of the four asset classes within the RQSI GAA Index. A positive figure denotes that the Index was on average, positioned long in that particular asset class for the month, a negative figure denotes that the Index was on average, positioned short in that particular asset class over the month. A Monthly Average Net Exposure of more than 100% shows that the Index was on average leveraged over the month.

Outlook

The markets are reverting to a risk seeking mode after the events in Japan and the geopolitical situation lead to risk aversion for the most part of quarter 1, 2011. At present equity and commodity markets are adjusting with a view to price in the revival in economic growth and inflation expectations.

However, the political situation in the Middle East and worsening fiscal situation in developed markets remain key risks and have potential to derail this rally.

At this point having a directional position in most of the asset classes is not without its risks and the ability of Index exposure to change in line with changes in investor risk appetite will be key to the performance of the RQSI GAA Fund in 2011.

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Investment Manager's Report (continued)

Nomura Balanced Index Fund (Balanced Index Fund)

Performance of the Balanced Index Fund

The Nomura Balanced Index Fund (the "Fund") was approved by the Central Bank on 11 March 2010 and became exposed to the underlying index, Nomura EUR Balanced Index ("Index") on 7 May 2010. Hence this commentary covers the period from 7 May 2010 to the year end, 31 March 2011.

The Index had an average exposure of 70% through the period to equities and commodities and hence was exposed to the drawdowns in risky assets during May-June 2010 and quarter 1, 2011 but was almost flat for the period as equities and commodities had strong positive performance during the period.

Sovereign and investment grade corporate bonds returned moderate negative performance in quarter 2 after which the Index was no longer exposed to them.

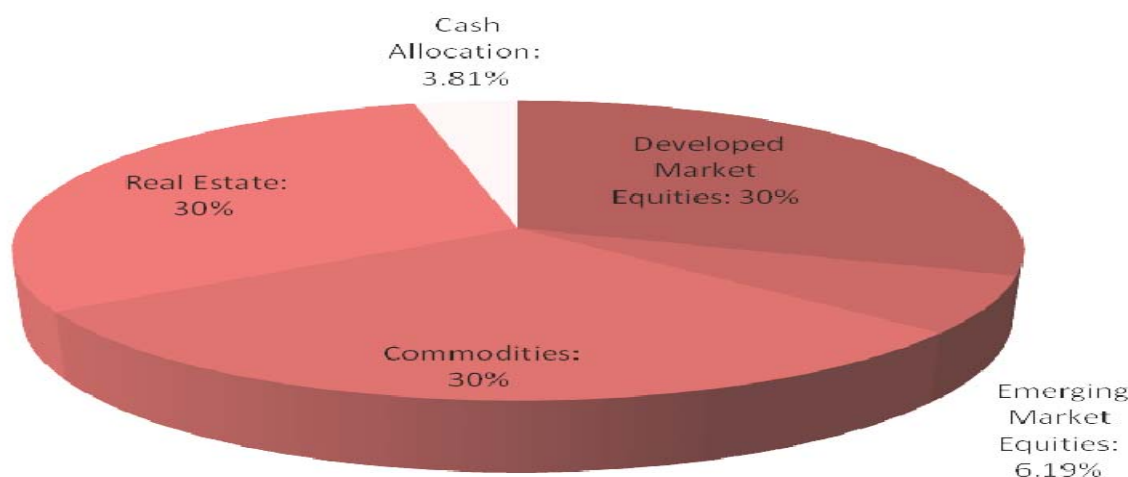
During quarter 1, 2011 the Index moved in sync with the investor risk appetite for equities and commodities and hence was exposed to risk aversion after the earthquake and nuclear disaster in Japan but rebounded in line with the pull back in equities and commodities towards the end of the quarter.

Both developed and emerging market equities had a strong positive performance during the period though market performance varied widely as European and Japanese Equity markets lagged the US and Emerging Markets. This resulted in almost a flat contribution from equities to the Index.

Commodities retreated initially on worries about a "double dip" in developed market economies during June 2010 but pulled back smartly to have a strong positive performance for the period. The Index had an average exposure of 12% to commodities for the period and benefitted from the positive performance.

The Index benefitted from its exposure to sovereign and investment grade corporate bonds during quarter 2, 2010 but the exposure was reduced in early quarter 3, 2010 as the global yields pulled up leading to a decline in bond prices. The Index had an average exposure of 15% for the period.

Composition of the Nomura EUR Balanced Index – 31 March 2011



Source: Nomura International plc. The data is compiled using the most recent publicly available data based on sources we believe to be reliable, however we do not represent that it is accurate or complete.

ENOVARA PLC

Investment Manager's Report (continued)

Nomura Balanced Index Fund (continued)

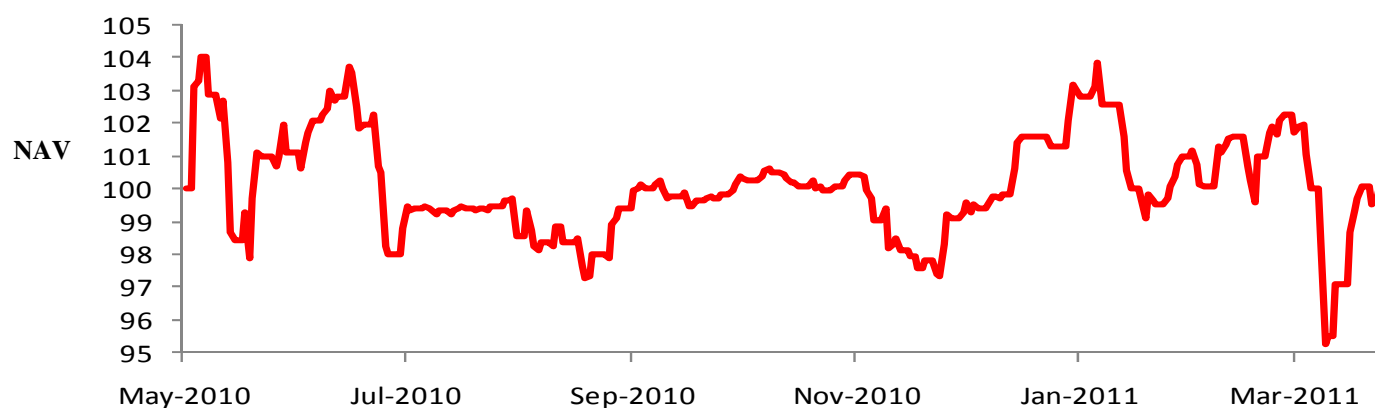
Fund Performance

The Nomura Balanced Index Fund was approved by the Central Bank on 11 March 2010 and made a return of 0.15% (EUR A Share Class) in the period ending 31 March 2011.

The flat performance of the Fund can be explained by the mixed performance of the Index during the period. During the first 3 months of launch the Index suffered from unfortunate timing issues as it switched exposure from equities and commodities to fixed income assets after a June sell off and was exposed to retraction in global bond prices.

Henceforth, the Index was weighted more towards risky assets and hence was exposed to the volatile performance of these assets evident in the drawdown in November 2010 and a sharp pullback in December 2010.

Nomura Balanced Index Fund (Balanced Index Fund) EUR A
(inception to 31 March 2011)



Source: Nomura International plc, based on data provided by Bloomberg. All performance data is calculated in EUR. The above performance should in no way be construed as a projection of future returns.

The returns analysis of the Balanced Index Fund over the period is set out below:

Performance – EUR A Share Class	
1 month return	-1.52%
3 month return	-1.12%
6 month return	0.43%
Return since launch date (annualised)	0.17%
Risk Analysis – EUR A Share Class	
Annualised volatility	10.15%
Assets Under Management – Balanced Index Fund	
Fund AUM (Base Currency)	EUR 17.06m

Investors should note that the performance of other share classes in the Balanced Index Fund will vary from the figures for the EUR A Share Class given above.

Investment Manager's Report (continued)

Nomura Balanced Index Fund (continued)

Outlook

The Nomura EUR Balanced Index starts the period with majority of its weight concentrated in developed market equities, real estate and commodities. With markets pricing in higher inflation expectations and a revival in economic growth in developed equity markets these allocations should help the Index in generating a positive performance for next quarter.

We believe that the Fiscal situation in peripheral countries in Europe, the geopolitical situation in the Middle East and North Africa and the risk of stagflation because of high energy prices remain potential risk factor to the Index performance in the next quarter.

6 April 2011

ENOVARA PLC

Investment Manager's Report (continued)

Flex Europe Index Linked Fund (Flex EIL Fund)

Performance of the Flex EIL Fund

The Flex Europe Index Linked Fund (the "Fund") was approved by the Central Bank on 28 July 2010 and became exposed to the underlying index, Nomura Flex Europe Total Return Index (the "Index") on 30 July 2010. Hence this commentary covers the period from 30 July 2010 to the year end, 31 March 2011.

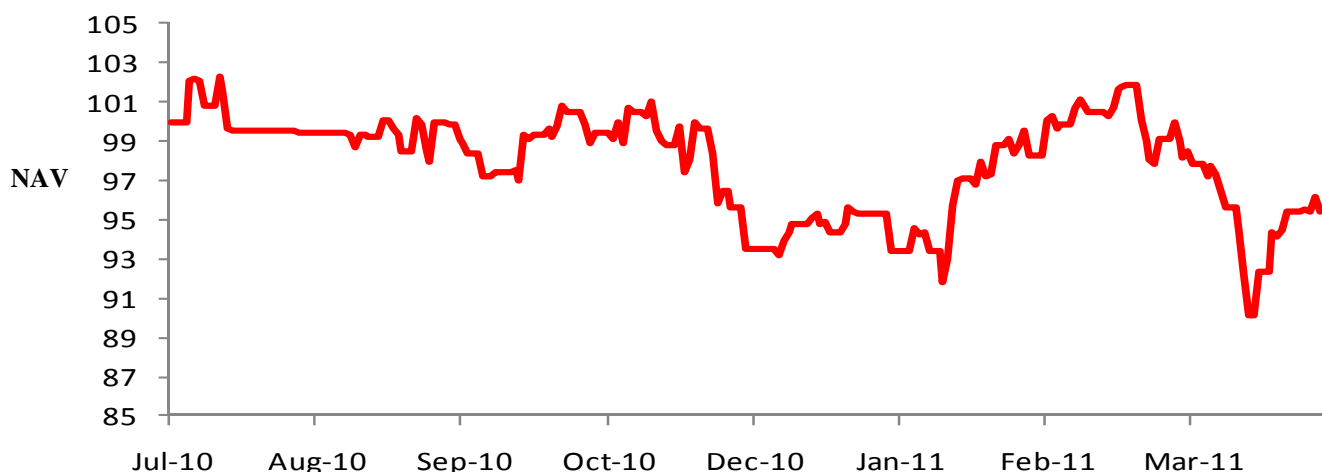
The Index had a negative performance of -3.22% during the period while the Market asset for the Index i.e. the EuroStoxx 50 Total Return Index ("Eurostoxx 50 TR") posted a positive performance of 7.13% during the period. The divergence in Index performance and performance of the Market Asset was the result of the Market Asset being volatile as concern over sovereign debt, and potential problems within continental banks, weighed heavily on European equities. In 2010, for the first time since the euro's inception in 1999, its very survival was being seriously questioned as peripheral members such as Portugal, Ireland, Italy, Greece and Spain struggled with stagnant economies and apparently unsustainable levels of sovereign debt. Long-standing doubts about the one-size-fits-all monetary policy, and concerns over the lack of fiscal convergence, rose to the fore. However, the €750bn IMF/EU package announced in May, as well as significant loan packages to Ireland, helped to quell these fears. Such measures showed that politicians were committed to ensuring the survival of the euro area. As a result, European equities were able to advance overall, rising particularly sharply in December as an improving global economic outlook bolstered investor confidence.

Fund Performance

The Flex Europe Index Linked Fund recorded a negative performance of -4.59% since inception.

The negative performance of the Fund can be attributed to negative Index performance. The Index was not able to capture the sharp rebound in equity prices as it reduced its exposure to Market Assets during sell-offs and due to conflicting signals could not adjust the exposure quickly enough to capture sharp rebounds. Nevertheless, the Index was able to protect the Fund during period of market downturns.

Flex Europe Index Linked Fund (Flex EIL Fund) EUR A
(inception to 31 March 2011)



Source: Nomura International plc, based on data provided by Bloomberg. All performance data is calculated in EUR. The above performance should in no way be construed as a projection of future returns.

ENOVARA PLC

Investment Manager's Report (continued)

Flex Europe Index Linked Fund (continued)

Fund Performance (continued)

The returns analysis of the Flex EIL Fund over the period is set out below:

Performance – EUR A Share Class	
1 month return	-4.59%
3 month return	2.16%
Return since launch date	-4.59%
Return since launch date (annualised)	-6.79%
Risk Analysis – EUR A Share Class	
Annualised volatility	14.52%
Sharpe ratio	-0.51
Assets Under Management – Flex EIL Fund	
Fund AUM (Base Currency)	EUR 9.57m

Investors should note that the performance of other share classes in the Flex EIL Fund will vary from the figures for the EUR A Share Class given above.

Outlook

The euro zone will certainly face further significant challenges going forward. Investors will be seeking reassurance that the authorities have the wherewithal to allow peripheral members to overcome their short-term financing difficulties. In addition, they will be expecting the introduction of measures that will allow the euro zone not just to survive but to flourish in the longer term.

We believe that the euro zone will continue to comprise a three-tier economy over the coming year and beyond. The fastest-growing group consists of Germany and the Nordic countries, which have strongly competitive economies and whose exports, bolstered by the weak euro, are fuelling growth. Meanwhile, the struggling peripheral economies, with high levels of sovereign debt and massive public sector deficits, populate the laggards whereas countries such as France, which lie in the middle, are benefiting from fiscal and economic stimulus.

6 April 2011

ENOVARA PLC

Investment Manager's Report (continued)

HFRq UCITS III Fund (HFRq Fund)

Performance of the HFRq Fund

The HFRq UCITS III Fund (the "Fund") was approved by the Central Bank on 28 July 2010 and became exposed to the underlying index, HFRq UCITS III Index ("Index") on 5 August 2010. Hence this commentary covers the period from 5 August 2010 to the year end, 31 March 2011.

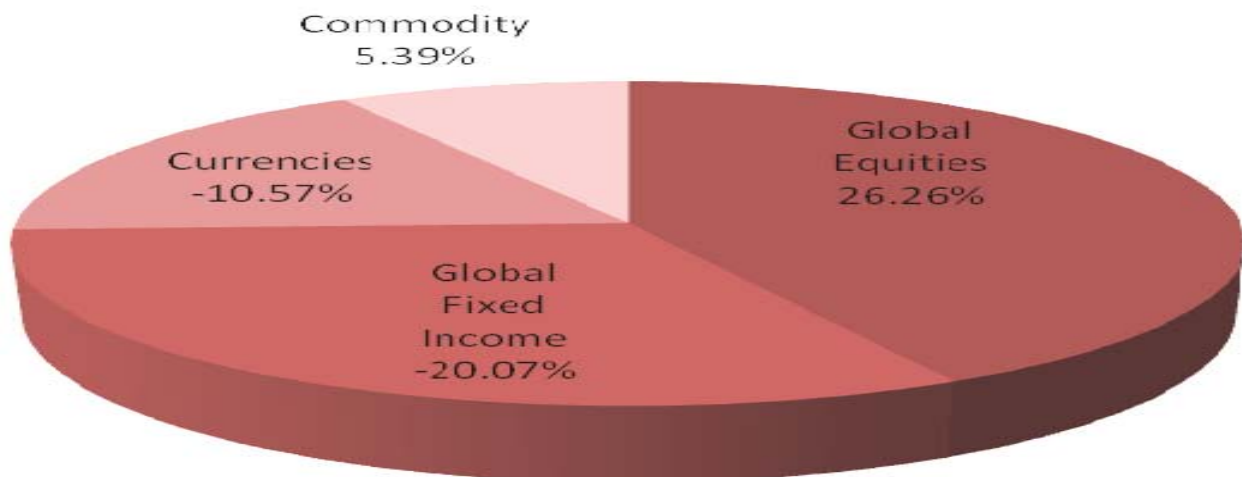
The HFRQ UCITS III Index (Index") posted a positive performance of +6.64% during the period. The Index followed a trend towards less risky exposures in quarter 3, 2010 and had a neutral equity market exposure with a small increase in fixed income exposure which had increased towards the end of quarter which was continued into quarter 4. The Index benefitted from high exposures to equities and commodities during the quarter.

Since the start of the year in response to increasing geopolitical risk, exposure to risky assets has been progressively reduced and switched to more protection seeking positions. This helped the Index in gaining a significant positive performance during quarter 1, 2011 and the Index was able to protect itself from global shocks.

The HFRI Fund Weighted Composite Index ("Benchmark") posted a positive return of 10.46% during the period and the Index achieved a high positive correlation of 92% to benchmark during the period.

The period was marked by a broad positive performance by all Hedge Fund strategies barring the short bias ones. HFRI Macro index was up +6%, HFRI Event Driven was up +10%. HFRI Fixed Income –Convertible Arbitrage was up +9.2% and HFRI Emerging Market was up +10%.

Composition of the HFRq UCITS III Index – 31 March 2011



Fund Performance

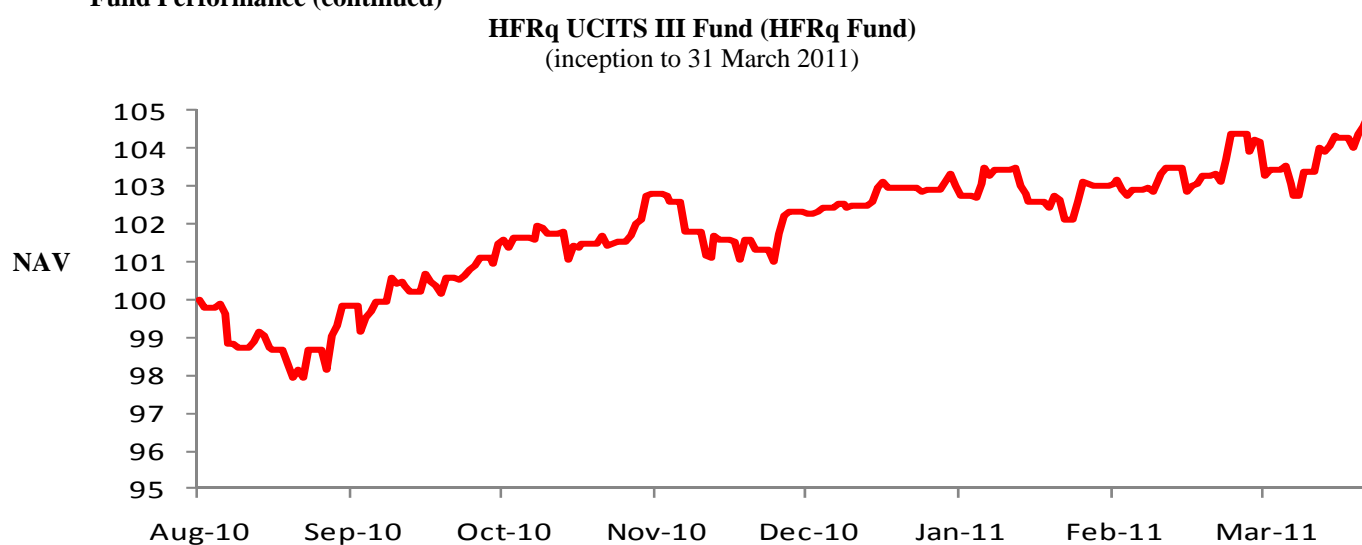
The HFRq UCITS III Fund was approved by the Central Bank on 28 July 2010 and became exposed to the HFRq UCITS III Index on 5 August 2010. Hence, the Fund Performance covers the period starting 5 August 2010 and ending on 31 March 2011. The Fund posted a positive performance of +4.90% (EUR A Share Class) during the period.

ENOVARA PLC

Investment Manager's Report (continued)

HFRq UCITS III Fund (continued)

Fund Performance (continued)



The returns analysis of the HFRq Fund over the period is set out below:

Performance – EUR A Share Class

1 month return	1.54%
3 month return	1.96%
Return since launch date	4.90%
Return since launch date (annualised)	7.61%

Risk Analysis – EUR A Share Class

Annualised volatility	4.87%
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Assets Under Management – HFRq Fund

Fund AUM (Base Currency)	USD 19.58m
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Investors should note that the performance of other share classes in the HFRq Fund will vary from the figures for the EUR A Share Class given above.

Outlook

If we compare the performance of Hedge Fund Replicators during the period with Risky Asset Classes then they have moved in line with the positive performance of these asset classes except for quarter 1, 2011 when towards the end of January managers started moving their portfolios into a protection seeking mode and hence were able to absorb market shocks during early March. This performance was reflective of the ability of the hedge fund universe to benefit both from rising and falling markets.

The market environment looks optimistic with positive economic data from developed markets and strong growth in emerging markets. The commodities are looking attractive as markets are pricing in inflation expectations for future years. However, the possibility of higher energy prices on account of increased tensions in the Middle East as well as continual fiscal worries in Europe has potential to derail this scenario. Hence we expect this to be a year where the ability of managers to dynamically switch their exposures in line with the market environment will determine the success of hedge fund strategies. Historically, hedge fund strategies have typically done well in such periods due to their ability to capture both directional as well as sideways market movements.

6 April 2011

ENOVARA PLC

Custodian's Report to the Shareholders of Enovara Plc

We have enquired into the conduct of Enovara Plc ("the Company") for the year ended 31 March 2011, in our capacity as Custodian 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 Central Bank's UCITS Notice 4, 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 Custodian

Our duties and responsibilities are outlined in the Central Bank's UCITS Notice 4. 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 and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the year, 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 and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended, ('the Regulations'); and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association and the Regulations.

State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Date: 13 July 2011

ENOVARA PLC

Directors' Report

The Directors present herewith the annual report and audited financial statements for the year ended 31 March 2011.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable Irish Law and Generally Accepted Accounting Practice in Ireland including the Accounting Standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Irish Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those 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, 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 confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements are prepared in accordance with the accounting standards generally accepted in Ireland and comply with the Irish Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the "UCITS Regulations"). To this end, the Company has appointed State Street Fund Services (Ireland) Limited to provide it with fund accounting, administration and transfer agency services. The Directors 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. To this end, the Company has appointed State Street Custodial Services (Ireland) Limited as Custodian of its assets.

The measures taken by the Directors to ensure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and the appointment of competent persons. The books of account are held at 78 Sir John Rogerson's Quay, Dublin 2, Ireland.

Review of Business and Future Developments

The Company has been approved by the Central Bank as an investment company pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2011.

The investment objectives and policies of the Company's Funds are outlined in the Background to the Company and the performance for each of the Funds is set out in the Investment Manager's Reports.

The Nomura Balanced Index Fund launched on 7 May 2010.

Mr. Reza Ghassemieh resigned as a Director of Enovara Plc on 27 May 2010.

Mr. Stephen Cohen was appointed as a Director of Enovara Plc on 27 May 2010 and resigned as Director on 13 July 2011. Mr. Cohen is an employee of Nomura International Plc.

The Flex Europe Index Linked Fund launched on 30 July 2010.

The HFRq UCITS III Fund launched on 5 August 2010.

The S&P DTI (80%) Fund SEK Retail Class was fully redeemed on 15 September 2010.

The Nomura Balanced Index 100% Guaranteed Fund (EUR) was approved by Central Bank on 21 December 2010 and the open offer period for same started on 3 February 2011. The Fund is expected to launch on 23 October 2011.

The RQSI Plus Global Asset Allocation Fund was approved by the Central Bank on 19 May 2011. The Initial Offer period for the Fund has been extended to 31 July 2011 and the proposed Initial Issue date for the Fund is 1 August 2011.

Effective 1 July 2011 Nomura Alternative Investment Management (Europe) Limited replaced Nomura International Plc as Investment Manager and Distributor to the Company.

The S&P DTI (80%) Fund is expected to terminate on 15 July 2011.

ENOVARA PLC

Directors' Report (continued)

Risk Management Objectives and Policies

Details of the Company's risk management objectives and policies are included in note 12 to the financial statements.

Results

The results for the year are set out in the Profit and Loss Account.

Directors

The Directors of the Company as at 31 March 2011 are set out below. All of the Directors have been Directors for the year unless otherwise stated.

Mr. Mike Kirby (Irish)

Mr. Padraig McGowan (Irish)

Mr. Paul McNaughton (Irish)

Ms. Grazzia Horn (Italian)

Mr. Stephen Cohen (British) (appointed 27 May 2010, resigned 13 July 2011)

The independent Directors of the Company are Mr. Mike Kirby, Mr. Padraig McGowan and Mr. Paul McNaughton.

All Directors are Non-executive Directors of the Company.

Directors' Interests

The Board of Directors are not aware of any shareholding in the share capital of the Company by any Director during the year ended 31 March 2011, other than those noted below. The interests of the Directors in related parties are disclosed in note 11 of the financial statements.

Transactions Involving Directors

Save in respect of Grazzia Horn holding one subscriber share of the Company, the Board of Directors is not aware of any contracts or arrangements of any significance in relation to the business of the Company in which the Directors or Company Secretary had any interest as defined in the Companies Act 1990 at any time during the year ended 31 March 2011 other than those already disclosed in note 11 of the financial statements.

Employees

There were no employees of the Company through the year.

Independent Auditors

The auditors, PricewaterhouseCoopers, will be re-appointed in accordance with Section 160(2) of the Companies Act, 1963.

Subsequent Events

The RQSI Plus Global Asset Allocation Fund was approved by the Central Bank on 19 May 2011. The Initial Offer period for the Fund has been extended to 31 July 2011 and the proposed Initial Issue date for the Fund is 1 August 2011.

Effective 1 July 2011 Nomura Alternative Investment Management (Europe) Limited replaced Nomura International Plc as Investment Manager and Distributor to the Company.

Mr. Stephen Cohen resigned as a Director of Enovara Plc on 13 July 2011.

The S&P DTI (80%) Fund is expected to terminate on 15 July 2011.

ON BEHALF OF THE BOARD

PADRAIG MCGOWAN

MIKE KIRBY

Date: 13 July 2011

ENOVARA PLC

Independent Auditors' report to the Shareholders of Enovara Plc (the "Company")

We have audited the Company's financial statements for the year ended 31 March 2011 which comprise the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders, the Schedule of Investments and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the Financial Statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's Shareholders as a body in accordance with Section 193 of the Companies Act, 1990 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 or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the Company has kept proper books of account; and
- whether the Directors' report is consistent with the financial statements.

We also report to you if, in our opinion, any information specified by law regarding Directors' remuneration and Directors' transactions is not disclosed and where practicable, include such information in our report.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs at 31 March 2011 and of its results for the year then ended and

ENOVARA PLC

Independent Auditors' report to the Shareholders of Enovara Plc (the “Company”) (continued)

Opinion (continued)

- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company's financial statements are in agreement with the books of account. In our opinion the information given in the Directors' report is consistent with the financial statements.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

Date: 25 July 2011

ENOVARA PLC

Profit and Loss Account

For the year ended 31 March 2011

		TOTAL	GEM III FUND	S&P DTI FUND	S&P DTI (80%) FUND
		EUR	USD	USD	USD
Income	Notes				
Interest Income	(1)	121,902	-	-	-
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	(2)	17,639,988	3,755,112	9,533,489	3,397
Total Investment Income/(Expense)		17,761,890	3,755,112	9,533,489	3,397
Operating Expenses					
Management Fee	(7)	(1,940,911)	(454,038)	(1,055,448)	(126,222)
Performance Fee	(3)	(569,026)	-	-	-
Other Operating Expenses	(3)	(2,025,226)	(707,813)	(1,261,126)	(125,134)
Total Operating Expenses		(4,535,163)	(1,161,851)	(2,316,574)	(251,356)
Net Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Shareholders from Operations		13,226,727	2,593,261	7,216,915	(247,959)

Gains and losses arose on continuing operations. There were no gains or losses other than those dealt with in the Profit and Loss Account above.

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

ON BEHALF OF THE BOARD

PADRAIG MCGOWAN

MIKE KIRBY

Date: 13 July 2011

ENOVARA PLC

Profit and Loss Account

For the year ended 31 March 2011

		RQSI GAA FUND USD	BALANCED INDEX FUND EUR *	FLEX EIL FUND EUR **	HFRq FUND USD ***
Income	Notes				
Interest Income	(1)	119,340	-	-	42,435
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	(2)	7,571,511	162,271	(319,924)	2,755,741
Total Investment Income/(Expense)		7,690,851	162,271	(319,924)	2,798,176
Operating Expenses					
Management Fee	(7)	(671,775)	(51,591)	(73,157)	(102,747)
Performance Fee	(3)	(755,155)	-	-	-
Other Operating Expenses	(3)	(335,061)	(65,178)	(41,493)	(116,980)
Total Operating Expenses		(1,761,991)	(116,769)	(114,650)	(219,727)
Net Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Shareholders from Operations		5,928,860	45,502	(434,574)	2,578,449

Gains and losses arose on continuing operations. There were no gains or losses other than those dealt with in the Profit and Loss Account above.

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

*The Nomura Balanced Index Fund (Balanced Index Fund) launched on 7 May 2010.

**The Flex Europe Index Linked Fund (Flex EIL Fund) launched on 30 July 2010.

***The HFRq UCITS III Fund (HFRq Fund) launched on 5 August 2010.

ON BEHALF OF THE BOARD

PADRAIG McGOWAN

MIKE KIRBY

Date: 13 July 2011

ENOVARA PLC

Profit and Loss Account

For the year ended 31 March 2010

		TOTAL	GEM	GEM	S&P	S&P DTI	RQSI
		FUND	III	DTI	(80%)	GAA	
		FUND	FUND	FUND	FUND	FUND	
		EUR	USD	USD	USD	USD	
			*	**		***	
Income	Notes						
Interest Income	(1)	-	-	-	-	-	-
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	(2)	4,996,436	2,482,348	(1,227,063)	5,860,586	368,792	(415,705)
Total Investment Income/(Expense)		4,996,436	2,482,348	(1,227,063)	5,860,586	368,792	(415,705)
Operating Expenses							
Management Fee	(7)	(1,658,379)	(102,427)	(113,715)	(1,868,246)	(261,887)	-
Performance Fee	(3)	(15,660)	-	-	-	-	(22,156)
Other Operating Expenses	(3)	(1,631,313)	(75,203)	(215,584)	(1,783,319)	(182,735)	(51,140)
Total Operating Expenses		(3,305,352)	(177,630)	(329,299)	(3,651,565)	(444,622)	(73,296)
Net Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Shareholders from Operations							
		1,691,084	2,304,718	(1,556,362)	2,209,021	(75,830)	(489,001)

Gains and losses arose on continuing and discontinued operations (terminated fund is set out below). There were no gains or losses other than those dealt with in the Profit and Loss Account above.

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

*The Global Emerging Markets 80% Protected Portfolio Fund (GEM Fund) terminated on 15 December 2009.

**The Global Emerging Markets III 80% Protected Fund (GEM III Fund) launched on 29 July 2009.

*** The RQSI Global Asset Allocation Fund (RQSI GAA Fund) launched on 28 September 2009.

ENOVARA PLC

Balance Sheet as at 31 March 2011

	Notes	TOTAL EUR	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD
Current Assets					
Financial assets at fair value through profit or loss:					
Investments at fair value	(1)	100,511,520	-	-	-
Total return swaps at fair value	(1)	151,983,847	63,672,434	107,267,213	6,737,280
Unrealised gain on forward foreign currency exchange contracts	(1)	1,118,848	-	-	-
		<u>253,614,215</u>	<u>63,672,434</u>	<u>107,267,213</u>	<u>6,737,280</u>
Debtors	(4)	690,601	121,471	118,761	1,396
Cash and cash equivalents		<u>3,366,949</u>	<u>27,899</u>	<u>52,472</u>	<u>6,841</u>
Total Current Assets		257,671,765	63,821,804	107,438,446	6,745,517
Current Liabilities					
Financial liabilities at fair value through profit or loss					
Unrealised loss on forward foreign currency exchange contracts	(1)	(45,400)	-	-	-
Creditors (amounts falling due within one year)	(5)	(1,768,824)	(398,345)	(433,318)	(69,683)
Bank Overdraft		<u>(217,724)</u>	<u>(2,874)</u>	<u>(261,457)</u>	<u>(1,844)</u>
Total Current Liabilities		(2,031,948)	(401,219)	(694,775)	(71,527)
Net Assets Attributable to Redeemable Participating Shareholders		<u>255,639,817</u>	<u>63,420,585</u>	<u>106,743,671</u>	<u>6,673,990</u>

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

ON BEHALF OF THE BOARD

PADRAIG MCGOWAN

MIKE KIRBY

Date: 13 July 2011

ENOVARA PLC

Balance Sheet as at 31 March 2011

	Notes	RQSI GAA FUND USD	BALANCED INDEX FUND EUR *	FLEX EIL FUND EUR **	HFRq FUND USD ***
Current Assets					
Financial assets at fair value through profit or loss:					
Investments at fair value	(1)	122,635,898	-	-	20,000,000
Total return swaps at fair value	(1)	-	17,157,116	9,622,780	-
Unrealised gain on forward foreign currency exchange contracts	(1)	1,560,227	197	-	27,250
		<u>124,196,125</u>	<u>17,157,313</u>	<u>9,622,780</u>	<u>20,027,250</u>
Debtors	(4)	548,791	34,976	31,086	95,864
Cash and cash equivalents		<u>4,302,167</u>	<u>-</u>	<u>-</u>	<u>388,659</u>
Total Current Assets		129,047,083	17,192,289	9,653,866	20,511,773
Current Liabilities					
Financial liabilities at fair value through profit or loss:					
Unrealised loss on forward foreign currency exchange contracts	(1)	(54,851)	(6,748)	-	-
Creditors (amounts falling due within one year)	(5)	(417,363)	(93,575)	(88,440)	(933,131)
Bank Overdraft		<u>-</u>	<u>(30,158)</u>	<u>-</u>	<u>-</u>
Total Current Liabilities		(472,214)	(130,481)	(88,440)	(933,131)
Net Assets Attributable to Redeemable Participating Shareholders		<u>128,574,869</u>	<u>17,061,808</u>	<u>9,565,426</u>	<u>19,578,642</u>

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

*The Nomura Balanced Index Fund (Balanced Index Fund) launched on 7 May 2010.

**The Flex Europe Index Linked Fund (Flex EIL Fund) launched on 30 July 2010.

***The HFRq UCITS III Fund (HFRq Fund) launched on 5 August 2010.

ON BEHALF OF THE BOARD

PADRAIG McGOWAN

MIKE KIRBY

Date: 13 July 2011

ENOVARA PLC

Balance Sheet as at 31 March 2010

		TOTAL	GEM	GEM	S&P	S&P DTI	RQSI
		EUR	FUND	III	DTI	(80%)	GAA
	Notes		USD	FUND	FUND	FUND	FUND
			*	USD	USD	USD	USD
				**			***
Current Assets							
Financial assets at fair value through profit or loss							
Investments at fair value	(1)	10,346,611	-	-	-	-	14,000,000
Total return swaps at fair value	(1)	153,943,779	-	48,387,260	148,603,951	11,310,115	-
Unrealised gain on forward foreign currency exchange contracts	(1)	33,205	-	-	-	-	44,930
		<u>164,323,595</u>	<u>-</u>	<u>48,387,260</u>	<u>148,603,951</u>	<u>11,310,115</u>	<u>14,044,930</u>
Debtors	(4)	23,483,397	-	323,434	1,291,249	133,461	30,027,240
Cash and cash equivalents		<u>570,160</u>	<u>60,356</u>	<u>-</u>	<u>20,204</u>	<u>8,589</u>	<u>682,334</u>
Total Current Assets		188,377,152	60,356	48,710,694	149,915,404	11,452,165	44,754,504
Current Liabilities							
Financial liabilities at fair value through profit or loss							
Unrealised loss on forward foreign currency exchange contracts	(1)	(44,271)	-	-	-	-	(59,903)
Creditors (amounts falling due within one year)	(5)	(1,988,879)	(33,643)	(494,157)	(1,857,187)	(240,665)	(65,500)
Bank Overdraft		<u>(150,167)</u>	<u>(26,713)</u>	<u>(55,187)</u>	<u>(120,894)</u>	<u>(397)</u>	<u>-</u>
Total Current Liabilities		(2,183,317)	(60,356)	(549,344)	(1,978,081)	(241,062)	(125,403)
Net Assets Attributable to Redeemable Participating Shareholders		<u>186,193,835</u>	<u>-</u>	<u>48,161,350</u>	<u>147,937,323</u>	<u>11,211,103</u>	<u>44,629,101</u>

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

*The Global Emerging Markets 80% Protected Portfolio Fund (GEM Fund) terminated on 15 December 2009.

** The Global Emerging Markets III 80% Protected Fund (GEM III Fund) launched on 29 July 2009.

*** The RQSI Global Asset Allocation Fund (RQSI GAA Fund) launched on 28 September 2009.

ENOVARA PLC

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the year ended 31 March 2011

Notes	TOTAL EUR	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD
Net Assets Attributable to Redeemable Participating Shareholders at beginning of year	186,193,835	48,161,350	147,937,323	11,211,103
OPERATING ACTIVITIES				
Net Increase/(Decrease) in net assets attributable to redeemable participating shareholders from operations	13,226,727	2,593,261	7,216,915	(247,959)
SHARE TRANSACTIONS				
Proceeds from redeemable participating shares issued (6)	237,233,495	35,133,799	26,261,619	120,222
Payments for redeemable participating shares redeemed (6)	(168,785,983)	(22,467,825)	(74,672,186)	(4,409,376)
Increase/(Decrease) in Net Assets resulting from Share Transactions	68,447,512	12,665,974	(48,410,567)	(4,289,154)
Foreign currency translation adjustment (1)	(12,228,257)	-	-	-
Increase/(Decrease) in net assets	69,445,982	15,259,235	(41,193,652)	(4,537,113)
Net Assets Attributable to Redeemable Participating Shareholders at end of year	255,639,817	63,420,585	106,743,671	6,673,990

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

ENOVARA PLC

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the year ended 31 March 2011

	Notes	RQSI GAA FUND USD	BALANCED INDEX FUND EUR *	FLEX EIL FUND EUR **	HFRq FUND USD ***
Net Assets Attributable to Redeemable Participating Shareholders at beginning of year		44,629,101	-	-	-
OPERATING ACTIVITIES					
Net Increase/(Decrease) in net assets attributable to redeemable participating shareholders from operations		5,928,860	45,502	(434,574)	2,578,449
SHARE TRANSACTIONS					
Proceeds from redeemable participating shares issued	(6)	100,375,016	17,119,977	10,000,000	116,950,994
Payments for redeemable participating shares redeemed	(6)	(22,358,108)	(103,671)	-	(99,950,801)
Increase/(Decrease) in Net Assets resulting from Share Transactions		78,016,908	17,016,306	10,000,000	17,000,193
Foreign currency translation adjustment	(1)	-	-	-	-
Increase/(Decrease) in net assets		83,945,768	17,061,808	9,565,426	19,578,642
Net Assets Attributable to Redeemable Participating Shareholders at end of year		128,574,869	17,061,808	9,565,426	19,578,642

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

*The Nomura Balanced Index Fund (Balanced Index Fund) launched on 7 May 2010.

**The Flex Europe Index Linked Fund (Flex EIL Fund) launched on 30 July 2010.

***The HFRq UCITS III Fund (HFRq Fund) launched on 5 August 2010.

ENOVARA PLC

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the year ended 31 March 2010

	Notes	TOTAL EUR	GEM FUND USD *	GEM III FUND USD **	S&P DTI FUND USD	S&P DTI (80%) FUND USD	RQSI GAA FUND USD ***
Net Assets Attributable to Redeemable Participating Shareholders at beginning of year		248,322,956	25,854,732	-	281,414,356	22,429,301	-
OPERATING ACTIVITIES							
Net increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		1,691,084	2,304,718	(1,556,362)	2,209,021	(75,830)	(489,001)
SHARE TRANSACTIONS							
Proceeds from redeemable participating shares issued	(6)	118,206,556	-	51,891,720	68,170,934	1,586,925	45,589,057
Payments for redeemable participating shares redeemed	(6)	(174,859,128)	(28,159,450)	(2,174,008)	(203,856,988)	(12,729,293)	(470,955)
(Decrease)/Increase in Net Assets resulting from Share Transactions		(56,652,572)	(28,159,450)	49,717,712	(135,686,054)	(11,142,368)	45,118,102
Foreign currency translation adjustment	(1)	(7,167,633)	-	-	-	-	-
(Decrease)/increase in net assets		(62,129,121)	(25,854,732)	48,161,350	(133,477,033)	(11,218,198)	44,629,101
Net Assets Attributable to Redeemable Participating Shareholders at end of year		186,193,835	-	48,161,350	147,937,323	11,211,103	44,629,101

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

*The Global Emerging Markets 80% Protected Portfolio Fund (GEM Fund) terminated on 15 December 2009.

** The Global Emerging Markets III 80% Protected Fund (GEM III Fund) launched on 29 July 2009.

*** The RQSI Global Asset Allocation Fund (RQSI GAA Fund) launched on 28 September 2009.

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011

1. Accounting Policies for the year ended 31 March 2011

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

Basis of preparation

The financial statements are prepared in accordance with accounting standards generally accepted in Ireland and Irish Statute comprising the Companies Acts, 1963 to 2009, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. Accounting standards generally accepted in Ireland giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board (ASB).

The financial statements have been prepared on a going concern basis.

The format and certain wordings of the financial statements has been adapted from those contained in the Companies (Amendment) Act, 1986 and Financial Reporting Standard (FRS 3) "Reporting Financial Performance" so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

The Company has availed of certain exemptions contained in the FRS 1 Revised "Cash Flow Statements" and has presented a Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders in place of a cash flow statement. In the opinion of the Directors, this information also satisfies the requirement of FRS 3 'Reporting Financial Performance' in relation to a reconciliation of movements in Shareholders' funds.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

The Company is organised into one main business segment focusing on achieving returns representing the performance of the Total Return Swaps each Fund invests into. No additional disclosure is included in relation to segment reporting, as the Company's activities are limited to one main business segment.

Estimates and judgements

The preparation of financial statements in conformity with Irish GAAP requires the use of certain critical accounting estimates. It also requires the Board of Directors, based on the advice of the Investment Manager, to exercise its judgement in the process of applying the Company's accounting policies. Management also makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Financial Instruments

Investments at Fair Value

This category has two sub-categories: financial assets and liabilities held for trading, and those designated by Directors at fair value through profit or loss at inception. All instruments on each Fund's Schedule of Investments are classified as fair value through profit or loss.

Financial assets or liabilities held for trading are acquired principally for the purpose of selling in the short term. All other financial instruments are designated at fair value through profit or loss on initial recognition. 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 Profit and Loss Account.

Regular purchases and sale of investments are recognised on trade date plus one day (t+1) basis for all Funds. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Total Return Swaps

"Total Return Swap" is the generic name for any non traditional swap where one party agrees to pay the other the "total return" of a defined underlying reference obligation, usually in return for receiving a stream of LIBOR based cash flows. The total return swap may be applied to any underlying reference obligation but is most commonly used with equity indices, single stocks, bonds and defined portfolios of loans and mortgages.

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

1. Accounting Policies for the year ended 31 March 2011 (continued)

The RQSI GAA and HFRq Funds were established under the single Total Return Swap model, receiving from the swap counterparty – Nomura International Plc (and/or Nomura Bank International Plc) – the positive performance of the underlying index and in return paying the ‘Index Replication Costs’ plus any negative performance of the underlying index. This is known as an ‘unfunded swap structure’. The GEM III, S&P DTI, S&P DTI (80%), Balanced Index and Flex EIL Funds were established under an alternative framework. Each of these Funds has entered into two swap contracts which have the same trading impact as the total return swap described in the previous paragraph. The first swap comprised the transfer of the notional amount on inception (as the case may be) to the counterparty - Nomura International Plc - for the receipt of JPY Libor over the period of the contract, while the second swap (consistent with the more typical total return swap) represented the transfer of the JPY Libor received from the first contract (as the case may be) to the counterparty - Nomura Bank International Plc - for the total return on the underlying reference asset. For disclosure purposes, herein the derivatives have been grouped together as in effect the contracts need to be viewed in their totality to appreciate the funds economic exposure.

The principal amounts will be returned by the relevant swap counterparty on the contracts' maturity. The total return swaps are recorded as financial assets at fair value in the Balance Sheet.

The financial statements include investments in total return swaps. The fair values of these total return swaps as at 31 March 2011 are USD63,672,434 or 100.40% of the Net Assets in the GEM III Fund, USD107,267,213 or 100.49% of the Net Assets in the S&P DTI Fund, USD6,737,280 or 100.95% of the Net Assets in the S&P DTI (80%) Fund, USDNil or 0.00% of the Net Assets in the RQSI GAA Fund due to swap being reset on 31 March 2011, EUR17,157,116 or 100.56% of the Net Assets in the Balanced Index Fund, EUR9,622,780 or 100.60% of the Net Assets in the Flex EIL Fund and USDNil or 0.00% of the Net Assets in the HFRq Fund due to swap being reset on 31 March 2011. The fair values of these total return swaps have been provided by the relevant swap counterparty, Nomura International plc and Nomura Bank International plc (see Note 11), based on their mark to market valuations and in accordance with the valuation requirements set out in the Company's Prospectus.

Due to the over the counter nature of the total return swaps and the resultant inherent uncertainty of the valuation, estimated values may differ significantly from values that would have been used had a ready market for the total return swaps existed and such differences could be material. The financial statements do not include any adjustments that might result from these uncertainties. In determining the mark to market valuation, the counterparties make assumptions that are based on market conditions existing at the relevant time and use valuation techniques which include the use of comparable recent arm's length transactions, discounted cash flow techniques, option pricing models and other valuation techniques commonly used by market participants. Realised and unrealised gains or losses on swaps are included in the Profit and Loss Account in Net gain/(loss) on financial assets and liabilities at fair value through profit or loss.

Foreign Currency Transactions

Items included in the individual Fund's financial statements are measured using the currency of the primary economic environment in which it operates (functional currency). Each individual Fund has also adopted its functional currency as the presentation currency, this is the US Dollar for the GEM III Fund, S&P DTI Fund, S&P DTI (80%) Fund, RQSI GAA Fund and the HFRq Fund, and the Euro (EUR) for the Balanced Index Fund and the Flex EIL Fund. The Company has adopted the Euro (EUR) as its presentation currency.

Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the closing rates of exchange at each year end.

For the purpose of combining the financial statements of the Funds to arrive at Company figures (required under Irish Company Law), the amounts in the Balance Sheet have been translated to Euro at the exchange rate ruling at 31 March 2011 and the amounts in the Profit and Loss Account and the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders are translated to Euro at the average rate of exchange for the year ended 31 March 2011.

The method of translation has no effect on the Net Asset Value per Share attributable to the individual Funds. The resulting loss at the year end of EUR12,228,257 (31 March 2010: loss of EUR7,167,633) is owing to the difference in the exchange rate used to translate Profit and Loss Account items and Balance Sheet items and the difference

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

1. Accounting Policies for the year ended 31 March 2011 (continued)

Foreign Currency Transactions (continued)

between the opening and closing balance sheet transaction rates and is included as a foreign currency translation adjustment in the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders. This is a notional loss, which has no impact on the Net Asset Value of the Funds.

The rates of exchange ruling at the year end were:

		31 March 2011	31 March 2010
EUR1 =	CHF	1.2983	1.4242
	GBP	0.8853	0.8920
	JPY	117.6150	126.4336
	NOK	7.8501	8.0316
	SEK	8.9523	9.7383
	USD	1.4191	1.3531

The average rates of exchange for the year end were:

		31 March 2011	31 March 2010
EUR1 =	CHF	1.3286	1.4966
	GBP	0.8508	0.8856
	JPY	112.6403	130.8290
	NOK	7.9377	8.4985
	SEK	9.2296	10.3168
	USD	1.3271	1.4148

Redeemable Participating Shares

Redeemable Participating Shares are redeemable at the shareholder's option and are classified as financial liabilities. Redeemable Shares can be put back to the Company on any Dealing Day for cash equal to a proportionate share of the Company's Net Asset Value. The Redeemable Shares are carried at the redemption amount that is payable at the Balance Sheet date if the holder exercises the right to put the share back to the Company.

Interest Income

Interest income is recognised in the Profit and Loss Account on an accruals basis.

Expenses

All expenses, including management fees are recognised in the Profit and Loss Account on an accruals basis.

Cash and Cash Equivalents

Cash consists of cash on hand, bank balances, overnight deposits and cash balances held with State Street Custodial Services (Ireland) Limited.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Collateral

The Company may receive collateral in the form of stock from counterparties for swap contracts. This collateral does not form part of the Company's assets.

Debtors and Creditors

Debtors and creditors represent amounts receivable and payable respectively, for transactions contracted but not yet delivered.

Repurchase Agreements

The Company may utilise repurchase agreements for efficient portfolio management purposes. A repurchase agreement arises when an investor purchases a security and simultaneously agrees to resell it to the counterparty to the repurchase agreement at an agreed-upon future date, normally one day or a few days later. The resale price is greater than the purchase price, reflecting an agreed-upon rate which is effective for the period of time the investor's money is

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

1. Accounting Policies for the year ended 31 March 2011 (continued)

Repurchase Agreements (continued)

invested in the security and which is not related to the coupon rate on the purchased security. The Company will enter into repurchase agreements only with financial institutions with a minimum S&P credit rating of A2 or equivalent.

It is the Company's policy to take custody of securities to protect the Company in the event securities are not repurchased by the counterparty. The Company will monitor the value of collateral compared to the repurchase agreement obligation plus accrued interest. If the value of the collateral drops below the amount of the repurchase agreement obligation, additional collateral will be sought by the Company. If the event of default on the obligation to repurchase arises, the Company has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. Default or bankruptcy of the seller would, however, expose the Company to possible loss because of adverse market action or delays in connection with the disposal of the collateral. Due to the seller's repurchase obligations, the collateral subject to repurchase agreements does not have maturity limitations.

Forward Foreign Exchange Contracts

The Company enters into forward foreign exchange contracts for the purpose of efficient portfolio management. Forward foreign exchange contracts are valued at the forward rate and are marked to market on the valuation date. The change in value is included in Net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the Profit and Loss Account. When the contract is closed, the Company records a realised gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The unrealised gain or loss on open forward foreign exchange contracts is calculated by reference to the difference between the contracted rate and the rate to close out the contract. Realised gains or losses include net gains or losses on contracts which have been settled or offset by other contracts.

2. Net Gain/Loss on Financial Assets and Liabilities at Fair Value through Profit or Loss

Year ended 31 March 2011

	TOTAL EUR	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD
The net gain/(loss) on financial assets during the year comprise:				
Realised gain/(loss) for the year	244,299	(156,324)	(8,566,484)	(419,859)
Movement in unrealised gain/(loss) for the year	17,395,689	3,911,436	18,099,973	423,256
Net gain/(loss) on financial assets during the year	<u>17,639,988</u>	<u>3,755,112</u>	<u>9,533,489</u>	<u>3,397</u>

Year ended 31 March 2011

	RQSI GAA FUND USD	BALANCED INDEX FUND EUR	FLEX EIL FUND EUR	HFRq FUND USD
The net gain/(loss) on financial assets during the year comprise:				
Realised gain/(loss) for the year	6,694,781	(74,845)	659	2,870,547
Movement in unrealised gain/(loss) for the year	876,730	237,116	(320,583)	(114,806)
Net gain/(loss) on financial assets during the year	<u>7,571,511</u>	<u>162,271</u>	<u>(319,924)</u>	<u>2,755,741</u>

Year ended 31 March 2010

	TOTAL EUR	GEM FUND USD	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD	RQSI GAA FUND USD
The net gain/(loss) on financial assets during the year comprise:						
Realised loss for the year	(7,162,558)	(771,254)	(16,153)	(8,926,697)	(37,407)	(382,076)
Movement in unrealised gain/(loss) for the year	12,158,994	3,253,602	(1,210,910)	14,787,283	406,199	(33,629)
Net gain/(loss) on financial assets during the year	<u>4,996,436</u>	<u>2,482,348</u>	<u>(1,227,063)</u>	<u>5,860,586</u>	<u>368,792</u>	<u>(415,705)</u>

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

3. Operating Expenses (see also Note 7)

Year ended 31 March 2011	TOTAL EUR	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD
Administration Fees	(325,422)	(93,753)	(154,803)	(12,625)
Custodian Fees	(47,031)	(12,510)	(24,684)	(1,685)
Directors' Fees	(48,766)	(10,142)	(9,794)	(9,892)
Collateral Costs	(884,892)	(375,281)	(748,660)	(50,399)
Other Operating Expenses	(719,115)	(216,127)	(323,185)	(50,533)
	<u>(2,025,226)</u>	<u>(707,813)</u>	<u>(1,261,126)</u>	<u>(125,134)</u>

Year ended 31 March 2011	RQSI GAA FUND USD	BALANCED INDEX FUND EUR	FLEX EIL FUND EUR	HFRq FUND USD
Administration Fees	(99,943)	(14,184)	(9,789)	(38,929)
Custodian Fees	(14,126)	(1,882)	(1,305)	(5,181)
Directors' Fees	(10,475)	(7,366)	(6,528)	(5,975)
Collateral Costs	-	-	-	-
Other Operating Expenses	(210,517)	(41,746)	(23,871)	(66,895)
	<u>(335,061)</u>	<u>(65,178)</u>	<u>(41,493)</u>	<u>(116,980)</u>

Year ended 31 March 2010	TOTAL EUR	GEM FUND USD	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD	RQSI GAA FUND USD
Administration Fees	(245,315)	(22,515)	(23,912)	(263,138)	(28,485)	(9,022)
Custodian Fees	(36,655)	(2,710)	(3,188)	(40,944)	(3,798)	(1,219)
Directors' Fees	(52,707)	(2,507)	(9,217)	(34,647)	(17,244)	(10,955)
Collateral Costs	(776,169)	-	(99,097)	(935,590)	(63,437)	-
Other Operating Expenses	(520,467)	(47,471)	(80,170)	(509,000)	(69,771)	(29,944)
	<u>(1,631,313)</u>	<u>(75,203)</u>	<u>(215,584)</u>	<u>(1,783,319)</u>	<u>(182,735)</u>	<u>(51,140)</u>

The audit fees (ex-vat) for the year ended 31 March 2011 were EUR61,750 (31 March 2010 – EUR42,200), tax advisory service fees (paid to the audit firm) for the year were EUR24,850 (31 March 2010 – EUR51,100) and other non-audit service fees (paid to the audit firm) for the year were EURNil (31 March 2010 - EURNil).

4. Debtors

As at 31 March 2011	TOTAL EUR	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD
Subscriptions of Shares Awaiting Settlement	261,089	-	27,609	346
Receivable for Investments Sold	142,886	103,295	91,152	-
Other Receivables	286,626	18,176	-	1,050
	<u>690,601</u>	<u>121,471</u>	<u>118,761</u>	<u>1,396</u>

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

4. Debtors (continued)

As at 31 March 2011	RQSI GAA FUND USD	BALANCED INDEX FUND EUR	FLEX EIL FUND EUR	HFRq FUND USD
Subscriptions of Shares Awaiting Settlement	342,556	-	-	-
Receivable for Investments Sold	8,323	-	-	-
Other Receivables	197,912	34,976	31,086	95,864
	<u>548,791</u>	<u>34,976</u>	<u>31,086</u>	<u>95,864</u>

As at 31 March 2010	TOTAL EUR	GEM FUND USD	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD	RQSI GAA FUND USD
Subscriptions of Shares Awaiting Settlement	22,421,137	-	316,824	20,891	324	30,000,000
Receivable for Investments Sold	1,042,128	-	6,610	1,270,358	133,137	-
Receivable from Counterparty	20,132	-	-	-	-	27,240
	<u>23,483,397</u>	<u>-</u>	<u>323,434</u>	<u>1,291,249</u>	<u>133,461</u>	<u>30,027,240</u>

5. Creditors (amounts falling due within one year)

As at 31 March 2011	TOTAL EUR	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD
Redemption of Shares Awaiting Settlement	(700,759)	(103,295)	(91,152)	-
Payable for Investments Purchased	(44,838)	-	(27,613)	(347)
Payable to Investment Manager	-	-	-	-
Management Fees Payable	(513,368)	(116,056)	(248,733)	(26,018)
Other Expenses Payable	(509,859)	(178,994)	(65,820)	(43,318)
	<u>(1,768,824)</u>	<u>(398,345)</u>	<u>(433,318)</u>	<u>(69,683)</u>

As at 31 March 2011	RQSI GAA FUND USD	BALANCED INDEX FUND EUR	FLEX EIL FUND EUR	HFRq FUND USD
Redemption of Shares Awaiting Settlement	-	-	-	(800,000)
Payable for Investments Purchased	(35,669)	-	-	-
Payable to Investment Manager	-	-	-	-
Management Fees Payable	(229,856)	(22,428)	(26,481)	(38,451)
Other Expenses Payable	(151,838)	(71,147)	(61,959)	(94,680)
	<u>(417,363)</u>	<u>(93,575)</u>	<u>(88,440)</u>	<u>(933,131)</u>

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Notes to the Financial Statements for the year ended 31 March 2011 (continued)

5. Creditors (amounts falling due within one year) (continued)

As at 31 March 2010	TOTAL EUR	GEM FUND USD	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD	RQSI GAA FUND USD
Redemption of Shares Awaiting Settlement	(1,042,129)	-	(6,610)	(1,270,358)	(133,137)	-
Payable for Investments Purchased	(249,829)	-	(316,824)	(20,895)	(324)	-
Payable to Investment Manager	(13,124)	(17,758)	-	-	-	-
Management Fees Payable	(358,407)	-	(70,949)	(366,990)	(47,021)	-
Other Expenses Payable	(325,390)	(15,885)	(99,774)	(198,944)	(60,183)	(65,500)
	<u>(1,988,879)</u>	<u>(33,643)</u>	<u>(494,157)</u>	<u>(1,857,187)</u>	<u>(240,665)</u>	<u>(65,500)</u>

6. Share Capital and Redeemable Participating Shares

Authorised

The authorised share capital of the Company is 1,000,000,000,000 shares of no par value initially designated as unclassified shares. The unclassified shares are available for issue as redeemable participating shares. The issue price is payable in full on acceptance. There are no rights of pre-emption attaching to the shares in the Company subject to any further restrictions as set out in the supplement of the relevant Fund, the shares issued by the Company are freely transferable.

Subscriber

The issued share capital of the Company is €2 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 and which are held by Grazzia Horn and Nomura International plc.

For the year ended 31 March 2011

Number of Shares	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD	RQSI GAA FUND USD
USD Institutional Class				
Redeemable Participating Shares in Issue at the beginning of the period	5,000	154,939	-	360,040
Redeemable Participating Shares Issued	-	-	-	97,805
Redeemable Participating Shares Redeemed	-	(98,723)	-	(28,770)
Redeemable Participating Shares in Issue at the end of the period	<u>5,000</u>	<u>56,216</u>	<u>-</u>	<u>429,075</u>
USD Retail Class				
Redeemable Participating Shares in Issue at the beginning of the period	127,323	80,032	37,443	1,630
Redeemable Participating Shares Issued	79,819	-	419	921
Redeemable Participating Shares Redeemed	(81,369)	-	(9,220)	(1,631)
Redeemable Participating Shares in Issue at the end of the period	<u>125,773</u>	<u>80,032</u>	<u>28,642</u>	<u>920</u>

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

6. Share Capital and Redeemable Participating Shares (continued)

For the year ended 31 March 2011 (continued)

Number of Shares	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD	RQSI GAA FUND USD
USD M Class				
Redeemable Participating Shares in Issue at the beginning of the period	-	-	-	-
Redeemable Participating Shares Issued	-	-	-	265,000
Redeemable Participating Shares Redeemed	-	-	-	(102,000)
Redeemable Participating Shares in Issue at the end of the period	-	-	-	163,000
EUR Institutional Class				
Redeemable Participating Shares in Issue at the beginning of the period	12,500	268,326	-	22,580
Redeemable Participating Shares Issued	163	17,221	-	423,725
Redeemable Participating Shares Redeemed	-	(261,021)	-	(54,382)
Redeemable Participating Shares in Issue at the end of the period	12,663	24,526	-	391,923
EUR Retail Class				
Redeemable Participating Shares in Issue at the beginning of the period	123,315	137,744	37,055	22,580
Redeemable Participating Shares Issued	46,330	455	397	7,160
Redeemable Participating Shares Redeemed	(51,210)	(37,882)	(19,170)	-
Redeemable Participating Shares in Issue at the end of the period	118,435	100,317	18,282	29,740
GBP Institutional Class				
Redeemable Participating Shares in Issue at the beginning of the period	532	31,261	-	-
Redeemable Participating Shares Issued	1,271	79,028	-	-
Redeemable Participating Shares Redeemed	(1,010)	(39,248)	-	-
Redeemable Participating Shares in Issue at the end of the period	793	71,041	-	-
GBP Retail Class				
Redeemable Participating Shares in Issue at the beginning of the period	82,464	13,500	11,251	-
Redeemable Participating Shares Issued	127,018	111	-	-
Redeemable Participating Shares Redeemed	(38,164)	-	(3,590)	-
Redeemable Participating Shares in Issue at the end of the period	171,318	13,611	7,661	-
SEK Institutional Class				
Redeemable Participating Shares in Issue at the beginning of the period	-	180,000	-	-
Redeemable Participating Shares Issued	-	803,370	-	-
Redeemable Participating Shares Redeemed	-	(97,017)	-	-
Redeemable Participating Shares in Issue at the end of the period	-	886,353	-	-

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

6. Share Capital and Redeemable Participating Shares (continued)

For the year ended 31 March 2011 (continued)

Number of Shares	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD	RQSI GAA FUND USD
SEK Retail Class				
Redeemable Participating Shares in Issue at the beginning of the period	-	193,117	6,028	-
Redeemable Participating Shares Issued	-	1,406	11	-
Redeemable Participating Shares Redeemed	-	(13,380)	(6,039)	-
Redeemable Participating Shares in Issue at the end of the period	-	181,143	-	-
NOK Institutional Class				
Redeemable Participating Shares in Issue at the beginning of the period	-	480,000	-	-
Redeemable Participating Shares Issued	-	-	-	-
Redeemable Participating Shares Redeemed	-	-	-	-
Redeemable Participating Shares in Issue at the end of the period	-	480,000	-	-
NOK Retail Class				
Redeemable Participating Shares in Issue at the beginning of the period	-	2,641,188	56,903	-
Redeemable Participating Shares Issued	-	62,686	1,904	-
Redeemable Participating Shares Redeemed	-	(1,012,835)	(32,401)	-
Redeemable Participating Shares in Issue at the end of the period	-	1,691,039	26,406	-
CHF Institutional Class				
Redeemable Participating Shares in Issue at the beginning of the period	-	-	-	15,000
Redeemable Participating Shares Issued	-	-	-	-
Redeemable Participating Shares Redeemed	-	-	-	(5,000)
Redeemable Participating Shares in Issue at the end of the period	-	-	-	10,000
CHF Retail Class				
Redeemable Participating Shares in Issue at the beginning of the period	-	-	-	5,000
Redeemable Participating Shares Issued	-	-	-	5,246
Redeemable Participating Shares Redeemed	-	-	-	(5,000)
Redeemable Participating Shares in Issue at the end of the period	-	-	-	5,246

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

6. Share Capital and Redeemable Participating Shares (continued)

For the year ended 31 March 2011 (continued)

Number of Shares	BALANCED INDEX FUND EUR	FLEX EIL FUND EUR	HFRq FUND USD
USD Institutional Class			
Redeemable Participating Shares in Issue at the beginning of the period	-	-	-
Redeemable Participating Shares Issued		-	965,890
Redeemable Participating Shares Redeemed	-	-	(898,185)
Redeemable Participating Shares in Issue at the end of the period	-	-	67,705
USD Retail Class			
Redeemable Participating Shares in Issue at the beginning of the period	-	-	-
Redeemable Participating Shares Issued		-	50,000
Redeemable Participating Shares Redeemed	-	-	(24,000)
Redeemable Participating Shares in Issue at the end of the period	-	-	26,000
EUR Institutional Class			
Redeemable Participating Shares in Issue at the beginning of the period	-	-	-
Redeemable Participating Shares Issued	153,780	50,000	50,000
Redeemable Participating Shares Redeemed	-	-	(17,500)
Redeemable Participating Shares in Issue at the end of the period	153,780	50,000	32,500
EUR Retail Class			
Redeemable Participating Shares in Issue at the beginning of the period	-	-	-
Redeemable Participating Shares Issued	5,290	50,000	50,000
Redeemable Participating Shares Redeemed	(16)	-	(17,500)
Redeemable Participating Shares in Issue at the end of the period	5,274	50,000	32,500
GBP Institutional Class			
Redeemable Participating Shares in Issue at the beginning of the period	-	-	-
Redeemable Participating Shares Issued	3,330	-	-
Redeemable Participating Shares Redeemed	-	-	-
Redeemable Participating Shares in Issue at the end of the period	3,330	-	-
GBP Retail Class			
Redeemable Participating Shares in Issue at the beginning of the period	-	-	-
Redeemable Participating Shares Issued	6,936	-	-
Redeemable Participating Shares Redeemed	(877)	-	-
Redeemable Participating Shares in Issue at the end of the period	6,059	-	-

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

6. Share Capital and Redeemable Participating Shares (continued)

For the year ended 31 March 2010

Number of Shares	GEM FUND USD	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD	RQSI GAA FUND USD
USD Institutional Class					
Redeemable Participating Shares in Issue at the beginning of the period	-	-	218,488	-	-
Redeemable Participating Shares Issued	-	10,000	2,493	-	360,040
Redeemable Participating Shares Redeemed	-	(5,000)	(66,042)	-	-
Redeemable Participating Shares in Issue at the end of the period	-	5,000	154,939	-	360,040
USD Retail Class					
Redeemable Participating Shares in Issue at the beginning of the period	-	-	98,200	68,931	-
Redeemable Participating Shares Issued	-	132,434	32	2,493	1,630
Redeemable Participating Shares Redeemed	-	(5,111)	(18,200)	(33,981)	-
Redeemable Participating Shares in Issue at the end of the period	-	127,323	80,032	37,443	1,630
EUR Institutional Class					
Redeemable Participating Shares in Issue at the beginning of the period	-	-	731,431	-	-
Redeemable Participating Shares Issued	-	12,500	377,074	-	22,580
Redeemable Participating Shares Redeemed	-	-	(840,179)	-	-
Redeemable Participating Shares in Issue at the end of the period	-	12,500	268,326	-	22,580
EUR Retail Class					
Redeemable Participating Shares in Issue at the beginning of the period	179,114	-	146,170	78,922	-
Redeemable Participating Shares Issued	-	128,735	7,271	7,822	22,580
Redeemable Participating Shares Redeemed	(179,114)	(5,420)	(15,697)	(49,689)	-
Redeemable Participating Shares in Issue at the end of the period	-	123,315	137,744	37,055	22,580
GBP Institutional Class					
Redeemable Participating Shares in Issue at the beginning of the period	-	-	224,406	-	-
Redeemable Participating Shares Issued	-	532	32,607	-	-
Redeemable Participating Shares Redeemed	-	-	(225,752)	-	-
Redeemable Participating Shares in Issue at the end of the period	-	532	31,261	-	-

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Notes to the Financial Statements for the year ended 31 March 2011 (continued)

6. Share Capital and Redeemable Participating Shares (continued)

For the year ended 31 March 2010 (continued)

Number of Shares	GEM FUND USD	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD	RQSI GAA FUND USD
GBP Retail Class					
Redeemable Participating Shares in Issue at the beginning of the period	-	-	13,500	17,303	-
Redeemable Participating Shares Issued	-	84,179	-	610	-
Redeemable Participating Shares Redeemed	-	(1,715)	-	(6,662)	-
Redeemable Participating Shares in Issue at the end of the period	-	82,464	13,500	11,251	-
SEK Institutional Class					
Redeemable Participating Shares in Issue at the beginning of the period	-	-	180,000	-	-
Redeemable Participating Shares Issued	-	-	-	-	-
Redeemable Participating Shares Redeemed	-	-	-	-	-
Redeemable Participating Shares in Issue at the end of the period	-	-	180,000	-	-
SEK Retail Class					
Redeemable Participating Shares in Issue at the beginning of the period	-	-	196,248	15,654	-
Redeemable Participating Shares Issued	-	-	15,174	3,538	-
Redeemable Participating Shares Redeemed	-	-	(18,305)	(13,164)	-
Redeemable Participating Shares in Issue at the end of the period	-	-	193,117	6,028	-
NOK Institutional Class					
Redeemable Participating Shares in Issue at the beginning of the period	-	-	480,000	-	-
Redeemable Participating Shares Issued	-	-	-	-	-
Redeemable Participating Shares Redeemed	-	-	-	-	-
Redeemable Participating Shares in Issue at the end of the period	-	-	480,000	-	-
NOK Retail Class					
Redeemable Participating Shares in Issue at the beginning of the period	-	-	3,906,560	100,851	-
Redeemable Participating Shares Issued	-	-	231,488	4,801	-
Redeemable Participating Shares Redeemed	-	-	(1,496,860)	(48,749)	-
Redeemable Participating Shares in Issue at the end of the period	-	-	2,641,188	56,903	-

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Notes to the Financial Statements for the year ended 31 March 2011 (continued)

6. Share Capital and Redeemable Participating Shares (continued)

For the year ended 31 March 2010 (continued)

Number of Shares	GEM	GEM	S&P	S&P DTI	RQSI
	FUND	III	DTI	(80%)	GAA
	FUND	FUND	FUND	FUND	FUND
	USD	USD	USD	USD	USD
CHF Institutional Class					
Redeemable Participating Shares in Issue at the beginning of the period	-	-	-	-	-
Redeemable Participating Shares Issued	-	-	-	-	15,000
Redeemable Participating Shares Redeemed	-	-	-	-	-
Redeemable Participating Shares in Issue at the end of the period	-	-	-	-	15,000
CHF Retail Class					
Redeemable Participating Shares in Issue at the beginning of the period	-	-	-	-	-
Redeemable Participating Shares Issued	-	-	-	-	10,000
Redeemable Participating Shares Redeemed	-	-	-	-	(5,000)
Redeemable Participating Shares in Issue at the end of the period	-	-	-	-	5,000

7. Fees

Global Emerging Markets III 80% Protected Fund

The fees for Class A (Retail) Shares, 0.75% of the Net Asset Value per Share (plus VAT, if any) annually, is payable by the Company out of the assets of the Fund to the Investment Manager, some or all of which may be paid to the Distributor, Sub-Distributors and/or other financial intermediaries or introducers. For Class I (Institutional) Shares, 0.15% of the Net Asset Value per Share (plus VAT, if any) annually is payable by the Company out of the assets of the Fund to the Investment Manager. The Management fees above will accrue daily and be calculated on each Dealing Day and paid quarterly or more frequently in arrears. The Investment Manager is not entitled to be reimbursed out of the assets of the Fund for its out of pocket expenses.

Up to 0.25% of the Net Asset Value of the Fund (plus VAT, if any) in aggregate, annually, is payable by the Company out of assets of the Fund to the Administrator and the Custodian in aggregate and in respect of each others cost. This fee will accrue daily and be calculated on each Dealing Day and paid quarterly or more frequently in arrears. Each of the Administrator and the Custodian is entitled to be repaid its agreed upon transaction and other charges (which will be at normal commercial rates and other out-of-pocket expenses out of the assets of the Fund (plus VAT if any)). For the year ended 31 March 2011, management fees of USD454,038 (31 March 2010: USD113,715) were incurred by the Fund and USD116,056 (31 March 2010: USD70,949) is payable as at 31 March 2011.

From 13 October 2009, 0.60% of the Net Asset Value of the Fund was payable by the Company out of the assets of the Fund for year ended 31 March 2011 to cover the cost of collateralising the Fund's exposure to its over-the-counter derivative counterparties. As further described in Note 12(b) the Company restricts its exposure to credit losses by holding collateral from the counterparties to the Portfolio Swap Transactions. For the year ended 31 March 2011, costs associated with this collateralisation (the Collateral Costs) of USD375,281 (31 March 2010: USD99,097) were incurred by the Fund.

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Notes to the Financial Statements for the year ended 31 March 2011 (continued)

7. Fees (continued)

S&P Diversified Trends Indicator Fund

The fees for the Class A Shares, 1.25% of the Net Asset Value per Share (plus VAT, if any) annually, is payable by the Company out of the assets of the Fund to the Investment Manager, some or all of which may be paid to the Distributor, Sub-Distributors and/or other financial intermediaries or introducers. For the Class I Shares 0.45%, of the Net Asset Value per Share (plus VAT, if any) annually, is payable by the Company out of the assets of the Fund to the Investment Manager. The Management fees above will accrue daily and be calculated on each Dealing Day and paid quarterly or more frequently in arrears. The Investment Manager will not be entitled to be reimbursed out of the assets of the Fund for its out-of-pocket expenses.

Up to 0.25% of the Net Asset Value of the Fund (plus VAT, if any) in aggregate, annually, is payable by the Company out of the assets of the Fund in respect of fees payable to the Administrator and the Custodian in aggregate and in respect of each others cost. This fee will accrue daily and be calculated on each Dealing Day and paid quarterly or more frequently in arrear. Each of the Administrator and the Custodian is entitled to be repaid its agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT if any). For the year ended 31 March 2011, management fees of USD1,055,448 (31 March 2010: USD1,868,246) were incurred by the Fund and USD248,733 (31 March 2010: USD366,990) is payable as at 31 March 2011.

From 13 October 2009, 0.60% of the Net Asset Value of the Fund was payable by the Company out of the assets of the Fund for the year ended 31 March 2011 to cover the cost of collateralising the Fund's exposure to its over-the-counter derivative counterparties. As further described in Note 12(b) the Company restricts its exposure to credit losses by holding collateral from the counterparties to the Portfolio Swap Transactions. For the year ended 31 March 2011, costs associated with this collateralisation (the Collateral Costs) of USD748,660 (31 March 2010: USD935,590) were incurred by the Fund.

S&P Diversified Trends Indicator 80% Protected Fund

Fees of 1.50% of the Net Asset Value per Share (plus VAT, if any) annually, is payable by the Company out of the assets of the Fund to the Investment Manager, some or all of which may be paid to the Distributor, Sub-Distributors and/or other financial intermediaries or introducers. The Management fees above will accrue daily and be calculated on each Dealing Day and paid quarterly or more frequently in arrears. The Investment Manager will not be entitled to be reimbursed out of the assets of the Fund for its out-of-pocket expenses

Up to 0.25% of the Net Asset Value of the Fund (plus VAT, if any) in aggregate, annually, is payable by the Company out of the assets of the Fund in respect of fees payable to the Administrator and the Custodian in aggregate and in respect of each others cost. This fee will accrue daily and be calculated on each Dealing Day and paid quarterly or more frequently in arrears. Each of the Administrator and the Custodian is entitled to be repaid its agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT if any). For the year ended 31 March 2011, management fees of USD126,222 (31 March 2010: USD261,887) were incurred by the Fund and USD26,018 (31 March 2010: USD47,021) is payable as at 31 March 2011.

From 13 October 2009, 0.60% of the Net Asset Value of the Fund was payable by the Company out of the assets of the Fund the year ended 31 March 2011 to cover the cost of collateralising the Fund's exposure to its over-the-counter derivative counterparties. As further described in Note 12(b) the Company restricts its credit exposure to losses by holding collateral from the counterparties to the Portfolio Swap Transactions. For the year ended 31 March 2011, costs associated with this collateralisation (the Collateral Costs) of USD50,399 (31 March 2010: USD63,437) were incurred by the Fund.

RQSI Global Asset Allocation Fund

The fees for Class A (Retail) shares, effective 28 June 2010 at 2.00% (formerly 1.50) of the Net Asset Value per Share (plus VAT, if any) annually, is payable by the Company out of the assets of the Fund to the Investment Manager, some or all of which may be paid to the Distributor, Sub-Distributors and/or other financial intermediaries or introducers. For Class I (Institutional) Shares, 1.00% of the Net Asset Value per Share (plus VAT, if any) annually is payable by the Company out of the assets of the Fund to the Investment Manager some of which may be paid to the Distributor, Sub-Distributors and/or other financial intermediaries or introducers. The Management fees above will accrue daily and be calculated on each Dealing Day and paid quarterly or more frequently in arrears. The Investment Manager is not entitled to be reimbursed out of the assets of the Fund for its out of pocket expenses.

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

7. Fees (continued)

RQSI Global Asset Allocation Fund (continued)

The Investment Manager is entitled to receive a performance related fee in respect of each Share Class excluding the M Share Class. The Performance Fee will be equal to 15% of the increase above a Hurdle Rate in the Net Asset Value per Share outstanding in respect of each Performance Fee period subject to a High Water Mark. The Hurdle Rate shall be (i) one-month USD-LIBOR (as published on Bloomberg), in respect of the USD A and USD I Share Classes, (ii) one-month EURIBOR (as published on Bloomberg), in respect of the EUR A and EUR I Share Classes, and one-month CHF-LIBOR (as published on Bloomberg), in respect of the CHF A and CHF I Share Classes. For the year ended 31 March 2011, performance fees of USD755,155 (31 March 2010: USD22,156) were incurred by the Fund and USD197 (31 March 2010: USD14,284) is payable as at 31 March 2011.

Up to 0.25% of the Net Asset Value of the Fund (plus VAT, if any) in aggregate, annually, is payable by the Company out of assets of the Fund to the Administrator and the Custodian. This fee will accrue daily and be calculated on each Dealing Day and paid quarterly or more frequently in arrears. Each of the Administrator and the Custodian is entitled to be repaid its agreed upon transaction and other charges (which will be at normal commercial rates and other out-of-pocket expenses out of the assets of the Fund (plus VAT if any)). For the year ended 31 March 2011, management fees of USD671,775 (31 March 2010: USDNil) were incurred by the Fund and USD229,856 (31 March 2010: USDNil) is payable as at 31 March 2011.

Nomura Balanced Index Fund

The fees for Class A (Retail) shares, 1.00% of the Net Asset Value per Share (plus VAT, if any) annually, is payable by the Company out of the assets of the Fund to the Investment Manager, some or all of which may be paid to the Distributor, Sub-Distributors and/or other financial intermediaries or introducers. For Class I (Institutional) Shares, 0.50% of the Net Asset Value per Share (plus VAT, if any) annually is payable by the Company out of the assets of the Fund to the Investment Manager some of which may be paid to the Distributor, Sub-Distributors and/or other financial intermediaries or introducers. The Management fees above will accrue daily and be calculated on each Dealing Day and paid quarterly or more frequently in arrears. The Investment Manager is not entitled to be reimbursed out of the assets of the Fund for its out of pocket expenses.

Up to 0.25% of the Net Asset Value of the Fund (plus VAT, if any) in aggregate, annually, is payable by the Company out of the assets of the Fund in respect of fees payable to the Administrator and the Custodian in aggregate and in respect of each others cost. This fee will accrue daily and be calculated on each Dealing Day and paid quarterly or more frequently in arrears. Each of the Administrator and the Custodian is entitled to be repaid its agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT if any). For the year ended 31 March 2011, management fees of EUR51,591 (31 March 2010: EURNil) were incurred by the Fund and EUR22,428 (31 March 2010: EURNil) is payable as at 31 March 2011.

Flex Europe Index Linked Fund

The fees for Class A (Retail) shares, 1.50% of the Net Asset Value per Share (plus VAT, if any) annually, is payable by the Company out of the assets of the Fund to the Investment Manager, some or all of which may be paid to the Distributor, Sub-Distributors and/or other financial intermediaries or introducers. For Class I (Institutional) Shares, effective 16 March 2011 at 0.50% (formerly 0.75%) of the Net Asset Value per Share (plus VAT, if any) annually is payable by the Company out of the assets of the Fund to the Investment Manager some of which may be paid to the Distributor, Sub-Distributors and / or other financial intermediaries or introducers. The Management fees above will accrue daily and be calculated on each Dealing Day and paid quarterly or more frequently in arrears. The Investment Manager is not entitled to be reimbursed out of the assets of the Fund for its out of pocket expenses.

Up to 0.25% of the Net Asset Value of the Fund (plus VAT, if any) in aggregate, annually, is payable by the Company out of the assets of the Fund in respect of fees payable to the Administrator and the Custodian in aggregate and in respect of each others cost. This fee will accrue daily and be calculated on each Dealing Day and paid quarterly or more frequently in arrears. Each of the Administrator and the Custodian is entitled to be repaid its agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT if any). For the year ended 31 March 2011, management fees of EUR73,157 (31 March 2010: EURNil) were incurred by the Fund and EUR26,481 (31 March 2010: EURNil) is payable as at 31 March 2011.

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Notes to the Financial Statements for the year ended 31 March 2011 (continued)

7. Fees (continued)

HFRq UCITS III Fund

The fees for Class A (Retail) shares, 1.10% of the Net Asset Value per Share (plus VAT, if any) annually, is payable by the Company out of the assets of the Fund to the Investment Manager, some or all of which may be paid to the Distributor, Sub-Distributors and/or other financial intermediaries or introducers. For Class I (Institutional) Shares, 0.10% of the Net Asset Value per Share (plus VAT, if any) annually is payable by the Company out of the assets of the Fund to the Investment Manager some of which may be paid to the Distributor, Sub-Distributors and/or other financial intermediaries or introducers. The Management fees above will accrue daily and be calculated on each Dealing Day and paid quarterly or more frequently in arrears. The Investment Manager is not entitled to be reimbursed out of the assets of the Fund for its out of pocket expenses.

Up to 0.25% of the Net Asset Value of the Fund (plus VAT, if any) in aggregate, annually, is payable by the Company out of the assets of the Fund in respect of fees payable to the Administrator and the Custodian in aggregate and in respect of each others cost. This fee will accrue daily and be calculated on each Dealing Day and paid quarterly or more frequently in arrears. Each of the Administrator and the Custodian is entitled to be repaid its agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT if any). For the year ended 31 March 2011, management fees of USD102,747 (31 March 2010: USDNil) were incurred by the Fund and USD38,451 (31 March 2010: USDNil) is payable as at 31 March 2011.

8. Efficient Portfolio Management

The Funds may enter into one or more total return swaps whereby two parties enter an agreement whereby they swap periodic payment over the specified life of the agreement. One party makes payments based upon the total return (coupons plus capital gains or losses) of a specified reference asset. The other makes fixed or floating payments as with a vanilla interest rate swap. Both parties' payments are based upon the same notional amount. The reference asset can be almost any asset, index or basket of assets. Each Fund expects to enter into these transactions primarily to preserve a return or spread on a particular investment or portion of the relevant Fund's portfolio or to protect against any increase in the price of securities that the Fund anticipates purchasing at a later date.

Contracts outstanding at 31 March 2011 are disclosed in the Schedules of Investments. Realised gains and losses on financial instruments used for efficient portfolio management purposes are included in the Profit and Loss Account.

9. Net Asset Value and Net Asset Value per Share

Share Class	Net Asset Value 2011	Net Asset Value Per Share 2011	Net Asset Value 2010	Net Asset Value Per Share 2010	Net Asset Value 2009	Net Asset Value Per Share 2009
GEM FUND						
USD Institutional Class	-	-	-	-	-	-
USD Retail Class	-	-	-	-	-	-
EUR Institutional Class	-	-	-	-	-	-
EUR Retail Class	-	-	-	-	19,473,324	108.72
GBP Institutional Class	-	-	-	-	-	-
GBP Retail Class	-	-	-	-	-	-
GEM III FUND						
USD Institutional Class	550,368	110.07	551,590	110.32	-	-
USD Retail Class	13,562,651	107.83	13,931,946	109.42	-	-
EUR Institutional Class	1,375,382	108.61	1,368,982	109.52	-	-
EUR Retail Class	12,645,489	106.77	13,412,012	108.76	-	-
GBP Institutional Class	86,097	108.60	58,498	109.98	-	-
GBP Retail Class	18,261,678	106.59	8,958,350	108.63	-	-

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Notes to the Financial Statements for the year ended 31 March 2011 (continued)

9. Net Asset Value and Net Asset Value per Share (continued)

Share Class	Net Asset Value 2011	Net Asset Value Per Share 2011	Net Asset Value 2010	Net Asset Value Per Share 2010	Net Asset Value 2009	Net Asset Value Per Share 2009
S&P DTI FUND						
USD Institutional Class	5,821,669	103.56	15,826,451	102.15	24,067,404	110.15
USD Retail Class	8,015,856	100.16	7,966,319	99.54	10,625,979	108.21
EUR Institutional Class	2,559,066	104.34	27,601,974	102.87	81,316,161	111.17
EUR Retail Class	10,144,006	101.12	13,824,060	100.36	15,956,270	109.16
GBP Institutional Class	7,618,100	107.23	3,302,440	105.64	25,552,999	113.84
GBP Retail Class	1,415,809	104.02	1,392,407	103.14	1,512,702	112.05
SEK Institutional Class	93,486,780	105.47	18,661,087	103.67	20,174,013	112.08
SEK Retail Class	18,364,083	101.38	19,385,856	100.38	21,521,263	109.66
NOK Institutional Class	53,730,617	111.94	52,069,008	108.48	55,431,829	115.48
NOK Retail Class	182,296,682	107.80	278,448,233	105.43	442,430,032	113.25
S&P DTI (80%) FUND						
USD Retail Class	2,638,695	92.13	3,611,013	96.44	7,117,265	103.25
EUR Retail Class	1,685,619	92.20	3,578,560	96.58	8,176,415	103.60
GBP Retail Class	732,974	95.68	1,124,376	99.93	1,848,250	106.81
SEK Retail Class	-	-	573,423	95.13	1,612,695	103.02
NOK Retail Class	2,610,956	98.88	5,779,908	101.57	10,884,062	107.92
RQSI GAA FUND						
USD Institutional Class	46,243,628	107.78	36,389,441	101.07	-	-
USD Retail Class	98,409	106.97	164,783	101.08	-	-
USD M Class	16,170,553	99.21	-	-	-	-
EUR Institutional Class	42,190,552	107.65	2,280,580	101.00	-	-
EUR Retail Class	3,173,571	106.71	2,280,580	101.00	-	-
CHF Institutional Class	1,070,637	107.06	1,513,650	100.91	-	-
CHF Retail Class	557,193	106.21	504,600	100.92	-	-
BALANCED INDEX FUND						
EUR Institutional Class	15,470,318	100.60	-	-	-	-
EUR Retail Class	528,197	100.15	-	-	-	-
GBP Institutional Class	334,152	100.35	-	-	-	-
GBP Retail Class	605,193	99.88	-	-	-	-
FLEX EIL FUND						
EUR Institutional Class	4,794,974	95.90	-	-	-	-
EUR Retail Class	4,770,452	95.41	-	-	-	-
HFRq FUND						
USD Institutional Class	7,154,066	105.67	-	-	-	-
USD Retail Class	2,729,419	104.98	-	-	-	-
EUR Institutional Class	3,431,803	105.59	-	-	-	-
EUR Retail Class	3,409,264	104.90	-	-	-	-

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Notes to the Financial Statements for the year ended 31 March 2011 (continued)

10. Taxation

Under current law and practice the Company qualifies as an investment undertaking as defined in section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income and gains. However, Irish tax may arise on the happening of a “chargeable event”. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares. No Irish tax will arise on the Company in respect of chargeable events in respect of:

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

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

11. Related Party Disclosures

In the opinion of the Directors, the Investment Manager is a related party under FRS 8 ‘Related Party Transactions’. Nomura International Plc and for certain Funds, Nomura Bank International Plc, are also the counterparties for the total return swaps held by the Funds. Nomura International Plc acts as Distributor to the Company. As at the year end Nomura International Plc and Nomura Bank International Plc have provided fair values for all the total return swaps in the Financial Statements at the year end. As at 31 March 2011 EURNil (31 March 2010: EUR20,132) is receivable from the counterparties.

The Directors who are not associated with Nomura International Plc will be entitled to remuneration for their services as Directors, provided however that the aggregate emoluments of each such Director shall not exceed EUR15,000 or such other amount as may be approved by a resolution of the Directors or the Shareholders in general meeting. In addition, all of the Directors will be entitled to be reimbursed out of the assets of each Fund for their reasonable out-of-pocket expenses incurred in discharging their duties as Directors.

Directors Fees for the year ended 31 March 2011 were EUR48,766 (31 March 2010: EUR52,707) and EUR22,490 (31 March 2010: EUR20,505) is payable to the Directors at the year end.

Ms. Grazzia Horn is an employee of Nomura International Plc and holds one subscriber share in the Company. Mr. Reza Ghassemieh who resigned as a Director of the Company on 27 May 2010 and is no longer an employee of Nomura International Plc and Mr. Stephen Cohen who was appointed as a Director of the Company on 27 May 2010 and resigned as a Director on 13 July 2011 is an employee of Nomura International Plc.

Nomura International Plc, as a related party has a 2.77% shareholding in the GEM III Fund.

Nomura International Plc, as a related party has a 97.56% shareholding in the Balanced Index Fund.

Nomura International Plc, as a related party has a 100% shareholding in the Flex EIL Fund.

Nomura International Plc, as a related party has a 73.72% shareholding in the HFRq Fund.

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Notes to the Financial Statements for the year ended 31 March 2011 (continued)

12. Risks, Derivatives and Other Financial Instruments

General Risk Management Process

Enovara's activities expose it to a variety of financial risks. Management of these risks is fundamental to the Company's business. The risk management process is managed by Nomura International plc, in its capacity as Investment Manager, and oversight of this function is carried out by both the Custodian, State Street Custodial Services (Ireland) Limited, and by the Board of Directors.

The risk management process seeks to minimise potential adverse effects on the Funds' financial performance. This is achieved through careful selection of investments which incorporate features such as protection mechanisms, in-built hedging strategies and diverse underlyings. Where a particular risk is considered material, it is managed by one of a number of specialist teams.

As defined in FRS29, the risk related to financial instruments can be separated into the following components: market risk, credit risk and liquidity risk. The following section discusses each type of risk in turn and qualitative and quantitative analyses are provided where relevant.

(a) Market Risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises 3 types of risk: market price risk, currency risk and interest rate risk.

i) Market Price Risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk), whether those changes are caused by factors specific to individual financial instruments or its issuer, or other factors affecting similar financial instruments traded in the market.

80% Protected Funds:

Global Emerging Markets III 80% Protected Portfolio Fund S&P Diversified Trends Indicator 80% Protected Fund

These Funds will generally be fully invested in one or more total return swaps. The swaps provide the return of a particular portfolio which is consistent with the investment objective of the Fund. The swaps are susceptible to market price risk arising from uncertainties about future prices of the underlying portfolios. The Investment Manager moderates this risk through the careful selection of swaps which include a protection mechanism which limits losses to 20% of the highest net asset value per share since launch.

Fund Exposure:

Fund	Exposure
Global Emerging Markets III 80% Protected Portfolio Fund	Emerging Market equities via an index of 6 globally diversified actively managed mutual funds.
S&P Diversified Trends Indicator 80% Protected Fund	Systematic index based on a basket of 24 liquid commodity and financial futures.

The Funds' exposure to market price risk at 31 March 2011 is equivalent to the fair value of investments held as detailed in the Schedules of Investments. (For exposure at 31 March 2010, see the relevant Balance Sheet).

Tracker Funds:

S&P Diversified Trends Indicator Fund RQSI Global Asset Allocation Fund Nomura Balanced Index Fund – launched on 7 May 2010 Flex Europe Index Linked Fund – launched on 30 July 2010 HFRq UCITS III Fund – launched on 5 August 2010

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Notes to the Financial Statements for the year ended 31 March 2011 (continued)

12. Risks, Derivatives and Other Financial Instruments (continued)

(a) Market Risk (continued)

i) Market Price Risk (continued)

These Funds will generally be wholly invested in one or more total return swaps. The swaps provide the return of the S&P Diversified Trends Indicator Tracker Series (“S&P DTI”), the Nomura RQSI GAA Index, the Nomura EUR Balanced Index, the Nomura Flex Europe Index and the HFRq UCITS III Index respectively. The S&P DTI is a globally diversified basket of 24 highly liquid commodity and financial futures, equally weighted between commodities and financial futures. The Nomura RQSI GAA Index is a systematic index targeting low volatility and absolute returns using econometric and technical assessment and fundamental and relative analysis to generate daily allocations across 53 futures contracts covering four major asset classes; Equities, Fixed Income, Commodities and Currencies. The Nomura EUR Balanced Index aims to deliver the performance of a strategic allocation across the following asset classes: developed market equities, emerging market equities, commodities, real estate, sovereign bonds and investment grade corporate bonds. The Nomura Flex Europe Index aims to outperform a direct investment in the European large-cap equity market in the long term and is designed to capture positive performance of the market, while aiming to protect potential gains during market downturns. The HFRq UCITS III Index represents long and short futures contracts (together, the "Index Components") on global equities, commodities, currencies, global fixed income and volatility, selected and maintained by HFR Asset Management, LLC (the "Index Sponsor"). The Index Components are selected on the basis of an algorithmic and rules-based index methodology in order to seek to achieve a high correlation to the performance of the HFRi Fund Weighted Composite Index (which reflects the performance of a diversified pool of hedge funds). The swaps for such Tracker Funds are susceptible to market price risk arising from uncertainties about future prices of their respective Index due to movement in prices of Index Components.

The Fund's exposure to market price risk at 31 March 2011 is equivalent to the fair value of investments held as detailed in the Schedules of Investments. (For exposure at 31 March 2010, see the relevant Balance Sheet).

Market price risk is managed through introducing protection mechanisms in the fund structure (as is the case for the 80% protected funds), aiming to protect gains during market downturns by reducing exposure to risky markets (as is the case for the Flex EIL Fund), or selecting a diversified portfolio of underlying assets using quantitative, fundamental, econometric and technical or rule based index methodologies (as is the case for the tracker funds). On an on-going basis, market price risk is managed via adherence to the diversification rules set out in the UCITS investment restrictions, plus the UCITS borrowing restrictions.

The tables show the change in net assets resulting from a movement in the relevant underlying asset with all other variables held constant. These sensitivity analyses represent a hypothetical outcome and are not intended to be predictive.

Market Price Risk Sensitivity Analysis at 31 March 2011

Fund	Class	Total Net Asset Value	Currency	Sensitivity		
				-10%	0%	+10%
Global Emerging Markets	USD A	13,562,651	USD	-1,346,374	0	1,346,374
III 80% Protected Portfolio Fund	USD I	550,368	USD	-54,295	0	54,295
	EUR A	12,645,489	EUR	-1,245,854	0	1,245,854
	EUR I	1,375,382	EUR	-136,781	0	136,781
	GBP A	18,261,678	GBP	-1,819,167	0	1,819,167
	GBP I	86,097	GBP	-8,440	0	8,440
S&P Diversified Trends	USD A	2,638,695	USD	-257,947	0	257,947
Indicator 80% Protected Fund	EUR A	1,685,619	EUR	-163,247	0	163,247
	GBP A	732,974	GBP	-71,726	0	71,726
	NOK A	2,610,956	NOK	-254,606	0	254,606
S&P Diversified Trends	USD A	5,821,669	USD	-793,220	0	793,220
Indicator Fund	USD I	8,015,856	USD	-587,828	0	587,828
	EUR A	10,144,006	EUR	-1,000,407	0	1,000,407
	EUR I	2,559,066	EUR	-240,033	0	240,033
	GBP A	1,415,809	GBP	-139,920	0	139,920
	GBP I	7,618,100	GBP	-746,734	0	746,734
	SEK A	18,364,083	SEK	-1,816,240	0	1,816,240
	SEK I	93,486,780	SEK	-9,343,190	0	9,343,190

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Notes to the Financial Statements for the year ended 31 March 2011 (continued)

12. Risks, Derivatives and Other Financial Instruments (continued)

(a) Market Risk (continued)

i) Market Price Risk (continued)

Market Price Risk Sensitivity Analysis at 31 March 2011 (continued)

Fund	Class	Total Net Asset Value	Currency	Sensitivity		
				-10%	0%	+10%
S&P Diversified Trends	NOK A	182,296,682	NOK	-17,837,541	0	17,837,541
Indicator Fund	NOK I	53,730,617	NOK	-5,310,473	0	5,310,473
RQSI Global Asset	USD A	98,409	USD	-9,797	0	9,797
Allocation Fund	USD I	46,243,628	USD	-4,603,755	0	4,603,755
	USD M	16,170,553	USD	-1,609,849	0	1,609,849
	EUR A	3,173,571	EUR	-447,754	0	447,754
	EUR I	42,190,552	GBP	-5,952,597	0	5,952,597
	CHF A	557,193	CHF	-60,393	0	60,393
	CHF I	1,070,637	CHF	-116,044	0	116,044
Nomura Balanced Index Fund	EUR	17,061,808	EUR	-1,718,727	0	1,718,727
Flex Europe Index Linked Fund	EUR	9,565,426	EUR	-962,278	0	962,278
HFRQ UCITS III Fund	USD	19,578,642	USD	-1,954,798	0	1,954,798

Market Price Risk Sensitivity Analysis at 31 March 2010

Fund	Class	Total Net Asset Value	Currency	Sensitivity		
				-10%	0%	+10%
Global Emerging Markets	USD A	13,931,946	USD	-1,046,191	0	1,046,191
III 80% Protected Portfolio Fund	USD I	551,590	USD	-41,733	0	41,733
	EUR A	8,958,350	EUR	-1,003,052	0	1,003,052
	EUR I	54,498	EUR	-103,200	0	103,200
	GBP A	8,958,350	GBP	-671,218	0	671,218
	GBP I	58,498	GBP	-4,412	0	4,412
S&P Diversified Trends	USD A	3,611,013	USD	-124,258	0	124,258
Indicator 80% Protected Fund	EUR A	3,578,560	EUR	-128,974	0	128,974
	GBP A	1,124,376	GBP	-40,004	0	40,004
	SEK A	573,423	SEK	-17,371	0	17,371
	NOK A	5,779,908	NOK	-211,078	0	211,078
S&P Diversified Trends	USD A	7,966,319	USD	-800,764	0	800,764
Indicator Fund	USD I	15,826,451	USD	-1,586,547	0	1,586,547
	EUR A	13,824,060	EUR	-1,390,033	0	1,390,033
	EUR I	27,601,974	EUR	-2,778,987	0	2,778,987
	GBP A	1,392,407	GBP	-139,863	0	139,863
	GBP I	3,302,440	GBP	-329,148	0	329,148
	SEK A	19,385,856	SEK	-1,944,411	0	1,944,411
	SEK I	18,661,087	SEK	-1,871,020	0	1,871,020
	NOK A	278,448,233	NOK	-27,961,129	0	27,961,129
	NOK I	52,069,008	NOK	-5,221,805	0	5,221,805
RQSI Global Asset	USD A	164,783	USD	-16,595	0	16,595
Allocation Fund	USD I	36,389,441	USD	-3,664,791	0	3,664,791
	EUR A	2,280,580	EUR	-229,688	0	229,688
	EUR I	2,280,580	GBP	-229,688	0	229,688
	CHF A	504,600	CHF	-50,820	0	50,820
	CHF I	1,513,650	CHF	-152,433	0	152,433

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Notes to the Financial Statements for the year ended 31 March 2011 (continued)

12. Risks, Derivatives and Other Financial Instruments (continued)

(a) Market Risk (continued)

ii) Currency Risk

Currency risk is defined in FRS 29 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. For the purposes of FRS 29 currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

For the Enovara Funds, each share class only holds total return swaps denominated in the functional currency of the share class. Therefore at the share class level, the exposure to currency risk is low and restricted to any cash balance at the Fund level.

However, for certain share classes, there will also be currency risk embedded in the total return swaps themselves. This currency risk will exist when the total return swap is denominated in a currency which differs from that of the underlying assets in the portfolio. The Investment Manager moderates this risk through careful selection of swaps which include an in-built currency hedging strategy which dynamically hedges to minimize the impact of exchange rate movements between the underlying assets and the total return swaps.

Currency Hedging Strategy Positions as at 31 March 2011

Fund	Class	Class Currency	Underlying Currency	Is Currency Hedged?
Global Emerging Markets III 80% Protected Fund	EUR A	EUR	USD	Yes
	EUR I	EUR	USD	Yes
	GBP A	GBP	USD	Yes
	GBP I	GBP	USD	Yes
	USD A	USD	USD	No
	USD I	USD	USD	No
S&P Diversified Trends Indicator Fund	EUR A	EUR	USD	Yes
	EUR I	EUR	USD	Yes
	GBP A	GBP	USD	Yes
	GBP I	GBP	USD	Yes
	NOK A	NOK	USD	Yes
	NOK I	NOK	USD	Yes
	SEK A	SEK	USD	Yes
	SEK I	SEK	USD	Yes
	USD A	USD	USD	No
	USD I	USD	USD	No
S&P Diversified Trends Indicator 80% Protected Fund	EUR A	EUR	USD	Yes
	GBP A	GBP	USD	Yes
	NOK A	NOK	USD	Yes
	SEK A	SEK	USD	Yes
	USD A	USD	USD	No
RQSI Global Asset Allocation Fund	CHF A	CHF	USD	Yes
	CHF I	CHF	USD	Yes
	EUR A	EUR	USD	Yes
	EUR I	EUR	USD	Yes
	USD A	USD	USD	No
	USD I	USD	USD	No
HFRq UCITS III Index	EUR A	EUR	USD	Yes
	EUR I	EUR	USD	Yes
	USD A	USD	USD	No
	USD I	USD	USD	No

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Notes to the Financial Statements for the year ended 31 March 2011 (continued)

12. Risks, Derivatives and Other Financial Instruments (continued)

(a) Market Risk (continued)

ii) Currency Risk (continued)

Currency Hedging Strategy Positions as at 31 March 2011 (continued)

Fund	Class	Class Currency	Underlying Currency	Is Currency Hedged?
Nomura Balanced Index Fund	GBP A	GBP	EUR	Yes
	GBP I	GBP	EUR	Yes
	EUR A	EUR	EUR	No
	EUR I	EUR	EUR	No
Flex Europe Index Linked Fund	EUR A	EUR	EUR	No
	EUR I	EUR	EUR	No

Currency Hedging Strategy Positions as at 31 March 2010

Fund	Class	Class Currency	Underlying Currency	Is Currency Hedged?
Global Emerging Markets III 80% Protected Fund	EUR A	EUR	USD	Yes
	EUR I	EUR	USD	Yes
	GBP A	GBP	USD	Yes
	GBP I	GBP	USD	Yes
	USD A	USD	USD	No
	USD I	USD	USD	No
S&P Diversified Trends Indicator Fund	EUR A	EUR	USD	Yes
	EUR I	EUR	USD	Yes
	GBP A	GBP	USD	Yes
	GBP I	GBP	USD	Yes
	NOK A	NOK	USD	Yes
	NOK I	NOK	USD	Yes
	SEK A	SEK	USD	Yes
	SEK I	SEK	USD	Yes
	USD A	USD	USD	No
	USD I	USD	USD	No
S&P Diversified Trends Indicator 80% Protected Fund	EUR A	EUR	USD	Yes
	GBP A	GBP	USD	Yes
	NOK A	NOK	USD	Yes
	SEK A	SEK	USD	Yes
	USD A	USD	USD	No
RQSI Global Asset Allocation Fund	CHF A	CHF	USD	Yes
	CHF I	CHF	USD	Yes
	EUR A	EUR	USD	Yes
	EUR I	EUR	USD	Yes
	USD A	USD	USD	No
	USD I	USD	USD	No

iii) Interest Rate Risk

This 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. This risk arises on financial instruments whose fair value or future cash flows are affected by changes in interest rates.

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

12. Risks, Derivatives and Other Financial Instruments (continued)

(a) Market Risk (continued)

iii) Interest Rate Risk (continued)

80% Protected Funds and Tracker Funds:

Global Emerging Markets III 80% Protected Fund
S&P Diversified Trends Indicator 80% Protected Fund
S&P Diversified Trends Indicator Fund
RQSI Global Asset Allocation Fund
Nomura Balanced Index Fund – launched on 7 May 2010
Flex Europe Index Linked Fund – launched on 30 July 2010
HFRq UCITS III Fund – launched on 5 August 2010

Interest rate exposure on these Funds primarily arises on the cash balance in the Fund and the efficient portfolio management therein. All such long cash balances earn interest at short-term market rates and all such short cash balances are charged at short-term market rates and hence the interest rate exposure in these Funds is minimal.

(b) Credit Risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk.

In relation to Enovara, credit risk arises in the form of counterparty risk from entering into over-the-counter derivative contracts and other financial instruments for efficient portfolio management purposes. All the derivative contracts are with one of two counterparties, Nomura International plc or Nomura Bank International plc and the efficient portfolio management instruments are with Nomura Bank International plc or Nomura Capital Markets. The Company restricts its exposure to credit losses by holding collateral from its counterparties. On any day, the collateral held will cover at least 90% of the counterparty risk exposure, as measured under UCITS guidelines. In the case of the derivative contracts, such counterparty risk exposure includes an add-on (to the actual credit risk exposure) for future credit exposure. Thus for these contracts, the counterparty risk exposure will exceed the actual credit risk exposure. The collateral position is managed daily by the Collateral Management Group (at the Investment Manager) and reviewed weekly by the Risk Management team.

Enovara does not have any exposure to issuer risk as the Funds do not hold debt securities.

Counterparty Risk Exposure & Collateral Cover at 31 March 2011

Fund	Counterparty Risk Exposure (USD)	Collateral (USD)	Collateral as % of Counterparty Risk Exposure	Minimum Collateral requirement in %
Global Emerging Markets III 80% Protected Fund	63,466,089	64,713,595	101.97%	95.00%
S&P Diversified Trends Indicator Fund	107,083,843	105,062,592	98.11%	95.00%
S&P Diversified Trends Indicator 80% Protected Fund	6,730,826	8,491,857	126.16%	95.00%
RQSI Global Asset Allocation Fund - <i>Total Return Swap</i>	-	-	0.0%	0.0%
- <i>Repurchase Agreement</i>	122,635,897	128,497,935	102.67%	100.00%
Nomura Balanced Index Fund	24,291,043	24,245,887	99.81%	95.00%
Flex Europe Index Linked Fund	13,623,931	15,209,333	111.64%	95.00%
HFRq UCITS III Fund - <i>Total Return Swap</i>	1,066	881,278	82671.48%	95.00%
- <i>Repurchase Agreement</i>	20,000,000	21,482,832	105.59%	100.00%

Counterparty Risk Exposure & Collateral Cover at 31 March 2010

Fund	Counterparty Risk Exposure (USD)	Collateral (USD)	Collateral as % of Counterparty Risk Exposure	Minimum Collateral requirement in %
Global Emerging Markets III 80% Protected Fund	49,797,598	49,797,598	100.0%	93.4%
S&P Diversified Trends Indicator Fund	149,179,879	144,773,607	97.0%	94.0%
S&P Diversified Trends Indicator 80% Protected Fund	11,115,726	10,785,739	97.0%	94.2%
RQSI Global Asset Allocation Fund - <i>Total Return Swap</i>	-	-	0.0%	0.0%
- <i>Repurchase Agreement</i>	12,000,000	12,434,987	103.6%	100.0%
- <i>Time Deposit*</i>	2,000,000	-	0.0%	0.0%

* Note, as the time deposit is held with an EU credit institution it is not required to be collateralised.

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

12. Risks, Derivatives and Other Financial Instruments (continued)

(b) Credit Risk (continued)

The Company's Custodian is State Street Custodial Services (Ireland) Limited ("Custodian"). All of the cash of the Company is held within the custodial network except in certain circumstances the Company may place cash on deposit with certain third party institutions. Bankruptcy or insolvency of the Custodian or of its parent company State Street Corporation may cause the Company's rights with respect to its investments held by the Custodian to be delayed.

(c) Liquidity Risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is structured as an open-ended umbrella fund with segregated liability between Funds. As such there is no potential for cross liability between Funds and hence liquidity risk needs to be managed at the Fund level.

The main financial liability of each Fund is the redemption of redeemable participating shares. As an open-ended investment company with variable capital, the Company is required to sell shares back to shareholders at a price equivalent to the net asset value per share, subject to the settlement and dealing restrictions laid down in the Company's Articles of Association and Prospectus.

To meet the redemption liability, the Fund will generally be required to unwind a portion of its total return swaps. The swaps are traded over-the-counter and hence are not traded in an organised market and may be illiquid particularly during adverse market conditions, which may affect their fair value.

The Investment Manager manages each Fund's liquidity position on a daily basis. Also the Directors are entitled, by the provisions in the prospectus, to limit the number of shares in a Fund repurchased on any given day to shares representing 10% of the total net asset value of the Fund. This is to facilitate an orderly disposition of securities as in the interest of the remaining shareholders.

The Company's exposure to liquidity risk is detailed in the table below. Based on the remaining period at the Balance Sheet date to the contracted maturity date, these financial liabilities are all due within 3 months.

As at 31 March 2011	TOTAL EUR	GEM III FUND USD	S&P DTI FUND USD	S&P DTI (80%) FUND USD
Redeemable shares	255,639,817	63,420,585	106,743,671	6,673,990
Redemption of Shares Awaiting Settlement	700,759	103,295	91,152	-
Payable for Investments Purchased	44,838	-	27,613	347
Financial derivative instruments	45,400	-	-	-
Management fees payable	513,368	116,056	248,733	26,018
Other expenses payable	509,859	178,994	65,820	43,318
Bank Overdraft	217,724	2,874	261,457	1,844
Total financial liabilities	<u>257,671,765</u>	<u>63,821,804</u>	<u>107,438,446</u>	<u>6,745,517</u>

As at 31 March 2011	RQSI GAA FUND USD	BALANCED INDEX FUND EUR	FLEX EIL FUND EUR	HFRq FUND USD
Redeemable shares	128,574,869	17,061,808	9,565,426	19,578,642
Redemption of Shares Awaiting Settlement	-	-	-	800,000
Payable for Investments Purchased	35,669	-	-	-
Financial derivative instruments	54,851	6,748	-	-
Management fees payable	229,856	22,428	26,481	38,451
Other expenses payable	151,838	71,147	61,959	94,680
Bank Overdraft	-	30,158	-	-
Total financial liabilities	<u>129,047,083</u>	<u>17,192,289</u>	<u>9,653,866</u>	<u>20,511,773</u>

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

12. Risks, Derivatives and Other Financial Instruments (continued)

(c) Liquidity Risk (continued)

As at 31 March 2010	TOTAL	GEM FUND	GEM III FUND	S&P DTI FUND	S&P DTI (80%) FUND	RQSI GAA FUND
	EUR	USD	USD	USD	USD	USD
Redeemable shares	186,193,835	-	48,161,350	147,937,323	11,211,103	44,629,101
Redemption of Shares						
Awaiting Settlement	1,042,129	-	6,610	1,270,358	133,137	-
Payable for Investments Purchased	249,829	-	316,824	20,895	324	-
Financial derivative instruments	44,271	-	-	-	-	59,903
Payable to Investment Manager	13,124	17,758	-	-	-	-
Management fees payable	358,407	-	70,949	366,990	47,021	-
Other expenses payable	325,390	15,885	99,774	198,944	60,183	65,500
Bank Overdraft	150,167	26,713	55,187	120,894	397	-
Total financial liabilities	188,377,152	60,356	48,710,694	149,915,404	11,452,165	44,754,504

(d) Fair valuation hierarchy

Effective 1 January 2009, the Company adopted the amendment to FRS29 'Financial Derivatives Disclosure'. This requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. More detailed descriptions of the three levels of classification within the fair valuation hierarchy can be found below:

Level 1 Investments: These are investments whose fair value is determined using observable, unadjusted quoted prices in active markets for identical assets. Active markets are markets in which transactions occur for the item to be fair valued with sufficient frequency and volume to provide pricing information on an ongoing basis. Equity securities and exchange traded futures are generally classified within level 1 of the fair value hierarchy.

Level 2 Investments: These are investments whose fair value is determined using inputs other than quoted prices included within level 1 inputs that are observable, either directly or indirectly through corroboration with market data. These inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset (e.g., interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates) and inputs that are derived principally from or corroborated by observable market data by correlation or other means. Money market vehicles, repurchase agreements, certain fixed income securities, foreign equity securities valued using third-party fair value models, mutual funds and most derivatives are generally classified within level 2 of the fair value hierarchy.

Level 3 Investments: These are investments whose fair value is determined using inputs that are not observable. Investments are classified within level 3 only when observable inputs (level 1 and 2) are not available. Unobservable inputs are generally developed based on the best information available. Fixed income securities valued using indicative single broker quotes (not firm offers to purchase) are generally classified within level 3 of the fair value hierarchy.

The Company also considers other liquidity, credit and market risk factors. It adjusts the model as deemed necessary. Discounted cash flows are calculated using the average rate of inflation during the financial year.

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

12. Risks, Derivatives and Other Financial Instruments (continued)

(d) Fair valuation hierarchy (continued)

During the year ended 31 March 2011 there were no transfers between Level 1 and Level 2 of the fair valuation hierarchy for financial assets, financial liabilities or derivative financial instruments.

There were no investments classified as Level 3 as at 31 March 2011.

The following tables classify each Sub-Funds financial assets, financial liabilities and derivative financial instruments held at 31 March 2011 in accordance with the levelling requirements of FRS29:

GEM III 80% Protected Fund	Level 1 USD	Level 2 USD	Level 3 USD	Total Fair Value USD
Financial assets at fair value through profit or loss				
Financial Derivative Instruments	-	63,672,434	-	63,672,434
Total	-	63,672,434	-	63,672,434

S&P Diversified Trends Indicator Fund	Level 1 USD	Level 2 USD	Level 3 USD	Total Fair Value USD
Financial assets at fair value through profit or loss				
Financial Derivative Instruments	-	107,267,213	-	107,267,213
Total	-	107,267,213	-	107,267,213

S&P Diversified Trends Indicator Protected (80%) Fund	Level 1 USD	Level 2 USD	Level 3 USD	Total Fair Value USD
Financial assets at fair value through profit or loss				
Financial Derivative Instruments	-	6,737,280	-	6,737,280
Total	-	6,737,280	-	6,737,280

RQSI Global Asset Allocation Fund	Level 1 USD	Level 2 USD	Level 3 USD	Total Fair Value USD
Financial assets at fair value through profit or loss				
Repurchase Agreements	122,635,898	-	-	122,635,898
Time Deposits	-	-	-	-
Total	122,635,898	-	-	122,635,898

Financial Derivative Instruments				
Forward Foreign Exchange Contracts	-	1,560,227	-	1,560,227
Total	122,635,898	1,560,227	-	124,196,125

	Level 1 USD	Level 2 USD	Level 3 USD	Total Fair Value USD
Financial liabilities at fair value through profit or loss				
Financial Derivative Instruments				
Forward Foreign Exchange Contracts	-	(54,851)	-	(54,851)
Total	-	(54,851)	-	(54,851)

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

12. Risks, Derivatives and Other Financial Instruments (continued)

(d) Fair valuation hierarchy (continued)

Nomura Balanced Index Fund	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total Fair Value EUR
Financial assets at fair value through profit or loss				
Financial Derivative Instruments				
Total return Swap	-	17,157,116	-	17,157,116
Forward Foreign Exchange Contracts	-	197	-	197
Total	-	17,157,313	-	17,157,313

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total Fair Value EUR
Financial liabilities at fair value through profit or loss				
Financial Derivative Instruments				
Forward Foreign Exchange Contracts	-	(6,748)	-	(6,748)
Total	-	(6,748)	-	(6,748)

Flex Europe Index Linked Fund	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total Fair Value EUR
Financial assets at fair value through profit or loss				
Financial Derivative Instruments	-	9,622,780	-	9,622,780
Total	-	9,622,780	-	9,622,780

HFRq UCITS III Fund	Level 1 USD	Level 2 USD	Level 3 USD	Total Fair Value USD
Financial assets at fair value through profit or loss				
Repurchase Agreement	20,000,000	-	-	20,000,000
Total	20,000,000	-	-	20,000,000

Financial Derivative Instruments				
Forward Foreign Exchange Contracts	-	27,250	-	27,250
Total	20,000,000	27,250	-	20,027,250

	Level 1 USD	Level 2 USD	Level 3 USD	Total Fair Value USD
Financial liabilities at fair value through profit or loss				
Financial Derivative Instruments				
Forward Foreign Exchange Contracts	-	-	-	-
Total	-	-	-	-

The following tables classify each Sub-Funds financial assets, financial liabilities and derivative financial instruments held at 31 March 2010 in accordance with the levelling requirements of FRS29:

GEM III 80% Protected Fund	Level 1 USD	Level 2 USD	Level 3 USD	Total Fair Value USD
Financial assets at fair value through profit or loss				
Financial Derivative Instruments	-	48,387,260	-	48,387,260
Total	-	48,387,260	-	48,387,260

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

12. Risks, Derivatives and Other Financial Instruments (continued)

(d) Fair valuation hierarchy (continued)

S&P Diversified Trends Indicator Fund	Level 1 USD	Level 2 USD	Level 3 USD	Total Fair Value USD
Financial assets at fair value through profit or loss				
Financial Derivative Instruments	-	148,603,951	-	148,603,951
Total	-	148,603,951	-	148,603,951

S&P Diversified Trends Indicator Protected (80%) Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total Fair Value USD
Financial assets at fair value through profit or loss				
Financial Derivative Instruments	-	11,310,115	-	11,310,115
Total	-	11,310,115	-	11,310,115

RQSI Global Asset Allocation Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total Fair Value USD
Financial assets at fair value through profit or loss				
Repurchase Agreements	12,000,000	-	-	12,000,000
Time Deposits	2,000,000	-	-	2,000,000
Total	14,000,000	-	-	14,000,000

Financial Derivative Instruments

Forward Foreign Exchange Contracts	-	44,930	-	44,930
Total	14,000,000	44,930	-	14,044,930

	Level 1 USD	Level 2 USD	Level 3 USD	Total Fair Value USD
Financial liabilities at fair value through profit or loss				
Financial Derivative Instruments				
Forward Foreign Exchange Contracts	-	(59,903)	-	(59,903)
Total	-	(59,903)	-	(59,903)

13. Collateral

The approved counterparty to the total return swaps is required under the terms of the relevant swap agreement to provide collateral to the Fund so that the Fund's risk exposure to the approved counterparty is exposed to the extent required under its governing documents. All collateral held is in the form of bonds.

The collateral is held with State Street Custodial Services (Ireland) Limited.

	31 March 2011 EUR	31 March 2010 EUR
GEM III 80% Protected Fund	47,000,000	38,250,000
S&P Diversified Trends Indicator Fund	74,600,000	126,800,000
S&P Diversified Trends Indicator Protected (80%) Fund	5,600,000	9,050,000
RQSI Global Asset Allocation Fund	-	-
Nomura Balanced Index Fund	18,000,000	-
Flex Europe Index Linked Fund	16,500,000	-
HFRq UCITS III Fund	600,000	-

For the purposes of efficient portfolio management, the Company may enter into repurchase agreements and/or reverse repurchase agreements with respect to any stock and/or cash provided to it as collateral by an approved counterparty, further details of which can be found at the base of each relevant Schedule of Investments. The value of collateral held for the repurchase agreements at 31 March 2011 is USD149,980,767 (31 March 2010: USD12,434,987).

ENOVARA PLC

Notes to the Financial Statements for the year ended 31 March 2011 (continued)

14. Soft Commission Arrangements

There were no soft commission arrangements affecting the Company during the year ended 31 March 2011.

15. General

Other than the information contained in the financial statements, the Schedules of Investments and accompanying notes, the Directors are not aware of any other information which should be disclosed to enable an investor to make an assessment of the financial position of the Company.

The investment objectives of the Funds, as stated in the Background to the Fund remain in operation for the current financial year.

16. Segregated Liability

The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

17. Significant Events during the Year

The Nomura Balanced Index Fund launched on 7 May 2010.

Mr. Reza Ghassemieh resigned as a Director of Enovara Plc on 27 May 2010.

Mr. Stephen Cohen was appointed as a Director of Enovara Plc on 27 May 2010. Mr. Cohen is an employee of Nomura International Plc.

The Flex Europe Index Linked Fund launched on 30 July 2010.

The HFRq UCITS III Fund launched on 5 August 2010.

The S&P DTI (80%) Fund SEK Retail Class was fully redeemed on 15 September 2010.

The Nomura Balanced Index 100% Guaranteed Fund (EUR) was approved by Central Bank on 21 December 2010 and the open offer period for same started on 3 February 2011. The Fund is expected to launch on 23 October 2011.

18. Post Balance Sheet Events

The RQSI Plus Global Asset Allocation Fund was approved by the Central Bank on 19 May 2011. The Initial Offer period for the Fund has been extended to 31 July 2011 and the proposed Initial Issue date for the Fund is 1 August 2011.

Effective 1 July 2011 Nomura Alternative Investment Management (Europe) Limited replaced Nomura International Plc as Investment Manager and Distributor to the Company.

Mr. Stephen Cohen resigned as a Director of Enovara Plc on 13 July 2011.

The S&P DTI (80%) Fund is expected to terminate on 15 July 2011.

There are no other post balance sheet events.

19. Approval of the Financial Statements

The financial statements were approved by the Directors on 13 July 2011.

ENOVARA PLC

Global Emerging Markets III 80% Protected Fund (GEM III Fund)

Schedule of Investments as at 31 March 2011

Financial Derivative Instruments (100.40%)

Portfolio Swap Transactions (100.40%)

Currency	Notional	Investment	Termination Date	Fair Value USD	% of Fund
USD	24,303,060	GEM III 80% Protected (Class A USD)	28/07/2019	13,626,374	21.48
USD	978,342	GEM III 80% Protected (Class I USD)	28/07/2019	550,860	0.87
EUR	22,872,589	GEM III 80% Protected (Class A EUR)	28/07/2019	18,023,210	28.42
EUR	2,477,010	GEM III 80% Protected (Class I EUR)	28/07/2019	1,957,107	3.09
GBP	32,918,237	GEM III 80% Protected (Class A GBP)	28/07/2019	29,376,988	46.32
GBP	153,936	GEM III 80% Protected (Class I GBP)	28/07/2019	137,895	0.22
Portfolio Swap Transactions at fair value				63,672,434	100.40
Total Financial Derivative Instruments					
Debtors				121,471	0.19
Cash and Cash Equivalents				27,899	0.04
Total Assets				63,821,804	100.63
Creditors				(398,345)	(0.63)
Bank Overdraft				(2,874)	-
Net Assets Attributable to Redeemable Participating Shareholders				63,420,585	100.00

Classification

All financial derivative instruments are traded over the counter.

Analysis of Total Assets

	% of Total Assets
OTC financial derivative instruments	99.77
Current Assets	0.23
	<u>100.00</u>

The counterparties for the total return swaps are Nomura International Plc and Nomura Bank International Plc.

ENOVARA PLC

S&P Diversified Trends Indicator Fund (S&P DTI Fund)

Schedule of Investments as at 31 March 2011

Financial Derivative Instruments (100.49%)

Portfolio Swap Transactions (100.49%)

Currency	Notional	Investment	Termination Date	Fair Value USD	% of Fund
USD	14,866,314	S&P Diversified Trends Indicator Fund (Class A USD)	15/12/2016	8,058,955	7.55
USD	11,077,460	S&P Diversified Trends Indicator Fund (Class I USD)	15/12/2016	6,005,035	5.63
EUR	18,590,777	S&P Diversified Trends Indicator Fund (Class A EUR)	15/12/2016	14,464,909	13.55
EUR	4,722,519	S&P Diversified Trends Indicator Fund (Class I EUR)	15/12/2016	3,674,446	3.44
GBP	2,527,038	S&P Diversified Trends Indicator Fund (Class A GBP)	15/12/2016	2,278,368	2.13
GBP	13,552,797	S&P Diversified Trends Indicator Fund (Class I GBP)	15/12/2016	12,219,155	11.45
SEK	33,365,646	S&P Diversified Trends Indicator Fund (Class A SEK)	15/12/2016	2,918,365	2.73
SEK	169,870,420	S&P Diversified Trends Indicator Fund (Class I SEK)	15/12/2016	14,857,913	13.92
NOK	312,882,855	S&P Diversified Trends Indicator Fund (Class A NOK)	15/12/2016	33,053,761	30.97
NOK	92,162,681	S&P Diversified Trends Indicator Fund (Class I NOK)	15/12/2016	9,736,306	9.12

Portfolio Swap Transactions at fair value

107,267,213 100.49

Total Financial Derivative Instruments

Debtors

118,761 0.11

Cash and Cash Equivalents

52,472 0.05

Total Assets

107,438,446 100.65

Creditors

(433,318) (0.41)

Bank Overdraft

(261,457) (0.24)

Net Assets Attributable to Redeemable Participating Shareholders

106,743,671 100.00

Classification

All financial derivative instruments are traded over the counter.

Analysis of Total Assets

OTC financial derivative instruments
Current assets

% of Total Assets
99.84
0.16
100.00

The counterparties for the total return swaps are Nomura International Plc and Nomura Bank International Plc.

ENOVARA PLC

S&P Diversified Trends Indicator 80% Protected Fund (S&P DTI (80%) Fund)

Schedule of Investments as at 31 March 2011

Financial Derivative Instruments (100.95%)

Portfolio Swap Transactions (100.95%)

Currency	Notional	Investment	Termination Date	Fair Value USD	% of Fund
NOK	4,885,647	S&P DTI 80% Currency Portfolio (NOK)	25/11/2016	483,937	7.25
USD	5,203,899	S&P DTI 80% Currency Portfolio (USD)	25/11/2016	2,654,954	39.78
EUR	3,307,468	S&P DTI 80% Currency Portfolio (EUR)	25/11/2016	2,411,638	36.14
GBP	1,396,491	S&P DTI 80% Currency Portfolio (GBP)	25/11/2016	1,186,751	17.78

Portfolio Swap Transactions at fair value	<u>6,737,280</u>	<u>100.95</u>
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Total Financial Derivative Instruments

Debtors	1,396	0.02
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Cash and Cash Equivalents	6,841	0.10
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Total Assets	<u>6,745,517</u>	<u>101.07</u>
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Creditors	(69,683)	(1.04)
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Bank Overdraft	(1,844)	(0.03)
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Net Assets Attributable to Redeemable Participating Shareholders	<u>6,673,990</u>	<u>100.00</u>
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Classification

All financial derivative instruments are traded over the counter.

Analysis of Total Assets	% of Total Assets
OTC financial derivative instruments	99.88
Current assets	0.12
	<u>100.00</u>

The counterparties for the total return swaps are Nomura International Plc and Nomura Bank International Plc.

ENOVARA PLC

RQSI Global Asset Allocation Fund (RQSI GAA Fund)

Schedule of Investments as at 31 March 2011

Deposits with Credit Institutions (95.37%)

Repurchase Agreement* (95.37%)

Notional	Investment	Fair Value USD	% of Fund
22,000,000	0.20% Nomura Capital Markets Plc	22,000,000	17.11
13,015,035	0.20% Nomura Capital Markets Plc	13,015,035	10.12
4,000,000	0.20% Nomura Capital Markets Plc	4,000,000	3.11
3,000,000	0.20% Nomura Capital Markets Plc	3,000,000	2.33
18,000,000	0.20% Nomura Capital Markets Plc	18,000,000	14.00
20,704,269	0.20% Nomura Capital Markets Plc	20,704,269	16.10
6,157,651	0.20% Nomura Capital Markets Plc	6,157,651	4.79
6,009,951	0.20% Nomura Capital Markets Plc	6,009,951	4.67
9,851,597	0.20% Nomura Capital Markets Plc	9,851,597	7.66
10,197,395	0.20% Nomura Capital Markets Plc	10,197,395	7.93
4,500,000	0.20% Nomura Capital Markets Plc	4,500,000	3.50
5,200,000	0.20% Nomura Capital Markets Plc	5,200,000	4.05

Total Value of Investments excluding Financial Derivative Instruments	122,635,898	95.37
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Financial Derivative Instruments (1.17%)

Portfolio Swap Transactions (Nil)

Currency	Notional	Investment	Termination Date	Fair Value USD	% of Fund
USD	109,800,936	Nomura RQSI Global Asset Allocation Unfunded Swap	06/12/2019	-	-

Open Forward Foreign Currency Contracts (1.17%)

Currency Bought	Currency Sold	Amount Bought	Amount Sold	Settlement Date	Unrealized Gain/(Loss)	% of Fund
CHF	USD	1,092,769	1,176,513	05/04/2011	13,226	0.01
CHF	USD	5,240	5,642	05/04/2011	63	-
CHF	USD	561,517	604,548	05/04/2011	6,796	-
CHF	USD	2,693	2,899	05/04/2011	33	-
EUR	USD	32,032,798	44,185,401	05/04/2011	1,210,618	0.94
EUR	USD	246,049	339,395	05/04/2011	9,299	0.01
EUR	USD	3,000,000	4,158,000	05/04/2011	93,519	0.07
EUR	USD	4,471,108	6,250,206	05/04/2011	86,127	0.07
EUR	USD	271,000	378,525	05/04/2011	5,529	-
EUR	USD	9,700	13,483	05/04/2011	264	-
EUR	USD	601,101	828,696	05/04/2011	23,168	0.02
EUR	USD	893,007	1,269,686	05/04/2011	(4,141)	-
EUR	USD	1,236,609	1,755,564	05/04/2011	(3,075)	-
EUR	USD	94,300	133,001	05/04/2011	639	-
EUR	USD	199,999	282,489	05/04/2011	945	-
EUR	USD	2,424,130	3,343,797	05/04/2011	91,615	0.07
EUR	USD	20,021	27,617	05/04/2011	757	-
EUR	USD	65,750	91,748	05/04/2011	1,430	-
EUR	USD	392,000	544,672	05/04/2011	10,859	0.01
EUR	USD	59,999	83,402	05/04/2011	1,627	-
EUR	USD	133,500	186,812	05/04/2011	2,379	-
EUR	USD	80,000	112,832	05/04/2011	542	-
EUR	USD	42,600	60,072	05/04/2011	300	-
USD	CHF	25,829	23,674	05/04/2011	55	-

ENOVARA PLC

RQSI Global Asset Allocation Fund (RQSI GAA Fund)

Schedule of Investments as at 31 March 2011 (continued)

Open Forward Foreign Currency Contracts (1.17%) (continued)

Currency Bought	Currency Sold	Amount Bought	Amount Sold	Settlement Date	Unrealized Gain/(Loss)	% of Fund
USD	CHF	23,610	21,455	05/04/2011	250	-
USD	CHF	17,624	16,017	05/04/2011	187	-
USD	EUR	2,055,346	1,481,341	05/04/2011	(43,971)	(0.03)
USD	EUR	43,507	31,330	05/04/2011	(894)	-
USD	EUR	17,184	12,131	05/04/2011	(7)	-
USD	EUR	129,170	93,096	05/04/2011	(2,763)	-
Unrealised Gain on forward foreign currency exchange contracts					1,560,227	1.20
Unrealised Loss on forward foreign currency exchange contracts					(54,851)	(0.03)
Net Gain open forward foreign exchange contracts					1,505,376	1.17
Total Financial Derivative Instruments					1,505,376	1.17
Total Financial Assets at Fair Value Through Profit or Loss					124,141,274	96.54
Debtors					548,791	0.43
Cash and Cash Equivalents					4,302,167	3.35
Total Assets					128,992,232	100.32
Creditors					(417,363)	(0.32)
Bank Overdraft					-	-
Net Assets Attributable to Redeemable Participating Shareholders					128,574,869	100.00

Classification

All financial derivative instruments are traded over the counter.

Analysis of Total Assets

	% of Total Assets
Deposits with credit institutions	95.12
OTC financial derivative instruments	1.21
Current assets	3.67
	<u>100.00</u>

* Collateral held for Repurchase Agreements:

Government of France bond to the value of USD14,187,898	EUR 9,997,814
Government of France bond to the value of USD4,908,357	EUR 3,458,782
Federal Republic of Germany bond to the value of USD3,281,873	EUR 2,312,644
Government of France bond to the value of USD9,551,623	EUR 6,730,761
Government of France bond to the value of USD10,959,758	EUR 7,723,034
Federal Republic of Germany bond to the value of USD22,967,576	EUR 16,184,607
Federal Republic of Germany bond to the value of USD10,388,520	EUR 7,320,499
Federal Republic of Germany bond to the value of USD6,877,409	EUR 4,846,317
Government of France bond to the value of USD6,621,756	EUR 4,666,166
Government of France bond to the value of USD28,449,972	EUR 20,047,898
Federal Republic of Germany bond to the value of USD5,635,787	EUR 3,971,381
Federal Republic of Germany bond to the value of USD4,667,406	EUR 3,288,990

Notional Equivalent:

The counterparty for the repurchase agreements is Nomura Capital Markets Plc.

The counterparty for the total return swap is Nomura International Plc.

The counterparty for the open forward foreign currency exchange contracts is State Street Bank London.

ENOVARA PLC

Nomura Balanced Index Fund (Balanced Index Fund)

Schedule of Investments as at 31 March 2011

Financial Derivative Instruments (100.52%)

Portfolio Swap Transactions (100.56%)

Currency	Notional	Investment	Termination Date	Fair Value EUR	% of Fund
EUR	17,570,909	Balanced Index Fund EUR Funded Swap	07/05/2020	17,157,116	100.56

Open Forward Foreign Currency Contracts (-0.04%)

Currency Bought	Currency Sold	Amount Bought	Amount Sold	Settlement Date	Unrealised Gain/(Loss)	% of Fund
EUR	GBP	23,671	20,799	06/04/2011	127	-
EUR	GBP	13,042	11,459	06/04/2011	70	-
GBP	EUR	616,821	702,570	06/04/2011	(4,348)	(0.03)
GBP	EUR	340,507	387,844	06/04/2011	(2,400)	(0.01)

Unrealised Gain on forward foreign currency exchange contracts	197	-
Unrealised Loss on forward foreign currency exchange contracts	(6,748)	(0.04)
Net Loss on open forward foreign exchange contracts	(6,551)	(0.04)

Total Financial Derivative Instruments	17,150,565	100.52
Debtors	34,976	0.21
Cash and Cash Equivalents	-	-
Total Assets	17,185,541	100.73
Creditors	(93,575)	(0.55)
Bank Overdraft	(30,158)	(0.18)
Net Assets Attributable to Redeemable Participating Shareholders	17,061,808	100.00

Classification

All financial derivative instruments are traded over the counter.

Analysis of Total Assets

	% of Total Assets
OTC financial derivative instruments	99.80
Current assets	0.20
	<u>100.00</u>

The counterparty for the total return swap is Nomura International Plc.

The counterparty for the open forward foreign currency exchange contracts is State Street Bank London.

ENOVARA PLC

Flex Europe Index Linked Fund (Flex EIL Fund)

Schedule of Investments as at 31 March 2011

Financial Derivative Instruments (100.60%)

Portfolio Swap Transactions (100.60%)

Currency	Notional	Investment	Termination Date	Fair Value EUR	% of Fund
EUR	19,886,726	Flex EUR Fund Funded Swap	30/07/2020	9,622,780	100.60
Portfolio Swap Transactions at fair value				<u>9,622,780</u>	<u>100.60</u>
Total Financial Derivative Instruments					
Debtors				31,086	0.32
Cash and Cash Equivalents				-	-
Total Assets				<u>9,653,866</u>	<u>100.92</u>
Creditors				(88,440)	(0.92)
Bank Overdraft				-	-
Net Assets Attributable to Redeemable Participating Shareholders				<u>9,565,426</u>	<u>100.00</u>

Classification

All financial derivative instruments are traded over the counter.

Analysis of Total Assets

	% of Total Assets
OTC financial derivative instruments	99.68
Current Assets	<u>0.32</u>
	<u>100.00</u>

The counterparties for the total return swap are Nomura International Plc and Nomura Bank International Plc.

ENOVARA PLC

HFRq UCITS III Fund (HFRq Fund)

Schedule of Investments as at 31 March 2011

Deposits with Credit Institutions (102.16%)

Repurchase Agreement* (102.16%)

Notional	Investment	Fair Value USD	% of Fund
6,000,000	0.20% Nomura Capital Markets Plc	6,000,000	30.66
3,000,000	0.20% Nomura Capital Markets Plc	3,000,000	15.32
3,000,000	0.20% Nomura Capital Markets Plc	3,000,000	15.32
4,000,000	0.20% Nomura Capital Markets Plc	4,000,000	20.43
4,000,000	0.20% Nomura Capital Markets Plc	4,000,000	20.43

Total Value of Investments excluding Financial Derivative Instruments	<u>20,000,000</u>	<u>102.16</u>
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Financial Derivative Instruments (0.12%)

Portfolio Swap Transactions (Nil%)

Currency	Notional	Investment	Termination Date	Fair Value USD	% of Fund
USD	18,773,787	HFRQ UCITS III USD INDEX L	06/08/2020	-	-

Open Forward Foreign Currency Contracts (0.12%)

Currency Bought	Currency Sold	Amount Bought	Amount Sold	Settlement Date	Unrealised Gain	% of Fund
EUR	USD	3,204,800	4,529,407	05/04/2011	12,348	0.06
EUR	USD	134,954	190,356	05/04/2011	898	-
EUR	USD	51,587	72,585	05/04/2011	523	-
EUR	USD	3,263,238	4,611,999	05/04/2011	12,573	0.06
EUR	USD	136,440	192,451	05/04/2011	908	-

Unrealised Gain on forward foreign currency exchange contracts	27,250	0.12
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Unrealised Loss on forward foreign currency exchange contracts	-	-
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Net Gain on open forward foreign exchange contracts	<u>27,250</u>	<u>0.12</u>
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Total Financial Derivative Instruments	<u>27,250</u>	<u>0.12</u>
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Total Financial Assets at Fair Value Through Profit or Loss	<u>20,027,250</u>	<u>102.28</u>
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Debtors	95,864	0.50
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Cash and Cash Equivalents	388,659	1.99
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Total Assets	<u>20,511,773</u>	<u>104.77</u>
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Creditors	(933,131)	(4.77)
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Bank Overdraft	-	-
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Net Assets Attributable to Redeemable Participating Shareholders	<u>19,578,642</u>	<u>100.00</u>
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Classification

All financial derivative instruments are traded over the counter.

ENOVARA PLC

HFRq UCITS III Fund (HFRq Fund) (continued)

Schedule of Investments as at 31 March 2011 (continued)

Analysis of Total Assets	% of Total Assets
Deposits with credit institutions	97.71
OTC financial derivative instruments	0.13
Current assets	2.16
	<u>100.00</u>

* Collateral held for Repurchase Agreement

	Notional Equivalent:
Government of France bond to the value of USD3,267,426	EUR 2,302,464
Government of France bond to the value of USD3,254,515	EUR 2,293,366
Federal Republic of Germany bond to the value of USD4,264,725	EUR 3,005,232
Federal Republic of Germany bond to the value of USD6,301,641	EUR 4,440,590
Federal Republic of Germany bond to the value of USD4,394,525	EUR 3,096,699

The counterparty for the repurchase agreement is Nomura Capital Markets Plc.

The counterparty for the total return swap is Nomura International Plc.

The counterparty for the open forward foreign currency exchange contracts is State Street Bank London.

ENOVARA PLC

Total Expense Ratio ('TER') (unaudited)

The Average Total Expense Ratio table shows the actual expenses incurred by each share class of each Fund during the 12 months ended 31 March 2011, expressed as a percentage of the average (avg.) net asset value (NAV) of the Fund for the corresponding period.

Global Emerging Markets III 80% Protected Portfolio Fund

Class	Annualised % of avg. NAV	
	Management Fee	Other Fees
USD Retail Class	0.75%	0.54%
USD Institutional Class	0.15%	0.47%
EUR Retail Class	0.75%	0.54%
EUR Institutional Class	0.15%	0.47%
GBP Retail Class	0.75%	0.56%
GBP Institutional Class	0.15%	0.64%

S&P Diversified Trends Indicator 80% Protected Fund

Class	Annualised % of avg. NAV	
	Management Fee	Other Fees
USD Retail Class	1.50%	0.87%
EUR Retail Class	1.50%	0.95%
NOK Retail Class	1.50%	0.87%
GBP Retail Class	1.50%	0.77%
SEK Retail Class*	1.50%	1.02%

* SEK class worth 0.50% of overall fund, fixed fee charges disproportionately impacting TER.

S&P Diversified Trends Indicator Fund

Class	Annualised % of avg. NAV	
	Management Fee	Other Fees
USD Retail Class	1.25%	0.40%
USD Institutional Class	0.45%	0.40%
EUR Retail Class	1.25%	0.41%
EUR Institutional Class	0.45%	0.43%
GBP Retail Class	1.25%	0.38%
GBP Institutional Class	0.45%	0.37%
SEK Retail Class	1.25%	0.46%
SEK Institutional Class	0.45%	0.37%
NOK Retail Class	1.25%	0.44%
NOK Institutional Class	0.45%	0.37%

RQSI Global Asset Allocation Fund

Class	Annualised % of avg. NAV		
	Management Fee	Performance Fee****	Other Fees
USD Retail Class	1.85%	0.00%	0.46%
USD Institutional Class	1.00%	0.00%	0.46%
USD M Class**	0.00%	0.00%	0.40%
EUR Retail Class	1.89%	0.00%	0.46%
EUR Institutional Class	1.00%	0.00%	0.43%
CHF Retail Class***	1.97%	0.00%	0.45%
CHF Institutional Class	1.00%	0.00%	0.47%

** Launched on 14 December 2010 @ USD 100.00 per share.

*** Launched on 13 July 2010 @ Chf 101.62 per share.

**** Performance Fee as at 31 March 2011, based on quarter end class net assets (not annualised).

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Total Expense Ratio (unaudited) (continued)

Nomura Balanced Index Fund (launched 7 May 2010)

Class	Annualised % of avg. NAV	
	Management Fee	Other Fees
EUR Retail Class	1.00%	1.27%
EUR Institutional Class	0.50%	0.59%
GBP Retail Class	1.00%	1.25%
GBP Institutional Class	0.50%	1.46%

Flex Europe Index Linked (launched 30 July 2010)

Class	Annualised % of avg. NAV	
	Management Fee	Other Fees
USD Retail Class	1.50%	0.63%
USD Institutional Class	0.73%	0.63%

HFRq UCITS III Fund (launched 5 August 2010)

Class	Annualised % of avg. NAV	
	Management Fee	Other Fees
USD Retail Class	1.10%	0.44%
USD Institutional Class	0.10%	0.41%
EUR Retail Class	1.10%	0.52%
EUR Institutional Class	0.10%	0.52%

ENOVARA PLC

Portfolio Turnover Rate (unaudited)

As at 31 March 2011

Methodology

The PTR provides an indication of the level of transactions carried out during the 12 months ended 31 March 2011. Portfolio management techniques (e.g. stock lending and repurchase agreements) are not included as a purchase or sale of securities for the purposes of calculation:

$$[(\text{Total 1} - \text{Total 2}) / M] * 100$$

Where

Total 1 = Purchase of securities + Sale of securities (excluding stock lending and repurchase agreements)

Total 2 = Subscriptions of Shares + Redemptions of Shares

M = Monthly average of total net assets (i.e. average of daily net assets value)

Fund	PTR
Global Emerging Markets III 80% Protected Portfolio Fund	1.77
S&P Diversified Trends Indicator 80% Protected Fund	3.59
S&P Diversified Trends Indicator Fund	2.10
RQSI Global Asset Allocation Fund	(169.25)
Nomura Balanced Index Fund*	1.85
Flex Europe Index Linked*	0.58
HFRq UCITS III Fund*	(539.12)

* The PTR for each of these Funds has been calculated from date of launch (see Note 13) to 31 March 2011.