

Ocean Dial Investment Funds Plc

UNAUDITED INTERIM REPORT & CONSOLIDATED FINANCIAL STATEMENTS

For the six months to 30 September 2014

Ocean Dial Investment Funds Plc

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Ocean Dial Investment Funds Plc

Organisation

Directors of the Company

David Hammond*

John Bohan

James Cayzer-Colvin*

Maheshwar Doorgakant

Robin Sellers

*Independent Non-Executive

Investment Manager, Distributor and Promoter

Ocean Dial Asset Management Limited

Cayzer House

30 Buckingham Gate

London SW1E 6NN

United Kingdom

Legal Advisers (Ireland) and Sponsoring Brokers

Dillon Eustace

33 Sir John Rogerson's Quay

Dublin 2

Ireland

Administrator – Ireland

Apex Fund Services (Ireland) Limited

1st Floor, Block 2

Harcourt Centre

Harcourt Street

Dublin 2

Ireland

Administrator – Mauritius

Apex Fund Services (Mauritius) Ltd

4th Floor, Raffles Tower

19 Cybercity

Ebène

Mauritius

Custodian

Société Générale S.A (Dublin Branch)

3rd Floor, IFSC House

The IFSC

Dublin 1

Ireland

Auditors

Deloitte & Touche

Deloitte & Touche House

Earlsfort Terrace

Dublin 2

Ireland

Secretary

Apex Fund Services (Ireland) Limited

1st Floor, Block 2

Harcourt Centre

Harcourt Street

Dublin 2

Ireland

Registered Office

1st Floor, Block 2

Harcourt Centre

Harcourt Street

Dublin 2

Ireland

Registered No: 506061

Ocean Dial Investment Funds Plc

Background to the Company

Description

Ocean Dial Investment Funds plc (the "Company") is an open-ended investment company with variable capital and segregated liability between funds incorporated in Ireland on 15 November 2011. The Company has been authorised by the Central Bank of Ireland (the "Central Bank") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to the UCITS Regulations.

The Company is structured as an umbrella fund consisting of different funds each comprising one or more classes. The Shares issued in each fund will rank pari passu with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular class, dividend policy, the level of fees and expenses to be charged or the minimum initial subscription, minimum holding and minimum transaction size applicable. The assets of each fund will be invested separately on behalf of each fund in accordance with the investment objective and policies of each fund. At 30 September 2014 there was one fund in existence, the Ocean Dial Gateway to India Fund (the "Fund"). The Fund was launched on 10 September 2012.

The Fund holds 100% of the share capital of Ocean Dial Gateway to India (Mauritius) Limited (the "Subsidiary"). Ocean Dial Gateway to India (Mauritius) Limited is registered with the Securities and Exchange Board of India (SEBI) as a sub-account of the Investment Manager, which is registered as a Foreign Institutional Investor with SEBI. Ocean Dial Gateway to India (Mauritius) Limited will pursue the same investment objective as the Fund and will be subject to the same investment policies, restrictions and guidelines of the Fund and the Company generally, but subject at all times to any applicable law, regulations or guidelines applicable to Ocean Dial Gateway to India (Mauritius) Limited, including in its capacity as a sub-account of the Investment Manager.

Investment Objective and Policy

The investment objective of the Fund is to provide a long term capital appreciation.

The Fund intends to achieve its investment objective by investing primarily in a diversified portfolio of equities and equity related securities of (i) large, mid and small-cap companies that have their registered office in India and are listed on Recognised Exchanges worldwide, (ii) large, mid and small-cap companies that exercise a preponderant part of their economic activity in India and are listed on Recognised Exchanges worldwide and/or (iii) large, mid and small-cap companies whose equity and equity related securities are listed, traded or dealt in on Indian stock exchanges as further detailed in the Prospectus.

The Fund (either directly or through investment in any subsidiary) may use derivative instruments for investment purposes and/or efficient portfolio management purposes. Derivatives may be traded on Recognised Exchanges worldwide. In relation to the equity related securities in which the Fund may invest, these may include, but are not limited to, preference shares, convertible bonds, convertible preference shares, American Depositary Receipts and Global Depositary Receipts.

The Fund measures its performance against the S&P BSE Dollex-30 ("Index"). This Index tracks the S&P BSE Sensex using a US Dollar rate fixed by the Reserve Bank of India at midday daily. The Index is a cap weighted Index and the Index members have been selected on the basis of liquidity, depth and floating stock adjustment depth and industry representation.

Background to the Company (continued)

Net Asset Value

The Net Asset Value of each Fund or, if there are different Classes within a Fund, each Class will be calculated by the Administrator as at each Valuation Point for each Fund in accordance with the Articles of Association. At 30 September 2014, there were four Classes in existence; Class A US\$, Class B Euro, Class C GBP and Class D US\$. Of these, Class A US\$, Class C GBP and Class D US\$ were in issue at 30 September 2014.

The Net Asset Value of the Fund shall be determined as at each Valuation Point by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund (including a provision for duties and charges, accrued expenses and fees and other liabilities). The Net Asset Value of a Fund will be expressed in the Base Currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class in a specific case.

Dividend Policy

Dividends (if any) will normally be declared on the next Business Day following 31 March in each year and will be paid to Shareholders appearing on the register of Shares of the relevant Class at the close of business on that date on or before 30 April in that year. Payments of dividends to Shareholders will be made in the currency of denomination of the Class by telegraphic transfer to an account designated by the Shareholders in the Application Form.

Subscriptions

Investors of Share Class A (US\$) and Share Class C (GBP) must subscribe a minimum of US\$5,000 or the equivalent in other currencies and must at all times retain shares having a Net Asset Value of US\$5,000 and a shareholder may make subsequent subscriptions and redemptions subject to a minimum transaction size of US\$1,000 each. Investors of Share Class D (US\$) must subscribe a minimum of US\$10,000,000 and a shareholder may make subsequent subscriptions and redemptions, each subject to a minimum transaction size of US\$1,000,000. As at 30 September 2014, there are three share classes in issue, Class A (US\$), Class C (GBP) and Class D (US\$) in the Fund. Share Class B (EUR) has not yet launched.

Investment Manager's Report

The six month period to 30 September 2014 has been one of considerable change in India. The economic cycle showed signs of bottoming out following a period of turbulence in 2013 and a national General Election in May 2014, which has revitalised the political environment. Against this backdrop the BSE Sensex rose 18.9% in local currency ("INR" or "Rupee") whilst the BSE Mid Cap Index prominently displayed the improved outlook by rallying 34.6%. Compared to a 15.5% fall in the same period to September 2013, the Rupee was relatively stable in this period, depreciating only 2.5% as an improvement in trade imbalances and better monetary policy brought greater stability.

Investment Portfolio Performance

The Fund Net Asset Value ("NAV") per Class A US\$ share as at 30 September 2014 was US\$162.4, up 30.2% for the six months to 30 September 2014, whilst the S&P BSE Dollex 30 was up 15.6% for the same period, both in US\$ terms. In INR, the NAV per Class A US\$ share was up 33.2%.

All sectors except Energy and Consumer Staples contributed positively for the six months to 30 September 2014. Positive attribution was driven by Sundaram Finance (up 99.1%), PI Industries (up 62.7%) and Atul Auto (up 93.2%). Negative attribution mainly stemmed from Aban Offshore, which fell 12.2% (since purchase) and ITC, which was down 3.4%.

Economy and politics

The period was dominated by the General Election which saw the incumbent Congress-led Government decimated by the opposition BJP. Although avoiding a sovereign credit rating downgrade before going out, the previous administration was rendered impotent by coalition infighting, corruption scandals, high inflation and a currency crisis. So much so that the electorate delivered a strong mandate for something different. For the first time in 30 years India elected a majority Government, swayed by a strong campaign led by Narendra Modi who promised to deliver an open, accountable, pro-business, reform driven environment.

The Government's first Budget in July was unambitious but symptomatic of the short time available for preparation since the election. It did however provide a snapshot of what to expect over the course of this Parliament by committing to reduce the fiscal deficit to what, at the time, seemed an optimistic target of 4.1% of GDP. FDI limits were raised to 49% for both the Insurance and Defense sectors and tax incentives were introduced to encourage a revival in the infrastructure sector.

The direction of economic policy since the election has been positive. The initial focus behind the scenes has been to reenergise an indignant bureaucracy following its standoff with the previous Government on the apportionment of blame for corruption practices. Bureaucrats have been tasked with reducing red tape, interacting with corporate India to get business moving and instilling processes that allow decision making for infrastructure projects to be more efficient and transparent. To facilitate this, the application process has shifted online with open access to the public, with the aim of ensuring applications are handled quickly whilst at the same time reducing corruption. Over time this should lead to simplification and a better environment for business.

In terms of big ticket reforms, the weighty expectations placed on the new Government are now being tempered as a more practical and considered approach has been embraced. Nevertheless, the commitment to introduce the Goods and Services Tax (a nationwide VAT) by April 2015 is encouraging and something which would be a great boost for the economy. In October the decision was made to use the collapse in global oil prices to end diesel subsidies, a radical step but one taken at an opportunistic time.

Investment Manager's Report (continued)

What is also promising is the healthy competition being built up between States to encourage business and job creation. The State of Rajasthan has initiated reforms to the application of the country's complex web of labour laws in order to reduce the risk to employers of taking on new workers. Both the States of Odissa and Madhya Pradesh have announced ambitious projects to improve intra state connectivity and irrigation, which will have a positive impact on productivity and growth. The impact of State level reforms is not fully appreciated by the Government but it is a positive sign to see States competing more against each other for foreign investment.

A rejuvenated political environment has coincided with key indicators showing improvements on the macroeconomic front. Under the tenure of RBI Governor, Raghuram Rajan, the Rupee has shown stability and inflation has started to come under control. The stated CPI inflation targets of 8% by March 2015 and 6% by March 2016 now appear achievable, allowing the Central Bank to initiate an interest rate easing cycle.

GDP growth has started to show signs of life as Q1 FY15 reported 5.7% versus 4.7% for the same quarter last year. This is the strongest GDP report for the last eight quarters and was driven by industrial output which grew by 4.2%, agriculture which grew by 3.8% and services which were 6.8% stronger. It will take time for India to return to growth exceeding the 7% level and for this to translate into improved corporate profitability, but it is clear that the economy is bottoming out. The aforementioned collapse in global oil prices is taking pressure off India's import bill and will have a knock on effect on inflation. By allowing the Government to eliminate diesel subsidies, it has also made the 4.1% fiscal deficit target appear achievable. Indeed, the current account deficit has improved to -1.7% (Q1 FY15) since quantitative easing slowed in July 2013 and the Rupee's performance, combined with the improved macro environment, shows that India should no longer be dubbed as part of the "Fragile Five" economies. Should there be an Emerging Market sell-off on account of tighter global monetary policy, India will certainly not be immune but it is in a considerably more robust position than last year.

The risks to full recovery remain several. Should oil prices revert to an upward trend, the Government's mettle will be tested on the subsidy reduction and the monetary easing cycle may well be delayed. Although steps have been taken to introduce competition in key industries, notably coal, the approach will have to be measured in order to maximise the chances of reform success particularly as vested interests remain strong. Moreover, despite business confidence being high, market patience could be tested should the pace of reform not be swift enough to lead to increased activity at the ground level. Nevertheless, the outlook for India is considerably better than at the time of writing last year. There will always be challenges, but the country is on the cusp of a period of political and economic stability not recently experienced.

Ocean Dial Investment Funds Plc

Consolidated Statement of Comprehensive Income

For the six months to 30 September 2014

	Note	Unaudited Six months to 30.09.14 US\$	Unaudited Six months to 30.09.13 US\$	Audited Year ended 31.03.14 US\$
Portfolio return				
Net realised gains/(losses) on financial assets held at fair value through profit or loss	7	3,461,617	(1,099,221)	(958,112)
Net unrealised gains/(losses) on financial assets held at fair value through profit or loss	7	7,639,664	(1,817,175)	5,174,942
Dividend income		736,747	274,655	381,358
Transaction costs		(152,169)	(50,148)	(79,559)
Total portfolio return		11,685,859	(2,691,889)	4,518,629
Operating income/(expenses)				
Interest income		328	-	66
Audit fees		(14,530)	(19,970)	(24,298)
Legal fees		(35,447)	(5,485)	(3,520)
Professional fees		(27,248)	(14,623)	(67,095)
Directors' fees		(23,629)	(41,563)	(48,915)
Investment Management fee	9	(248,707)	(138,274)	(314,513)
Administration fees	9	(20,452)	(40,548)	(55,737)
Custodian fees	9	(25,624)	(17,659)	(41,466)
Other expenses		(32,456)	(95,435)	(207,902)
Total operating income/(expenses)		(427,765)	(373,557)	(763,380)
Performance fees (unrealised)	9	(595,262)	-	-
Net income/(loss) before taxation		10,662,832	(3,065,446)	3,755,249
Taxation	11	(11,859)	-	-
Net income/(loss) after taxation		10,650,973	(3,065,446)	3,755,249

The financial statements were approved by the board of Directors of Ocean Dial Investment Funds plc on 28 November 2014.

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

Ocean Dial Investment Funds Plc

Consolidated Statement of Financial Position

As at 30 September 2014

	Note	Unaudited 30.09.14 US\$	Unaudited 30.09.13 US\$	Audited 31.03.14 US\$
Assets				
Financial assets held at fair value through profit or loss		71,935,462	16,789,617	25,736,900
Cash and cash equivalents	5	2,177,563	1,875,634	766,141
Share application monies		680,000	-	-
Other receivables		113,695	25,259	55,437
Total assets		<u>74,906,720</u>	<u>18,690,510</u>	<u>26,558,478</u>
Liabilities				
Subscription received in advance		(739,696)	-	-
Accrued expenses	4	(729,995)	(151,596)	(110,170)
Total liabilities		<u>(1,469,691)</u>	<u>(151,596)</u>	<u>(110,170)</u>
Total equity		<u>73,437,029</u>	<u>18,538,914</u>	<u>26,448,308</u>
Number of shares in issue				
Class A (US\$)	6	192,388	192,155	211,856
Class C (GBP)		5,969	4,968	143
Class D (US\$)		361,893	-	-
Net asset value per share				
Class A (US\$)	8	US\$162.43	US\$92.97	US\$124.73
Class C (GBP)		£145.92	£83.84	£96.90
Class D (US\$)		US\$112.67	-	-

The financial statements were approved by the board of Directors of Ocean Dial Investment Funds plc on 28 November 2014.

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Ocean Dial Investment Funds Plc

Consolidated Statement of Changes in Equity

For the six months to 30 September 2014

	Unaudited Six months to 30.09.14 US\$	Unaudited Six months to 30.09.13 US\$	Audited Year ended 31.03.14 US\$
Balance at start of period	26,448,308	11,959,301	11,959,301
Proceeds from redeemable participating shares issued	46,725,764	9,753,212	18,349,099
Payments on redeemable participating shares redeemed	(10,388,016)	(108,153)	(7,615,341)
Increase from share transactions	<u>36,337,748</u>	<u>9,645,059</u>	<u>10,733,758</u>
Net income/(loss) for the period	<u>10,650,973</u>	<u>(3,065,446)</u>	<u>3,755,249</u>
Balance at end of period	<u>73,437,029</u>	<u>18,538,914</u>	<u>26,448,308</u>

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

Ocean Dial Investment Funds Plc

Consolidated Statement of Cash Flows

For the six months ended to 30 September 2014

	Unaudited Six months to 30.09.14 US\$	Unaudited Six months to 30.09.13 US\$	Audited Year ended 31.03.14 US\$
Cash flows used in operating activities			
Proceeds from sale of investments	13,375,623	6,217,831	11,211,672
Purchase of investments	(49,152,904)	(14,231,012)	(21,038,910)
Operating income received/(expenses paid)	850,955	(229,990)	(614,125)
Net cash used in operating activities	<u>(34,926,326)</u>	<u>(8,243,171)</u>	<u>(10,441,363)</u>
Cash flows from financial activities			
Proceeds from redeemable participating shares issued	46,725,764	9,753,212	18,349,099
Payments on redeemable participating shares redeemed	(10,388,016)	(108,153)	(7,615,341)
Net cash from financing activities	<u>36,337,748</u>	<u>9,645,059</u>	<u>10,733,758</u>
Net increase in cash and cash equivalents	<u>1,411,422</u>	<u>1,401,888</u>	<u>292,395</u>
Cash and cash equivalents at beginning of the period	766,141	473,746	473,746
Cash and cash equivalents at end of the period	<u>2,177,563</u>	<u>1,875,634</u>	<u>766,141</u>
Supplementary Information			
Net Dividends	657,203	270,510	373,553
Interest Received	328	-	66

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

Notes to the financial statements

For the six months to 30 September 2014

1. General Information

The consolidated financial statements consist of Ocean Dial Gateway to India Fund and Ocean Dial Gateway to India (Mauritius) Limited, together (the “Group”).

2. Significant Accounting Policies

Basis of preparation

These Interim Financial Statements have been prepared in accordance with IAS 34 on “Interim Financial Reporting,” and should be read in conjunction with the most recent audited annual financial statements, which were prepared in accordance with International Financial Reporting Standards as adopted by the E.U. (“IFRS”) and Irish statute comprising the Companies Acts, 1963 to 2013 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

The Company has opted to prepare interim financial statements. As a result, these financial statements are prepared on the basis of the accounting policies set out in the 31 March 2014 annual financial statements.

3. Financial Derivative Instruments

The Group did not hold or trade in any financial derivative instruments for the period ended 30 September 2014.

4. Accrued Expenses

	Unaudited 30.09.14 US\$	Unaudited 30.09.13 US\$	Audited 31.03.14 US\$
Audit fees	20,610	15,748	23,773
Professional fees	15,684	8,333	19,740
Directors' fee and expenses	9,499	26,690	20,453
Investment Management fee	56,570	44,765	32,242
Performance fees (unrealised)	595,262	-	-
Administration fees	4,748	20,812	2,906
Custodian fees	5,500	3,949	4,954
General expenses	10,263	31,299	6,102
Taxation	11,859	-	-
Total accrued expenses	<u>729,995</u>	<u>151,596</u>	<u>110,170</u>

5. Cash and cash equivalent

The Company has appointed Société Générale S.A. (Dublin Branch), as its Custodian for all the assets of the Company. At 30 September 2014, Ocean Dial Gateway to India Fund had cash of US\$2,177,563 (30 September 2013: US\$1,875,634).

Notes to the financial statements (continued)

For the six months to 30 September 2014

6. Redeemable Participating Shares and Share Capital

The authorised share capital of the Company is 300,000 redeemable non-participating shares of no par value and 500,000,000,000 participating Shares of no par value. Non-participating shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the consideration paid therefore but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit.

Every Shareholder or holder of non-participating shares present in person or by proxy who votes on a show of hands shall be entitled to one vote. On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of non-participating shares shall be entitled to one vote in respect of all non-participating shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way. The following share classes were in issue at 30 September 2014:

Share Class A (US\$) launched on 10 September 2012

Share Class C (GBP) launched on 5 November 2012

Share Class D (US\$) launched on 30 May 2014

Movements in participating shares during the period ended 30 September 2014 were as follows:

	Class A (US\$) No. of shares	Class C (GBP) No. of shares	Class D (US\$) No. of shares
Shares at beginning of period	211,856	143	-
Shares issued during the period	14,632	5,826	361,893
Shares redeemed during the period	(34,100)	-	-
Shares at end of period	<u>192,388</u>	<u>5,969</u>	<u>361,893</u>

Movements in participating shares during the period ended 30 September 2013 were as follows:

	Class A (US\$) No. of shares	Class C (GBP) No. of shares
Shares at beginning of period	111,748	243
Shares issued during the period	81,459	4,725
Shares redeemed during the period	(1,052)	-
Shares at end of period	<u>192,155</u>	<u>4,968</u>

Movements in participating shares during the year ended 31 March 2014 were as follows:

	Class A (US\$) No. of shares	Class C (GBP) No. of shares
Shares at beginning of year	111,748	243
Shares issued during the year	157,016	4,725
Shares redeemed during the year	(56,908)	(4,825)
Shares at end of year	<u>211,856</u>	<u>143</u>

Notes to the financial statements (continued)

For the six months to 30 September 2014

7. Net Gains/(Losses) on financial assets held at fair value through profit or loss

	Unaudited Six months to 30.09.14 US\$	Unaudited Six months to 30.09.13 US\$	Audited Year ended 31.03.14 US\$
Net realised gains/(losses) on financial assets held at fair value through profit or loss			
Realised gains/(losses) on sale of investments	3,469,267	(262,736)	(940,043)
Realised (losses) on currency spot contracts	(7,650)	(836,485)	(18,069)
	<u>3,461,617</u>	<u>(1,099,221)</u>	<u>(958,112)</u>
Net unrealised gains/(losses) on financial assets held at fair value through profit or loss			
Unrealised gains on sale of investments	7,814,585	127,808	5,512,370
Unrealised (losses) on currency spot contracts	(174,921)	(1,944,983)	(337,428)
	<u>7,639,664</u>	<u>(1,817,175)</u>	<u>5,174,942</u>

8. Net Asset Value

	Unaudited 30.09.14 Class A (US\$)	Unaudited 30.09.14 Class C (GBP)	Unaudited 30.09.14 Class D (US\$)
Net Asset Value	US\$31,250,331	£870,989	JS\$40,774,566
NAV per share	US\$162.43	£145.92	US\$112.67

	Unaudited 30.09.13 Class A (US\$)	Unaudited 30.09.13 Class C (GBP)
Net Asset Value	US\$17,864,427	£416,527
NAV per share	US\$92.97	£83.84

	Audited 31.03.14 Class A (US\$)	Audited 31.03.14 Class C (GBP)
Net Asset Value	US\$26,425,220	£13,845
NAV per share	US\$124.73	£96.90

Notes to the financial statements (continued)

For the six months to 30 September 2014

9. Fees

Investment Management Fee

With respect to Share Class A (US\$), Share Class B (EUR) and Share Class C (GBP), the Investment Manager shall be entitled to a maximum annual investment management fee and distribution fee equal to 1.25% of the Net Asset Value of the relevant Class as of the last business Day of each calendar month with effect from 01 September 2014. Such fee shall be calculated and accrued at each Valuation Point and payable monthly in arrears. Up to 31 August 2014, the management fee rate for the above mentioned Share Classes was 1.50%.

With respect to Share Class D (US\$), the Investment Manager shall receive or pay the balance between the total operating costs of Share Class D and the fixed Ongoing Charge Rate of 1.15%.

Performance Fee

The Company will pay the Investment Manager a performance fee (the "Performance fee") in relation to Class D (US\$) Shares in respect of each 12 month period from 30 May 2014 (the "Performance period"). A performance fee will be payable to the Investment Manager in respect of the Performance Period if the performance per share of Class D US\$ shares exceeds the Benchmark; such performance, expressed as a percentage, being the percentage outperformance per share of Class D US\$ shares (the "Net Percentage Outperformance").

The relevant benchmark for the purpose of the performance fee calculation shall be the S&P BSE Dollex 30 Index (the "Benchmark").

The Performance fee payable in respect of Class D US\$ Shares shall be the relevant Net Asset Value of Class D US\$ shares on the last business day of the relevant Performance period multiplied by the Net percentage outperformance per share multiplied by 15%.

Administration Fee

The Company shall pay to the Administrator out of the assets of the Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears at a minimum fee of US\$17,500 per annum for the fund or a flat fee of 5 basis points of the Net asset Value of the Fund, whichever is greater, and shall also be entitled to fees for the preparation of financial statements and provision of company secretary and money laundering reporting officer services and transaction fees in respect of transfer agency services.

The Administrator shall also be entitled to be repaid out of the assets of the Company all of its reasonable out-of-pocket expenses incurred on behalf of the Company. Each Fund will bear its proportion of the expenses of the Administrator.

The Administrator of the Ocean Dial Gateway to India (Mauritius) Limited is Apex Fund Services (Mauritius) Ltd.

Amounts paid to the Administrators in Ireland and Mauritius and amounts due to the Administrators at period end, are disclosed on the face of the Consolidated Statement of Comprehensive Income and included within note 4, respectively.

Notes to the financial statements (continued)

For the six months to 30 September 2014

9. Fees (continued)

Custodian Fee

The Custodian shall be entitled to receive out of the assets of the Fund an annual fee accrued at each Valuation Point and payable monthly in arrears at a rate of 5 basis points per annum of the Gross Asset Value of the Fund.

The Custodian shall also be entitled to be repaid all of its reasonable disbursements and out of pocket expenses out of the assets of the relevant Fund, including the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon. Each Fund will bear its proportion of the fees and expenses of the Custodian.

Amounts earned by the Custodian and due to the Custodian at period end are disclosed on the face of the Consolidated Statement of Comprehensive Income and included within note 4 respectively.

Transaction costs

The Fund incurred transaction costs of US\$152,169 for the six months to 30 September 2014 (six months to 30 September 2013: US\$50,148).

Ongoing Charges Figure

The ongoing charges figure of the Company ('OCF') (excluding unrealised performance fees) for the six month period to 30 September 2014 was 1.70% (six months to 30 September 2013; 4.0%). The calculation of the OCF is based on the operating expenses of the Company of US\$428,093 for the six months to 30 September 2014 (six months to 30 September 2013: US\$373,557) and the average Net Asset Value of the Company of US\$50,315,028 during the six months to 30 September 2014 (six months to 30 September 2013: US\$18,463,263)

10. Related Party Transactions

International Accounting Standards (IAS) 24 "Related Party Disclosures" requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity.

All transactions with connected parties have been carried out at arm's length and in a way that is consistent with the best interests of shareholders.

Investment Manager

Related parties include the Investment Manager, Ocean Dial Asset Management Limited. Amounts earned by the Investment Manager and due to the Investment Manager at period end, are disclosed on the face of the Consolidated Statement of Comprehensive Income and included within note 4 respectively.

Administrator

Related parties include the Administrators Apex Fund Services (Ireland) Limited and Apex Fund Services (Mauritius) Ltd. Amounts earned by the Administrators in Ireland and Mauritius and due to the Administrators at period end, are disclosed on the face of the Consolidated Statement of Comprehensive Income and included within note 4 respectively.

Notes to the financial statements (continued)

For the six months to 30 September 2014

10. Related Party Transactions (continued)

Directors

Mr. John Bohan is Director of Apex Fund Services (Ireland) Limited, the administrator and Secretary to Ocean Dial Investment Funds Plc.

Mr. James Cayzer-Colvin is an executive Director of Caledonia Investments PLC, which holds 105,174 Class A US\$ Shares in the Fund.

Mr. Maheshwar Doorgakant is the Managing Director of Apex Fund Services (Mauritius) Ltd., the administrator to the Subsidiary.

Mr. David Hammond was a Director of Bridge Consulting Limited up to 1 August 2014. Bridge Consulting provides the Company with consulting services in relation to its obligations under the UCITS regulations. The fees paid to Bridge Consulting for the six months to 30 September 2014 were US\$20,989 (six months to 30 September 2013: US\$32,793).

Mr. Robin Sellers is Chief Executive Officer of Ocean Dial Asset Management Limited, the Investment Manager, Distributor and Promoter of the Ocean Dial Investment Funds Plc.

11. 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 or gains.

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to shareholders, 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 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 or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; 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 taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

The Subsidiary is a company incorporated in Mauritius and under current laws and regulations, is liable to pay income tax on its net income at a rate of 15% but is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of the Mauritius tax payable in respect of its foreign source income thus reducing its maximum effective tax rate to 3%. As of 30 September 2014, the Subsidiary had a tax liability of US\$11,859.

Notes to the financial statements (continued)

For the six months to 30 September 2014

12. Efficient Portfolio Management Techniques

The Fund does not engage in efficient portfolio management techniques.

13. Financial Instruments

Fair value hierarchy

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 judgment, considering factors specific to the asset or liability.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The determination of what constitutes observable' requires significant judgment by the Fund. The Fund 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. Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

The Group's financial assets and liabilities are all classified as Level 1 at 30 September 2014 (30 September 2013: Level 1 and 31 March 2014: Level 1).

There were no transfers between Level 1 and Level 2 during the period 30 September 2014 (30 September 2013 and 31 March 2014: None). There were no securities classified as Level 3 during the period (30 September 2013 and 31 March 2014: None).

14. Net Asset Value Reconciliation

For pricing purposes, at 30 September 2014, an adjustment was made to fully amortise deferred organisation costs in the current period consolidated statement of comprehensive income. This resulted in a difference between the net asset value calculated in accordance with the Company's Prospectus and the net asset value per the financial statements.

Notes to the financial statements (continued)

For the six months to 30 September 2014

14. Net Asset Value Reconciliation (continued)

A reconciliation of the net asset value for pricing purposes to the net asset value included in the financial statements is detailed below:

	Unaudited 30.09.14 US\$	Unaudited 30.09.13 US\$	Audited 31.03.14 US\$
Net asset value calculated in accordance with Prospectus	73,502,142	18,538,914	26,535,091
Adjustment of deferred organisation expenses	<u>(65,113)</u>	<u>-</u>	<u>(86,783)</u>
Net assets attributable to holders of redeemable participating shares per financial statements	<u>73,437,029</u>	<u>18,538,914</u>	<u>26,448,308</u>

15. Soft Commission Arrangements

There were no soft commission arrangements affecting the Company for the six months to 30 September 2014 (six months to 30 September 2013: None).

16. Exchange Rates

At period end the fund used the following exchange rates to the US Dollar:

	30 September 2014	30 September 2013	31 March 2014
Indian Rupee	61.61	62.78	60.10
Pound Sterling	0.62	0.62	0.60
Euro	0.79	NA	0.73
Swiss Franc	0.96	NA	NA

17. Significant events during the period

An additional class, namely Class D US\$ Shares, was launched on 30 May 2014 which has as of 30 September 2014, reached the Net Asset Value equal to US\$40,774,566 representing 55.5% of the Net Asset Value of the Fund.

18. Subsequent events

There are no significant events after the reporting date which require disclosure or amendments to the financial statement for the six months to 30 September 2014.

19. Approval of financial statements

The financial statements were approved by the Board on 28 November 2014.

Notes to the financial statements (continued)

For the six months to 30 September 2014

Schedule of Investments

As at 30 September 2014

Holdings	Financial assets held at fair value through profit or loss	Fair Value US\$	% of Net Assets
	Equities: 97.96%		
	Materials: 10.56%		
800,000	Gujarat State Fertilizers & Chemicals	1,487,336	2.03
750,000	Orient Cement	1,617,138	2.20
275,000	PI Industries	2,016,969	2.75
10,000	Shree Cement	1,363,305	1.85
120,000	Supreme Industries	1,271,312	1.73
		7,756,060	10.56
	Consumer, Discretionary: 7.26%		
100,000	Balkrishna Industries	1,257,436	1.71
50,000	Hero Motocorp	2,304,325	3.14
80,000	Mahindra & Mahindra	1,766,886	2.41
		5,328,647	7.26
	Healthcare: 7.20%		
60,000	Divi's Laboratories	1,753,203	2.39
35,000	Dr. Reddy's Laboratories	1,834,598	2.50
34,987	IPCA Laboratories	449,706	0.61
55,000	Lupin	1,245,843	1.70
		5,283,350	7.20
	Energy: 13.44%		
215,672	Aban Offshore	2,076,438	2.83
200,000	Bharat Petroleum Corp	2,127,456	2.90
260,000	Coal India	1,440,447	1.96
100,000	Indian Oil Corporation	588,183	0.80
250,000	Oil & Natural Gas Corp	1,657,713	2.26
200,000	Oil India	1,975,541	2.69
		9,865,778	13.44
	Financial: 23.71%		
40,000	Bajaj Finance	1,766,691	2.41
145,000	Bank of Baroda	2,123,455	2.89
825,000	City Union Bank	1,150,194	1.57
1,000,000	Federal Bank	2,042,572	2.78
120,000	ICICI Bank	2,792,018	3.80
400,000	LIC Housing Finance	2,113,173	2.88
400,000	Prestige Estates Projects	1,427,609	1.94
50,000	State Bank of India	1,984,711	2.70
95,000	Sundaram Finance	2,011,832	2.74
		17,412,255	23.71

Notes to the financial statements (continued)

For the six months to 30 September 2014

Schedule of Investments (continued)

As at 30 September 2014

Holdings	Financial assets held at fair value through profit or loss	Fair Value US\$	% of Net Assets
	Industrial: 18.16%		
200,000	Amara Raja Batteries	1,942,594	2.65
300,000	Ashoka Buildcon	655,132	0.89
190,000	Balmer Lawrie & Co	1,864,737	2.54
100,000	Cummins India	1,089,128	1.48
250,306	DCM Shriram	969,114	1.32
510,000	Escorts	1,258,166	1.71
450,000	Finolex Cables	1,558,952	2.12
90,000	Larsen & Toubro	2,130,093	2.90
115,000	Swaraj Engines	1,869,274	2.55
		13,337,190	18.16
	IT: 14.85%		
27,500	CMC	992,238	1.35
60,000	eClerx Services	1,357,008	1.85
100,000	HCL Technologies	2,783,075	3.79
70,000	Mindtree Consulting	1,338,741	1.82
310,000	NIIT Technologies	2,013,804	2.74
60,000	Tech Mahindra	2,424,501	3.30
		10,909,367	14.85
	Utilities: 2.78%		
300,000	Indraprastha Gas	2,042,815	2.78
		2,042,815	2.78
	Total Equities	71,935,462	97.96
	Total Value of Investments	71,935,462	97.96
	Cash	2,177,563	2.96
	Other Net Liabilities	(675,996)	(0.92)
	Total Equity	73,437,029	100.00
			30.09.14
	Analysis of Portfolio		% of
	Transferable securities		Total
	Other assets		Asset
			97.96
			2.04
			100.00

Schedule of Material Portfolio Changes for the six months to 30 September 2014

	Cost		Proceeds
	US\$ 000		US\$ 000
Aban Offshore	2,508	Atul Auto	1,559
State Bank of India	2,131	ITC	1,413
Hero Motocorp	2,117	VST Tillers Tractors	1,404
Federal Bank	2,073	Torrent Pharmaceuticals	1,259
Oil India	2,071	Cairn India	916
NIIT Technologies	1,929	TVS Motor Company	873
Bharat Petroleum Corp	1,913	Indian Oil Corporation	828
Oil & Natural Gas Corp	1,707	Jammu and Kashmir Bank	804
Indraprastha Gas	1,707		
Balmer Lawrie & Co	1,703		
Coal India	1,646		
Dr. Reddy's Laboratories	1,564		
Bajaj Finance	1,452		
Prestige Estates Projects	1,447		
Indian Oil Corporation	1,440		
Amara Raja Batteries	1,410		
Gujarat State Fertilizers & Chemicals	1,396		
HCL Technologies	1,369		
Larsen & Toubro	1,351		
Finolex Cables	1,279		
Orient Cement	1,177		
Escorts	1,098		
ICICI Bank	1,069		
LIC Housing Finance	1,058		
Swaraj Engines	1,047		
City Union Bank	983		
Tech Mahindra	973		
DCM Shriram	962		
Shree Cement	863		
TVS Motor Company	806		
CMC	730		

The portfolio turnover figure was 19% for the six months to 30 September 2014.